ANNUAL REPORT 2008

For the fiscal year ended March 31, 2008

Marubeni CORPORATION

Beyond your expectations .... **Marubeni**

150th Anniversary

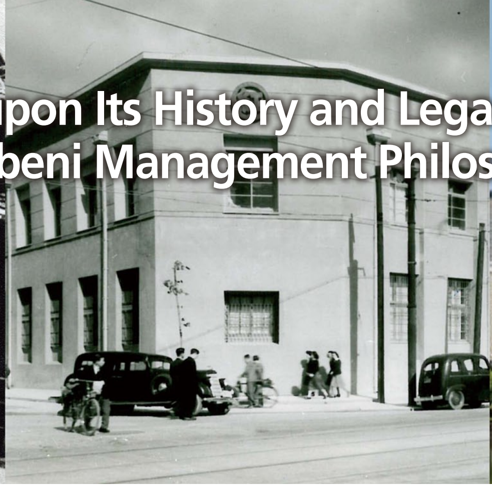
Contents

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.

Building upon Its History and Legacy: The Marubeni Management Philosophy


"Benchu," a drapery shop established in Osaka by Chubei Itoh, the founder of Marubeni


The Marubeni Shoten Building served as the Company's head office soon after World War II


The Marubeni Building, which houses the Tokyo Head Office today

The Marubeni Management Philosophy (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 Company Creed (formulated in 1949)

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.

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

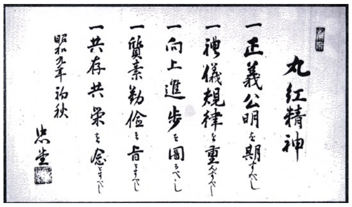
Our 150th Anniversary Is Just Another Beginning...

Since its founding in 1858, Marubeni has seen a myriad of successes and hardships, today coming full circle to again embrace its founder's ethos. Passing our 150th anniversary, we have embarked on a new chapter in the story of the Marubeni Group.

Store Regulations (revised in 1908)

- Be honest and trustworthy
- Don't chase easy money
- Work harmoniously together, work diligently together

(Excerpts)



The Marubeni Five Principles (formulated in 1933)

- Uphold the principles of justice and fairness
- In all your endeavors, act with due courtesy and discipline
- Never stop aspiring to improve yourselves
- Always exercise modesty and frugality
- Aim to live in harmony and prosperity hand in hand with society

To Our Stakeholders

A look back at fiscal 2007, ended March 31, 2008, shows us a year full of harbingers of drastic change in the global economy. Including a slowdown in the U.S. economy, surges in natural resource prices, the emergence of food-supply crises and the rise of environmental problems, these developments have grown into international issues.

Against this backdrop, the Marubeni Group posted record profits for the fifth consecutive fiscal year, with consolidated net income reaching ¥147.2 billion for the fiscal year. Furthermore, the Group has attained nearly all the targets set under its "G" PLAN—a two-year management plan for fiscal 2006 and 2007 that adopted the slogan "toward further achievement." Of particular note, our consolidated net income over the plan's period totaled ¥266.6 billion, substantially outstripping our target of ¥220.0 billion.

Despite these favorable results, operating conditions surrounding trading companies are continuously growing uncertain due to the aforementioned international issues.

To boost its momentum toward achieving sustainable growth in such a cloudy environment, the Marubeni Group must keep taking on new challenges and its management and employees must persistently seek improvements and innovations in their individual operations.

This annual report is intended to serve as a tool detailing the mindset of the Marubeni Group. In the special feature section, we introduce businesses that are supporting our future growth. Elsewhere, I guide you through the Group's growth-focused initiatives under our new "SG2009" medium-term management plan. In addition, we have striven to explain in greater detail than in the past our initiatives in the areas of corporate governance, internal control, risk management and compliance. These changes in how our annual report is presented reflect the overall stepping up of effort that is fueling our drive toward sustainable growth. I strongly hope that this report will help readers understand the Marubeni Group, its current status and future.

In 2008, the Marubeni Group marked the 150th anniversary of its founding. Without the support of our stakeholders, we would not have been able to come this far. As a representative of the entire Marubeni Group, I would like to express our gratitude in this regard. Thank you. We will continue to build on our long-nurtured Marubeni traditions, adding new pages to our epoch-making history. Each and every executive and employee at Marubeni is committed to working together to be a partner to our stakeholders—a partner that always transcends their expectations. As we continue on our quest, we ask for your renewed support and understanding.

June 2008

T. Asada

TERUO ASADA, President and CEO

Review of the "G" PLAN: Marubeni Made a Leap Forward

Outline of Initiatives under the "G" PLAN

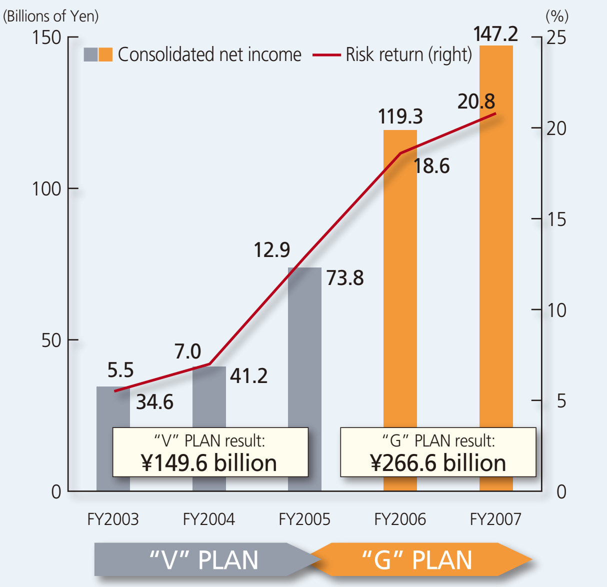
Over the fiscal 2006-2007 period, Marubeni implemented the "G" PLAN. Under this medium-term management plan, we focused on six initiatives: (1) prioritizing the allocation of management resources to strategic fields, (2) strengthening portfolio management, (3) reinforcing risk management, (4) effectively utilizing and developing human resources, (5) enhancing CSR and internal control and (6) pursuing comprehensive strengths through cross-divisional functions. The result has been solid progress toward a stronger earnings base, a sounder financial position and the formation of a profitability-focused business portfolio.

Key Financial Indicators under the "G" PLAN

		Target	Result
Profitability	Consolidated Net Income	2-year total ¥220 billion	2-year total ¥266.6 billion
Profitability	Risk Return	More than 10%	FY2007 20.8%
Profitability	ROA	More than 2%	FY2007 2.92%
Stability	Shareholders' Equity	¥820 billion	As of March 31, 2008 ¥779.8 billion
Stability	Risk Assets	Approx. ¥750 billion	As of March 31, 2008 ¥708.3 billion
Stability	Consolidated Net D/E Ratio	Less than 3.0 times	As of March 31, 2008 2.57 times
Scale	Total Assets	¥5 trillion	As of March 31, 2008 ¥5.2 trillion
Investment	Investment Amount	2-year total ¥500-¥600 billion	2-year total Approx. ¥600 billion

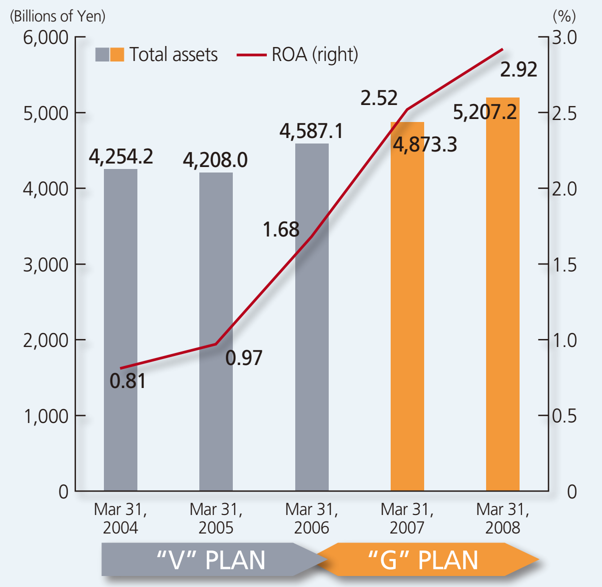
Consolidated Net Income and Risk Return

In fiscal 2006, consolidated net income surpassed ¥100 billion, and in fiscal 2007 Marubeni posted record consolidated net income for the fifth consecutive year. In addition to this growth in profitability, the return on risk assets improved dramatically.



Total Assets and ROA

Marubeni continued to focus on reinforcing its core competencies while aggressively investing in prime assets. As a result, we simultaneously increased the value of our assets and improved asset efficiency.



Prioritizing the Allocation of Management Resources to Strategic Fields

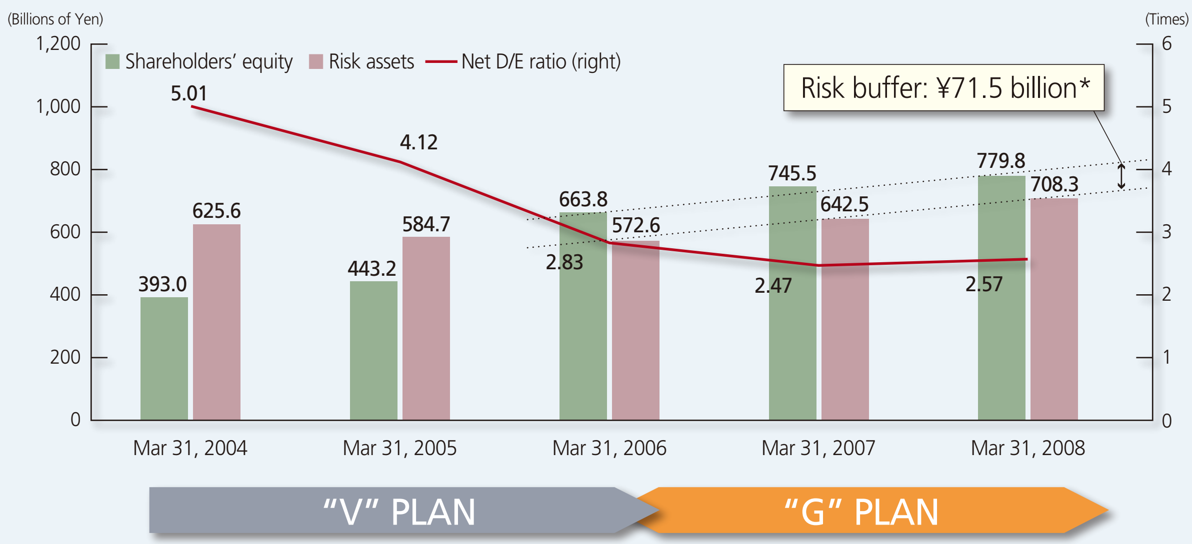
An earnings base for achieving sustainable growth has been established through the selective allocation of management resources to strategic business fields. Total investments and loans made during the two-year "G" PLAN period exceeded ¥600 billion.

"G" PLAN Targets		"G" PLAN Summary
Planned Investments and Loans: ¥500 billion to ¥600 billion		Approx. ¥600 billion
Fields in which the Group is further reinforcing its robust business platform (50%)	**Energy & Natural Resource Development** **Overseas Independent Power Producer (IPP) Projects**	¥270 billion (45%)
Fields in which the Group is further expanding and developing its solid earnings base (30%)	**Food & Agri-Marine Products** **Pulp, Paper & Chemicals** **Machinery & Plant**	¥210 billion (35%)
Fields in which the Group is targeting the creation of new businesses (20%)	**Financial Services** **Environment, Healthcare and Other (new businesses)**	¥120 billion (20%)

*( ) Percentage of total

Shareholders' Equity, Risk Assets and the Net D/E Ratio

Marubeni maintained the net D/E ratio at less than 3.0 times, in line with the "G" PLAN. We did not achieve the "G" PLAN target for shareholders' equity expansion, however, due to the sluggish stock market and the yen's appreciation. Nevertheless, we managed to limit risk assets to an amount covered by shareholders' equity, as stipulated under our basic risk management policy. Specifically, we maintained a risk buffer totaling ¥71.5 billion, enhancing our financial stability.



* Risk buffer = Shareholders' equity – Risk assets

New Medium-Term Management Plan "SG2009"
~ Beyond Your Expectations ... Marubeni ~

"SG2009" Basic Principle

Under the "SG2009" Plan for fiscal 2008 and 2009, the Marubeni Group will work to further advance improvements in its earnings base and financial strength achieved under the "G" PLAN. "SG" stands for "**S**ustainable **G**rowth," and under the "SG2009" Plan we will further bolster our earnings base against market fluctuations by establishing a rigorous risk management system, expanding our prime asset portfolio and pursuing higher asset efficiency, which will also improve stakeholder value and satisfaction, thereby boosting stakeholder trust. In this way, we aim to establish close ties with all stakeholders and become a partner that exceeds expectations.

With the operating environment, particularly on the global level, growing increasingly cloudy, it is imperative to maintain strict risk management and an optimal offense-defense balance. Building on these results, we will apply a comprehensive defense mechanism to realize sustainable growth.

Quantitative Targets

	"G" PLAN Results As of Mar 31, 2008	"SG2009" Targets As of Mar 31, 2010
Consolidated Net Income (2-year total)	¥266.6 billion	¥350 billion
Consolidated Net D/E Ratio	2.57 times	2.00-2.50 times
Risk Assets	¥708.3 billion	Less than total shareholders' equity
ROA	2.92%	More than 3%

By achieving the quantitative targets presented above, Marubeni will continue to expand its shareholders' equity and sustain ROE at an appropriate level.

	"G" PLAN Results As of Mar 31, 2008	"SG2009" Targets As of Mar 31, 2010
Shareholders' Equity	¥779.8 billion	More than ¥1 trillion
ROE	19.3%	Approx. 18%

"SG2009" Initiatives

Selectively allocate management resources to strategic business fields

Investment Plan (2-year total): Approx. ¥600 billion

Fields in which the Group will accumulate assets by concentrating fund allocation from the medium- and long-term perspectives

Energy, Metal & Mineral Resources
Acquisition and development of energy, metal and mineral resources and related businesses, etc.

Overseas I(W)PP
Independent (water) power producer related businesses, etc.

Fields in which the Group will expand and develop its solid earnings base through value chain development

Distribution & Trading
Forest products, food, transportation machinery, ship, plant, etc.

Fields in which the Group will target the creation of new business models

Environment, Finance & Innovative Businesses
Environment-related businesses, insurance, leasing, innovative businesses, etc.

Advance portfolio management system

Maintain "PATRAC" as one of Marubeni's most important management indicators
Sustain the portfolio unit management system
More stringently follow up on "expansion" business units to further enhance growth

Reinforce and further upgrade risk management systems

Continue to adopt and further upgrade integrated risk management
Enhance investment monitoring and follow-up systems
Strictly apply exit rules

Enhance the quality of human resources

Utilize and promote diverse human resources
Nurture managerial resources
Further improve the work-life balance

Exercise the comprehensive strengths of the Marubeni Group

Increase profitability by synchronizing investment and regional strategies
Take a Groupwide approach to tackling emerging markets and working with important business partners
Foster cross-divisional functions
Reestablish corporate brand through the development of sound corporate culture

Reinforce emphasis on CSR and environmental issues

Strictly adhere to the Company creed of "Fairness, Innovation and Harmony"
Nurture better awareness of compliance, social contributions and environmental issues

* PATRAC (Profit After Tax less Risk Asset Cost) = Consolidated net income – (Risk assets × 10%), Marubeni aims to maintain PATRAC above zero and maximize it.

Dividend Policy

Marubeni is committed to maximizing corporate value and competitiveness by building up internal reserves and pursuing investment in strategic fields while delivering stable dividends to shareholders. In accordance with its basic dividend policy, Marubeni links dividends to its business results for each fiscal year and maintains a consolidated payout ratio of around 15%.

New Medium-Term Management Plan "SG2009"

Q1 Having achieved almost all its "G" PLAN targets, Marubeni announced the launch of its new two-year medium-term management plan, "SG2009," in April 2008. Can you explain what "SG" means and what this plan entails?

A1 "SG" stands for "Sustainable Growth." By using this acronym we are expressing our commitment to achieving long-term steady expansion as a general trading powerhouse in the face of an ever-fluctuating global economy and other external factors, such as changes in market and forex conditions.

Under the "SG2009" Plan, Marubeni has two aims. The first, bolstering our earnings base and financial standing, builds on the success of the "G" PLAN in reinforcing these essential business foundations. The second, ensuring that we are able to maintain a steady course of growth into the future, is intended to secure stable prosperity in the long term. Although we will continue to advance in the direction set out under the "G" PLAN, the "SG2009" Plan features four new initiatives.

Number one: To maintain both an aggressive investment stance and financial robustness. Specifically, we will invest approximately ¥600 billion over the two-year "SG2009" period. This amount is equivalent to that invested in line with the "G" PLAN strategies for switching from defense to offense.

Number two: To further improve capital and asset efficiency. We have reached only the threshold of real growth. The new plan focuses on return to shareholders, which necessarily dictates our ROE target. This focus, coupled with an emphasis on maximizing ROA, distinguishes the "SG2009" Plan from all previous plans.

Number three: To concentrate investment in strategic business fields. Our business restructuring thus far has focused on "selection." Now focusing on "concentration," we are ratcheting up operations across the board, not only in new areas but in our traditional areas of strength.

Number four: To be effective in addressing global economic trends. Currently, around 70% of our profits are made overseas. Therefore, we must continually review our regional strategies, making adjustments as necessary. Accordingly, we will accelerate our efforts in the rapidly expanding economies of the BRICs, ASEAN, the Middle East and the Americas.

These initiatives will guide the Marubeni Group's sustained long-term growth. Amid an uncertain operating environment, we are determined to become a truly competitive and flexible corporate group capable of meeting all challenges and transcending stakeholders' expectations.

Having achieved almost all its "G" PLAN targets, Marubeni is now forging ahead under its new "SG2009" Plan.

Counteracting Changes in Economic Conditions

Q2 Worldwide, economic conditions are worsening. How do you view these conditions and how will they affect Marubeni?

A2 Our close observation of trends in the economies of the United States and emerging markets, natural resource prices, and the value of the yen indicates that the global economy is on the verge of drastic change.

Some experts point out that the U.S. economy is likely facing a period of stagnation, a situation that will lead to economic deceleration worldwide. On the other hand, emerging countries are seeing continued expansion in domestic demand, which makes a severe slowdown in these countries improbable. In the second half of 2008, we expect to see positive results from fiscal and monetary policies implemented by the U.S. government, which, in turn, should avert global recession.

The Marubeni Group, which derives approximately 70% of its profits from overseas operations, of course wants to see sustained stable growth around the globe. However, it should be noted that most of our overseas profits are from operations in resource-supplying and rapidly growing emerging countries. In the United States, our primary profit generators are in such extremely robust industries as agrochemicals and grain. Our business approach has thus enabled us to effectively limit the adverse effects of economic contraction in advanced nations on our performance. In emerging countries, where human resources are abundant, we expect continued strong demand for natural resources and infrastructure development. These circumstances are likely to cause the prices of natural resources, energy and such primary commodities as grain and pulp to remain high, at least for the short term. Overall, conditions are favorable for our core businesses to remain profitable.

The new "SG2009" Plan calls for us to effectively address global economic trends and thereby ensure a truly competitive and flexible earnings base that can withstand changes in operating conditions. In light of current conditions and incorporating the probable effects of partial deceleration, we have conservatively estimated that the global economy will grow approximately 3.3% in 2008. This conservative estimate has affected our projections for individual divisions, which are now expected to easily achieve their targets.

Growth Rate by Geographic Region

(%)

	2005 (Results)	2006 (Results)	2007 (Results)	2008 (Estimates)
The United States	3.1	2.9	2.2	0.6
Eurozone	1.6	2.8	2.6	1.3
Asia (with China)	9.0	9.6	9.7	7.7
(China alone)	10.4	11.1	11.4	9.9
Japan	2.4	2.4	1.4	0.8
Central and South America	4.6	5.5	5.6	3.8
Global	4.4	5.0	4.9	3.3

*2008 estimates have been prepared by Marubeni Research Institute and results are as of the beginning of April 2008. Figures for Japan are presented on a fiscal-year basis.

Accelerating toward Sustainable Growth

Q3 Currently, as Marubeni's core revenues and earnings driver, resource-related operations contribute about 40% of consolidated net income. Do you plan to alter the Group's earnings structure to ensure sustainable growth?

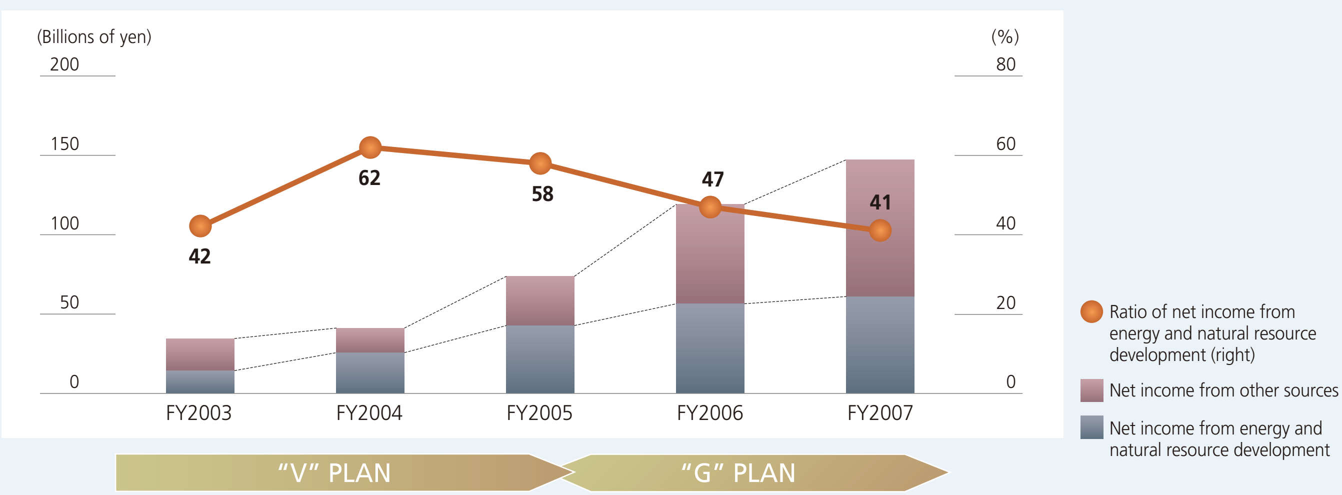
A3 One of our sources of competitiveness is our ability to maintain a balanced portfolio of resource and non-resource operations that is unaffected by market shifts.

During the period covered by the "V" PLAN and "G" PLAN, soaring natural resource prices drove resource-related revenue and earnings growth. This earnings structure will remain unchanged under the "SG2009" Plan. However, a closer look at our profit structure reveals that resource-related activities as a ratio of net income in fiscal 2005, 2006 and 2007 amounted to 58%, 47% and 41%, respectively, a definite decline. This downward trend can be attributed to the fact that in non-resource fields where we are traditionally competitive, including agri-marine products and pulp and paper, as well as in the independent power producer (IPP)-related industrial machinery, transportation, plant and shipbuilding fields, we have achieved earnings expansion that has outstripped that of resource-related operations.

We have set a limited target for resource-related earnings growth under the "SG2009" Plan. This means that during the new plan's term, operations in the aforementioned mainstay non-resource fields will drive earnings expansion. At the same time, we expect some upturn in earnings from resource-related operations in line with conservative projections of market conditions. Factoring in a temporary upturn attributable to inflation in natural resource prices, we expect "SG2009" consolidated net income to break down as follows: 40% from energy and natural resource development; 20% from materials-related operations; 20% from industrial machinery-related operations; and 20% from lifestyle-related and other operations. I am proud to say that Marubeni has successfully built an optimally balanced earnings structure and acquired the stamina needed to ensure sustainable growth even if natural resource prices should enter an adjustment phase.

Marubeni's Post-"V" PLAN Profit Structure

Substantial growth in fields other than natural resource development
Ratio of net income from energy and natural resource development to Marubeni's net income decreased to 41% in fiscal 2007.



Investments under the "G" PLAN and "SG2009" Plan

Q4 The Marubeni Group invested a total of ¥600 billion under the two-year "G" PLAN. Earlier, you mentioned investing an equivalent amount under the "SG2009" Plan. What are the Group's investment allocations and targets?

A4 To ensure sustainable growth at a time when the global economy is on the verge of drastic change, we will further reinforce risk management while pursuing an aggressive yet meticulous investment policy.

Under the two-year "G" PLAN, Marubeni's investments totaled approximately ¥600 billion. I am pleased to say that our policy of aggressive investment concentrated in strategic business fields enabled us to establish a firm earnings base for achieving sustainable growth in fiscal 2008 and beyond.

New Investments

An earnings base for achieving sustainable growth has been established through the selective allocation of management resources to strategic business fields. Total investments and loans made during the two-year "G" PLAN period exceeded ¥600 billion.

"G" PLAN Target		" G" PLAN Summary	
Planned Investments and Loans: ¥500 billion to ¥600 billion		Total Investments and Loans: Approx. ¥600 billion	
Fields in which the Group is further reinforcing its robust business platform (50%)	Energy & Natural Resource Development	¥270 billion (45%)	Participation in uranium project (Kazakhstan), acquisition and development of coal mine (Australia), participation in LNG project (Peru), participation in oil refinery project (Qatar), development of LNG project (Equatorial Guinea)
	Overseas Independent Power Producer (IPP) Projects		I(W)PP projects (Qatar, UAE, the Philippines, Indonesia, Taiwan), integrated utilities (the Caribbean)
Fields in which the Group is further expanding and developing its solid earnings base (30%)	Foods & Agri-Marine Products	¥210 billion (35%)	Investment in food retailing business (Daiei), bakery business (China)
	Pulp, Paper & Chemicals		Containerboard manufacturer (China), wood chip producer (Brazil), paper distributor (U.S.A.)
	Machinery & Plant		Water utility business (Chile), loan arrangements to PDVSA (Venezuela), construction machinery distributorship (Russia, Vietnam, the Philippines, Mexico), Automobile distributorship (Australia, U.S.A.)
Fields in which the Group is targeting the creation of new businesses (20%)	Financial Services	¥120 billion (20%)	Automobile leasing business (U.S.A.), machinery leasing business (U.S.A.), freight railcar leasing business (U.S.A.), trailer leasing business (Canada), real estate complex development
	Environment, Healthcare and Other (New Businesses)		Biomass power producer business (U.S.A.), solar energy business

*( ) Percentage of total

As mentioned, to ensure sustainable growth amid an increasingly uncertain operating environment, over the two-year period of the "SG2009" Plan we plan to invest an amount equivalent to that invested under the "G" PLAN. Of this amount, approximately ¥300 billion will go to overseas IPP and independent water and power producer (IWPP) projects, with the remainder channeled into Marubeni's traditional areas of strength and such new fields as environment-related, insurance and leasing businesses.

Energy and natural resource development and overseas I(W)PP remain Marubeni's two priority fields. In energy and natural resource development, due to the danger of inflation-linked rises in procurement costs, we will increase our vigilance when screening projects and strictly adhere to our investment criteria and product strategies. In particular, we will promote activities related to competitive products, such as copper, uranium and liquid natural gas (LNG), while focusing on existing petroleum and gas E&P* projects. In short, we aim to optimize our business portfolio in terms of product and regional mix. Among the Group's most recent discoveries are oil and gas in the North Sea and a deepwater crude oil reserve in the Gulf of Mexico, both announced in early 2008. Also, in April 2008, we entered into an agreement regarding participation in large-scale copper mine development projects in Chile, where total reserves and resources are estimated to exceed 1,900 million metric tons. These recent achievements have enormous potential to show profitability in the next three to four years.

In overseas I(W)PP, we will step up our market penetration of such advanced nations as the United States, augmenting our portfolio's lineup of competitive development projects in the Middle East and Asia and improving its geographical diversity. As always, we will continue to actively accumulate prime I(W)PP assets.

*Exploration and production

"SG2009" Initiatives Further concentrate on core competencies and allocate management resources to strategic business fields from the medium- and long-term perspectives.

Selective Allocation of Management Resources to Strategic Business Fields

Investment Plan (2-year total): Approx. ¥600 billion

Fields in which the Group will accumulate assets by concentrating fund allocation from the medium- and long-term perspectives

Energy, Metal & Mineral Resources	Acquisition and development of energy, metal and mineral resources and related businesses, etc.
Overseas I(W)PP	Overseas I(W)PP related businesses, etc.

Fields in which the Group will expand and develop its solid earnings base through value chain development

Distribution & Trading	Forest products, food, transportation machinery, ship, plant, etc.

Fields in which the Group will target the creation of new business models

Environment, Finance & Innovative Businesses	Environment-related businesses, insurance, leasing, innovative businesses, etc.

Strengthening Financial Stamina

Q5 Marubeni still has a higher net D/E ratio than its rivals. Can you tell us your thoughts on an appropriate level of leveraging and the "SG2009" Plan's ROA target, which remains effective over the medium to long term?

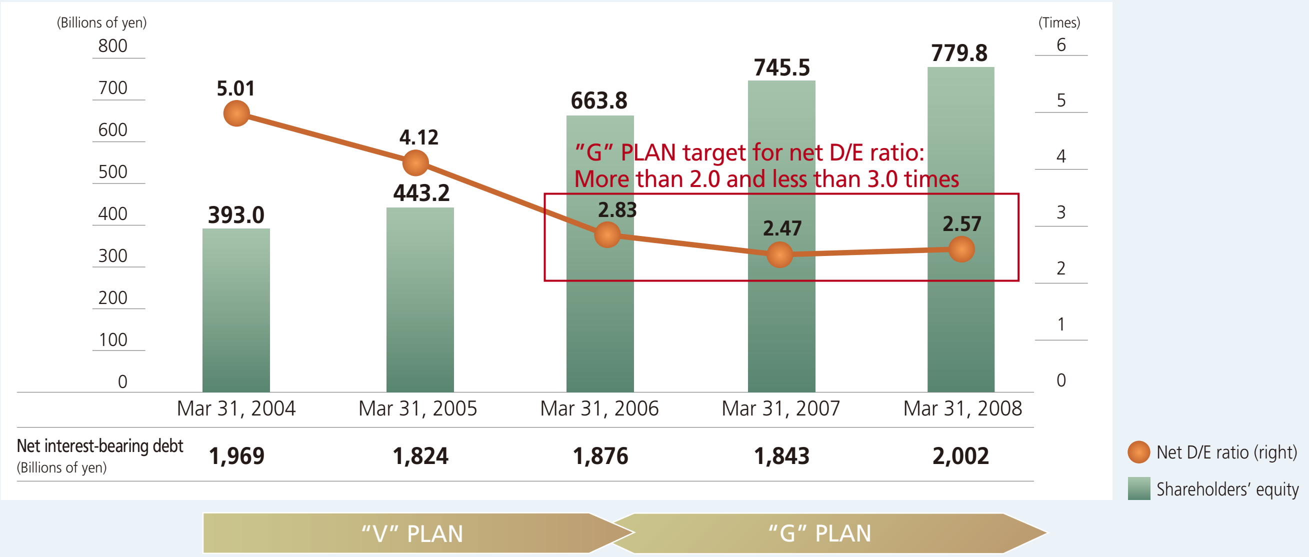
A5 At present, we are actively working to improve our net D/E ratio. With regard to ROA, we will continue to upgrade asset efficiency through stringent selection and concentration aimed at optimizing our asset portfolio.

To ensure that we retain our dynamism as a general trading house, I admit that we will have to employ a certain degree of leveraging in our financing activities. In line with the conviction that the Marubeni Group still has room for further growth, we plan to pursue aggressive investment under the "SG2009" Plan. In the short term, such investment is expected to result in negative free cash flows. At the same time, we will work to increase retained earnings and thereby expand shareholders' equity with the aim of gradually bringing down our net D/E ratio to the range of between 2.5 and 2.0 times. Simultaneously, we will strive to limit risk assets to an amount covered by shareholders' equity to ensure financial soundness. Going forward, we will keep building up our prime asset portfolio while maintaining an appropriate risk buffer.*

*Risk buffer = Shareholder's equity – Risk assets

Shareholders' Equity and Net D/E Ratio

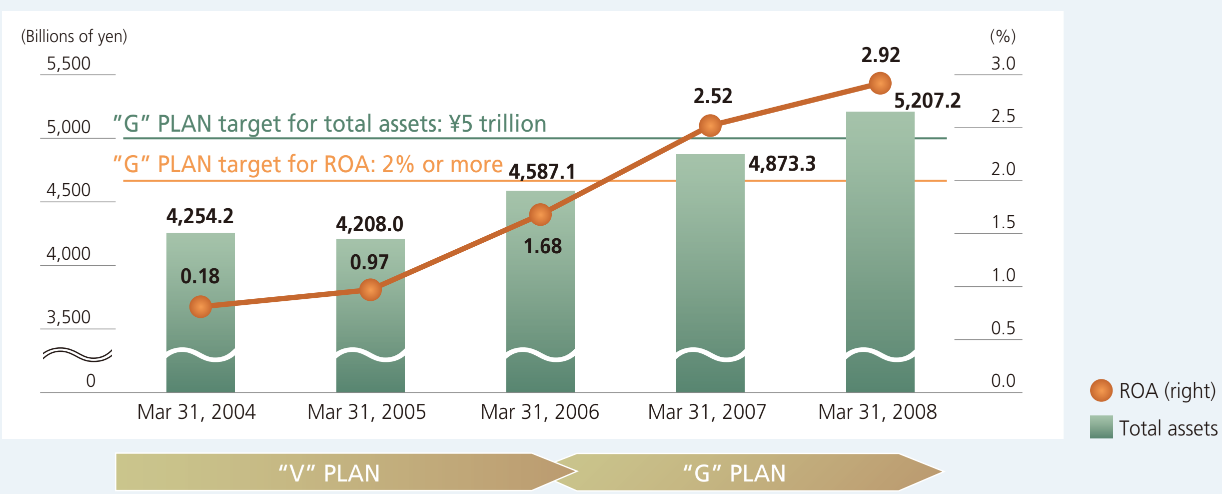
Kept the ratio in the target range of between two and three times despite rising net interest-bearing debt due to higher investments and loans made during the two-year "G" PLAN period that exceeded ¥600 billion.



Our ROA showed a significant improvement during the two-year "G" PLAN period. Behind this improvement was an aggressive investment policy toward strategic fields that focused on expanding prime assets while streamlining those deemed inefficient and less profitable. As a result, Marubeni's ROA, which was 1.68% as of March 31, 2006, grew substantially to a record 2.92% as of March 31, 2008. In other words, we have almost reached our "SG2009" ROA target of "3.0% or more." The conclusion that we can draw from this achievement is that the goal of 3.0% should serve only as a minimum target and that this minimum should apply only for the duration of the plan. Going forward, we should be constantly setting new ROA records over the medium to long term. Over the "SG2009" Plan's term, while accelerating the allocation of management resources to competitive businesses and fields with high growth potential, we will continue to exercise comprehensive portfolio management aimed at steadily increasing the value and efficiency of the assets we hold.

Total Assets and ROA

Targets were achieved for both total assets and ROA in line with asset enhancement and the improvement of asset efficiency and profitability due to aggressive investments in strategic fields.



Increasing CSR Focus

Q6 **The "SG2009" Plan calls for reinforced emphasis on CSR to add momentum toward achieving sustainable growth. Can you explain Marubeni's approach to CSR?**

A6 **The promotion of CSR is an essential component of our quest to attain sustainable growth. Our awareness of its importance underpins our efforts to accelerate CSR activities.**

The Marubeni Group is bolstering its CSR activities in a variety of areas, including corporate governance, compliance, human rights, employment, social contribution, the environment and information disclosure. In carrying out its CSR activities, Marubeni is in fact enhancing the stability, soundness and strengths of its management systems. Moreover, CSR activities provide a means by which we can earn the respect of society as a good corporate citizen and develop in harmonious coexistence with the communities we serve. I am, therefore, convinced that the proactive promotion of CSR is essential to the Marubeni Group's corporate activities.

The Group's CSR activities are detailed in its CSR report,* which is published every year. As part of its CSR activities in fiscal 2007, Marubeni took further steps to strengthen its compliance structure and expand its social contribution activities.

CSR is an integral component of Marubeni's overall business activities and facilitates the growth of the Group's operating domains. For example, we actively promote businesses that contribute to environmental protection through operations involving such new energy fields as biomass ethanol, bio-diesel and wind- and solar-power generation. In addition, we are constantly expanding the scope of our recycling operations, which handle such items as wastepaper, plastic bottles, personal computers and uniforms. Moreover, Marubeni is a major player in the CO_2 emissions credit field comprising clean development mechanism (CDM) and other joint projects under the Kyoto mechanism and emissions credit trading in addition to afforestation.

In emissions credit trading, which involves projects related to chlorofluorocarbon decomposition, water- and wind-power generation and waste heat recovery, Marubeni is in the process of securing a gross trading volume of 70 million tons. In each of these project fields, we hold a leading position among Japanese trading houses. Also in the afforestation business, Marubeni has secured a total of approximately 390,000 hectares—an area nearly twice the size of the Tokyo Metropolitan area—in Indonesia, Australia, Brazil and other countries that it is maintaining as sustainable forestland.

*Please refer to the Company's website for a copy of its CSR report.
http://www.marubeni.com/csr/index/html

Valuing Contributions from Shareholders

Q7 Marubeni announced a basic dividend policy of targeting a payout ratio of 15% from fiscal 2007. In addition, the "SG2009" Plan introduced Marubeni's first explicitly stated ROE target. How did the Company arrive at these targets and what is its policy toward the distribution of profits to shareholders?

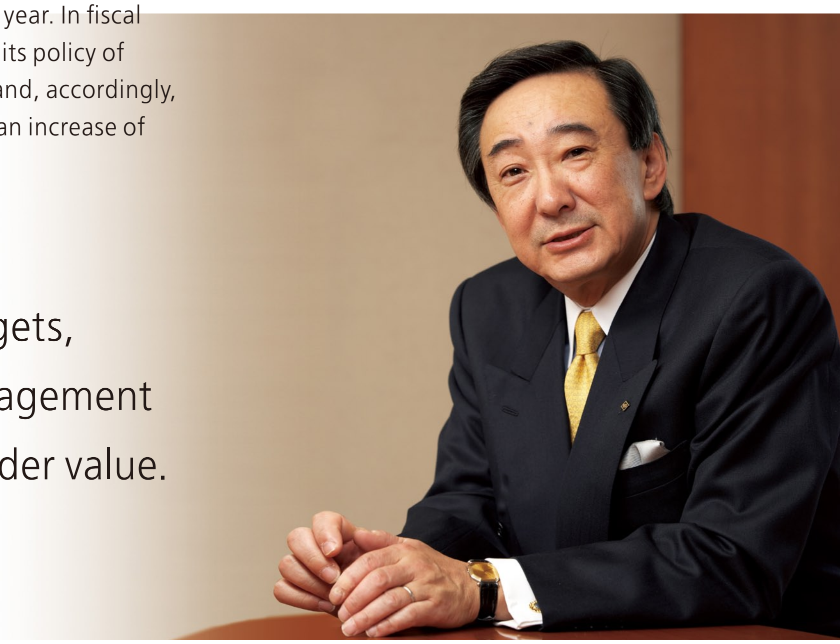
A7 Aiming for higher capital efficiency under the "SG2009" Plan, Marubeni is promoting corporate management that values contributions from shareholders. To this end we are placing particular emphasis on ensuring stable returns to shareholders.

Under the "SG2009" Plan, Marubeni has set performance indicator targets for consolidated net income, the D/E ratio, risk assets and ROA. Upon the successful achievement of these targets, shareholders' equity is expected to pass the ¥1 trillion mark for the first time. Having also set a target for ROE—a new performance indicator for Marubeni—we are promoting corporate management that more significantly values shareholders' contributions and that enables us to create additional value for them. We aim to accomplish the aforementioned targets and thereby maintain ROE at around 18%.

At the same time, we are continuing to increase retained earnings through efforts aimed at achieving sustainable growth, and these funds are being channeled into priority business fields. These initiatives will empower us to maximize competitiveness and contribute to improved corporate value. Improvements in corporate value will, in turn, be reflected by increases in the valuation of our stock. In this way, Marubeni is striving to fulfill its responsibility to enhance shareholder value and ensure stable returns to shareholders. In line with our basic dividend policy, we link dividends to our business results for each fiscal year and endeavor to maintain a consolidated payout ratio of around 15%.

At the beginning of fiscal 2007, Marubeni announced an annual cash dividend forecast of ¥12 per share. Based on the Group's excellent results and the persistent trend toward growth in profitability, Marubeni has decided to instead pay a cash dividend of ¥13 per share for fiscal 2007, an increase of ¥3 compared with the previous fiscal year. In fiscal 2008, Marubeni plans to continue in its policy of ensuring stable shareholder returns and, accordingly, pay an annual cash dividend of ¥14, an increase of ¥1 year on year.

Aiming to achieve all its "SG2009" targets, the Marubeni Group is bolstering management in order to create exceptional shareholder value.



Special Feature: Pillars Supporting Future Growth

During the five-year period the “V” PLAN and ”G” PLAN were in force, the Marubeni Group reinforced its earnings base and financial position. Continuing on this path under its new “SG2009” Plan, Marubeni aims to take another leap forward as a partner that transcends the expectations of all stakeholders.

In the following special feature section, we introduce some major projects undertaken during the “G” PLAN period. Including projects related to overseas IPP, coal mining interests and the emissions credit business, these projects are fueling our drive toward sustainable growth.

Overseas IPP: Harnessing Our Unrivalled Competitive Advantage

Business Environment

Fueled by the sharp rise in oil resource prices over the past several years, the global IPP market, including IWPP projects, has continued to gather steam, particularly in the Middle East. Looking ahead, this momentum is expected to continue well into the future. The active market situation has extended to the Southeast Asian region. In recent years, certain countries, including Thailand and Indonesia, have benefited from a pickup in new projects, sparking signs of a recovery from the region's financial crisis. This surge in activity has included the privatization of existing assets and is anticipated to further reenergize the market. In the United States, both private- and public-sector concerns have begun to reexamine the potential of nuclear power as a long-term stable and clean energy source. After a three-decade-long hiatus, plans for the construction of new nuclear power generation facilities are being set in motion. As a result, this market is attracting considerable forward-looking interest, as are efforts by current owners to convert and augment existing assets.

Overseas IPP Projects

Total power generation
19,511MW
(Marubeni: share 6,586MW)

Achievements under the "G" PLAN
Total capacity added: 4,273MW

(As of March 31, 2008)

An Unrivalled Track Record in the IPP Business

The IPP business plays a significant role in the supply of electric power, a fundamental element of basic infrastructure. Except in certain leading industrialized countries and regions, notably the United States, Europe and Australia, IPPs generally supply electric power under long-term sales agreements. IPP projects thus offer reliable sources of long-term and stable profit. At the same time, long-term electricity sales and fuel supply agreements help minimize the impact of diverse business risks. For more than four decades, Marubeni has been supplying power generating facilities and constructing power plants worldwide. The Company has a particularly strong presence in Asia.

Marubeni has established regional sales bases in many locations worldwide and is building up an impressive track record utilizing varied and diverse financing techniques negotiated with financial institutions both in Japan and overseas. In addition, the Company takes a proactive posture in contract negotiations with business partners, which has allowed it to steadily establish a robust platform built on power plant construction as well as business development and management. Backed by this extensive regional sales base, its ability to arrange financing and its capabilities in business development and management, Marubeni is well positioned to address all manner of risk associated with power businesses. Further demonstrating its position of overall strength, Marubeni is the leading IPP player among Japanese firms.

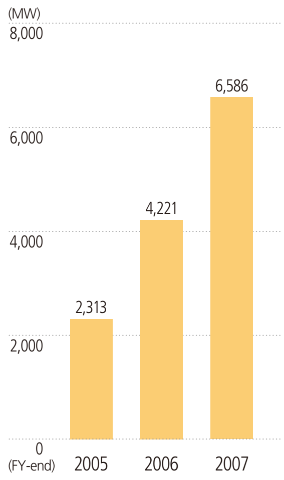
Recognized the world over for its new IPP investments in projects in the Middle East, the Philippines and Caribbean nations, as well as for its project coordination, business development and project finance activities, Marubeni was selected as the 2007 global "Sponsor of the Year" by *Project Finance International* magazine.

Toward Greater Earnings Structure Stability and Growth

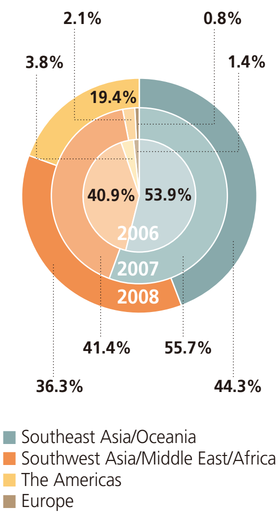
Prior to the implementation of the "G" PLAN, Marubeni's IPP asset portfolio was largely concentrated in Southeast Asia and Oceania with few assets held in the Middle East or the Americas. Under the plan, however, the Company successfully undertook new investments across a wide swath of continents and regions. Reflecting its efforts to expand the scope of its integrated power businesses, Marubeni today boasts a balanced portfolio. In addition to large-scale IPP and IWPP projects in Rabigh, Taweelah, Mesaieed and Fujairah and assets in the Caribbean, roughly 40% of the Company's overseas power assets lie in Southeast Asia and Oceania, 40% in Southwest Asia, the Middle East, Europe and Africa and 20% in the Americas. Looking ahead, Marubeni's foray into overseas integrated power businesses will prove the springboard for its retail power sales activities.

With total power generation of between 10,000MW and 11,000MW recognized as a benchmark indicating a leading global IPP player, Marubeni will continue to build its portfolio while focusing on further improving geographic asset distribution. To this end, the Company will ramp up operations in the United States, a nation that boasts minimal country risk as the world's largest market, while more aggressively participating in nuclear power generation. With regard to the expansion and diversification of its portfolio's fuel and geographic mix, Marubeni is building a stable earnings structure that will remain unaffected by fluctuations in individual raw fuel prices and regional economies. Moreover, by extending its operations to include downstream operations while increasing its participation in retail as well as integrated power businesses, Marubeni is enhancing its comprehensive capabilities from power generation to retail sales and thus further bolstering the stability of its earnings structure.

Trends in Marubeni's Power Generation Capacity



Trends in Asset Portfolio Ratios by Geographic Segment



Acquisition of Power Generation Assets from U.S.-Based Mirant Corporation

Mirant Asia Pacific Limited (MAPL): Leading the Field as the Philippines' Largest IPP Holding Company

In December 2006, a consortium formed by Marubeni and The Tokyo Electric Power Company, Incorporated (TEPCO) reached an agreement with Mirant Corporation of the United States to acquire MAPL, the Philippines' largest IPP. Following the acquisition, MAPL changed its name to TeaM Energy Corporation (TeaM standing for Tokyo Electric and Marubeni), a 50:50 joint-venture special-purpose company.

As the Philippines' largest IPP holding company, TeaM Energy accounts for approximately 20% of the total generating capacity in the Luzon region, including Manila, the Philippine capital. Within the region, the company owns the 735MW Pagbilao coal-fired power plant and the 1,218MW Sual coal-fired power plant. It also has a 20% stake (250.2MW) in the 1,251MW Ilijan natural gas combined cycle power plant, for a total capacity of 2,203.2MW.

The vast majority of this total generated output is distributed under long-term electricity purchase and fuel supply agreements with the state-owned National Power Corporation (NPC). Surplus power (253MW) is traded on the Wholesale Electricity Spot Market or sold to regional electricity distribution companies under negotiated agreements.

Marubeni has positioned the overseas power business as a key strategic field and is working to augment its global asset portfolio to ensure a consistently robust operating platform. Through its participation in this acquisition, Marubeni is raising its profile as the Philippines' largest IPP player and is contributing to the development of essential infrastructure through power-related business investment and other activities.


1


2


3

1. The Sual coal-fired power plant
2. The Ilijan natural gas combined cycle power plant
3. The Pagbilao coal-fired power plant

Outline of Power Plants Owned by TeaM Energy

Power Plant	Pagbilao	Sual	Ilijan
TeaM Energy Ownership	100%	100%	20%
Fuel	Coal	Coal	Natural gas
Output (MW)	735	1,218	1,251 (TeaM Energy's net output based on pro-rata ownership: 250)
Contract Capacity with NPC (MW)	700	1,000	1,200
Contract Period	To 2025	To 2024	To 2022
Sale of Surplus Power	Electricity generated in excess of the amount sold to NPC is sold to other customers		

Mirant Caribbean Holdings, Ltd.: Participating in the Integrated Power Related Business

In August 2007, Marubeni acquired Mirant Caribbean Holdings, Ltd. (MCH) from U.S.-based Mirant Corporation. This acquisition, made through a competitive auction process, has gained Marubeni power-related business interests throughout the Caribbean.

Since 2002, Marubeni has built substantial know-how in the electric power retail and wholesale businesses worldwide. In acquiring MCH, Marubeni has secured controlling interests in two integrated utilities on the island of Grand Bahama and in Jamaica, a new step in its power-related business activities, in addition to IPP interests in Trinidad and Tobago, and Curacao in the Netherlands Antilles. Thus, Marubeni's presence in power transmission and distribution and its power sector asset portfolio have been enhanced.

In many places, the integrated power-related business is strictly regulated and, with only a handful of licensed providers supplying the market, it offers significant operating stability. Also, because integrated power-related businesses can pass on fuel- and exchange rate-linked cost increases to the end user, utility interests represent a source of long-term asset stability.

Thus far, Marubeni has primarily channeled its power-related business investment into Asia and the Middle East. This acquisition increases our portfolio's global reach. With an exclusive or dominant market share in a many nations, our interests through MCH are an efficient and stable source of power and position us well to contribute to economic development. Building on this investment, Marubeni plans to expand its presence in the Caribbean and operations across peripheral industries, regions and business domains.

1. Assets in Jamaica
2. Assets on the island of Grand Bahama
3. Assets in Trinidad and Tobago

Outline of Power Businesses Owned by MCH

Country	Jamaica	Bahamas	Trinidad and Tobago	Netherlands Antilles (Curacao)
MCPH's Share*	80%	55.4%	39.0%	25.5%
Type of Business	Integrated utility	Integrated utility	IPP	IWPP, Steam supply
Output (MW)	621 (497**)	151 (84**)	1,365 (532**)	167 (43**)
License or Contract Period	To 2021	To 2054 (A portion to 2018)	To 2037 (A portion to 2009)	To 2019
No. of Employees	1,582	195	432	80

*MCPH: Marubeni Caribbean Power Holdings, Inc. The purchase of equity shares of MCH was completed by MCPH, a wholly owned subsidiary of Marubeni.
**Figures in parentheses represent MCPH's share of total output.

Coal Mining Interests: Proactive Investments Accelerate Growth

Business Environment

Against a backdrop of global growth in crude steel production and expanding electricity demand triggered by increased activity in Brazil, Russia, India and China (the BRICs), demand for coal has been climbing dramatically. Coal prices reached record levels in 2005 and, despite a brief price decline thereafter, rose once again to new record levels in 2008. The global crude steel production volume rose to just over 1.3 billion tons in 2007, a 7.5% increase compared with the previous fiscal period, with the BRICs exhibiting remarkable growth.

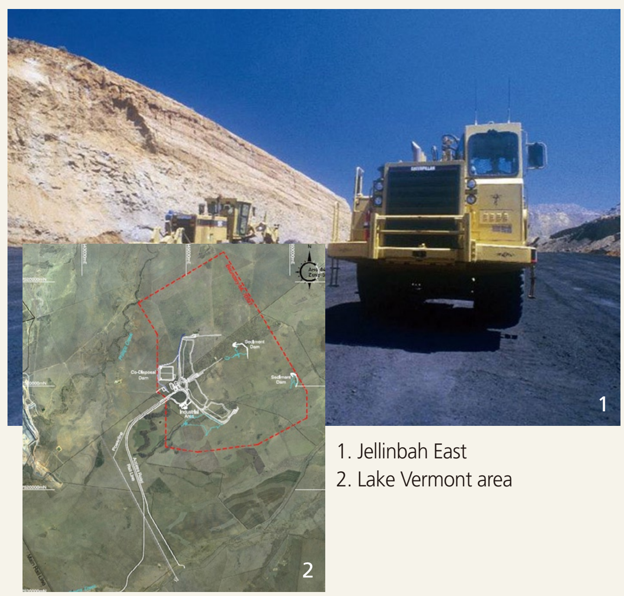
Meanwhile, crude steel production volume in Japan edged up 3.4% year on year to 120.2 million tons, breaking the 34-year-old record of 119.3 million tons set in 1973. In addition, with electricity demand in China surging and a worldwide shift to coal on the back of sharply rising crude oil prices, coal demand from electric power utilities is steadily rising.

Increasing Our Coal Mining Interests in Australia

In September 2007, through Marubeni Coal Pty. Ltd. we acquired a 33.33% stake in Queensland Coal Mine Management (QCMM), which owns 70% interests in both the Jellinbah East Coal Mine and the Lake Vermont Coal Mine. Thus, along with existing equity held, we now have shares of 38.33% and 33.33%, respectively, in the aforementioned mines, making us the largest shareholder in either mine. This is our largest investment yet in the coal business. Since starting up in 1989, the Jellinbah East Coal Mine has pioneered low-volatile PCI* coal mining, producing between 4.0 and 5.0 million tons of primarily PCI coal annually. In addition, the Lake Vermont Coal Mine, which began open cut mining in 2009, is expected to eventually produce 4.0 million tons of coking coal a year.

Demand for PCI coal is likely to increase along with rising global crude steel production and innovations in blast furnace technology. Given the global shortage in the high-quality coking coal supply, we have high hopes for these two mines. Eyeing increasing demand in the BRICs and rising resource nationalism, we are aggressively expanding our supply base to help ensure coal supply stability. Because the QCMM acquisition will make the Company Japan's largest supplier of PCI coal, Marubeni has instituted a more proactive sales system. Moving forward, Marubeni will take an active role in managing both coal mines, such as by increasing production, to meet the vigorous demand for coking and PCI coals.

*PCI coal: Pulverized coal injection coal, a coal that is directly injected into blast furnaces in a pulverized state. As a substitute for higher priced coke, it helps improve cost efficiency.



1. Jellinbah East
2. Lake Vermont area

Outline of Holdings

Name	Jellinbah East Coal Mine	Lake Vermont Coal Mine
Location	Queensland, Australia	Queensland, Australia
Reserves	160 million tons	93 million tons
Production Method	Open cut mining	Open cut mining
Production	Commenced in 1989	To commence in Jan - Mar 2009
Annual Production Volume	4 to 5 million tons	3 to 4 million tons
Percentage Interest	QCMM 70.0% Marubeni Corporation 15.0% Sojitz Corporation 15.0% Marubeni interest: 38.33% inclusive of QCMM interest	QCMM 70.00% Marubeni Corporation 10.00% AMCI 10.00% Sojitz Corporation 10.00% Marubeni interest: 33.33% inclusive of QCMM interest

Contributing to a Balanced Metals and Mineral Resources Portfolio

Marubeni owns a number of coal interests in Australia, and, as a result of its September 2007 acquisition of shares in QCMM, the Company's equity coal production (the annual production capacity of coal holdings) amounted to 6.0 million tons, up from 3.0 million tons in the previous fiscal period. This had a strengthening effect on the balance of our coal portfolio while helping to reinforce the three pillars of our Metals & Mineral Resources Division: aluminum, non-ferrous metals and coal.

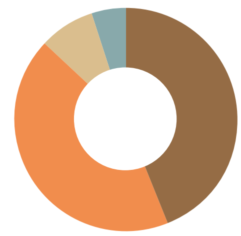
Marubeni sells approximately 15.0 million tons of coal per year, primarily in Japan. The Company holds an advantage over competitors in low-volatile PCI coal, which is seeing increasing demand as the injection of PCI coal enhances the cost-efficient operation of blast furnaces. Marubeni's PCI coal holdings in Australia support its number one performance track record among trading companies. As for sales, Marubeni has supply sources not only in Australia but also in various regions throughout the world and is further solidifying its position. Marubeni also holds stable interests in coking and thermal coal.

Toward a Comprehensive Coal Business

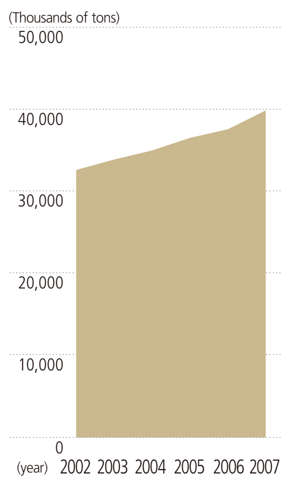
Under the "G" PLAN, Marubeni has invested heavily in the coal business and has become involved in new energy fields, designating these two areas core business targets. With the acquisition of QCMM, Marubeni has established a robust foundation for its coal business in Queensland, Australia. We also acquired shares of Resource Pacific Holdings Ltd. in New South Wales, thereby establishing platforms for the coal business in two Australian states. In new energy fields, Marubeni has begun providing emission credits to coal consumers, taken part in clean development mechanism (CDM) projects and, in partnership with Linc Energy Ltd., become active in the underground coal gasification business.

Under "SG2009," our current goal is to maximize the use of our platforms in Australia to expand business. At present, we are taking part in 10 coal mining projects in Australia through Marubeni Coal. In the years ahead, we will take steps to further strengthen operations management and to accumulate expertise in the areas of operations, technology and sales in order to develop the functions of a mining house. To improve responsiveness to rising coal demand, Marubeni seeks to increase its resource holdings and, therefore, plans to acquire further interests in greenfield concessions and step up mineral exploration. Looking ahead, Marubeni will reinforce its current coal business portfolio of production and sales with relevant operations in the renewable energy and new technology fields. Through such an approach, we ultimately aim to establish a comprehensive coal business with an international network.

Marubeni's Coal Customers by Industry (%)



Global PCI Coal Import Volume



Special Feature

Emissions Credit Business: Securing a Competitive Advantage

Business Environment

The first commitment period of the Kyoto Protocol began in 2008. While individual industries in Japan have taken steps to reduce greenhouse gas emissions, results in 2006 exceeded targets by approximately 12.4%, or 156 million tons.

The Kyoto mechanisms—which provide reduction targets and flexible ways of achieving cuts in emissions, including the use of carbon credits—will gain increasing importance in the years ahead. The Japanese government has announced that it will purchase emissions credits for approximately 20 million tons a year, or a total of 100 million tons, over the five-year first commitment period. In addition, the nation is becoming actively involved in the emissions credit business, pursuing campaigns for carbon offsets* and other measures.

In 2007, global emissions trading reached 2.7 billion tons, equivalent to 40.3 billion euros, nearly double that of the previous year. EU nations, which are required to lower emissions, hold a 70% share of the total emissions trading transaction volume.

* Carbon offsets: Excess emissions credits generated through routine energy conservation efforts that may be used as instruments to offset greenhouse gas emissions.

Taking on Challenges as a Leader in the Emissions Credit Business

In fiscal 2007, Marubeni took on a number of challenges in the emissions credit business.

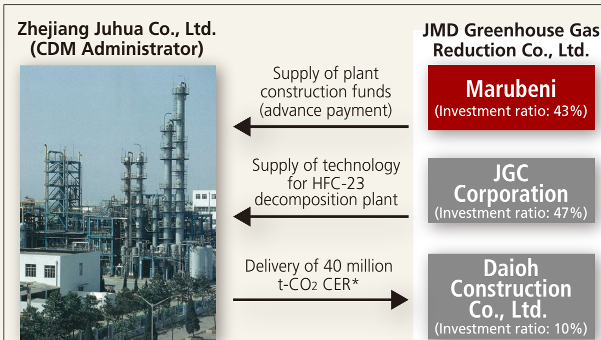
Overseas, Marubeni participated in emissions credit forums in Germany, Singapore, China and the United States. In September 2007, Marubeni became the only Japanese company to join the European Climate Exchange (ECX), one of Europe's emission trading exchanges and, in March 2008, was the first Japanese company to complete a trade. As a member of the International Emissions Trading Association (IETA), the Company supports the creation of a framework for emissions credit trading and is the first Japanese company to engage in emissions credit trading with the Gazprom Group, Russia's largest gas company.

In Japan, Marubeni was an early participant in the Carbon Credit Trading Platform created by the Japan Bank for International Cooperation (JBIC) and other parties and took part in its first ever emissions trade in November 2007.

In October 2007, Marubeni agreed to promote the joint development of greenhouse gas-reducing businesses with an organization in Kazakhstan provisionally designated by the Kyoto Protocol and in December with the University of Lampung in Indonesia.

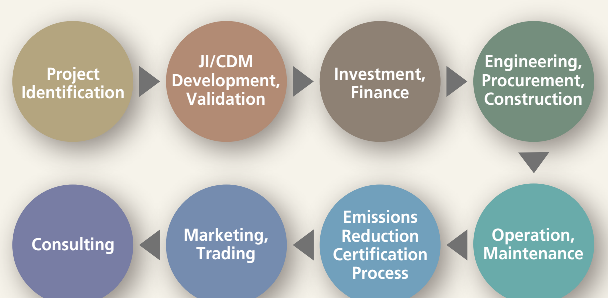
Through these efforts, the Marubeni Group plans to procure emissions credits in excess of 70 million tons. We will continue to cooperate with global market players while keeping an eye on future emissions credit trends with the goal of attaining a 100 million ton transaction volume for Japan. In the years ahead, as one of the leading players in the global emissions credit business, Marubeni will continue to tackle the global warming problem and expand the emissions credit business.

Sample Project: Chlorofluorocarbon Decomposition CDM Business in Zhejiang Province, China



*Generates 40 million tons of t-CO_2 CER (maximum) (5.67 million t-CO_2 CER/per year multiplied by seven years) (CER: Certified emission reduction unit—Carbon credits issued to CDM projects for emissions reductions in accordance with the Kyoto mechanisms)
Purchase of total volume, excluding UNFCCC SOP-Adaptation (2%)
UNFCCC: UN Framework Convention on Climate Change

Project Development Backed by Trading House Capabilities:
An integrated system encompassing emissions credit acquisition through sales



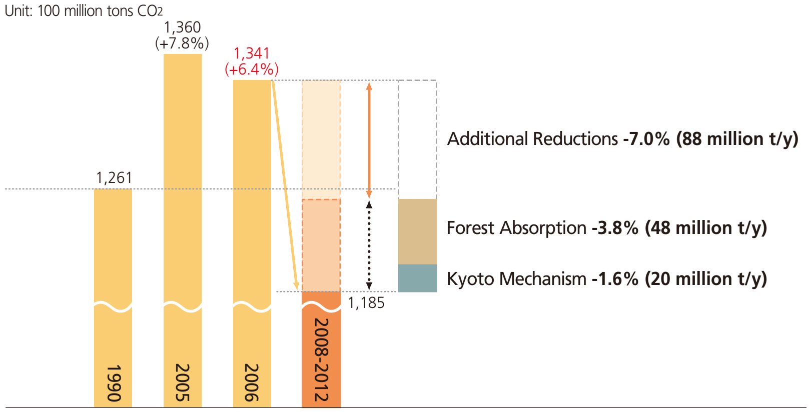
Leading Position in the Emissions Credit Business

During the term of the Japanese government's plans to purchase approximately 100 million tons in emissions credits over the first five-year commitment period, the Marubeni Group is working to secure emissions credits in excess of 70 million tons. The Company has been efficiently acquiring emissions credits via cross-divisional collaboration, not only through its team of emissions credit specialists in the FT, LT, IT & Innovative Business Division but by fully leveraging the extensive networks that it has built as a trading house in many industries through the Power Projects & Infrastructure Division, focusing on the Plant, Ship & Industrial Machinery Division and the Metals & Mineral Resources Division. Moreover, we have allocated full-time staff to follow up on and assess the status of contracted transactions to ensure the delivery of emissions credits. These activities will help us build a highly reliable emissions credit portfolio while helping to tackle the global warming problem through greenhouse gas reductions.

Marubeni is the only company in Japan to have been selected by the New Energy and Industrial Technology Development Organization (NEDO), an independent corporation commissioned by the Japanese government, to participate in the trading of emissions credits. Thus far, Marubeni has contracted for emissions credits totaling 5.81 million tons. Marubeni supplies emissions credits to Japanese customers, as well as small-lot and spot deal emissions credit trust beneficiary interests in partnership with various trust banks. With the goal of reducing greenhouse gases generated by individuals, Marubeni is supplying emissions credits for carbon offset products being promoted primarily by the Ministry of the Environment. In Japan, Marubeni supplies emissions credits at every conceivable level and occupies an important position as an emissions credit dealer.

Domestic Emissions

Japan's greenhouse gas emissions in fiscal 2006 amounted to 1,341 million t-CO_2 (up 6.4% compared to 1990). In the five-year period ending 2012, Japan must reduce these emissions to 6% below those of 1990.

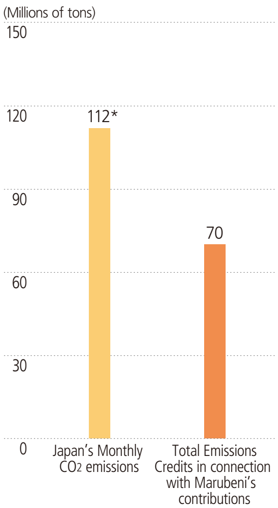


Rapidly Expanding the Emissions Credit Business

Marubeni entered the emissions credit business in 2004 and established an emissions credit team in 2005. Starting with chlorofluorocarbon decomposition operations with Zhejiang Juhua Co., Ltd. in China, a joint venture with JGC Corporation and Daioh Construction Co., Ltd., our emissions credit business has been expanding annually. Although its main focus thus far has been Japan, Marubeni has gained entry into Europe, expanding the scope of its activities.

The inaugural emissions credit team initially comprised two people; now this team includes 11 members. In addition, we have a full-time staff of five engaged in clean development mechanism (CDM)-related businesses within the Plant, Ship & Industrial Machinery Division. Another five members are involved in the identification, development and follow up of CDM projects in various regions of China. Accordingly, more than 20 full-time employees are engaged in the emissions credit business, which we consider one of our core businesses. Looking ahead to 2013 and beyond, we are tackling global warming while helping to define how emissions credits should function and evolve in the years ahead.

Japan's CO_2 Emissions and Marubeni's Emissions Credits



Marubeni plans to secure emissions credits for over 70 million tons, the approximate equivalent of Japan's CO_2 emissions over a 20-day period.

* Source: "Flash Report on Greenhouse Gas Emissions in Fiscal 2006" issued by the Ministry of the Environment, Government of Japan.

Corporate Governance/CSR

Our pursuit of strong corporate governance embodies the spirit of our Company Creed, Management Philosophy and the Marubeni Corporate Principles. Working to maximize its corporate value, the Marubeni Group is constantly striving toward transparent and efficient management. CSR activities are an integral part of our endeavors to remain a formidable corporate entity. By gaining stakeholders' trust, Marubeni has established the sound business foundation required for attaining stable and sustainable growth.

Corporate Governance

Approach to Corporate Governance

Adhering closely to the Corporation Law, Marubeni is recognized as a model company in the area of corporate audit governance thanks to a control structure with a clearly defined decision-making process, business operation execution system and checks-and-balances type supervisory system.

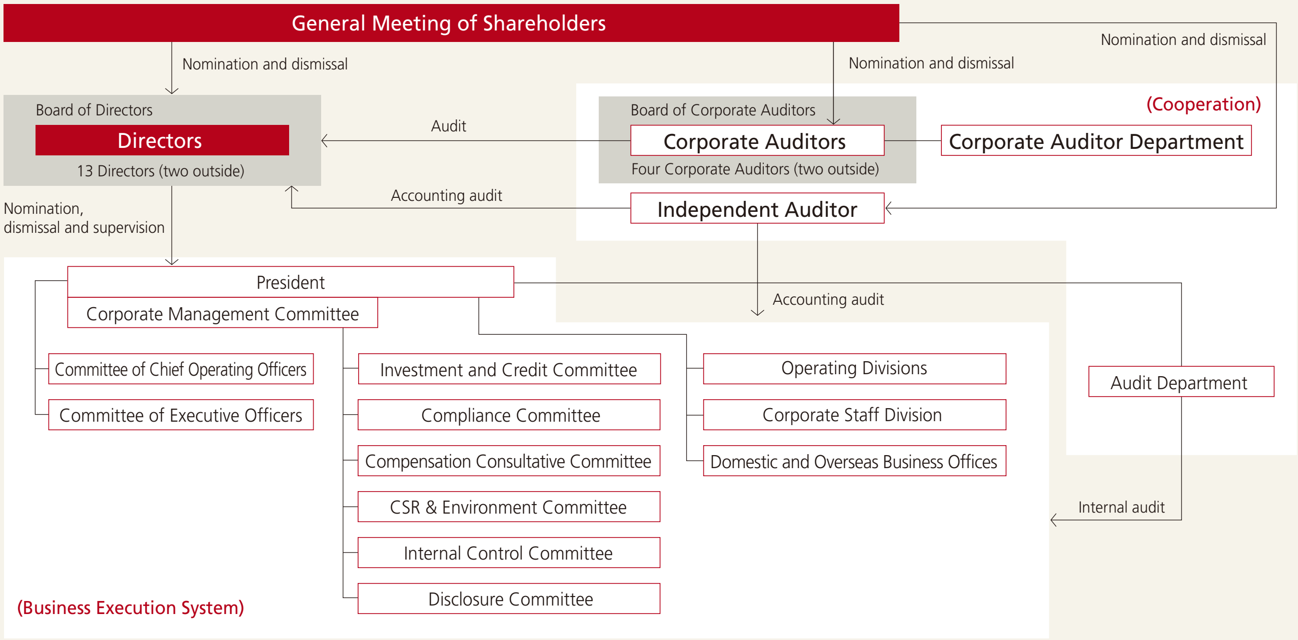
Our Board of Directors comprises 13 directors who deliberate on corporate policy and major issues while monitoring the performance of individual directors. Each director's term of office is one year and, to increase effectiveness and enhance management transparency, two are externally appointed. Outside directors attended 15 of the 16 meetings of the Board in 2007. The Board of Corporate Auditors comprises four corporate auditors (two externally appointed) who monitor directors' execution of duties in line with auditing policies set by the Board of Corporate Auditors and the Auditing Plan. In fiscal 2007, remuneration amounted to ¥841 million for the 13 directors and ¥87 million for the four auditors.

The management control structure was reorganized in April 2008 under the Corporate Management Committee. Newly established were the Internal Control Committee, which focuses on compliance with the Corporation and the Financial Instruments and Exchange laws, and the Disclosure Committee, which researches information disclosure structural and systemic improvements. In addition, the CSR Committee and the Environment Committee integrated to become the CSR & Environment Committee.

Marubeni's Executive Officer System

Marubeni's executive officer system separates supervisory and executive functions and defines authority and responsibility. Directing and supporting the execution of duties, the system delegates executive officer authority, requiring officers directly in charge to manage their business divisions. At the monthly meetings of the Committee of Executive Officers, its 35 members announce management policies, review duty reports and share information on management and compliance. Keeping communication lines open, outside directors also attend these meetings. The term of office of executive officers is one year.

Corporate Governance Structure



Members of the Board

Nobuo Katsumata
Chairman

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

Akira Matsuda
Senior Executive Vice President

1970 Joined Marubeni-Iida Co., Ltd.*
1999 Director
2002 Corporate Senior Vice President
2003 Corporate Senior Vice President, Member of the Board
2005 Corporate Executive Vice President
2007 Senior Executive Vice President

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 Managing Executive Officer

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

Masaru Funai
Senior Managing Executive Officer

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

Tetsuro Sakamoto
Managing Executive Officer

1972 Joined Marubeni Corporation
2003 Corporate Vice President
2006 Corporate Senior Vice President
2007 Corporate Senior Vice President, Member of the Board
2008 Managing Executive Officer

Hideyuki Yasue
Managing Executive Officer

1973 Joined Marubeni Corporation
2005 Corporate Vice President
2007 Corporate Senior Vice President
2008 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

* Marubeni-Iida Co., Ltd. was renamed Marubeni Corporation in 1972

Masao Fujii**
Outside Director

1957	Appointed as an Assistant Judge
1995	Justice of Supreme Court
2002	Retired from Supreme Court
2003	Corporate Auditor, NIPPON OIL CORPORATION (current position)
2004	Professor of Law, Kyoto Sangyo University
2005	Outside Director, Member of the Board

Takaji Kunimatsu**
Outside Director

1961	Joined National Police Agency
1994	Commissioner General, National Police Agency
1997	Retired from National Police Agency
2003	Member of Crime Victims Support Fund Standing Committee; President, Medical Emergency Helicopter and Hospital Network
2005	Outside Director, Member of the Board

** Outside director as stipulated under Article 2, Item 5 of the Corporation Law of Japan

Corporate Management (As of June 20, 2008)

Members of the Board

Chairman

Nobuo Katsumata

President and CEO

Teruo Asada

Senior Executive Vice Presidents

Akira Matsuda
Advisor to the President regarding Machinery Group and Iron & Steel Strategies and Coordination Dept.; Chairman of Compensation Consultative Committee

Michio Kuwahara
COO, Regional Coordination & Administration Dept. and Research Institute; Advisor to the President regarding Living Essentials Group

Senior Managing Executive Officers

Mamoru Sekiyama
COO, Human Resources Dept., Corporate Communications Dept. and Corporate Planning & Strategy Dept.; Advisor to the President regarding Abu Dhabi Trade House Project Dept.; Chairman of Investment and Credit Committee; Chairman of CSR & Environment Committee; Chairman of Internal Control Committee

Masaru Funai
CIO; COO, 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.; COO, Investor Relations; Chairman of Disclosure Committee

Managing Executive Officers

Tetsuro Sakamoto
Vice Chairman of Investment and Credit Committee; Advisor to the President regarding Supply Chain Management

Hideyuki Yasue
COO, General Affairs Dept., Risk Management Dept. and Legal Dept.; Vice Chairman of Investment and Credit Committee; Chairman of Compliance Committee

Fumiya Kokubu
Advisor to the President regarding Energy, Metals & Mineral Resources Group

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

Takafumi Sakishima
Advisor to the President regarding Finance, Information & Real Estate Group

Outside Directors

Masao Fujii
Takaji Kunimatsu

Corporate Auditors

Susumu Watanabe
Masanori Sasaki
Kazuto Baba
Osamu Kita

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

Michihiko Ota
COO, Lifestyle Div.

Executive Officers

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

Kenichi Hatta
COO, Chemicals Div.

Shinji Kawai
COO, Metals & Mineral Resources Div. and Iron & Steel Strategies and Coordination Dept.

Shigemasa Sonobe
Regional CEO for Europe; Managing Director and CEO, Marubeni Europe P.L.C.

Shigeru Yamazoe
COO, Power Projects & Infrastructure Div. and Abu Dhabi Trade House Project Dept.

Takao Asahara
COO, Transportation Machinery Div.

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

Tetsuya Takeshita
Regional CEO for Middle East & North Africa

Tadahiko Yamashita
COO, Real Estate Development Div.

Masahiro Enoki
General Manager, Corporate Accounting Dept.; Senior Operating Officer, Business Accounting Dept.-I, Business Accounting Dept.-II, Business Accounting Dept.-III

Yutaka Nomura
General Manager, Corporate Planning & Strategy Dept.

Hidehisa Saito
COO, FT, LT, IT & Innovative Business Div.

Mitsuru Akiyoshi
General Manager, Finance Dept.

Daisuke Okada
COO, Food Div.

Shingo Tsuda
COO, Plant, Ship & Industrial Machinery Div.

Shoichi Ikuta
Senior Operating Officer, Regional Coordination & Administration Dept.; Vice Chairman of CSR & Environment Committee

Yukichi Nakamura
COO, Forest Products Div.

Tsutomu Yamamoto
General Manager, Nagoya Branch

Keizo Torii
COO, Energy Div.

Shoji Kuwayama
Senior Operating Officer, Metals & Mineral Resources Div.

Kazuaki Tanaka
Senior Operating Officer, Energy Div.

Hidenao Yoichi
General Manager, Osaka Branch

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. Chosen to bring new perspectives to the Company's management, one director has served as a Justice of the Supreme Court of Japan and the other as Director-General of the National Police Agency. The outside directors attend meetings of not only the Board of Directors, but also the Committee of Executive Officers to ensure familiarity with Marubeni's management style. Helping them fulfill their responsibilities, outside directors are provided with agendas and fully briefed on management issues and project execution status prior to the aforementioned meetings. Outside directors' expertise, opinions and suggestions are thus brought to bear to reinforce our corporate governance.

Masao Fujii, Outside Director

Appointed as a Justice of the Supreme Court of Japan in 1995; appointed as an outside director of Marubeni in 2005

Helping to Protect Stakeholder Value

Marubeni's External Legal Counsel initiated discussions regarding my appointment as a company director. At first, I was slightly concerned that I would not be able to apply my experience as a justice to corporate management. What compelled me to take the position, however, was learning of Marubeni's commitment to sound corporate governance.

Meetings of the Board of Directors cover a variety of agenda items, from vital management issues to individual project policies. When the Board discusses investment and loan projects based on the conclusions of the Investment and Credit or Corporate Management committees, I believe my responsibility is to provide opinions and advice from a broad perspective. I am also convinced that an outside director must, in effect, function as a control—although not directly contributing to corporate earnings, profits or value, an outside director can help the company reach its intended destination safely and efficiently, keeping it on the right track. In other words, outside directors assist corporations in crisis prevention and stakeholder value protection.

Takaji Kunimatsu, Outside Director

Appointed as Commissioner General of the National Police Agency in 1994; appointed as an outside director of Marubeni in 2005

Applying My Experience to Support Marubeni Management

I was once Director-General of the National Police Agency, which is obviously not a private-sector concern. Although the public and private sectors may be more different than alike, I can see some common features in them in terms of group management. I find that, just as in the public sector, Board meetings at Marubeni are preceded by considerable advance briefing on individual agenda items and issues.

Today's Marubeni boasts strengths and momentum gained by confronting and overcoming difficulties. I believe that Marubeni's robust performance is due to management's ability to optimally balance offense and defense. I also believe that past setbacks have contributed significantly to today's success by inspiring the Groupwide dissemination and administration of PATRAC and other corporate management systems.

I will strictly carry out the fundamental task of an outside director of providing fresh ideas and perspectives while closely observing Marubeni's progress toward its goal of optimizing the offense-defense balance.

The Roles and Functions of Outside Corporate Auditors

Marubeni maintains a four-member Board of Corporate Auditors. Of the two external appointments, one outside corporate auditor served as a non-life insurance company director and the other as a bank director. Utilizing experience they have gained in their fields, outside corporate auditors provide opinions and advice that augment the overall audit function. In fiscal 2007, the Board of Directors held 16 meetings, the Committee of Executive Officers 10 and the Board of Corporate Auditors 10, all of which were attended by the outside corporate auditors. The corporate auditors meet regularly with the President, the Audit and Accounting departments, and the Independent Auditor to discuss a wide range of issues. One outside corporate auditor is a member of the Management Remuneration Committee.

Helping to improve Marubeni's management transparency, corporate auditors, the Audit Department and the Independent Auditor work to ensure the appropriate execution of directors' duties and corporate financial standing.

Enhancing Governance through Frontline Feedback

I have been a corporate auditor at Marubeni for three years. Recent drastic changes in the auditing environment have augmented corporate auditors' responsibilities. I find my role as a corporate auditor challenging and worthwhile. Meetings with the President, Audit Department and the independent auditor are increasingly productive, and this has helped create an effective working environment. We have opportunities to receive reports on results of individual division meetings from full-time corporate auditors. I believe that this approach, which is not overly reliant on documentation while allowing access to the operational frontline, makes Marubeni's corporate-auditor system effective. It also demonstrates the Company's commitment to improving Group governance.

I am committed to actively applying my expertise to prevent problems from materializing. Contributing to Marubeni's endeavors to ensure transparent management—this is my role.

Kazuto Baba, Outside Corporate Auditor

Member of the Board and Executive Senior Managing Director, Sompo Japan Insurance Inc. (2002); President and Representative Director, Sompo Japan Commercial Line Services Inc. (2003); Corporate Auditor, Marubeni (2005)

Assisting Sound Corporate Growth through Effective Information Sharing

Since joining Marubeni in 2006, I have performed my duties with diligence and an awareness of Marubeni's high expectations for corporate auditors and the significance of the responsibility involved. Usually, it is difficult for corporate auditors to gather necessary information; however, at Marubeni there is an effective system for information sharing that promotes Groupwide cooperation. This system enables corporate auditors to clearly assess not only directors' execution of duties but Groupwide operational flows, allowing for optimal auditing.

Internal control is a key issue in today's business world. Increasingly, corporations are being required to bolster their internal structures, from essential systems through administration. I believe that internal control will continue to be a major issue in years to come and am more determined than ever to help accelerate Marubeni's sound growth by aiding in Groupwide information sharing and fulfilling my corporate-auditor responsibilities.

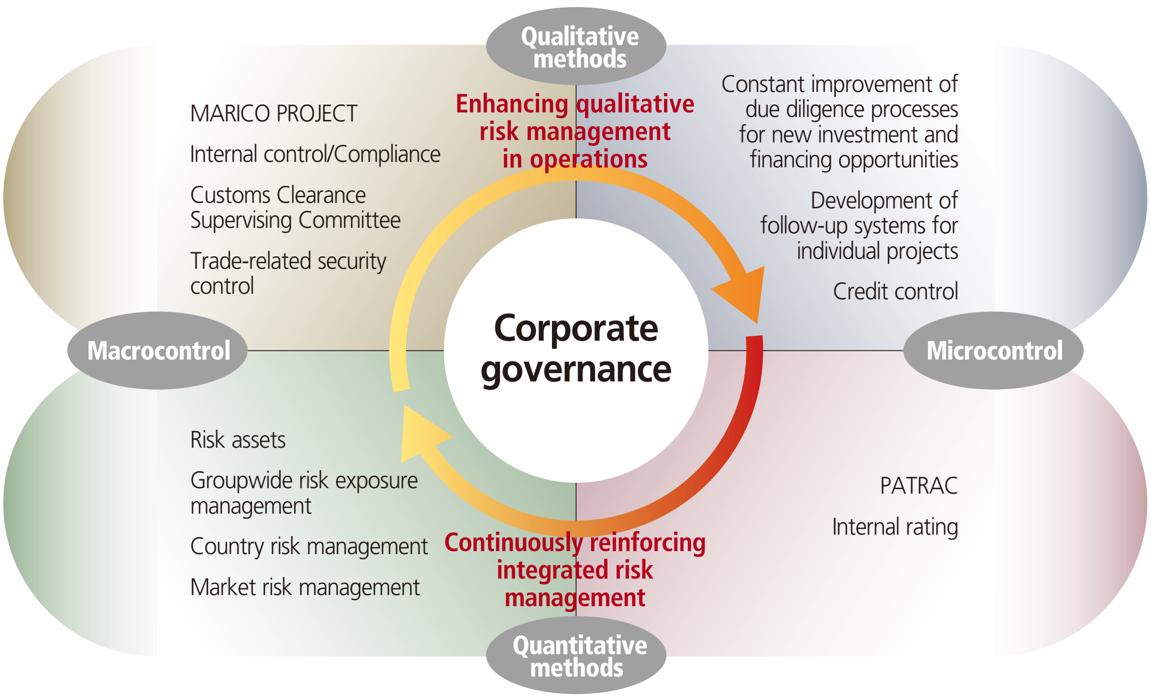
Osamu Kita, Outside Corporate Auditor

Managing Director, The Fuji Bank, Ltd. (now Mizuho Corporate Bank, Ltd.) (1996); President, Fujigin Capital Company (now Mizuho Capital Co., Ltd.) (1999); Corporate Auditor, Marubeni (2006)

Risk Management

In its wide-ranging business activities, Marubeni undertakes multifaceted qualitative and quantitative risk management at the micro and macro levels. At the macro level, we promote Integrated Risk Management based on quantitative methods. At the micro level, we effectively control individual projects by strengthening scenario analyses, strictly adhering to established numerical benchmarks and reinforcing monitoring systems. In confronting qualitative risks, we adopt a preventive approach at the Groupwide macro level, bolstering our corporate governance, internal control system and compliance structures. Furthermore, Marubeni makes quantitative investment assessments by applying such indicators as Internal Rate of Return (IRR) and Profit after Tax less Risk Asset Cost (PATRAC) while considering recovery periods when making investment decisions. This approach enables us to select only projects with high-yield return prospects.

Risk Management at Marubeni



Internal Control System

In its efforts to enhance corporate value while building a stable and sustainable operating platform, Marubeni has formulated its basic internal control system policy* in accordance with the Corporation Law and its implementation guidelines. This policy serves as the foundation for the Group's business activities and ensures that operations are conducted with fairness and integrity.

Responding to changes in society and with the aim of realizing a more appropriate and effective structure and system, Marubeni reviewed its basic internal control system policy in April 2008, incorporating the following four additional principles:

1. To avoid any and all contact with antisocial forces
2. To prevent the loss and leakage of information
3. To formulate a business continuity plan, and
4. To establish the Internal Control and Disclosure committees.

* For further information, please refer to the Company's Website (Japanese only) URL: www.marubeni.co.jp/company/policy/concept.html

In general, an internal control system has a number of purposes, including to increase the effectiveness and efficiency of operations, to ensure reliable financial reporting and to guarantee compliance. Marubeni's own definition of such a system takes these basic purposes into consideration and entails the construction and administration of an internal structure to prevent contingent losses. This is the concept that underlies the Marubeni Internal Control System (MARICO) PROJECT, which was launched in March 2004 to establish an effective internal control system that helps ensure the reliability of Marubeni's financial reporting.

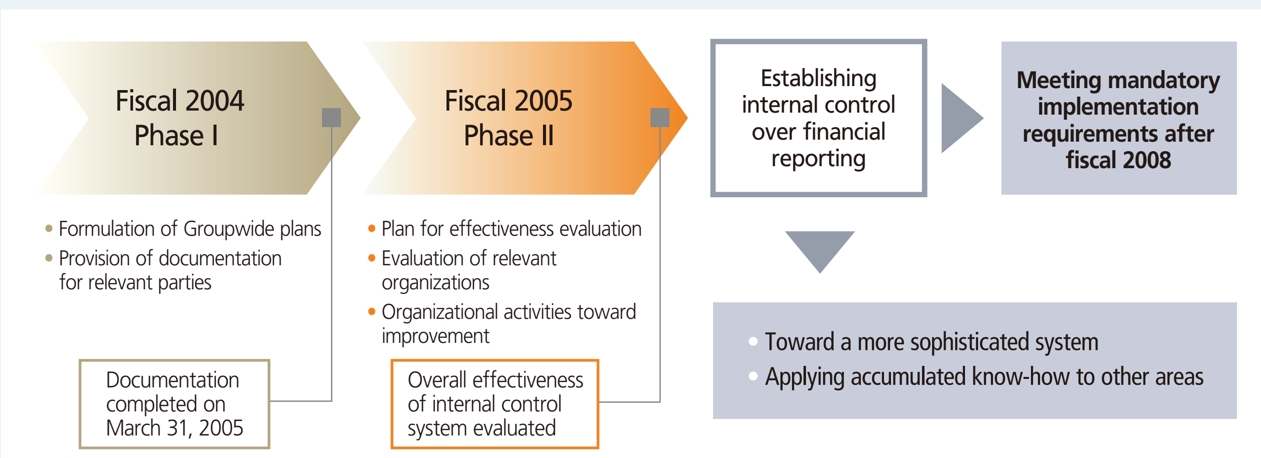
Sophisticated Approach toward Enhancing Corporate Value

In line with the recognition of Marubeni's top management of the importance of having an effective internal control system, particularly with regard to the improvement of the reliability of financial reporting, the MARICO PROJECT was initiated. Consistent with the methodology outlined in the Sarbanes-Oxley Act of the United States, the MARICO PROJECT's implementation began with the tangible documentation of on-site business practices and identification of risks relating to financial reporting. The documentation process was completed in fiscal 2004. Following the evaluation of documents, procedures and overall controls in place, Marubeni confirmed the effectiveness of its internal control system and, accordingly, completed the process in fiscal 2005. In line with the implementation of the Financial Instruments and Exchange Law of Japan, managements of listed companies are required to assess and report the effectiveness of their companies' internal control over financial reporting from April 2008. Choosing to act before this becomes a legal requirement, Marubeni has taken proactive and voluntary steps to achieve effective internal control. Moreover, in fiscal 2005 we began voluntarily submitting letters of representation from the president, pursuant to the provisions of a new Japanese Cabinet Office ordinance. Such letters are required to contain declarations of responsible management personnel that their companies maintain effective and functioning internal control systems. Marubeni's preemptive and ongoing efforts to constantly improve its internal control system are demonstrated by these forward-looking actions on the Company's part.

Aiming for a More Comprehensive Internal Control System

In a listed company's internal control report, the management personnel responsible must report the results of their assessment of their unit's internal control system. These reports are then approved by an independent accounting auditor. With the aim of achieving a higher level of internal control, Marubeni established its Internal Control Committee in April 2008. Covering both the implementation of internal control over financial reporting and the formulation and administration of a basic policy on internal control systems compliant with the Corporation Law of Japan, this committee is taking a holistic approach to the implementation of Marubeni's internal control system.

MARICO PROJECT at a Glance



Integrated Risk Management

Marubeni has adopted a portfolio management method to prevent the overconcentration of assets in any particular country or industry that comprehensively oversees risks associated with assets across the Group. The basis of portfolio management is quantifying the risk of assets, including those held by subsidiaries, for the Group as a whole. The categories of risks associated with assets by type of exposure include country, industry, customer credit rating and projected recovery date. 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. In this manner, Marubeni is promoting an Integrated Risk Management method that integrates various risk factors and monitors them as a single risk value.

In-Depth Risk Management

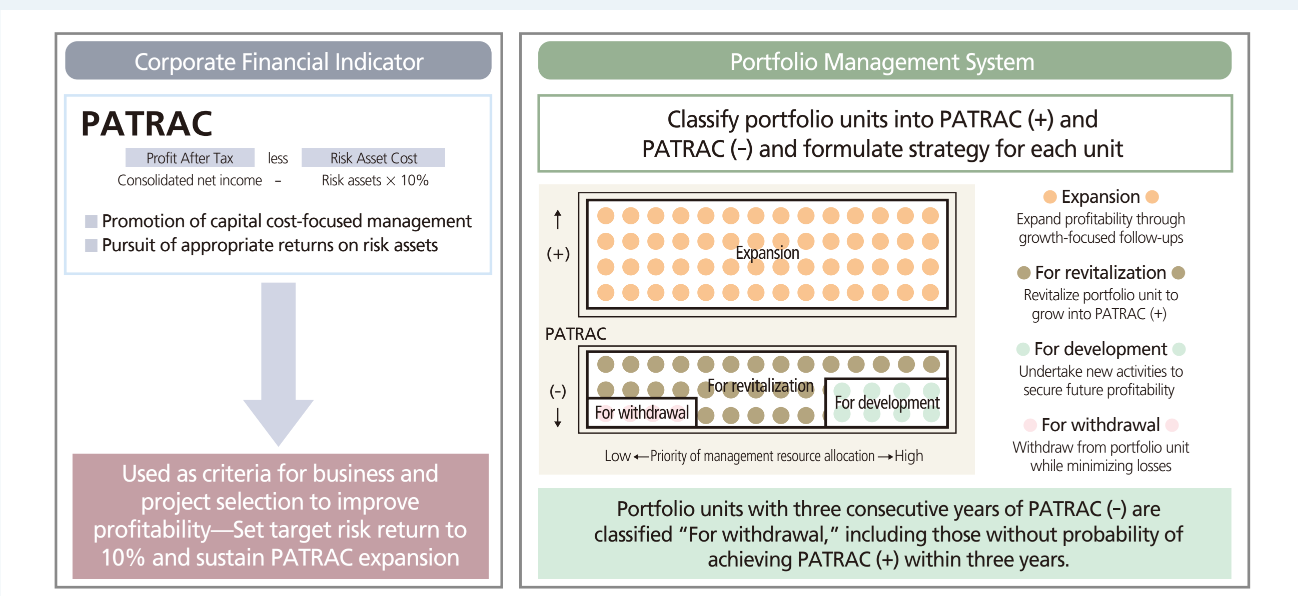
From early on, Marubeni has assigned scores to certain items of corporate information that it has been compiling to build a database comprising reliable quantitative credit information. Reflecting the diversity of operations that our general trading house-related core brokerage business has spawned, our risk management activities have evolved from credit control for individual accounts at the micro level to include operations and issues at the macro level. Moreover, on a consolidated basis Marubeni has increasingly used exposure analysis to tackle this ever-diversifying risk, greatly increasing the sophistication of our Integrated Risk Management approach.

Advanced Corporate Financial Indicators

By adopting a simulation system that uses an independently developed computerized statistical model, Marubeni has made it possible to grasp risk factors 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 Integrated Risk Management. Marubeni has positioned PATRAC as one of its most important management benchmarks and uses it to screen proposals requiring approval and as a performance indicator for portfolio units. Each portfolio unit is encouraged to realign its asset portfolio as necessary so as to achieve maximum returns for a given level of risk. We aim to achieve balanced growth going forward by driving sustained growth in PATRAC, which indicates total added value after adjustment for risk.

* PATRAC (Profit after Tax less Risk Asset Cost) = Consolidated net income – (Risk assets × 10%)

PATRAC Administration



Compliance

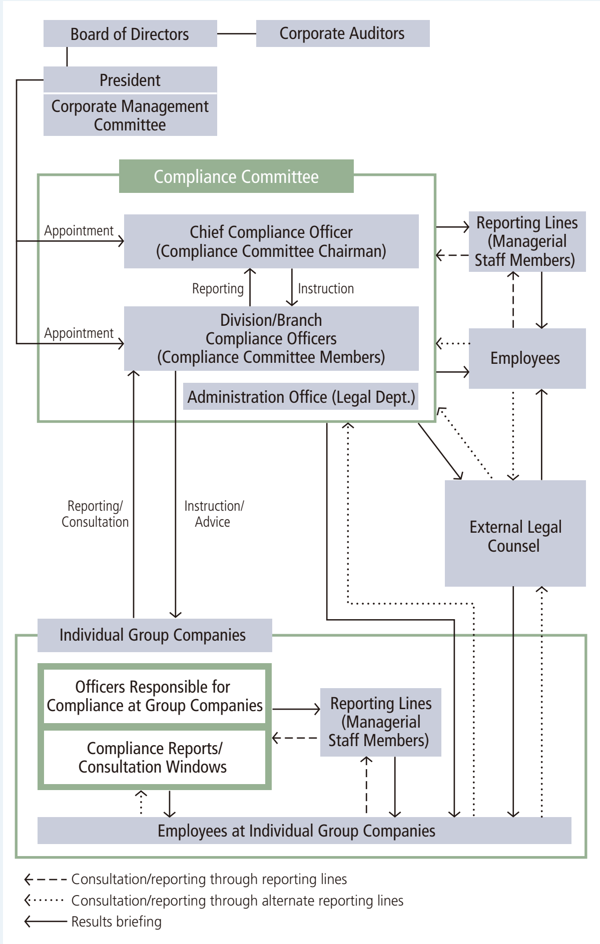
Compliance is not merely the observation of laws and regulations. True compliance entails fulfilling corporate social responsibilities as a good corporate citizen both by observing laws and regulations and by meeting the expectations of all stakeholders and gaining their confidence. We believe that compliance is therefore fundamental to Marubeni's existence and underlies all of its business activities. The purpose of Marubeni's compliance activities is to instill a basic understanding of compliance into both management and employees and to ensure that its business conduct adheres to high ethical standards.

Common Values of Compliance

Marubeni has established the Compliance Committee and appointed a Chief Compliance Officer responsible for the Groupwide compliance structure. Having also appointed Compliance Officers at divisions and branches as well as officers responsible for compliance at Group companies, Marubeni is working to strengthen its compliance systems, which are able to accommodate the unique nature of the compliance issues that each division and branch faces. Since the release of the first edition of the *Marubeni Group Compliance Manual*, which is distributed to officers and employees throughout the Group, Marubeni has actively worked to instill the message that "when you are faced with a choice between integrity and profit, choose integrity without hesitation." In April 2007, the manual was revised to include "The Prevention of Money Laundering" and, in April 2008, to include "Strengthening Product Safety Management." Marubeni takes steps each year to fortify compliance training programs and, in August 2007, began offering an e-Learning Training Program relating to intellectual property rights to all Group companies. At the same time, we are building compliance systems for every overseas base of operations that conform to local laws and regulations and business customs.

In addition, we have established the "Door of Courage," a compliance reporting and consultation hot line that is open to both management and employees of the Group (including temporary staff and subcontractors stationed at Group offices). By adding a female external legal counsel to the Door of Courage staff and repeatedly reminding employees of "the importance of defusing problems while they are small," the number of users of the Door of Courage has increased. According to a survey conducted in 2007 and targeted at Group companies, both management and employees at Marubeni were highly knowledgeable about the compliance hot line and the *Marubeni Group Compliance Manual*.

Organizational Diagram for the Marubeni Group Compliance System



A Company That Places the Highest Priority on Compliance

Every year, Marubeni requires overseas operations to submit compliance plans and reviews them thoroughly. Moving forward, we will strengthen our compliance training for overseas operations based on our belief that we must create and develop a comprehensive program in order to achieve a common compliance policy, which is represented by the message "choose integrity without hesitation." Seeking to make compliance the highest priority in all its business activities, Marubeni will strengthen cooperation between the Internal Control Committee and the Disclosure Committee (both established in April 2008) and raise management transparency throughout the Group, thereby increasing its corporate value.

CSR

It is absolutely essential for a company to make efforts toward CSR in order to achieve sustainable growth. Working toward CSR enables Marubeni to coexist with society and the environment. As a result, we will be recognized by society as a responsible corporate citizen. This recognition is what enables us to realize sustainable growth.

In April 2008, Marubeni integrated the CSR Committee, which was established in 2004, with the Committee on Global Environment Preservation to form the CSR & Environment Committee chaired by Mamoru Sekiyama, a Senior Managing Executive Officer and a Member of the Board. Constantly strengthening its comprehensive CSR activities, the Marubeni Group strictly adheres to its Company Creed and the Marubeni Management Philosophy. Based on these principles, we are placing our CSR focus on the following areas.

Achieve administrative transparency by strengthening corporate governance and internal controls

Be committed to compliance and respect for human rights, which are essential for sound corporate management

Create settings to nurture people, the most valuable asset of a general trading company

Contribute to society and the protection of the global environment as a responsible corporate citizen

Promote sound management and increase corporate value

By stepping up efforts in these areas, we aim to maintain the highest ethical standards, both as a group and as individuals, and thus ensure that the Marubeni Group continues to build relationships of trust with all stakeholders.

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

Marubeni's Relationships with Stakeholders

With operations spanning the globe, the Marubeni Group handles a myriad of products and provides a variety of services. Our activities can be loosely divided into the following three categories: (1) corporate management activities, including investment in and the implementation of various projects; (2) social responsibility activities, which involve responsible corporate conduct and social contribution; and (3) environmental preservation activities aimed at protecting the global environment. Marubeni strongly believes that achieving the optimal balance of these activities will be positively reflected in its corporate value and external evaluations of the Company and that these activities are an essential part of its endeavors aimed at becoming a corporate group capable of realizing sustainable growth and prosperity in partnership with society.

Marubeni must collaborate with its stakeholders to achieve such co-prosperity. Therefore, we work to ensure stakeholders' benefits and satisfaction and to thus win their trust. We impose no hierarchy on our stakeholders; every stakeholder is equally important to us.

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 aim to be a company that promotes fair and transparent dealings and which is trusted by vendors. In addition we strengthen ties with vendors to create new products and services in light 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	We aim to coexist as a member of the local communities where we do business, and we contribute to the creation of wealthy local communities. Outside Japan, we respect regional cultures and customs, and we operate in a way that contributes to local development. Moreover, we resolutely face up to anti-social forces and groups that threaten the order and safety of society.

Human Resources System

Marubeni's most important asset is the people who support the corporate group. We believe that improving the value of each individual will help us grow faster and contribute more effectively to society. The basic 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.

HR System Reforms

Marubeni overhauled its human resources system in April 2006. As part of this reform, we adopted a results- and assignment-based system under which employees' responsibilities and contributions to the Company are reflected in benefits received, irrespective of age or length of service. In addition, Marubeni has improved its initiatives related to childcare and nursing care from a work-life balance perspective. Initiatives include a leave system created to encourage male employees' participation in childcare and nursing care; the Family Support Leave system, which allows employees to take special leave for childcare and nursing care; and a leave system for employees with spouses working overseas. Also, Marubeni established a Senior Career Matching System to more effectively utilize its senior employees.

HR Training

Marubeni strives to nurture diverse types of business professionals, providing various in-house training programs to help employees develop useful skills while giving them a broader perspective that may be applied when coordinating internal or external business operations. The Marubeni Professional School and the Marubeni Executive School play significant roles in our HR training. The former is open to all Marubeni employees, allowing them to acquire useful business skills, while the latter targets managerial personnel who require knowledge on corporate strategies and management.
Marubeni offers Innovative Management programs and other training programs that focus on specific areas of responsibility for newly appointed managers and team leaders as well as for newly appointed corporate business managers. Meanwhile, we utilize overseas training programs that enable our employees to obtain MBAs, legal credentials and foreign language skills. Furthermore, we regularly invite overseas local hires, called "national staff," to our Head Office in Tokyo to join in group workshops.

National Staff Workshop

In-House Training Programs

Marubeni Professional School

Advanced Course
- Applied marketing and corporate strategy
- Investment decisions
- Management accounting
- Frameworks for successful M&A

Basic Course
- Basic marketing and corporate strategy
- Solution practice
- Basic investment analysis
- Financial statement analysis
- Marketing in practice

Marubeni Executive School
- Workshop for next-generation managers
- Department manager training
- Corporate business management training

Other Training Programs
- Innovative Management Programs
- Training for (newly appointed) corporate business managers
- Training for newly appointed managers and team leaders
- Grade change training for managers
- Training for third-year career employees
- New employee training
- Training for non-career employees
- Training for mid-career workers
- Basic practical business knowledge training/Company certification exams
- Basic practical business knowledge: e-Learning
- Understanding USGAAP financial statements
- 3rd grade bookkeeping course
- Pre-departure training for people assigned to positions outside Japan
- Foreign language training
- General business training
- Training in specialized fields
- English and Chinese training
- Language training on business trips
- Post-retirement planning seminars
- Career management seminars

Social Contribution Activities

Marubeni has codified its commitment to serving society in its Basic Policy on Social Contribution Activities. We base our corporate social contribution (CSR) activities on an accurate understanding of our own CSR expectations, the fulfillment of which is increasingly demanded in today's international community. Under its company creed of "Fairness, Innovation and Harmony," Marubeni, as a good corporate citizen, is promoting activities in the five priority fields of social welfare, international exchange, community contribution, global environment and cultural support.

Corporate Contributions to Society

To support children's education, we have set up scholarship funds, mainly in the ASEAN region. In fiscal 2007, we marked a milestone by establishing two new educational funds in Cambodia and Laos, donating $200,000 to each fund while enhancing the already-established operations of three funds in the Philippines, Vietnam and Indonesia. Our first such fund was in the Philippines in 1989, followed by one in Vietnam in 1994 and another in Indonesia in 1999. These funds promote operations that are in accordance with the child education environment of each country. Also, we established a scholarship fund in Brazil in 2006 jointly with a subsidiary Cia. Iguacu de Café Solúvel. Our cumulative contributions to the six scholarship funds amounts to $3,000,000 and have benefited more than 4,000 children. As a responsible member of international society, we will continue to support educational efforts worldwide.

Recognizing that "harmonious coexistence with society is essential to the survival of each and every company," we established the Marubeni Foundation in 1974. Since then, the foundation has provided ¥100 million a year to social welfare facilities and institutions. The number and amount of contributions to date total 1,842 and ¥3,300 million, respectively.

Promoting Volunteer Activities

We are proud of the power of our people and the essential role their volunteer efforts play in our CSR activities. Marubeni established the Volunteer Promotion Team in 2005. Through this team, we provide ample opportunity for employees to participate in a variety of volunteer programs. These and other initiatives boost awareness of corporate citizenship and build greater appreciation of our contributions to local communities.

Maintaining a tradition of participation, in fiscal 2007 a total of 157 Marubeni employees took part in various events, including carrying an *omikoshi* (portable shrine) at the Kanda Matsuri festival, hosting an international exchange camp in Hakone and joining in a forest-thinning program in Okutama. Our Osaka, Kyushu and Nagoya Branches led urban cleanup activities. Also, employees collect spoiled postcards, used stamps and expired prepaid cards for donation to nongovernmental organizations and Group members send clothing to people in developing countries and regions affected by natural disasters. In addition, we offer new employees a program where, through simulation, they gain experience of being visually impaired, which allows them to better understand the difficulties this disability entails. We intend to continue to participate in and expand our volunteer activities.

Scholarship ceremony in Vietnam


Carrying the *omikoshi* (portable shrine) at the Kanda Matsuri festival

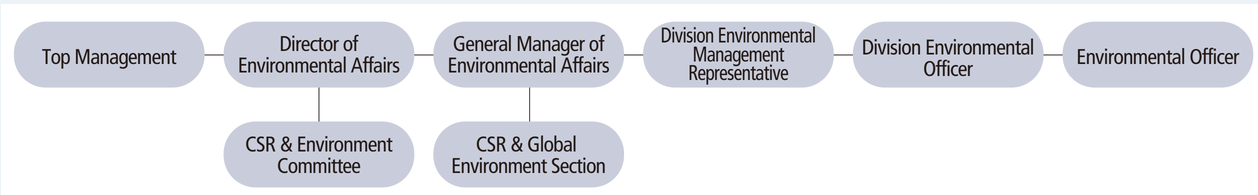
Initiatives to Protect the Environment

As a general trading company involved in a wide range of global activities, the Marubeni Group has always been quick to promote initiatives that address global environmental issues. While striving to reduce the environmental impact of our operations, we work toward ensuring a sustainable society through the promotion of environmental businesses.

Reducing Environmental Impact

All over the world, in many product and service areas as well as development and investment, we are making the utmost efforts to reduce the impact of our business activities on the environment. We have introduced an environmental management system (EMS) based on the ISO 14001 standard that is continually improved through a Plan-Do-Check-Act (PDCA) cycle, helping to ensure a sustainable society.

Marubeni's EMS Promotion Structure



Promoting Environmental Businesses

The Environmental Businesses Promotion Committee was established in April 2004 to help reduce CO_2 emissions and promote environment-friendly businesses. The committee works to expand existing environmental businesses and create new medium- to long-term business models while its business field-oriented subcommittees collaborate with related business divisions to actively develop new environmental businesses.

● Paper Recycling for Confidential Documents

Marubeni Paper Recycle Co., Ltd., a Marubeni consolidated subsidiary, is promoting paper recycling through its wastepaper-related operations. WELL Corporation, a Marubeni affiliate in which Marubeni Paper Recycle holds a 40% share, collects and processes confidential documents discarded by governmental agencies and private companies. Previously, most confidential documents were incinerated for security. However, through collaboration with Koa Kogyo Co., Ltd., a Marubeni consolidated subsidiary, WELL enabled the recycling of such documents as recycled pulp after liquefaction. Since the enactment of Japan's Personal Information Protection Law, WELL has been steadily expanding its business volume.

Documents processed at WELL are compacted and transferred to Koa Kogyo

● Investing in a Solar Module Maker

In October 2007, Marubeni acquired an equity stake in YOCASOL Inc., a solar module maker based in Omuta, Fukuoka Prefecture. The modules are the main component of solar power generators, which convert sunlight into electricity. Because it does not emit carbon dioxide—a direct cause of global warming—eco-friendly solar power is attracting worldwide attention as a potential alternative to dwindling petroleum resources. Boasting the technological advantages and expertise needed to manufacture modules that can collectively generate 60 MW of electricity annually, YOCASOL is stepping up sales activities in Europe and other regions.

Solar module manufactured by YOCASOL

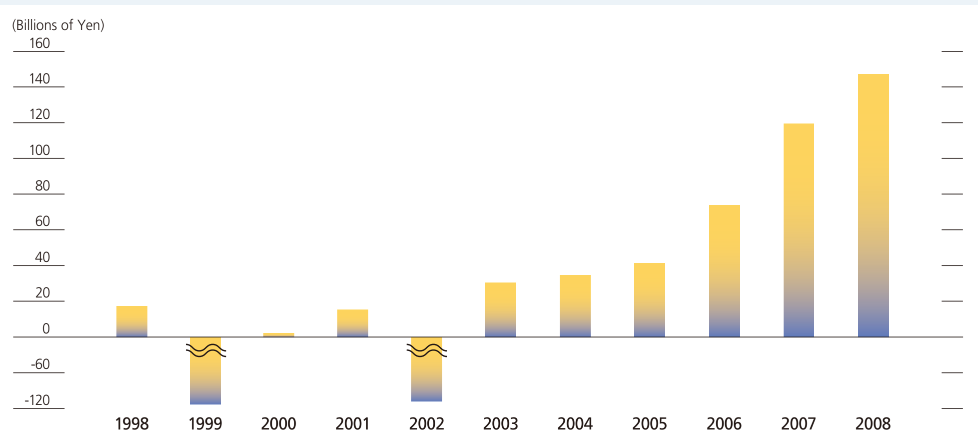
Financial Highlights Marubeni Corporation (Years ended March 31)

Eleven-Year Summary

	2008	2007	2006	2005
For the year:				
Revenues:				
Revenues from trading and other activities	**¥ 3,958,276**	¥ 3,467,925	¥ 2,949,058	¥ 2,874,455
Commissions on services and trading margins	**207,950**	190,930	190,787	161,108
Total	**4,166,226**	3,658,855	3,139,845	3,035,563
Total volume of trading transactions	**10,631,616**	9,554,943	8,686,532	7,936,348
Gross trading profit	**596,916**	531,171	502,024	433,395
Net income (loss)	**147,249**	119,349	73,801	41,247
At year-end:				
Total assets	**¥ 5,207,225**	4,873,304	4,587,072	4,208,037
Net interest-bearing debt	**2,002,000**	1,843,445	1,876,350	1,823,909
Total shareholders' equity	**779,764**	745,454	663,787	443,152
Amounts per 100 shares (¥, US$):				
Basic earnings (loss)	**¥ 8,493**	¥ 7,241	¥ 4,834	¥ 2,661
Diluted earnings (loss)	**8,493**	6,885	4,046	2,231
Cash dividends	**1,300**	1,000	700	400
Cash flows (for the year):				
Net cash provided by operating activities	**¥ 235,290**	¥ 152,075	¥ 133,408	¥ 173,824
Net cash (used in) provided by investing activities	**(306,855)**	(135,147)	(193,781)	46,043
Net cash provided by (used in) financing activities	**65,865**	24,819	(46,037)	(238,057)
Cash and cash equivalents at end of year	**402,281**	414,952	368,936	459,194
Ratios:				
Return on assets (%)	**2.9**	2.5	1.7	1.0
Return on equity (%)	**19.3**	16.9	13.3	9.9
Shareholders' equity to total assets (%)	**15.0**	15.3	14.5	10.5
Net D/E ratio (times)	**2.6**	2.5	2.8	4.1

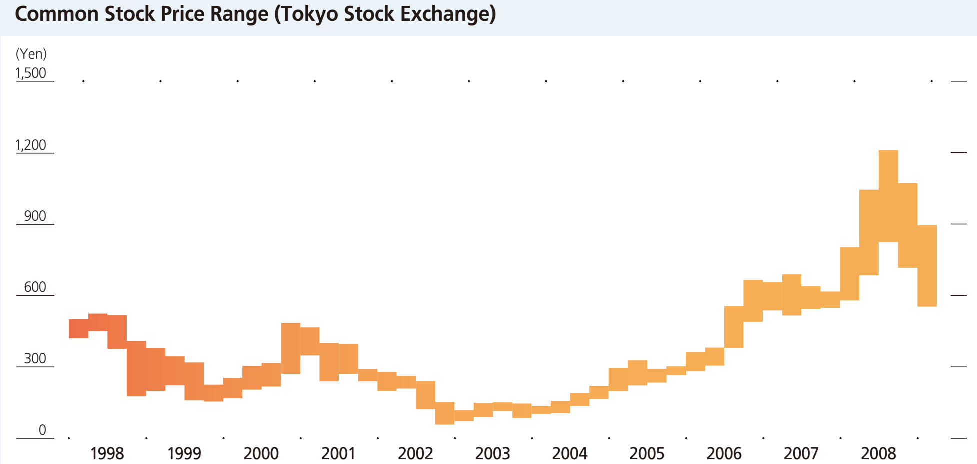
Notes: 1. The presentation of earnings is pursuant to Issue 99-19, "Reporting Revenue Gross as a Principal versus Net as an Agent," published by the Financial Accounting Standards Board's Emerging Issues Task Force. Earnings have also been disclosed in accordance with US GAAP since 2003.
2. For the convenience of investors in Japan, the presentation of net sales is consistent with customary accounting practices in Japan.
3. U.S. dollar amounts above and elsewhere in this report are converted from yen, for convenience only, at ¥100 to US$1, the prevailing rate as of March 31, 2008.

Net Income (Loss)



Millions of Yen							Thousands of U.S. Dollars
2004	2003	2002	2001	2000	1999	1998	2008
¥ 2,622,546	¥ 2,520,531	¥ —	¥ —	¥ —	¥ —	¥ —	$ 39,582,760
148,674	160,636	—	—	—	—	—	2,079,500
2,771,220	2,681,167	—	—	—	—	—	41,662,260
7,902,494	8,793,303	8,972,245	9,436,863	10,222,442	11,960,157	13,640,517	106,316,160
406,761	424,643	436,804	479,754	453,496	522,356	534,485	5,969,160
34,565	30,312	(116,418)	15,036	2,060	(117,729)	17,230	1,472,490
4,254,194	4,321,482	4,805,669	5,320,604	5,584,353	6,511,841	7,388,101	$ 52,072,250
1,969,323	2,264,117	2,712,906	3,089,839	3,328,437	3,966,471	4,432,159	20,020,000
392,982	260,051	263,895	342,297	324,301	354,017	475,253	7,797,640
¥ 2,285	¥ 2,030	¥ (7,792)	¥ 1,006	¥ 138	¥ (7,880)	¥ 1,153	$ 84,930
2,016	1,896	(7,792)	940	138	(7,880)	1,054	84,930
300	300	—	—	—	300	600	13,000
¥ 201,560	¥ 194,788	¥ 198,456	¥ 179,305	¥ 184,701	¥ 232,414	¥ 254,221	$ 2,352,900
57,983	113,241	74,504	187,993	257,006	99,101	(58,769)	(3,068,550)
(233,938)	(294,001)	(150,104)	(456,125)	(594,878)	(213,321)	(91,879)	658,650
478,731	466,511	466,642	329,811	405,308	579,366	480,825	4,022,810
0.8	0.7	—	0.3	0.0	—	0.2	
10.6	11.6	—	4.5	0.6	—	3.5	
9.2	6.0	5.5	6.4	5.8	5.4	6.4	
5.0	8.7	10.3	9.0	10.3	11.2	9.3	

Common Stock Price Range (Tokyo Stock Exchange)

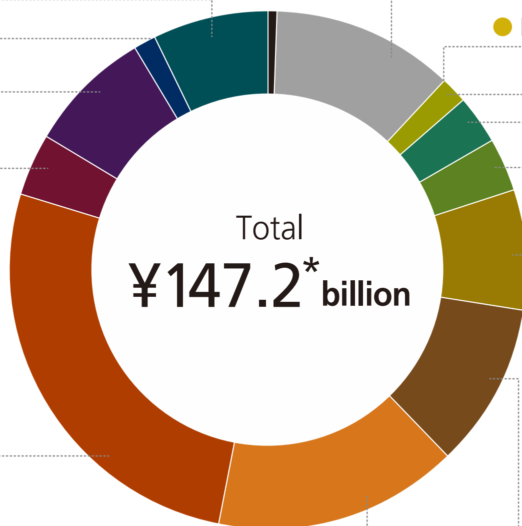


* The chart above shows the highest and lowest stock prices on a quarterly basis.

Note: Marubeni partially reorganized its business units in April 2008. This section provides performance data for the past three fiscal years based on the previous segmentation. For details of the reorganization, please refer to pages 44 and 45 of the Review of Operations.

Business Segments at a Glance

Net Income by Business Segment (Year ended March 31, 2008)



Agri-Marine Products Division
6.9% ¥10.2 billion

Textile Division
1.4% ¥2.1 billion

Forest Products & General Merchandise Division
7.8% ¥11.5 billion

Chemicals Division
3.8% ¥5.6 billion

Energy Division
26.4% ¥38.9 billion

Metals & Mineral Resources Division
15.1% ¥22.2 billion

Iron & Steel Strategies and Coordination Department
11.2% ¥16.5 billion

Finance, Logistics & New Business Division
(4.1)% ¥(6.0) billion

Development & Construction Division
1.8% ¥2.6 billion

Information & Communication Division
2.8% ¥4.1 billion

Plant, Ship & Infrastructure Projects Division
3.3% ¥4.8 billion

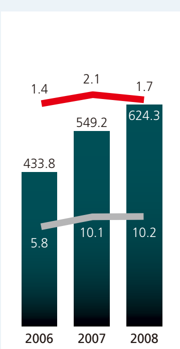
Power Projects Division
7.5% ¥11.0 billion

Transportation & Industrial Machinery Division
10.2% ¥15.0 billion

*Data includes overseas subsidiaries and affiliated companies, corporate and eliminations.

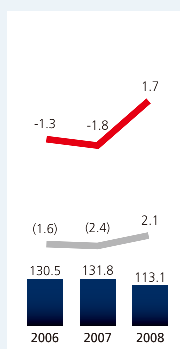
Total Assets (Billions of yen) Net Income (Billions of yen) ROA (%)

Agri-Marine Products Division



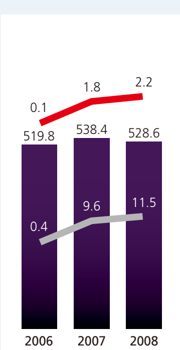
This division is involved in the production and trading of food-related products, including livestock feed and fodder, grain, soybeans, wheat, sugar, processed foods, beverages and related ingredients, commercial foods and agricultural and marine produce. The division delivers flexible solutions to meet increasingly diverse consumer needs while securing food safety at all levels, from upstream to downstream operations.

Textile Division



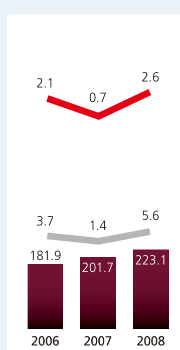
Aimed at meeting a range of customer and consumer needs, this division covers the entire supply chain in the general lifestyle sector, extending from the procurement of materials through the planning, proposal, manufacture, import and sale of such products as fashion garments, uniforms and miscellaneous goods. In addition, the division conducts branding, investment and consulting operations throughout the supply chain while exploring new functional material applications.

Forest Products & General Merchandise Division



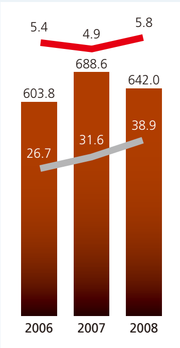
In pulp and paper, this division has established a value chain that spans a variety of sectors. Besides afforestation and trade in such upstream products as wood chips, pulp and wastepaper, the division deals in downstream items, including paper and paperboard. In general merchandise, the division handles natural rubber, rubber products, leather, footwear, fitness equipment and other sporting goods, timber and plywood.

Chemicals Division



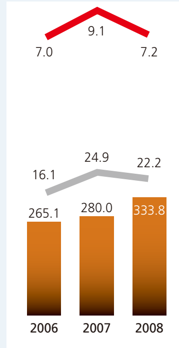
The Chemicals Division is engaged in the domestic and international sale of basic chemicals, such as olefins and synthetic fiber intermediates; petrochemical products, such as vinyl alkali products and polymers; inorganic chemicals, such as salt and sulfur; agrochemicals; specialty chemicals; and electronic materials, such as LCD and semiconductor-related products. In addition, the division is expanding its trading functions and pursuing new investment opportunities.

Energy Division



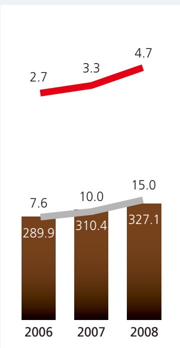
This division engages in the exploration and production of energy resources, participates in LNG projects and undertakes trading and marketing involving oil- and gas-related products while providing nuclear fuel-related services and dealing in equipment for nuclear power plants. Recently, the division began developing new businesses and products, including emissions credit trading and biofuels.

Metals & Mineral Resources Division



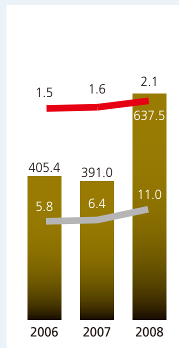
This division invests in metals and mineral resources development, including the mining of steelmaking raw materials, coal and non-ferrous metals as well as the smelting of aluminum, while trading globally in steel-making raw materials, thermal coal for power utilities and general industries and non-ferrous ingots. Covering upstream to downstream fields, the division engages in the manufacture and sale of non-ferrous products and electronic materials as well as recycling and new energy businesses.

Transportation & Industrial Machinery Division



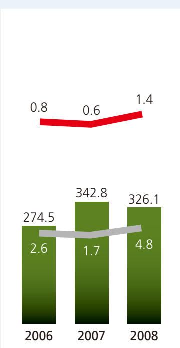
This division is engaged in trade, retailing, wholesaling, investment and financing related to aircraft, aero engines, helicopters, defense systems, automotives, construction and agricultural machinery, automotive production lines, pulp and paper machinery, semiconductor and DVD production machinery, precision machine tools, printing machinery, visual inspection systems, food packaging machines, chemical machinery and new energy-related systems.

Power Projects Division



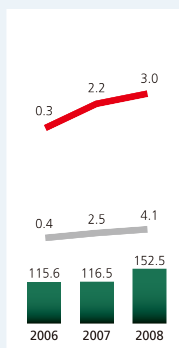
This division constructs and supplies power stations, transmission lines and substations overseas, acts as an Independent Power Producer (IPP) overseas, is involved in retail power sales in Japan and engages in domestic and international environment-friendly power generation projects utilizing renewable energy and dispersed power systems as well as the export and third-country trade of telecommunications, broadcasting and information-related systems and related business investment.

Plant, Ship & Infrastructure Projects Division



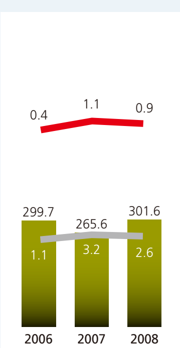
This division provides valuable full-line services, such as equipment supply and engineering, procurement and construction (EPC) services for plant (oil and gas, steel and cement) and infrastructure (rail transport, airports, water supply and sewerage) projects, and develops and operates investment projects in these fields. We cover the entire value chain, from shipbuilding and related equipment sales, chartering and operation to intermediary services for used vessels, and sales of textile machinery and related equipment.

Information & Communication Division



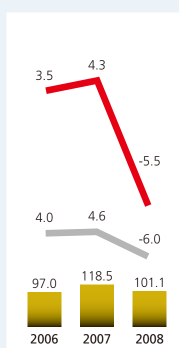
In the telecommunications business, this division provides infrastructure and information services utilizing optical fiber networks. The division is also active in consulting and the construction of corporate IT systems as well as the design, development and sale of wireless IC tag solutions and related equipment. Other activities include the distribution and sale of mobile- and PC-related products and the development of broadcasting-related operations.

Development & Construction Division



This division conducts a broad range of real estate-related businesses with three core operations: the housing business in Japan, mainly through the development of "Grand-Suite" condominium series; the overseas real estate-related business, such as development of housing, office buildings and other real estate; and a real estate investment business for REIT and investment funds.

Finance, Logistics & New Business Division



This division is engaged in funds and financial businesses as well as financial product trading and dealing in addition to the forwarding, third-party logistics, logistics consulting and container terminal businesses. It is also active in insurance agency and brokerage operations and such new fields as health care, mail order business, emissions credit trading, temporary staffing, consulting for Japanese companies operating in China, biotechnology, medical equipment, environment-related businesses and advanced technology.

Review of Operations

In April 2008, Marubeni made some changes in its business segmentation, which previously encompassed 12 divisions and two departments. Having reviewed the categories and characteristics of the products handled by individual divisions, we introduced a new structure consisting of 11 divisions and two departments. The business units that are most affected by this reorganization are as follows.

* The Textile Division and the Forest Products & General Merchandise Division were reorganized into the Lifestyle Division and the Forest Products Division.

* The Transportation & Industrial Machinery Division, the Power Projects Division and the Plant, Ship & Infrastructure Projects Division were reorganized into the Transportation Machinery Division, the Power Projects & Infrastructure Division and the Plant, Ship & Industrial Machinery Division.

* The Information & Communication Division and the Finance, Logistics & New Business Division were integrated into the FT, LT, IT & Innovative Business Division.

Reorganization of Business Units (Effective as of April 1, 2008)

Before Reorganization

- **Agri-Marine Products Division**
- **Textile Division**
- **Forest Products & General Merchandise Division**
  - Rubber Unit / Hide, Leather & Footwear Unit / General Merchandise & New Products Unit
  - Housing & Construction Materials Unit / Pulp Unit / Wood Chip Unit / Printing & Publication Paper Unit / Packaging Paper & Board Unit / Osaka Pulp, Paper & Paperboard Unit / MHP Unit / TEL Unit
- **Chemicals Division**
- **Energy Division**
- **Metals & Mineral Resources Division**
- **Transportation & Industrial Machinery Division**
  - Aerospace Unit / Defense Systems Unit / Automotive Unit / Automotive Machinery & Production System Unit / Construction & Agro Machinery Unit
  - Industrial Machinery Unit / Environmental Machinery Unit
- **Power Projects Division**
- **Plant, Ship & Infrastructure Projects Division**
  - Environment Infrastructure Unit
  - Energy & Natural Resources Projects Unit-I / Energy & Natural Resources Projects Unit-II / Railway & Transport Project Unit / Ship Unit / Asset Management Unit / Tekmatex Business Unit
- **Information & Communication Division**
- **Development & Construction Division**
- **Finance, Logistics & New Business Division**
- **Iron & Steel Strategies and Coordination Department**
- **Abu Dhabi Trading House Project Department**

After Reorganization

Living Essentials Group

Forest Products & Chemicals Group

Energy, Metals & Mineral Resources Group

Machinery Group

Finance, Information & Real Estate Group

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 coffee beans and rice. In addition, the division has established a formidable business structure encompassing midstream and downstream operations through investment in confectionery and frozen and chilled food wholesalers as well as such general merchandise store (GMS) operators as The Daiei, Inc. and The Maruetsu, Inc. The division works constantly to secure food safety in all of its operations, while flexibly addressing ever-diversifying consumer needs.

Daisuke Okada, Executive Officer, COO, Food Division

(Billions of yen)

Year ended March 31	2008
Gross trading profit	90.0
Equity in earnings	1.4
Segment net income	10.4
Segment assets	631.9

*1: Due to the divisional reorganization at the beginning of fiscal 2008, financial results through fiscal 2006 are not presented.
*2: Due to the reorganization of branches and branch offices within this division, figures presented above do not correspond to those calculated under the previous divisional structure.

Departments

- Cereals & Sugar Dept.
- Grain & Feedstuff Dept.
- Oilseeds, Fats & Oils Dept.
- Beverage Dept.
- Foods Merchandising Dept.
- Foods Marketing Project Dept.
- Farm Products Dept.
- Meat Dept.
- Seafood Dept.
- Osaka & Kyushu Food Dept.

Sources of Strength

- Columbia Grain International, Inc., one of the largest grain traders in the U.S. West Coast region
- Cia. Iguacu de Café Solúvel, Brazil's largest instant coffee producer
- Marubeni Nisshin Feed Co., Ltd., Japan's leading trading company-affiliated livestock feed manufacturer and marketer
- Pacific Grain Terminal Co., Ltd., a linchpin in Marubeni's domestic grain strategy
- Alliance with Daiei and AEON Co., Ltd., Japanese retailer groups with an aggregate annual trading transaction volume totaling ¥6 trillion

Business Topics

Business Development in Westernizing China Market

In January 2008, Marubeni invested in the Christine Group—Shanghai's largest producer and marketer of bread and confectioneries—in response to China's rapid transition toward a Westernized diet. Marubeni also established a wine production and distribution joint venture in Nantong, Jiangsu Province, with Asahi Breweries, Ltd. and Dafuhao Breweries Co., Ltd.

Major Achievements under the "G" PLAN

- By becoming the largest shareholder of Daiei and bolstering its capital and business alliance with AEON and Daiei, Marubeni worked to boost Daiei's earnings growth.
- In China, where people are increasingly shifting toward Western eating habits, Marubeni began manufacturing and marketing bread, wine and coffee.
- Marubeni entered into an agreement on the establishment of an assorted livestock feed production complex in Tokachi, Hokkaido.

Industry Environment

The price of grain hovered in a higher range throughout fiscal 2007 due to poor wheat harvests worldwide. A second consecutive year of record drought in Australia and similar conditions in Eastern Europe were contributing factors to this upswing. Moreover, robust bioenergy production-related demand for corn and soybeans drove prices upward. On the domestic front, a series of food-related incidents, such as product mislabeling, along with growing distrust regarding items imported from China, fueled food safety concerns. This increased awareness among Japanese consumers about food safety issues has triggered calls for greater focus on traceability in the trading of food products and their ingredients.

Strategies and Activities in Fiscal 2007

The division focused on expanding its livestock feed and grain trading volume, reinforcing its domestic supply structure, accelerating efforts in the food distribution sector and broadening its overseas operations. In the livestock feed and grain business, Marubeni entered into an agreement with other parties to establish a livestock feed production complex in Hokkaido, with the aim of ensuring stable domestic supply. In the food distribution business, we welcomed a confectionery wholesaler as a new subsidiary, thereby strengthening our midstream operations and expanding business with mass-marketers. Overseas, we stepped up our bread and wine operations in China.

As a result, in fiscal 2007, segment gross trading profit totaled ¥90.0 billion, and segment net income amounted to ¥10.4 billion on a consolidated basis.

Initiatives from Fiscal 2008

The global supply-demand structure for grain is drastically changing on the back of population growth in emerging countries and soaring demand caused by the increased use of grain for bio-fuels. Tapping the opportunities provided by this change, Marubeni is bolstering its competitiveness in the grain business. Specifically, we are expanding our international sales network while actively implementing initiatives aimed at better controlling overseas production sources and securing stable supplies of grain. At the same time, we are enhancing marketing and procurement capabilities in order to pursue merits of scale.

In Japan, Marubeni will expand its trading volume by leveraging collaborative ties with Daiei, Maruetsu and AEON amid ever-intensifying market competition. In addition, we will aggressively advance business development on a global scale and further enhance profitability by pioneering new markets, particularly in Asia, Europe and the United States.

Assorted Livestock Feed Production Complex in Tokachi, Hokkaido

©Tokachi Mainichi Newspaper, Inc.

In September 2007, Marubeni, Marubeni Nisshin Feed, Pacific Grain Terminal and two other companies agreed to establish a livestock feed production complex in Tokachi, Hokkaido, where the Japanese livestock and dairy industries are centered. The complex will provide comprehensive functions, including grain silos and compound-feed manufacturing.

Acquisition of Japan's Largest Confectionery Wholesaler

In the approximately ¥1.5 trillion confectionery market in Japan, Marubeni increased its stake in Yamaboshiya Co., Ltd., Japan's largest confectionery wholesaler, and changed Yamaboshiya's status from an affiliate to a subsidiary. Through this acquisition, Marubeni is stepping up efforts in the food distribution industry, one of its priority fields.

Lifestyle Division

Message from the COO

Established in April, 2008, the Lifestyle Division is tasked with coordinating businesses related to consumer goods, such as apparel, footwear, home furnishings, textile-related items and tires, as well as durable goods, including office and fitness equipment. The division is working to establish and strengthen a value chain for the entire lifestyle sector that 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.

Michihiko Ota, Managing Executive Officer, COO, Lifestyle Division

(Billions of yen)

Year ended March 31	2008
Gross trading profit	35.7
Equity in earnings	0
Segment net income	4.1
Segment assets	178.7

Due to the divisional reorganization at the beginning of fiscal 2008, financial results through fiscal 2006 are not presented.

Sources of Strength

- Well-established value chain encompassing product planning, manufacturing, importing, marketing, brand development and consulting services related to apparel ranging from uniforms to luxury clothing
- Comprehensive coordination functions covering a range of lifestyle-related operations in the areas of apparel, sports gear, footwear, home furnishings and textile-related items
- Substantial value chain in rubber-related businesses, extending from the manufacture and sale of natural rubber to the import, export, offshore trading and domestic and overseas retailing of synthetic rubber, tires and other rubber products

Departments

Textile Project Administration Dept.
Apparel & Lifestyle Dept.-I
Apparel & Lifestyle Dept.-II
Utility Apparel Dept.
Functional Materials Dept.
Rubber Dept.
Hide, Leather & Footwear Dept.
General Merchandise Dept.

Business Topics

Eight New Kimono and Girls' Dress Collections Debuted

Working with popular Japanese personality Seiko Matsuda, the kimono producer and marketer Kyoto Marubeni Co., Ltd. developed a collection of girls' dresses that it released under the SEIKO MATSUDA brand in April 2007. Also, the company launched a total of eight new kimono and girls' dress collections during the fiscal year, including the OTOHA mother and child collection in January 2008.

Major Achievements under the "G" PLAN

- Marubeni commenced product development involving such functional materials as aramid fiber and other textile-derived products, including carbon fiber, as well as brand licensing businesses.
- Through the acquisition of B-Quik Co., Ltd., the leading tire retailer in Thailand, Marubeni operates over 50 outlets in the country.
- Marubeni acquired Belterra Corporation, the largest conveyor belt distributor in Western Canada, while expanding the scope of its operations in Eastern Canada.

Industry Environment

Costs for production, distribution and sales are increasing worldwide due to a surge in natural resources, raw material and personnel costs. In Japan, a low birthrate and an aging population along with stagnant personal spending have resulted in weak sales of apparel, footwear and home furnishings. Addressing these business conditions is Marubeni's competitive structure for product application development and marketing with enhanced consumer-oriented planning capabilities and newly launched production bases. Overseas, despite U.S. economic uncertainty due to the sub-prime loan crisis, Marubeni has maintained its production bases in China and ASEAN countries, where strong consumer spending is making markets increasingly attractive. Making the most of opportunities, the division is expanding its operations in these markets.

Strategies and Activities in Fiscal 2007

While, in the textile sector, the domestic apparel market was weak, we improved the efficiency of original equipment manufacturing (OEM) trading for specialty store retailers of private-label apparel (SPA); expanded uniform rental businesses and related investment; entered lifestyle-related apparel, home furnishings and textile-related retail operations; and increased our carbon fiber and other functional materials trading volume. In the general merchandise sector, we have strengthened our substantial value chain while expanding the retail network of B-Quik, Thailand's leading tire retailer, and acquiring a Canadian conveyor belt distributor, Belterra, to bolster our earnings foundations.

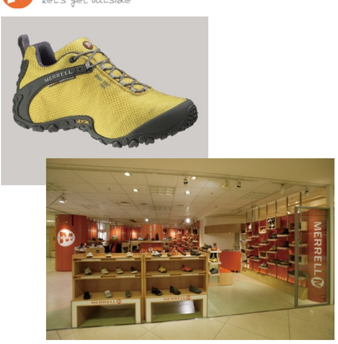
As a result, in fiscal 2007, segment gross trading profit totaled ¥35.7 billion, and segment net income amounted to ¥4.1 billion on a consolidated basis.

Initiatives from Fiscal 2008

Marubeni will continue sharpening its competitiveness while taking a flexible approach to ever-changing consumer and business-partner needs. In the textile sector, we will further strengthen our value chain covering upstream through downstream operations. Upstream, we will continue to develop new functional materials and establish new production bases. Midstream, we aim to accelerate OEM activities involving the planning, proposal, manufacture, import and sale of products in the apparel and other lifestyle-related fields, while promoting strategic alliances. Downstream, we will expand through M&A and increase investment in new brands.

In the general merchandise sector, we will expand the domestic sale, import, export and offshore trading of natural rubber, synthetic rubber, rubber products, hide, leather, footwear and office and fitness equipment. To this end, we will strengthen upstream operations by increasing natural rubber processing base locations and securing footwear production bases. Downstream, we will reinforce our tire and footwear retail networks while improving office equipment exporting and marketing.

MERRELL
let's get outside



New Merrell Footwear Stores Opened

In August 2007, Marubeni Footwear Inc. newly opened Merrell Concept Stores in Kawasaki, Kanagawa Prefecture and Shin-Urayasu, Chiba Prefecture. Merrell is a U.S.-based innovative outdoor footwear brand popular in over 130 countries. Marubeni Footwear has been active in the import and sale of footwear and accessories.

New Uniform Rental Contract with McDonald's

Marubeni Mate Co., Ltd., which rents and sells office and shop uniforms, concluded a rental contract with McDonald's Holdings Company (Japan), Ltd. in October 2007. Under this contract, we rent uniforms to 140,000 McDonald's employees at 3,800 restaurants nationwide.

Forest Products Division

Message from the COO

In recent years, the forest-related commercial goods this division handles have come to be regarded as valuable resources in themselves. Drawing from limited reserves, these goods continue to gain in value. As a result, we have made it our mission to secure forest resources, add value and expand our business. The division is focusing on strengthening its upstream afforestation operations, its midstream manufacturing and distribution operations and, downstream, its new business development activities. Through these initiatives, we are reinforcing our value chain, improving profitability and working to achieve sustainable growth.

Yukichi Nakamura, Executive Officer, COO, Forest Products Division

(Billions of yen)

Year ended March 31	2008
Gross trading profit	45.3
Equity in earnings	2.4
Segment net income	9.7
Segment assets	473.1

Due to the divisional reorganization at the beginning of fiscal 2008, financial results through fiscal 2006 are not presented.

Sources of Strength

- A value chain covering upstream to downstream operations
- Among trading companies, holding the top domestic market shares in all forest product categories
- Domestic and international business networks capable of providing production, sales and other extensive functions
- Organically integrated business and trading operations
- Global operations supported by effectively located distribution companies

Departments

Pulp Dept.

Wood Chip Dept.

Printing & Publication Paper Dept.

Packaging Paper & Board Dept.

Osaka Pulp, Paper & Paperboard Dept.

MHP Dept.

TEL Dept.

Housing & Construction Materials Dept.

Business Topics

Committed to the Development of Recycled Paper Businesses

Subsidiary Koa Kogyo supplies about 550,000 metric tons of medium board, containerboard and printing paper a year. Situated conveniently near one of the world's largest markets for paper products, Koa Kogyo boasts a strong earnings structure. Using virtually 100% wastepaper for raw material, the company is working on a closed recycling system and striving toward environmental conservation.

Major Achievements under the "G" PLAN

- Marubeni acquired Amapa Florestal e Celulose LTDA (Amcel), a Brazilian company engaged in afforestation and wood-chip businesses, while reinforcing its raw materials-related operations.
- Marubeni invested in Yuema International Co., (Cayman) Ltd. (current company name: Long Chen Paper (China), Holdings Co., Ltd.), the holding company of a containerboard manufacturer in China to bolster its global structure.
- Marubeni acquired Intragrated Resources Holdings, Inc. (IRH), a U.S.-based paper distribution company, to enhance sales capability in the region.

Industry Environment

Buoyed by a robust market, trading volume and performance grew in the pulp and materials sector. Demand for wood chips has increased in China and Europe, resulting in global market expansion. The expectation of tight market conditions due to limited supply from existing forests is keeping the price of wood chips high. Turning to pulp, most global manufacturers are based in countries with abundant forest resources. Reflecting currency appreciation in these resource-rich countries and strong demand, the price of pulp maintained an upward trend during fiscal 2007. In Japan, the paper manufacturers have seen stagnating profitability across the board due to a surge in the price of wastepaper and fuel. Thus, manufacturers are implementing early and large-scale product price revisions.

Strategies and Activities in Fiscal 2007

The division accelerated efforts to expand its value chain. In the raw materials sector, we worked to secure forest resources and stable pulp production while enhancing production profitability. In the manufactured goods sector, we worked to optimize the match of products to markets to improve profits and strove to increase overseas trading. Also, to reinforce our foundations and ensure profitability, we drew on comprehensive Group capabilities to implement initiatives that included investing in a South China-based containerboard manufacturer and acquiring a U.S.-based paper distribution and printing consulting company.

As a result, in fiscal 2007, segment gross trading profit totaled ¥45.3 billion, and segment net income amounted to ¥9.7 billion on a consolidated basis.

Initiatives from Fiscal 2008

This division centers on wood and related byproducts, including wood chips, pulp, paper, paperboard and building materials. Wood is an essential natural resource and, despite increased acceptance of the idea that supplies may be limited, we expect medium-term demand for forest-related materials and products to remain firm. The division will thus maintain a focus on operations related to forest product raw materials. Specifically, we will secure competitive forest resources to ensure earnings growth and pulp production stability. Also, utilizing wood-chip and pulp suppliers within the Marubeni Group, we will increase our trading of such raw materials worldwide. Both midstream and downstream, we will carefully select promising target fields and businesses while striving to improve profitability, with Long Chen Paper and IRH playing key roles in these efforts. In housing and construction materials, because demand for medium-density fiberboard (MDF) and high-density fiberboard (HDF) is expected to rise, we plan to secure overseas MDF and HDF production bases.

Record Volume at a Pulp Production Plant in Indonesia

P.T. Tanjungenim Lestari Pulp & Paper (TEL) is a pulp producer, and Marubeni has been the core operator of TEL since October 2005. TEL produced 486,000 metric tons of pulp in fiscal 2007, a record production volume for the facility.

Strengthening Afforestation and Wood Chip Production and Sales in Brazil

We acquired Brazil's Amcel, which is engaged in afforestation and wood chip production and distribution, in December 2006. Operated jointly with Nippon Paper Industries Co., Ltd., Amcel produces about 500,000 BDTs* of wood chips per year, selling them primarily in Europe, where it is gaining a foothold.

* BDT: Bone Dry Ton

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. During fiscal 2007, our trading volume of olefins and other basic chemicals increased thanks to robust market conditions, particularly in Asian countries. In fiscal 2008, we will continue to expand our trade in China and elsewhere in the Asian region and actively promote large-scale petrochemical projects in the Middle East. At the same time, we plan to participate in technology-oriented business in automobile-related fields.

Kenichi Hatta, Executive Officer, COO, Chemicals Division

(Billions of yen)

Year ended March 31	2008
Gross trading profit	30.8
Equity in earnings	0.6
Segment net income	5.6
Segment assets	226.4

*1: Due to the divisional reorganization at the beginning of fiscal 2008, financial results through fiscal 2006 are not presented.
*2: Due to the reorganization of branches and branch offices within this division, figures presented above do not correspond to those calculated under the previous divisional structure.

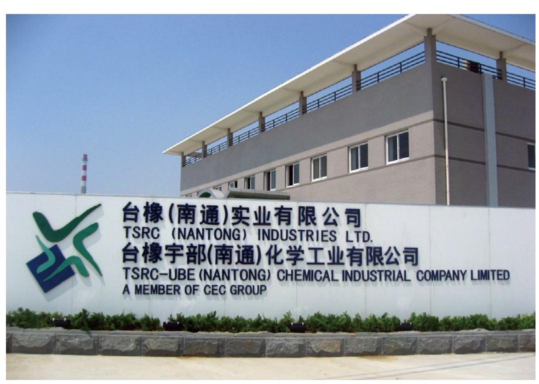
Departments

- Chemical Project Dept.
- Basic Chemicals Dept.
- Vinyl Alkali Dept.
- Plastics Dept.
- Inorganic & Agricultural Chemicals Dept.
- Specialty Chemicals Dept.
- Electronic Materials Dept.
- Chemix Project Dept.

Sources of Strength

- Established and leading presence in markets for olefins and synthetic fiber intermediates
- Outstanding business volume in the trade of vinyl chloride monomers and resins
- Strong ties with the world's leading suppliers of salt and boric acid
- Supply chains covering upstream to downstream operations
- Strong trade profitability through a global business network

Business Topics



Strengthening Synthetic Rubber Business in China

Robust Chinese demand for synthetic rubber is buoying Shenhua Chemical Industrial Co., Ltd.'s performance. TSRC-UBE (Nantong) Chemical Industrial Co., Ltd. is constructing an industrial plant expected to go on stream from early 2009, slightly ahead of schedule.

Major Achievements under the "G" PLAN

- In the petrochemical business, we participated in a synthetic rubber manufacturing business and expanded our logistics functions.
- In the inorganic and agrochemical business, we bolstered salt production capacity in Australia, while Helena Chemical Company steadily expanded its scope of operations in the United States.
- In the plastics business, the trading volume increased for automotive and packaging applications, while in the electronic materials business the trading volume grew, particularly for semiconductor-related products.

Industry Environment

The prices of crude oil, naphtha and other raw materials continued to surge and hovered at peak levels. Some industry players lagged in passing these cost increases on through their product prices. Despite these conditions, the chemical industry performed well overall due to a tight supply-demand situation accompanying increased petrochemical demand. The industry's strong performance is attributable to economic growth in China and other Asian countries that continued into fiscal 2007. With regard to the upstream sector, new business investment in petrochemical projects is rapidly increasing in the Middle East, a region boasting competitive advantage in raw materials supplies while gaining significant market status. In the midstream and downstream sectors, Japanese firms have been continuously ramping up their large-scale investments in automobile-related and other fields, particularly in the BRICs.

Strategies and Activities in Fiscal 2007

In addition to China, the Chemicals Division selectively allocated management resources to the Middle East and Southwest Asia. In these regions, we continued to tackle the structuring of new business models with the aim of expanding business operations through investment and trading. Specifically, we commenced various activities to launch new projects in the Middle East and other regions. We also reinforced our logistics functions by expanding our own tanker fleet for basic chemical operations.

As a result, in fiscal 2007, segment gross trading profit totaled ¥30.8 billion, and segment net income amounted to ¥5.6 billion on a consolidated basis.

Initiatives from Fiscal 2008

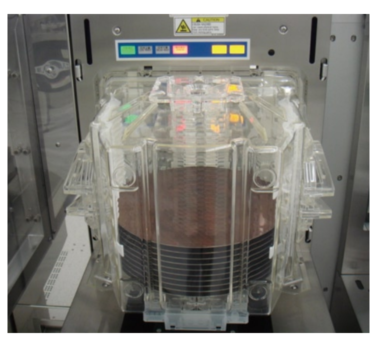
Leveraging Marubeni's domestic and international networks and coordination capabilities, we will strive to achieve sustainable growth based on both trade and investment. Our particular focus in fiscal 2008, however, will be on launching new projects that will serve as profit generators into the future, participating in growing industries and increasing our shares in existing profitable operations.

Our Chemical Project Unit will take the lead in the stringent selection and early launch of new large-scale projects related to petrochemicals and their derivatives in the Middle East, where price-competitive crude oil and gas resources are abundantly available. In the automotive industry-related field—one of our growth and priority domains—we will increase the trading volume of specialty polymers and tire raw materials while aggressively seeking to participate in and launch new joint ventures in the business of raw materials for automotive parts and chemicals.

Expanding Ethylene Operations

By upgrading its dedicated ethylene tanker fleet, Marubeni reinforced its logistics functions and further strengthened its leading presence in ethylene operations. Marubeni also increased its trading volume of ethylene produced in such Middle Eastern countries as Qatar and Saudi Arabia.

Bolstering Electronic Materials Business



Marubeni's operations are proving effective in the favorable semiconductor and rapidly growing solar battery markets, with sales of such items as silicon wafer containers and polysilicon increasing.

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 of oil and gas exploration and production (E&P), LNG projects, trading, marketing and nuclear fuels. Backed by favorable crude oil market conditions, Marubeni achieved record earnings for this division in fiscal 2007, the final year of the "G" PLAN. In fiscal 2008, the first year of "SG2009," the division will aim for further earnings growth by taking a flexible approach to the ever-fluctuating industry environment and pursuing new projects.

Keizo Torii, Executive Officer, COO, Energy Division

(Billions of yen)

Year ended March 31	2008
Gross trading profit	89.3
Equity in earnings	0.6
Segment net income	38.9
Segment assets	641.9

Due to the divisional reorganization at the beginning of fiscal 2008, financial results through fiscal 2006 are not presented.

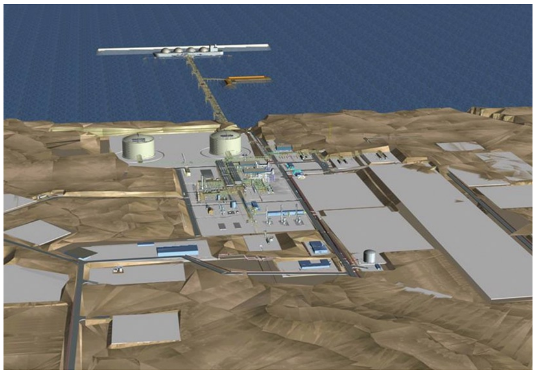
Sources of Strength

- Sustainable expansion of equity interests in reserves and production in the oil and gas E&P sector
- Steady increase in new LNG project participation
- Strong petroleum trading business boasting Asia's top position in naphtha trading
- The leading share of the Chinese imported LPG market
- Nuclear fuel business centering on an interest in the Republic of Kazakhstan uranium mine project

Departments

Energy Coordination Dept.
Oil and Gas E&P Dept.
Sakhalin Project Dept.
LNG Dept.
Natural Gas Project Development Dept.
LPG Dept.
Energy Trading Dept.
Industrial Energy Dept.
Nuclear Fuel Dept.
MIECO Dept.
Marubeni Energy Dept.
Marubeni Ennex Dept.

Business Topics



Peru LNG Project

In August 2007, Marubeni participated in the Peru LNG Project undertaken by U.S.-based Hunt Oil Company and other parties. Following projects in Qatar and the Republic of Equatorial Guinea, this is our third LNG project. Marubeni is working to achieve the stable supply of competitive LNG in the Pacific Rim region, where market expansion is forecast.

Major Achievements under the "G" PLAN

- Marubeni participated in the Peru LNG Project, the only South American LNG source positioned to supply other Pacific Rim countries, the markets of many of which are expected to expand.
- Eyeing potential contributions to Japan's long-term energy security, Marubeni participated in a uranium mine development project in Kazakhstan.
- With the aim of strengthening and expanding its management foundations by enhancing wholesaler functions and logistics network efficiency, Marubeni integrated its LPG operations with those of another trading company.

Industry Environment

Crude oil prices have broken the psychological threshold of $100 a barrel and are staying at peak levels, while the prices of other natural resources are also showing similar trends. These conditions have favorably contributed to earnings growth in oil and gas E&P—one of the division's strategic business fields. On the other hand, the division's marketing operations are at a crucial turning point, as the rise in crude oil prices has led to a surge in gasoline and kerosene prices, resulting in a slowdown in domestic consumption and triggering M&A activity in the domestic LPG industry. At the same time, the nuclear energy industry is showing increased potential for growth, with the world at the edge of a "renaissance" in nuclear power generation.

Strategies and Activities in Fiscal 2007

In oil and gas E&P, Marubeni concentrated on identifying and winning promising new projects. With regard to petroleum trading, Marubeni effectively applied various risk management techniques and took advantage of its domestic and international networks to ensure the stable supply of competitive petroleum products in the oil market, which was subject to violent price fluctuations. As for petroleum product marketing, we worked to provide distinctive, high-value-added services. And, in nuclear fuels, we accelerated the implementation of staged initiatives throughout the nuclear fuel cycle and pursued new opportunities to invest in uranium mines.

As a result, in fiscal 2007, segment gross trading profit totaled ¥89.3 billion, and segment net income amounted to ¥38.9 billion on a consolidated basis.

Initiatives from Fiscal 2008

The division will continue to concentrate its management resources in oil and gas E&P—one of the division's important strategic business fields—as it works to identify and acquire promising new projects. In LNG, we are working to increase our participation in new projects and are reinforcing our value chain.

In petroleum trading, the division will strengthen its existing business base and undertake new projects to expand its global activities. This will ensure that we thrive in the face of ever-intensifying market competition. We also aim to secure competitive advantage in petroleum product marketing. To this end, we will pursue higher operational efficiency and improve our procurement capabilities by enhancing relationships with suppliers.
To achieve further growth in nuclear fuel-related operations, we will continue to implement staged initiatives throughout the nuclear fuel cycle and pursue new investment opportunities in uranium mines.

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

Strengthening and Expanding Petroleum Trading

The division's headquarters in Tokyo, as well as its Singaporean, U.S. and U.K. arms are promoting global trading in crude oil and other petroleum products. Marubeni began importing Venezuelan crude oil in August 2007 under a Master Offtake Agreement with Petroleos de Venezuela, S.A., the first long-term regular supply agreement entered into for the shipment of Venezuelan crude oil to Japan.

Promoting Kazakhstan Uranium Mine Project

Since joining the project in 2007, Marubeni has contributed to steady progress in the development of a Kazakhstan uranium mine. We expect to begin test production in 2008 and full-fledged production in 2014. Our participation in this crucial project is part of a strategy to ensure Japan's future energy security.

Metals & Mineral Resources Division

Message from the COO

The Metals & Mineral Resources Division is constantly aiming to improve the profitability of the entire value chain from upstream sectors, such as mine development and smelting projects, to downstream sectors, including electronic materials and recycling, as well as new energy and other businesses. In addition, the division applies its extensive expertise, experience and information capabilities to bolster trading. In fiscal 2007, the division undertook large-scale investments in coal mines and other projects and achieved its second highest net income ever. From fiscal 2008, we will continuously leverage Marubeni's comprehensive capabilities to promote our existing businesses and win new projects.

Shinji Kawai, Executive Officer, COO, Metals & Mineral Resources Division

(Billions of yen)

Year ended March 31	2008
Gross trading profit	19.1
Equity in earnings	16.7
Segment net income	22.2
Segment assets	333.8

Due to the divisional reorganization at the beginning of fiscal 2008, financial results through fiscal 2006 are not presented.

Departments

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.

Sources of Strength

- Iron ore and metal raw materials: Active in the trading of raw materials for steel and stainless steel manufacturers
- Coal: An aggressive trader with robust investments in PCI coal supplied to steel manufacturers
- Non-ferrous metals: Vigorous investment in competitive copper mines and global non-ferrous metal ingot trading
- Light metals: Active in aluminum ingot sales with interests in competitive aluminum smelters
- Downstream and environment sectors: Active expansion in such new business sectors as electronic materials, recycling and new energy businesses

Business Topics

Additional Acquisition of Interests in Two Australian Coal Mines

Through its wholly owned subsidiary Marubeni Coal Pty. Ltd., Marubeni purchased a one-third share in Queensland Coal Mine Management Pty Ltd (QCMM). QCMM holds a 70% interest in the Jellinbah East Coal Mine and the Lake Vermont Coal Mine. As a result of the acquisitions, Marubeni has become largest interest holder in each of the aforementioned mines.

Major Achievements under the "G" PLAN

- The division established a new Business Development & Promotion Section in 2007 that accelerated new projects and succeeded in accumulating Australian coal mines and other prime assets.
- Through financial investments in the iron ore and copper ingot businesses, the division secured proprietary supply sources while strengthening its trading operations.
- The division gained a firm foothold in a number of potential fields through the aggressive pursuit of next-generation businesses, including underground coal gasification, CDMs, innovative steelmaking methods and electronic materials.

Industry Environment

During fiscal 2007, the commodities market again saw record highs, mainly reflecting robust BRIC demand for commodities, and global uncertainty in connection with supply security. This uncertainty became more pronounced in the second half of fiscal 2007, fueled by restrictions and taxes on resource exports imposed by supplying countries as well as unfavorable weather. Collectively, these factors contributed to heated market conditions. The surge in natural resource prices is expected to continue, reflecting accelerated M&A activity among resource supermajors, ever-intensifying competition for natural resources among the BRICs and spreading resource nationalism.

Strategies and Activities in Fiscal 2007

The division reinforced its prime asset portfolio under the "G" PLAN through large-scale investment aimed at further strengthening its earnings base and ensuring stability should the commodity market stagnate. Specifically, the division invested in large-scale coal-related projects in addition to projects complementing our formidable trading operations in the non-ferrous metals, iron ore and steelmaking raw materials categories. Also, we strengthened our next-generation business creation activities in such fields as new energy, new technology and environmental solutions, including clean development mechanisms (CDMs).

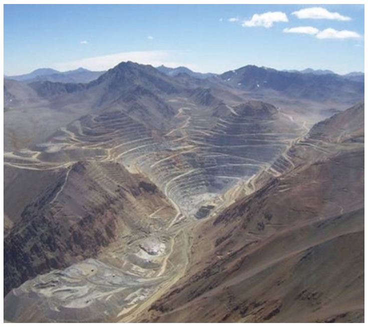
As a result, in fiscal 2007, segment gross trading profit totaled ¥19.1 billion, and segment net income amounted to ¥22.2 billion on a consolidated basis.

Initiatives from Fiscal 2008

The division has effectively mobilized the Metals & Mineral Resources Development Section to provide support for existing projects and investigate and assess potential development projects. Aiding such efforts, the newly established Business Development & Promotion Section is enhancing its comprehensive assistance in winning businesses regardless of category.
On the human resources front, the division started its own training programs in fiscal 2008 to support personnel in gaining the knowledge and capabilities required in metals and mineral resources operations.

Now prepared to tackle a greater number of large-scale investment projects, we are making steady progress in launching new prime projects. We are aiming to secure exclusive competitive sources that will help us ensure a stable supply of metals and mineral resources and fortify our earnings base. In addition to our industry-leading trading operations, we will diversify our business portfolio by undertaking new projects in such areas as the increasingly crucial fields of rare metals and environment-friendly new energy.

Steady Performance at the Los Pelambres Copper Mining Project in Chile



This project, in which Marubeni has invested through its wholly owned subsidiary Marubeni LP Holding B.V., enjoyed another period of strong performance due to a surge in the price of copper, significantly contributing to the division's earnings growth.

Underground Coal Gasification Project in Vietnam

In addition to investing capital into Linc Energy Ltd., an Australian energy company, Marubeni exchanged a memorandum concerning an underground coal gasification joint project in the Red River Delta, Vietnam, with Linc Energy and Vietnam National Coal-Mineral Industries Group during the Vietnamese President's visit to Japan in December 2007.

Transportation Machinery Division

Message from the COO

The former Transportation & Industrial Machinery Division enjoyed many successes during fiscal 2007. We won the first order ever from a Japanese airline for Brazil-made jet aircraft and acquired a car dealership and an auto parts distributor in the United States and Australia, respectively, while purchasing construction and agricultural machinery importers and distributors in Asia and the Americas and delivering and securing orders for automotive production systems in China and India. Working toward Marubeni's "SG2009" Plan targets while building on its new business structure, the new Transportation Machinery Division will pursue new investment, expand its overseas business base and pioneer new business models.

Takao Asahara, Executive Officer, COO, Transportation Machinery Division

(Billions of yen)

Year ended March 31	2008
Gross trading profit	51.1
Equity in earnings	4.5
Segment net income	14.1
Segment assets	274.5

Due to the divisional reorganization at the beginning of fiscal 2008, financial results through fiscal 2006 are not presented.

Sources of Strength

- An expanding lineup of aerospace and defense systems products in the United States and Europe with operations backed by expertise in development investments and trading
- A leader in automobile trading and retailing, highly competitive in automotive production system export and sales financing
- 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

Departments

Aerospace Dept.

Defense Systems Dept.

Automotive Dept.

Automotive Machinery & Production System Dept.

Construction Machinery Dept.

Agro Machinery Dept.

Business Topics

Helicopter supplied for an Antarctic Expedition

In October 2007, an Agusta Westland EH101 large-capacity helicopter was delivered to the Japan Maritime Self-Defense Force. Operating from the icebreaker *Shirase*, the helicopter supports expeditions to the Antarctic. Measuring 19.5m and equipped with three turbo-shaft engines, the EH101 is the world's largest helicopter, boasting a passenger capacity of up to 40 people.

Major Achievements under the "G" PLAN

- In the aerospace and defense system sector, Marubeni is reaping the benefits of its investment in aero engine development. In the year under review, the Company began providing airport ground handling services.
- In the automobile and automotive machinery sectors, the division expanded its car dealership operations in the United States, the United Kingdom and Australia. In addition, the division is building a solid track record in the export of automotives and automotive machinery.
- In the construction and agricultural machinery sector, the division's export operations were robust, particularly in the key markets of the Middle East, Asia and Russia.

Industry Environment

Despite uncertainties surrounding the real impact of the U.S. sub-prime loan crisis, the global economy is continuing on a stable growth path. Leveraging its unique advantages in various fields, the division performed well in fiscal 2007, especially with regard to the export of automobiles and construction and agricultural machinery to ASEAN and Middle Eastern countries. In particular, the division improved its sales and profits by addressing robust demand for automobiles in Middle Eastern and African countries and garnering healthy orders for mining and general construction machinery in Asia and the Middle East.

Strategies and Activities in Fiscal 2007

The division will continue to effectively apply its operational advantages in fiscal 2008 as it focuses on the development of its three core business fields. Specifically, we will utilize stepped up investments and loans in the core fields to expand our overseas business base through investment in and the establishment of overseas subsidiaries and the deployment of a larger number of expatriate personnel. At the same time, we will pioneer new business models in a broad range of business sectors, including overseas retailing and wholesaling, financial investments, sales financing and leasing.

As a result, in fiscal 2007, segment gross trading profit totaled ¥51.1 billion, and segment net income amounted to ¥14.1 billion on a consolidated basis.

Initiatives from Fiscal 2008

In fiscal 2008, the first year of "SG2009," the division will promote the further expansion of its earnings base, while entering new business fields. To this end, in the aerospace and defense systems sector, we will target Japanese airlines, with the goal of increasing jet and U.S.-made business jet aircraft sales. At the same time, we will accelerate the provision of various services, including airport ground handling. In the automobile sector, the division is planning to acquire new car dealerships in the United States, Europe and Australia and increase the export of automobiles to growing markets in the Middle East and Africa. In the automotive machinery and production systems sector, we will expand the export of products to China and India and upgrade our automotive component distribution services in the countries. In the construction and agricultural machinery sector, the division will boost exports to the BRICs and ASEAN countries and acquire or establish local sales agents while bolstering its sales and financing business.

Acquisition of Honda Car Dealerships

Marubeni acquired U.S. and Australian Honda car dealerships in December 2007 and February 2008, respectively. Located in a high-end North-Central Sydney community, the Australian dealership handles approximately 3,500 cars annually and ranks among the country's top dealers. This acquisition marks Marubeni's entry into the Australian car dealership market.

Acquisition of Mexico's Largest Construction Machinery Distributor

Marubeni acquired WPI de Mexico S.A. de C.V., a Komatsu Ltd. construction machinery sales agent, in September 2007. Serving 24 states, WPI is Mexico's largest construction machinery distributor and has supplied a record 300 hydraulic excavators to cement powerhouse CEMEX S.A.B. de C.V., and other users.

Power Projects & Infrastructure Division

Message from the COO

The Power Projects & Infrastructure Division boasts extensive expertise and knowledge accumulated over a long history of power project-related operations and can claim an outstanding track record in the industry. Leveraging these advantages, the division's overseas Engineering, Procurement and Construction (EPC) and overseas IPP businesses work constantly to expand their generation assets and thus ensure sustainable profitability. At the same time, we constantly take on challenges in such areas as retail power sales in Japan, power supply using distributed generation facilities, the provision of water and sewerage systems overseas and IT and telecommunication projects overseas, thereby broadening the scope of our business activities.

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

(Billions of yen)

Year ended March 31	2008
Gross trading profit	40.5
Equity in earnings	7.9
Segment net income	11.5
Segment assets	670.8

Due to the divisional reorganization at the beginning of fiscal 2008, financial results through fiscal 2006 are not presented.

Sources of Strength

- Significant experience and recognition in the power EPC sector, built up since the 60s
- Excellent managing capability of EPC projects, based on ample proven results
- Solid regional sales base and expertise in the arrangement, development and implementation of sophisticated finance programs
- Generation assets with a net generating capacity of 6,586MW, comparable to that of some domestic power companies

Departments

Power Projects & Infrastructure Asset Management Dept.

Overseas Power Project Dept.-I

Overseas Power Project Dept.-II

Overseas Power Project Dept.-III

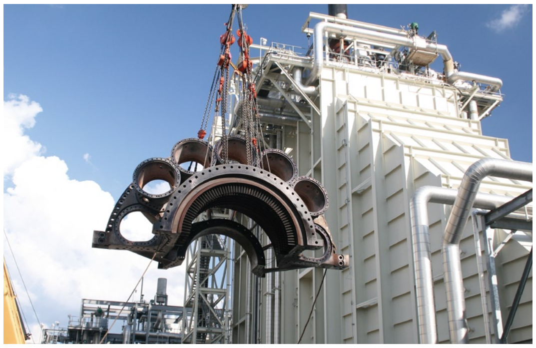
Domestic Power Project Dept.

New Technology & Renewable Energy Dept.

Environment Infrastructure Dept.

Overseas Telecom & Information Dept.

Business Topics



Scene from PIC's outage services

Acquisition of The PIC Group Inc.

Marubeni acquired The PIC Group Inc., a U.S.-based independent global provider of services and programs focused on power generation operations and maintenance. With this acquisition as the first step, we will increase our focus on the provision of after-market services to power plants constructed by ourselves and other facilities in the United States.

Major Achievements under the "G" PLAN

- Marubeni won a large-scale IPP project in Qatar and the United Arab Emirates (UAE), while acquiring large-scale power assets in the Philippines and the Caribbean.
- Marubeni was awarded construction orders for the Hai Phong II Coal-Fired Thermal Power Plant in Vietnam and Muara Tawar Gas-Fired Power Plant in Indonesia as well as an order for refurbishing two boilers supplied by Marubeni in 1980s to Suralaya Coal-Fired Power Plant in Indonesia.
- The first Japanese firm to do so in the United States, Marubeni began supplying power produced by distributed generation facilities. Also in the United States, Marubeni added wood chip biomass-fueled power plants to its generation asset portfolio.

Industry Environment

Despite ever-intensifying competition, particularly fueled by the emergence of China, India and other new players in the EPC sector, demand remains strong for power plant construction due to ongoing expansion in electricity demand worldwide. This situation, the high potential for stable profitability in power-related businesses and the ready availability of funds for infrastructure investment are boosting global competition for acquiring prime IPP assets. In addition, environment-friendly energy production using such resources as wind power and biomass is drawing significant attention to the industry.

Strategies and Activities in Fiscal 2007

In the overseas EPC sector, we worked to diversify earnings sources amid intensifying competition, drawing on Marubeni's comprehensive strengths and long-cultivated expertise to win new power projects and penetrate such business fields as power plant-related services and maintenance. In overseas IPP operations, we improved the asset efficiency of existing power plants and acquired further prime assets worldwide. In the renewable energy sector, we continued to acquire new prime overseas assets in such areas as wind-power generation and supply businesses that use distributed power generation facilities.

As a result, in fiscal 2007, segment gross trading profit totaled ¥40.5 billion, and segment net income amounted to ¥11.5 billion on a consolidated basis.

Initiatives from Fiscal 2008

In the power plant EPC sector, we aim to bolster our industry presence and diversify and expand our earnings sources. Thus, we will aggressively enter such new operating domains as power plant-related services and maintenance and nuclear power plant-related operations. In the overseas IPP business, we will reestablish a structure for centralized asset management. Concurrently, we will expand our competitive portfolio in line with regional diversification and portfolio optimization policies in order to diversify risks and maximize investment returns. In retail power sales in Japan, we will work to secure new energy sources and to expand operations despite soaring energy prices. In the renewable energy sector, we will concentrate on acquiring prime U.S.-based wind-power and biomass generation assets. In the overseas water and sewerage systems sector, we will seek ways to generate synergies between our desalination and power projects in the Middle East. The Overseas Telecom & Information Department is focusing on projects related to IT infrastructure and public security systems in South Africa, Spain and Vietnam.

Fujairah 2 Power and Water Project in the UAE

The signing ceremony

Marubeni and U.K.-based International Power plc began construction on the Fujairah 2 independent power and water producer business, slated to go online in 2010, for Abu Dhabi Water & Electricity Authority (ADWEA). The December 17, 2007 financial document signing ceremony, hosted by Japan's Prime Minister Yasuo Fukuda, was held at the Prime Minister's office.

Acquisition of U.S. Wood Chip Biomass-Fueled Power Plant

Springfield power plant (New Hampshire, USA)

Marubeni has acquired a 16MW wood chip biomass-fueled power plant located in Springfield, New Hampshire, the United States. With this acquisition, the electric generating capacity of wood chip biomass-fueled power plants owned and operated by Marubeni in North America totals approximately 50MW.

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. We leverage our expertise and knowledge in each of these sectors and, in collaboration with strategic partners, develop and promote a variety of projects, accurately identifying customers' needs. At the same time, we aggressively create new businesses and participate in investment projects that support and reinforce our core operations. In addition, we are actively pursuing projects in the new strategic fields of environmental and new energy projects, such as greenhouse gas (GHG) reduction projects as well as solar energy and bio-fuel projects.

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

(Billions of yen)

Year ended March 31	2008
Gross trading profit	25.9
Equity in earnings	2.5
Segment net income	5.5
Segment assets	351.5

Due to the divisional reorganization at the beginning of fiscal 2008, financial results through fiscal 2006 are not presented.

Sources of Strength

- Extensive market knowledge and ability to pioneer new markets
- Solid customer relationships and a wealth of business experience in dealing with contractors in Japan and abroad
- Comprehensive risk management and capability to structure, arrange and provide financing
- Ability to create and structure various projects using Marubeni's comprehensive functions as a general trading house
- Independent engineering functions related to railway systems, and pulp and paper plant and machinery
- Strong ties with established industrial machinery manufacturers both in Japan and overseas

Departments

Heavy Machinery & Natural Resources Plant Dept.

Energy & Chemical Projects Dept.

Railway & Transport Project Dept.

Ship Dept.

Pulp & Paper Machinery Dept.

Industrial Machinery Dept.

Business Topics

Large-Capacity Crude Oil Tanker

In July 2007, Sumitomo Heavy Industries Marine & Engineering Co., Ltd. completed the construction of a 105,000 dwt* crude oil tanker in its Yokosuka Shipyard. Construction was ordered by MI-DAS LINE S.A. of Panama. Applying its capabilities in project coordination, Marubeni, as a general trading house, is developing its global ship business worldwide.

*dwt: deadweight ton

Major Achievements under the "G" PLAN

- In the plant sector, the division entered into a large-scale loan agreement related to crude oil and petroleum product transactions in South America; received construction contracts for steel plants in India and other countries; and launched GHG reduction projects in certain countries, including China.
- The division expanded its transport related business by securing large-scale railway system projects in Turkey and other countries and commencing a freight railcar leasing business in various nations, including the United States.
- In the ship sector, the division increased newly built ship sales and expanded brokerage and chartering services for domestic and overseas ship-owners while enhancing the chartering activities of its own fleet.
- The division extended the scope of its industrial machinery business by increasing sales of pulp and paper machinery and equipment, mainly in Vietnam and China, and expanding solar energy and other new energy-related machinery and equipment businesses.

Industry Environment

In the plant and transport sectors, soaring natural resource prices are driving investment, particularly in oil-producing countries, where abundant petromoney is increasingly being channeled into infrastructure development. Simultaneously, these countries are seeing a growing need to attract outsourcers, providing ambitious enterprises with ample opportunities for market penetration.

In the ship sector, increased demand for natural resource transport is energizing the shipping market and boosting orders for newly built ships. With regard to the industrial machinery sector, stable demand supported by solid enthusiasm for capital investment is bringing a firm increase in business orders for pulp and paper machines, among others.

Strategies and Activities in Fiscal 2007

Amid this favorable environment, the division enhanced its comprehensive business capabilities by leveraging its extensive knowledge and expertise in the markets, products and structured financing and through collaboration with commodity-related departments of the Marubeni Group. In plant, infrastructure and industrial machinery projects, where we remain highly competitive, we won numbers of new EPC contracts and orders for newly built ships. Also, to enhance earnings power, we actively pursued investment projects in associated business fields.

As a result, in fiscal 2007, segment gross trading profit totaled ¥25.9 billion, and segment net income amounted to ¥5.5 billion on consolidated basis.

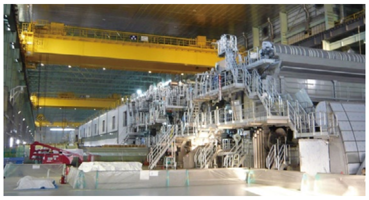
Initiatives from Fiscal 2008

We will reinforce our prime asset portfolio by expanding EPC projects and newly built ship sales and participating in new investment projects. In the plant sector, we will enter into midstream fields in the oil and gas industries and bolster our iron and steel-making plant services while actively developing GHG reduction projects in Asia and the CIS. In the transport sector, we will strengthen freight railcar leasing operations in the United States and accelerate European operations while working to penetrate such new fields as natural resource transport and railcar maintenance services. In the ship sector, we will foster chartering operations and enter into new businesses, including the operation of large LPG and LNG carriers and ship repair and building services. In the industrial machinery sector, we plan to establish a new engineering company to bolster business functions and expand sales of pulp and paper machinery and equipment while accelerating environmental and new energy businesses, such as solar energy and bio-fuel projects.

Second Phase of Trans-Bosporus Rail Link Construction

A Marubeni-led international consortium that includes the French Alstom Group and Turkish Dogus Holdings S.A. is building the second phase of "Marmaray," a trans-Bosporus rail link. This large-scale project includes the construction of a third 63-kilometer onshore rail track and the installation of power supply facilities and railroad signals as well as the refurbishment of existing facilities and equipment and station buildings.

Supply of a Large-Scale Papermaking Line

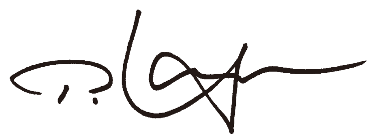


Marubeni delivered and began installing a large-scale papermaking line manufactured by Finland's Metso Corporation at the Niigata Mill of Hokuetsu Paper Mills, Ltd. in October 2007. The world's most modern and largest papermaking line and capable of producing 1,600 meters of 10.7-meter wide coated paper a minute, the line is scheduled to go on stream in autumn 2008.

Real Estate Development Division

Message from the COO

This division, in close cooperation with Group operating companies, conducts comprehensive condominium operations covering product planning, sales and post-sales management services. Cumulative sales currently exceed 72,000 units. The division has successfully developed the real estate investment business into a reliable profit driver through the effective establishment of real estate investment funds and investment in an asset management company affiliated with real estate investment trusts in Japan (J-REITs). Leveraging our extensive know-how accumulated through domestic operations, we are active in the development of residential and office buildings overseas, particularly in China.



Tadahiko Yamashita, Executive Officer, COO, Real Estate Development Division

(Billions of yen)

Year ended March 31	2008
Gross trading profit	32.4
Equity in earnings	0
Segment net income	2.6
Segment assets	325.1

*1: Due to the divisional reorganization at the beginning of fiscal 2008, financial results through fiscal 2006 are not presented.
*2: Due to the reorganization of branches and branch offices within this division, figures presented above do not correspond to those calculated under the previous divisional structure.

Sources of Strength

- Ample experience and expertise in the condominium business
- Real estate development capability supported by multifaceted expertise in residential and office buildings and commercial facilities
- Asset management capability relating to real estate investment
- Diverse supporting companies that provide peripheral real estate services
- Extensive overseas development operations, mainly in China

Departments

Housing Development Dept.-I
Housing Development Dept.-II
Osaka Real Estate Development Dept.
Urban Development Dept.
Overseas Real Estate Development Dept.
Real Estate Business Dept.-I
Real Estate Business Dept.-II

Business Topics

CANAL FIRST TOWER (Koto-ku, Tokyo)

In March 2008, Marubeni and other enterprises completed the construction of CANAL FIRST TOWER, a high-rise condominium complex located in Toyosu, Shinonome, an attractive residential zone within greater metropolitan Tokyo. Marubeni enjoyed steady sales of this brand-new, 42-story building's 415 residential units.

Major Achievements under the "G" PLAN

- Marubeni participated in several large-scale projects, including a multipurpose complex in Nagoya, and urban redevelopment projects promoted by the Tokyo Metropolitan Government, thereby establishing more diversified property acquisition schemes.
- Marubeni expanded the scope of its real estate investment business by securing gains from sales of properties and investing in new properties and projects.
- In addition to housing sales in Shanghai, Marubeni began undertaking multipurpose complex development projects in Tianjin and Shenyang in China.

Industry Environment

In the first half of fiscal 2007, the real estate industry enjoyed a period of steady growth overall. Supporting favorable market conditions were strong economic trends that drove robust condominium sales along with active demand for office buildings and commercial facilities from real estate funds and J-REITs. In the second half, however, the real estate market exhibited initial signs of a slight slowdown, reflecting the implementation of revision to the Building Standards Law of Japan, surges in construction costs and economic uncertainties triggered by the U.S. subprime loan crisis.

Strategies and Activities in Fiscal 2007

In the housing business in Japan, the division diversified its property acquisition schemes through the formation of joint ventures and the development of multipurpose complexes. With regard to the real estate investment business serving J-REITs and investment funds, we worked to increase earnings opportunities through an enhanced alliance with Marubeni-affiliated asset management companies and funds. In addition, through its overseas real estate-related business, the division advanced residential development in Shanghai, expanded operations into major Chinese cities other than Shanghai and penetrated such new fields as office building and commercial facility development. We accelerated efforts to increase earnings in these three core businesses.

As a result, in fiscal 2007, segment gross trading profit totaled ¥32.4 billion, and segment net income amounted to ¥2.6 billion on a consolidated basis.

Initiatives from Fiscal 2008

The division has identified the housing business in Japan, the real estate investment business serving J-REITs and investment funds and the overseas real estate-related business as its core operating areas. With the aim of diversifying the types of property acquired through its domestic housing business, in October 2007 the division established the Mixed-Use Development & Urban Redevelopment Team, which is tasked with undertaking large-scale redevelopment projects and reconstructing various existing condominium complexes from a long-term perspective. We aim to step up our investment in the real estate investment business while strengthening our fee-based businesses by accepting real estate asset management agency work obtained through Marubeni Asset Management Corporation established in November 2007. In the overseas real estate-related business, we will further expand existing residential development operations in Shanghai. Also, we will extend operations into other major Chinese cities, such as Tianjin and Shenyang, undertaking the development of commercial facilities and office buildings.

NAGOYA PRIME CENTRAL (Nagoya, Aichi Prefecture)

In Nagoya's Mei-eki district, where the concentration of commercial and business functions is heightening, Marubeni is participating in a large-scale multipurpose complex redevelopment project comprising a 24-story office building and a 29-story condominium complex. Marubeni has begun construction on the property and plans to complete it in spring 2009.

Tianjin Complex Development (Tianjin, China)

In the Heping District of central Tianjin, Marubeni is undertaking a joint development project with Hong Kong-based Sun Wah Group for a multipurpose facility. This extensive property will include condominium complexes, commercial facilities, office space and serviced apartment buildings.

FT, LT, IT & Innovative Business Division

Message from the COO

The FT, LT, IT & Innovative Business Division pursues operations in fields that are relatively new to general trading houses. The basic concept behind our activities rests in the provision of outstanding services created through the optimal combination of services found throughout the breadth of tertiary industries. We have placed the highest priority on the establishment of a value chain that creates added value by flexibly meeting changes in Japan's industrial structure and integrating existing and new businesses. Accordingly, we will actively undertake necessary acquisitions and form strategic alliances with third parties to foster the division's innovative functions.

Hidehisa Saito, Executive Officer, COO, FT, LT, IT & Innovative Business Division

(Billions of yen)

Year ended March 31	2008
Gross trading profit	41.6
Equity in earnings	0.8
Segment net income	-1.9
Segment assets	253.6

Due to the divisional reorganization at the beginning of fiscal 2008, financial results through fiscal 2006 are not presented.

Sources of Strength

- Fund management capabilities backed by experience
- Wide-ranging logistics solutions and the leading position among general trading houses in the container terminal business
- Outstanding track record and extensive expertise in the insurance brokerage business
- A pioneer in domestic emissions credit trading
- Superior ability to provide comprehensive IT business solutions

Departments

Finance Business Dept.

FOREX & Financial Products Dept.

Logistics Business Dept.

Insurance Business Dept.

Solution Business Dept.

Network Business Dept.

Life Care Business Dept.

New Business Development Dept

Business Incubation Dept.

Business Topics

Resta リスタ
地震被災者のための生活再建費用保険

Insurance Underwriting Business

Through investment in Shinsai Partners Inc., a small-amount, short-term earthquake insurer, Marubeni has ensured a more balanced insurance business portfolio. This move complements its established insurance brokerage business with underwriting operations. From fiscal 2008, we will strive to expand the insurance underwriting business.

Major Achievements under the "G" PLAN

- The division has built a track record in the fund business, leveraging Marubeni's extensive network and comprehensive capabilities for incubating businesses.
- While accumulating experience in domestic emissions credit trading, the division has solidified the foundation required to penetrate into equivalent European markets.
- Marubeni Information Systems Co., Ltd. and Marubeni Solutions Corporation merged on October 1, 2007, expanding the scope of operations of both companies.
- As part of efforts to bolster its outsourcee functions, Marubeni formed a capital and business alliance with Q&A Corporation, an IT support service provider.

Industry Environment

Turmoil in the global financial market due to the U.S. sub-prime loan crisis dampened financial investments and exports to North America. The year was marked, however, by a number of successes, including steady growth in our insurance and overseas container terminal businesses and the receipt of import approval by Given Imaging KK, a Marubeni affiliate, for capsule endoscopes manufactured by Israel-based Given Imaging Ltd. Overall, the IT market seems to be experiencing a growth phase, reflecting improved market performance; however, competition in terms of services and pricing is intensifying. The mobile communications industry has matured, leading to the reorganization of sales agent structures, robust IT investment in the private sector and strong demand for IT-related outsourcing.

Strategies and Activities in Fiscal 2007

Net income in this division fell into the red due to the sluggish performance of financial investments undertaken by our finance-related subsidiaries in Europe. In the finance sector, we increased buyout fund investments and reinforced dealing functions. In the insurance sector, we entered into the underwriting business and promoted the development and administration of insurance-related IT systems. In the innovative business sector, we began full-fledged emissions credit sales. In the information and communication sector, we accelerated the expansion of infrastructure- and network-related services. In the logistics and related solutions sector, we streamlined our operational structure by pursuing mergers and consolidations while acquiring and forming capital tie-ups with third parties.

As a result, in fiscal 2007, segment gross trading profit totaled ¥41.6 billion, and segment net income amounted to negative ¥1.9 billion on a consolidated basis.

Initiatives from Fiscal 2008

In the finance sector, the division will reinforce its buyout fund investment functions. Regarding the logistics sector, we will expand and upgrade our logistics services and accelerate investments in our container terminal operations. In the insurance sector, we will work to bolster our underwriting business. Concerning the innovative business sector, we will strengthen our emissions credit trading and step up our mail order business while boosting activities aimed at identifying potential businesses, particularly in the fields of biotechnology and other innovative technologies. In order to attain a greater presence in the information and communication sector, we will enhance our operations in the network, solutions and distribution fields while fortifying our operations in the outsourcing field. With an eye also on strategic M&A and business alliances in these four fields, the division will aim to become a top-notch provider of high-value-added IT services for a wider variety of clients.

International Transaction Log (ITL) Launched

In accordance with the Kyoto protocol, the ITL system manages the global transfer of emissions credits. Japan was connected to the ITL in November 2007, becoming the first country to do so. Following the connection launch, the emissions credits that Marubeni purchased were transferred into its account. Marubeni will actively engage in the emissions credit business.

Eee PC Advanced Internet Device Debuted in Japan

Marubeni began domestic sales of Eee PC, a compact notebook PC manufactured by ASUSTeK Computer Inc., in January 2008. During the last two-month period in 2007, approximately 350,000 Eee PC units were shipped to North America and other regions. The first shipment to Japan was sold out on the day of its market release, demonstrating the product's enormous popularity.

Business Segments/ Overseas Operations

Iron & Steel Strategies and Coordination Department

This department was established in May 2001, ahead of the transfer of the Iron & Steel business to Marubeni-Itochu Steel Inc. (MISI), a company founded on October 1, 2001. The department closely coordinates activities among MISI, Marubeni Construction Material Lease Co., Ltd., Thai Cold Rolled Steel Sheet Public Co., Ltd. (TCR) and other operating companies, which, in turn, promote more organic functions in the iron and steel business and every industry in which Marubeni Group divisions are active.

Performance in Fiscal 2007, ended March 2008, and Initiatives from Fiscal 2008

In the seven years since its founding, MISI has been making its presence felt as a leading trading company in the steel sector. In fiscal 2007, MISI enjoyed robust results centered on the shipbuilding, automotive and industrial machinery fields in Japan, as well as brisk exports.

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 has steadily ramped up both output and sales volumes since operations commenced in 1997, providing high-quality cold rolled steel sheets to Japanese companies with localized operations and other sources of demand in Thailand. Marubeni Construction Material Lease 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 steadily broadening its business scope.

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.

(Billions of yen)

Year ended March 31	2008
Gross trading profit	1.0
Equity in earnings	17.4
Segment net income	16.5
Segment assets	105.1

Due to the divisional reorganization at the beginning of fiscal 2008, financial results through fiscal 2006 are not presented.

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 the "Detroit of Asia." 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

This department formed a general trading house in Abu Dhabi as a joint venture with the government of the Emirate of Abu Dhabi, UAE. 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 engages in new business creation in Abu Dhabi and other nations in the Middle East and North Africa.

In May 2007, Marubeni and the government of the Emirate of Abu Dhabi, UAE, established Abu Dhabi Trade House LLC (ADTH) to focus on the three core business areas of trade, investment and project development. ADTH has been conducting feasibility studies on the commercial viability of potential business and other opportunities. Operating as a trading house, ADTH aims to expand the scope of its business and contribute to the development and expansion of emerging industries within Abu Dhabi through a broad spectrum of promising businesses, including petrochemical operations; the import, export, fabrication and distribution of construction materials; metal product operations; foodstuff operations; and the provision of environmental solutions.

Marubeni and ADTH concluded a memorandum of understanding in December 2007 with the Emirate of Abu Dhabi's wholly owned date grower Al Foah LLC for date sales in Japan. <From left: Rashed Mubarak Al Hajeri, Chairman, Al Foah; Nobuo Katsumata, former President and CEO, Marubeni; and Hussain Al Nowais, Chairman, ADTH>

The fast-growing metropolis of Abu Dhabi

Overseas Operations

The Marubeni Group currently maintains 115 corporate overseas offices, consisting of 63 corporate subsidiaries and 52 branches and liaison offices, as well as 248 divisional subsidiaries. This extensive network enables Marubeni to undertake operations in a spectrum of fields on a global scale.

The corporate overseas offices are tasked with promoting Group initiatives in their individual locations, while each divisional subsidiary pursues business development related to specific products in line with their respective division's product strategies. Thus, the management of Marubeni's overseas operations takes into account the perspectives of both corporate overseas offices and divisional subsidiaries. Seeking to expand overseas operations, we are optimally coordinating the division- and product-specific sales and marketing strategies of the divisional subsidiaries with the region-specific joint activities corporate overseas offices are undertaking with local corporations.

Today, the majority of the Marubeni Group's revenues and earnings derive from overseas markets, and the overseas sales ratio is on a continuously upward trend. Given these circumstances, Marubeni has assigned Regional CEOs for the five major geographical segments of the Americas, Europe, China, ASEAN and the Middle East and North Africa with the aim of strengthening and boosting our comprehensive activities in overseas markets. Regional CEOs are in charge of promoting and coordinating the Group's regional strategies at their assigned locations while working to generate synergies among divisions, corporate overseas offices and divisional subsidiaries.

Koichi Mochizuki

Senior Managing Executive Officer
Regional CEO for the Americas

The Americas

Recording good performances in U.S. grain exports and agricultural material sales, Marubeni is actively pursuing power-related, energy, mineral, forest-related and other natural resource operations in the Americas.

During 2007, sub-prime mortgage-linked issues triggered a slowdown in the U.S. economy that contrasted with favorable market conditions in resource-rich growing economies in Central America and South America.

A Marubeni America Corporation subsidiary posted a fourth straight year of record profits due to robust sales of corn fueled by the increased acreage of the crop being grown for use as a bio-ethanol raw material. Moreover, through M&A we expanded our refrigerated trailer leasing operations into Canada and penetrated the enormous U.S. auto parts aftermarket.

In power-related businesses, we acquired U.S. biomass power plants and became the first Japanese company to participate in integrated utilities and IPP operations in four Caribbean nations.

Our natural resource and energy operations now include an LNG project in Peru, petroleum product purchasing in Venezuela and ethyl tertiary butyl ether (ETBE) exporting from Brazil to Japan.

Throughout the Americas, Marubeni will work to reinforce its prime asset portfolio through M&A and other means.

Grower-oriented sales activities of Helena Chemical Company, a Marubeni America Corporation subsidiary.

Shigemasa Sonobe
Executive Officer
Regional CEO for Europe

Europe

Marubeni maintains operations in a wide range of sectors in Europe. Drawing on its extensive commercial capabilities, Marubeni is working to broaden the scope of its business activities in the region.

Euro zone countries posted average economic growth of 2.6% in 2007, or 2.9% on a 27 EU member state basis, buoyed by healthy market conditions. Over half of the economically dynamic Central and Eastern European members recorded annual growth surpassing 6%.

Future regional strategies call for accelerating operations in these countries and developing commodities trading and infrastructure projects in Russia west of the Urals and the Ukraine. We are also concentrating on environmental and renewable energy-related projects in these regions.

In line with its product strategy, Marubeni Europe has succeeded in identifying high-value-added, plastics-related niche products and promoting sales of distinctive brands.

Working closely with more than 20 European Group companies operated directly by divisions at Marubeni Head Office, Marubeni Europe is creating a business structure that draws on comprehensive Group strengths.

Marubeni supplies these highly efficient photovoltaic modules, which are manufactured in Japan, to a solar power project in Spain.

Norihiro Shimizu
Managing Executive Officer
Regional CEO for China

China

The Marubeni Group's handling volume in China exceeded ¥1 trillion in fiscal 2007. We are accelerating the expansion of our Chinese operations through aggressive investment.

China's burgeoning economy is impacting the globe, and the 2008 Beijing Olympic Games and 2010 Shanghai Exposition are expected to propel further growth.

Marubeni opened its first representative office in China in 1979 and today holds approximately US$610 million in equity in 137 Group companies in China and Hong Kong. We continue to expand through coordinated regional strategies and initiatives at the division and local subsidiary levels.

In fiscal 2007, the Group recorded trading transactions exceeding ¥1 trillion. A US$30 million capital increase in Marubeni China Co., Ltd., has better positioned us to initiate investment from within China.

Expecting further domestic demand-led economic growth, we are expanding local retail operations while promoting flagship environmental and energy-saving businesses and undertaking projects in third countries with Chinese partner companies.

Established in 1998, the joint-venture Shanghai House Property Development, Co., Ltd. has undertaken a number of condominium development projects, including Lu Ming Garden.

Chihiro Shikama
Executive Officer
Regional CEO for ASEAN

ASEAN

Building on long-standing strong relationships of mutual trust with local business partners, Marubeni is working to develop new businesses within the ASEAN region, where economic integration is gaining significant momentum.

ASEAN marked its 40th anniversary in August 2007. Over the last four decades, ASEAN countries have achieved dramatic economic growth and expanded their presence in the international community. Recently, Japan has entered into economic partnership agreements and bilateral investment treaties with certain ASEAN countries. In light of the accelerating economic integration of the region, it is certain that such partnerships will further expand and deepen as ASEAN countries come to serve as economic hubs.

Marubeni has developed various businesses in the region, including power generation operations in the Philippines and Thailand and acacia tree-planting and pulp manufacturing in Indonesia. As Japan, China, India and other Asian economic majors continue to strengthen their ties with ASEAN countries, Marubeni will leverage its long-nurtured connections with many regional business partners to ride the tide of dynamic economic integration. In this way, we will pursue new trading operations and project development to contribute to the region's further economic development.

Singapore's central business district is a hub for technological development throughout Asia.

Tetsuya Takeshita
Executive Officer
Regional CEO for Middle East & North Africa

The Middle East and North Africa

Boasting many large-scale projects and accelerated overseas investments, all backed by considerable financial reserves, the Middle East continues to be one of Marubeni's top-priority markets.

With overall large-scale project investment in the region estimated at US$2 trillion, local investors continue to eye the markets of Europe and the United States, despite signs of potential slowdown. Through investment, the region's oil-producing countries are expanding their global presence.

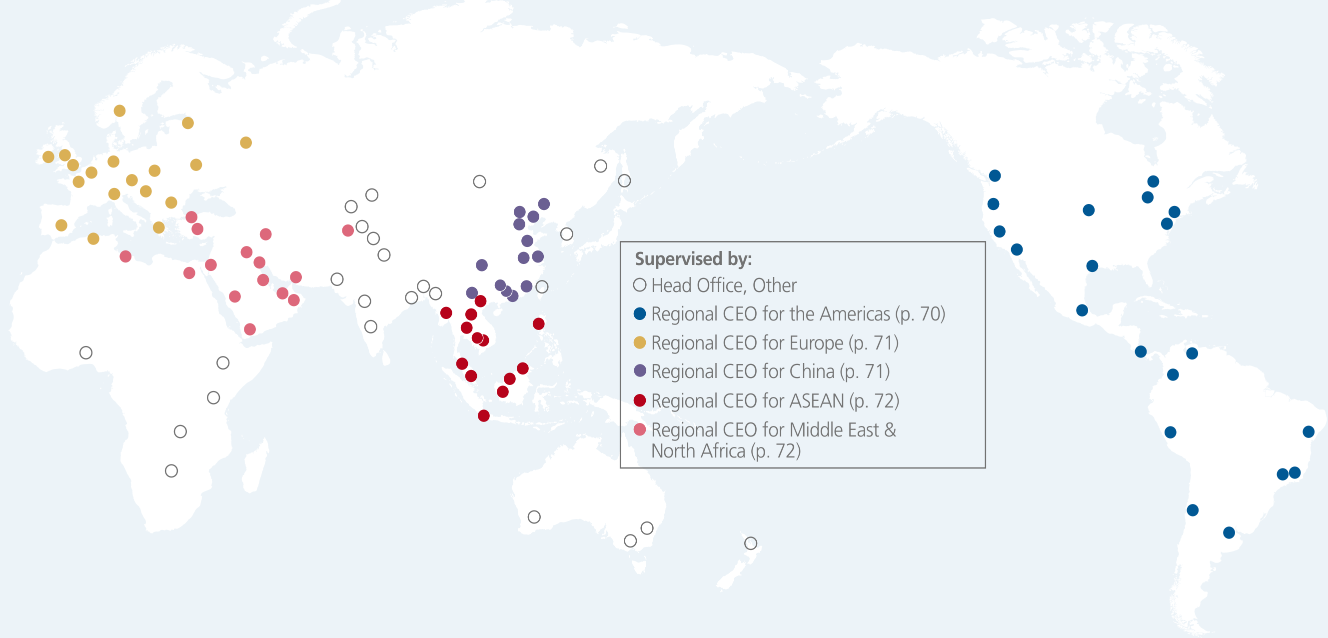
Marubeni is involved in the region's largest LNG project (in Qatar) as well as the off-taking and distribution of crude oil and petroleum products.

Marubeni has ongoing IWPP projects in Abu Dhabi, Qatar, Saudi Arabia and Turkey. We are constructing a monorail system in Dubai and a portion of an undersea rail tunnel beneath Turkey's Bosporus Straits linking Asia and Europe. Also, we are pursuing orders for large-scale infrastructure-related projects in Qatar and Abu Dhabi.

Building on its long-standing relationships in the region, Marubeni is bolstering its activities related to development projects, consumer products and other fields.

Taweelah B IWPP project in the Emirate of Abu Dhabi, UAE.

Overseas Network



Africa
Addis Ababa
Algiers
Johannesburg
Lagos
Lusaka
Nairobi
Tripoli

Europe
Athens
Bucharest
Budapest
Dublin
Dusseldorf
Hamburg
London
Madrid
Milan
Oslo
Paris
Prague
Risley
Warsaw

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

CIS
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Khabarovsk
Kiev
Moscow
St. Petersburg
Tashkent
Yuzhno-Sakhalinsk

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Auckland
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Beijing
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Dalian
Guangzhou
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Karachi
Kolkata (Calcutta)
Kota Kinabalu
Kuala Lumpur
Kuching
Lahore
Manila
Mumbai (Bombay)
New Delhi
Phnom Penh
Seoul
Sibu
Singapore
Taipei
Ulan Bator
Vientiane
Yangon

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

Central and South America
Bogota
Buenos Aires
Caracas
Lima
Rio de Janeiro
Salvador
San Jose
Santiago
Sao Paulo

Overseas Corporate Subsidiaries

Marubeni America Corporation
(New York)

Marubeni Mexico S.A. de C.V.
(Mexico City)

Marubeni Venezuela C.A.
(Caracas)

Marubeni Brasil S.A.
(Sao Paulo)

Marubeni Argentina S.A.
(Buenos Aires)

Marubeni Chile LTDA.
(Santiago)

Marubeni Europe P.L.C.
(London)

Marubeni Saudi Arabia Co., Ltd.
(Riyadh)

Marubeni Iran Co., Ltd.
(Tehran)

Marubeni Nigeria Ltd.
(Lagos)

Marubeni India Private Ltd.
(New Delhi)

Marubeni Singapore Pte. Ltd.
(Singapore)

Dagangterus Sdn. Bhd.
(Kuala Lumpur)

Marubeni Thailand Co., Ltd.
(Bangkok)

P.T. Marubeni Indonesia
(Jakarta)

Marubeni Philippines Corporation
(Manila)

Marubeni China Co., Ltd.
(Shanghai)

Marubeni Hong Kong & South China Ltd.
(Hong Kong)

Marubeni Taiwan Co., Ltd.
(Taipei)

Marubeni Korea Corporation
(Seoul)

Marubeni Australia Ltd.
(Sydney)

Marubeni New Zealand Ltd.
(Auckland)

(As of April 1, 2008)

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%
	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, and green tea	Japan	99.99%
	Marubeni Foods Investment Co., Ltd.	Investment in retailers for Food Group of Marubeni	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%
	Marubeni Retail Investment Corporation	Shareholding activities	Japan	100.00%
	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	Cia. Iguacu de Café Solúvel	Manufacture, export and domestic sale of instant coffee	Brazil	72.43%
	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%
	The Daiei, Inc.	Operation of general merchandise stores	Japan	29.52%
	Hasegawa Co., Ltd.	Wholesale of confectionery	Japan	35.00%
	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 and beet pulp pellets	Japan	25.00%
	The Maruetsu, Inc.	Supermarket chain	Japan	29.72%
	Miyako Sugar Manufacturing Co., Ltd.	Manufacture and sale of sugar	Japan	25.17%
	The Nisshin OilliO Group, Ltd.	Business related to oil, meal and beans, health foods and fine chemicals	Japan	15.15%
	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%
	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	39.32%
Overseas	Great Wall Dalian Investment Co., Ltd.	Investment in a broiler raising and processing company	British Virgin Islands	40.00%
	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 Footwear Inc.	Export, import and sale of footwear	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 Intex Co., Ltd.	Wholesale of industrial- and home interior-use ready-made textile goods and materials	Japan	100.00%
	Marubeni Mate 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%
Overseas	Belterra Corporation	Sale of conveyor belts, parts and other industrial rubber products and the provision of related services	Canada	100.00%
	B-Quik Co., Ltd.	Sale of tires and other automobile supplies, operation of car maintenance service chain in Thailand	Thailand	90.00%
	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	China	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	China	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%
	Shanghai Xin Song Hong Textile Decorations Co., Ltd.	Manufacture of acrylic printed floor mats	China	86.78%
	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%
	CAMS Chain Corporation	Sale of automobile accessories	Japan	33.30%
	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%
	Shanghai Xin Yuan Hong Yarn Dyeing Co., Ltd.	Dyeing of synthetic blends, cotton and wool yarn	China	50.00%
	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 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 Co., Ltd.	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 North America, Inc.	Sale of paper, paperboard, pulp and wood chips	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	75.00%
	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	57.19%
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 LTDA	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	15.57%
	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%
	Saitama Pet Bottle Recycle Co., Ltd.	Production and sale of PET flakes made from used PET bottles	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 Chemical Asia Pacific Pte. Ltd.	Import, export and offshore trade of organic and specialty chemicals, plastic resin and electronic-related materials	Singapore	100.00%
	Marubeni Chemicals & Plastics (Hong Kong) Ltd.	Import, export and offshore trade of chemicals, plastics and related materials	China	100.00%

	Marubeni Chemicals (Shanghai) Co., Ltd.	Import, export and domestic trade of chemicals and plastics	China	100.00%
	Marubeni Information Technology (Shanghai) Co., Ltd.	Import and export of electronic-related components and materials	China	100.00%
	Marubeni Specialty Chemicals (Europe) GmbH	Sale and foreign trade of specialty chemicals and electronic-related materials in Europe	Germany	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%
	Nantong Wanhong Agrochemical Co., Ltd.	Formulation and sale of agrochemicals	China	85.00%
	Polyglory (Hong Kong) Ltd.	Manufacture and sale of PE films	China	96.28%
	Tianjin Benny Trading Co., Ltd.	Import and export, storage and domestic sale of molten sulfur	China	67.20%
	ZAO FujiFilm RU	Sale of photosensitive materials and products	Russia	100.00%
Affiliates				
Domestic	Jurlique Japan Company Limited	Import and sale of products of cosmetic goods manufactured by Jurlique International Pty. Ltd.	Japan	50.00%
	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	Sale 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%
	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 fuel-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 oil field	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 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 Los Pelambres copper mine 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	Nihon Shindo Co., Ltd.	Production and sale of copper and brass rods, electrical wire cable, etc.	Japan	15.83%
Overseas	East Cheer Investment Ltd.	Investment in Shenzhen KTM Glass Substrates Co., Ltd., a company that manufactures and sells glass disk substrates for hard disk drives	China	40.00%
	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 Automoriz Marubeni Ltda.	Wholesale of automobiles	Chile	100.00%
	Gallery Automotive Group, LLC.	Sale and servicing of automobiles	U.S.A.	100.00%
	Long Island Automotive Group, Inc.	Sale and servicing of automobiles	U.S.A.	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	Wholeseale of tractors and parts, made by Kubota Corporation, 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	Import and sale of and after-services for construction machinery	Russia	100.00%
	Marubeni Auto Finance, Ltda.	Provision of automobile financing services	Chile	100.00%
	Marubeni Auto Investment (UK) Ltd.	Sale and servicing 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 Group companies in Australia	Australia	100.00%
	Marubeni Aviation International Ltd.	Aircraft lease/finance, export of 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 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 Holding Ltda.	Import and sale of automobiles, trucks and related products, management of automobile financing operations	Chile	100.00%
	Marubeni Komatsu Ltd.	Import, sale and servicing of construction machinery	U.K.	100.00%
	Marubeni Maquinarias Mexico, S.A. de C.V.	Import, sale and servicing 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%
	Toyota Ghana Company Ltd.	Import and distribution of Toyota vehicles	Ghana	100.00%

Affiliates				
Domestic	Swissport Japan Co., Ltd.	Ground handling operations at airports	Japan	49.00%
Overseas	Citizen Machinery America, Inc.	Sale of and engineering services for machine tools	U.S.A.	49.00%
	CODACA Holding & Investment Co., Ltd.	Import, assembly and distribution of Hino trucks	Guatemala	49.00%
	Hitachi Construction Machinery (Australia) Pty. Ltd.	Sale and servicing of construction machinery in Australia	Australia	20.00%
	Kamco Co., Ltd.	Sale and servicing of Kubota tractors, generators, engines and construction machinery	South Korea	20.00%
	Komatsu Construction Equipment Trading and Technical Service J.S.C.	Sale of construction machinery and provision of related services	Vietnam	30.00%
	Kubota Canada Ltd.	Sale and servicing of Kubota tractors, generators, engines and construction machinery	Canada	20.00%
	Kubota Construction Machinery (Shanghai) Co., Ltd.	Import and sale of and after-services for Kubota small-scale construction machinery	China	25.00%
	Kubota (Deutschland) GmbH	Sale and servicing of Kubota tractors, generators, engines and construction machinery	Germany	20.00%
	Kubota Europe S.A.	Sale and servicing of Kubota tractors, generators, engines and construction machinery	France	26.22%
	Kubota Tractor Australia Pty. Ltd.	Sale and servicing of Kubota tractors, generators, engines and construction machinery	Australia	20.00%
	Kubota (U.K.) Ltd.	Sale and servicing of Kubota tractors, generators, engines and construction machinery	U.K.	40.00%
	Maxima Machineries, Inc.	Sale, including after service, of construction machinery, mainly Komatsu Ltd. products	Philippinnes	40.00%
	P.T. Kencana Internusa Artha Finance	Finance of vehicles	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	18.75%
	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%
	Minami-Kyushu Wind Power Corporation	Operation of a wind-generated power plant for Kyushu Electric Power Co., Inc.	Japan	80.00%
	Sarakitomanai Wind Power Corporation	Operation of a wind-generated power plant for Hokkaido Electric Power Co., Inc.	Japan	49.00%
	Yuya Wind Power Corporation	Operation of a wind-generated power plant for the Chugoku Electric Power Co., Inc.	Japan	90.00%
Overseas	Aguas Décima S.A.	Water and wastewater works in Valdivia, 14th Region, 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%
	Jamaica Public Service Company Limited	Power utility business in Jamaica	Jamaica	80.00%
	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 Energy Services Corporation	Operation and maintenance of Geothermal Power Plant in the Philippines	Philippines	100.00%
	Marubeni Europower Ltd.	Marketing and development of power projects in Europe, the Middle East and Africa	U.K.	100.00%

	Company Name	Description of Operations	Country/ Area	Percentage of Voting Rights
	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 & 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.	100.00%
	Mindanao I Geothermal Partnership	Geothermal IPP in Mindanao, the Philippines	Philippines	100.00%
	Mindanao II Geothermal Partnership	Geothermal IPP in Mindanao, the Philippines	Philippines	100.00%
	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.	58.46%
	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	92.50%
	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 Petróleos 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	25.50%
	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	UAE	34.00%
	Ever Power IPP Co., Ltd.	IPP Project in Taiwan	Taiwan	40.00%
	Fujairah Asia Power Co.	Fujairah IWPP project in Abu Dhabi	UAE	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	50.00%
	Mesaieed Power Company Ltd.	IPP in Mesaieed, Qatar	Qatar	40.00%
	Millmerran Power Partnership	IPP in Queensland, Australia	Australia	30.00%
	Power Generation Co. of Trinidad & Tobago	IPP in Trinidad and Tobago	Trinidad and Tobago	39.00%
	PPN Power Generating Company Limited	IPP in Pillaiperumalnallur, India	India	26.00%
	PT Cirebon Electric Power	IPP Project in Cirebon, Indonesia	Indonesia	32.50%
	Rabigh Arabian Water & Electricity Co.	IWPP (power and water) for chemical complex in Saudi Arabia	Saudi Arabia	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	UAE	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 Ereglisit, 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, brokerage and trade of ship equipment and others	Japan	100.00%
	Marubeni Protechs Corporation	Import, export and domestic sale of plant-related equipment and machinery, plant construction for overseas bases of Japanese companies and Official Development Assistance (ODA)-related operations	Japan	100.00%
	Marubeni Pulp & Paper Engineering Corporation	Engineering of Pulp & Paper machinery	Japan	100.00%

	Company Name	Description of Operations	Country/ Area	Percentage of Voting Rights
	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	Planning and development of transport systems	Japan	100.00%
	Shinnihon Reiki Co., Ltd.	Engineering and construction of industrial-use cooling towers and accessories	Japan	100.00%
Overseas	Marubeni Plant Contractor Inc.	Civil engineering and installation of 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 leasing and financing	Liberia	100.00%
Affiliates				
Domestic	Ecomanage Corporation	Design, implementation, contracting and consulting for waste treatment business	Japan	40.00%
	JMD Greenhouse Gases Reduction Co., Ltd.	Purchase and sale of Certified Emission Reduction (CER) credits obtained by the decomposition of HEC-23	Japan	43.00%
	KAFCO Japan Investment Co., Ltd.	Investment and related services for Karnaphuri Fertilizer Co., Ltd.	Japan	26.80%
	Kaji Technology Corporation	Manufacture and sale of pressing machines, textile machines, cast products and industrial machinery	Japan	37.64%
	YOCASOL Inc.	Production and sale of Solar Modules	Japan	20.24%
Overseas	Companiá de Nitrógeno de Cantarell S.A. de C.V.	Production and supply of nitrogen for PEMEX of Mexico	Mexico	35.00%
	Sakhalin Shelf Service Company	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	99.30%
	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	China	20.00%
	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	26.00%
	SHANGHAI INTERNATIONAL REALTY COMPANY Ltd.	Management and operation of rental housing for non-Chinese people in Shanghai, China	China	30.00%

FT, LT, IT & Innovative 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%
	Mystery Channel, Inc.	Broadcast of Mystery Channel on satellite broadcasting and CATV	Japan	89.64%
	VECTANT Ltd.	Internet access service, ASP, iDC and IP-VPN service provider	Japan	99.95%
Overseas	CoActiv Capital Partners, LLC	Vendor finance, small ticket leasing, collection servicer	U.S.A.	100.00%
	M&C Shanghai Ltd.	Business consulting service in the east China region	China	100.00%
	M&C South China Ltd.	Business consulting service in the south China region	China	100.00%
	MAC Trailer Leasing, LLC	Refrigerated trailer leasing	U.S.A.	100.00%
	Marnix Europe Ltd.	Insurance brokerage	U.K.	100.00%
	Marubeni Capital America Corporation	Investment in private equity funds and hedge funds	U.S.A.	100.00%
	Marubeni Information Systems USA Corporation	Marketing and sale of advanced electronic equipment/devices	U.S.A.	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.	Dry-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	25.01%
	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%
	Shinsai Partners Inc.	Small amount and short term insurer	Japan	24.15%
	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%
	Rexit International Sdn Bhd	Systems development for insurance companies	Malaysia	49.00%
	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	36.75%

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	35.27%
	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	37.57%

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 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%
Affiliates				
Overseas	Shanghai Baihong Trading Co., Ltd.	Wholesale of cosmetic and toiletry products in China, import and export of various products	China	49.00%

(As of July 1, 2008)

Financial Section

CONTENTS

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, 2008.

1. Overview of Business Results

(1) Business Results

An overview of the economic environment for the period under review reveals that the economy slowed down in advanced nations, most notably in the United States, because the turmoil in the financial market, arising from the sub-prime loan issue, had a ripple effect on these countries. However, this had a relatively minor impact on emerging markets and the global economy decelerated only modestly. In the meantime, demand for basic commodities continued to expand and prices of these products remained at high levels.

In the United States, in addition to housing investment decreasing at an accelerated pace, there was a deceleration in capital expenditure due to a worsening of business confidence and decreases in corporate earnings. Consumer spending also slowed against the backdrop of worsening wage conditions and declining asset prices. In the meantime, since September 2007, the Federal Reserve Board (FRB) has lowered the policy rate in stages a total of 3% to its current 2.25%.

In Europe, exports remained stable, notably in Germany, but consumer spending grew at a sluggish pace, triggering the economic downturn. The European Central Bank (ECB) has maintained its policy rate target since July 2007 in consideration of economic conditions.

In Asia, economic expansion continued, mainly in China and India. In China, consumer spending, fixed asset investment and the trade surplus continued to grow at a high rate, supporting considerable economic growth. In India, the economy continued to grow at about 9% year on year.

In Japan, although the economy maintained a moderate export-driven expansion, domestic demand slowed due to a number of factors, including rises in primary commodity prices, the appreciation of the yen against the dollar, falling stock prices, and a decrease in housing investment following the enforcement of the revised Building Standard Law. While the Consumer Price Index increased slightly from the previous year, the Bank of Japan (BOJ) maintained its policy rate target in consideration of economic conditions. In the foreign exchange market, the yen appreciated further toward the end of the fiscal year under review, with the value of 1 dollar falling below 100 yen temporarily, reflecting the turmoil in the U.S. financial market.

In such a business environment, the consolidated total volume of trading transactions increased ¥1,076.7 billion (11.3%) year on year, to ¥10,631.6 billion ($106,316 million), thanks particularly to the favorable performances of energy and agri-marine products operations as well as of overseas corporate subsidiaries and branches.

Gross trading profit grew ¥65.7 billion (12.4%) year on year, to ¥596.9 billion ($5,969 million), driven by strong performances in most segments, and particularly by Marubeni America Corporation in the overseas corporate subsidiaries and branches segment, as well as agri-marine products and power project operations.

Income before income taxes increased ¥22.4 billion (11.5%) year on year, to ¥216.2 billion ($2,162 million). This reflects an increase in gross trading profit, a decrease in the loss on property, plant and equipment and a rise in equity in earnings of affiliated companies (net), which countered such negative factors as a significant impairment loss on investment securities related to fund management transactions in the European financing subsidiary, higher interest expenses (net of interest income) and unfavorable fluctuations in foreign-exchange rates. As a result of these factors and owing partly to a decrease in income taxes, net income for the period grew ¥27.9 billion (23.4%) to ¥147.2 billion ($1,472 million).

In addition, revenue as defined under U.S. GAAP was ¥4,166.2 billion ($41,662 million), or ¥507.4 billion (13.9%) higher than that for the previous fiscal year.

(2) Business Results by Operating Segment

The total volume of trading transactions, gross trading profit and operating conditions for each operating segment were as follows. ("Operating profit" is the net of gross trading profit, selling, general and administrative expenses and provision for doubtful accounts.)

Agri-Marine Products trading transactions increased ¥315.8 billion (29.5%) year on year to ¥1,384.7 billion ($13,847 million) as a result of an increase in grain-related transactions and the conversion of a food distribution affiliate into a subsidiary. Gross trading profit rose ¥16.6 billion (23.0%) year on year to ¥89.0 billion ($890 million) owing to increased profit in step with the higher volume of transactions. Operating profit increased ¥6.3 billion (43.2%) year on year to ¥21.0 billion ($210 million) on the strength of higher gross trading profit. Net income grew ¥0.2 billion (1.6%) year on year to ¥10.2 billion ($102 million), spurred by the increase operating profit, which offset the absence of the gains on sale of Daiei shares posted in the previous year.

Textile trading transactions declined ¥32.3 billion (8.6%) year on year to ¥343.7 billion ($3,437 million) because of a decrease in apparel product transactions and material transactions. Gross trading profit decreased ¥1.2 billion (4.7%) year on year to ¥23.6 billion ($236 million) owing to decreased profit in line with the lower volume of transactions. Operating profit increased ¥2.3 billion (145.7%) year on year to ¥3.9 billion ($39 million), despite the decrease in gross trading profit, because of a reduction in expenses. Net income increased ¥4.5 billion to ¥2.1 billion ($21 million) as a result of higher operating profit and the effect of losses from restructuring recorded in the previous year.

Forest Products & General Merchandise trading transactions increased ¥61.3 billion (7.1%) year on year to ¥930.6 billion ($9,306 million) owing to an increase in rubber related transactions. Gross trading profit rose ¥2.1 billion (3.9%) year on year to ¥56.3 billion ($563 million), despite lower profits recorded by an industrial paper subsidiary and a construction materials subsidiary, because of higher profits enjoyed by an overseas pulp business affiliate and wood chip-related transactions. Operating profit declined ¥1.2 billion (5.4%) year on year to ¥20.7 billion ($207 million) due to increases in the allowance for doubtful accounts and other expenses. Net income increased ¥1.9 billion (20.0%) year on year to ¥11.5 billion ($115 million), despite the decline in operating profit, on the strength of higher profit on the Company's equity in the earnings of a pulp manufacturing affiliate abroad and a decrease in income taxes.

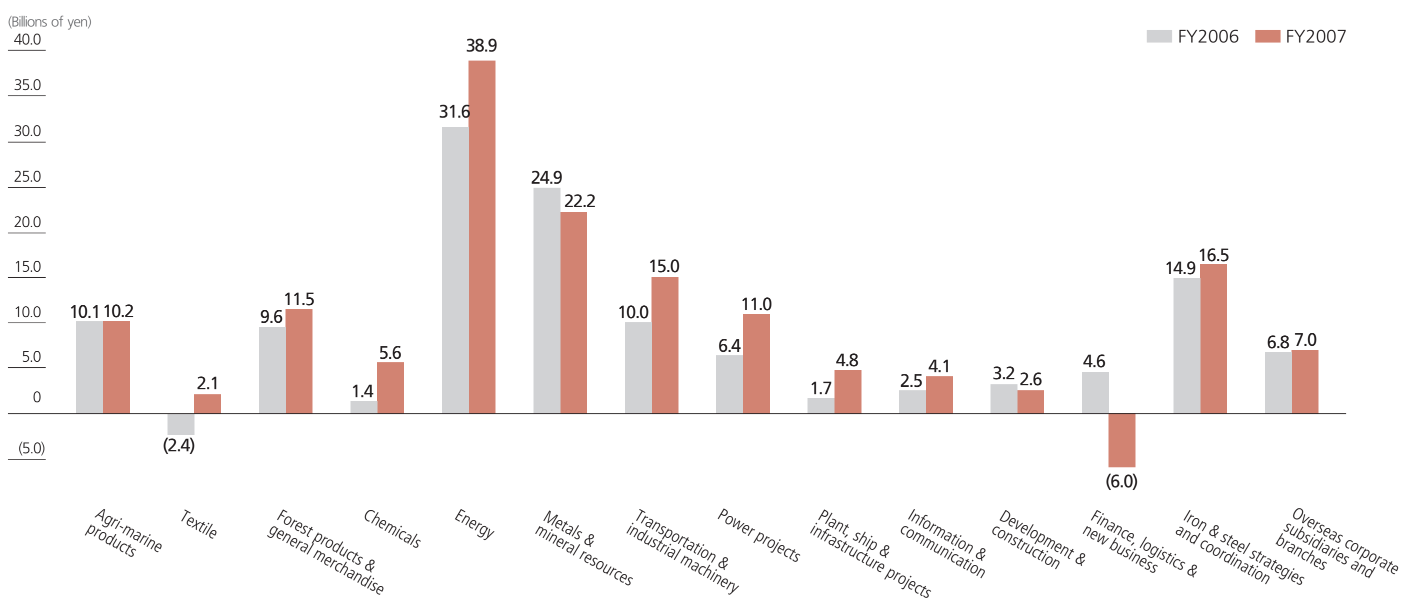
Chemicals trading transactions increased ¥40.4 billion (4.7%) year on year to ¥897.4 billion ($8,974 million) because of an increase in basic

Operating Segment Information

	Billions of yen		Millions of U.S. dollars
	FY2007	FY2006	FY2007
Total volume of trading transactions			
Agri-marine products	¥ 1,384.7	¥1,068.9	$ 138,470
Textile	343.7	376.1	34,370
Forest products & general merchandise	930.6	869.3	93,060
Chemicals	897.4	857.0	89,740
Energy	2,966.1	2,420.9	296,610
Metals & mineral resources	951.7	993.3	95,170
Transportation & industrial machinery	760.9	673.9	76,090
Power projects	334.0	272.9	34,400
Plant, ship & infrastructure projects	660.3	678.6	66,030
Information & communication	279.0	225.5	27,900
Development & construction	133.0	167.7	13,300
Finance, logistics & new business	38.8	45.8	3,880
Iron & steel strategies and coordination	1.0	0.8	100
Overseas corporate subsidiaries and branches	1,542.4	1,330.5	154,240
Corporate and elimination	(602.1)	(426.3)	(60,210)
Consolidated	¥10,631.6	¥9,554.9	$1,063,160
Gross trading profit			
Agri-marine products	¥ 89.0	¥ 72.4	$8,900
Textile	23.6	24.8	2,360
Forest products & general merchandise	56.3	54.2	5,630
Chemicals	30.5	30.0	3,050
Energy	89.2	85.5	8,920
Metals & mineral resources	19.1	18.2	1,910
Transportation & industrial machinery	57.4	55.5	5,740
Power projects	38.7	27.6	3,870
Plant, ship & infrastructure projects	20.1	17.7	2,010
Information & communication	32.1	28.1	3,210
Development & construction	31.3	31.5	3,130
Finance, logistics & new business	9.7	9.9	970
Iron & steel strategies and coordination	1.0	0.8	100
Overseas corporate subsidiaries and branches	10.3	84.2	1,030
Corporate and elimination	(4.0)	(9.2)	(400)
Consolidated	¥ 596.9	¥ 531.2	$ 59,690

Note: The figures for trading transactions have been prepared according to accounting principles generally accepted in Japan (Japan GAAP).

Net Income by Operating Segment (FY2006—FY2007 actual)



chemical transactions. Gross trading profit grew ¥0.5 billion (1.5%) year on year to ¥30.5 billion ($305 million), despite the absence of profit due to the sale of an agri-material business subsidiary as recorded in the previous fiscal year, because of higher profits in inorganic and agrochemical products and basic chemicals. Operating profit rose ¥1.6 billion (20.1%) year on year to ¥9.4 billion ($94 million) due to the increase in gross trading profit and a decrease in expenses as a result of the aforementioned sale of a subsidiary. Net income increased ¥4.1 billion (292.0%) year on year to ¥5.6 billion ($56 million), owing to the higher operating profit and the absence of impairment losses in valuation of electronic materials related investments that were posted in the previous year.

Energy trading transactions rose ¥545.2 billion (22.5%) year on year to ¥2,966.1 billion ($29,661 million) because of an increase in petroleum-related transactions. Gross trading profit increased ¥3.7 billion (4.4%) year on year to ¥89.2 billion ($892 million) due to an increase in profit attributable mainly to oil and gas concessions driven by rising oil prices. Operating profit grew ¥3.3 billion (5.9%) year on year to ¥58.1 billion ($581 million) thanks to the higher gross trading profit. Net income increased ¥7.2 billion (22.9%) year on year to ¥38.9 billion ($389 million) because of the increase in operating profit and the decrease in the loss on property and equipment and loss on sales of investment securities.

Metals & Mineral Resources trading transactions decreased ¥41.7 billion (4.2%) year on year to ¥951.7 billion ($9,517 million) due to a decrease in copper- and zinc-related transactions. Gross trading profit increased ¥0.8 billion (4.6%) year on year to ¥19.1 billion ($191 million), despite the poor showings of a coal-related business subsidiary due to an increase in production and sales costs, because of increased profit from transactions in raw materials for steelmaking. Nevertheless, operating profit declined ¥1.9 billion (18.0%) year on year to ¥8.5 billion ($85 million), due to the absence of a gain from reversal of allowance for doubtful accounts from loan collection that was posted in the previous year. Net income decreased ¥2.7 billion (11.0%) year on year to ¥22.2 billion ($222 million) as a result of a decrease in operating profit and an increase in income taxes.

Transportation & Industrial Machinery trading transactions increased ¥87.1 billion (12.9%) year on year to ¥760.9 billion ($7,609 million), reflecting an increase in transactions, notably in paper & pulp machinery, aerospace and construction machinery related operations. Gross trading profit grew ¥1.9 billion (3.4%) year on year to ¥57.4 billion ($574 million), with higher profit mainly from construction machinery related transactions. Operating profit rose ¥2.5 billion (18.3%) year on year to ¥16.2 billion ($162 million) owing to the increase in gross trading profit. Net income increased ¥5.0 billion (49.8%) year on year to ¥15.0 billion ($150 million) because, in addition to higher operating profit, we recorded a profit increase on equity in earnings of construction machinery and agricultural machinery companies and a decrease in income taxes on construction machinery related business.

Power Projects trading transactions grew ¥71.0 billion (26.0%) year on year to ¥344.0 billion ($3,440 million) as a result of increased sales generated by overseas EPC projects and the new acquisition of an IPP business subsidiary abroad. Gross trading profit increased ¥11.1 billion (40.2%) year on year to ¥38.7 billion ($387 million) owing to the higher profit in step with the increased transactions. Operating profit rose ¥6.6 billion (57.2%) year on year to ¥18.2 billion ($182 million) because of higher gross trading profit, despite the absence of a gain from reversal of allowance for doubtful accounts posted in the previous year. Net income increased ¥4.7 billion (73.3%) year on year to ¥11.0 billion ($110 million) due to the increase in operating profit, a gain on disposal of power generation operations overseas and higher income from equity in earnings, despite an increase in interest expenses.

Plant, Ship & Infrastructure Projects trading transactions declined ¥18.3 billion (2.7%) year on year to ¥660.3 billion ($6,603 million), despite increased cargo vessel transactions, because of the absence of revenue posted in the previous year for a large-scale cement plant project in the Middle East. Gross trading profit rose ¥2.4 billion (13.6%) year on year to ¥20.1 billion ($201 million), owing to higher profit from cargo vessel transactions as well as contributions from a newly acquired overseas railroad cargo related subsidiary. Operating profit rose ¥1.6 billion (76.6%) year on year to ¥3.7 billion ($37 million), with the higher gross trading profit. Net income grew ¥3.1 billion (181.9%) year on year to ¥4.8 billion ($48 million) because of higher operating profit and increased profit on equity in earnings due to the absence of loss incurred by restructuring in Central America that was posted in the previous year.

Information & Communication trading transactions increased ¥53.5 billion (23.7%) year on year to ¥279.0 billion ($2,790 million) due to the effect of converting a PC distributing affiliate into a subsidiary. Gross trading profit grew ¥4.0 billion (14.3%) year on year to ¥32.1 billion ($321 million) due to increased profit in line with the higher volume of transactions. Operating profit rose ¥0.5 billion (24.5%) year on year to ¥2.3 billion ($23 million), despite an increase in expenses due to the effect of the aforementioned conversion of an affiliate into a subsidiary, because of increased gross trading profit. Net income grew ¥1.6 billion (66.2%) year on year to ¥4.1 billion ($41 million) because of the increase in operating profit and a decrease in income taxes.

Development & Construction trading transactions declined ¥34.7 billion (20.7%) year on year to ¥133.0 billion ($1,330 million) owing to the absence of transactions from large-scale projects that were registered in the previous year. Gross trading profit decreased ¥0.2 billion (0.7%) year on year to ¥31.3 billion ($313 million) due to the absence of transactions from large-scale projects that were posted in the previous year, despite increased profit as a result of higher gains on the sales of investor-oriented real estate properties and increased profit in a housing sales subsidiary in China. Operating profit declined ¥1.1 billion (7.2%) year on year to ¥14.0 billion ($140 million) as a result of the decrease in gross trading profit and an increase in expenses. Net income decreased ¥0.6 billion (17.9%) year on year to ¥2.6 billion ($26 million) in line with lower operating profit.

Finance, Logistics & New Business trading transactions declined ¥7.1 billion (15.4%) year on year to ¥38.8 billion ($388 million) because of a decrease in domestic subsidiaries' transactions. Gross trading profit slipped ¥0.2 billion (2.5%) year on year to ¥9.7 billion ($97 million) due to a decrease in profit in line with the lower volume of transactions. Operating loss totaled ¥1.0 billion ($10 million), a decline of ¥1.7 billion year on year, owing to the decreased gross trading profit and increased expenses. Net loss amounted to ¥6.0 billion ($60 million), a decrease of ¥10.6 billion year on year because of a decline in operating profit and the effect of losses related to fund management transactions undertaken by a European financing subsidiary.

Iron & Steel Strategies and Coordination trading transactions increased ¥0.2 billion (25.3%) year on year to ¥1.0 billion ($10 million). Gross trading profit rose ¥0.2 billion (25.3%) year on year to ¥1.0 billion

($10 million). Operating loss totaled ¥0.3 billion ($3 million), an improvement of ¥0.4 billion year on year owing to the higher gross trading profit and a decrease in expenses. Net income increased ¥1.6 billion (10.5%) year on year to ¥16.5 billion ($165 million) because of the increased operating profit, in addition to the absence of impairment losses on investment securities that were posted in the previous year.

Overseas Corporate Subsidiary and Branch trading transactions increased ¥211.9 billion (15.9%) year on year to ¥1,542.4 billion ($15,424 million) because of increased agri-marine product related transactions and agrochemical-related transactions recorded by Marubeni America Corporation, as well as the contributions of a newly consolidated paper distributing subsidiary. Gross trading profit rose ¥18.8 billion (22.3%) year on year to ¥103.0 billion ($1,030 million) in line with the increased transactions. Operating profit rose ¥6.9 billion (50.6%) year on year to ¥20.5 billion ($205 million), with higher gross trading profit. Net income grew ¥0.2 billion (2.8%) year on year to ¥7.0 billion ($70 million) on the strength of the increased operating profit, despite an increase in interest expenses accompanying the acquisition of a business by Marubeni America Corporation.

(3) Cash Flows

Cash and cash equivalents at the end of the fiscal year stood at ¥402.3 billion ($4,023 million), down ¥12.7 billion, or 3.1%, compared with the end of the previous fiscal year.

Cash Flows from Operating Activities

Net cash provided by operating activities was ¥235.3 billion ($2,353 million), up ¥83.2 billion year on year. This was mainly attributable to the steady operating income particularly from overseas resource related subsidiaries as well as a decrease in working capital.

Cash Flows from Investing Activities

Net cash used in investing activities amounted to ¥306.9 billion ($3,069 million). Despite the collection of domestic loans receivable and other financial assets, this was attributable to strategic new investments and loans in connection with overseas IPP and other energy projects.

These activities resulted in negative free cash flows of ¥71.6 billion ($716 million).

Cash Flows from Financing Activities

Net cash provided by financing activities was ¥65.9 billion ($659 million), reflecting financing in the form of short-term borrowings and long-term debt to finance new investments.

2. Dividend Policies

Marubeni 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 addition, Marubeni pays interim and period-end dividends each fiscal year. In accordance with Article 459.1 of the Corporation Law and the Company's Articles of Incorporation, dividends are determined by Marubeni's Board of Directors.

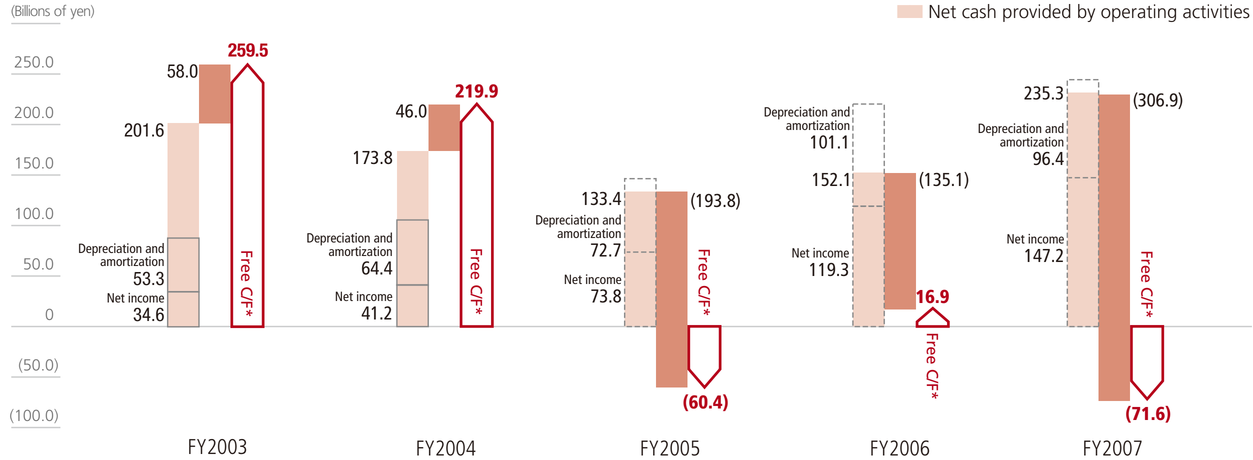
Guided by the aforementioned basic policy and based on the Company's consolidated net income of ¥147.2 billion in the fiscal year ended March 31, 2008, the board approved a ¥3 per share year-on-year increase in the annual dividend, to ¥13 per share. This includes a period-end dividend of ¥7.0 per share as determined by a Board of Directors' meeting held on May 16, 2008, with payment effective May 30, 2008.

Looking ahead, Marubeni will optimize the use of internal reserves while endeavoring to improve operating results. In line with these efforts, the Company will allocate sufficient funds to strategic fields and provide appropriate returns to shareholders.

In the fiscal year ended March 31, 2008, Marubeni appropriated the following from retained earnings for dividend payments.

Cash Flows

(Billions of yen)



*C/F: Cash flow

Resolution Date	Type of Shares	Cash Dividends	Cash Dividends per Share
October 26, 2007 Board of Directors	Common Stock	¥10,401 million	¥6.00
May 16, 2008 Board of Directors	Common Stock	¥12,158 million	¥7.00

3. Issues to be Addressed

(1) Fundamental Management Policy

The Marubeni Group has implemented its two-year medium-term management plan, the “G” PLAN, since the previous fiscal year.

Under the “G” PLAN, the Group has sought to build a rock-solid “defense” by further strengthening management systems. At the same time, its wealth of human resources have proactively and boldly tackled the challenge of business domain expansion and sought to establish an assertive management style focusing on the provision of more sophisticated and diversified trading company functions as well as strategic investments in priority fields.

(2) Achievements under the “G” PLAN, Marubeni’s Previous Medium-Term Management Plan

The main quantitative targets and results of the “G” PLAN are summarized in the chart below.

Under the “G” PLAN, the Marubeni Group’s consolidated net income amounted to ¥147.2 billion for the fiscal year ended March 31, 2008 and ¥266.6 billion over the plan’s two-year period. This two-year result represents 21% in excess of the planned target of ¥220.0 billion. At the same time, the Group achieved record-high profits for the fifth consecutive year.

In the meantime, the Group made approximately ¥300.0 billion in new investments and loans in such strategic fields as energy and natural resources, overseas IPP projects and food distribution during the fiscal year under review. As a result, the Group’s total investments and loans over the plan’s two-year period amounted to nearly ¥600.0 billion, allowing the Group to steadily implement a series of strategic initiatives toward the future. Major projects based on these investments and loans include participation in the LNG business in Peru and the acquisition of an interest in a coal-mining business in Australia in the energy and natural resource field; involvement in a vertically integrated electricity business in the Caribbean that integrates power generation and electric transmission and distribution as well as in independent water and power producing (IWPP) projects in the Middle East in the overseas IPP field; and conversion of Yamaboshiya Co., Ltd. from an affiliate into a subsidiary in the food distribution field. These activities clearly demonstrate the Group’s efforts to concentrate management resources in strategic fields.

With regard to its portfolio, the Group has continued to accumulate prime assets through thorough screening and thereby expanded asset value and improved asset efficiency. As a result, as of March 31, 2008, total assets stood at ¥5,207.2 billion ($52,072 million), up ¥333.9 billion from the end of the previous fiscal year, with a year-on-year improvement in ROA of 0.4 percentage point to 2.92%. In addition, as a result of the Group increasing earnings in most business fields, the ratio of earnings from fields other than the energy and natural resources to the Groupwide earnings increased from 42.0% in the fiscal year ended March 31, 2006 to 58.5% in the fiscal year under review. This indicates that the Group has been able to establish a more balanced earnings structure.

On the financial front, while consolidated net interest-bearing debt increased due to strategic new investments and loans, the Group enhanced shareholders’ equity by expanding consolidated net income. As a result, the consolidated net D/E ratio as of March 31, 2008 was 2.57 times, a 0.26 percentage point improvement under the “G” PLAN’s two-year period and falling within the quantitative target range. However, despite a year-on-year increase of ¥34.3 billion in shareholders’ equity, the ¥779.8 billion ($7,798 million) achieved fell short of the Group’s quantitative target of ¥820.0 billion due to such external factors as a decline in the value of equity securities held by the Group and the yen’s appreciation. Meanwhile, the Group’s risk assets amounted to ¥708.3 billion, falling within the amount of shareholders’ equity. This means that the Group has managed to maintain optimal balance between “offence” and “defense.”

Furthermore, the Group has continued to conduct thorough portfolio management and screen projects and business opportunities

Key Financial Indicators under the “G” PLAN

		Target	Result
Profitability	Consolidated Net Income	2-year total ¥220 billion	2-year total ¥266.6 billion
Profitability	Risk Return	More than 10%	FY2007 20.8%
Profitability	ROA	More than 2%	FY2007 2.92%
Stability	Shareholders’ Equity	¥820 billion	As of March 31, 2008 ¥779.8 billion
Stability	Risk Assets	Approx. ¥750 billion	As of March 31, 2008 ¥708.3 billion
Stability	Consolidated Net D/E Ratio	Less than 3.0 times	As of March 31, 2008 2.57 times
Scale	Total Assets	¥5 trillion	As of March 31, 2008 ¥5.2 trillion
Investment	Investment Amount	2-year total ¥500-¥600 billion	2-year total Approx. ¥600 billion

more stringently, raising its risk return target from 8.0% to 10.0% from the first year of the "G" PLAN. This approach is aimed at expanding the Group's future earnings. At the same time, the Group has bolstered its defensive mechanisms by enhancing risk management, including the revision of the investment and loan follow-up system.

From a corporate social responsibility (CSR) perspective, Marubeni has expanded and strengthened scholarship programs that it has promoted in the ASEAN region, augmenting its CSR efforts in such fields as social contribution, environmental conservation and human rights protection. The details of the Company's activities are published in its annual CSR report, which provides invaluable information to Marubeni's broad stakeholder base. Of particular note, the Group has implemented measures to enhance internal control systems, including the reinforcement of its compliance structure to more effectively manage product safety and avoid any relationships with antisocial forces and the strengthening of a structure to secure the reliability of its financial reporting.

The Cross-Divisional Function Committee—a Groupwide horizontal organization established in the previous fiscal year—actively promoted alliances among business divisions, aiming to bolster the Group's sales and marketing capabilities and pursue greater earnings opportunities. Marubeni has also reviewed its personnel benefit system, incorporating measures that more effectively utilize human resources, nurture the capabilities of individual employees and promote compensation commensurate with responsibilities and duties. In this context, and in an effort to promote a more balanced lifestyle, Marubeni is working to create a more employee-friendly working environment.

Reflecting the aforementioned initiative and achievements, the "G" PLAN came to an extremely successful close.

(3) "SG2009," Marubeni's New Medium-Term Management Plan

The Marubeni Group began implementing the "SG2009" new medium-term management plan from April 2008.

"SG2009" is a two-year plan extending through the end of the fiscal year ending March 31, 2010. Under the plan, the Group will aim to reinforce its revenue base and financial position, which have already been strengthened through the implementation of the "G" PLAN. In more specific terms, the Group will build an even stronger earnings structure capable of withstanding changes in operating environments and strive to achieve sustainable growth by establishing strict risk management systems, accumulating prime assets and pursuing asset efficiency.

The performance indicator targets under "SG2009" are shown in the table below.

By achieving these quantitative targets, the Group expects to realize shareholders' equity of over ¥1,000.0 billion and ROE of around 18%.

"SG2009" is an extension of the "G" PLAN in terms of promoting selection and concentration of priority fields. In other words, the Group will allocate its management resources in priority fields from the medium- and long-term perspectives. Specifically, the Group will invest a total of approximately ¥600.0 billion over the two-year "SG2009" period in the fields of energy and natural resources, overseas I(W)PP and logistics and trading as well as environment, finance and new business. In addition, the Company will implement the Plan while maintaining a balanced offensive and defensive posture. In this context, Marubeni will strictly adhere to portfolio management while bolstering risk management. At the same time, the Company will enhance personnel capabilities, take full advantage of its comprehensive abilities as a trading house and place additional weight on CSR and environmental initiatives.

On April 1, 2008, the CSR Committee and the Environment Committee integrated to form the CSR & Environment Committee, while the Internal Control Committee and the Disclosure Committee were newly established. These committees will drive Marubeni's efforts to enhance corporate governance. The Group will also implement measures to assure compliance throughout its entire operations.

Quantitative Targets

	"G" PLAN Results As of Mar 31, 2008	"SG2009" Targets As of Mar 31, 2010
Consolidated Net Income (2-year total)	¥266.6 billion	¥350 billion
Consolidated Net D/E Ratio	2.57 times	2.00-2.50 times
Risk Assets	¥708.3 billion	Less than total shareholders' equity
ROA	2.92%	More than 3%

By achieving the quantitative targets presented above, Marubeni will continue to expand its shareholders' equity and sustain ROE at an appropriate level.

Shareholders' Equity	¥779.8 billion	More than ¥1 trillion
ROE	19.3%	Approx. 18%

"SG2009" Initiatives

Selectively allocate management resources to strategic business fields

Investment Plan (2-year total): Approx. ¥600 billion

Fields in which the Group will accumulate assets by concentrating fund allocation from the medium- and long-term perspectives

Energy, Metal & Mineral Resources
Acquisition and development of energy, metal and mineral resources and related businesses, etc.

Overseas I(W)PP
Independent (water) power producer related businesses, etc.

Fields in which the Group will expand and develop its solid earnings base through value chain development

Distribution & Trading
Forest products, food, transportation machinery, ship, plant, etc.

Fields in which the Group will target the creation of new business models

Environment, Finance & Innovative Businesses
Environment-related businesses, insurance, leasing, innovative businesses, etc.

Advance portfolio management system	Maintain "PATRAC" as one of Marubeni's most important management indicators Sustain the portfolio unit management system More stringently follow up on "expansion" business units to further enhance growth
Reinforce and further upgrade risk management systems	Continue to adopt and further upgrade integrated risk management Enhance investment monitoring and follow-up systems Strictly apply exit rules
Enhance the quality of human resources	Utilize and promote diverse human resources Nurture managerial resources Further improve the work-life balance
Exercise the comprehensive strengths of the Marubeni Group	Increase profitability by synchronizing investment and regional strategies Take a Groupwide approach to tackling emerging markets and working with important business partners Foster cross-divisional functions Reestablish corporate brand through the development of sound corporate culture
Reinforce emphasis on CSR and environmental issues	Strictly adhere to the Company creed of "Fairness, Innovation and Harmony" Nurture better awareness of compliance, social contributions and environmental issues

* PATRAC (Profit After Tax less Risk Asset Cost) = Consolidated net income - (Risk assets × 10%), Marubeni aims to maintain PATRAC above zero and maximize it.

In line with the start of the first "SG2009" year, Marubeni made some changes in its organizational structure, which previously comprised 12 divisions and two departments. The new structure consists of 11 divisions and two departments. Furthermore, the Company reorganized its Corporate Staff Group, which previously comprised 13 departments and is now 17 departments. Under this new structure, the Marubeni Group will accelerate activities aimed at attaining sustainable growth.

For details of "SG2009," please refer to Marubeni's Web site (URL: http://www.marubeni.com/ir/management/plan.html).

4. Important Contracts

No items to report.

5. R&D Activities

No items to report.

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

(1) Significant Accounting Policies and Estimates

Marubeni prepares its consolidated financial statements in accordance with accounting principles generally accepted and recognized in the United States. For more details regarding significant accounting policies, please refer to page 105"Significant Accounting Policies."

In preparing important accounting policies and these statements, certain accounting estimates and assumptions are utilized when calculating assets and liabilities as of the fiscal year-end, the disclosure of contingent assets and liabilities, and earnings and expenses incurred during the year. 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. Estimates and assumptions made in this way have an inherent degree of uncertainty and actual results could differ. Management considers the following estimates and assumptions as those that have a material impact on the Company's consolidated financial statements.

1) Allowances for Doubtful Accounts

When evaluating credit risk associated with accounts receivable, notes receivable, loans receivable, and other receivables, Marubeni and its consolidated subsidiaries apply classifications according to the risk carried by the obligor or geographical region concerned. Based on these classifications, an allowance is established for a given receivable considered to be a loss, posted at an amount equal to either the current value of the receivable (projected cash flow discounted at the initial effective interest rate) or the fair value of the asset as 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 general receivables not covered above, allowances are calculated based on the historical rate of default for each 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 Marketable Securities

When purchasing marketable securities, Marubeni and its consolidated subsidiaries classify securities as trading, held-to-maturity, or available-for-sale.

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 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 devaluation losses.

Declines in the value of marketable securities judged other than temporary are determined by examining the length of time that market value remains below book value and the percent decline in value. For securities without market quotations, 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 Loss on Long-Lived Assets

Projected cash flows are utilized when determining devaluation 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) Deferred Tax Assets

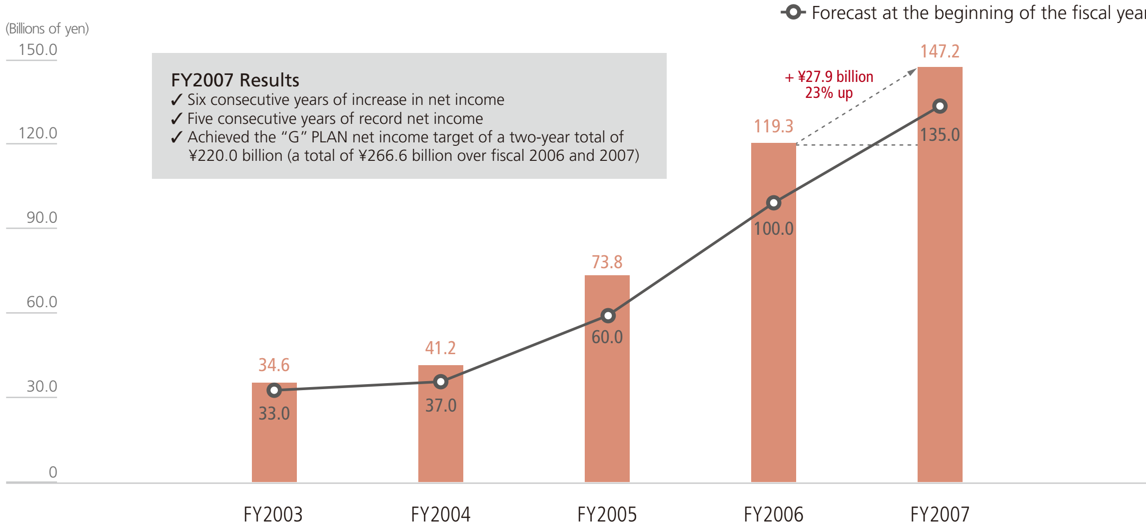
In their financial statements and for tax purposes, Marubeni and its consolidated subsidiaries post temporary differences and losses carried forward as deferred tax assets. Regarding temporary differences and losses carried forward, due to future tax changes, a valuation allowance is posted for the portion 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.

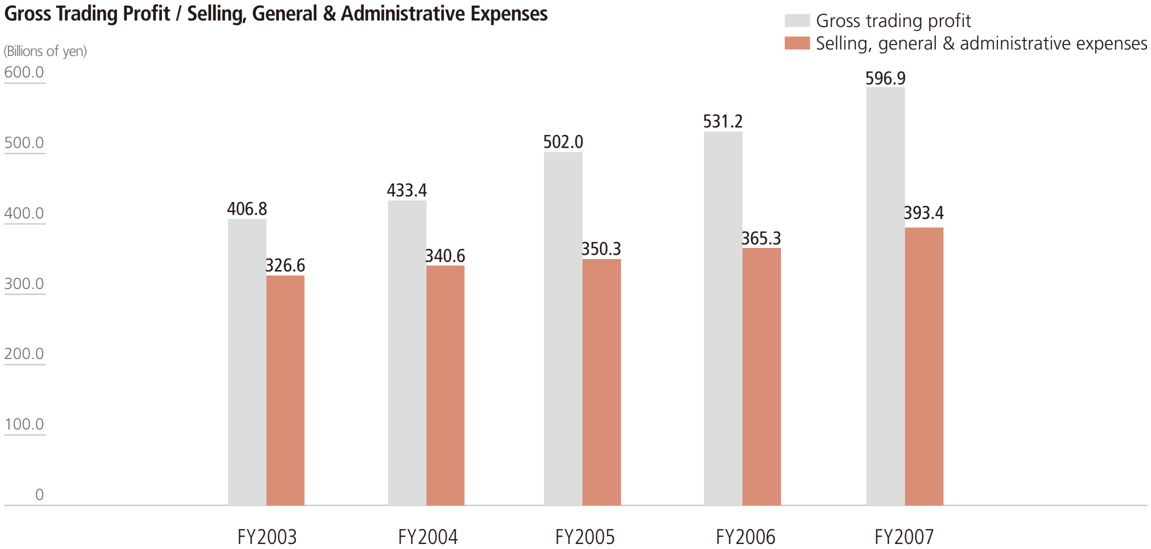
While Marubeni believes these estimates to be reasonable, unforeseeable changes to the terms and criteria used could result in a reassessment of the projected amount of tax to be collected, which could significantly impact the Company's consolidated financial statements.

5) Retirement Benefit Expenses

Marubeni and its consolidated subsidiaries utilize actuarial pension accounting based on certain assumptions to calculate severance pay and pension obligations for regular employees. These assumptions include the discount rate, the retirement rate, the mortality rate, the rate of salary increase and the rate of expected return on pension assets.

Net Income





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

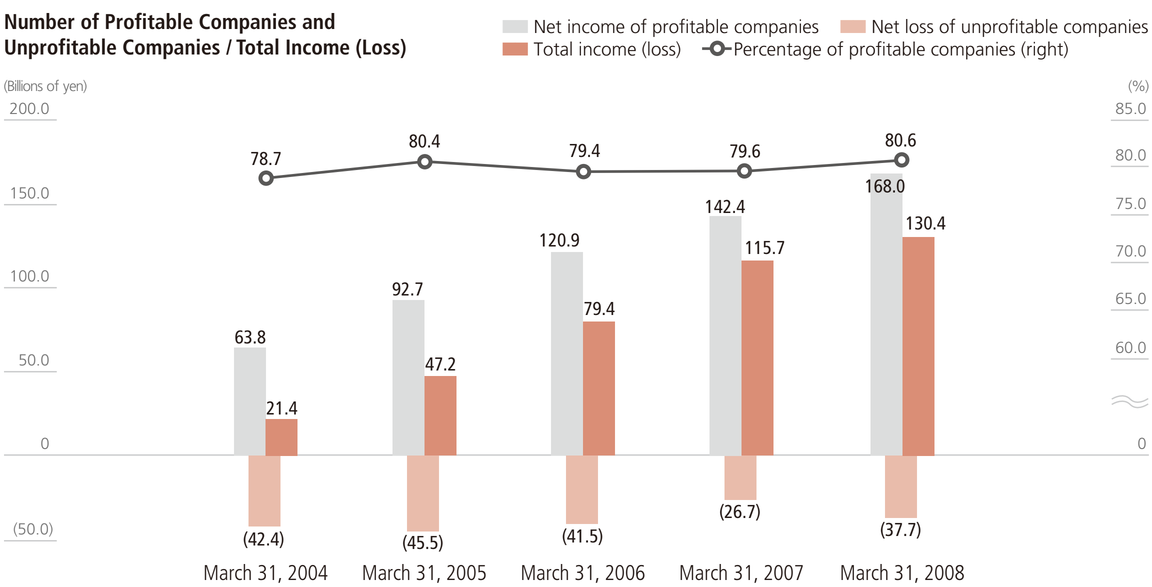
(2) Analysis of Operating Results for the Fiscal Year Ended March 31, 2008

Consolidated net income climbed ¥27.9 billion from the previous fiscal year, to ¥147.2 billion ($1,472 million), resulting in record earnings for the fifth consecutive year. In terms of the operating results of consolidated subsidiaries, 362 companies were profitable, compared to 87 unprofitable companies. The percentage of companies achieving profitability was thus 80.6%. This represents an improvement of 1.0 percentage points from 79.6% for the previous fiscal year, and total income from these companies grew by ¥14.6 billion.

An analysis of income and expense is provided as follows.

1) Gross Trading Profit

Gross trading profit was ¥596.9 billion ($5,969 million), representing a year-on-year increase of ¥65.7 billion. This was attributable to a variety of factors, including Marubeni America Corporation's increased agrochemical- and grain-related transactions and the conversion of a food distribution affiliate into a subsidiary as well as increased sales from overseas EPC projects and the new consolidation of an overseas IPP related subsidiary. In terms of operating segments, profits rose in 11 segments and declined in three 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."



* From the fiscal year ended March 31, 2008, Marubeni includes only companies directly subject to its consolidated accounting system in the scope of consolidation. This means that affiliates subject to the consolidated accounting systems of the Company's consolidated subsidiaries are excluded from 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 and 2008.

2) Selling, General & Administrative Expenses
Selling, general and administrative expenses increased ¥28.1 billion year on year to ¥393.4 billion ($3,934 million). The principal components were personnel expenses, mainly at subsidiary companies, which rose ¥16.5 billion, to ¥194.3 billion, and travel and transportation expenses grew ¥1.3 billion to ¥17.5 billion.

3) Provision for Doubtful Accounts
The provision for doubtful accounts increased ¥2.5 billion year on year to ¥3.4 billion ($34 million) mainly due to the absence of a gain on the reversal of allowances attributable to overseas receivables collected during the previous fiscal year.

4) Interest Income and Interest Expense
In the fiscal year under review, interest income climbed ¥0.8 billion to ¥24.9 billion ($249 million). Interest expense rose ¥11.3 billion to ¥68.2 billion ($682 million), primarily due to increased expenses attributable to new investments and loans and the rise in interest rates on yen accounts.

5) Dividend Income
Dividend income rose ¥2.9 billion year on year to ¥23.6 billion ($236 million). Of this figure, ¥9.8 billion (¥5.6 billion in Japan and ¥4.2 billion from overseas) was received by the parent company. Domestic consolidated subsidiaries received dividends totaling ¥1.0 billion, while overseas consolidated subsidiaries received dividends of ¥12.8 billion.

6) Impairment Loss and Gain on Sales of Investment Securities
In the fiscal year under review, the impairment loss on investment securities rose ¥20.1 billion to ¥31.2 billion ($312 million). This was owing to impairment losses related to fund management transactions in a European financing subsidiary as well as to a impairment loss on investment securities held by Marubeni.

Gain on sales of investment securities was ¥23.8 billion ($238 million), down ¥0.3 billion.

7) Loss on Property, Plant and Equipment
The loss on property, plant and equipment improved ¥17.5 billion to ¥1.5 billion ($15 million) and was primarily due to the absence of a devaluation loss on golf course-related facilities posted in the previous fiscal year.

8) Equity in Earnings of Affiliated Companies—Net
Equity in earnings of affiliated companies—net climbed ¥10.8 billion year on year to ¥55.7 billion ($557 million), owing mainly to new acquisitions and the absence of a decline in equity in earnings of projects in Central America posted in the previous fiscal year.

9) Other—Net
Expenses and other, other—net were ¥11.1 billion ($111 million) a year-on-year deterioration of ¥13.0 billion. This is mainly attributable to foreign currency transaction losses and losses related to fund management transactions in a European financing subsidiary.

(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 135 "22. 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 96 "7. Business Risks."

(4) Strategic Status and Outlook
From the fiscal year ended March 31, 2007, the Marubeni Group implemented the "G" PLAN, a two-year medium-term management plan with clear quantitative and qualitative targets. This plan came to a successful close with the end of the fiscal year under review, thanks to the Group's close monitoring and management of the plan's progress. For details of the Group's achievements under the "G" PLAN, please refer to page 89 "(2) Achievements under the "G" PLAN, Marubeni's Previous Medium-Term Management Plan" under "3. Issues to be Addressed."

In the fiscal year ending March 31, 2009, Marubeni commenced the new "SG2009" medium-term management plan that extends through the fiscal year ending March 31, 2010. Under this new plan, the Marubeni Group is working to further advance improvements in its earnings base and financial strength achieved under the "G" PLAN while stabilizing the growth trend generated by the previous "V" PLAN and "G" PLAN as it boosts its momentum toward future growth. "SG" stands for "Sustainable Growth." The plan's basic policy calls for bolstering the Group's earnings base against market fluctuations by establishing a rigorous risk management system, expanding its prime asset portfolio and pursuing higher asset efficiency, thereby achieving sustainable growth. For the fiscal year ending March 31, 2009, Marubeni plans to achieve consolidated net income of ¥165.0 billion. For details of "SG2009," please refer to page 90 "(3) "SG2009," Marubeni's New Medium-Term Management Plan" under "3. Issues to be Addressed."

In the first year of "SG2009," 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, 2008 stood at ¥5,207.2 billion ($52,072 million), up ¥333.9 billion from the end of the previous fiscal year. This increase was mainly attributable to investments in affiliated companies, including the participation in new overseas IPP projects and the acquisition of coal mining interests.

Total shareholders' equity rose ¥34.3 billion year on year to ¥779.8 billion ($7,798 million). An increase of ¥147.2 billion in consolidated net income more than offset a decrease of ¥52.4 billion in net unrealized losses on equity securities.

Consolidated interest-bearing debt grew ¥163.9 billion year on year to ¥2,442.3 billion ($24,423 million). Consolidated interest-bearing debt after deducting cash and cash equivalents was ¥2,002.0 billion ($20,020 million) as of March 31, 2008, up ¥158.5 billion from a year earlier. As a result, the net D/E ratio was 2.57 times as of the end of the fiscal year under review, achieving the quantitative target of more than two and less than three times set under the "G" PLAN.

Marubeni did not achieve the consolidated total shareholders' equity target of ¥820.0 billion set under the "G" PLAN due to such external factors as the impairment of equity securities held by Marubeni and the yen's appreciation. However, the Company maintained balance between its offensive and defensive postures by limiting its risk assets, which totaled ¥708.3 billion as of March 31, 2008, well within the target range of total shareholders' equity.

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.

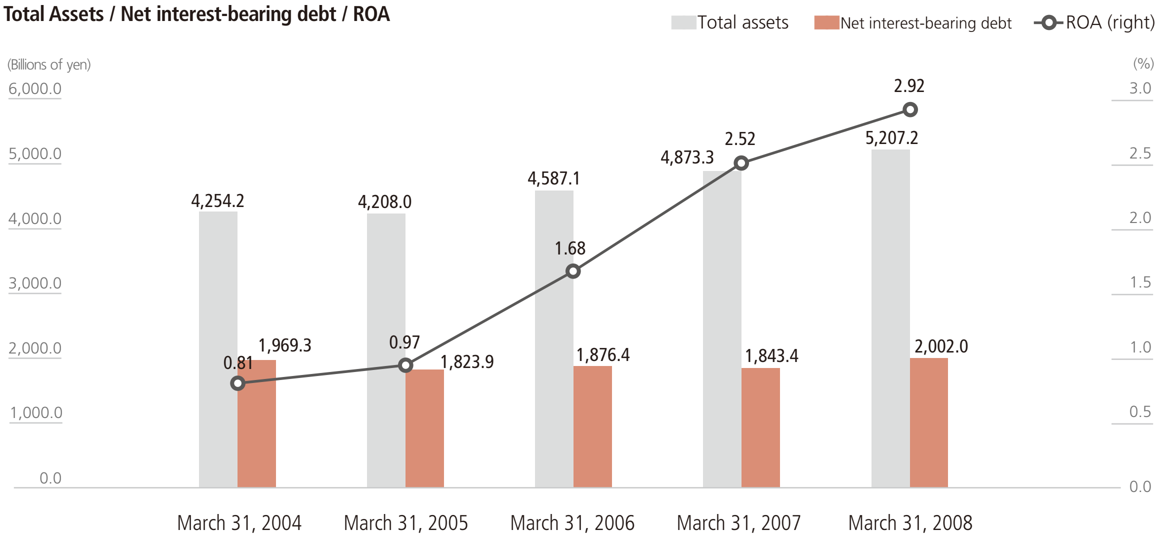
With the aim of maximizing Groupwide utilization efficiency, the Marubeni Group is accelerating the shift toward a centralized fund procurement scheme, under which principal consolidated subsidiaries procure funds directly from Marubeni Corporation, domestic and overseas financing subsidiaries and/or 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.

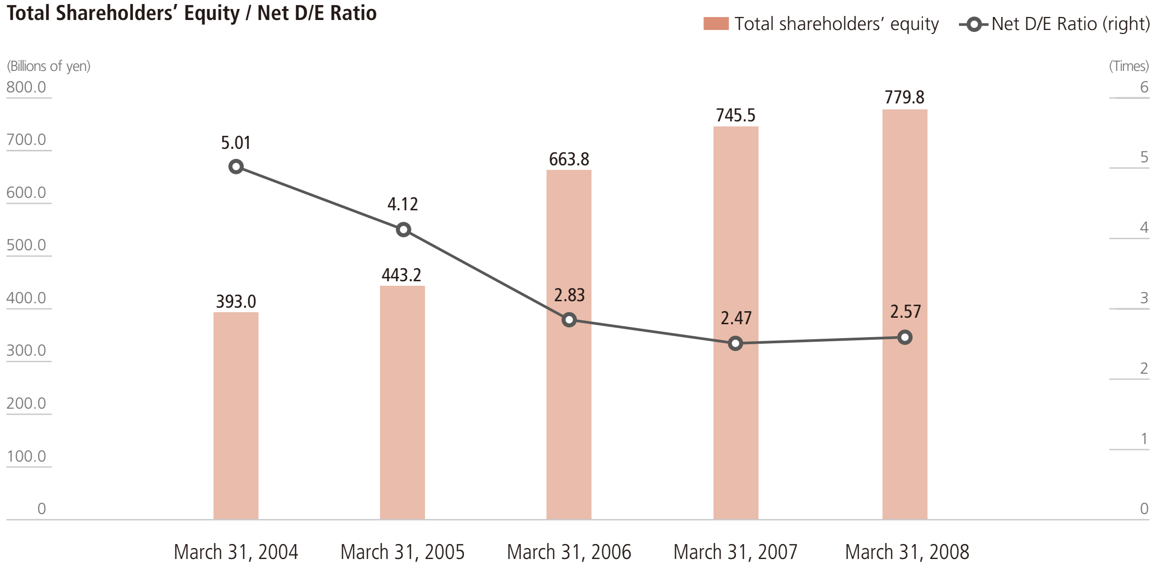
- Shelf registration of for the public sale of ordinary bonds in Japan: ¥300.0 billion
- Commercial Paper program
  - Marubeni Europe P.L.C.: US$300 million
- Euro Medium-Term Note Program
  - Three-company joint program (Marubeni Corporation, Marubeni Europe P.L.C. and Marubeni Finance Holland B.V.): 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).

Total Assets / Net interest-bearing debt / ROA



Total Shareholders' Equity / Net D/E Ratio



In July 2007, Moody's upgraded Marubeni's long-term rating from Baa3 to Baa2 and its short-term rating from P-3 to P-2; in December 2007, R&I upgraded the Company's long-term rating from BBB+ to A- and its short-term rating from a-2 to a-1; and in March 2008, S&P upgraded the Company's long-term rating from BBB- to BBB.

More recently, 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.

3) Liquidity

On a consolidated basis, the liquidity ratio was 136.5% as of March 31, 2008, up from 133.1% as of the end of the previous fiscal year. Through the increased use of note issuance facilities and other means, Marubeni is maintaining its liquidity and 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, 2008, cash and deposits totaled ¥440.3 billion.

Details regarding commitment lines are as follows:

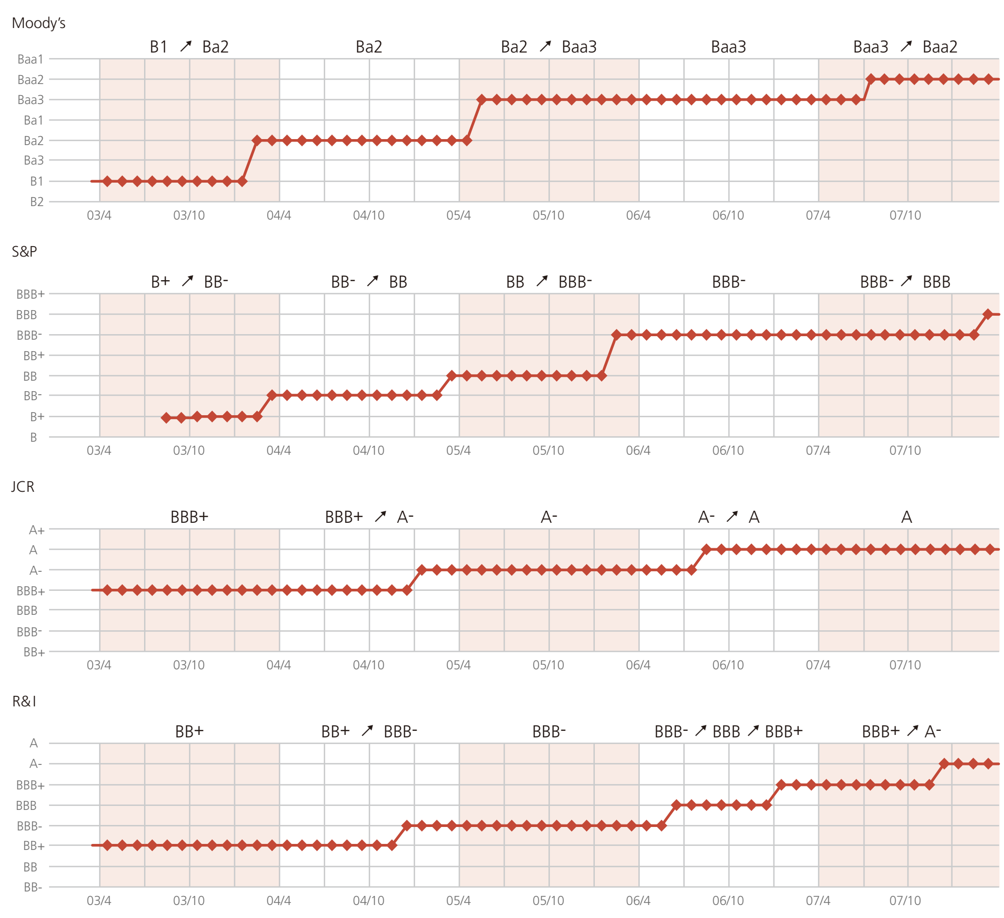
- Marubeni Corporation
  ¥328.0 billion from a syndicate of major and regional Japanese banks (short term: ¥83.0 billion, long term: ¥245.0 billion)
- Marubeni Corporation, Marubeni Finance Holland
  These two companies are able to access long-term multicurrency commitment lines totaling ¥55.0 billion, secured through major Japanese banks.
- Marubeni Corporation, Marubeni America Corporation, Marubeni Europe, Marubeni Finance Holland
  These four companies have available short-term multicurrency commitment lines totaling US$500 million, secured mainly through major European and U.S. banks.

In addition to these commitment lines, Marubeni and its consolidated subsidiaries hold highly liquid marketable securities. In all, these assets provide sufficient liquidity to cover the Group's funding demand, the current portion of commercial paper redeemable within one year and bonds including medium-term notes, which totaled ¥29.0 billion as of March 31, 2008.

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 Marubeni and its consolidated subsidiaries. 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, 2008.

Trends in Credit Ratings



(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. As a result, the Marubeni 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 Marubeni and its consolidated subsidiaries.

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.

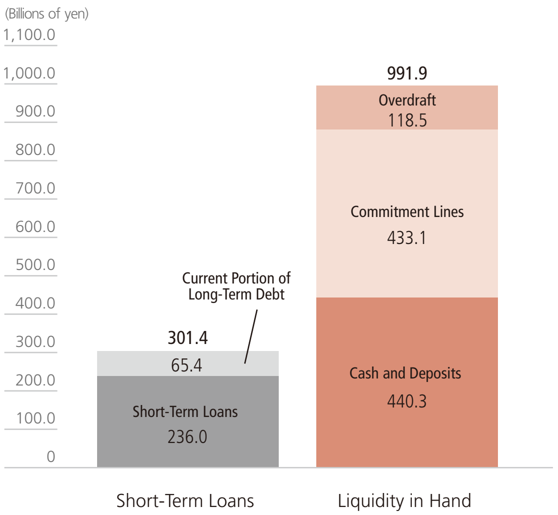
To prevent credit risks from materializing, Marubeni and its consolidated subsidiaries conduct extensive risk management at the credit screening stage. Nevertheless, Marubeni is susceptible to a variety of credit risks.

In preparation for the incurrence of possible losses when credit risk becomes apparent, Marubeni and its consolidated subsidiaries establish allowances for doubtful accounts based on the estimated amount of the loss, the business partner's creditworthiness, collateral value and

Substitute Liquidity

Complementary Liquidity and Liquidity Ratio

● Complementary Liquidity (As of March 31, 2008, Consolidated Basis)



● Breakdown of Commitment Lines

Borrower	Type	March 31, 2008	March 31, 2007
Marubeni Headquarters	Yen: Short-term Yen: Long-term (3 yrs)	¥83.0 billion ¥245.0 billion	¥105.0 billion ¥300.0 billion
Marubeni Headquarters, Marubeni America, Marubeni Europe, Marubeni Finance Holland	Foreign currency: Short-term	US$500 million	US$500 million
Marubeni Headquarters, Marubeni Finance Holland	Foreign currency: Long-term (3 yrs)	Approx. equivalent to ¥55.0 billion	—
Total		Approx. ¥433.1 billion	Approx. ¥464.0 billion

*Year-end exchange rate:
March 31, 2008: US$1.00 = ¥100.19
March 31, 2007: US$1.00 = ¥118.05

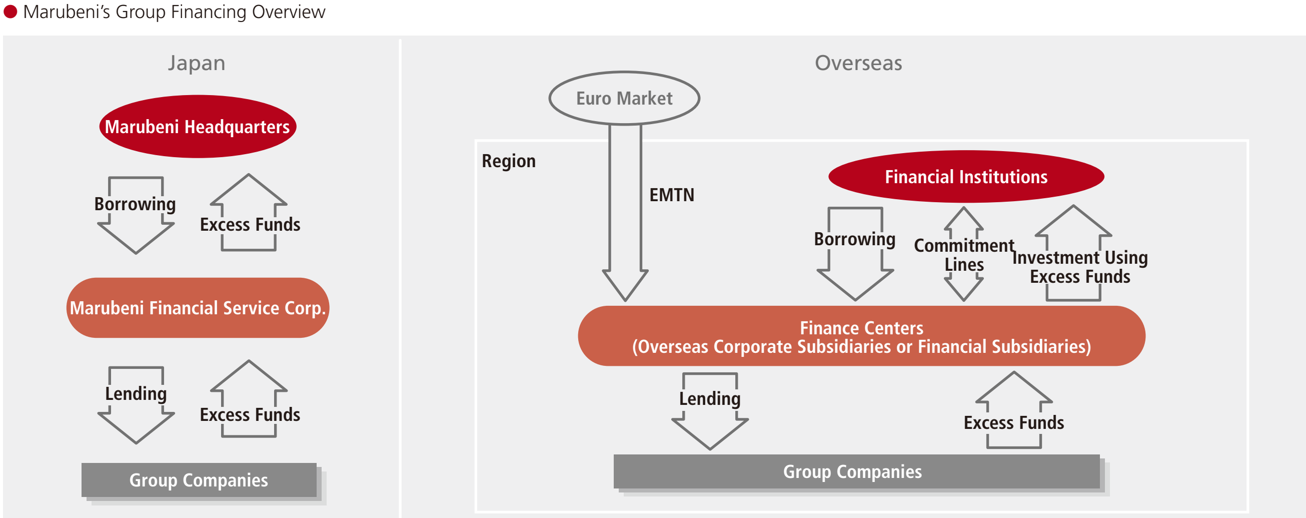
* With the aim of improving complementary liquidity for foreign currencies, Marubeni has established a new long-term commitment line for foreign currencies approximately equivalent to ¥55.0 billion.
* The remaining balance for the commitment lines as of each fiscal year-end was zero.

● Liquidity Ratio (Consolidated Basis)

March 31, 2003	March 31, 2004	March 31, 2005	March 31, 2006	March 31, 2007	March 31, 2008
104.6%	105.9%	111.2%	110.6%	133.1%	136.5%

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

● Marubeni's Group Financing Overview



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 are of minimal liquidity and require sizeable amounts of capital. Marubeni or its consolidated subsidiaries 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, Marubeni and its consolidated subsidiaries conduct 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 sales activities in Indonesia and the Philippines. In the context of the Group's country risk management, Marubeni 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, lackluster performance by these investment targets, or a deteriorating operating environment in these markets or regions, could adversely affect the business results and financial condition of Marubeni and its consolidated subsidiaries.

5) Ability to Procure Funds and Procurement 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 ratings of Marubeni and its consolidated subsidiaries by ratings agencies could constrain fund procurement or lead to an increase in fund procurement cost, which may adversely affect the business results and financial condition of Marubeni and its consolidated subsidiaries.

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, Marubeni and its consolidated subsidiaries participate in energy and natural resource exploration and production (E&P) projects. Through this participation and other relevant operations, the Company markets various produce and products. Fluctuations in the markets of these produce and products may adversely affect the business results and financial position of Marubeni and its consolidated subsidiaries.

2. Fluctuations in Foreign Currency Exchange Rates

Marubeni and its consolidated subsidiaries conduct transactions in a variety of currencies and under a variety 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 Marubeni and its consolidated subsidiaries.

3. 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 variable interest rates. While the interest risk of the majority of the operating assets held by Marubeni and its consolidated subsidiaries offset the interest rate risk associated with debt, through asset-liability management, Marubeni and its consolidated subsidiaries utilize 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.

4. Gains and Losses from Marketable Debt and Equity Securities

To strengthen business relationships and for other purposes, Marubeni and its consolidated subsidiaries invest in marketable 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 Marubeni and its consolidated subsidiaries carry the risk of fluctuations in original value due to changes in fair value. The posting of losses on the devaluation of these securities at low points in fair value may adversely affect the business results and financial condition of Marubeni and its consolidated subsidiaries.

5. 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 Marubeni Group to book impairment losses. Marubeni and its consolidated subsidiaries account 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 Marubeni 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 Marubeni and its consolidated subsidiaries. Accordingly, changes or altered interpretations of laws and regulations may result in punitive measures, including the interruption of Marubeni's operating activities, lower the Company's credibility or cause the occurrence of other circumstances that could adversely impact the Company's business results or financial condition.

9) Significant Litigation

In the course of business activities in Japan and overseas, Marubeni and its consolidated subsidiaries may be 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 Marubeni and its consolidated subsidiaries.

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 preparation 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 Marubeni 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 Marubeni Group seeks to circumvent risks by enhancing risk management on an individual basis.

With a view to mitigating risk Groupwide, the Marubeni 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 Marubeni 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 Marubeni and its consolidated subsidiaries.

Moreover, the risk management framework operated by the Marubeni Group may be unable to prevent the occurrence of a variety of risks that carry the possibility of future occurrence. As a result, the Marubeni 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." The plan's quantitative targets include two-year total consolidated net income of ¥350.0 billion, a consolidated net D/E ratio in the range of 2.0 and 2.5 times, risk assets within the limit of total shareholders' equity and ROA of over 3.0%. In achieving these targets, Marubeni expects to realize its shareholders' equity of over ¥1,000.0 billion and ROE of around 18%.

These objectives were prepared based on certain assumptions, hypotheses and projections regarding certain economic conditions, industry trends and other concerns. A number of unknown and uncontrollable factors could prevent the completion of these objectives.

(4) Risks Regarding Significant Account Policies and Estimates

For more information, please refer to page 91 "(1) Significant Accounting Policies and Estimates" under "6. Management's Discussion and Analysis of Financial Position and Business Results."

Consolidated Balance Sheets

Marubeni Corporation and Consolidated Subsidiaries
At March 31, 2008 and 2007

ASSETS	Millions of yen 2008	Millions of yen 2007	Thousands of U.S. dollars (Note 1) 2008
Current assets:			
Cash and cash equivalents (Notes 2 and 19)	¥ 402,281	¥ 414,952	$ 4,022,810
Time deposits (Notes 10 and 19)	38,058	20,010	380,580
Investment securities (Notes 2, 5 and 19)	9,477	26,693	94,770
Notes and accounts receivable — trade (Notes 2, 7, 10 and 21):			
Notes receivable	87,621	107,930	876,210
Accounts receivable	1,120,945	1,032,790	11,209,450
Due from affiliated companies	77,469	85,799	774,690
Allowance for doubtful accounts	(13,347)	(16,332)	(133,470)
Inventories (Notes 2 and 10)	474,512	420,533	4,745,120
Advance payments to suppliers	211,626	214,067	2,116,260
Deferred income taxes (Notes 2 and 13)	40,003	43,715	400,030
Prepaid expenses and other current assets	159,291	152,435	1,592,910
Total current assets	2,607,936	2,502,592	26,079,360
Investments and long-term receivables:			
Affiliated companies (Notes 2, 6 and 10)	616,009	504,501	6,160,090
Securities and other investments (Notes 2, 5, 10 and 19)	551,539	603,545	5,515,390
Notes, loans and accounts receivable — trade, net of unearned interest (Notes 2, 7, 10, 19 and 21)	141,448	121,138	1,414,480
Allowance for doubtful accounts (Notes 2 and 7)	(52,421)	(51,337)	(524,210)
Property leased to others, at cost, less accumulated depreciation of ¥65,375 million ($653,750 thousand) in 2008 and ¥62,331 million in 2007 (Notes 2, 10 and 21)	173,014	171,115	1,730,140
Total investments and long-term receivables	1,429,589	1,348,962	14,295,890
Property, plant and equipment, at cost (Notes 2 and 10):			
Land	184,696	169,447	1,846,960
Buildings and structures	376,888	309,358	3,768,880
Machinery and equipment	683,566	644,696	6,835,660
Mining rights	16,643	16,315	166,430
	1,261,793	1,139,816	12,617,930
Accumulated depreciation	(463,014)	(408,364)	(4,630,140)
Net property, plant and equipment	798,779	731,452	7,987,790
Prepaid pension cost (Notes 2 and 12)	7,334	21,642	73,340
Deferred income taxes (Notes 2 and 13)	91,910	53,088	919,100
Intangible assets (Notes 2, 3, 8 and 12)	116,546	86,654	1,165,460
Goodwill (Notes 2 and 8)	58,292	35,794	582,920
Other assets (Note 10)	96,839	93,120	968,390
Total assets	¥5,207,225	¥4,873,304	$52,072,250

See accompanying notes.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen 2008	Millions of yen 2007	Thousands of U.S. dollars (Note 1) 2008
Current liabilities:			
Short-term loans (Notes 10, 11 and 19)	¥236,027	¥ 170,423	$ 2,360,270
Current portion of long-term debt (Notes 10, 11 and 19)	65,353	164,485	653,530
Notes and accounts payable — trade:			
Notes and acceptances payable (Note 10)	177,071	210,151	1,770,710
Accounts payable	833,421	762,520	8,334,210
Due to affiliated companies	62,444	52,288	624,440
Advance payments received from customers	208,182	204,489	2,081,820
Accrued income taxes (Note 13)	16,387	17,219	163,870
Deferred income taxes (Notes 2 and 13)	2,156	4,632	21,560
Accrued expenses and other current liabilities (Note 10)	310,086	294,059	3,100,860
Total current liabilities	1,911,127	1,880,266	19,111,270
Long-term debt, less current portion (Notes 9, 10 ,11 and 19)	2,368,164	2,130,137	23,681,640
Employees' retirement benefits (Notes 2 and 12)	23,622	12,075	236,220
Deferred income taxes (Notes 2 and 13)	43,731	29,987	437,310
Minority interests in consolidated subsidiaries	80,817	75,385	808,170
Commitments and contingent liabilities (Notes 2 and 22)			
Shareholders' equity (Note 14):			
Common stock:			
Authorized shares — 4,300,000,000 shares			
Issued and outstanding shares — 1,737,940,900 shares in 2008 and 1,734,916,816 shares in 2007	262,686	262,686	2,626,860
Capital surplus	158,461	155,905	1,584,610
Retained earnings	423,591	298,011	4,235,910
Accumulated other comprehensive income (loss) (Notes 13 and 15):			
Unrealized gains on investment securities (Note 5)	50,463	102,899	504,630
Currency translation adjustments	(53,609)	(39,547)	(536,090)
Unrealized losses on derivatives	(18,410)	(6,410)	(184,100)
Pension liability adjustments (Note 12)	(42,773)	(27,603)	(427,730)
Cost of common stock in treasury — 1,414,364 shares in 2008 and 1,483,567 shares in 2007	(645)	(487)	(6,450)
Total shareholders' equity	779,764	745,454	7,797,640
Total liabilities and shareholders' equity	¥5,207,225	¥4,873,304	$52,072,250

Consolidated Statements of Income

Marubeni Corporation and Consolidated Subsidiaries
Years ended March 31, 2008, 2007 and 2006

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2008	2007	2006	2008
Revenues (Note 2):				
Revenues from trading and other activities	¥3,958,276	¥3,467,925	¥2,949,058	$39,582,760
Commissions on services and trading margins	207,950	190,930	190,787	2,079,500
Total	4,166,226	3,658,855	3,139,845	41,662,260
(Total volume of trading transactions: 2008, ¥10,631,616 million ($106,316,160 thousand) 2007, ¥9,554,943 million 2006, ¥8,686,532 million) (Notes 2, 6 and 17)				
Cost of revenues from trading and other activities	3,569,310	3,127,684	2,637,821	35,693,100
Gross trading profit	596,916	531,171	502,024	5,969,160
Expenses and other:				
Selling, general and administrative expenses	393,367	365,291	350,261	3,933,670
Provision for doubtful accounts (Note 7)	3,396	860	8,515	33,960
Interest income	(24,934)	(24,179)	(23,095)	(249,340)
Interest expense	68,202	56,908	47,212	682,020
Dividend income	(23,645)	(20,705)	(12,065)	(236,450)
Impairment loss on investment securities (Note 5)	31,208	11,116	17,895	312,080
Gain on sales of investment securities (Note 5)	(23,757)	(24,099)	(14,477)	(237,570)
Loss on property, plant and equipment (Note 8)	1,492	18,951	21,292	14,920
Equity in earnings of affiliated companies — net (Notes 6 and 17)	(55,661)	(44,880)	(31,602)	(556,610)
Other — net (Notes 2 and 18)	11,051	(1,907)	5,033	110,510
Total	380,719	337,356	368,969	3,807,190
Income from continuing operations before income taxes and minority interests	216,197	193,815	133,055	2,161,970
Provision for income taxes (Note 13):				
Current	44,566	53,910	34,653	445,660
Deferred	15,974	14,295	12,810	159,740
	60,540	68,205	47,463	605,400
Income from continuing operations before minority interests	155,657	125,610	85,592	1,556,570
Minority interests	(8,408)	(6,261)	(5,427)	(84,080)
Income from continuing operations	147,249	119,349	80,165	1,472,490
Loss from discontinued operations (after income tax effect) (Note 4)	—	—	(6,364)	—
Net income	¥ 147,249	¥ 119,349	¥ 73,801	$ 1,472,490
Income available to preferred shareholders	¥ —	¥ 605	¥ 1,510	$ —
Net income available to common shareholders	¥ 147,249	¥ 118,744	¥ 72,291	$ 1,472,490

	Yen			U.S. dollars
Earnings per share of common stock (Note 16):				
Basic:				
Income from continuing operations	¥ 84.93	¥ 72.41	¥ 52.60	$ 0.85
Net income	¥ 84.93	¥ 72.41	¥ 48.34	$ 0.85
Diluted:				
Income from continuing operations	N / A	¥ 68.85	¥ 43.94	N / A
Net income	N / A	¥ 68.85	¥ 40.46	N / A

See accompanying notes.

Consolidated Statements of Changes in Shareholders' Equity

Marubeni Corporation and Consolidated Subsidiaries
Years ended March 31, 2008, 2007 and 2006

	Millions of yen						Thousands of U.S. dollars (Note 1)	
	2008		2007		2006		2008	
Class I preferred stock:								
Balance at beginning of year	¥ —		¥ 37,750		¥ 37,750		$ —	
Conversion to common stock	—		(37,750)		—		—	
Balance at end of year	¥ —		¥ —		¥ 37,750		$ —	
Common stock:								
Balance at beginning of year	¥262,686		¥224,936		¥194,039		$2,626,860	
Conversion of convertible debentures	—		—		30,897		—	
Conversion of preferred stock	—		37,750		—		—	
Balance at end of year	¥262,686		¥262,686		¥224,936		$2,626,860	
Capital surplus:								
Balance at beginning of year	¥155,905		¥155,903		¥125,436		$1,559,050	
Issuance of common stock in exchange for a subsidiary's minority shares	2,344		—		—		23,440	
Conversion of convertible debentures	—		—		30,445		—	
Gain on sales treasury stock	212		2		22		2,120	
Balance at end of year	¥158,461		¥155,905		¥155,903		$1,584,610	
Retained earnings:								
Balance at beginning of year	¥298,011		¥193,772		¥131,195		$2,980,110	
Net income	147,249	¥147,249	119,349	¥119,349	73,801	¥ 73,801	1,472,490	$1,472,490
Cash dividends — common and preferred stocks	(21,669)		(15,110)		(11,224)		(216,690)	
Balance at end of year	¥423,591		¥298,011		¥193,772		$4,235,910	
Accumulated other comprehensive income (loss) (Note 15):								
Balance at beginning of year	¥ 29,339		¥ 51,752		¥(45,126)		$ 293,390	
Unrealized (losses) gains on investment securities, net of reclassification (Note 5)		(52,436)		(6,136)		62,374		(524,360)
Currency translation adjustments, net of reclassification		(14,062)		13,903		36,136		(140,620)
Unrealized (losses) gains on derivatives, net of reclassification		(12,000)		(4,294)		(562)		(120,000)
Minimum pension liability adjustment (Note 12)		—		(834)		(1,070)		—
Pension liability adjustments (Note 12)		(15,170)		—		—		(151,700)
Other comprehensive income (loss), net of tax	(93,668)	(93,668)	2,639	2,639	96,878	96,878	(936,680)	(936,680)
Comprehensive income		¥ 53,581		¥121,988		¥170,679		$ 535,810
Adjustment to initially apply SFAS 158, net of tax	—		(25,052)		—		—	
Balance at end of year	¥(64,329)		¥ 29,339		¥ 51,752		$ (643,290)	
Cost of common stock in treasury:								
Balance at beginning of year	¥ (487)		¥ (326)		¥ (142)		$ (4,870)	
Purchase of treasury stock, net	(158)		(161)		(184)		(1,580)	
Balance at end of year	¥ (645)		¥ (487)		¥ (326)		$ (6,450)	
Disclosure of reclassification amount:								
Unrealized (losses) gains on investment securities arising during the period	¥(49,347)		¥ (1,083)		¥ 66,293		$ (493,470)	
Less: Reclassification adjustments included in net income	(3,089)		(5,053)		(3,919)		(30,890)	
Net unrealized (losses) gains	¥(52,436)		¥ (6,136)		¥ 62,374		$ (524,360)	
Currency translation adjustments arising during the period	¥(16,221)		¥ 11,062		¥ 33,832		$ (162,210)	
Less: Reclassification adjustments included in net income	2,159		2,841		2,304		21,590	
Net currency translation adjustments	¥(14,062)		¥ 13,903		¥ 36,136		$ (140,620)	
Unrealized (losses) gains on derivatives arising during the period	¥(15,460)		¥ (6,659)		¥ 3,383		$ (154,600)	
Less: Reclassification adjustments included in net income	3,460		2,365		(3,945)		34,600	
Net unrealized (losses) gains on derivatives	¥(12,000)		¥ (4,294)		¥ (562)		$ (120,000)	

See accompanying notes.

Consolidated Statements of Cash Flows

Marubeni Corporation and Consolidated Subsidiaries
Years ended March 31, 2008, 2007 and 2006

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2008	2007	2006	2008
Operating activities:				
Net income	¥147,249	¥119,349	¥ 73,801	$1,472,490
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	96,370	101,145	72,684	963,700
Provision for doubtful accounts	3,396	860	8,515	33,960
Equity in earnings of affiliated companies, less dividends received	(29,309)	(19,022)	(15,117)	(293,090)
Loss (gain) on investment securities	7,451	(12,983)	3,418	74,510
Loss on property, plant and equipment	1,492	18,951	21,292	14,920
Deferred income taxes	15,974	14,295	12,810	159,740
Loss from discontinued operations (after income tax effect) (Note 4)	—	—	6,364	—
Changes in operating assets and liabilities:				
Notes and accounts receivable	(53,681)	(118,336)	(45,810)	(536,810)
Inventories	(43,886)	(24,106)	452	(438,860)
Advance payments to suppliers and prepaid expenses and other assets	(21,191)	(60,414)	(88,039)	(211,910)
Prepaid pension cost	21,642	25,886	1,136	216,420
Notes, acceptances and accounts payable	6,226	59,308	31,670	62,260
Advance payments received from customers and accrued expenses and other liabilities	90,977	55,539	90,306	909,770
Accrued income taxes	(1,674)	383	695	(16,740)
Other	(5,746)	(8,780)	(40,769)	(57,460)
Net cash provided by operating activities	235,290	152,075	133,408	2,352,900
Investing activities:				
Net (increase) decrease in time deposits	(9,347)	2,050	(16,984)	(93,470)
Proceeds from sales of available-for-sale securities	18,472	13,922	13,410	184,720
Proceeds from redemptions of available-for-sale securities	5,058	—	1,630	50,580
Purchases of available-for sale securities	(33,362)	(25,241)	(42,116)	(333,620)
Proceeds from redemptions of held-to-maturity securities	—	6,000	26,114	—
Proceeds from sales of investments in affiliated companies	15,651	51,892	17,685	156,510
Acquisition of investments in affiliated companies	(140,868)	(100,890)	(7,402)	(1,408,680)
Proceeds from sales of other investments	40,646	60,111	36,924	406,460
Acquisition of other investments	(149,849)	(103,084)	(59,828)	(1,498,490)
Proceeds from sales of property, plant and equipment and property leased to others	14,541	22,728	14,030	145,410
Purchases of property, plant and equipment and property leased to others	(87,877)	(66,274)	(211,037)	(878,770)
Collection of loans receivable	70,750	57,341	52,606	707,500
Loans made to customers	(50,670)	(53,702)	(18,813)	(506,700)
Net cash used in investing activities	(306,855)	(135,147)	(193,781)	(3,068,550)
Financing activities:				
Net increase (decrease) in short-term loans	54,643	(169,837)	5,348	546,430
Proceeds from long-term debt	349,164	659,300	525,792	3,491,640
Payments of long-term debt	(312,343)	(444,531)	(566,042)	(3,123,430)
Cash dividends paid — common and preferred stocks	(21,669)	(15,110)	(11,224)	(216,690)
Purchase of treasury stock, net	(243)	(159)	(168)	(2,430)
Other	(3,687)	(4,844)	257	(36,870)
Net cash provided by (used in) financing activities	65,865	24,819	(46,037)	658,650
Effect of exchange rate changes on cash and cash equivalents	(6,971)	4,269	16,152	(69,710)
Net (decrease) increase in cash and cash equivalents	(12,671)	46,016	(90,258)	(126,710)
Cash and cash equivalents at beginning of year	414,952	368,936	459,194	4,149,520
Cash and cash equivalents at end of year	¥402,281	¥414,952	¥368,936	¥4,022,810
Supplemental cash flow information:				
Cash paid during the year for:				
Interest	¥67,909	¥ 58,864	¥ 47,808	¥679,090
Income taxes	50,506	55,242	33,131	505,060
Non-cash investing activities:				
Acquisition of subsidiaries (Note 3):				
Fair value of assets acquired	—	—	172,738	—
Fair value of liabilities assumed	—	—	97,088	—
Minority interest	—	—	14,317	—
Acquisition cost of subsidiaries	—	—	61,333	—
Non-cash acquisition costs of subsidiaries	—	—	51,356	—
Cash acquired	—	—	4,305	—
Acquisitions of subsidiaries, net of cash acquired	—	—	5,672	—
Exchange of assets:				
Fair value of assets received	810	11,925	—	8,100
Carrying value of assets surrendered	493	11,481	—	4,930
Additional acquisition of subsidiaries' minority shares by share exchange:				
Fair value of assets received	2,746	—	—	27,460
Carrying value of treasury stock surrendered	197	—	—	1,970
Issuance of common stock	2,344	—	—	23,440
Non-cash financing activities:				
Issuance of common stock pursuant to conversion of convertible debentures	—	—	61,678	—

See accompanying notes.

Notes to Consolidated Financial Statements

Marubeni Corporation and Consolidated Subsidiaries
Years ended March 31, 2008, 2007 and 2006

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 cover extensive types of commodities such as machinery, energy, metals, chemicals, forest products and general merchandise, paper and pulp, agri-marine products, textiles, development and construction, finance, logistics, information industry and others. In addition, the Company offers various services and engages in diversified businesses 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.

Certain reclassifications have been made in the 2006 financial statements to conform to the presentation for 2007 and 2008.

The translation of Japanese yen amounts into U.S. dollar amounts for the year ended March 31, 2008 is included solely for the convenience of readers outside of Japan and has been made at ¥100 to $1, the exchange rate prevailing on March 31, 2008. 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)—an Interpretation of ARB No. 51* ("FIN 46R"). FIN 46R requires a VIE to be consolidated if a party with an ownership, contractual or other financial interest in the VIE (a variable interest holder) is obligated to absorb a majority of the risk of loss from the VIE's activities, is entitled to receive a majority of the VIE's residual returns (if no party absorbs a majority of the VIE's losses) or both. A variable interest holder that consolidates the VIE is called a primary beneficiary. FIN 46R also requires disclosures about VIEs that the variable interest holder is not required to consolidate but in which it has a significant variable interest.

Significant intercompany transactions and accounts 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.

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 their 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.

Investment securities

Management determines the appropriate classification of investment securities as either trading, held-to-maturity or available-for-sale securities at the date of purchase.

Trading securities

Trading securities are held for resale in anticipation of short-term market movements. Trading securities, consisting primarily of marketable equity securities, are stated at fair value. Gains and losses are included in gain on sales of investment securities. Realized gains and losses are calculated based on the average cost.

Held-to-maturity securities

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 the amortization of premiums and accretion of discounts to maturity. Such amortization and accretion are included in interest income. Interest on securities classified as held-to-maturity is included in interest income. Declines in fair value judged to be other than temporary on held-to-maturity securities are included in impairment loss on investment securities.

Available-for-sale 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. Realized gains and losses and declines in fair value judged to be other than temporary on available-for-sale securities are included in gain on sales of investment securities and impairment loss on investment securities, respectively. The average cost of securities sold is used in the determination of realized gains or losses. Interest and dividends on investment securities classified as available-for-sale are included in interest income and dividend income, respectively.

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 ¥87,521 million ($875,210 thousand) and ¥77,294 million at March 31, 2008 and 2007, respectively.

Investments

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 there are declines in the value of investments in affiliated companies judged to be other than temporary, the investments are written down to the fair value by recognizing impairment losses. Other investments are primarily non-marketable equity securities and are stated at cost, adjusted for any declines in value judged to be other than temporary.

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 collectibility 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 collectibility. The recorded investments in loans 90 days past due and still accruing interest were not significant at March 31, 2008 and 2007.

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. Rental expense on operating leases is recognized over the lease term.

Depreciation

Depreciation of property, plant and equipment (including property leased to others and not mining rights) is determined by the declining-balance or the straight-line method at rates based on the estimated useful lives of the respective assets, which range from 2 to 50 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 ¥85,109 million ($851,090 thousand) for the year ended March 31, 2008.

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

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.

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.

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 potential impairment, while the second step measures the amount of the impairment, if any. Intangible assets with finite useful lives are amortized over their estimated useful lives and reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable.

Asset retirement obligation

The Company and certain of its subsidiaries recognize a liability for an asset retirement obligation at the fair value at the time that the obligation is incurred. When the liability is initially recognized, the Companies capitalize the related costs by increasing the carrying amount of the long-lived assets and depreciate the capitalized costs over the useful lives of the related 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 expenses.

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 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 are measured at the date of the fiscal year-end and recognized in the consolidated balance sheets.

Revenue recognition and the total volume of trading transactions

The trading transactions undertaken by the Companies take many forms and consist of those in which the Companies act as a principal and those in which the Companies act as an agent. In agency transactions, payment for goods is made directly by the purchaser to the supplier. The 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 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 principally based on 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 ¥132 million ($1,320 thousand), ¥1,114 million and ¥896 million for the years ended March 31, 2008, 2007 and 2006, respectively.

The aggregated amounts of losses on sales of loans, included in other expenses—net were ¥668 million ($6,680 thousand), ¥1,799 million and ¥923 million for the years ended March 31, 2008, 2007 and 2006, respectively.

Derivative instruments and hedging activities

The Companies recognize all derivative instruments on the consolidated balance sheet at fair value. Derivatives that are not hedges are adjusted to fair value through income. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of derivatives are either offset against the change in value of the hedged assets, liabilities or firm commitments through earnings or 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. For derivative and non-derivative financial instruments designated as hedging the foreign currency exposure of a net investment in foreign subsidiaries and affiliates, 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. The Companies expect to reclassify ¥6,922 million ($69,220 thousand) of net loss on derivative instruments from accumulated other comprehensive income to earnings during the 12 months ending March 31, 2009, due to actual export and import transactions or receipts and payments of interest. The maximum length of time over which the Companies 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 93 months. The gains and losses on derivative and non-derivative hedging instruments included in currency translation adjustments were ¥10,073 million ($100,730 thousand) in gains, ¥5,368 million of losses and ¥17,726 million in losses for the years ended March 31, 2008, 2007 and 2006, respectively.

Presentation of equity in earnings

The Company has presented in its prior consolidated statements of income equity in earnings of affiliated companies after income from continuing operations before income taxes and minority interests. The Company included it in income from continuing operations before income taxes and minority interests for the years ended March 31, 2008 and 2007. The reclassification was made in the consolidated statements of income for the year ended March 31, 2006 to conform to this presentation.

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.

Effective April 1, 2007, the Company and certain of its subsidiaries adopted FIN No. 48, *Accounting for Uncertainty in Income Taxes, an interpretation of No. FAS 109, Accounting for Income Taxes* ("FIN 48"). FIN 48 clarifies the accounting for income taxes, by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. The adoption of FIN 48 did not have a material impact on the Company's financial position and results of operations. Interest and penalties accrued related to unrecognized tax benefits are included in other—net.

Recently issued accounting standards

In September 2006, the FASB issued Statements of Financial Accounting standards ("SFAS") No. 157, *Fair Value Measurements* ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. SFAS 157 is effective for fiscal years beginning after November 15, 2007 and the Company will adopt it on April 1, 2008. In February 2008, the FASB issued 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" and No. FAS 157-2, "Effective Date of FASB Statement No. 157," which partially delay the effective date of SFAS 157 for one year for certain nonfinancial assets and liabilities and remove certain leasing transactions from its scope. The adoption of SFAS 157 will not have a material impact on the Company's financial position and results of operations.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115* ("SFAS 159"). SFAS 159 provides companies with an option to report selected financial assets and liabilities at fair value. Unrealized gains and losses on items for which the fair value option has been elected will be recognized in earnings. SFAS 159 is effective for fiscal years beginning after November 15, 2007 and the Company will adopt it on April 1, 2008. The adoption of SFAS 159 will not have a material impact on the Company's financial position and results of operations.

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 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.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities—an amendment of FASB Statement No. 133* ("SFAS 161"). SFAS 161 amends and enhances the disclosure requirement of SFAS 133. SFAS 161 requires that objectives for using derivative instruments be disclosed in terms of underlying risk and accounting designation. SFAS 161 is effective for fiscal years beginning after November 15, 2008. The adoption of SFAS 161 will not have a material impact on the Company's financial position and results of operations.

3. Acquisitions

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 MaruEnergy Caribbean ("MECa") according to the agreement with MII.

MECa owns controlling interests in vertically integrated power companies on Grand Bahama Island and in 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:

— a 55.4% equity interest in Grand Bahama Power Company Limited on Grand Bahama Island;
— an 80.0% equity interest in Jamaica Public Service Company Limited in Jamaica;
— a 39.0% equity interest in the Power Generation Company of Trinidad and Tobago Limited ("PowerGen"), an IPP that supplies 80% of Trinidad and Tobago's total electricity demand; and
— a 25.5% equity interest in Curacao Utilities Company, which supplies electricity, steam and water to Petróleo de Venezuela S.A.'s refinery plant on the island of Curacao and holds a preferred share ownership interest in Aqualectra, an integrated water and electric company in Curacao.

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

The aggregate purchase price was ¥69,011 million ($690,110 thousand). The estimated fair values of the assets at the date of acquisition based on the preliminary purchase price allocation was ¥188,015 million ($1,880,150 thousand), which consisted of current assets of ¥46,583 million ($465,830 thousand), long-lived assets of ¥105,758 million ($1,057,580 thousand) and other non-current assets of ¥35,674 million ($356,740 thousand). The estimated fair values of the liabilities based on the preliminary purchase price allocation was ¥94,630 million ($946,300 thousand), which consisted of current liabilities of ¥25,611 million ($256,110 thousand) and non-current liabilities of ¥69,019 million ($690,190 thousand). Minority interests amounted to ¥24,374 million ($243,740 thousand).

Pro-forma results related to this acquisition are not disclosed because the impact on the consolidated financial statements is not material.

On October 12, 2005, Japan Indonesia Petrochemical Investment Corporation ("JIPIC"), a wholly owned subsidiary of the Company, exchanged its shares and loans in PT. Chandra Asri ("CA") with Commerzbank International Trust (Singapore) Ltd., for shares of two Indonesian companies in the Musi Pulp business. As a result of this exchange, PT. Tanjungenim Lestari Pulp & Paper ("TEL"), a pulp producing company, became a subsidiary wholly owned by the Company, JIPIC and Sumatra Pulp Corporation ("Sumatra"), a 49.95% owned subsidiary of Marubeni. In addition, PT. Musi Hutan Persada ("MHP"), a plantation company, became a subsidiary owned 60% by the Company and JIPIC. TEL was incorporated in 1990 and produces pulp from acacia logs, and has pulp production capacity of 450,000 tons per year. MHP was incorporated in 1991 and operates acacia plantation on 190,000 hectares out of authorized areas of 300,000 hectares and supplies logs for TEL. The results of operations of TEL and MHP have been consolidated in the consolidated statement of income from the date of acquisition. The pulp business is positioned as one of the Company's core businesses and acquisition of the majority shares of TEL and MHP was made to further strengthen the business.

The aggregate purchase price was ¥61,333 million, and the following table summarizes the fair values of the assets acquired and liabilities assumed at the date of acquisition.

	Millions of yen
Current assets	¥ 14,744
Property, plant and equipment	103,214
Intangible assets	50,771
Other non-current assets	4,009
Total assets acquired	172,738
Current liabilities	7,426
Long-term debt	80,542
Other non-current liabilities	9,120
Total liabilities assumed	97,088
Minority interest	14,317
Net assets acquired	¥ 61,333

Minority interests in the above include the Company's and Sumatra's interest of 45.06% in TEL, acquired prior to this acquisition.

As MHP was granted by the Indonesian government a right to use land of 300,000 hectares for plantation, ¥50,745 million were assigned to intangible assets subject to amortization over the remaining authorized period of 29 years.

Had the Company acquired TEL and MHP at April 1, 2005, the consolidated revenue, gross trading profit, net income, and basic and diluted earnings per share of common stock for the year ended March 31, 2006 would be as follows:

	Pro forma information (unaudited)
	Millions of yen
	2006
Revenue	¥3,153,954
Gross trading profit	506,039
Net income	76,002

	Yen
Basic earnings per share of common stock	¥49.82
Diluted earnings per share of common stock	41.66

4. Discontinued Operations

In accordance with SFAS 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Company separately presents the results of the operations of discontinued operations, net of income tax effects, which are either operations disposed of or reclassified as held for sale during the year, in the consolidated statements of income.

The loss from discontinued operations in the statement of income for the year ended March 31, 2006 and selected financial information are as follows:

	Millions of yen
	2006
Revenue	¥ 281
Loss from discontinued operations, before income tax effect	¥(1,793)
Loss on disposal	(9,885)
Income tax benefits	5,314
Loss from discontinued operations, after income tax effect	¥(6,364)

The Company placed as a non-core business the leisure-related business, including the ski business and theme park operations. The Company decided to exit from the leisure business operated through two subsidiaries, Hunter Mountain Shiobara Co. Ltd. ("HMS") and Nasu Kougen Resort Co. Ltd. ("NKR"), by selling them to third parties. NKR sold all assets and business related to the skiing ground operations to HMS, and then the Company sold all shares in HMS to Tokyu Resort Corporation in November 2005. The Company sold all shares in NKR to Animal Escort Service Co. Ltd. in April 2006.

There were no discontinued operations for the years ended March 31, 2008 and 2007.

5. Marketable Equity Securities and Debt Securities

The following is a summary of available-for-sale securities and held-to-maturity securities at March 31, 2008 and 2007:

	Available-for-sale securities							
	Millions of yen							
	2008				2007			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Current:								
Debt securities	¥ 3,578	¥ 3	¥ (4)	¥ 3,577	¥ 5,792	¥ 5	¥ —	¥ 5,797
Non-current:								
Debt securities	¥ 32,383	¥ 26	¥ (306)	¥ 32,103	¥ 35,034	¥ 200	¥ (27)	¥ 35,207
Marketable equity securities	201,866	99,844	(22,840)	278,870	169,757	161,682	(6,594)	324,845
Total	¥234,249	¥99,870	¥(23,146)	¥310,973	¥204,791	¥161,882	¥(6,621)	¥360,052

	Thousands of U.S. dollars			
	2008			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Current:				
Debt securities	$ 35,780	$ 30	$ (40)	$ 35,770
Non-current:				
Debt securities	$ 323,830	$ 260	$ (3,060)	$ 321,030
Marketable equity securities	2,018,660	998,440	(228,400)	2,788,700
Total	$2,342,490	$998,700	$(231,460)	$3,109,730

Held-to-maturity securities

	Millions of yen							
	2008				2007			
	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	¥9,385	¥534	¥ —	¥9,919

	Thousands of U.S. dollars			
	2008			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Current:				
Debt securities	$51,590	$530	$ —	$52,120
Non-current:				
Debt securities	$31,430	$270	$ —	$31,700

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, 2008 and 2007, were as follows:

	Millions of yen							
	2008				2007			
	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	¥ 6,375	¥ (310)	¥ —	¥ —	¥ 4,197	¥ (27)	¥ —	¥ —
Marketable equity securities	66,925	(22,840)	—	—	51,345	(6,594)	—	—
	¥73,300	¥(23,150)	¥ —	¥ —	¥55,542	¥(6,621)	¥ —	¥ —
Held-to-maturity:								
Debt securities	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —

	Thousands of U.S. dollars			
	2008			
	Less than 12 months		12 months or longer	
	Fair value	Unrealized losses	Fair value	Unrealized losses
Available-for-sale:				
Debt securities	$ 63,750	$ (3,100)	$ —	$ —
Marketable equity securities	669,250	(228,400)	—	—
	$733,000	$(231,500)	$ —	$ —
Held-to-maturity:				
Debt securities	$ —	$ —	$ —	$ —
	$ —	$ —	$ —	$ —

The investments in available-for-sale securities with unrealized losses consist primarily of marketable equity securities of 110 issues and 40 issues as of March 31, 2008 and 2007, respectively. The unrealized losses on these securities were mainly due to what management believes is a temporary decline in the stock market. The severity of the decline was 25% on average 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, 2008.

In addition to the securities listed above, the Companies held trading securities of ¥741 million ($7,410 thousand) and ¥20,896 million, at fair value, as of March 31, 2008 and 2007, respectively. The net unrealized holding gains and losses on trading securities included in earnings for the years ended March 31, 2008, 2007 and 2006 amounted to ¥13 million ($130 thousand) of losses ¥431 million of gains, and ¥76 million of losses, respectively.

The proceeds from sales of available-for-sale securities amounted to ¥18,472 million ($184,720 thousand), ¥13,922 million and ¥13,410 million for the years ended March 31, 2008, 2007 and 2006, respectively. Gross realized gains on sales of available-for-sale securities totaled ¥16,454 million ($164,540 thousand), ¥8,700 million and ¥7,218 million, and gross realized losses totaled ¥60 million ($600 thousand), ¥85 million and ¥457 million for the years ended March 31, 2008, 2007 and 2006, 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 ¥11,046 million ($110,460 thousand), ¥63 million and ¥109 million for the years ended March 31, 2008, 2007 and 2006, respectively.

The amortized cost and estimated fair value of debt and marketable equity securities at March 31, 2008 are summarized by contractual maturity below. Expected maturities may differ from contractual maturities because the issuers of certain securities have the right to prepay obligations without prepayment penalties.

	Available-for-sale securities			
	Millions of yen		Thousands of U.S. dollars	
	Cost	Fair value	Cost	Fair value
Due in one year or less	¥ 3,578	¥ 3,577	$ 35,780	$ 35,770
Due after one year through five years	8,844	8,868	88,440	88,680
Due after five years through ten years	23,539	23,235	235,390	232,350
Due after ten years	—	—	—	—
Total debt securities	35,961	35,680	359,610	356,800
Marketable equity securities	201,866	278,870	2,018,660	2,788,700
Total	¥237,827	¥314,550	$2,378,270	$3,145,500

	Held-to-maturity securities			
	Millions of yen		Thousands of U.S. dollars	
	Cost	Fair value	Cost	Fair value
Due in one year or less	¥5,159	¥5,212	$51,590	$52,120
Due after one year through five years	3,143	3,170	31,430	31,700
Due after five years through ten years	—	—	—	—
Due after ten years	—	—	—	—
Total	¥8,302	¥8,382	$83,020	$83,820

6. Affiliated Companies

Investments in and amounts due from affiliated companies at March 31, 2008 and 2007 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Investments in equity securities	¥572,504	¥468,950	$5,725,040
Long-term receivables	43,505	35,551	435,050
	¥616,009	¥504,501	$6,160,090

The financial information of affiliated companies at March 31, 2008 and 2007 and for the years ended March 31, 2008, 2007 and 2006, was summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Current assets	¥1,965,059	¥2,468,283	$19,650,590
Other assets	3,442,855	2,275,500	34,428,550
Total assets	¥5,407,914	¥4,743,783	$54,079,140
Current liabilities	¥1,619,258	¥2,041,604	$16,192,580
Other liabilities	2,369,591	1,560,620	23,695,910
Equity accounts	1,419,065	1,141,559	14,190,650
Total liabilities and equity	¥5,407,914	¥4,743,783	$54,079,140

	Millions of yen			Thousands of U.S. dollars
	2008	2007	2006	2008
Total volume of trading transactions	¥5,860,074	¥5,774,670	¥4,233,915	$58,600,740
Net income	183,134	162,837	71,212	1,831,340

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, 2008, 2007 and 2006 were as follows:

	Millions of yen			Thousands of U.S. dollars
	2008	2007	2006	2008
Sales transactions	¥308,828	¥366,876	¥314,739	$3,088,280
Purchase transactions	184,644	166,301	196,639	1,846,440

Marubeni-Itouchu Steel Inc. (50.00% owned), Marubeni Construction Material Lease Co., Ltd. (35.27% owned) , The Maruetsu, Inc. (29.72% owned), The Daiei, Inc. (29.52% owned), Daishowa-Marubeni International Ltd. (50.00% owned) and TeaM Energy Corporation (50.00% 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 amounted to ¥37,846 million ($378,460 thousand) and ¥50,428 million at March 31, 2008 and 2007, respectively. The excess consists of fair value adjustments on assets and liabilities of affiliated companies at the time of investment and equity method goodwill.

Certain investments in the common stock of affiliated companies are marketable equity securities, which have carrying values of ¥58,637 million ($586,370 thousand) and ¥54,836 million at March 31, 2008 and 2007, respectively, with corresponding aggregate quoted market values of ¥63,609 million ($636,090 thousand) and ¥77,115 million.

7. 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
	2008	2007	2006	2008
Balance at beginning of year	¥67,669	¥ 99,874	¥109,316	$676,690
Provision	3,396	860	8,515	33,960
Charge-offs	(1,415)	(30,137)	(14,435)	(14,150)
Other	(3,882)	(2,928)	(3,522)	(38,820)
Balance at end of year	¥65,768	¥ 67,669	¥ 99,874	$657,680

At March 31, 2008 and 2007, the recorded investments in loans that are considered to be impaired under SFAS 114, *Accounting by Creditors for Impairment of a Loan*, were ¥76,100 million ($761,000 thousand) and ¥97,803 million, respectively, and the allowance for credit losses related to those loans were ¥53,987 million ($539,870 thousand) and ¥58,878 million, respectively. The recorded investment in the impaired loans, net of the valuation allowance, is either secured by collateral or considered collectible based upon various analyses.

The average recorded investments in impaired loans were ¥87,397 million ($873,970 thousand), ¥131,270 million and ¥176,477 million for the years ended March 31, 2008, 2007 and 2006, respectively. The Companies generally do not accrue interest on those loans, and recognize interest income on a cash basis. Recognized interest income on those loans was ¥761 million ($7,610 thousand), ¥1,245 million and ¥3,839 million for the years ended March 31, 2008, 2007 and 2006, respectively.

8. Long-Lived Assets

The gross carrying amounts and accumulated amortization of intangible assets as of March 31, 2008 and 2007 were as follows:

	Millions of yen			
	2008		2007	
	Gross carrying amount	Accumulated amortization	Gross carrying amount	Accumulated amortization
Intangible assets subject to amortization:				
Licenses and operating rights	¥ 84,223	¥(12,450)	¥ 77,980	¥ (9,409)
Software	19,559	(10,102)	16,863	(9,710)
Other	21,393	(3,992)	10,770	(3,668)
Intangible assets not subject to amortization:				
Land rent rights	2,589	—	2,589	—
Other	15,326	—	1,239	—
	¥143,090	¥(26,544)	¥109,441	¥(22,787)

	Thousands of U.S. dollars	
	2008	
	Gross carrying amount	Accumulated amortization
Intangible assets subject to amortization:		
Licenses and operating rights	$ 842,230	$(124,500)
Software	195,590	(101,020)
Other	213,930	(39,920)
Intangible assets not subject to amortization:		
Land rent rights	25,890	—
Other	153,260	—
	$1,430,900	$(265,440)

Intangible assets subject to amortization acquired during the year ended March 31, 2008 totaled ¥21,538 million ($215,380 thousand) and consisted primarily of operating rights of ¥6,730 ($67,300 thousand), software of ¥4,678 million ($46,780 thousand) and others, including customer relationships, trademarks and backlog orders of ¥7,264 million ($72,640 thousand). The weighted-average amortization period of operating rights, software and others, including customer relationships, trademarks and backlog orders, acquired during the year ended March 31, 2008 is 35 years (straight-line method), 5 years (straight-line method), and 3-15 years (straight-line method and production output method), respectively.

Intangible assets not subject to amortization acquired during the year ended March 31, 2008 totaled ¥14,377 million ($143,770 thousand) and were obtained mainly in business acquisitions.

Intangible assets subject to amortization acquired during the year ended March 31, 2007 totaled ¥3,949 million and consisted primarily of software of ¥3,350 million. The weighted-average amortization period of software acquired during the year ended March 31, 2007 was 5 years (straight-line method).

The amount of the residual value of intangible assets subject to amortization is not significant.

The amortization expense for intangible assets was ¥7,743 million ($77,430 thousand), ¥6,408 million and ¥5,734 million for the years ended March 31, 2008, 2007 and 2006, respectively. The estimated amortization expense for the next 5 years is as follows:

Years ending March 31	Millions of yen	Thousands of U.S. dollars
2009	¥7,221	$72,210
2010	6,714	67,140
2011	6,736	67,360
2012	6,044	60,440
2013	5,293	52,930

The changes in the carrying amount of goodwill by operating segment for the years ended March 31, 2008 and 2007 are as follows:

	Millions of yen										
	Agri-marine products	Textile	Forest products and general merchandise	Chemicals	Transportation and industrial machinery	Power Project	Plant, ship and infrastructure projects	Information and communication	Development and construction	Overseas corporate subsidiaries and branches	Total
Balance at March 31, 2006	¥7,293	¥ 542	¥ —	¥1,169	¥4,393	¥ —	¥ —	¥8,096	¥ —	¥ 6,443	¥27,936
Goodwill acquired during the year	—	—	1,524	—	913	—	6,339	1,037	527	741	11,081
Impairment losses	—	(542)	—	—	—	—	—	—	—	(326)	(868)
Disposal, effect of exchange rate and other	—	—	—	172	192	—	—	—	—	(2,719)	(2,355)
Balance at March 31, 2007	7,293	—	1,524	1,341	5,498	—	6,339	9,133	527	4,139	35,794
Goodwill acquired during the year	1,502	—	223	—	2,696	8,941	—	1,958	—	7,525	22,845
Impairment losses	—	—	—	—	—	—	—	—	—	—	—
Disposal, effect of exchange rate and other	(37)	—	—	(33)	(194)	—	(96)	1	—	12	(347)
Balance at March 31, 2008	¥8,758	¥ —	¥1,747	¥1,308	¥8,000	¥8,941	¥6,243	¥11,092	¥527	¥11,676	¥58,292

	Thousands of U.S. dollars										
	Agri-marine products	Textile	Forest products and general merchandise	Chemicals	Transportation and industrial machinery	Power Project	Plant, ship and infrastructure projects	Information and communication	Development and construction	Overseas corporate subsidiaries and branches	Total
Balance at March 31, 2007	$72,930	$—	$15,240	$13,410	$54,980	$ —	$63,390	$ 91,330	$5,270	$ 41,390	$357,940
Goodwill acquired during the year	15,020	—	2,230	—	26,960	89,410	—	19,580	—	75,250	228,450
Impairment losses	—	—	—	—	—	—	—	—	—	—	—
Disposal, effect of exchange rate and other	(370)	—	—	(330)	(1,940)	—	(960)	10	—	120	(3,470)
Balance at March 31, 2008	$87,580	$—	$17,470	$13,080	$80,000	$89,410	$62,430	$110,920	$5,270	$116,760	$582,920

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 and ¥2,019 million for the years ended March 31, 2007 and 2006. There were no impairment losses on goodwill recognized for the year ended March 31, 2008. The fair value of the reporting unit was estimated using the expected present value of future cash flows.

Due to decreases in expected future cash flows below their carrying amounts, the Company and certain of its subsidiaries recognized impairment losses primarily on their facility, real estate and plant, based on their fair value, in the total amounts of ¥3,100 million ($31,000 thousand), ¥18,879 million and ¥15,504 million, which are included in loss on property, plant and equipment on the consolidated statement of income, for the years ended March 31, 2008, 2007 and 2006, 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 Development and construction of ¥1,197 million ($11,970 thousand) for the year ended March 31, 2008, and Energy of ¥4,415 million, Development and construction of ¥4,249 million, Agri-marine products of ¥3,728 million, Corporate and Elimination of ¥3,065 million and Plant, ship and infrastructure projects of ¥2,013 million for the year ended March 31, 2007.

9. Asset Retirement Obligation

The Company and its subsidiaries recognize asset retirement obligations. The asset retirement obligations are principally 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 on consolidated balance sheets.

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

	Millions of yen	Thousands of U.S. dollars
Balance at beginning of year	¥15,365	$153,650
Liabilities incurred	5,197	51,970
Liabilities settled	(24)	(240)
Accretion expense	747	7,470
Revisions to cost estimate	—	—
Other	(933)	(9,330)
Balance at end of year	¥20,352	$203,520

"Other" includes foreign currency translation adjustments.

10. Pledged Assets

The following table summarizes assets pledged as collateral for the Companies' obligations at March 31, 2008 and 2007:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Time deposits	¥ 7,819	¥ 10,742	$ 78,190
Securities and other investments and investments in affiliated companies	109,560	53,951	1,095,600
Notes, loans and accounts receivable — trade (current and non-current)	22,307	37,604	223,070
Inventories	709	1,226	7,090
Property, plant and equipment, and property leased to others, net of accumulated depreciation	422,254	411,965	4,222,540
Other	36,153	29,247	361,530
	¥598,802	¥544,735	$5,988,020

The obligations secured by such collateral were as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Short-term loans	¥ 57,437	¥ 22,812	$ 574,370
Other current liabilities	5,000	10,000	50,000
Long-term debt	152,728	178,319	1,527,280
Guarantees of contracts and other	14,525	18,587	145,250
	¥229,690	¥229,718	$2,296,900

In addition, acceptances payable at March 31, 2008 and 2007 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.

11. Short-Term Loans and Long-Term Debt

Short-term loans and their weighted average interest rates, at March 31, 2008 and 2007 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Short-term loans from banks and others	¥208,027	¥170,423	$2,080,270
Weighted average interest rates (%)	3.35%	3.12%	3.35%
Commercial paper	¥ 28,000	¥ —	$ 280,000
Weighted average interest rates (%)	0.68%	—%	0.68%

Long-term debt at March 31, 2008 and 2007 consisted of:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
LIBOR + 0.73% notes due 2007	¥ —	¥15,578	$ —
1.27% (1.60% after June 13, 2005) notes due 2007	—	9,350	—
1.43% notes due 2009	10,000	10,000	100,000
1.38% notes due 2009	15,000	15,000	150,000
0.86% notes due 2007	—	10,000	—
1.28% notes due 2009	10,000	10,000	100,000
0.98% notes due 2009	10,000	10,000	100,000
0.87% notes due 2010	20,000	20,000	200,000
1.32% notes due 2012	10,000	10,000	100,000
1.38% notes due 2012	10,000	10,000	100,000
1.37% (2.70% after March 17, 2010) notes due 2015 with prepayment options	5,000	5,000	50,000
0.80% notes due 2010	20,000	20,000	200,000
1.28% notes due 2012	15,000	15,000	150,000
1.09% notes due 2010	30,000	30,000	300,000
1.56% notes due 2012	10,000	10,000	100,000
1.50% notes due 2012	10,000	10,000	100,000
1.67% notes due 2011	20,000	20,000	200,000
1.81% notes due 2012	10,000	10,000	100,000
1.62% notes due 2012	10,000	10,000	100,000
1.64% notes due 2013	10,000	10,000	100,000
1.80% notes due 2014	10,000	—	100,000
1.71% notes due 2012	10,000	—	100,000
1.78% notes due 2013	10,000	—	100,000
Medium-term notes due from 2008 to 2010 principally at rates from 5.0% to 5.3% or at floating rates	3,219	12,789	32,190
Loans from government-owned banks and government agencies:			
Secured, due serially through 2018 principally at rates from 1.1% to 3.7%	9,483	11,337	94,830
Unsecured, due serially through 2025 principally at rates from 1.1% to 5.3%	73,272	77,599	732,720
Loans principally from banks and insurance companies:			
Secured, due serially through 2030 principally at rates from 0.9% to 8.6%	164,312	181,338	1,643,120
Unsecured, due serially through 2027 principally at rates from 0.6% to 7.5%	1,687,832	1,562,467	16,878,320
Other	227,255	186,638	2,272,550
	2,420,373	2,292,096	24,203,730
SFAS 133 fair value adjustments	13,144	2,526	131,440
	2,433,517	2,294,622	24,335,170
Less: Current portion	65,353	164,485	653,530
	¥2,368,164	¥2,130,137	$23,681,640

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 in 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 3, 2008, the Company reduced its short-term line of credit by ¥22,000 million ($220,000 thousand). As a result, the Company had an unused short-term line of credit arrangement of ¥83,000 million ($830,000 thousand) at March 31, 2008. The Company reduced its long-term line of credit by ¥55,000 million ($550,000 thousand), which resulted in an unused long-term line of credit arrangement of ¥245,000 million ($2,450,000 thousand). In addition, the Company newly entered into a long-term line of credit arrangement of ¥55,000 million ($550,000 thousand). As a result, the Company had an unused long-term line of credit arrangement of ¥300,000 million ($3,000,000 thousand) at March 31, 2008. Based on such arrangements, ¥242,447 million ($2,424,470 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, 2008, 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 ¥174,785 million to long-term debt on the consolidated balance sheet at March 31, 2007.

In addition to the above, the Company and certain of its subsidiaries had unused short-term lines of credit of $500 million at March 31, 2008 and 2007.

Maturities of long-term debt outstanding at March 31, 2008, 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
2009	¥ 65,316	$ 653,160
2010	270,682	2,706,820
2011	552,590	5,525,900
2012	426,585	4,265,850
2013	349,926	3,499,260
Thereafter	755,274	7,552,740

Certain agreements principally 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 dividend payments, before such appropriations can be submitted to the shareholders. No such request has been received by the Companies to date.

12. Employees' Retirement Benefits

The Company and certain of its subsidiaries have cash-balance plans based on the Defined Benefit Corporate Pension Plan Act and other defined benefit pension plans. These plans, in general, cover all employees. In addition to the pension plans, the Company and certain of its subsidiaries have unfunded lump-sum retirement plans to be paid upon retirement or severance based on the years of service and compensation level as of the date of severance.

The Company utilizes trusts in order to segregate the pension assets. During the year ended March 31, 2007, the Company withdrew cash of ¥20,000 million from the trusts, since the plan assets exceeded constantly the benefit obligations due to an increase in fair value of plan assets. The trusts are legally isolated from the Company.

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 accumulated other comprehensive income (loss), net of tax. The adjustment to accumulated 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 effect 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 and certain subsidiaries' plans are as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Change in projected benefit obligation:			
Projected benefit obligation at beginning of year	¥222,246	¥215,780	$2,222,460
Service cost	6,635	6,300	66,350
Interest cost	6,583	5,954	65,830
Actuarial loss	3,916	3,778	39,160
Foreign currency exchange rate changes	(2,245)	1,163	(22,450)
Benefits paid	(10,478)	(10,729)	(104,780)
Acquisition	12,591	—	125,910
Settlement and curtailment	(1,014)	—	(10,140)
Projected benefit obligation at end of year	238,234	222,246	2,382,340
Change in plan assets:			
Fair value of plan assets at beginning of year	231,813	254,289	2,318,130
Actual return on plan assets	(17,402)	707	(174,020)
Foreign currency exchange rate changes	(2,552)	1,049	(25,520)
Employees' contributions	376	357	3,760
Employer's contribution	4,766	4,280	47,660
Benefits paid	(9,861)	(8,869)	(98,610)
Acquisition	15,754	—	157,540
Settlement and curtailment	(948)	—	(9,480)
Other	—	(20,000)	—
Fair value of plan assets at end of year	221,946	231,813	2,219,460
Funded status	¥ (16,288)	¥ 9,567	$ (162,880)

Amounts recognized in the consolidated balance sheets at March 31, 2008 and 2007 consisted of:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Prepaid benefit cost	¥ 7,334	¥ 21,642	$ 73,340
Accrued pension liabilities	(23,622)	(12,075)	(236,220)
	¥(16,288)	¥ 9,567	$(162,880)

Amounts recognized in accumulated other comprehensive income (loss) at March 31, 2008 and 2007 consisted of:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Prior service credit	¥(14,024)	¥(16,171)	$(140,240)
Net actuarial loss	86,397	62,829	863,970
	¥ 72,373	¥ 46,658	$ 723,730

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

	Millions of yen	Thousands of U.S. dollars
Current year actuarial (gain) loss	¥28,874	$288,740
Amortization of prior service credit	969	9,690
Amortization of acutuarial loss	(4,503)	(45,030)
Settlement and curtailment (gain) loss	(182)	(1,820)
	¥25,158	$251,580

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, 2009 are as follows:

	Millions of yen	Thousands of U.S. dollars
Prior service credit	¥ (981)	$ (9,810)
Net actuarial loss	3,971	39,710
	¥2,990	$29,900

The accumulated benefit obligation for all defined benefit pension plans was ¥227,734 million ($2,277,340 thousand) and ¥213,602 million at March 31, 2008 and 2007, respectively.

The components of net periodic benefit cost of the Company's and certain subsidiaries' plans for the years ended March 31, 2008, 2007 and 2006 were as follows:

	Millions of yen			Thousands of U.S. dollars
	2008	2007	2006	2008
Service cost—benefits earned during the year	¥ 6,635	¥ 6,300	¥ 5,396	$ 66,350
Interest cost on projected benefit obligation	6,583	5,954	5,749	65,830
Expected return on plan assets	(7,556)	(6,390)	(6,525)	(75,560)
Amortization of unrecognized prior service credit	(969)	(1,058)	(947)	(9,690)
Amortization of unrecognized net actuarial loss	4,503	4,896	5,124	45,030
Employees' contributions	(376)	(357)	(265)	(3,760)
Settlement and curtailment loss (gain)	843	—	—	8,430
Net periodic benefit cost	¥ 9,663	¥ 9,345	¥ 8,532	$ 96,630

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
	2008	2007	2008
Aggregate projected benefit obligation	¥229,759	¥49,674	$2,297,590
Aggregate fair value of plan assets	206,137	37,599	2,061,370

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
	2008	2007	2008
Aggregate accumulated benefit obligation	¥207,729	¥29,780	$2,077,290
Aggregate fair value of plan assets	188,994	20,764	1,889,940

The weighted-average assumptions used to determine benefit obligations at March 31, 2008 and 2007 were as follows:

	2008	2007
Discount rates	2.5%	2.5%
Rates of increases in future salary levels	5.0%	4.6%

The weighted-average assumptions used to determine net periodic benefit cost for the years ended March 31, 2008, 2007 and 2006 were as follows:

	2008	2007	2006
Discount rates	2.5%	2.5%	2.5%
Rates of increases in future salary levels	4.6%	4.7%	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 returns for certain years adjusted by the target rate of return for the components of the current asset portfolio.

The weighted-average asset allocations of the Company's plan assets at March 31, 2008 and 2007 were as follows:

Asset category	2008	2007
Equity securities	34.5%	45.8%
Debt securities	44.9%	34.6%
Other	20.6%	19.6%
Total	100.0%	100.0%

Plan assets are generally invested 40%, 50% and 10% in equity securities, debt securities and other, respectively. The allocation to foreign equity and debt securities is approximately 10% of the total plan assets.

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
2009	¥ 10,934	$ 109,340
2010	11,478	114,780
2011	11,711	117,110
2012	11,844	118,440
2013	12,175	121,750
2014 – 2018	63,988	639,880
	¥122,130	$1,221,300

The amount of contributions expected to be paid to the pension plans during the year ending March 31, 2009 is approximately ¥3,100 million ($31,000 thousand).

13. Income Taxes

The Company files a consolidated income tax return in Japan.

Total income taxes recognized for the years ended March 31, 2008, 2007 and 2006 were attributable to the following:

	Millions of yen			Thousands of U.S. dollars
	2008	2007	2006	2008
Income from continuing operations before income taxes and minority interests	¥ 60,540	¥68,205	¥47,463	$ 605,400
Loss from discontinued operations	—	—	(5,314)	—
Other comprehensive (loss) income	(45,242)	(5,509)	44,556	(452,420)
Total income taxes	¥ 15,298	¥62,696	¥86,705	$ 152,980

Taxes on income applicable to the Company would normally result in the statutory tax rate of approximately 41% for the years ended March 31, 2008, 2007 and 2006. A reconciliation of the statutory income tax rates to the effective income tax rates expressed as a percentage of income from continuing operations before income taxes and minority interests for the years ended March 31, 2008, 2007 and 2006 was as follows:

	2008	2007	2006
Statutory income tax rates	41.0%	41.0%	41.0%
Tax effect of subsidiaries' operations	(3.6)	2.2	(0.2)
Tax effect of permanent differences	0.9	1.2	1.8
Difference in tax rates of foreign subsidiaries	(5.3)	(6.4)	(6.9)
Tax effect on equity earnings of affiliated companies and undistributed earnings of subsidiaries	(4.4)	(2.2)	1.5
Other	(0.6)	(0.6)	(1.5)
Effective income tax rates on income from continuing operations	28.0%	35.2%	35.7%

Income from continuing operations before income taxes and minority interests for the years ended March 31, 2008, 2007 and 2006 was as follows:

	Millions of yen			Thousands of U.S. dollars
	2008	2007	2006	2008
Domestic	¥ 82,534	¥ 70,067	¥ 49,999	$ 825,340
Foreign	133,663	123,748	83,056	1,336,630
Total	¥216,197	¥193,815	¥133,055	$2,161,970

Income taxes on income from continuing operations for the years ended March 31, 2008, 2007 and 2006 were as follows:

	Millions of yen			Thousands of U.S. dollars
	2008	2007	2006	2008
Current:				
Domestic	¥14,504	¥17,563	¥11,484	$145,040
Foreign	30,062	36,347	23,169	300,620
Deferred:				
Domestic	9,478	14,697	10,829	94,780
Foreign	6,496	(402)	1,981	64,960
	¥60,540	¥68,205	¥47,463	$605,400

Significant components of deferred tax assets and deferred tax liabilities at March 31, 2008 and 2007 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Deferred tax assets:			
Allowance for doubtful accounts	¥ 42,097	¥ 52,519	$ 420,970
Inventories	5,879	8,971	58,790
Investment securities	10,783	—	107,830
Employees' retirement benefits	33,723	23,146	337,230
Unrealized profit on intercompany transactions	10,680	8,235	106,800
Net operating loss carryforwards	29,007	25,947	290,070
Other	51,713	55,285	517,130
Total deferred tax assets	183,882	174,103	1,838,820
Valuation allowance	(20,955)	(26,260)	(209,550)
Total deferred tax assets — net	162,927	147,843	1,629,270
Deferred tax liabilities:			
Property, plant and equipment	45,572	30,871	455,720
Investment securities	—	20,154	—
Undistributed earnings	3,843	2,547	38,430
Investment in affiliated companies	15,412	15,828	154,120
Other	12,074	16,259	120,740
Total deferred tax liabilities	76,901	85,659	769,010
Net deferred tax assets	¥ 86,026	¥ 62,184	$ 860,260

The net changes in the valuation allowance for deferred tax assets were ¥5,305 million ($53,050 thousand) and ¥5,840 million of decreases for the years ended March 31, 2008 and 2007, respectively.

At March 31, 2008, certain subsidiaries had net operating loss carryforwards amounting to ¥79,320 million ($793,200 thousand), subject to expiration as follows:

Years ending March 31	Millions of yen	Thousands of U.S. dollars
2009	¥ 8,216	$ 82,160
2010	6,305	63,050
2011	11,286	112,860
2012	4,464	44,640
2013	13,514	135,140
2014 and thereafter	7,508	75,080
Indefinite period	28,027	280,270
Total	¥79,320	$793,200

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 ¥187,192 million ($1,871,920 thousand) and ¥167,479 million at March 31, 2008 and 2007, 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. As a result of the adoption, the Companies did not make a cumulative-effect adjustment to retained earnings. Unrecognized tax benefits at April 1, 2007 and March 31, 2008 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, 2008, 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, 2008 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, 2008 are not material. The Companies file income tax returns in Japan and various foreign tax jurisdictions. In Japan, the income tax examination to the Companies by the tax authority for years through the year ended 31 March, 2007 were substantially completed.

14. 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 ¥127,397 million ($1,273,970 thousand) at March 31, 2008.

15. 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, 2008, 2007 and 2006 was as follows:

	Millions of yen		
	Before-tax amount	Tax (expense) or benefit	Net-of-tax amount
2008			
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	(25,779)	10,609	(15,170)
Other comprehensive income (loss)	¥(138,910)	¥45,242	¥(93,668)

	Thousands of U.S. dollars		
	Before-tax amount	Tax (expense) or benefit	Net-of-tax amount
2008			
Unrealized losses on investment securities arising during the period	$ (801,550)	$308,080	$(493,470)
Less: Reclassification adjustments included in net income	(53,480)	22,590	(30,890)
Net unrealized losses on investment securities	(855,030)	330,670	(524,360)
Currency translation adjustments arising during the period	(134,660)	(27,550)	(162,210)
Less: Reclassification adjustments included in net income	22,550	(960)	21,590
Net currency translation adjustments	(112,110)	(28,510)	(140,620)
Unrealized losses on derivatives arising during the period	(213,620)	59,020	(154,600)
Less: Reclassification adjustments included in net income	49,450	(14,850)	34,600
Net unrealized losses on derivatives	(164,170)	44,170	(120,000)
Pension liability adjustments	(257,790)	106,090	(151,700)
Other comprehensive income (loss)	$(1,389,100)	$452,420	$(936,680)

	Millions of yen		
	Before-tax amount	Tax (expense) or benefit	Net-of-tax amount
2007			
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

	Millions of yen		
	Before-tax amount	Tax (expense) or benefit	Net-of-tax amount
2006			
Unrealized gains on investment securities arising during the period	¥110,740	¥(44,447)	¥66,293
Less: Reclassification adjustments included in net income	(6,652)	2,733	(3,919)
Net unrealized gains on investment securities	104,088	(41,714)	62,374
Currency translation adjustments arising during the period	36,706	(2,874)	33,832
Less: Reclassification adjustments included in net income	2,630	(326)	2,304
Net currency translation adjustments	39,336	(3,200)	36,136
Unrealized gains on derivatives arising during the period	5,603	(2,220)	3,383
Less: Reclassification adjustments included in net income	(6,052)	2,107	(3,945)
Net unrealized losses on derivatives	(449)	(113)	(562)
Minimum pension liability adjustment	(1,541)	471	(1,070)
Other comprehensive income (loss)	¥141,434	¥(44,556)	¥96,878

The accumulated balance of each component of accumulated other comprehensive income (loss) at March 31, 2008, 2007 and 2006 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, 2005	¥ 46,661	¥(89,586)	¥ (1,554)	¥ (647)	¥ —	¥(45,126)
Change in the period	62,374	36,136	(562)	(1,070)	—	96,878
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)

	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, 2007	$1,028,990	$(395,470)	$ (64,100)	$ —	$(276,030)	$ 293,390
Change in the period	(524,360)	(140,620)	(120,000)	—	(151,700)	(936,680)
Balance at March 31, 2008	$ 504,630	$(536,090)	$(184,100)	$ —	$(427,730)	$(643,290)

16. 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
	2008	2007	2006	2008
Numerator:				
Income from continuing operations	¥ 147,249	¥119,349	¥80,165	$1,472,490
Loss from discontinued operations (after income tax effect)	—	—	(6,364)	—
Net income	147,249	119,349	73,801	1,472,490
Less: Preferred stock dividends	—	(605)	(1,510)	—
Net income available to common shareholders (numerator for basic earnings per share):				
Income from continuing operations	147,249	118,744	78,655	1,472,490
Loss from discontinued operations (after income tax effect)	—	—	(6,364)	—
Net income	147,249	118,744	72,291	1,472,490
Effect of dilutive securities:				
Convertible debentures	—	—	168	—
Preferred stock	—	605	1,510	—
Numerator for diluted earnings per share:				
Income from continuing operations	N/A	119,349	80,333	N/A
Loss from discontinued operations (after income tax effect)	N/A	—	(6,364)	N/A
Net income	N/A	¥119,349	¥73,969	N/A
Denominator:				
Denominator for basic earnings per share—weighted average shares	1,733,669,538	1,639,894,708	1,495,360,142	
Effect of dilutive securities:				
Convertible debentures	—	—	117,229,592	
Preferred stock	—	93,675,076	215,714,286	
Denominator for diluted earnings per share—adjusted weighted average shares and assumed conversions	N/A	1,733,569,784	1,828,304,020	

	Yen			U.S. dollars
	2008	2007	2006	2008
Earnings per share of common stock:				
Basic:				
Income from continuing operations	¥84.93	¥72.41	¥52.60	$0.85
Loss from discontinued operations (after income tax effect)	—	—	(4.26)	—
Net income	¥84.93	¥72.41	¥48.34	$0.85
Diluted:				
Income from continuing operations	N/A	¥68.85	¥43.94	N/A
Loss from discontinued operations (after income tax effect)	N/A	—	(3.48)	N/A
Net income	N/A	¥68.85	¥40.46	N/A

Dividends of Class I preferred stocks are deducted from net income for net income available to common shareholders for the years ended March 31, 2007 and 2006.

The Class I preferred stocks issued in 2003 were dilutive for the years ended March 31, 2007 and 2006. 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 year ended March 31, 2008.

17. 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 provides related financing, insurance and other services to these operations on a worldwide basis. The Company has 13 segments identified by product and service in addition to its overseas corporate subsidiaries and branches. These segments are outlined as follows:

Agri-marine products

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.

Textile

As a consistent organization handling various textile-related goods from raw materials through finished products, the group purchases and produces raw materials for apparel, designs and sells apparel and living products, and at the same time offers distribution services, both domestically and internationally.

Forest products and general merchandise

The group sells rubber products, footwear and housing materials, manufactures and distributes paper, cardboard, and raw materials for paper production, and takes part in afforestation projects, 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. It also takes part in various sorts of businesses which benefit from the development of resources through retail such as gas stations.

Metals and mineral resources

This group produces, processes and sells nonferrous light metals both domestically and internationally, in addition to developing and trading raw materials for production of steel and light metals internationally.

Transportation & industrial 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 and paper & pulp manufacturing machinery, alternative energy facilities, and other production machinery and related services such as loans and investments, trade finance, leasing and overseas business support services.

Power projects

This group develops, invests in, and operates power projects, especially power generation (including desalinization, cogeneration and wind power projects), while undertaking the procurement and installation of generators, power distribution grids and electrical substations 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 & infrastructure projects

This group deals with equipment procurement and construction of oil, gas, chemical environmental, steel, and other industrial plants; infrastructure development such as railway/airport, potable water treatment and wastewater treatment; and the origination and management of projects in domestic and overseas markets. Also included in the division are trading, leasing, and the charter of various types of cargo vessels and tankers.

Information & communication

This group focuses on 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 systems development, IT solution businesses, cable TV, CS and other broadcasting businesses and the IC tag/RFID business.

Development and construction

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, and overseas as well as intermediary and development businesses of REIT/investment fund-oriented real estate properties.

Finance, logistics & new 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 the life care business area, it is engaged in the sale of medical equipment to medical facilities, and it takes part in emissions credit trading business in addition to investing in biotechnology-related area and new technology area.

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, the 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, primarily in North America and Europe, and handle various merchandise and perform related activities.

The Companies' operating segment information for the years ended March 31, 2008, 2007 and 2006, was as follows:

Year ended March 31, 2008	Millions of yen							
	Agri-marine products	Textile	Forest products & general merchandise	Chemicals	Energy	Metals & mineral resources	Transportation & industrial machinery	Power projects
Total volume of trading transactions:								
Outside customers	¥1,353,517	¥341,685	¥882,122	¥856,234	¥2,959,543	¥888,367	¥712,526	¥343,942
Inter-segment	31,191	2,030	48,524	41,181	6,592	63,319	48,383	8
Total	¥1,384,708	¥343,715	¥930,646	¥897,415	¥2,966,135	¥951,686	¥760,909	¥343,950
Gross trading profit	¥ 89,042	¥ 23,604	¥ 56,331	¥ 30,502	¥ 89,228	¥ 19,050	¥ 57,415	¥ 38,707
Equity in earnings (losses)	¥ 1,392	¥ (118)	¥ 2,540	¥ 595	¥ 594	¥ 16,665	¥ 4,518	¥ 7,138
Segment net income (loss)	¥ 10,214	¥ 2,085	¥ 11,506	¥ 5,555	¥ 38,852	¥ 22,202	¥ 14,959	¥ 11,011
Segment assets	¥ 624,334	¥113,121	¥528,596	¥223,134	¥ 641,978	¥333,794	¥327,119	¥637,492
Depreciation and amortization	¥ 6,628	¥ 1,490	¥ 9,765	¥ 511	¥ 43,785	¥ 3,010	¥ 2,879	¥ 11,059
Expenditures for segment assets	¥ 7,472	¥ 202	¥ 4,345	¥ 307	¥ 25,528	¥ 1,858	¥ 3,468	¥ 6,118

Year ended March 31, 2008	Millions of yen							
	Plant, ship & infrastructure projects	Information & communication	Development & construction	Finance, logistics & new business	Iron & steel strategies and coordination	Overseas corporate subsidiaries and branches	Corporate and elimination	Consolidated
Total volume of trading transactions:								
Outside customers	¥613,838	¥275,537	¥132,603	¥ 33,776	¥ 937	¥1,085,765	¥ 151,224	¥10,631,616
Inter-segment	46,474	3,475	393	4,997	79	456,653	(753,299)	—
Total	¥660,312	¥279,012	¥132,996	¥ 38,773	¥ 1,016	¥1,542,418	¥(602,075)	¥10,631,616
Gross trading profit	¥ 20,110	¥ 32,057	¥ 31,265	¥ 9,658	¥ 1,016	¥ 102,967	¥ (4,036)	¥ 596,916
Equity in earnings (losses)	¥ 3,219	¥ (596)	¥ 65	¥ 1,361	¥ 17,399	¥ 619	¥ 270	¥ 55,661
Segment net income (loss)	¥ 4,775	¥ 4,076	¥ 2,618	¥ (5,958)	¥ 16,480	¥ 6,960	¥ 1,914	¥ 147,249
Segment assets	¥326,101	¥152,514	¥301,613	¥101,080	¥105,077	¥ 536,718	¥ 254,554	¥ 5,207,225
Depreciation and amortization	¥ 1,889	¥ 4,627	¥ 1,988	¥ 226	¥ —	¥ 4,128	¥ 4,385	¥ 96,370
Expenditures for segment assets	¥ 7,428	¥ 3,685	¥ 17,084	¥ 239	¥ —	¥ 10,979	¥ (836)	¥ 87,877

Year ended March 31, 2008	Thousands of U.S. dollars							
	Agri-marine products	Textile	Forest products & general merchandise	Chemicals	Energy	Metals & mineral resources	Transportation & industrial machinery	Power projects
Total volume of trading transactions:								
Outside customers	$13,535,170	$3,416,850	$8,821,220	$8,562,340	$29,595,430	$8,883,670	$7,125,260	$3,439,420
Inter-segment	311,910	20,300	485,240	411,810	65,920	633,190	483,830	80
Total	$13,847,080	$3,437,150	$9,306,460	$8,974,150	$29,661,350	$9,516,860	$7,609,090	$3,439,500
Gross trading profit	$ 890,420	$ 236,040	$ 563,310	$ 305,020	$ 892,280	$ 190,500	$ 574,150	$ 387,070
Equity in earnings (losses)	$ 13,920	$ (1,180)	$ 25,400	$ 5,950	$ 5,940	$ 166,650	$ 45,180	$ 71,380
Segment net income (loss)	$ 102,140	$ 20,850	$ 115,060	$ 55,550	$ 388,520	$ 222,020	$ 149,590	$ 110,110
Segment assets	$ 6,243,340	$1,131,210	$5,285,960	$2,231,340	$ 6,419,780	$3,337,940	$3,271,190	$6,374,920
Depreciation and amortization	$ 66,280	$ 14,900	$ 97,650	$ 5,110	$ 437,850	$ 30,100	$ 28,790	$ 110,590
Expenditures for segment assets	$ 74,720	$ 2,020	$ 43,450	$ 3,070	$ 255,280	$ 18,580	$ 34,680	$ 61,180

Year ended March 31, 2008	Thousands of U.S. dollars							
	Plant, ship & infrastructure projects	Information & communication	Development & construction	Finance, logistics & new business	Iron & steel strategies and coordination	Overseas corporate subsidiaries and branches	Corporate and elimination	Consolidated
Total volume of trading transactions:								
Outside customers	$6,138,380	$2,755,370	$1,326,030	$ 337,760	$ 9,370	$10,857,650	$ 1,512,240	$106,316,160
Inter-segment	464,740	34,750	3,930	49,970	790	4,566,530	(7,532,990)	—
Total	$6,603,120	$2,790,120	$1,329,960	$ 387,730	$ 10,160	$15,424,180	$(6,020,750)	$106,316,160
Gross trading profit	$ 201,100	$ 320,570	$ 312,650	$ 96,580	$ 10,160	$ 1,029,670	$ (40,360)	$ 5,969,160
Equity in earnings (losses)	$ 32,190	$ (5,960)	$ 650	$ 13,610	$ 173,990	$ 6,190	$ 2,700	$ 556,610
Segment net income (loss)	$ 47,750	$ 40,760	$ 26,180	$ (59,580)	$ 164,800	$ 69,600	$ 19,140	$ 1,472,490
Segment assets	$3,261,010	$1,525,140	$3,016,130	$1,010,800	$1,050,770	$ 5,367,180	$ 2,545,540	$ 52,072,250
Depreciation and amortization	$ 18,890	$ 46,270	$ 19,880	$ 2,260	$ —	$ 41,280	$ 43,850	$ 963,700
Expenditures for segment assets	$ 74,280	$ 36,850	$ 170,840	$ 2,390	$ —	$ 109,790	$ (8,360)	$ 878,770

Year ended March 31, 2007	Millions of yen							
	Agri-marine products	Textile	Forest products & general merchandise	Chemicals	Energy	Metals & mineral resources	Transportation & industrial machinery	Power projects
Total volume of trading transactions:								
Outside customers	¥1,046,829	¥373,349	¥825,897	¥817,886	¥2,417,032	¥933,143	¥607,249	¥272,751
Inter-segment	22,060	2,707	43,428	39,105	3,900	60,194	66,602	151
Total	¥1,068,889	¥376,056	¥869,325	¥856,991	¥2,420,932	¥993,337	¥673,851	¥272,902
Gross trading profit	¥ 72,406	¥ 24,760	¥ 54,211	¥ 30,043	¥ 85,490	¥ 18,216	¥ 55,545	¥ 27,610
Equity in earnings (losses)	¥ 2,296	¥ (2,302)	¥ 1,128	¥ (167)	¥ 779	¥ 16,478	¥ 3,166	¥ 3,913
Segment net income (loss)	¥ 10,055	¥ (2,424)	¥ 9,588	¥ 1,417	¥ 31,618	¥ 24,933	¥ 9,984	¥ 6,353
Segment assets	¥ 549,217	¥131,757	¥538,417	¥201,728	¥ 688,630	¥279,991	¥310,352	¥391,009
Depreciation and amortization	¥ 5,556	¥ 966	¥ 9,115	¥ 484	¥ 53,118	¥ 3,832	¥ 2,660	¥ 9,108
Expenditures for segment assets	¥ 6,738	¥ 140	¥ 3,064	¥ 693	¥ 25,942	¥ 2,104	¥ 4,564	¥ 2,409

Year ended March 31, 2007	Millions of yen							
	Plant, ship & infrastructure projects	Information & communication	Development & construction	Finance, logistics & new business	Iron & steel strategies and coordination	Overseas corporate subsidiaries and branches	Corporate and elimination	Consolidated
Total volume of trading transactions:								
Outside customers	¥677,979	¥222,349	¥167,202	¥ 39,704	¥ 783	¥ 985,444	¥ 167,346	¥9,554,943
Inter-segment	640	3,159	469	6,142	28	345,052	(593,637)	—
Total	¥678,619	¥225,508	¥167,671	¥ 45,846	¥ 811	¥1,330,496	¥(426,291)	¥9,554,943
Gross trading profit	¥ 17,706	¥ 28,057	¥ 31,472	¥ 9,902	¥ 811	¥ 84,172	¥ (9,230)	¥ 531,171
Equity in earnings (losses)	¥ 982	¥ (411)	¥ 515	¥ 692	¥ 17,775	¥ 37	¥ (1)	¥ 44,880
Segment net income (loss)	¥ 1,694	¥ 2,453	¥ 3,189	¥ 4,612	¥ 14,913	¥ 6,773	¥ (5,809)	¥ 119,349
Segment assets	¥342,779	¥116,524	¥265,617	¥118,501	¥101,606	¥ 413,443	¥ 423,733	¥4,873,304
Depreciation and amortization	¥ 1,812	¥ 3,549	¥ 1,863	¥ 323	¥ —	¥ 4,334	¥ 4,425	¥ 101,145
Expenditures for segment assets	¥ 765	¥ 3,336	¥ 4,294	¥ 31	¥ —	¥ 12,379	¥ (185)	¥ 66,274

Year ended March 31, 2006	Agri-marine products	Textile	Forest products & general merchandise	Chemicals	Energy	Metals & mineral resources	Transportation & industrial machinery	Power projects
	Millions of yen							
Total volume of trading transactions:								
Outside customers	¥968,325	¥354,370	¥773,076	¥746,345	¥2,188,478	¥686,579	¥632,950	¥246,525
Inter-segment	22,485	3,817	35,133	35,671	3,194	45,412	64,516	639
Total	¥990,810	¥358,187	¥808,209	¥782,016	¥2,191,672	¥731,991	¥697,466	¥247,164
Gross trading profit	¥ 69,323	¥ 26,366	¥ 48,109	¥ 29,605	¥ 71,478	¥ 24,392	¥ 58,129	¥ 24,080
Equity in earnings (losses)	¥ (9)	¥ (1,874)	¥ (416)	¥ (322)	¥ 722	¥ 7,610	¥ 2,297	¥ 2,343
Segment net income (loss)	¥ 5,790	¥ (1,622)	¥ 359	¥ 3,738	¥ 26,654	¥ 16,137	¥ 7,599	¥ 5,786
Segment assets	¥433,782	¥130,461	¥519,785	¥181,919	¥ 603,758	¥265,141	¥289,936	¥405,386
Depreciation and amortization	¥ 6,382	¥ 320	¥ 4,362	¥ 1,013	¥ 23,417	¥ 4,368	¥ 1,246	¥ 8,791
Expenditures for segment assets	¥ 5,666	¥ 120	¥ 2,577	¥ 540	¥ 166,312	¥ 2,848	¥ 1,286	¥ 217

Year ended March 31, 2006	Plant, ship & infrastructure projects	Information & communication	Development & construction	Finance, logistics & new 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	¥710,284	¥226,778	¥162,838	¥18,667	¥ 869	¥ 834,944	¥ 135,504	¥8,686,532
Inter-segment	1,548	2,417	447	7,101	33	313,875	(536,288)	—
Total	¥711,832	¥229,195	¥163,285	¥25,768	¥ 902	¥1,148,819	¥(400,784)	¥8,686,532
Gross trading profit	¥ 16,835	¥ 27,020	¥ 27,643	¥ 7,064	¥ 902	¥ 79,934	¥ (8,856)	¥ 502,024
Equity in earnings (losses)	¥ 2,343	¥ (282)	¥ 609	¥ 871	¥17,761	¥ 603	¥ (654)	¥ 31,602
Segment net income (loss)	¥ 2,554	¥ 365	¥ 1,119	¥ 3,971	¥17,040	¥ 4,012	¥ (19,701)	¥ 73,801
Segment assets	¥274,510	¥115,575	¥299,669	¥97,031	¥86,075	¥ 449,213	¥ 434,831	¥4,587,072
Depreciation and amortization	¥ 1,794	¥ 4,258	¥ 2,022	¥ 250	¥ —	¥ 13,027	¥ 1,434	¥ 72,684
Expenditures for segment assets	¥ 347	¥ 2,705	¥ 3,867	¥ 50	¥ —	¥ 21,611	¥ 2,891	¥ 211,037

The accounting policies of the reportable segments are the accounting principles generally accepted in the United States for the years ended March 31, 2008 and 2007. The accounting policies of the reportable segments for the year ended March 31, 2006 were the accounting principles generally accepted in Japan, and the differences in accounting principles generally accepted in Japan and the United States were included in Corporate and elimination.

The total volumes of trading transactions are voluntarily disclosed based on the practice of the Japanese trading companies for the Japanese investors' convenience.

Intersegment transactions are generally priced in accordance with the prevailing market prices.

Net income (loss) of Corporate and elimination includes net income (loss) of the domestic branches and offices, headquarters expenses that is not allocated to the operating segments and inter segment elimination. Segment assets of Corporate and elimination includes assets for general corporate purposes that is not allocated to the operating segments and inter segment elimination. The assets for general corporate purposes consist mainly of cash and cash equivalents related to financing, marketable securities and fixed assets for general corporate purposes.

Effective April 1, 2006, Transportation machinery segment, Industrial machinery & information business segment and Plant, power & infrastructure projects segment were reorganized into Transportation & industrial machinery segment, Power projects segment, Plant, ship & infrastructure projects segment and Information & communication segment. In addition, the Domestic branches and offices segment, which had previously been presented separately, is included in Corporate and elimination due to immateriality for the years ended March 31, 2008 and 2007. Segment information for the year ended March 31, 2006 has been restated to conform to those changes.

Revenues from external customers by country for the years ended March 31, 2008, 2007 and 2006 were as follows:

Country	Millions of yen 2008	Millions of yen 2007	Millions of yen 2006	Thousands of U.S. dollars 2008
Japan	¥2,868,355	¥2,626,596	¥2,228,200	$28,683,550
United States	698,311	537,805	462,159	6,983,110
United Kingdom	204,629	156,003	120,961	2,046,290
Other	394,931	338,451	328,525	3,949,310
Total	¥4,166,226	¥3,658,855	¥3,139,845	$41,662,260

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, 2008 and 2007 were as follows:

Country	Millions of yen 2008	Millions of yen 2007	Thousands of U.S. dollars 2008
Japan	¥ 419,465	¥414,861	$ 4,194,650
United States	193,495	198,425	1,934,950
Indonesia	144,723	155,069	1,447,230
Other	330,656	220,866	3,306,560
Total	¥1,088,339	¥989,221	$10,883,390

Revenues from external customers by product for the years ended March 31, 2008, 2007 and 2006 were as follows:

Product	Millions of yen 2008	Millions of yen 2007	Millions of yen 2006	Thousands of U.S. dollars 2008
Machinery	¥ 565,025	¥ 539,595	¥ 538,525	$ 5,650,250
Energy	331,933	231,739	88,831	3,319,330
Metals	497,375	488,015	327,631	4,973,750
Chemicals	873,459	772,032	668,266	8,734,590
Forest products and general merchandise	502,521	422,241	381,176	5,025,210
Agri-marine products	972,680	737,968	681,071	9,726,800
Textile	298,806	326,581	322,862	2,988,060
Development and construction	124,427	140,684	131,483	1,244,270
Total	¥4,166,226	¥3,658,855	¥3,139,845	$41,662,260

There is no concentration by customer.

18. Foreign Currency Transactions

Net foreign currency transaction gains and losses included in other income — net amounted to ¥65 million ($650 thousand) in losses, ¥4,801 million in gains and ¥5,358 million in gains for the years ended March 31, 2008, 2007 and 2006, 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.

19. Financial Instruments

Risk management

Substantially all the derivative instruments which the Company and certain of its subsidiaries hold are utilized to hedge related market risks, and gains and losses on the derivative instruments are offset against losses and gains on the hedged assets and liabilities. 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 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 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. In some cases, they enable unrealized gains and losses against the Company's dealings in over-the-counter derivatives to be presented on a net-by-counterparty basis.

The Company and certain of its subsidiaries have separate departments which confirm each financial transaction and month-end outstanding balances directly with the counterparties from the departments which execute them. 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.

Foreign exchange contracts

The Company and certain of its subsidiaries conduct business in various foreign currencies and enter into foreign exchange contracts principally to hedge foreign currency denominated transactions and receivables and payables to minimize the effect of foreign currency fluctuations. 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 years ended March 31, 2008, 2007 and 2006.

Interest rate swap agreements, including interest rate and currency swap agreements

The Company and certain of its subsidiaries enter into interest rate swap agreements primarily to change the fixed interest rates on the principal of certain debt securities and long-term debt 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 years ended March 31, 2008, 2007 and 2006.

Commodity futures and forward contracts

The Company and certain of its subsidiaries enter into commodity futures and forward contracts principally as a means of hedging the risks associated with certain inventories, commitments and forecasted transactions. 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 years ended March 31, 2008, 2007 and 2006.

Other derivative instruments

The Company and certain of its subsidiaries utilize options and other contracts primarily to hedge the risks associated with changes in interest rates and exchange 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 years ended March 31, 2008, 2007 and 2006. In addition, the Company and certain of its subsidiaries enter into other derivative contracts for trading purposes on a limited basis.

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 ¥237,423 million ($2,374,230 thousand) and ¥234,108 million at March 31, 2008 and 2007, respectively, and represents the cost of this portion of the portfolio, which, management believes, is not impaired.

Non-marketable securities of ¥146,059 million ($1,460,590 thousand) and ¥144,222 million, included in the above at March 31, 2008 and 2007, 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 ¥140,570 million ($1,405,700 thousand) and ¥141,499 million at March 31, 2008 and 2007, 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.

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.

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.

Commodity futures and forward contracts: the fair value of commodity futures and forward contracts is estimated 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, 2008 and 2007 were as follows (amounts in parentheses represent liabilities):

	Millions of yen				Thousands of U.S. dollars	
	2008		2007		2008	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Short-term investments in debt securities	¥ 8,736	¥ 8,789	¥ 5,797	¥ 5,797	$ 87,360	$ 87,890
Long-term investments in debt securities	35,246	35,273	44,592	45,126	352,460	352,730
Long-term notes, loans and accounts receivable — trade (less allowance for doubtful accounts)	89,027	88,342	69,801	69,059	890,270	883,420
Long-term debt (including current portion)	(2,433,517)	(2,440,734)	(2,294,622)	(2,298,602)	(24,335,170)	(24,407,340)
Derivative instruments — assets:						
Interest rate swap agreements	13,782	13,782	7,669	7,669	137,820	137,820
Foreign exchange contracts	5,216	5,216	8,051	8,051	52,160	52,160
Commodity futures and forward contracts and other	31,978	31,978	43,357	43,357	319,780	319,780
Derivative instruments — liabilities:						
Interest rate swap agreements	(3,757)	(3,757)	(6,849)	(6,849)	(37,570)	(37,570)
Foreign exchange contracts	(14,203)	(14,203)	(557)	(557)	(142,030)	(142,030)
Commodity futures and forward contracts and other	(33,854)	(33,854)	(51,555)	(51,555)	(338,540)	(338,540)

20. Concentration of Credit Risk

The Companies operate as a general trading business and their business 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.

21. Leases

Lessor:

The Company and certain of its subsidiaries lease industrial machinery, power stations, vessels and certain other assets, some of which are classified as direct financing leases. Net investments included in notes, loans and accounts receivable—trade in the accompanying consolidated balance sheets at March 31, 2008 and 2007 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Total minimum lease payments to be received	¥31,631	¥19,151	$316,310
Less unearned income	(7,049)	(5,642)	(70,490)
Net investments in direct financing leases	¥24,582	¥13,509	$245,820

The future minimum lease payments to be received by year at March 31, 2008 are as follows:

Years ending March 31	Millions of yen	Thousands of U.S. dollars
2009	¥ 9,476	$ 94,760
2010	7,734	77,340
2011	5,591	55,910
2012	3,636	36,360
2013	1,854	18,540
Thereafter	3,340	33,400
Total	¥31,631	$316,310

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, 2008 and 2007 were shown on the accompanying consolidated balance sheets. At March 31, 2008, 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
2009	¥ 20,337	$ 203,370
2010	16,481	164,810
2011	15,099	150,990
2012	13,847	138,470
2013	13,015	130,150
Thereafter	59,288	592,880
Total	¥138,067	$1,380,670

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, 2008, the cost and accumulated depreciation of the leased property, included primarily in property, plant and equipment in the accompanying consolidated balance sheet, were ¥23,235 million ($232,350 thousand) and ¥13,154 million ($131,540 thousand), respectively.

The future minimum lease payments under capital leases by year together with the capital lease obligations at March 31, 2008 are as follows:

Years ending March 31	Millions of yen	Thousands of U.S. dollars
2009	¥ 3,170	$ 31,700
2010	2,583	25,830
2011	1,990	19,900
2012	1,400	14,000
2013	949	9,490
Thereafter	6,653	66,530
Total minimum lease payments	16,745	167,450
Less amount representing interest	(3,548)	(35,480)
Capital lease obligation	¥13,197	$131,970

The Company and certain of its subsidiaries also lease vessels, office buildings and certain other assets under operating leases. Rental expense amounted to ¥18,683 million ($186,830 thousand), ¥17,766 million and ¥19,038 million for the years ended March 31, 2008, 2007 and 2006, respectively.

At March 31, 2008, 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
2009	¥14,099	$140,990
2010	10,920	109,200
2011	9,872	98,720
2012	8,693	86,930
2013	7,325	73,250
Thereafter	28,850	288,500
Total	¥79,759	$797,590

The future minimum rentals to be received under noncancelable subleases corresponding to the above future minimum rental payments were not significant at March 31, 2008.

22. Commitments and Contingent Liabilities

The Companies enter into long-term purchase contracts for certain goods and products in energy, metal and mineral recourses 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, 2008, the total amount of the long-term purchase contracts was approximately ¥1,176,000 million ($11,760,000 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 ¥33,000 million ($330,000 thousand) at March 31, 2008.

The Companies guarantee debt of affiliated companies and third parties in the ordinary course of business. Should the guaranteed parties fail to make payments, the Companies would be required to make such payments under these guarantees. The related guarantee fees are primarily received quarterly or semi-annually. The outstanding balances of guarantees (maximum potential amount of payment) were ¥105,626 million ($1,056,260 thousand) and ¥121,394 million, including ¥66,786 million ($667,860 thousand) and ¥72,478 million to affiliated companies, at March 31, 2008 and 2007, respectively. The amounts secured by secondary guarantees issued for the Company by other parties were ¥19,215 million ($192,150 thousand) and ¥21,127 million, including ¥19,215 million ($192,150 thousand) and ¥21,025 million to affiliated companies at March 31, 2008 and 2007, respectively.

The major parties who have received the Companies' guarantees and the amounts of guarantees, net of the amounts secured by guarantees issued by other parties, at March 31, 2008 and 2007 were as follows:

Guaranteed party	Millions of yen	Thousands of U.S. dollars
March 31, 2008:		
Daishowa-Marubeni International Ltd	**¥18,042**	**$180,420**
Sakhalin Oil and Gas Development Co., Ltd	**12,137**	**121,370**
Fujairah Asia power Company	**7,655**	**76,550**
Taweelah Asia power Company	**7,395**	**73,950**
Rabigh Arabian Water and Electricity, Co.	**6,597**	**65,970**
Thai Cold Rolled Steel Sheet Public Co. Ltd.	**5,163**	**51,630**
Mesaieed Power Co. Ltd.	**4,070**	**40,700**
Other	**25,352**	**253,520**
Total	**¥86,411**	**$864,110**

	Millions of yen
March 31, 2007:	
Sakhalin Oil and Gas Development Co., Ltd.	¥ 24,004
Daishowa-Marubeni International Ltd.	20,110
Taweelah Asia Power Company	8,713
Thai Cold Rolled Steel Sheet Public Co. Ltd.	8,047
Rabigh Arabian Water and Electricity, Co.	7,693
American Iron Oxide Company	4,908
Marubeni-Itochu Steel Inc.	3,757
Other	23,035
Total	¥100,267

The liabilities recognized for the guarantees were ¥1,203 million ($12,030 thousand) and ¥1,582 million at March 31, 2008 and 2007, respectively. Guarantees with the longest term in the above expire in 2018. The amounts of export bills of exchange discounted with banks in the ordinary course of business were ¥9,757 million ($97,570 thousand) at March 31, 2008. If an issuer of the export bills of exchange fails to fulfill its obligation, the Company will be obligated to repurchase the bills based on the agreements with banks.

The Company, its subsidiaries and affiliated companies conduct business activities on a global scale and are involved in transactions which are subject to review and jurisdiction by a wide range of authorities, both in Japan and abroad. Such business activities are not without risk and, from time to time, may involve legal actions, claims or other disputes. Although there are various matters pending at March 31, 2008, management is of the opinion that settlement of all such matters pending would not have a material effect on the consolidated financial position or results of operations of the Companies.

23. Variable Interest Entities

The VIEs that have been consolidated by the Company in accordance with FIN 46R are described as follows (excluding VIEs in which the Companies and its consolidated subsidiaries have a majority voting interest):

The Company and certain of its consolidated subsidiaries hold subordinated investment securities and other without voting rights in VIEs, whose operations are power generation, fund management and real estate development and consolidate them as the primary beneficiary. The total assets of these VIEs were ¥76,134 million ($761,340 thousand) and ¥5,076 million at March 31, 2008 and 2007, respectively. A portion of the consolidated assets is pledged as collateral for the VIEs' obligations. The carrying amounts of those assets were ¥27,362 million ($273,620 thousand) at March 31, 2008, and were classified as property, plant and equipment on the consolidated balance sheets. 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 the debt of certain of the VIEs but the balance of the guarantees is not material.

The VIEs that have not been consolidated by the Company because they are not the primary beneficiary while they hold significant variable interests are described as follows:

The Company and certain of its consolidated subsidiaries hold significant variable interests in VIEs, in the form of investments or loans, whose operations are financing and leasing. The total assets of these VIEs were ¥427,502 million ($4,275,020 thousand) and ¥237,964 million at March 31, 2008 and 2007, respectively, and the amounts of the maximum exposure to loss as a result of the involvement with these VIEs were ¥21,224 million ($212,240 thousand) and ¥15,944 million at March 31, 2008 and 2007, respectively. The maximum exposure represents the amount of 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.

24. Subsequent Events

On May 16, 2008, the Board of Directors approved the payment of cash dividends of ¥7 ($0.07) per share of common stock or ¥12,158 million ($121,580 thousand) in aggregate from the retained earnings payable on May 30, 2008.

On April 24, 2008 (U.S. time), the Company entered into an agreement with Antofagasta plc, one of the world leading copper producers, under which the Marubeni group will acquire a 30% interest in both the Esperanza and the El Tesoro projects (collectively hereafter, the "Projects"), wholly owned by Antofagasta plc, for total cash consideration of $1.31 billion, and will contribute approximately $0.6 billion for its share of development costs for the Esperanza project, which are currently estimated at approximately $1.9 billion. After licenses necessary for the projects are granted, the transaction will be executed. The Marubeni Group has developed a strategy to steadily increase its profitability by securing stable supplies of metal and mineral resources through investment in mine developments and smelting projects overseas. This transaction perfectly fits into its investment strategy.

ERNST & YOUNG

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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, 2008 and 2007, 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, 2008, 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. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

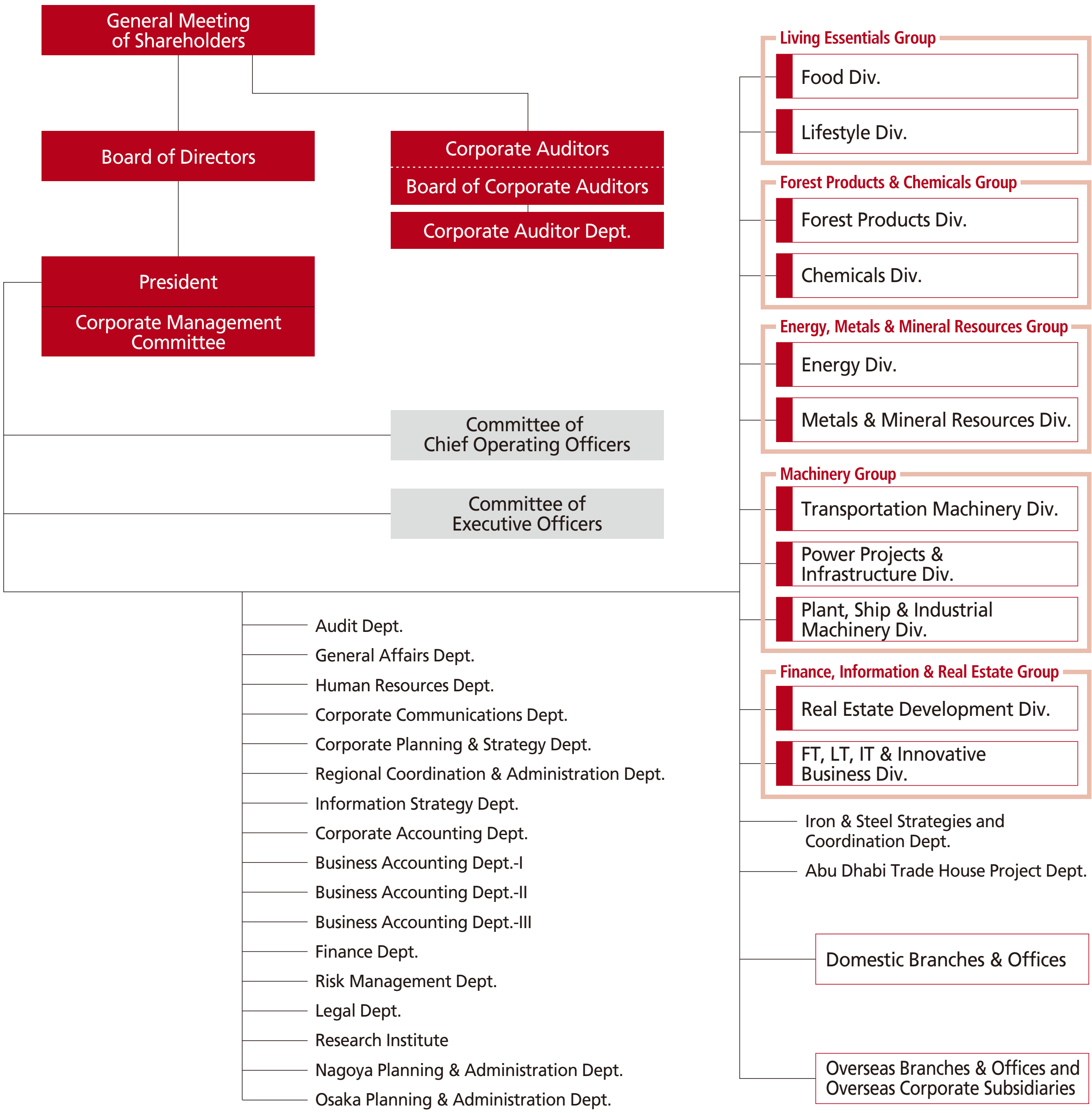
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Marubeni Corporation and subsidiaries at March 31, 2008 and 2007, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2008 in conformity with accounting principles generally accepted in the United States.

We have also recomputed 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

June 20, 2008

Organization



(As of April 1, 2008)

Corporate Data

Founded
May 1858

Incorporated
December 1, 1949

Paid-in Capital
¥262,685,964,870

Number of Shareholders
133,522

Number of Shares Issued and Outstanding
1,737,940,900

Number of Employees
3,729
(Excluding 384 local employees of overseas branches and offices and 1,246 local employees of overseas corporate subsidiaries)

Number of Domestic Offices*
11

Number of Overseas Branches & Offices and Overseas Corporate Subsidiaries*
115 locations in 70 countries and areas
(comprising 52 overseas branches and offices and 22 overseas corporate subsidiaries with 63 offices)

Major Shareholders
Japan Trustee Services Bank, Ltd. (Trust Account)
The Master Trust Bank of Japan, Ltd. (Trust Account)
Sompo Japan Insurance Inc.
Tokio Marine & Nichido Fire Insurance Co., Ltd.
State Street Bank and Trust Company
Meiji Yasuda Life Insurance Company
State Street Bank and Trust Company 505103
Mizuho Corporate Bank, Ltd.
Nippon Life Insurance Company
The Dai-ichi Mutual Life Insurance Company

Stock Listings
Tokyo, Nagoya, Osaka

Transfer Agent of Common Stock
Mizuho Trust & Banking Co., Ltd.

Home Page Address
http://www.marubeni.com

For Further Information, Please Contact
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4-2, Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-8088, Japan
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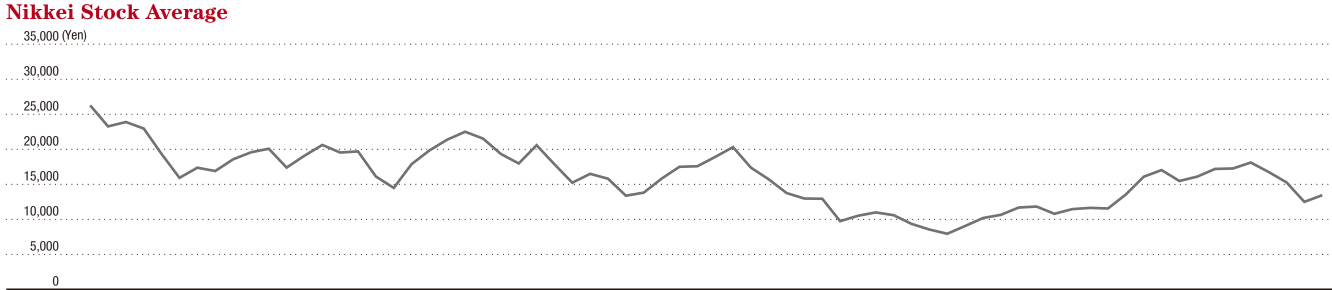
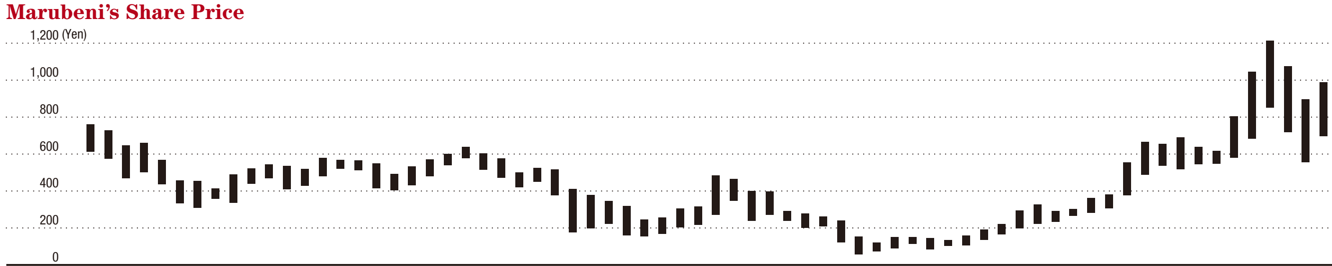
E-mail: TOKB191@marubenicorp.com

(As of March 31, 2008, except * as of April 1, 2008)

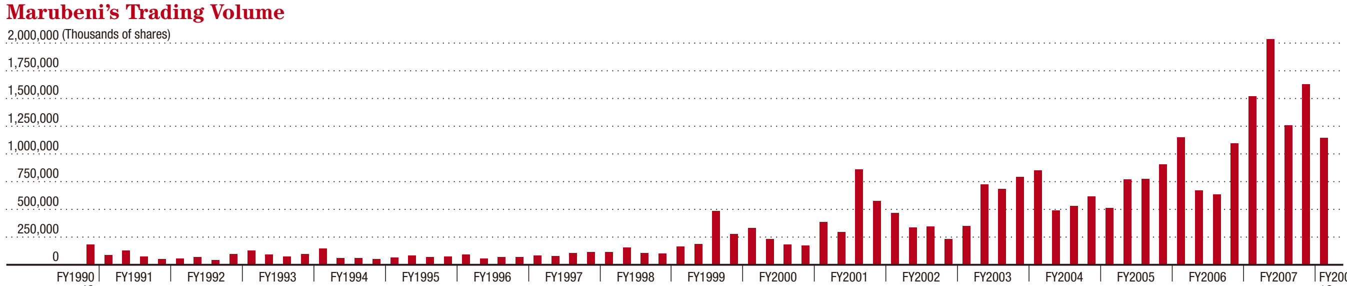
Nikkei Stock Average



Marubeni's Share Price



Marubeni's Trading Volume



Marubeni CORPORATION

http://www.marubeni.com