Marubeni

ANNUAL REPORT 2016

Year ended March 31, 2016

Global Challenge 2018

Since its founding in 1858, the Marubeni Group has strived to contribute to economic development as well as to the betterment of people's daily lives as a responsible member of society.

Today, the global operating environment is undergoing drastic change, as illustrated by such trends as the slowdown in emerging economy countries, the end of favorable resource market conditions, and increasing political and geopolitical risks. However, even in the face of such change, Marubeni's role remains the same.

With the start of fiscal 2016, we kicked off our new mid-term management plan, Global Challenge 2018, or GC2018 for short. This plan defines our road to 2020 as being a quest to become a true global company.

We will continue to relish great challenges as we grow, working to combine all our individual strengths to create a more powerful Marubeni Group capable of outperforming the top players in business fields and markets around the world.

August 2016

Fumiya Kokubu

President and CEO

Company Creed: “Fairness (正), Innovation (新), and Harmony (和)”

(formulated in 1949)

Calligraphy by Shinobu Ichikawa, first President of Marubeni Co., Ltd., now Marubeni Corporation

Marubeni Management Philosophy

(formulated in 2003, revised in 2008)

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

Marubeni Corporate Principles

(formulated in 1998)

Marubeni Corporation, as a business enterprise, will actively pursue its business interests through the exercise of fair and lawful competition. As a company, Marubeni will also continue to play its part in the growth of the global economy, while always striving to enrich the society within which it operates. In order to achieve these goals, 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

Editorial Policy

Annual Report 2016 is meant to serve as a tool for communicating with stakeholders and gaining the trust of greater society. To provide a systematic explanation of the Marubeni Group’s corporate value, this report is compiled in the form of an integrated report that describes our quest to create both corporate and social value. We hope that this report will give readers an understanding of our business strategies as well as our commitment to helping resolve social issues through our business activities.

Furthermore, this report has a notation of fiscal years of the reporting period 2016.3 (April 1, 2015 to March 31, 2016).

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.

Contents

Inclusion in SRI Indexes (As of August 2016)

The Company has continually been selected for inclusion in globally recognized Socially Responsible Investment (SRI) indexes such as the Dow Jones Sustainability World Index and the FTSE4Good Global Index Series as well as the Morningstar Socially Responsible Investment Index, a Japanese SRI index. In addition, globally renowned corporate social responsibility (CSR) research and rating company RobecoSAM AG has included the Company in its list of sustainable companies.

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

MS-SRI

FTSE4Good

ROBECOSAM Sustainability Award Silver Class 2016

Fumiya Kokubu
President and CEO

Marubeni Group aims to become a true global company

The Marubeni Group will work to outperform the top players in business fields and markets across the world, aiming to become a true global company that contributes to both regional economies and society.

In the fiscal year ended March 31, 2016, consolidated net profit* amounted to ¥62.3 billion, significantly lower than anticipated primarily due to the recording of impairment losses related to the deterioration of the resource market. The inability to achieve our initial forecast was disappointing, especially given the importance of our performance this year in light of the large downward revision to the previous fiscal year's target. Unfortunately, we suffered substantial impairment losses for the second consecutive year. As a representative of Marubeni's management, I am fully aware of the gravity of this situation.

We are now forced to weather an adverse operating environment that is unlike any before. Nevertheless, we remain committed to returning to the path of sustainable growth. I hope that we can look forward to your ongoing support as we brave the new frontiers that lie ahead.

Performance Results in the Year Ended March 31, 2016

In the year ended March 31, 2016, the global economy continued to see a mild recovery trend centered on the United States. At the same time, however, the economic slowdown in China became increasingly more pronounced and conditions worsened in the natural resource market. In particular, the prices of crude oil and copper, which have a substantial influence on the Company's performance, plummeted, making for a difficult year.

In this environment, consolidated net profit for the year decreased ¥43.3 billion year on year, amounting to ¥62.3 billion. This outcome was largely due to impairment losses recorded primarily in natural resources-related businesses. Looking at the balance sheet, net interest-bearing debt was down ¥125.2 billion, to ¥2,762.5 billion, following a substantial increase in free cash flow resulting from exhaustive efforts to improve the efficiency of working capital. At the same time, total equity as of March 31, 2016, decreased ¥263.5 billion year on year, to ¥1,415.2 billion, mainly because of the impacts of yen appreciation and stock price declines. Accordingly, the net debt–equity, or net D/E, ratio came to 1.95 times, failing to meet our initial target of 1.6 times.

The year ended March 31, 2016, was the final year of the previous mid-term management plan, Global Challenge 2015, and it is most unfortunate that this plan had to end with its quantitative targets unmet.

* "Profit for the year attributable to owners of the parent" is displayed as "consolidated net profit."

New Mid-Term Management Plan *Global Challenge 2018*

Current Operating Environment

Since the turn of the century, the global economy has proved robust with rapid growth in China and other emerging economy countries and soaring natural resource prices against a backdrop of quantitative easing. Now, however, the situation is reversed, as emerging economy countries, most notably China, are suffering from substantial economic slowdowns and the advantageous resource market conditions have come to an end. Amid this change in operating environment, it cannot be denied that we are entering into a new era and approaching a significant turning point.

Looking back, we will see that Marubeni has experienced two such turning points since the end of World War II. The first came in the 1980s, when the appreciation of the yen brought an end to an era driven by trading as an intermediary, signaling our shift toward business investment. The next turning point came after taking substantial impairment losses on large-scale investments in the 1990s, when we began to achieve record-breaking earnings as a result of an increase in investment returns stimulated by the aforementioned rapid economic growth in emerging economy countries and deregulation in developed countries.

We now must recognize that our operating environment is significantly different from before and that it is therefore crucial for us to fundamentally change how we think and do business. While we have experienced transformation in our business strategies in the past, I feel that the turning point before us today is more critical than those previously. Therefore an appropriate approach to respond to this turning point is of the utmost importance.

Quest to Become a True Global Company and Build a Strong Marubeni Abroad

Given this operating environment, I believe that the most prudent approach to be adopted on the path toward future growth will be for us to focus on strengthening the overseas functions and businesses that formed the origins of general trading companies. We must thereby seek to create a Marubeni that is strong abroad. We injected this commitment into the new mid-term management plan, Global Challenge 2018, otherwise known as GC2018, which started in fiscal 2016. It defines our road to 2020 as being a quest to outperform the top players in business fields and markets across the world, aiming to become a true global company that contributes to both regional economies and society. A true global company is not one that merely operates in countries and regions worldwide. Rather, it is one with strong business and sales foundations rooted in the countries and regions in which it operates, boasting a strong presence as a prominent local player in these areas. We at Marubeni strive to act locally in our global operations, strengthening both local and consequently global operations by reinforcing business models that are intrinsically tied to local markets. As we build a strong Marubeni abroad through these efforts, we will focus on specific markets and products, refining operations to cultivate a strength that others cannot rival.

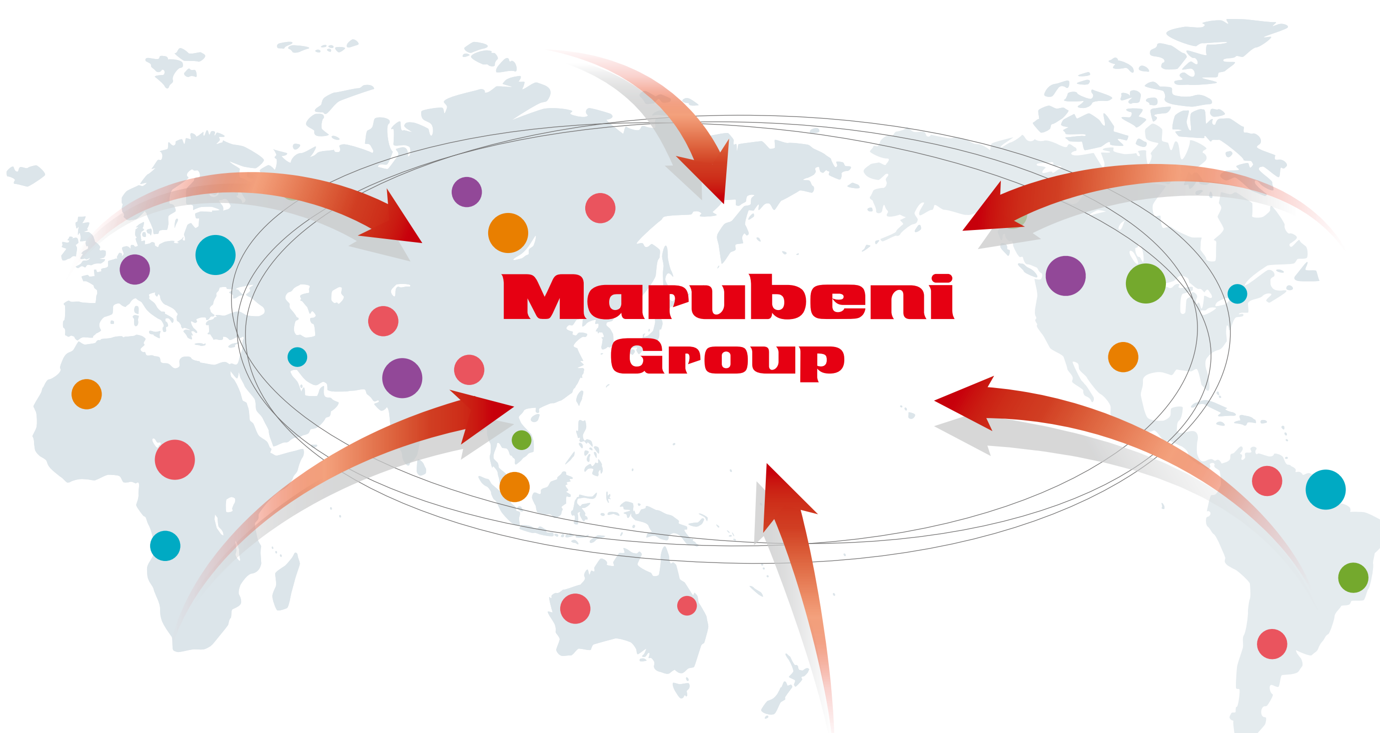
* For more information on global strategies, please refer to page 46.

Powerful Marubeni Group Combining Individual Strengths

To guide us as we seek to accomplish these objectives, we have defined the slogan of "combining all our individual strengths to create a more powerful Marubeni Group." The stronger Marubeni becomes in individual business fields and markets, the more we will find that our competition is not other trading companies but is rather the top players in these fields and markets.

We have already achieved several examples of individual strengths rooted in regions where we are developing businesses as a leading player in a given field. Among these examples is Helena Chemical Company, which has achieved the No. 2 position in the U.S. agricultural materials industry. We also boast similar strengths in our overseas power generation, agricultural, and aircraft leasing businesses as well as our tire retail business in Thailand. Our position as a top player in these areas creates virtuous cycles for our business that arise from a wider range of opportunities to partner with new companies and participate in new fields and markets. I believe that enhancing our global networks and heightening synergies while increasing the number of such individually strong businesses will no doubt lead to future growth for the Marubeni Group. Meanwhile, becoming a true global company will require that we capitalize on individual strengths that are formed by both businesses and human resources. We therefore plan to adopt an even-more active approach toward securing and cultivating talented employees that can compete on the global stage. We aim to secure ambitious and curious human resources, those that are capable of setting their own goals and formulating and carrying out plans for accomplishing these goals. It is this type of human resource that will help Marubeni become a true global company. More specifically, achieving significant growth in local businesses will require human resources that can conduct management based on the characteristics of the region in question and thereby maximize business value. We strive to make the Marubeni Group into an organization in which all employees can find pride and motivation in their work, and we are thus committed to hiring and cultivating talented individuals, regardless of their nationality or gender, while realizing a more diverse Group employee base.

Aiming to combine all our individual strengths to create a more powerful Marubeni Group, we will develop our strong human resources and businesses all over the world.



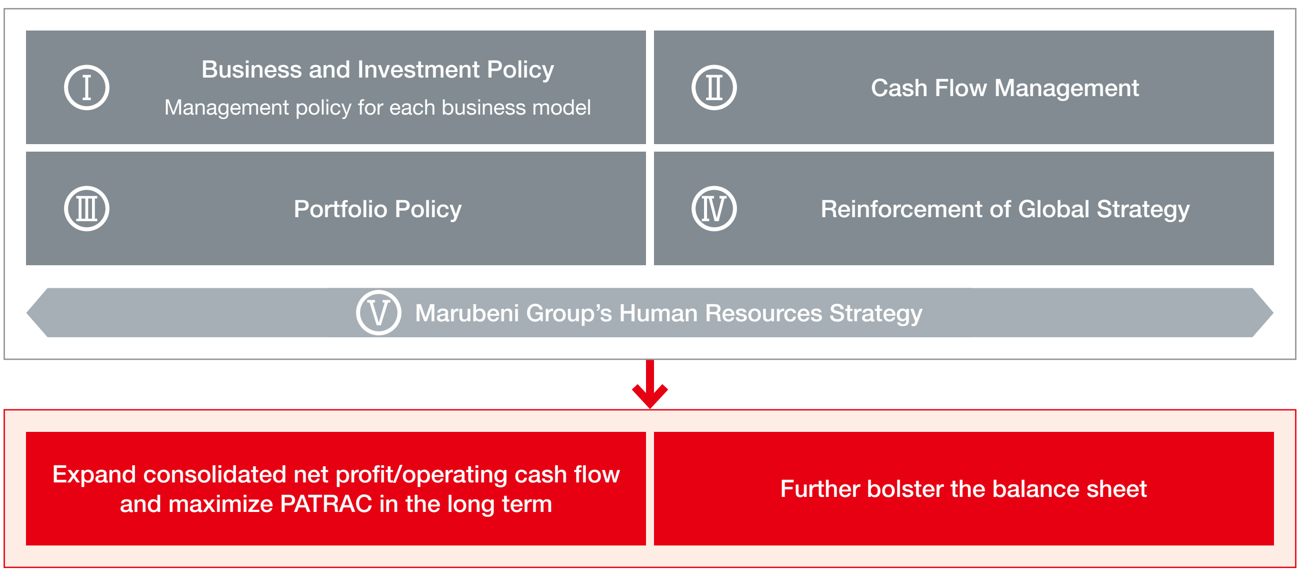
Management Policies

Based on our road to 2020, we set forth five new management policies in GC2018.

These policies are business and investment policy, cash flow management, portfolio policy, reinforcement of global strategy, and the Marubeni's Group human resources strategy.

Based on these five policies, we will establish and advance concrete strategies for realizing long-term growth in consolidated net profit; profit after tax less risk asset cost, or PATRAC, our original risk-return indicator; and operating cash flows while further enhancing our financial position.

Management Policies Based on The Road to 2020



Management Policies by Business Model

In the coming years, Marubeni will establish a foundation for long-term earnings growth in regions around the world and push forward with a business investment strategy. This strategy will be implemented based on the operating environment and characteristics of each of the four business model categories defined in GC2018.

The first business model category is distribution businesses. This category accounts for roughly 60% of Marubeni's earnings and is an area in which we can expect stable profits and ongoing growth. In this category, we will create value by differentiating the products, services, and functions of each of the businesses we invest in.

The second business model category is finance businesses. Our main targets in this category will be leasing centered on transportation machinery as well as retail finance businesses.

We expect to expand the range of regions, businesses, and products encompassed by these two categories. We will thus prioritize businesses that we anticipate can form future platforms for operations, advancing a strategy that pursues both M&A activities and organic growth from these businesses. In addition, due to the need to control the management, strategies, and capitals of such businesses, we will primarily look to acquire majority stakes.

The third business model category is stable earnings-type businesses. Independent power producer, or IPP, projects are a representative example of the type of business included in this category and are also an area of strength for Marubeni. With regard to this category, we will mainly target infrastructure businesses that promise stable earnings and are backed by long-term contracts, actively accumulating new assets in the pursuit of earnings growth. We will generally acquire minority stakes out of consideration for the limited upside risk, high

Quantitative Targets

For the year ending March 31, 2019, we are targeting consolidated net profit of ¥250.0 billion. Of this amount, ¥230.0 billion is projected to come from non-natural resources-related businesses while natural resources-related businesses should generate ¥20.0 billion, although this figure will be dependent on natural resource prices. Non-natural resources-related businesses have been steadily reinforcing our earnings base. Going forward, we will work to boost the earning power of existing businesses in this area while strategically developing new businesses.

In addition, under GC2018 we aim to achieve a positive three-year aggregate free cash flow after dividend payments. By doing this, we will limit increases in net interest-bearing debt and expand net assets on the back of earnings growth targeting a net D/E ratio of about 1.3 times on March 31, 2019. In regard to new investments, GC2018 defines four business model categories in its business and investment policy. We plan to devote 40% of investments to the stable earnings-type businesses category, generating solid cash flows as a result. The distribution businesses category will be the target of 30% of investments. In this category, we will rapidly move to improve our asset portfolio and profitability structure for existing businesses while exploring new models for growth businesses. New investments have been slightly overconcentrated in the natural resource investments category in the past. In the future, we will adjust the focus of new investments and the same time, we will sell off and replace existing assets to increase asset efficiency, with the aim of achieving the quantitative target of 10% or more for return on equity (ROE).

Quantitative Targets (2016–2018)

- **Consolidated Net Profit**
  (Non-Natural Resources ¥230.0 billion or more)
  ¥250.0 billion
- **Free Cash Flow**
  Cumulative total for 2016–2018
  Positive free cash flow (after dividends)
- **Net D/E ratio**
  About 1.3 times
- **ROE**
  10% or more
- **New Investments**
  2016–2018
  ¥1 trillion

dividend payouts, and large scale of the investments characteristic of this category.

The fourth and final business model category is natural resource investments. In this category, we will observe a policy of maintaining asset holdings from a long-term perspective. In projects we have already invested in, we will thus prioritize quick start-up of production, while also positioning long-term projects with high levels of cost competitiveness as our main targets for new investments. In addition, we will balance investment and set budgets to limit profit fluctuations resulting from changes in natural resource prices.

Through the effective allocation of management resources to these four business model categories, we aim to develop a portfolio that can stably generate earnings, even when faced with low natural resource prices or an otherwise difficult operating environment.

Management Policies by Business Model

Distribution Businesses	Finance Businesses
Stable Earnings-Type Businesses	Natural Resource Investments

Shareholder Returns

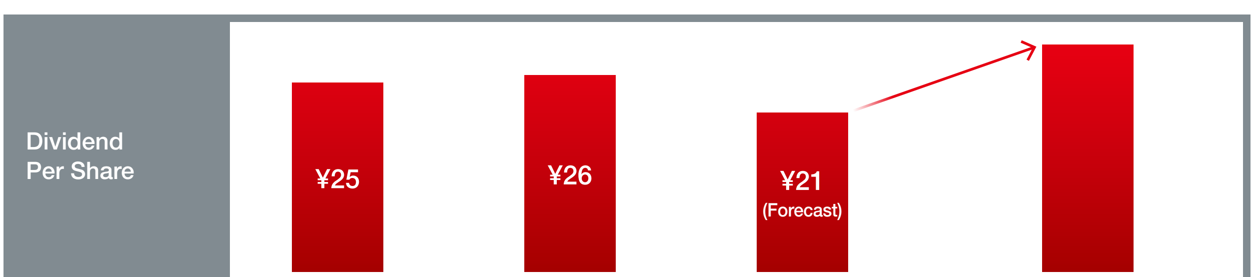
We forecast a consolidated net profit of ¥130.0 billion for the year ending March 31, 2017.

We are currently witnessing sluggish conditions as a result of the economic slowdown in China and other emerging economy countries as well as the lack of optimism regarding medium-term growth, factors that stand in contrast to the ongoing recovery in the United States supported by strong internal demand.

In GC2018, we established a consolidated dividend payout ratio target of 25% or more, and we therefore plan to issue dividend payments of ¥19 per share in the year ending March 31, 2017. I regret having to inform our shareholders of this projected dividend decrease. Nevertheless, we are strongly committed to achieving future performance that exceeds our forecasts, which will allow us to raise dividend payments above the projected level. We recognize that it is an important mission of the Marubeni Group to increase returns to shareholders by raising our stock prices and dividend payments, and we will take this mission to heart as we continue to pursue improved corporate value into the future.

Shareholder Return Policy

	GC 2015			GC 2018
	2014.3	2015.3	2016.3	2017.3–2019.3
Consolidated Dividend Payout Ratio	20.6%	42.7%	20.2% (Forecast)	25% or more



Company Creed and Marubeni Spirit

Our Company Creed of "Fairness, Innovation, and Harmony" is based on the three-point philosophy of Marubeni's first president Shinobu Ichikawa: "'Fairness' is to act with fairness and integrity at all times, 'Innovation' is to pursue creativity with enterprise and initiative, and 'Harmony' is to give and earn the respect of others through cooperation." This philosophy continues to constitute the core aspect of Marubeni employees even today.

Our business continues to evolve with the changing times. Our focus on "Fairness, Innovation, and Harmony," however, has remained a constant. The Marubeni Spirit, meanwhile, summarizes the corporate culture and values targeted by the Marubeni Group and informs the attitudes and actions of its employees.

The world continues to face countless issues, such as those related to natural resources, energy, food security, and the environment. These are issues that Marubeni should strive to help resolve as a general trading company. We will address these issues while always maintaining a forward-looking stance and boldly testing the limits of our potential. This is the philosophy encapsulated in the Marubeni Spirit.

Our business should spread the seeds of prosperity in the regions of the world where we operate, changing them for the better while also driving social and economic development in Japan. Recognizing this, we will continue growing our business with a strong sense of commitment. The Marubeni Group will never cease advancing its quest to always be a good corporate citizen and a company deemed trustworthy by its stakeholders.

Company Creed: "Fairness (正), Innovation (新), and Harmony (和)"

(formulated in 1949)

Calligraphy by Shinobu Ichikawa, first President of Marubeni Co., Ltd., now Marubeni Corporation

Marubeni Spirit

The Marubeni Spirit summarizes the corporate culture and values of the Marubeni Group and informs the attitudes and actions of its employees.

志	Possess the willpower to shape the future
挑	Relish a great challenge
論	Value a full, free, and vigorous debate
強	Fight through hardships
正	Maintain a formidable sense of fairness

(Calligraphy by Shouin Iwai)

Addressing top priorities to achieve the goals of Global Challenge 2018

Nobuhiro Yabe

Managing Executive Officer, Member of the Board
CFO; Chief Operating Officer, Investor Relations and Credit Ratings; Chairman of Investment and Credit Committee; Chairman of CSR & Environment Committee; Chairman of Disclosure Committee

Improvement of Financial Position

Amid the slowdown in the Chinese economy, which had previously been the driving force behind growth in the global economy, conditions in the natural resources market deteriorated, leading to a persistently difficult operating environment for Marubeni.

In this environment, we suffered a substantial decline in earnings stemming from impairment losses in natural resources-related businesses, and the net D/E ratio climbed to 1.95 times on March 31, 2016, as a result. This significant divergence from the level of 1.50 times initially targeted in the previous mid-term management plan, Global Challenge 2015, makes it clear that improving our financial position is a matter of urgency.

The future of the natural resources market and domestic and overseas economic conditions remains uncertain, and it was under these circumstances that we launched our new mid-term management plan, Global Challenge 2018, or GC2018, in the year ending March 31, 2017. In order to achieve the goals of GC2018, the improvement of our financial position will be a top priority, particularly during the year ending March 31, 2017, and we therefore intend to focus on advancing measures for enhancing our balance sheet and cash flows and strengthening the profitability of existing businesses.

Enhancing the Balance Sheet and Cash Flows

In the year ending March 31, 2017, we aim to achieve a positive free cash flow and maximize the amount of this cash flow on a single-year basis. All business segments have set minimum free cash flow targets, and we are taking steps to enhance our cash generation capacity at the base level of operations as well as at the management level. Through these efforts, we will target a net D/E ratio of less than 1.7 times for March 31, 2017.

Strengthening Existing Business Profitability

As we strive to strengthen operations in business fields in which the Group excels, namely agriculture-related businesses, infrastructure businesses, and transport-related businesses, we will raise the bar for all existing businesses. At the same time, we will strategically exit unprofitable businesses, businesses that have peaked out, low-growth businesses, and other non-core businesses to thoroughly improve the quality of our existing asset and business portfolios.

Measures for enhancing our balance sheet and cash flows and strengthening the profitability of existing businesses will be placed among our top priorities for the year ending March 31, 2017, and, by advancing these measures, we will blaze a trail toward the success of GC2018.

Policies as Chairman of Investment and Credit Committee

New Investment Plans under GC2018

While improving our financial position is a top priority, this does not eliminate the need to allocate funds toward new investments in order to achieve sustainable income growth. GC2018 earmarks a total of ¥1 trillion for use in new investments over its three-year period. In selecting candidates for these investments, we will prioritize those projects that will help us maximize cash flows.

With the start of GC2018, we defined four business model categories that we will seek to further develop and promote: distribution businesses, finance businesses, stable earnings-type businesses, and natural resource investments. We have laid out clear business and investment strategies based on the differing operating environments and business characteristics in each of these categories, and advancing these strategies will be a major objective going forward.

In the distribution businesses and finance businesses categories, we will participate in projects through majority investment, in principle, and work to maximize the cash flows generated through enhanced cash flow control and other management practices. Meanwhile, in stable earnings-type businesses, which tend to have high dividend payout ratios and of which overseas IPP, projects are a representative example, we will generally acquire minority stakes with the aim of improving capital efficiency. At the same time, we will decide on financial recovery mechanisms with partners ahead of time to quickly recover our investment.

Under GC2018, we will strive to generate stable earnings and cash flows by increasing the portion of funds allocated to non-natural resources-related businesses, where earnings potential is steadily growing, while focusing on strengthening these businesses based on the characteristics of the aforementioned business models. In fact, around 90% of new investments under GC2018 will be directed at non-natural resources-related business model categories.

In the year ending March 31, 2017, we plan to conduct new investments totaling ¥200.0 billion at most. In selecting these investments, we will carefully consider such factors as the extent to which we have been able to reduce interest-bearing debt and the level of our cash flows.

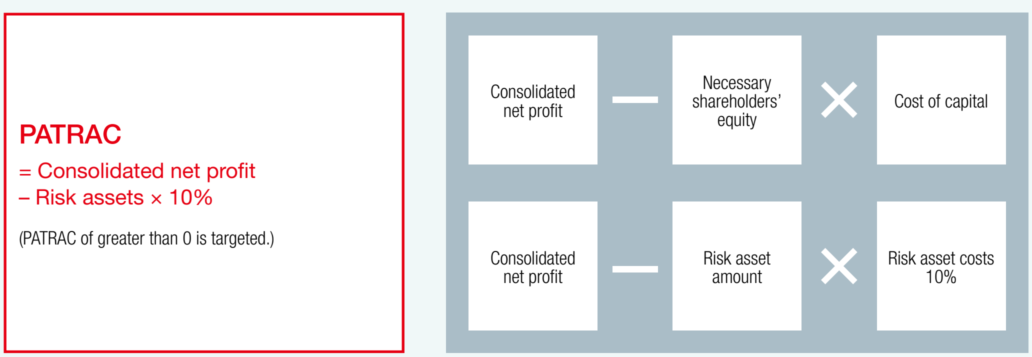
We also realize how important it is to create highly accurate business plans when conducting investments, making sure not to bank on unrealistic growth projections or difficult-to-achieve synergies. We are thus committed to formulating precise business strategies based on the characteristics of each individual project, primarily focusing on those fields in which we can utilize our insight and functions, and steadily advancing these strategies.

Emphasizing Cost of Capital Management

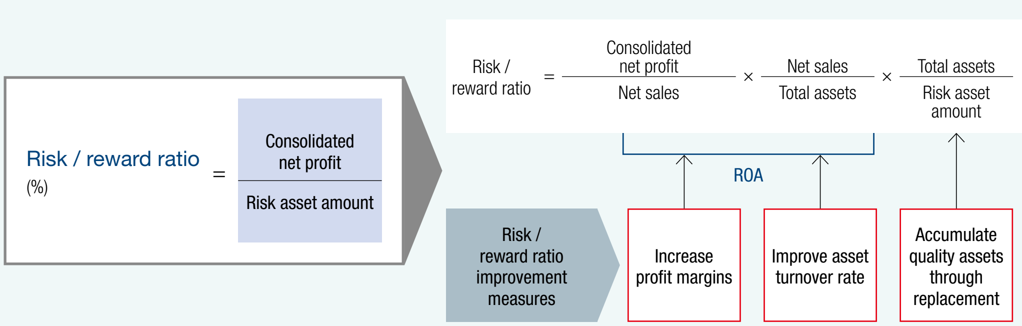
At Marubeni, we practice management that emphasizes cost of capital. This type of management includes utilizing Marubeni's unique management indicator called PATRAC, which stands for profit after tax less risk asset cost (see diagram below) and is designed to ensure earnings that exceed cost of capital, and making investment decisions based on an internal rate of return calculated for each potential investment. Since we introduced the PATRAC indicator, we have succeeded in realizing a targeted allocation of management resources by replacing unprofitable or inefficient assets.

GC2018 targets return on equity of more than 10%. To achieve this target, we will heighten capital efficiency through measures such as replacing assets to improve profitability.

PATRAC (Profit After Tax less Risk Asset Cost)



Risk / Reward Ratio



Performance Highlights

11-Year Financial Summary

	"V" PLAN	"G" PLAN		SG2009	
	U.S. GAAP				
	2006.3	2007.3	2008.3	2009.3	2010.3
For the year:					
Total volume of trading transactions*1	¥8,686,532	¥9,554,943	¥10,631,616	¥10,462,067	¥7,965,055
Gross trading profit	502,024	531,171	596,916	644,803	491,673
Operating profit*2	143,248	165,020	200,153	234,065	118,926
Dividend income	12,065	20,705	23,645	27,719	23,561
Share of profits of associates and joint ventures	31,602	44,880	55,661	21,973	28,864
Profit for the year attributable to owners of the parent (Net profit)	73,801	119,349	147,249	111,208	95,312
Core earnings*3 (Billions of yen)	171.3	202.1	239.6	245.0	154.4
At year-end:					
Total assets	¥4,587,072	¥4,873,304	¥5,207,225	¥4,707,309	¥4,586,572
Net interest-bearing debt	1,876,350	1,843,445	2,001,977	1,911,607	1,706,397
Total equity	710,786	820,839	860,581	623,356	799,746
Equity attributable to owners of the parent (Shareholders' equity)	663,787	745,454	779,764	567,118	745,297
Amounts per share (¥, US$):					
Basic earnings	¥48.34	¥72.41	¥84.93	¥64.04	¥54.89
Cash dividends	7.00	10.00	13.00	10.00	8.50
Cash flows:					
Net cash provided by operating activities	¥133,408	¥152,075	¥235,290	¥343,618	¥280,610
Net cash used in investing activities	(193,781)	(135,147)	(306,855)	(387,069)	(35,207)
Free cash flow	(60,373)	16,928	(71,565)	(43,451)	245,403
Net cash (used in) provided by financing activities	(46,037)	24,819	65,865	257,608	(254,655)
Cash and cash equivalents at end of year	368,936	414,952	402,281	573,924	570,789
Ratios:					
ROA (%)	1.68	2.52	2.92	2.24	2.05
ROE (%)	13.33	16.94	19.31	16.51	14.52
Equity attributable to owners of the parent ratio (%)	14.47	15.30	14.97	12.05	16.25
Net debt–equity (D/E) ratio (Times)	2.64	2.25	2.33	3.07	2.13

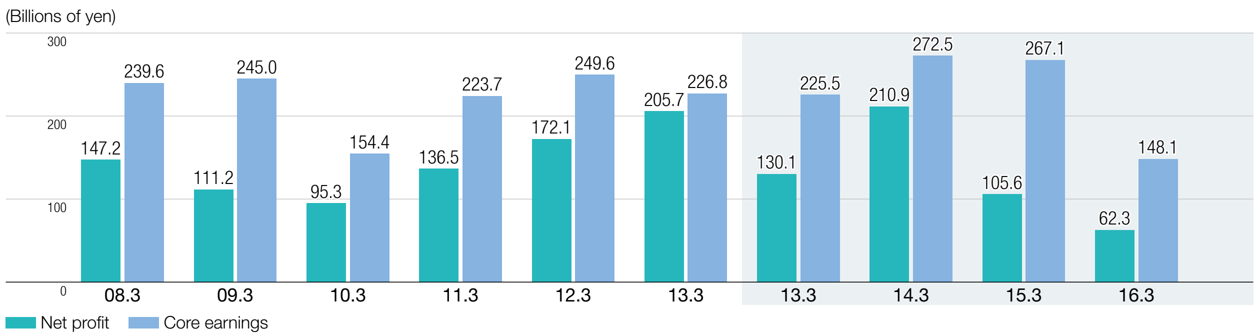
Notes:
*1 "Total volume of trading transactions" includes all transactions involving the Company and its consolidated subsidiaries regardless of transaction type. "Total volume of trading transactions" and "operating profit" are presented in accordance with Japanese accounting practices for investors' convenience and are not required by IFRS.
*2 Operating profit = Gross trading profit + SGA expenses + Provision for doubtful accounts
*3 Core earnings = Gross trading profit + SGA expenses + Interest expenses–net + Dividend income + Share of profits of associates and joint ventures
*4 U.S. dollar amounts above and elsewhere in this report are converted from yen, for convenience only, at ¥113 to US$1, the exchange rate prevailing on March 31, 2016.

(Millions of yen) (Millions of U.S. dollars)

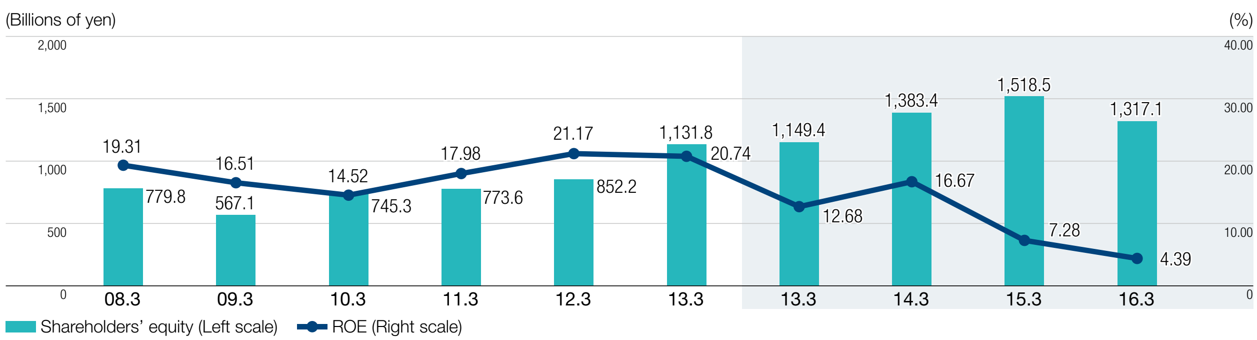
SG-12			GC2015				
			IFRS				
2011.3	2012.3	2013.3	2013.3	2014.3	2015.3	2016.3	2016.3*4
¥9,020,468	¥10,584,393	¥10,509,088	¥10,674,395	¥13,633,520	¥13,925,339	**¥12,207,957**	**$108,035**
522,152	541,454	528,194	539,648	651,063	707,318	**670,086**	**5,930**
145,774	157,315	122,932	128,423	157,462	160,688	**104,231**	**922**
19,200	27,351	30,112	30,151	34,917	34,957	**18,555**	**164**
71,452	81,528	87,790	83,031	99,405	89,919	**31,824**	**282**
136,541	172,125	205,696	130,143	210,945	105,604	**62,264**	**551**
223.7	249.6	226.8	225.5	272.5	267.1	**148.1**	**1,311**
¥4,679,089	¥5,129,887	¥5,965,086	¥6,115,783	¥7,256,085	¥7,673,064	**¥7,117,686**	**$62,988**
1,615,634	1,755,705	1,785,247	1,855,941	2,491,043	2,887,608	**2,762,453**	**24,446**
831,730	915,770	1,188,379	1,203,008	1,531,231	1,678,713	**1,415,202**	**12,524**
773,592	852,172	1,131,834	1,149,369	1,383,358	1,518,515	**1,317,052**	**11,655**
¥78.63	¥99.13	¥118.48	¥74.96	¥121.52	¥60.85	**¥35.88**	**$0.32**
12.00	20.00	24.00	24.00	25.00	26.00	**21.00**	**0.19**
¥210,044	¥172,599	¥295,734	¥240,075	¥291,188	¥170,943	**¥359,132**	**$3,178**
(128,495)	(273,689)	(210,878)	(192,825)	(706,585)	(331,411)	**(174,596)**	**(1,545)**
81,549	(101,090)	84,856	47,250	(415,397)	(160,468)	**184,536**	**1,633**
(17,010)	171,913	129,030	111,585	196,779	(70,705)	**(36,268)**	**(321)**
616,003	677,312	919,475	865,592	665,498	469,106	**600,840**	**5,317**
2.95	3.51	3.71	2.27	3.15	1.41	**0.84**	
17.98	21.17	20.74	12.68	16.67	7.28	**4.39**	
16.53	16.61	18.97	18.79	19.06	19.79	**18.50**	
1.94	1.92	1.50	1.54	1.63	1.72	**1.95**	

Consolidated Financial Highlights

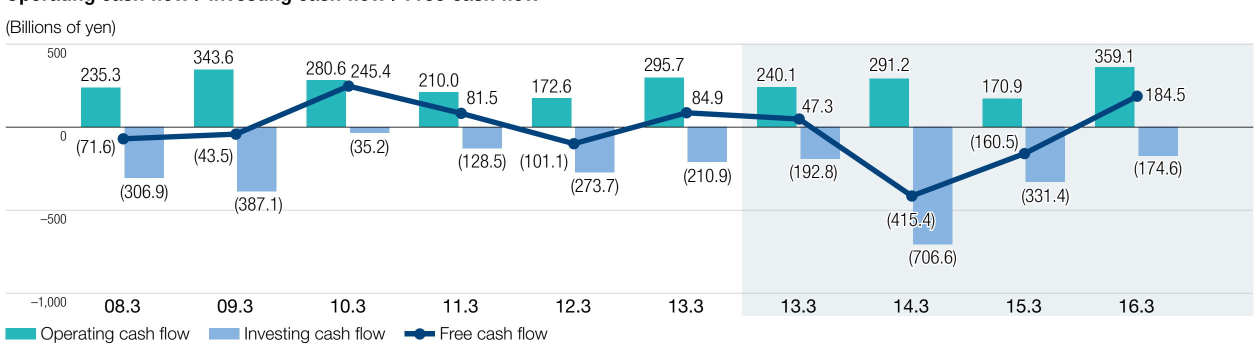
Net profit*¹ / Core earnings*²



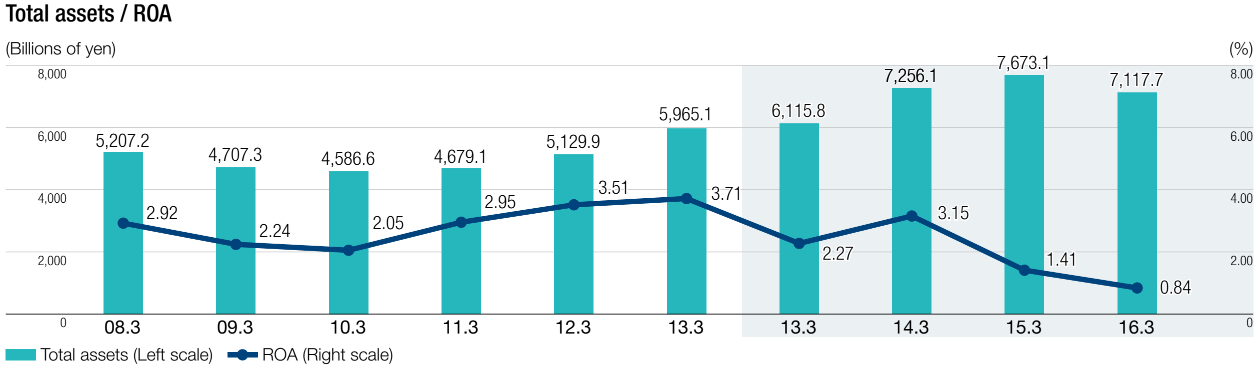
Shareholders' equity*³ / ROE



Operating cash flow / Investing cash flow / Free cash flow



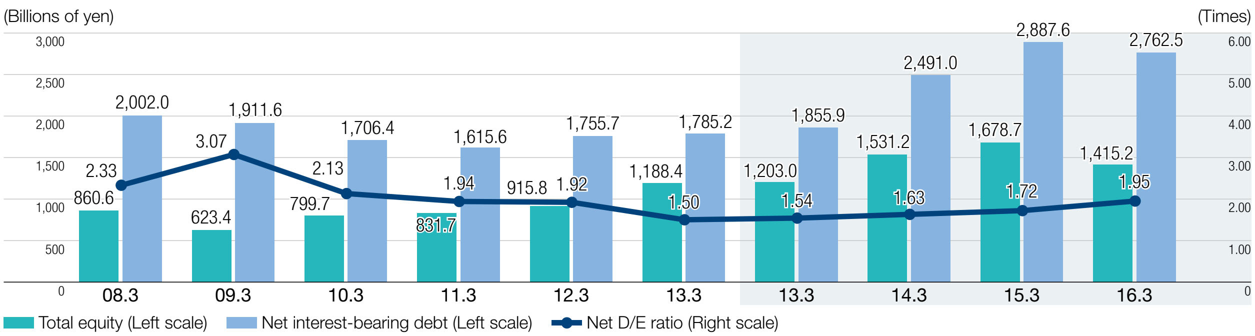
Total assets / ROA



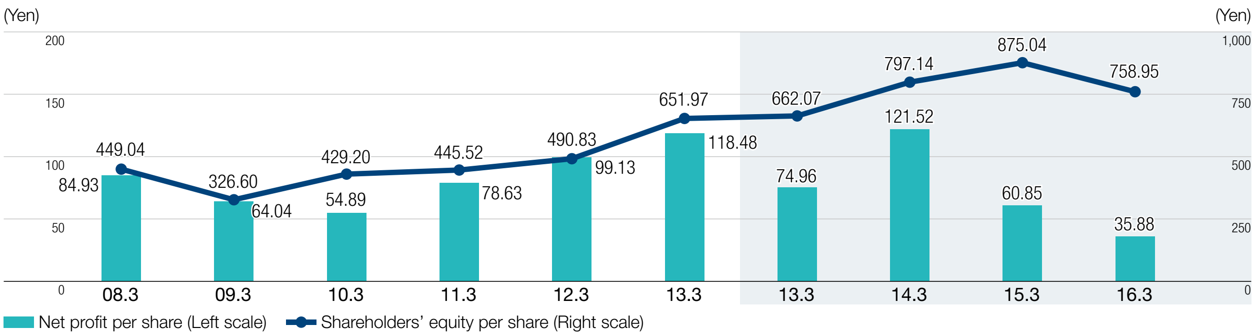
*1 Net profit = Profit for the year attributable to owners of the parent
*2 Core earnings = Gross trading profit + SGA expenses + Interest expenses–net + Dividend income + Share of profits of associates and joint ventures
*3 Shareholders' equity = Equity attributable to owners of the parent
*4 Risk buffer = Total equity – Risk asset
*5 U.S. GAAP basis

IFRS. U.S. GAAP basis until 13.3.

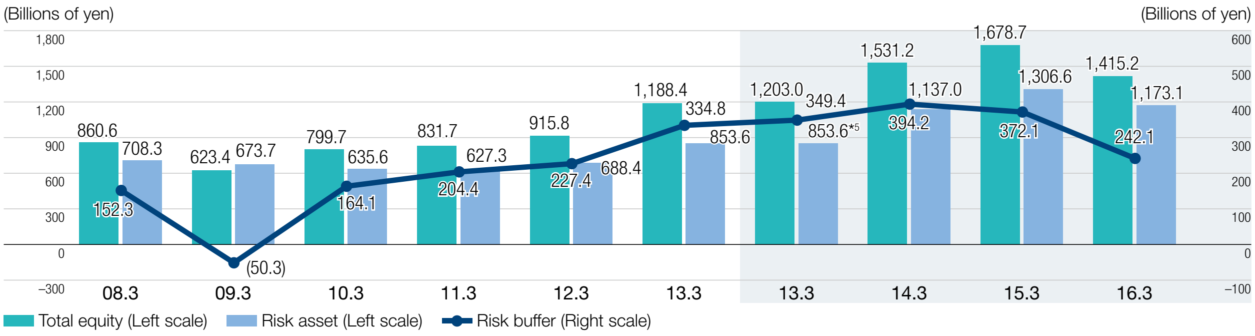
Total equity / Net interest-bearing debt / Net debt–equity (D/E) ratio



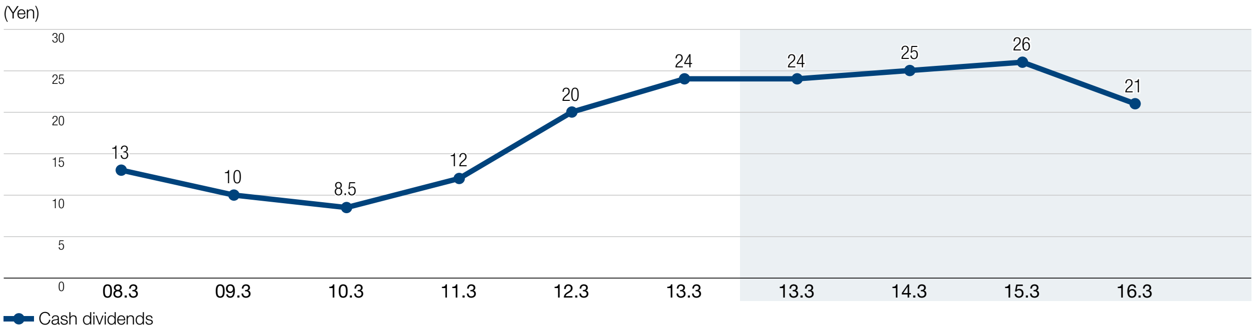
Net profit per share / Shareholders' equity per share



Total equity / Risk asset / Risk buffer*4



Cash dividends

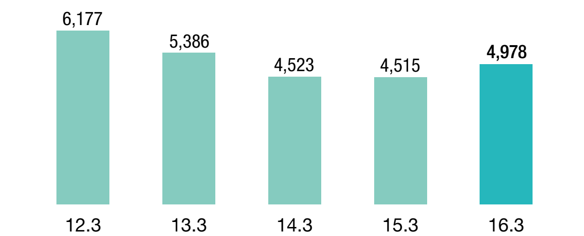


Marubeni Group aims to Become a True Global Company

Environmental Data

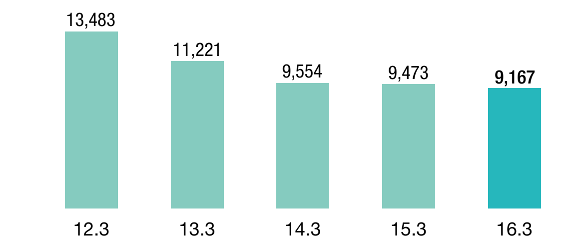
CO_2 emissions*1

(t-CO_2)



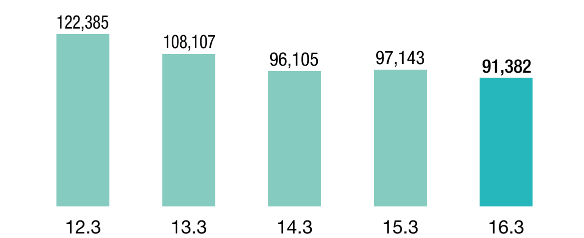
Electricity consumption

(MWh)



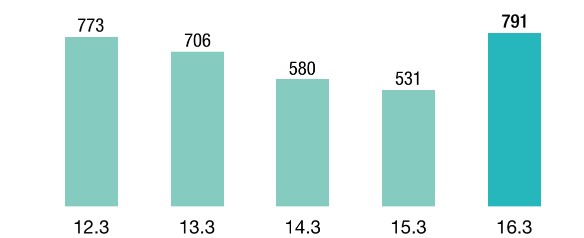
Water consumption

(m^3)



Waste generated

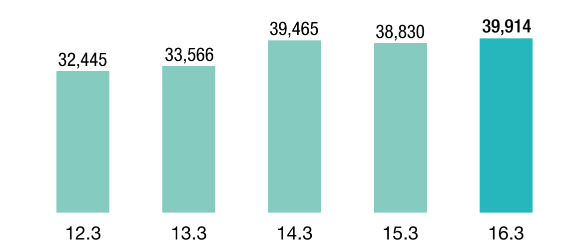
(tons)



Social Data

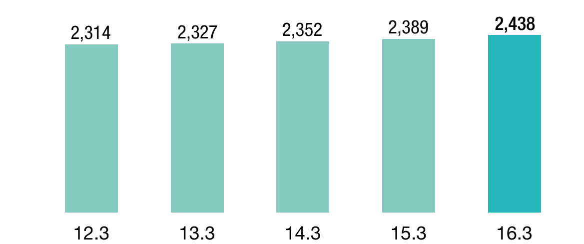
Number of employees (Consolidated)*2

(People)



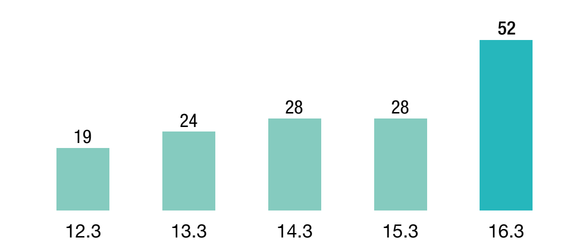
No. of managerial employees

(People)



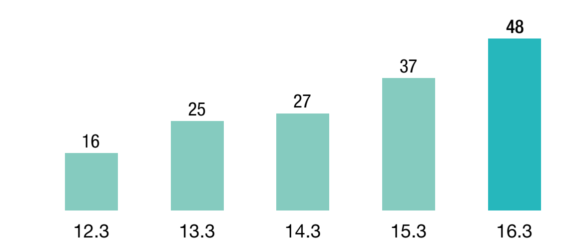
No. of employees who took maternity leave

(People)



No. of employees who took childcare leave

(People)



*1 CO_2 emissions: Emission amounts are calculated based on usage of electricity, city gas, fuel, and steam. For more information, please refer to page 74.

*2 As of March 31. All the indicators of social data for the year ended March 31, 2016, are assured by an external assurance provider based on the international standard ISAE 3000.

Marubeni's Business and Supporting Foundations

Marubeni Group by the Numbers

(All figures are as of March 31, 2016, unless otherwise noted.)

The following is a numerical look at the scale of Marubeni Group's main businesses meant to provide a better understanding of the Company's operations, which are conducted in various fields.

Marubeni Group

NUMBER OF BASES

132 offices in 67 countries / areas

NET POWER GENERATION CAPACITY

10,743 MW

As a leading Independent Power Producer (IPP) business player in Japan, Marubeni has a top-class net power generation capacity.

* The total sum of Japan and overseas

GRAIN TRADING

Industry No. 1

Trading volume 67 million tons

Marubeni boasts the top grain trading volume among Japanese companies.
Year ended March 31, 2016
(includes some double-counted trades)

VOLUME OF COFFEE BEANS TRADED

30%

of coffee consumed in Japan

Approximately 450,000 tons of coffee are consumed in Japan each year. Marubeni handles approximately 30% of this volume.

GLOBAL ETHYLENE TRADING MARKET

Approx. 30% share

Using specialized tankers,
Marubeni has secured approximately 30% of the global ethylene trading market.

NUMBER OF CONSOLIDATED COMPANIES

448 companies

NUMBER OF GROUP EMPLOYEES

39,914 (Consolidated)

COMPANY EMPLOYEES POSITIONED OVERSEAS

880

HELENA CHEMICAL COMPANY

No. 2 in the U.S.

487 sales locations

Helena Chemical Company is the No. 2 retailer of agricultural chemicals, fertilizers, seeds, and other crop protection products in the United States, the world's foremost agricultural super power, with 100,000 customers and annual net sales exceeding US$4.5 billion.

AFFORESTATION BUSINESS SITES

210,000 hectares

4 projects managed in 3 countries with a total of 210,000 hectares (roughly the size of Tokyo).

* Leading site area among Japanese companies

COPPER EQUITY VOLUME

150,000 tons

Doing copper mining business in Chile.
Equity volume is one of the largest in Japan.

PEOPLE SERVED BY MARUBENI'S WATER BUSINESS AND SEVICES

9 million people

Marubeni is conducting diversified water projects in Central & South America, China, Asia, the Middle East, Australia, and Europe.

PROVISION OF HOUSING IN CHINA

8,600 units

Marubeni was one of the first Japanese companies to enter into the Chinese real estate market and has been engaged in such business operations as the development of housing for Chinese homebuyers and complex facilities since 1985.

NUMBER OF AIRCRAFT OWNED

153

Marubeni commenced investment in Aircastle Limited in 2013, and we are now leasing aircraft to 53 airlines in 33 countries worldwide through this company.

At a Glance

Net Profit

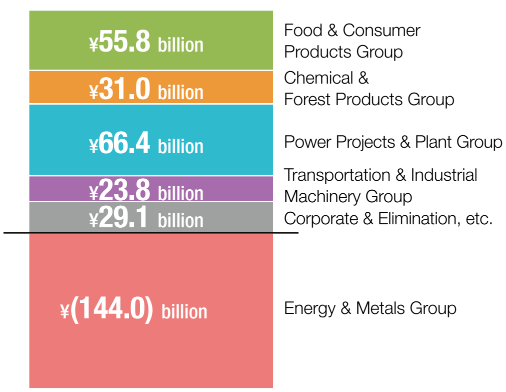
2015.3

¥105.6 billion

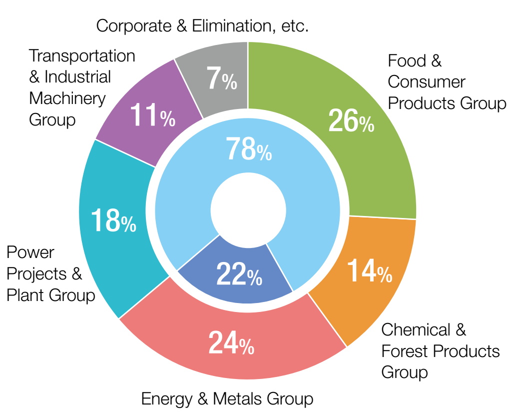
2016.3

¥62.3 billion

Net Profit by Segment



Total Assets by Segment and Business Field



Resources: Energy & Metals Group excluding Steel Products Div.

Non-resources: Other than listed above

Groups

Food & Consumer Products Group

Divisions

- Grain Division
- Food Products Division
- Lifestyle Division
- ICT, Logistics & Healthcare Division
- Insurance, Finance & Real Estate Business Division

Chemical & Forest Products Group

Divisions

- Helena Business Division
- Chemical Products Division
- Forest Products Division

Energy & Metals Group

Divisions

- Energy Division-I
- Energy Division-II
- Steel Products Division
- Metals & Mineral Resources Division

Power Projects & Plant Group

Divisions

- Power Projects Division
- Energy & Environment Infrastructure Division
- Plant Division

Transportation & Industrial Machinery Group

Divisions

- Aerospace & Ship Division
- Automotive & Leasing Division
- Construction & Industrial Machinery Division

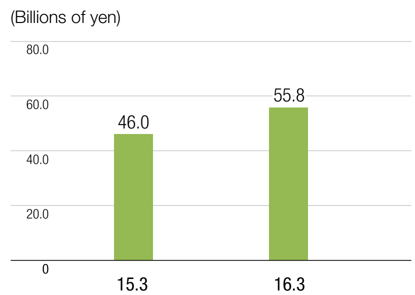
Net Profit	Change of Net Profit	Change of Total Assets

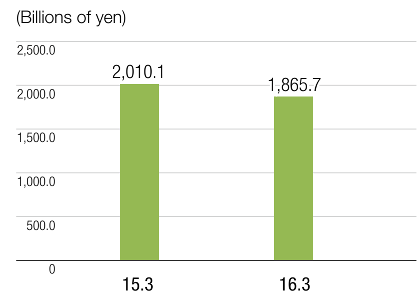
2015.3

¥46.0 billion

2016.3

¥55.8 billion



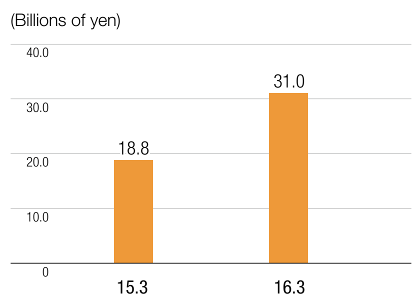


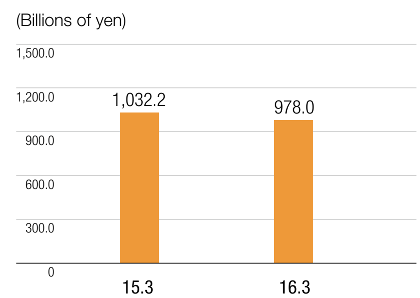
2015.3

¥18.8 billion

2016.3

¥31.0 billion



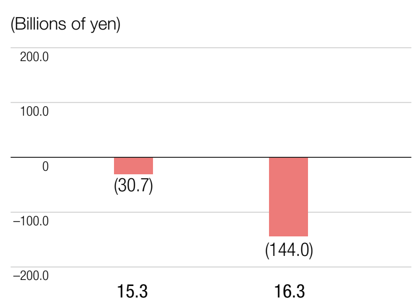


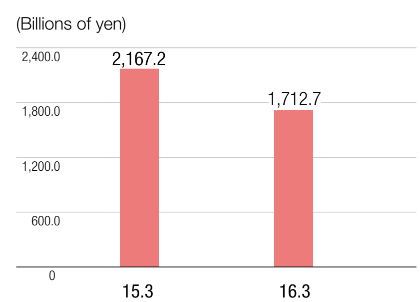
2015.3

¥(30.7) billion

2016.3

¥(144.0) billion



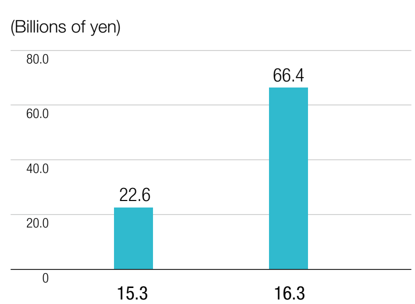


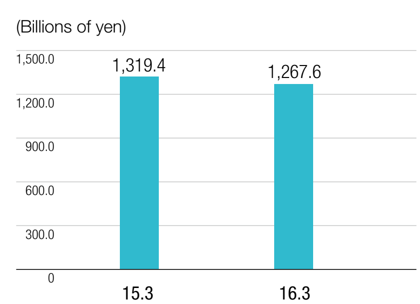
2015.3

¥22.6 billion

2016.3

¥66.4 billion



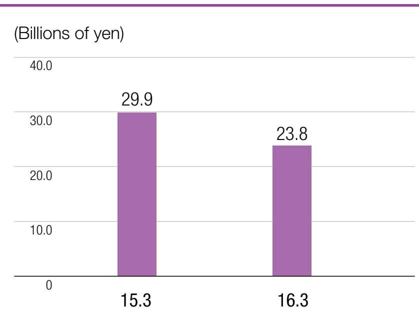


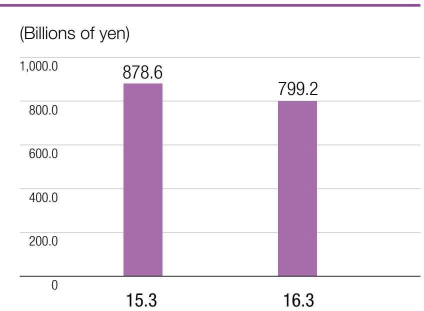
2015.3

¥29.9 billion

2016.3

¥23.8 billion





Food & Consumer Products Group

Seeking to maximize its business value, the Food & Consumer Products Group has arranged its operations into five divisions that have been optimized in consideration of demand increases accompanying global population growth.

Group Overview

The Food & Consumer Products Group's business is characterized by the fact that it handles a wide range of goods and services that are indispensable to people's everyday lives. The markets served by this business group are expected to grow as the global population increases going forward. This business group possesses strengths in the field of grain trading and is steadily growing transaction volumes in this field. It also has established solid food product distribution foundations in the Tokyo metropolitan area and is bolstering its comprehensive capabilities in the wholesale field through a capital alliance with Kokubu & Co., Ltd. Operations in the clothing field continue to grow by providing products through the use of superior technologies and production management capabilities. In the IT field, the business group is steadily expanding its services for corporate clients, including system development and data center operations, while continuing to grow mobile phone retail businesses. At the same time, the business group develops logistics operations in Japan, North America, China, and Asia that have been tailored to each of these regions. In its real estate business, meanwhile, the business group is building upon it current track record, which includes the development of approx. 80,000 units in Japan and approx. 10,000 units in China, as it grows earnings in real estate investment trust operations through the expansion of assets.

GC2018 Strategies

Global population growth is anticipated to drive increases in demand for lifestyle-related products in Asia and other regions. In the food products field, we are shifting away from our previous focus on the domestic market to direct more attention toward overseas growth businesses, such as Australian beef ranching and U.S. marine product processing and sales operations. At the same time, we aim to further expand the continually growing tire retail business that we operate in Thailand into other ASEAN countries. We are also working to seize hold of business opportunities in the medical equipment, pharmaceutical, and examination fields in our healthcare business and advancing consumer-linked businesses that combine Internet of Things (IoT) and big data in the information and communication technology (ICT) field.

Our Role to Support Marubeni to Become a True Global Company

Traditionally, the Food & Consumer Products Group has focused on the ASEAN region, the United States, and China. However, we are now also turning our attention to countries such as Iran, Myanmar, and Argentina, where markets have become open to foreign capital and there is strong growth potential supported by plentiful resources and large populations. At the same time, this business group strives to help Marubeni to become a true global company that acts as a business partner to its customers by providing services that address customer demands in an optimal manner through the integrated union of the functions of this business group's five divisions. We are also reinforcing global business foundations by dispatching employees to overseas operating companies early in their careers so that they may gain experience at actual sites of operation and are otherwise facilitating the development of group employees.

(Front second from left)

Mitsuru Akiyoshi
Chief Executive Officer,
Food & Consumer Products Group

(Front row from left)

Yoshiaki Mizumoto
Chief Operating Officer, Grain Division

Koji Yamazaki
Chief Operating Officer,
Food Products Division

(Back row from left)

Yuichi Ohira
Chief Operating Officer, Lifestyle Division

Koji Kabumoto
Chief Operating Officer,
ICT, Logistics & Healthcare Division

Kenichiro Oikawa
Chief Operating Officer, Insurance,
Finance & Real Estate Business Division

GROUP HIGHLIGHTS (2016.3)

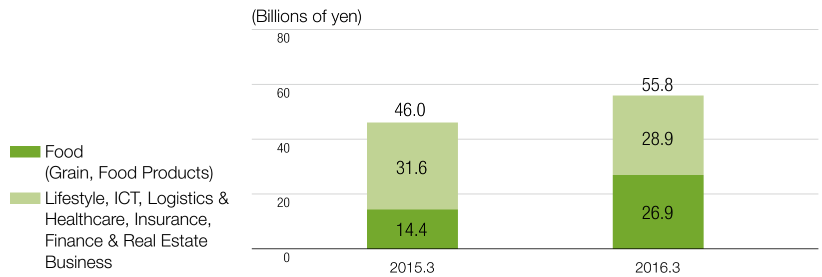
Net Profit

¥55.8 billion

Total Assets by Segment

¥1,865.7 billion

Net Profit by Sub-Segment



Major Subsidiaries and Associates

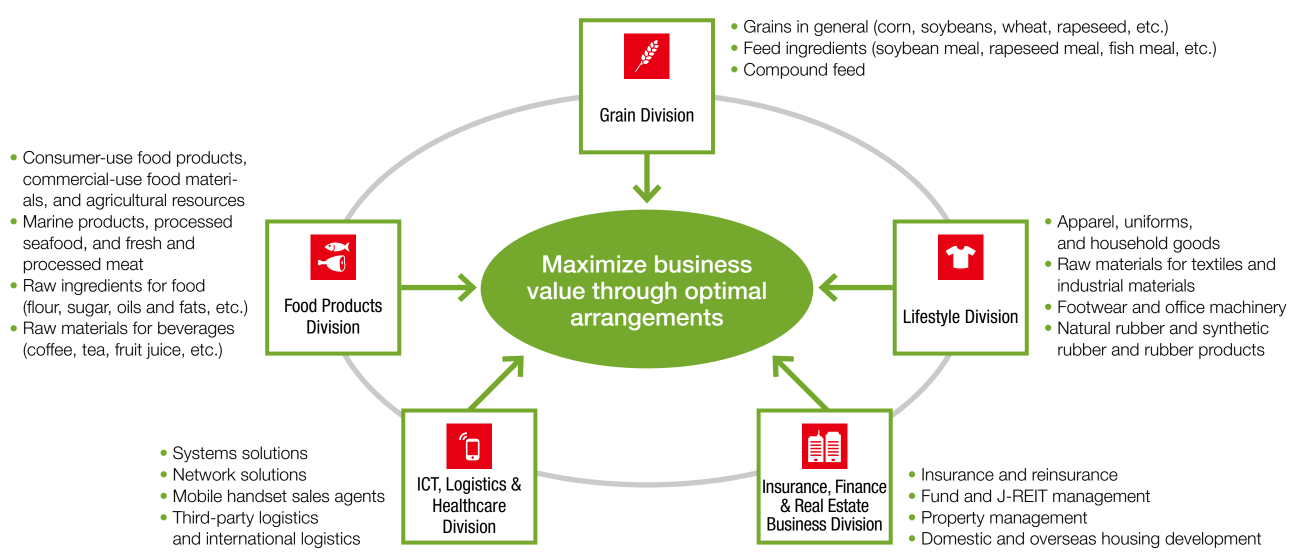
(Unit: billions of yen)

Company Name	Subsidiary / Associate	Equity Portion	FYE 3/2015 Actual	FYE 3/2016 Actual	Description of Business
Columbia Grain	Subsidiary	100.00%	27.6	2.2	Collection, storage, export and domestic sale of grain produced in North America
Gavilon Agriculture Investment	Subsidiary	100.00%	(31.5)	5.4	Trading of grain and fertilizer
Marubeni Nisshin Feed	Subsidiary	60.00%	1.0	0.6	Manufacture and sales of livestock feed
Pacific Grain Terminal	Subsidiary	78.40%	0.6	0.8	Warehousing, stevedoring and transportation operations
Wellfam Foods	Subsidiary	100.00%	2.1	3.5	Marketing of livestock, meats and processed products
Yamaboshiya	Subsidiary	75.62%	1.2	1.9	Wholesale of confectionary products to mass-retail and convenience stores
Marubeni Fashion Link	Subsidiary	100.00%	0.5	0.7	Planning, production and sale of textile products
Marubeni Intex	Subsidiary	100.00%	0.9	1.0	Sale of industrial materials, lifestyle material-related textile goods and products
Marubeni Information Systems	Subsidiary	100.00%	1.7	1.8	IT solution provider for full range of IT lifecycle in every industry
MX Mobiling	Subsidiary	100.00%	4.7	4.6	Sales, repair and maintenance of mobile handsets and related equipment
Marubeni Logistics*	Subsidiary	100.00%	1.4	1.5	International combined transport operation (NVOCC) , 3PL (Third-party Logistics), ocean & air freight forwarding, consultancy relating to logistics
Marubeni Safenet	Subsidiary	100.00%	0.4	0.4	Insurance agency and lending business

* Simple totaling of former Marubeni Logistics and former Logi-partners for the figure for FY2015/3.

BUSINESS OVERVIEW

As demand increases in conjunction with population growth, the Food & Consumer Products Group will combine its functions into optimal arrangements in order to create and maximize business value.



MARUBENI'S GRAIN TRADE MAP

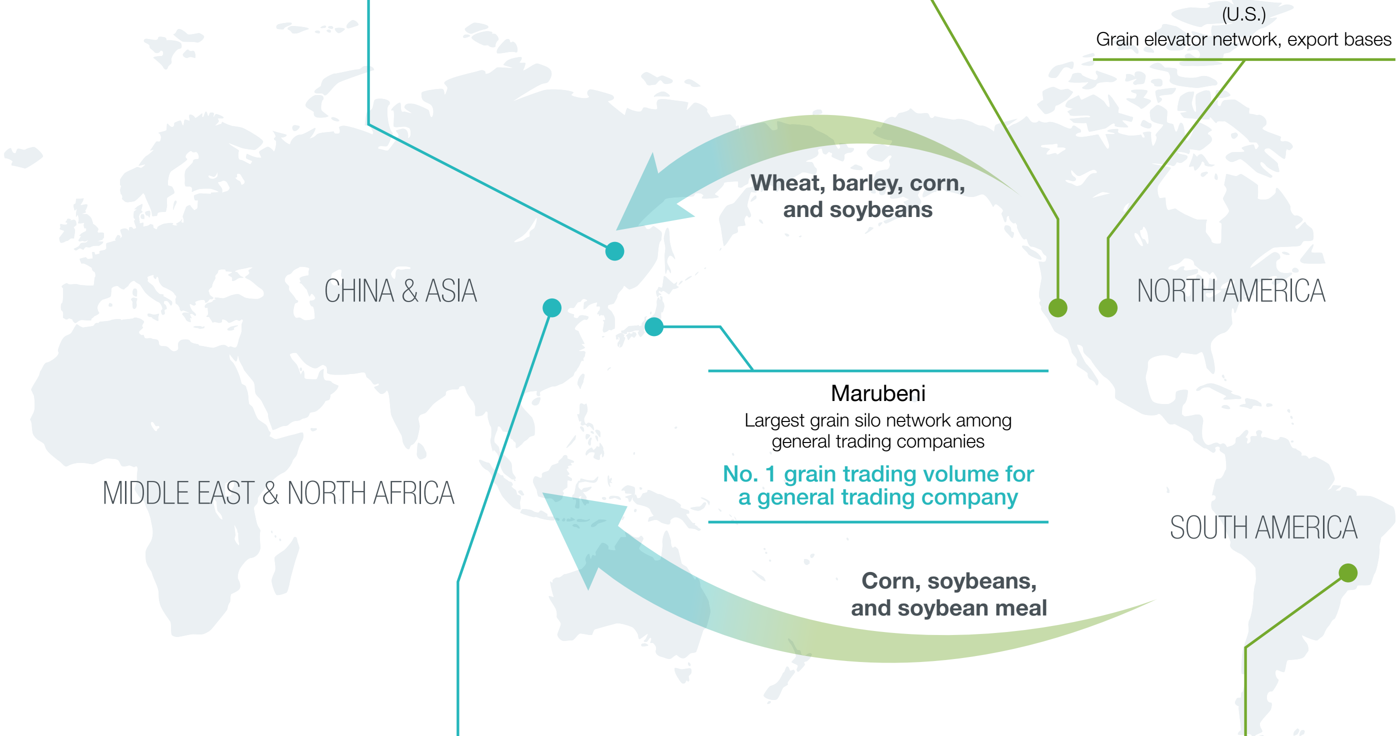
Marubeni has established a grain trade system that encompasses everything from procurement in producing countries, most notably the United States and Brazil, to export and then sales to consuming countries, such as Japan and principal Asia nations. In addition, we are expanding sales to the Middle East and North Africa, positioning these regions as promising emerging markets. The Company is also working to optimize sea transport and is sharing information on producing and consuming countries on a global basis to expand transactions. Furthermore, we are leveraging Gavilon Agriculture Investment, Inc., to step up initiatives for addressing the continually growing internal demand in North America.

New Hope Liuhe Co., Ltd.
(China)
Largest farming company in China

Columbia Grain, Inc
(U.S.)
Grain elevator network, export bases

Acquisition of the Gavilon Group
(July 2013)

Gavilon Agriculture Investment, Inc.
(U.S.)
Grain elevator network, export bases



Marubeni
Largest grain silo network among general trading companies
No. 1 grain trading volume for a general trading company

The Sinograin Group
(China)
Government grain stockpiling firm

Terlogs Terminal Maritimo Ltda.
(Brazil)
Export terminal operation

Grain export terminal operator converted into wholly owned subsidiary
(November 2011)

Market Producer

KEY PROJECTS OF THE BUSINESS GROUP

Tire Retail Business in ASEAN Countries

In overseas tire sales, Thailand-based tire retail chain operator B-Quik Co., Ltd., has been progressively opening new stores in mainly suburban cities that are experiencing growth in tire demand. As of March 31, 2016, this company had a total of 125 stores in Thailand and had opened its first store in the Cambodian capital of Phnom Penh. Going forward, we will continue to steadily expand our store network as we aim to incorporate consumption in ASEAN countries into our growth. In this pursuit, we will further entrench employee education programs to improve the technical and customer service skills of our staff in order to heighten customer satisfaction.

Tire retail chain operator B-Quik Co., Ltd. (Thailand)

Mobile Handset Sales Agent Operations

MX Mobiling Co., Ltd., possesses an industry-leading sales network (consisting of 426 stores as of April 1, 2016). Through this network, MX Mobiling establishes contact points with mobile device users across Japan and develops a business founded on high-quality store operation and superior sales capabilities. For corporate customers, this company offers a wide range of solutions for all aspects of business, including smart device introduction support, security measures, and cloud services.

Tokyo Station Granroof DOCOMO shop (Japan)

Real Estate Asset Management

In the real estate asset management business, Marubeni operates the diversified, listed real estate investment trust (REIT) United Urban Investment Corporation, which acquired LOISIR HOTEL & SPA TOWER NAHA among other assets in 2016, as well as private REIT Marubeni Private REIT Inc. The Company also establishes and manages private real estate funds. Looking ahead, we will continue to increase the amount of assets under management while diversifying its asset portfolio.

LOISIR HOTEL & SPA TOWER NAHA (Japan)

RESOLVING SOCIAL ISSUES THROUGH BUSINESS ACTIVITIES

Red Salmon processing factory in Alaska (U.S.)

Concern for Seafood Resources and Promoting Seafood Sales

Marubeni is constructing systems for ensuring the stable supply of marine products, which will play an important role in the global supply chain of food resources. Marubeni's Alaska Seafood business is one of the works in this area. Since 1972, this business has been focused on supplying wild salmon from Alaska, where natural resources are strictly regulated from the perspectives of habitat preservation and prevention of excessive harvesting. In the year ended March 31, 2016, approximately 3.5% of the total volume of seafood products Marubeni handled was certified by the Marine Stewardship Council (MSC)*. This ratio is expected to increase in the year ending March 31, 2017, due to the restarting of MSC certification for Alaskan salmon. Aiming to contribute to sustainable fishing, Marubeni will promote sales of MSC-certified products.

* Marine Stewardship Council: An international organization that aims to safeguard seafood supplies for the future by promoting sustainable fishing.

Marubeni's Business and Supporting Foundations

Chemical & Forest Products Group

The Chemical & Forest Products Group will strive to contribute to the accomplishment of GC2018 goals by further leveraging the competitive edge of the Helena Business Division and building upon the value chains of the Chemical Products Division and the Forest Products Division.

Group Overview

The Helena Business Division operates an agricultural material retail business in the United States, the world's largest agricultural market, through consolidated subsidiary Helena Chemical Company. In this division, we have gained strong support from users through a region-linked, proposal-based sales approach and with the unique crop protection products and functional fertilizer products offered by Helena Chemical Company. With this support, this division has successfully grown into one of the U.S. largest agricultural material retailers by continually expanding its market share. The Chemical Products Division boasts a share of approximately 30% of offshore trading volumes of ethylene. This division's core strengths lie in its unique business model that involves adjusting for ethylene insufficiencies and surpluses between supply and users in real-time using its extensive fleet of specialized cargo ships. The strength of the Forest Products Division lies in its construction of a value chain that spreads from upstream to downstream areas to encompass afforestation and the manufacture and sale of wood chip, pulp, paper, and paperboard.

GC2018 Strategies

The agricultural material retail business exhibits robust growth potential. The Chemical & Forest Products Group will allocate management resources to specific areas of this business based on the conditions in each individual area, seeking to realize massive increases in earnings capacity by advancing the following three strategies.

1. Continually grow market share in the United States

Leveraging the competitiveness of Helena Chemical Company's region-linked business model, we will bolster our network of bases across the United States to further grow our market share.

2. Enhance Helena Chemical Company's proprietary lineup

We will boost profitability throughout Helena Chemical Company's operations by enhancing this company's lineup of proprietary products.

3. Expand overseas operations

Leveraging the insight accumulated by Helena Chemical Company, we will expand our agricultural material retail business outside of the United States.

Our Role to Support Marubeni to Become a True Global Company

The ratio of Japanese employees positioned overseas is quite high in the Chemical & Forest Products Group, and these employees work together with local staff to conduct trading operations on a global scale. This arrangement represents a core strength of this business group. On our quest to become a true global company, we will maintain our competitive edge in the Chemical Products Division's existing trading operations while expanding operations into downstream retail fields, such as the medical and healthcare fields. In the Forest Products Division, we will pursue improved earnings through ongoing afforestation initiatives while strengthening cardboard manufacturing operations in Asia and other regions to take advantage of the robust demand therein.

(Second from right)

Akira Terakawa
Chief Executive Officer,
Chemical & Forest Products Group

(From left)

Takeo Kobayashi
Chief Operating Officer,
Forest Products Division

Michael McCarty
Chief Operating Officer,
Helena Business Division

Jun Horie
Chief Operating Officer,
Chemical Products Division

GROUP HIGHLIGHTS (2016.3)

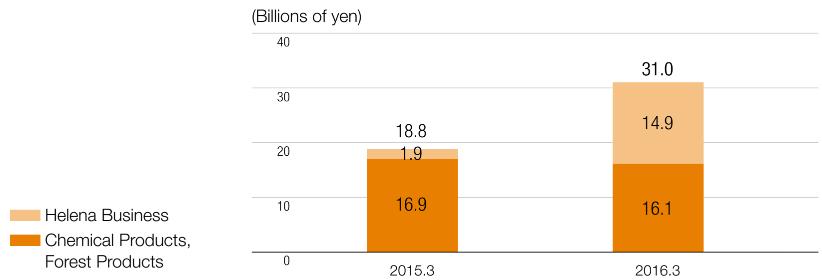
Net Profit

¥31.0 billion

Total Assets by Segment

¥978.0 billion

Net Profit by Sub-Segment



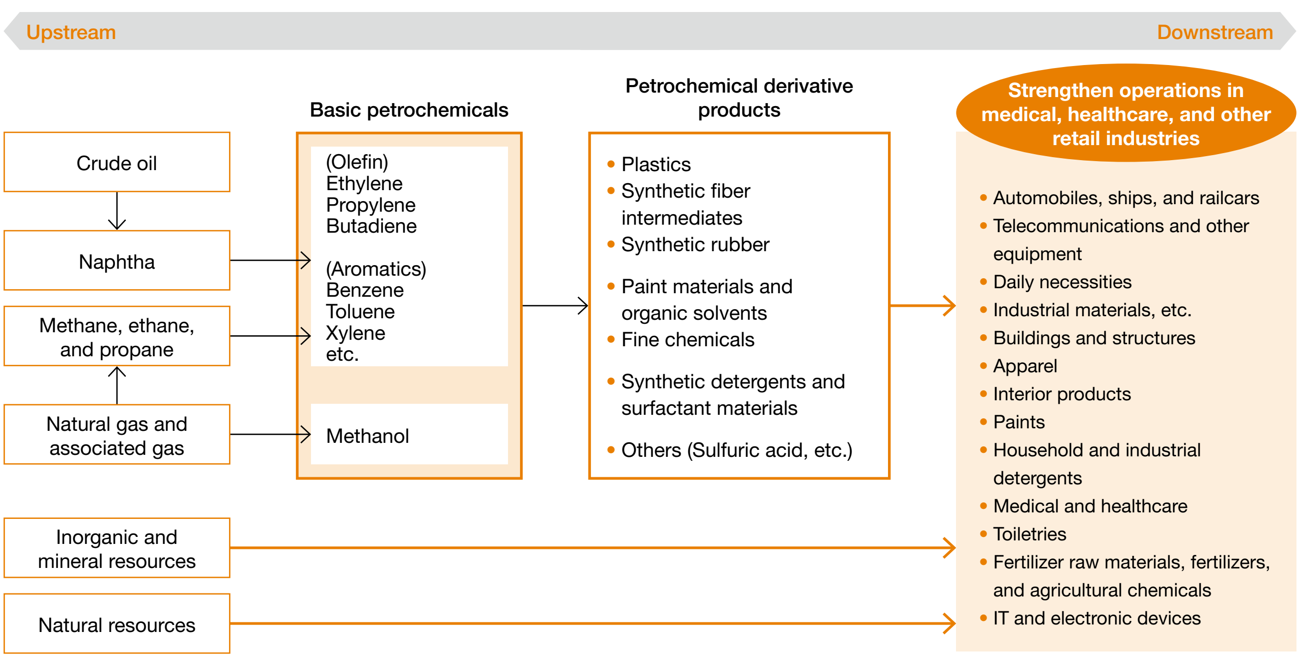
Major Subsidiaries and Associates

(Unit: billions of yen)

Company Name	Subsidiary / Associate	Equity Portion	FYE 3/2015 Actual	FYE 3/2016 Actual	Description of Business
Helena Chemical Company	Subsidiary	100.00%	20.1	19.5	Sales of agricultural materials and provision of various services
Marubeni Plax	Subsidiary	100.00%	0.5	0.3	Sales and foreign trade of plastic products and resins
Marubeni Chemix	Subsidiary	100.00%	0.7	0.6	Sales and foreign trade of organic chemicals and fine chemicals
Marubeni Pulp & Paper	Subsidiary	100.00%	1.7	1.5	Sales of Paper, Paperboard, Waste Paper, Flexible Packaging and Plastic Film
Koa Kogyo	Subsidiary	79.95%	0.2	0.4	Manufacture and sale of corrugating medium and printing paper

BUSINESS OVERVIEW

Chemical Products



Forest Products

Afforestation and wood chips

Trading volume:
Approx. 2.3 million bone dry tons (BDT) per year
Afforestation area:
210,000 ha

Pulp

Trading volume:
Approx. 1.8 million tons per year

Paper and paperboard

Production capacity:
Approx. 1.9 million tons per year
(Domestic production capacity:
Approx. 1.5 million tons per year)

Sales, distribution, and processing

Paper trading volume:
Approx. 1.2 million tons per year
Paperboard trading volume:
Approx. 1.0 million tons per year

HELENA CHEMICAL COMPANY'S PRODUCTS AND SERVICES

Helena Chemical Company is the second largest retailer of agricultural inputs in the United States, the world's foremost agricultural super power. This company uses a region-linked business model in which employees that are well-versed on the soil conditions, agricultural methods, and regulatory systems of individual regions respond to farmer needs through means such as providing advice on how to improve crop yield.

When Marubeni acquired Helena Chemical Company in 1987, it only had 120 sales bases. This company has since grown to possess 487 sales locations spread across the United States, and is now conducting sales of and providing comprehensive services for crop protection products, fertilizers, seeds, and other agricultural materials to roughly 100,000 farmers.

Suppliers
Fertilizer, crop protection products, and chemical product manufacturers

Fertilizer (basic substances)
Crop protection products (basic substances)
Additives and solvents

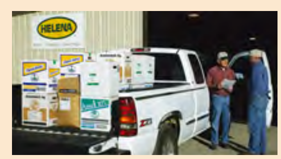
Suppliers
Seed, fertilizer, and crop protection products manufacturers

Seeds
Fertilizers (formulation)
Crop protection products (formulation)

Helena Chemical Company 487 sales locations throughout the United States

Retail Sales

Extensive product lineup



Sales to farmers

Providing Services

Consulting services for increasing crop yield

AGRIntelligence® IT service

GPS-utilizing soil analyses
Proposal of ideal product combination (seeds, fertilizers, and crop protection products)

Fertilizer, crop protection products, and Helena products (developed and manufactured by Helena Chemical)

Seeds
Fertilizers (formulation)
crop protection products (formulation)

Helena Products

Proprietarily developed products based on analysis and identification of farmer needs

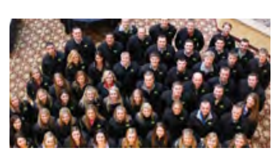
Helena Products Group

Crop protection products dispersion

Users
Farmers throughout the United States

Major Products and Services

- Sales of crop protection products, fertilizers, seeds, and related products
- Provision of agricultural consulting and related services



Helena Chemical Company's strengths include employee education as well as respect for employee ambitions

Helena Chemical Company liquid fertilizer storage tank

KEY PROJECTS OF THE BUSINESS GROUP

Ethylene Trading

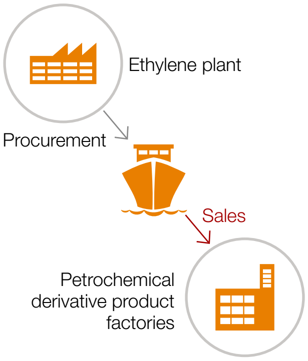
Marubeni has been expanding its foothold in the olefin trading field since the 1980s. This foothold is particularly strong in the trading field for ethylene—an olefin—as we currently hold a 30% share of the global ethylene trading market. Produced from naphtha, ethylene is a basic material used in various petrochemical products that are widely associated with our daily lives, such as polyethylene and other plastics as well as synthetic fibers such as polyester. As ethylene vaporizes at room temperature, it must be transported using specialized tankers capable of cooling ethylene to minus 104°C to liquefy it, and a high degree of specialized expertise is required for all areas of ethylene transport. The Chemical Products Division operates a fleet of around 15 specialized ethylene tankers. Information regarding the status of fleet operations is shared among bases in Asia and other locations around the world in real-time to enable the division to realize timely and flexible procurement of ethylene from suppliers as well as supply to users and to offer both parties logistics solution functions. Going forward, the division will work to expand trading transactions as the industry's solutions provider by utilizing the network formed via trusting relationships forged over years of operation.

Ethylene tanker

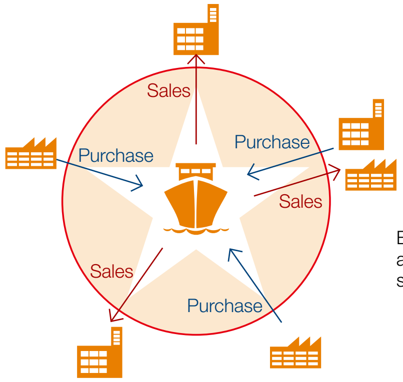
Polyolefin resin

Plastic film products

Standard Ethylene Trade Model



Marubeni's "Star" Model Trade



Efficient transportation operation allowing for multiple purchases and sales on a single trip

RESOLVING SOCIAL ISSUES THROUGH BUSINESS ACTIVITIES

Afforestation business site (Indonesia)

Indonesian Afforestation Business

Forest resources are the raw materials used to make paper, and these precious natural resources are closely related to issues such as climate change and biodiversity preservation. The Marubeni Group manages four afforestation projects in three countries, which have a total of 210,000 hectares—roughly the size of Tokyo—of land for planting trees. At these sites, the Group conducts planting and thinning of eucalyptus, Acacia, and other fast-growing tree species ideal for making paper pulp in accordance with the environmental standards of the country in question. In Indonesia, we possess one of the world's largest plots of tree planting land, which has enabled us to grow our market presence. Going forward, we will continue to practice sustainable afforestation management while helping ensure a stable supply of woodchips to be used as raw materials for manufacturing paper.

Energy & Metals Group

Based on a long-term perspective, the Energy & Metals Group pursues sustained reinforcements to its earnings base by strengthening cost competitiveness together with business partners and increasing production volumes.

Group Overview

Energy Division-I possesses an LNG business portfolio that is spread geographically over numerous regions including Qatar, Equatorial Guinea, Papua New Guinea, and Peru. The division is also engaged in global trading, boasting the largest naphtha trading volumes seen east of Suez, Egypt.

Energy Division-II conducts development and production at oil and gas fields in the United States, the United Kingdom, Russia, and other countries. In addition, the division's nuclear fuel operations are unique among general trading companies in that they cover the entirety of the nuclear fuel cycle.

Through investments in Marubeni-Itochu Steel Inc. and Marubeni Construction Material Lease Co., Ltd., the Steel Products Division conducts trading, business investment, and leasing in the steel product field. Moreover, the division collaborates with other divisions as well as with domestic and overseas Group companies in order to cater to diverse customer needs.

The Metals & Mineral Resources Division is involved in the development of iron ore, coal, and copper mines as well as aluminum smelting and refining in countries such as Australia and Chile. In the trading field, the division boasts top-class trading transaction volumes in its various product lines and regions of operation, centered on Asia and North America.

GC2018 Strategies

The Energy & Metals Group will continue to pursue stable operation of existing projects in the LNG field while expanding trading businesses. In the oil and gas development field, we will sequentially commence operations at projects currently under development while reducing costs and increasing production volumes through collaboration with business partners.

In the metals & mineral resources field, our efforts will be devoted to both increasing the volume of existing businesses through cost reduction and efficient operation and quickly ramping up to full production as early as possible at the Roy Hill Iron Ore Mine in Australia and the Antucoya Copper Mine in Chile, both of which commenced production and shipment during the year ended March 31, 2016. We aim to maximize earnings and cash flows through these efforts.

Our Role to Support Marubeni to Become a True Global Company

In its trading operations, the Energy & Metals Group will strive to expand upon its wide range of supply sources, which include procurement from overseas suppliers and traders, and realize higher levels of value by responding to customer needs. At the same time, we will work to reinforce operating foundations from a long-term perspective by building strong, trusting relationships with business partners in upstream projects to improve cost competitiveness in existing operations while ensuring that projects currently under development can be started up without issue.

(Front right)
Ichiro Takahara
Chief Executive Officer,
Energy & Metals Group

(Front left)
Soji Sakai
Chief Operating Officer,
Energy Division-I

(Back row from left)
Akihiko Sagara
Chief Operating Officer,
Energy Division-II

Masahiro Inoue
Chief Operating Officer,
Steel Products Division

Mutsumi Ishizuki
Chief Operating Officer,
Metals & Mineral Resources Division

GROUP HIGHLIGHTS (2016.3)

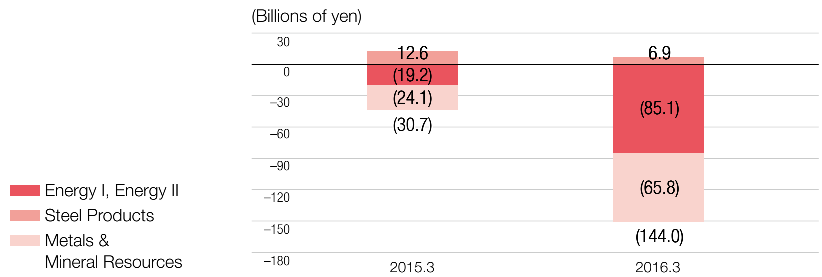
Net Profit

¥(144.0) billion

Total Assets by Segment

¥1,712.7 billion

Net Profit by Sub-Segment



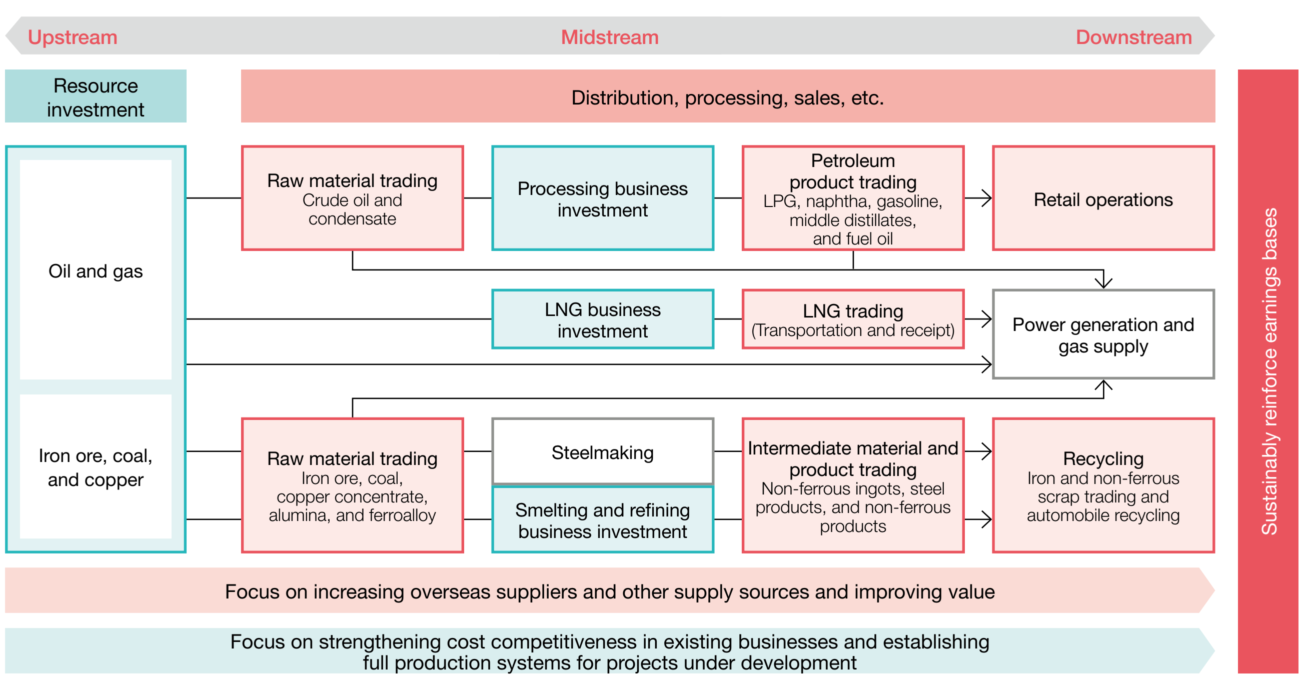
Major Subsidiaries and Associates

(Unit: billions of yen)

Company Name	Subsidiary / Associate	Equity Portion	FYE 3/2015 Actual	FYE 3/2016 Actual	Description of Business
Total of energy concession business	Subsidiary	100.00%	(41.5)	(100.0)	Oil and gas exploration, development, production and sale
MIECO	Subsidiary	100.00%	1.1	0.6	Sale of all types of petroleum products and natural gas
Marubeni Coal	Subsidiary	100.00%	3.6	3.0	Investment in coal mines in Australia
Marubeni Aluminium Australia	Subsidiary	100.00%	0.2	1.4	Investment in aluminum smelting in Australia
Marubeni Metals & Minerals (Canada)	Subsidiary	100.00%	1.3	0.8	Investment in aluminum smelting in Canada
Marubeni Los Pelambres Investment	Subsidiary	100.00%	(2.6)	(44.8)	Investment in copper mines in Chile
Marubeni-Itochu Steel	Associate	50.00%	12.8	6.6	Sales and business management of steel products
Resource Pacific Holdings	Associate	22.22%	(6.3)	(0.8)	Investment in Ravensworth underground coal mine in Australia

BUSINESS OVERVIEW

Develop a wide range of operations spanning from resource development and smelting to raw material and product trading and recycling



MARUBENI'S RESOURCE INTERESTS

Marubeni operates energy and metal resource development and production operations around the world. Our LNG project portfolio is dispersed geographically, taking place in such countries as Qatar, which represents a major proponent of operations in this field. In the oil and gas development field, we conduct oil and gas development and production in the United States, the United Kingdom, Russia, and other countries. Operations in the metal resource field, meanwhile, include the development of iron ore, coal, and copper mines and aluminum smelting in countries including Australia, Canada, and Chile.

LNG Business (Equatorial Guinea)

Sakhalin-1 Project (Russia)

Encuentro Copper Mine (Chile)

KEY PROJECTS OF THE BUSINESS GROUP

Roy Hill Iron Ore Project

The Metals & Mineral Resources Division holds a 15% stake in Roy Hill Holdings Pty Ltd., a company that is advancing the Roy Hill Iron Ore Project in the Pilbara region of Western Australia, which features the largest production volume of any single mining district in the region as well as high cost competitiveness. Roy Hill Holdings possesses the entire range of integrated infrastructure, including mine, railway, and port infrastructure, to be used in this massive project, which is anticipated to have an annual production and shipping capacity of 55 million tons. In December 2015, the first shipment from this project was loaded onto the vessel MV Anangel Explorer at a dedicated berth at Port Hedland. The high-grade iron ore produced at this project is in high demand from steelmakers in Japan and other parts of Asia, and more than 90% of the anticipated production volume from this project has already been sold through long-term contracts. To ramp up to full production, we are advancing development together with project partners Hancock Prospecting Pty Ltd. of Australia, POSCO of South Korea, and China Steel Corporation of Taiwan. We will also pursue stable and efficient operation as we strive to contribute to the development of steel industries in Japan and other Asian countries through a reliable supply of high-grade iron ore.

Roy Hill Iron Ore Project (Australia)

Ceremony commemorating first shipment of the Roy Hill Iron Ore (Australia)

RESOLVING SOCIAL ISSUES THROUGH BUSINESS ACTIVITIES

LNG transport ship

Reliable Energy Supply

Demand for energy resources is currently rising in emerging economy countries, and it is almost certain that demand for LNG, which features a low environmental impact, will continue to grow going forward.

Marubeni participates in LNG projects in Qatar, Equatorial Guinea, Peru, and Papua New Guinea, playing a central role in securing a reliable, long-term supply of energy for consuming countries through the stable operation of these projects. The Company is also focused on LNG trading and sales and is helping countries maintain a consistent supply of energy resources by flexibly responding to the needs of suppliers and users.

Going forward, we aim to contribute to the resolution of global social issues related to economic development, environmental preservation, and other matters through our LNG operations.

Power Projects & Plant Group

In order to support Marubeni in achieving the goals of GC2018, the Power Projects & Plant Group is steadily accumulating quality assets and pursuing improved asset value.

Group Overview

The Power Projects Division has strengths in the form of high profitability supported by its balanced asset portfolio and asset management expertise. Calling upon the know-how and track record accumulated through overseas engineering, procurement, and construction (EPC)*1 projects for generation facilities and transmission lines, this division actively develops overseas independent power producer (I(W)PP)*2 projects. As of March 31, 2016, the division operated projects in 22 countries around the world in which its generation capacity stake amounted to approximately 11 GW, successfully joining the ranks of other global players. In Japan, our total generation capacity stake in Company-owned power sources is roughly 500 MW, and we are utilizing these power sources to grow our power producer and supplier (PPS)*3 business.

The operations of the Energy & Environment Infrastructure Division include infrastructure businesses related to the oil, gas, and chemical industries as well as desalination, water and wastewater businesses, EPC projects for water-related facilities, and operation and maintenance businesses. This division boasts one of the top-class water business-related asset portfolios among Japanese companies.

The Plant Division leverages its wealth of project management and financing expertise to conduct business investments in railway, road, port, airport, and other transportation infrastructure projects and to conduct EPC projects for railway systems and steel, cement, forest product, sugar, textile, and other industrial plants.

GC2018 Strategies

The Power Projects Division will work to develop a portfolio of quality IPP assets while considering the balance of its portfolios in terms of the country and model of projects. Meanwhile, we expect that the complete deregulation of the Japanese power retail market will serve to broaden the scope of our domestic PPS operations, and will therefore endeavor to expand these operations over the medium to long term while maintaining a focus on ensuring a stable supply of power.

In our energy, environment, and transportation infrastructure projects, we seek to establish stable earnings foundations. To this end, we will actively take part in water, gas infrastructure, marine projects such as FPSO*7 and public–private partnership (PPP)*4 projects, which are on the rise in the transportation infrastructure field.

Our Role to Support Marubeni to Become a True Global Company

In the Power Projects & Plant Group, we aim to achieve both the business scale and the business capabilities necessary to stand shoulder-to-shoulder with leading infrastructure companies in the global market. We will work to accomplish this goal by playing an active role in the operation of projects and by further evolving our asset management practices to continually improve the value of our asset portfolio. Focused on sustainable business development, we will support Marubeni in achieving the goals of GC2018 by increasing the value of existing assets and acquiring new, stable return-generating assets.

(Second from right)

Masumi Kakinoki
Chief Executive Officer,
Power Projects & Plant Group

(From left)

Hajime Kawamura
Chief Operating Officer,
Plant Division

Hirohisa Miyata
Chief Operating Officer,
Power Projects Division

Eiji Okada
Chief Operating Officer,
Energy & Environment
Infrastructure Division

GROUP HIGHLIGHTS (2016.3)

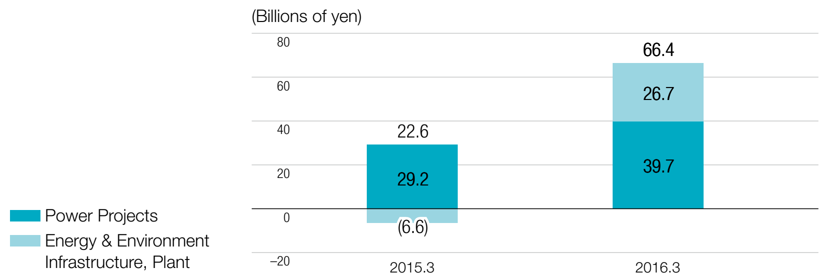
Net Profit

¥66.4 billion

Total Assets by Segment

¥1,267.6 billion

Net Profit by Sub-Segment



Major Subsidiaries and Associates

(Unit: billions of yen)

Company Name	Subsidiary / Associate	Equity Portion	FYE 3/2015 Actual	FYE 3/2016 Actual	Description of Business
Axia Power Holdings	Subsidiary	100.00%	9.8	22.0	Holding company of overseas power assets
Aguas Decima	Subsidiary	100.00%	0.4	0.6	Water and wastewater service provider in Valdivia, Region of Los Rios, Chile
MARUBENI RAIL TRANSPORT	Associate	50.00%*	3.6	2.6	Leasing, brokerage and management of railcars

* As of June 30, 2016

BUSINESS OVERVIEW

Stably establish balanced portfolio of quality assets to become a global, total infrastructure provider, actively experimenting with new business models all around the world and operating in all of its various business fields from upstream to downstream.

Construction — **Business investment and operation** — **Retail and other businesses**

POWER

EPC*1
- EPC contract generation volumes: 105,884 MW

EPC business-related investments
- PIC Group, Inc. (U.S.) O&M*5-related businesses
- Seajacks International Ltd. (U.K.) Offshore wind power facility installation vessel operations

I(W)PP*2
- Global generation stake: 10,743 MW

Electricity wholesale and retail businesses
- SmartestEnergy Ltd. (U.K.)
- Marubeni Power Retail Corporation Co., Ltd. (Japan)

WATER

EPC and O&M
- Construction, operation and maintenance of water, wastewater and seawater desalination plants, etc.

PPP*4 and BOT*6
- Development, investment and management of water/wastewater treatment facilities and utility concessions

OIL & GAS

EPC
- Construction and financing of Energy & chemical projects

Business investment
- FPSO*7 businesses
- Spar-type offshore crude oil and gas treatment services businesses
- Gas provision infrastructure businesses

INDUSTRIAL PLANT

EPC
- Steel, non-ferrous metals, cement, paper, pulp, and textiles

TRANSPORTATION & INFRASTRUCTURE

EPC and O&M
- Railways, roads, bridges, etc.

PPP and Concessions
- Railway, road, harbor, and airport projects

Railcar leasing and Industrial park projects

*1 EPC: Engineering, procurement, and construction.
*2 I(W)PP: Independent (Water) power producer.
*3 PPS: Power producer and supplier.
*4 PPP: Public–private partnership.
*5 O&M: Operation and maintenance.
*6 BOT: Build, operate, and transfer; projects in which plants are built and operated temporarily before the assets are turned over to government agencies.
*7 FPSO: Floating production, storage, and offloading systems.

MARUBENI'S POWER PROJECTS

As of March 31, 2016, Marubeni is developing power generation businesses in Japan and 21 other countries around the world, and has stable earnings sources through long-term power purchase agreements.

Focused on highly profitable development projects, Marubeni functions as a project leader, playing a central role in everything from construction to operation. We are engaged in a diverse range of eco-friendly power generation businesses, including offshore and other wind power generation, solar power generation, and micro-hydro power generation.

Recent examples of prominent projects include the Westermost Rough Offshore Wind Farm in the United Kingdom and a solar power generation project in Chile.

Marubeni's Overseas Generation Assets (As of March 31, 2016)

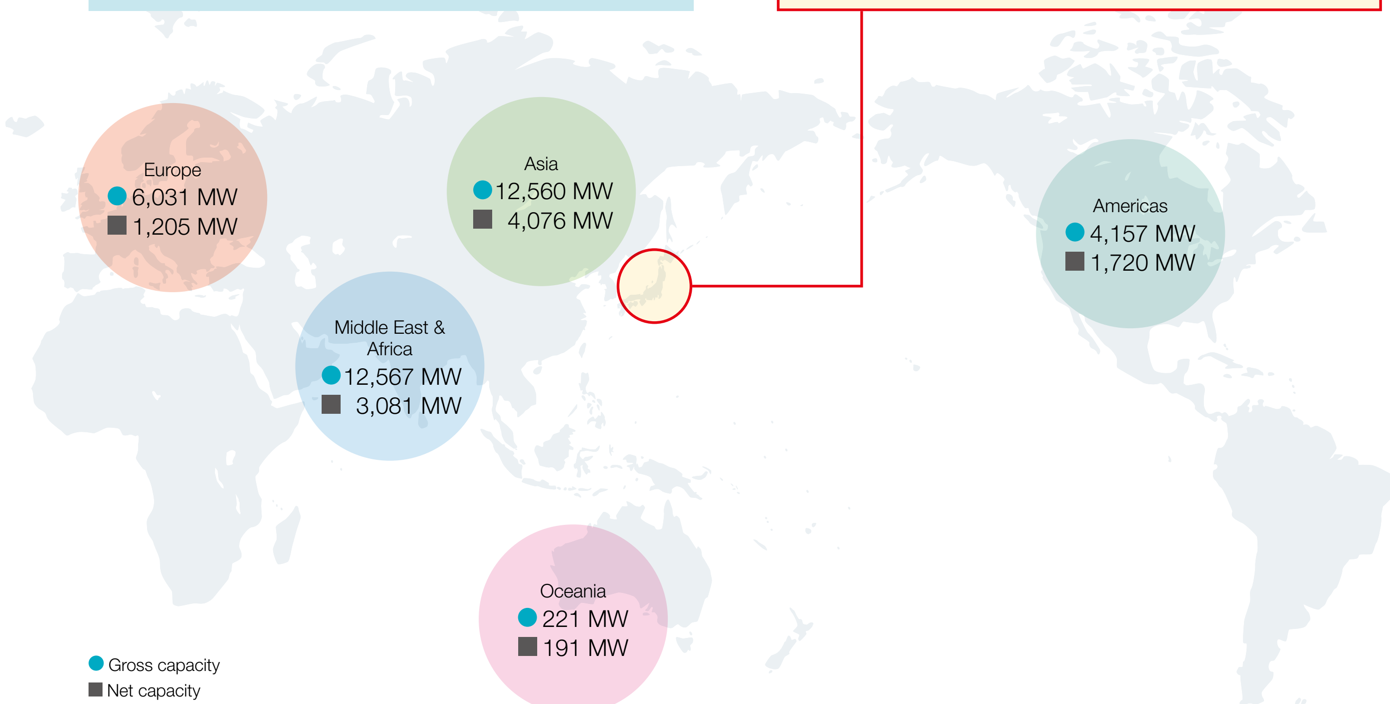
21 Countries, 48 Projects

● 35,536 MW ■ 10,273 MW

Marubeni's Domestic Generation Assets (As of March 31, 2016)

18 Domestic Projects

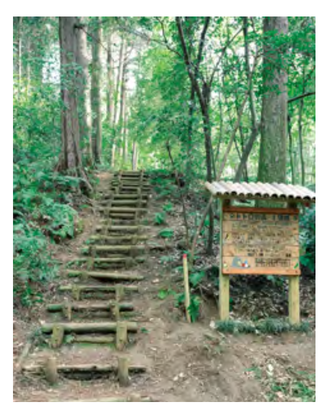
● 536 MW ■ 470 MW



Domestic Power Retail Operations

Marubeni commenced full-fledged participation in power retail operations as a PPS after deregulation of the Japanese market began in 2000. We have since continued to increase the scale of our power sales in conjunction with the progress in deregulation.

Marubeni expanded the scope of our customers to include low-voltage users (such as residential households and small-scale stores) from the timing of the complete deregulation of the Japanese market in April 2016. In tandem with the deregulation, we transferred our power retail operations to wholly owned subsidiary Marubeni Power Retail Corporation. This company offers two service plans for low-voltage users, the price-conscious Plan S and the value-added Plan G. Boasting a tie-up with renowned Japanese animation producer STUDIO GHIBLI Inc., Plan G is a particularly unique power service plan in that a portion of electricity fees are used for forest and greenery preservation activities to help preserve Japan's traditional scenery. In the future, we plan to hold power plant tours and other events to provide customers with enjoyable opportunities to think about environmental issues as well as energy trends.



Totoro no mori (Totoro's Forest), in which forest preservation activities are funded by a portion of Plan G electricity fees

KEY PROJECTS OF THE BUSINESS GROUP

Supply of Rail Systems and Maintenance Service for Purple Line in Bangkok, Thailand

A business entity established by Marubeni and Toshiba Corporation acquired a contract for a rail system supply project. The Company was also awarded a 10-year maintenance service contract which will be executed with East Japan Railway Company. The Company had completed supply of 63 rolling stocks for the 21 trains in January 2016, and revenue service began in early August 2016.

The Purple Line is a new 23-km passenger mass transit railway line that will connect Bang Sue in Bangkok and Bang Yai in Nonthaburi Province northwest of Bangkok. This is the first line in Bangkok to deploy Japanese trains, and represents the first overseas railway project in which maintenance service is delivered by companies including Japanese railway operators.

Taking advantage of its experience in overseas turnkey rail system projects, Marubeni aims to improve convenience for people living in Bangkok and the rest of Thailand. We will also contribute to solving Bangkok's traffic issues and the local economic development.

Rail System Supply for Purple Line Urban Railway in Bangkok (Thailand)

Westermost Rough Offshore Wind Farm Project in the United Kingdom

In 2015, commercial operation commenced at the Westermost Rough Offshore Wind Farm Project. This project is conducted together with major Danish comprehensive energy company DONG Energy A/S as well as renewable energy support institution UK Green Investment Bank plc owned entirely by the U.K. government. Taking place off the East Yorkshire Coast, this project entails the installation of 35 large-scale wind turbines with 6 MW capacity and will provide enough electricity to meet the needs of more than 150,000 U.K. homes over an operation period of 25 years. Moreover, this project represents the second offshore wind farm project invested and participated in by Marubeni that is currently operational, with the first being the Gunfleet Sands Offshore Wind Farm, which was commenced in 2011 and is also located in the United Kingdom. The Company is steadily developing a value chain in the growth field of European offshore wind farm development, construction, and operation projects and expanding its business foundations in this field. Specific moves with this respect include investment in Seajacks International Ltd., an offshore wind power facility installation vessel operator.

Westermost Rough Offshore Wind Farm (U.K.)

RESOLVING SOCIAL ISSUES THROUGH BUSINESS ACTIVITIES

Site of water and wastewater services business of Maynilad Water Services, Inc. (Philippines)

Water and Wastewater Services in Metropolitan Manila, Philippines

Marubeni has the longest history of involvement in water projects of any general trading company, and we have steadily expanded our water project asset portfolio over the years, positioning such projects as an important part of our business. Sewage systems are not widely installed in the Philippines, an issue that could adversely impact the environment in rivers or Manila Bay. In this country, Marubeni has acquired a 20% equity stake in water and sewerage company Maynilad Water Services, Inc., through which it is participating in a water and wastewater services business in West Zone of Metro Manila. Our goal in this business is to leverage the technical and operational expertise we have accumulated through water projects to date to install water and wastewater infrastructure in Manila, and thereby contribute to improved river and ocean environments. At the same time, we aim to extend these efforts to other ASEAN countries suffering from similar issues in order to address rising water demand.

Transportation & Industrial Machinery Group

We are refining the management of operating companies, cultivating managers, and pursuing balanced earnings growth.

Group Overview

The Aerospace & Ship Division conducts agent and trade business related to aircraft, defense systems, and ships, as well as asset management business for aircraft and engine leasing and for ship owning of bulk carriers, tankers, and LNG carriers. The division has also entered into new related fields, such as the aircraft aftermarket and offshore business.

The Automotive & Leasing Division conducts a various type of businesses including automobile trading, wholesale, retail, retail finance, and aftermarket trading of automobile parts and other articles. Owning and operating a fleet of approximately 7,000 refrigeration and freezing trailers in the United States, this division's leasing business has developed a unique market position.

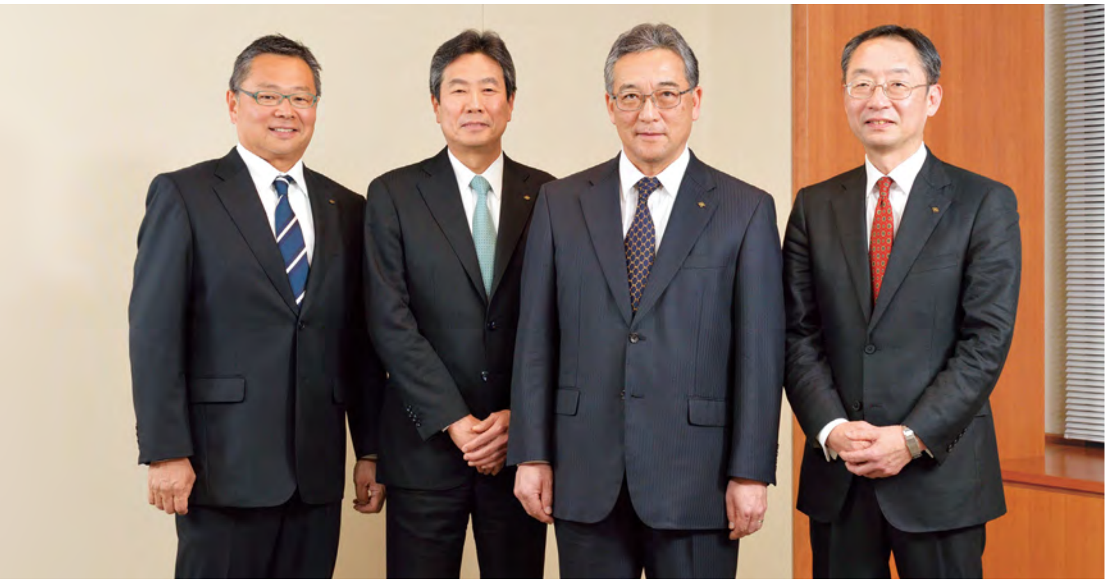
The Construction & Industrial Machinery Division is engaged in distributorship operations while also actively developing product support businesses to sell consumables and address repair demand at mining sites.

GC2018 Strategies

The growing presence of emerging countries in the global economy is expected to create a favorable environment for ship, construction machinery, and industrial machinery operations. Automobile and leasing operations, meanwhile, are resilient to fluctuations in economic conditions due to their focus on retail finance for used car aftermarket trading, and consumer finance. For this reason, it can be said that the Transportation & Industrial Machinery Group possesses a balanced earnings structure and significant potential, and we expect this business group to generate relatively stable earnings going forward. To further solidify earnings foundations, we are actively working to acquire long-term leasing contracts for aircrafts and trailers while developing automobile retail finance operations in North America and Asia. We also plan to step up activities in automotive and construction machinery parts sales businesses and MRO business, which are regarded as growth businesses.

Our Role to Support Marubeni to Become a True Global Company

Marubeni was among the first Japanese general trading companies to begin expanding operations overseas in all of the businesses handled by the Transportation & Industrial Machinery Group. Of this group's 81 operating companies, 54 are located outside of Japan and roughly 80% of its sales come from abroad. At such overseas operating companies, we are refining management and strengthening human resources, with particular focus placed on cultivating the managers that will lead these operating companies. Specifically, we are advancing an organization-wide drive to share and transmit management experience among overseas operating companies. We are confident that these efforts will form new foundations from which to further grow earnings.



(Second from right)

Kaoru Iwasa
Chief Executive Officer,
Transportation & Industrial Machinery Group

(From left)

Toshiaki Ujiie
Chief Operating Officer,
Construction & Industrial Machinery Division

Minoru Tomita
Chief Operating Officer,
Aerospace & Ship Division

Hisamichi Koga
Chief Operating Officer,
Automotive & Leasing Division

GROUP HIGHLIGHTS (2016.3)

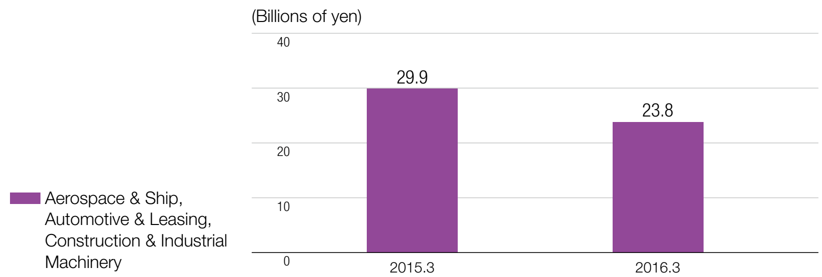
Net Profit

¥23.8 billion

Total Assets by Segment

¥799.2 billion

Net Profit by Sub-Segment

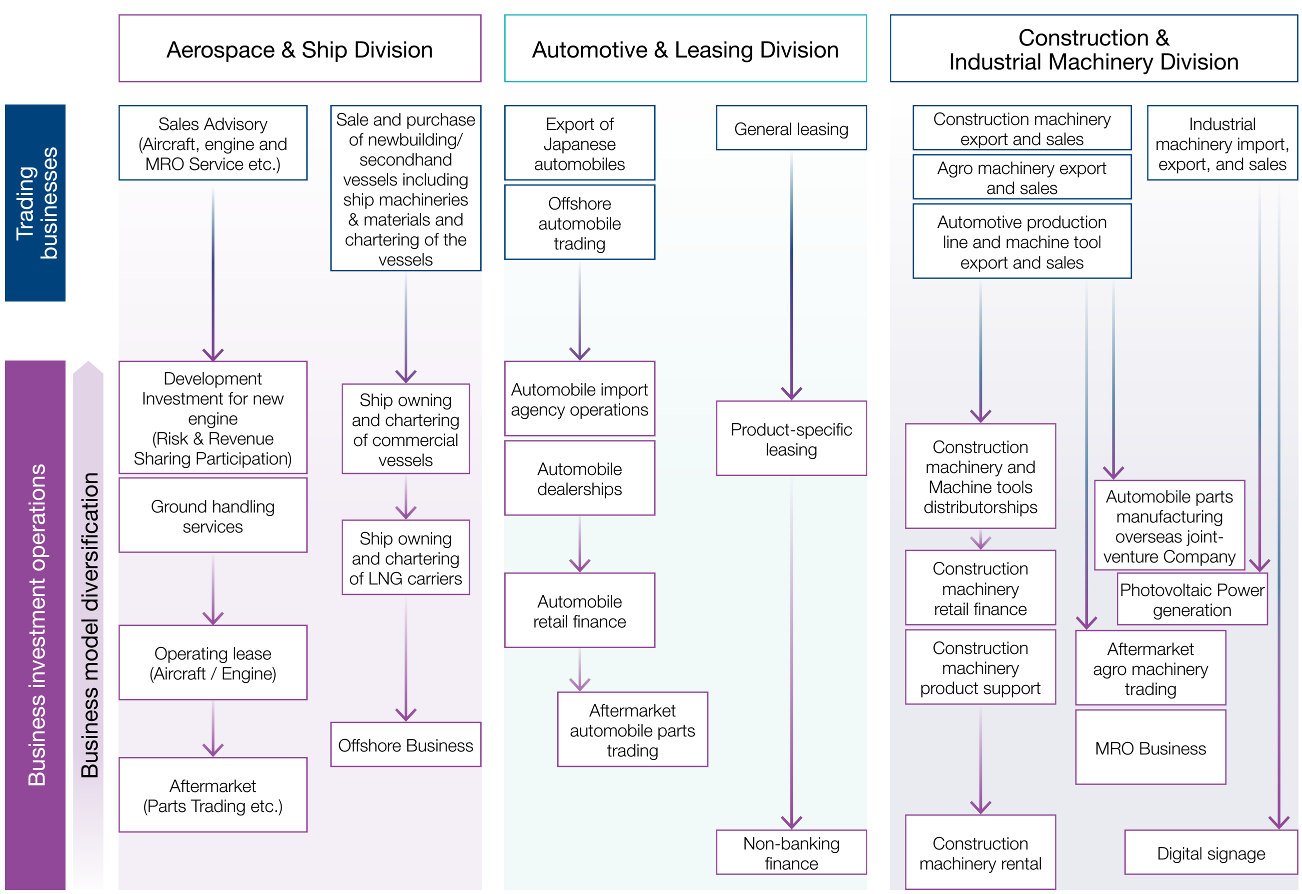


Major Subsidiaries and Associates

(Unit: billions of yen)

Company Name	Subsidiary / Associate	Equity Portion	FYE 3/2015 Actual	FYE 3/2016 Actual	Description of Business
Marubeni Auto Investment (UK)	Subsidiary	100.00%	0.7	0.8	Investment in retail sales business of automobiles in UK
Marubeni Auto Investment (USA) (Westlake)	Subsidiary	100.00%	3.0	2.4	Automotive finance service in USA
Marubeni Techno-Systems	Subsidiary	100.00%	0.5	0.8	Sale, export and import of industrial machinery

BUSINESS OVERVIEW



GLOBE-SPANNING TRANSPORTATION & INDUSTRIAL MACHINERY GROUP NETWORK

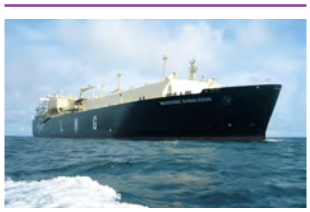
The Transportation & Industrial Machinery Group possesses a globe-spanning network consisting of 81 operating companies, with employees from the Company stationed at 40 overseas offices, branches, and subsidiaries. In addition to developing a borderless business in the aerospace and ship field, this group has accumulated business expertise related to overseas operating companies through years of overseas automobile and construction machinery distributorship business experience. Calling upon the insight gained thus far, we strive to diversify our operations throughout the world, rather than becoming overly focused on particular markets or business models.

Car Dealerships (U.K.)

Construction Machinery Rental (Myanmar)

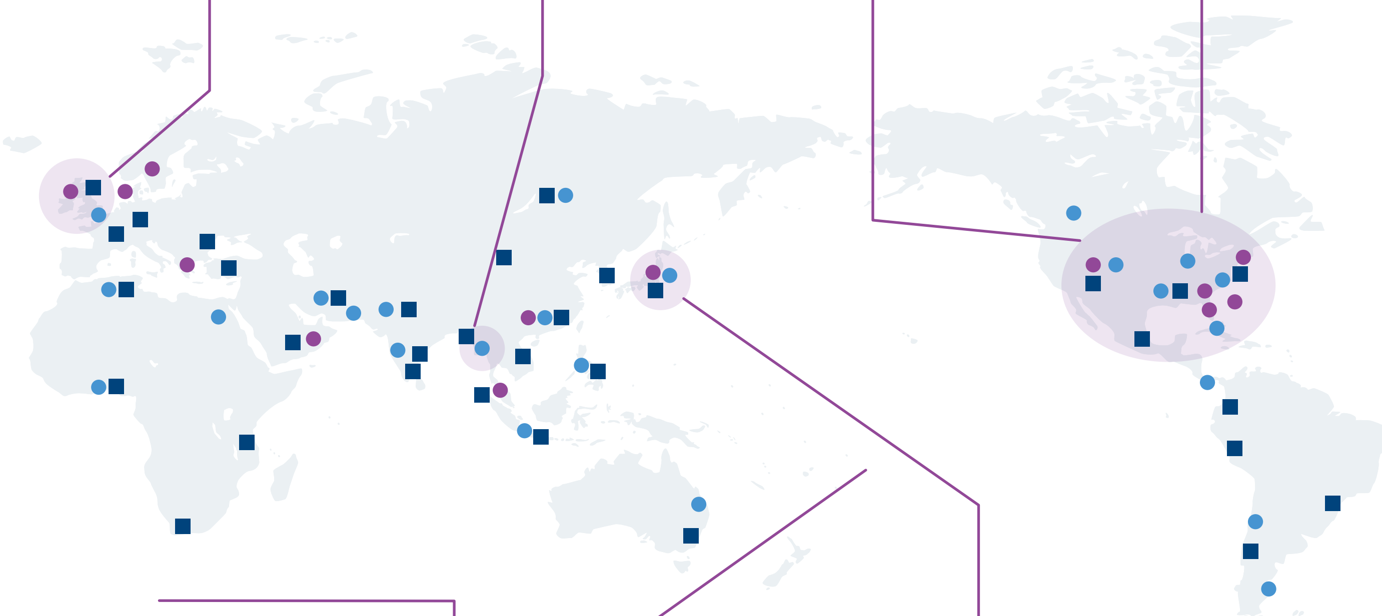
Aircraft Operating Lease (U.S.)

Refrigeration and Freezing Trailer Leasing (U.S.)



Ship Owning and Chartering of LNG Carriers (Worldwide)

Digital Signage Site (Japan)



● Aerospace & Ship Division
● Automotive & Leasing Division
■ Construction & Industrial Machinery Division

KEY PROJECTS OF THE BUSINESS GROUP

U.S. Automobile Retail Finance Business

The number of new automobiles sold around the world exceeds 80 million, and this figure is steadily approaching 100 million. Meanwhile, the number of used automobiles sold is estimated to be 2–3 times higher than new automobiles, which means that the used automobile market is truly massive.

Marubeni has been participating in the management of major U.S. automobile retail finance company Westlake Services, LLC., since 2011. This company serves consumers in all 50 U.S. states with its automobile retail finance business, in which it utilizes its wealth of business know-how and sophisticated IT systems to assess used automobiles and make credit decisions. Moreover, Westlake boasts top-class transaction volumes among independent automobile retail finance companies.

The number of new finance contracts has grown steadily together with financial asset balances at Westlake since Marubeni began participating in its management, and this company has been making large contributions to increases in Marubeni's earnings.

Westlake Services, LLC. (U.S.)

Digital Signage

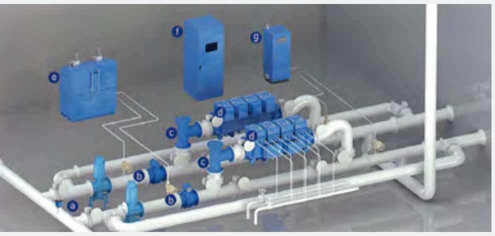
Marubeni formed a capital alliance with PDC Co., Ltd., a leader in the Japanese digital signage* market, in November 2015. As a pioneer in this field, PDC's operations extend from the development of digital signage systems to include content creation and transmission, operation, and maintenance services, and this company has developed more than 10,000 installation bases in Japan, including transportation systems and commercial facilities.

The domestic digital signage market is expected to display significant growth going forward as multilanguage displays and tourism guide signs are installed in leading up to 2020. We intend to cater to this market while also utilizing Marubeni's vast network to develop digital signage operations on a global scale.

* Digital signage: Digital media that provides information through display panels and other imaging equipment that can be found in commercial facilities, public spaces, stores, transportation systems, etc.

Digital signage site (Japan)

RESOLVING SOCIAL ISSUES THROUGH BUSINESS ACTIVITIES



Ballast Water Treatment Systems

Spread of Ballast Water Treatment Systems

It is common for vessels to fill their hold with water to serve as a weight for increasing stability at sea. This water, known as ballast water, is generally loaded from the ocean at the port of discharging, and then discharged back into the ocean at the port of loading. This process can result in the transferring of microscopic aquatic organisms, contaminated in the water, into different regions of the ocean in which they do not normally dwell. Consequently, these transferred organisms could multiply, and disrupt the marine ecosystems and fishing industries of the regions. Marubeni Group Company MMSL Japan Ltd. has been selling electrolysis ballast water treatment systems in Japan through an alliance with its manufacturer, Techcross Inc. of South Korea, since 2009. To date, MMSL Japan Ltd. has sold more than 250 units of the systems. The Marubeni Group will continue to spread the use of ballast water treatment systems in order to contribute to the preservation of marine ecosystems.

Reinforcement of Global Strategy

In GC2018, we have defined our road to 2020 as being characterized by our quest to outperform the top players in business fields and markets across the globe, aiming to become a true global company that contributes to both regional economies and society.

The reinforcement of global strategy has been positioned as an important step toward accomplishing this goal. Accordingly, the Marubeni Group views the United States and other developed countries as well as the ASEAN region, with its growing middle class, as key markets, and is also actively pursuing opportunities in the sub-Saharan region in order to lay the groundwork for future business growth.

Focus areas will include the business fields in which the Group excels, namely agriculture-related businesses, infrastructure businesses, and transport-related businesses. While reinforcing operations in these fields, we will also strategically advance new businesses. Specifically, we will expand locally-linked businesses that target growing domestic demand in countries and regions worldwide; promote platform-type business models to spread into new regions, fields, and product areas that are expected to see growth; and strengthen our earnings base by accumulating steady, stable profits from infrastructure and other businesses.

As we strive to accomplish these objectives, we will work to heighten the Marubeni Group's overall capabilities by promoting integrated, multilayered initiatives centered on the various individual strengths of Group members. At the same time, we will fully leverage the Marubeni Group's global networks to uncover promising new projects.

Shigeru Yamazoe

CSO (Human Resources Department, Corporate Planning & Strategy Department, Regional Coordination & Administration Department, Research Institute);
Senior Operating Officer,
Executive Secretariat; Regional CEO for East Asia;
Vice Chairman of Investment and Credit Committee

MARUBENI'S REGIONAL MANAGEMENT

THE UNITED STATES

Expanding Operations in the Continually Growing U.S. Market

The United States is one of Marubeni's core markets with its rising domestic demand and ongoing growth stimulated by innovative management approaches even in the midst of unstable growth in the global economy.

We have continued to grow our business in all business areas in which Marubeni excels, including agricultural material, grain, and other agriculture-related businesses; power, plant, and other infrastructure businesses; and automobile, trailer, aircraft, and other transportation-related businesses, while conducting asset replacements in this highly fluid market environment.

Looking ahead, we will work to further improve and expand existing businesses while building even stronger relationships with prominent companies to pursue new businesses in the aforementioned fields as well as in other fields related to domestic demand, such as food products and chemicals. Through these efforts, we will strive to establish even stronger earnings bases.

ASEAN

Developing both BtoB and BtoC operations

The ASEAN region continues to display robust economic growth, and the rising income levels in this region are expected to drive domestic demand expansion in various countries. Strong growth in infrastructure demand is also anticipated as countries pursue urbanization. In this region, Marubeni will endeavor to develop its businesses while focusing on three types of operations. These types include infrastructure businesses, power, water, and transportation infrastructure businesses for example, and trading businesses targeting domestic demand, such as in the fields of chemicals, metals, and food products. In addition to these areas of traditional strength, we will also deploy businesses of the third type, region-linked businesses, in fields such as ICT, distribution, and healthcare, which are expected to experience increased demand in conjunction with the growth of the middle class.

In the future, the business environment is projected to undergo significant change due to factors such as the development of the ASEAN Economic Community and the formation of the Trans-Pacific Partnership. Faced with such change, we will leverage our networks consisting of prominent local companies as well as the insight and presence we have cultivated over our years of operating in the ASEAN region as we continue to focus on growing our business by developing both business-to-business, or BtoB, operations and business-to-consumer, or BtoC, operations.

SUB-SAHARA

Striving to grow together with sub-Saharan Africa from a mid- to long-term perspective

For more than a decade, sub-Saharan Africa has enjoyed brisk economic growth supported by soaring resource prices. The economic climate in this region now, however, is quite harsh as a result of economic slowdown in China and falling resource prices. Regardless, there can be no doubt that this region has the potential to achieve astounding growth as its population increases. The three areas Marubeni should focus on in sub-Saharan Africa include power and other infrastructure projects, projects that correspond to industrial diversification needs in the region, and initiatives to cater to domestic demand in the commodity field. Going forward, we will invest in these areas from a mid- to long-term perspective and otherwise work to create new businesses.

Addressing domestic demand has been placed as an important area for initiatives in sales and marketing operations under GC2018. Accordingly, we will endeavor to gain direct access to market needs through the acquisition of distribution platforms as we strive to grow our businesses together with the sub-Saharan African economy.

Message from the Chairman of the Board

Corporate Governance to Underpin Sustainable Growth

In accordance with our Company Creed of "Fairness, Innovation, and Harmony," the Marubeni Group reaffirms its commitment to social and economic development through fair and upright corporate activities. We believe that strong corporate governance must form the foundation of this mission, and we have therefore positioned strengthening governance as one of our most important management priorities.

Beginning with the year ending March 31, 2017, we increased the ratio of independent directors on the Board of Directors to realize more impartial, transparent, efficient, and appropriate management. We have also established the Nomination Committee and the Governance and Remuneration Committee, both membered by a majority of independent executives, to serve as advisory organizations for the Board of Directors. As of June 24, 2016, the Board of Directors consisted of 10 directors, four of which were independent, with its meetings being attended by five Audit & Supervisory Board Members, three of which were independent. In this manner, we are taking steps to inject a broader range of outside opinions into the Board of Directors and increase the independence and transparency of management, thereby enhancing management discipline and oversight.

The circumstances surrounding corporate governance in Japan are projected to continue evolving into the future, as evidenced by the recent establishment of Japan's Stewardship Code and the adoption of the Corporate Governance Code. As Marubeni is a general trading company, meaning that its business may shift significantly in response to changes in the business climate, it is especially important for us to be able to make swift and flexible corporate governance-related decisions. We thus intend to quickly respond to these changing times earnestly and appropriately with the aim of realizing even stronger corporate governance and, during the course of these activities, increasing our corporate value.

Teruo Asada

Chairman of the Board

Message from the Chief Independent Director

Aiding Growth by Facilitating Active Discussion

Since assuming the position of independent director in 2013, I have continued to actively provide input at meetings of the Board of Directors based on my experience in the Ministry of Economy, Trade and Industry. By voicing opinions from an outside perspective, I aim to help facilitate more active discussion and encourage deeper examination of the matters brought before the Board of Directors. Also, given the exceptional diversity of a general trading company's business and the wide range of investment proposals discussed, I focus on posing questions from the perspectives of how each proposal will contribute to Marubeni's profits and how we can manage the risks they may entail.

Global Challenge 2018, the new mid-term management plan that started with the year ending March 31, 2017, defines strategies and targets for natural resource and non-natural resource-related businesses. I believe that this policy is appropriate from the perspectives of risk management and corporate governance. Natural resource-related businesses are heavily impacted by international market conditions and can therefore suffer from substantial fluctuations in profits or losses that are beyond the control of a company. One characteristic of general trading companies are their various functions for hedging risks to reduce the impacts these risks may have. For this reason, I think Marubeni should work to contribute to the development of the global economy by seeking out business opportunities while appropriately managing risks. It is important to act without delay when the threat of an unexpected loss comes to light in order to maintain financial soundness, and this holds true for non-natural resource-related businesses as well.

Global Challenge 2018 puts forth a clear vision for Marubeni, namely aiming to become a true global company that contributes to both regional economies and society. In my new capacity as chief independent director, I will work closely together with internal and external executives and Audit & Supervisory Board Members while encouraging exchanges of opinions with senior management and stimulating active discussion among executives. In this manner, I hope to help further the Company along the path toward the goals of this plan and contribute to Marubeni's growth as a global company.

Takao Kitabata

Chief Independent Director

Corporate Governance

Company Creed: "(正) Fairness, (新) Innovation, and (和) Harmony"

(Formulated in 1949)

Calligraphy by Shinobu Ichikawa, first President of Marubeni Co., Ltd., now Marubeni Corporation

Basic Approach to Corporate Governance

In keeping with the spirit of our Company Creed of "Fairness, Innovation, and Harmony," we seek to improve corporate value with the aim of becoming a proud corporate group that contributes to economic and social development as well as environmental preservation. This quest, we believe, is a means of living up to the expectations of our shareholders, business partners, regional communities, employees, and other stakeholders. We are enhancing corporate governance to serve as the foundation for ensuring the soundness, transparency, and efficiency of management as we recognize that this quest must be supported by such a foundation.

Acting in accordance with this basic stance, we have established criteria for determining the independence of independent executives—individuals who are playing a key role in reinforcing the supervisory function for management. At the same time, we realize the importance of constructive interactions with shareholders and other investors in pursuing medium-to-long-term improvements in corporate value. Accordingly, through such interactions, we work to promote understanding with regard to Marubeni's management policies while gaining insight into the perspective of shareholders and other investors so that we may better respond to their needs.

The Company thus has the policy of advancing initiatives such as those described above to improve the soundness, transparency, and efficiency of management while complying with the Corporate Governance Code.

Corporate Governance Structure

Marubeni operates under a corporate audit governance system, adhering closely to the Companies Act, with a control structure designed to facilitate a clearly defined decision-making process, business execution system, and supervisory system. Marubeni has established the structure as shown in the diagram on page 54.

Marubeni conducts a diverse range of businesses globally. Accordingly, Marubeni has established a corporate audit governance model with a Board of Directors mainly comprising internal directors (with appointment of Independent directors and collaboration with the Audit & Supervisory Board) in order to ensure rapid and efficient decision-making and appropriate supervisory functions in management. Marubeni has determined that this governance model is functioning effectively as set forth in items (a) and (b) on the right. Therefore, Marubeni will retain the current governance structure.

(a) Ensuring rapid and efficient decision-making

Marubeni ensures rapid and efficient decision-making by structuring the Board of Directors mainly around directors who serve concurrently as executive officers and are well-versed in the Company's diverse business activities.

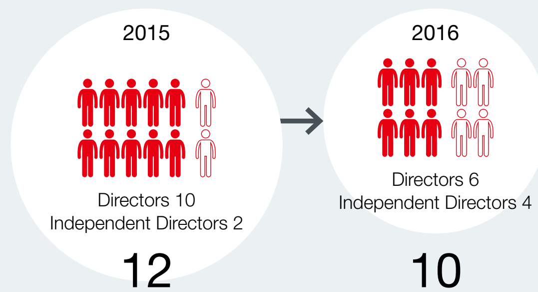
(b) Ensuring appropriate supervisory functions

Marubeni ensures appropriate supervisory functions by implementing various measures, including appointing Independent directors; assigning dedicated staff to the Audit & Supervisory Board Member's Office; fostering collaboration among the Audit & Supervisory Board Members, the Audit Department, the independent Audit & Supervisory Board Members, and the corporate auditors of Group companies; and implementing advance briefings on matters referred to the Board of Directors for both independent directors and Audit & Supervisory Board Members on the same occasions.

TOPICS

Change in the Structure of the Board of Directors

Beginning with the year ending March 31, 2017, the Company changed the structure of the Board of Directors with the aim of better clarifying managerial responsibilities and flexibly building a management system that is optimized for fluctuations in the operating environment. Specifically, the previous 12-member Board of Directors will be streamlined, lowering the total number of members to 10. In addition, we appointed four independent directors to raise the ratio of such directors to internal directors and thereby increase the independence and transparency of management. One of these independent directors has been assigned the position of chairman of the Governance and Remuneration Committee and also serves as a member of the Nomination Committee together with two other independent directors.



Establishment of New Committees

The Nomination Committee and the Governance and Remuneration Committee were established in the year ending March 31, 2017, as advisory organizations for the Board of Directors.

Nomination Committee

The Nomination Committee meets irregularly and is membered by a majority of independent directors. This committee is responsible for discussing potential candidates for positions as directors or Audit & Supervisory Board Members and reporting the results of these discussions to the Board of Directors.

Governance and Remuneration Committee

The Governance and Remuneration Committee is a voluntarily established committee equivalent to a compensation committee as described by the Companies Act of Japan. In the year ending March 31, 2017, this committee took the place of the Compensation Consultative Committee, which was dissolved. With a majority of its members being independent executives, the Governance and Remuneration Committee serves as an advisory organization to the Board of Directors on all matters related to officer treatment, including compensation, rewards, and sanctions. The committee's primary duty is to discuss the appropriateness of the compensation policies and amounts and report the results of these discussions to the Board of Directors.

Nomination Committee

Chairman	
Fumiya Kokubu	President and CEO
Members	
Shigeru Yamazoe	Senior Executive Vice President
Takao Kitabata	Chief Independent Director
Yukiko Kuroda	Independent Director
Kyohei Takahashi	Independent Director

Governance and Remuneration Committee

Chairman	
Takao Kitabata	Chief Independent Director
Members	
Fumiya Kokubu	President and CEO
Hikaru Minami	Managing Executive Officer
Yoshizumi Nezu	Independent Audit & Supervisory Board Member
Takashi Suetsuna	Independent Audit & Supervisory Board Member

Evaluation of the Board of Directors

The Governance and Remuneration Committee, which was established in the year ending March 31, 2017, as an advisory organization to the Board of Directors and consists of a majority of independent executives, conducts evaluations and reviews of the entire Board of Directors. These evaluations and reviews examine factors such as the structure of the Board of Directors and how it is operated, and the results are reported to the Board, which deliberates on these results. An overview of the results is then disclosed and the results themselves are used to improve the operation of the Board of Directors.

Members of the Board and Audit & Supervisory Board Members

Members of the Board

Chairman of the Board

Teruo Asada

President and CEO

Fumiya Kokubu

Senior Executive Vice President

Mitsuru Akiyoshi

Chief Executive Officer,
Food & Consumer Products Group

Senior Executive Vice President

Shigeru Yamazoe

CSO;
Senior Operating Officer,
Executive Secretariat;
Regional CEO for East Asia;
Vice Chairman of Investment and
Credit Committee

Managing Executive Officer

Hikaru Minami

CAO; CIO;
Senior Operating Officer, Audit Dept.;
Chairman of Compliance Committee;
Chairman of Internal Control Committee;
Chairman of IT Strategy Committee;
Vice Chairman of Investment and Credit
Committee

Managing Executive Officer

Nobuhiro Yabe

CFO;
Chief Operating Officer,
Investor Relations and Credit Ratings;
Chairman of Investment and
Credit Committee; Chairman of
CSR & Environment Committee;
Chairman of Disclosure Committee

Independent Director

Takao Kitabata

2002 Deputy Vice-Minister, the Ministry of Economy, Trade and Industry
2004 Director-General, Economic and Industrial Policy Bureau
2006 Vice-Minister of Economy, Trade and Industry (Retired in 2008)
2010 Appointed Audit & Supervisory Board Member of Marubeni
2013 Appointed Independent Director, member of the Board

Independent Director

Yukiko Kuroda

1991 Representative Director, People Focus Consulting
2012 Director, People Focus Consulting (current)
2013 Appointed Independent Director, member of the Board

Independent Director

Kyohei Takahashi

2002 Managing Director, Showa Denko K.K.
2004 Senior Managing Director
2005 President
2007 President and Chief Executive Officer (CEO)
2011 Chairman of the Board
2014 Appointed Audit & Supervisory Board Member of Marubeni
2015 Director, Chairman of the Board, Showa Denko K.K. (Current)

Independent Director

Susumu Fukuda

2006 Commissioner of the National Tax Agency (Retired in 2007)
2008 Assistant Chief Cabinet Secretary (Retired in 2010)
2012 Chief Director, Japan Real Estate Institute (current)
2015 Member of National Tax Council, Ministry of Finance (current)
2015 Audit & Supervisory Board Member, Tokio Marine & Nichido Fire Insurance Co., Ltd. (current)

Audit & Supervisory Board Members

Audit & Supervisory Board Member

Masahiro Enoki

Independent Audit & Supervisory Board Member

Takashi Suetsuna

2004 Deputy Superintendent General, Tokyo Metropolitan Police Department
2005 Chief Chamberlain of the Board of the Crown Prince's Household, Imperial Household Agency
2009 Ambassador Extraordinary and Plenipotentiary of Japan to the Grand Duchy of Luxembourg (Retired in 2012)
2013 Appointed Independent Audit & Supervisory Members of Marubeni

Audit & Supervisory Board Member

Kaoru Kuzume

Independent Audit & Supervisory Board Member

Yoshizumi Nezu

1991 Director, Managing Executive Officer, Tobu Railway Co., Ltd.
1993 Director, Senior Managing Executive Officer
1995 Director, Vice President
1999 President, Representative Director (Current)
2013 Appointed Independent Audit & Supervisory Members of Marubeni

Independent Audit & Supervisory Board Member

Shuichi Yoshikai

2009 Chief Judge, Yokohama District Court
2010 Chief Judge, Tokyo District Court
2011 President, Osaka High Court
2012 President, Tokyo High Court (Retired in 2013)
2013 Admitted to Tokyo Bar Association (current)

Corporate Governance Structure

Board of Directors

Our Board of Directors comprises 10 directors (including four independent directors) who deliberate on overall corporate policy and major issues, while monitoring the performance of individual directors. Each director's term of office is one year. This is to flexibly put in place an optimal management structure in response to changes in the business environment, while clarifying management responsibility.

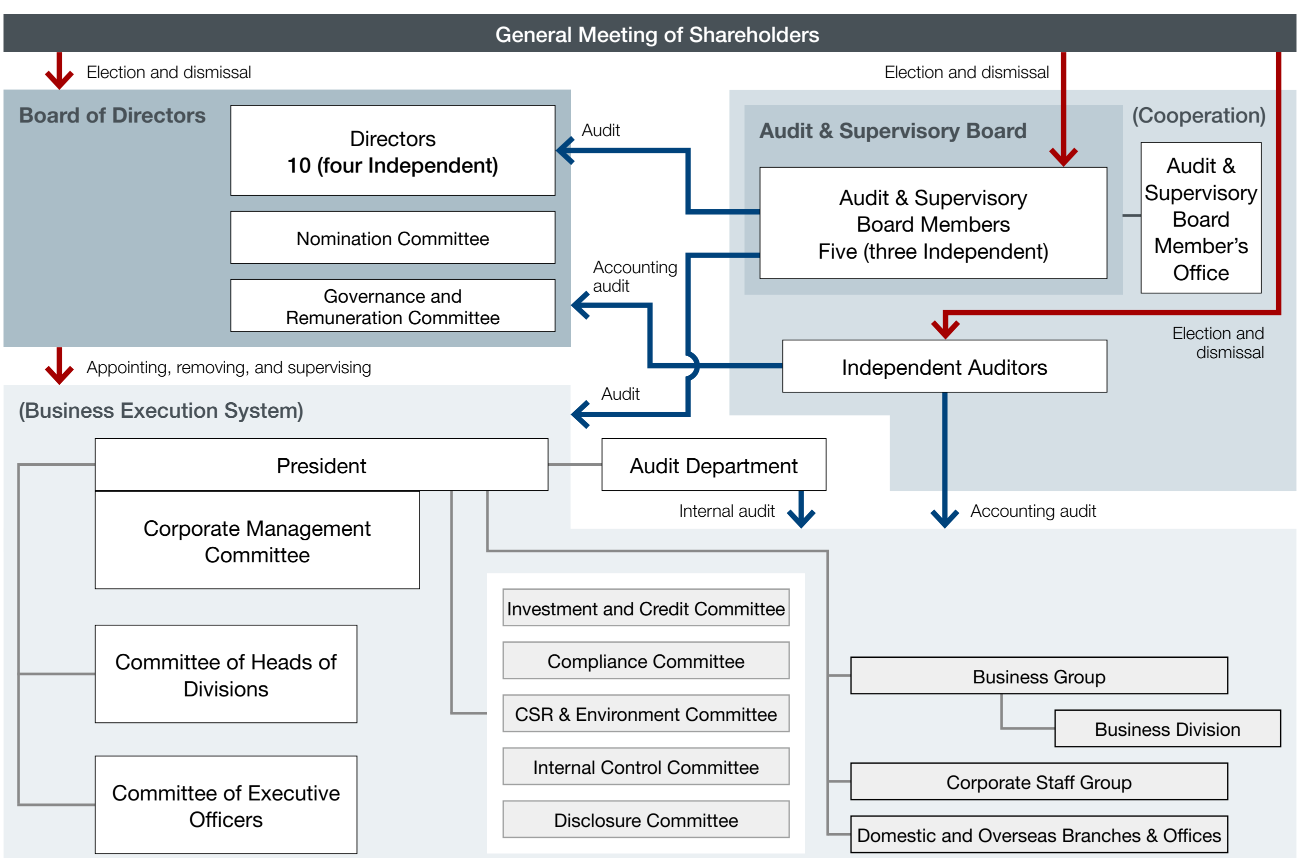
Audit & Supervisory Board

Marubeni has adopted a corporate audit governance system. The Audit & Supervisory Board Members are responsible for overseeing directors in the execution of their duties by attending important meetings, such as the Board of Directors, and by monitoring business activities and financial conditions in accordance with the auditing policies and plans set by the Audit & Supervisory Board. The Audit & Supervisory Board Members have monthly meetings with the independent auditors to exchange information and opinions on auditing plans, the progress of auditing activities at Marubeni and Group companies, audit results, key points and considerations on earnings results, and accounting audit trends.

The President also holds regular meetings with the Audit & Supervisory Board Members and reports to them on business performance. Other directors, division COOs, and general managers from the Corporate Staff Group report to the Audit & Supervisory Board Members each year on business performance.

Corporate Governance Structure

Numbers of people are for the year ending March 31, 2017



Corporate Management Committee

The Corporate Management Committee was established as an advisory committee for the President and comprises five members of the board, including the president, as well as one senior managing executive officer and three managing executive officers. The committee deliberates substantive matters related to management and operations.

Committee of Heads of Divisions

The members of the Committee of Heads of Divisions are the President, the representative directors, Chief executive officer (Group CEOs) the division COOs, and regional CEOs and COOs appointed by the President. They discuss matters pertaining to budgeting, account settlement, and financial planning, as well as other issues relating to the execution of business.

Committee of Executive Officers

The Committee of Executive Officers comprises 37 executive officers (five of whom are also directors) to announce management policies issued by the President and to discuss financial performance, the results of internal audits, and other issues that affect business execution, and to facilitate the exchange of information between the oversight function and the implementation function. Keeping communication lines open between the directors and executive officers, independent directors also attend these meetings. Executive officers are selected by the Board of Directors and appointed to one-year terms of office.

Committee Roles and Functions

Marubeni has established various committees designed to enhance corporate governance. A brief description of the principal committees and their respective governance roles is given below.

Committee	Role	Meeting Frequency
Investment and Credit Committee	Projects pending approval, such as investments, are discussed and approved by the Investment and Credit Committee prior to appearing on the Corporate Management Committee's agenda.	Held three times a month in principle
Compliance Committee	The Compliance Committee provides support and guidance with regard to practicing compliance and as such develops, maintains, and manages the Marubeni Group's compliance structure.	Held four times a year and when necessary
CSR & Environment Committee	The CSR & Environment Committee is responsible for discussing and reporting on the Marubeni Group's CSR and environmental protection activities as well as the policies for these activities.	Held when necessary
Internal Control Committee	The Internal Control Committee is responsible for developing and monitoring the enforcement of internal control policies based on the Companies Act as well as drafting revisions when necessary. It also establishes, operates, and verifies the effectiveness of internal control systems for financial reports in accordance with the Financial Instruments and Exchange Act, while also drafting internal control reports.	Held when necessary
Disclosure Committee	The Disclosure Committee creates disclosure policies, ensures that internal systems concerning legally mandated and timely disclosure are in place, and decides the importance and appropriateness of the information targeted for legally mandated or timely disclosure.	Held when necessary
Customs Clearance Supervising Committee	The Customs Clearance Supervising Committee establishes and maintains systems to ensure that the Marubeni Group follows appropriate procedures when importing and exporting and also conducts related internal inspections and training.	Held once a year and when necessary
Security Trade Control Committee	The Security Trade Control Committee establishes and maintains security trade control systems, inspects and approves transactions, and conducts internal audit and training concerning security trade controls.	Held once a year and when necessary

Roles and Functions of Independent Directors

Independent Directors offer opinions on business management drawn from their broad experience and high-level perspective, and give advice to better implement corporate governance.

Independent Directors attend the meetings of the Board of Directors and the Committee of Executive Officers, including on an ad hoc basis, making active contributions from the perspective of internal control. Prior to meetings, Independent Directors are provided with agendas and fully briefed on management issues and project execution status. One Independent Director has been assigned the position of chairman of the Governance and Remuneration Committee and also serves as a member of the Nomination Committee together with three other Independent Directors.

Major Activities

Name	Independent Director	Reason of Appoint	Advisory Committee
Chief Independent Director Takao Kitabata	Y	Mr. Takao Kitabata has been selected as an independent director because we have decided that he is able to contribute sufficiently to the reinforcement of the Company's corporate governance with his breadth of experience in official circles and the extensive knowledge accumulated through such experience. Moreover, Mr. Kitabata has been designated as an independent executive due to the fact that no conflicts with the interests of general shareholders are represented by his present or past personal, transactional, and capital relationships with the Company.	Nomination Committee Governance and Remuneration Committee
Yukiko Kuroda	Y	Ms. Yukiko Kuroda has been selected as an independent director because we have decided that she is able to contribute sufficiently to the reinforcement of the Company's corporate governance with her wealth of experience from having been an executive of various corporate entities and the extensive knowledge accumulated through such experience. No personal, capital, or transaction relationships exist between Ms. Kuroda and the Company that result in conflicts with the interests of the general shareholders, and she has been designated as an independent executive as defined by the Tokyo Stock Exchange as it was judged that there were no obstructions to her performing the duties of an independent director.	Nomination Committee
Kyohei Takahashi	Y	Mr. Kyohei Takahashi has been selected as an independent director because we have decided that he is able to contribute sufficiently to the reinforcement of the Company's corporate governance with his wealth of experience from having been an executive of various corporate entities and the extensive knowledge accumulated through such experience. No personal, capital, or transaction relationships exist between Mr. Takahashi and the Company that result in conflicts with the interests of the general shareholders, and he has been designated as an independent executive as defined by the Tokyo Stock Exchange as it was judged that there were no obstructions to his performing the duties of an independent director.	Nomination Committee
Susumu Fukuda	Y	Mr. Susumu Fukuda has been selected as an independent director because we have decided that he is able to contribute sufficiently to the reinforcement of the Company's corporate governance with his breadth of experience in official circles and the extensive knowledge accumulated through such experience. Moreover, Mr. Fukuda has been designated as an independent executive due to the fact that no conflicts with the interests of general shareholders are represented by his present or past personal, transactional, and capital relationships with the Company.	

Roles and Functions of Independent Audit & Supervisory Board Members

Independent Audit & Supervisory Board Members monitor the directors' execution of duties and draw upon their wealth of professional expertise to offer various recommendations and advice to enhance the Audit & Supervisory Board.

Independent Audit & Supervisory Board Members attend meetings of the Audit & Supervisory Board and also the Board of Directors and Committee of Executive Officers. In addition, the Independent Audit & Supervisory Board Members meet with the President on a regular basis, as well as with members of the Audit Department, Corporate Accounting Department, and independent auditors, for an exchange of opinions. They receive audit-related information from Full-time Audit & Supervisory Board Member, which they use in the execution of their auditing duties. Two of the Independent Audit & Supervisory Board Members are also members of the Governance and Remuneration Committee.

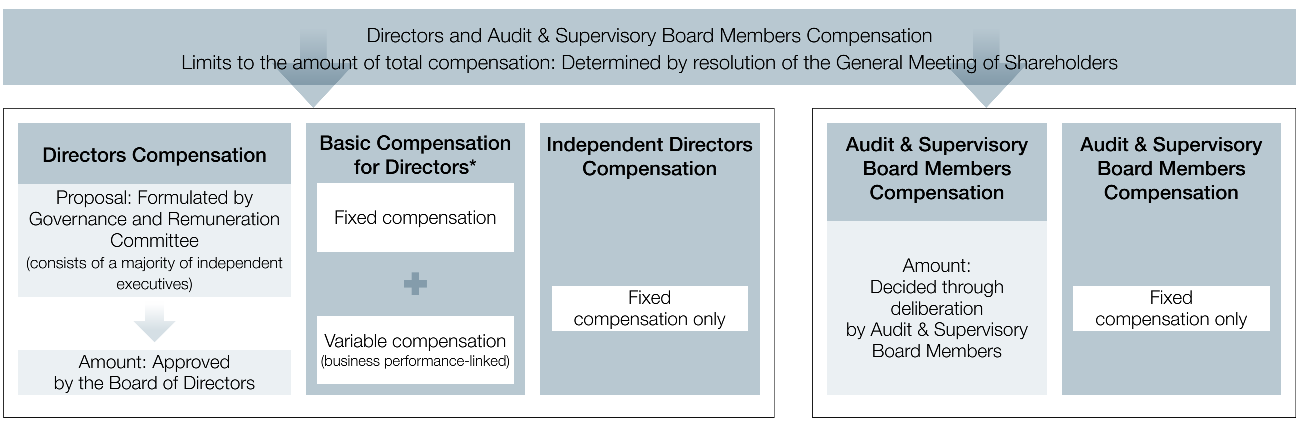
Major Activities

Name	Independent Director	Reason of Appoint	Advisory Committee
Takashi Suetsuna	Y	Mr. Takashi Suetsuna was selected for the position of independent Audit & Supervisory Board Member as it was determined that he could contribute to enhancing Company audits by utilizing his highly professional insight and calling on the extensive experience in the official circles that underpins this insight. Moreover, Mr. Suetsuna has been designated as an independent executive due to the fact that no conflicts with the interests of general shareholders are represented by his present or past personal, transactional, and capital relationships with the Company.	Governance and Remuneration Committee
Yoshizumi Nezu	Y	Mr. Yoshizumi Nezu was selected for the position of independent Audit & Supervisory Board Member as it was determined that he could contribute to enhancing Company audits by utilizing his highly professional insight and calling on the extensive experience in the corporate entities that underpins this insight. No personal, capital, or transaction relationships exist between Mr. Nezu and the Company that result in conflicts with the interests of the general shareholders, and he has been designated as an independent executive as defined by the Tokyo Stock Exchange as it was judged that there were no obstructions to his performing the duties.	Governance and Remuneration Committee
Shuichi Yoshikai	Y	Mr. Shuichi Yoshikai was selected for the position of independent Audit & Supervisory Board Member as it was determined that he could contribute to enhancing Company audits by utilizing his highly professional insight and calling on the extensive experience in the legal field that underpins this insight. No personal, capital, or transaction relationships exist between Mr. Yoshikai and the Company that result in conflicts with the interests of the general shareholders, and he has been designated as an independent executive as defined by the Tokyo Stock Exchange as it was judged that there were no obstructions to his performing the duties.	

Executive Compensation

Compensation for directors and Audit & Supervisory Board Members is decided based on limits to the amount of total compensation for directors and Audit & Supervisory Board Members determined by the General Meeting of Shareholders. From March 31, 2017, compensation for directors is decided through a process involving discussion and formulation of proposals by the Compensation Consultative Committee, a body whose membership consists of a majority of independent executives, with the proposals then being approved by the Board of Directors. Compensation for individual Audit & Supervisory Board Members is decided through deliberation by the Audit & Supervisory Board Members. The Company shares the benefits and risks of stock price fluctuations with shareholders and issues stock options to all internal directors as a competition system for heightening their motivation to improve the Company's stock price and corporate value. Basic compensation paid to directors other than independent directors consists of fixed compensation and variable compensation, the latter of which is linked to business performance in the previous fiscal year. Compensation for independent directors and Audit & Supervisory Board Members, all of whom are completely independent from business execution, consists entirely of fixed compensation.

Executive Compensation Calculation Method



* Stock options are issued within the limits described above.

Total Compensation Paid to Directors and Audit & Supervisory Board Members for the Year Ended March 31, 2016

Position	Total Amount of Compensation		Number of Recipients
	Basic Compensation		
Directors (excluding independent directors)	¥711 million	¥711 million	10
Audit & Supervisory Board Members (excluding Independent Audit & Supervisory Board Members)	¥72 million	¥72 million	3
Independent executives	¥60 million	¥60 million	5
Total	¥843 million	¥843 million	18

Notes:

1. Rounded to the nearest million.
2. Limits to the amount of executive compensation determined by a resolution of the General Meeting of Shareholders are as follows: "¥1,100 million to directors monthly (including ¥60 million for independent directors)" (at the 92nd General Meeting of Shareholders held on June 24, 2016) and "¥12 million to Audit & Supervisory Board Members monthly" (at the 88th General Meeting of Shareholders held on June 22, 2012). In addition, based on a resolution of the 92nd General Meeting of Shareholders held on June 24, 2016, the Company introduced a stock option system for directors (excluding independent directors).
3. The Company submitted a resolution to abolish its system of retirement bonuses for executives at the conclusion of the 83rd General Meeting of Shareholders, held on June 22, 2007, with abolishment accompanied by the decision to close out and pay any remaining retirement bonuses associated with the system. The Company will make these payments to directors and Audit & Supervisory Board Members who are eligible under the resolution, paying directors when they have retired both from their directorship and any held post as executive officer, and paying Audit & Supervisory Board Members upon their retirement. In the year ended March 31, 2016, retirement bonuses were not paid to the directors and Audit & Supervisory Board Members, who are eligible to receive a final payment in relation to the abolition of the retirement bonuses plan.

Individuals to whom the Total Amount of Compensation Paid Exceeded ¥100 Million

Name	Position	Company Category	Total Amount of Compensation	
			Basic Compensation	
Teruo Asada	Director	Issuing company	¥100 million	¥100 million
Fumiya Kokubu	Director	Issuing company	¥123 million	¥123 million

Internal Control

Basic Internal Control Policy

Marubeni seeks to steadily increase and maximize corporate value through business activities that are in accordance with its Company Creed and Management Philosophy, and to steadily and continuously build and expand the entire Group's business foundation. To this end, Marubeni has established internal control systems, which serve as a rational process to ensure improvement of efficiency of business operations, accurate financial reporting to stakeholders, compliance with applicable laws and regulations, safeguarding of assets, and appropriateness of corporate activities. The Company regularly reviews this internal control system policy based on its structure and operation status to respond to changes in social conditions and the business environment.

In accordance with the Companies Act and its implementation guidelines, Marubeni has established a basic internal control policy which helps to ensure that all business activities are conducted appropriately. Each year, the Company confirms the content and implementation of this policy, and implements improvements when necessary. With regard to the internal control report system mandated under the Financial Instruments and Exchange Act, the Internal Control Committee conducts evaluations as stipulated in the practical standards. As in the year ended March 31, 2015, we again submitted our internal control report for the year ended March 31, 2016, which concluded that "internal control is effective."

Basic Internal Control Policy (Key Items)

1. System necessary to ensure that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation
2. Systems to preserve and manage information related to the execution of duties by Directors
3. Internal regulations for the risk management of losses and other related systems
4. Systems necessary to ensure the efficient execution of duties by Directors
5. Systems necessary to ensure the appropriateness of operations by the Group
6. Matters concerning employees assisting the duties of Audit & Supervisory Board Members, and matters concerning the independence of these employees from Directors
7. Systems for Directors and employees to report to Audit & Supervisory Board Members and other systems for reports to Audit & Supervisory Board Members
8. Other systems necessary to ensure effective audits by Audit & Supervisory Board Members

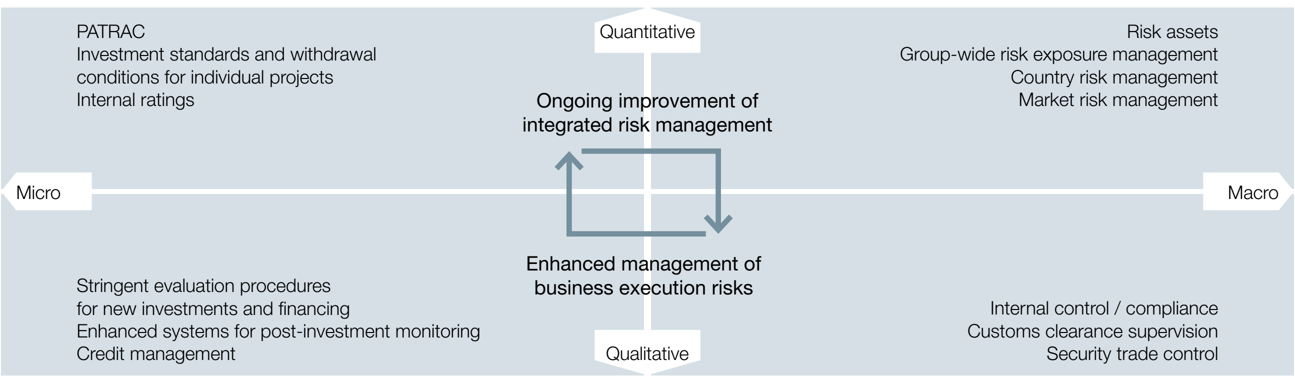
Please refer to the corporate website for information on the Company's basic internal control policy.

http://www.marubeni.com/ir/reports/business_report/data/92_notice_revised_en.pdf (Pages 40-41)

Risk Management

In the course of its diversified business activities, Marubeni conducts risk management activities which address risk from a variety of perspectives: macro and micro, as well as qualitative and quantitative. Increased volatility in exchange rates, natural resource prices, and other parameters have continued unabated. Under these conditions, the Company is promoting integrated risk management, measuring the maximum level of risk on a consolidated basis and limiting it to within the scope of total equity. By conducting thorough screening and follow-up for individual projects and further enhancing internal control systems, the Company has established a structure that minimizes losses due to unforeseen events.

Marubeni's Risk Management Approach



Integrated Risk Management

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

Integrated risk management looks at various risk factors in a comprehensive way to enable managers to understand risk as a single monetary value. By using computer simulations that reflect the latest information, Marubeni has made it possible to grasp the degree of risk in more detail than ever before. We calculate PATRAC*1 based on risk assets—a value based on the maximum decline in the value of Group assets as quantified by the Company. PATRAC indicates profit after tax following adjustment for risk. Marubeni has adopted PATRAC as an important management indicator, using it as a method of screening proposals requiring approval. Each Portfolio Unit*2 constantly takes steps to adjust its portfolio in a flexible manner, seeking to improve PATRAC in order to achieve maximum returns for a given level of risk, enabling Marubeni to achieve steady and balanced earnings growth.

*1 PATRAC: Profit After Tax less Risk Asset Cost Marubeni's proprietary management index for measuring the degree to which the return on a risk exceeds a minimum target

*2 Portfolio Unit: Unit of business management linking business departments and Group companies by business domain

Risk Management System

For important individual proposals, such as those relating to investment or financing, drafts are first circulated and discussed by the Investment and Credit Committee and the Corporate Management Committee before the President makes a decision. The Board of Directors is also involved in decision-making on issues of substantial importance. Following implementation, each business department manages its own risk exposure and, for important cases, periodic status reports are made to the Investment and Credit Committee, Corporate Management Committee, and the Board of Directors.

In addition, a corporate planning and strategy department was placed under direct control of the Group CEO, the highest authority with regard to all business groups, thereby establishing a risk management system that has been optimized to the business models of each business group.

CSR Management

CSR Management in Business Execution

The ability of the Marubeni Group to fulfill its responsibilities as a member of society requires every individual within the Group to adhere to the Company Creed of "Fairness, Innovation, and Harmony," and to give CSR considerations high priority as they participate in corporate activities.

Marubeni has established the CSR & Environment Committee within the business execution system portion of its corporate governance structure as an organization for sharing and promoting CSR activities throughout the Company. By reporting on its initiatives to the Corporate Management Committee, the CSR & Environment Committee improves coordination with business groups while working to enhance CSR activities in various fields.

CSR Fulfilled Together with Stakeholders

Marubeni strives to grow sustainably while coexisting and prospering together with society and the environment, and this cannot be accomplished by pursuing profit alone. We must adopt perspectives based on society and the environment as well as business profit, and strike a balance between creating value and evaluating ourselves based on these three perspectives. The Company believes that it is this practice that constitutes CSR management.

The Marubeni Group is committed to earning the trust of all its stakeholders by practicing CSR management as a highly ethical corporate group.

However, the type of CSR management that the Group hopes to achieve cannot be realized through the thoughts and actions of its employees alone. Instead, we must always be receptive toward the feedback of stakeholders, thinking together as we practice management. Based on this understanding, Marubeni aims to act in the interests of the various stakeholders to gain their satisfaction and trust as it builds foundations for sustainable growth.

Participation in Global Initiatives

The Marubeni Group defined its goal of becoming a true global company in its Global Challenge 2018 (GC2018) mid-term management plan. CSR activities have been judged to be of incredible importance in accomplishing this goal, and we thus feel it is vital for Marubeni to view its CSR activities from a global perspective amidst the global development of its business. Based on this recognition, we have declared our support for the international initiative that is the United Nations Global Compact. Accordingly, we endeavor to be always mindful of the relationship between its 10 principles and Marubeni's business, and will continue striving to conduct CSR activities through this business.

UN GLOBAL COMPACT
Network Japan
WE SUPPORT

The UN Global Compact's 10 Principles

Human Rights	Principle	1	Businesses should support and respect the protection of internationally proclaimed human rights; and
	Principle	2	make sure that they are not complicit in human rights abuses.
Labor	Principle	3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle	4	the elimination of all forms of forced and compulsory labor;
	Principle	5	the effective abolition of child labor; and
	Principle	6	the elimination of discrimination in respect of employment and occupation.
Environment	Principle	7	Businesses should support a precautionary approach to environmental challenges;
	Principle	8	undertake initiatives to promote greater environmental responsibility; and
	Principle	9	encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle	10	Businesses should work against corruption in all its forms, including extortion and bribery.

Identification of Material Issues

Based on our stakeholders' expectations and concerns, and Marubeni's impact on the environment and society, we have identified the following sustainability issues as having high materiality in line with two themes. We aim to address these material issues.

1 The Marubeni Group fulfills its responsibility toward the environmental and social impact of its businesses.

<Material issues>

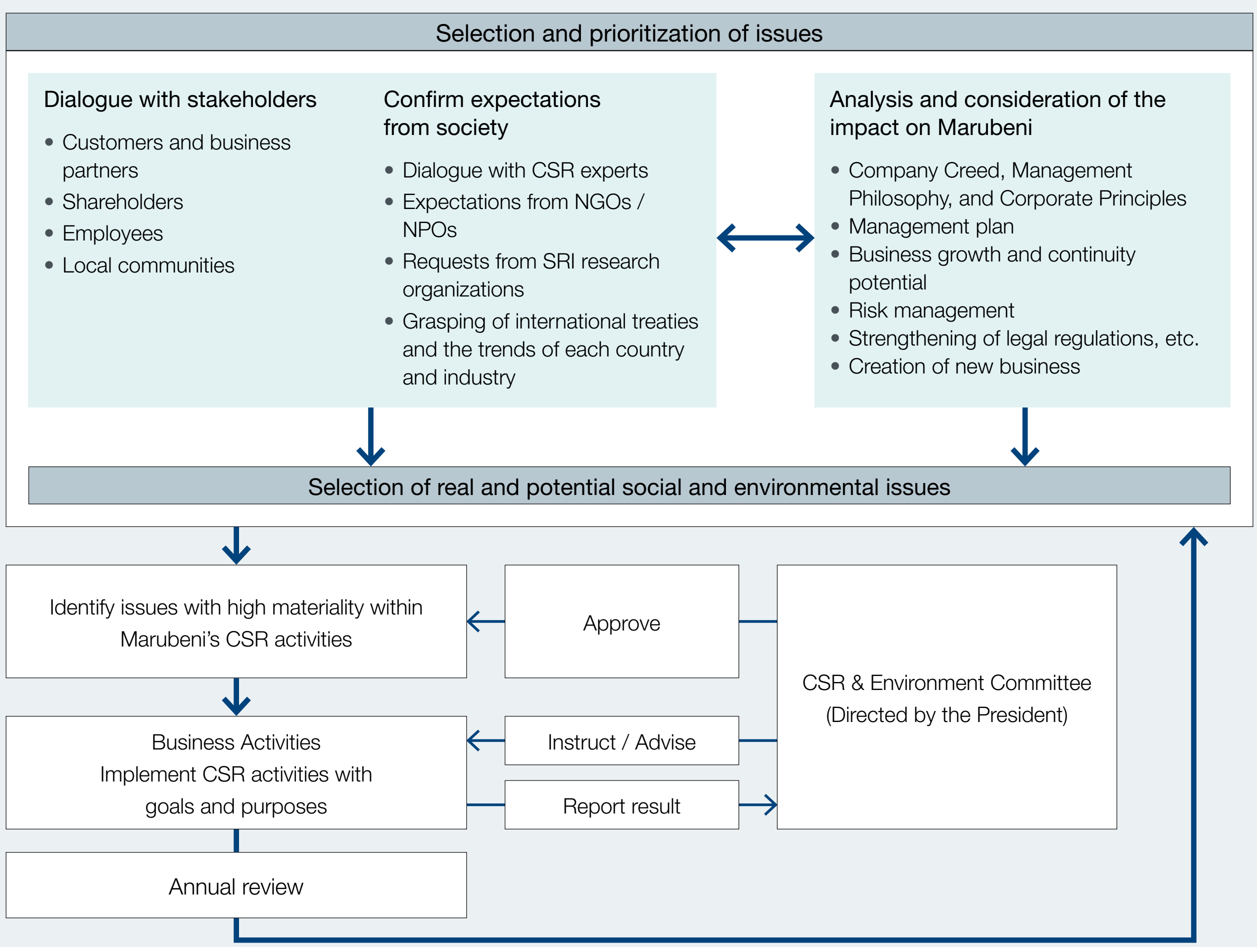
- Strengthening corporate governance
- Strengthening internal controls
- Strengthening compliance
- Respecting human rights
- Promoting human resources development
- Promoting supply chain management
- Protecting the global environment
- Promoting social contribution activities

2 The Marubeni Group solves social and environmental issues while strengthening its competitiveness, leading to sustainable growth.

<Material issues>

- Developing business that solves social and environmental issues
- Strengthening supply chain competitiveness
- Contributing toward community development and strengthening our operating base

Identification and Review Process of Material Issues in Our CSR Activities



TOPICS

Appointment of CSR Promotion Representatives

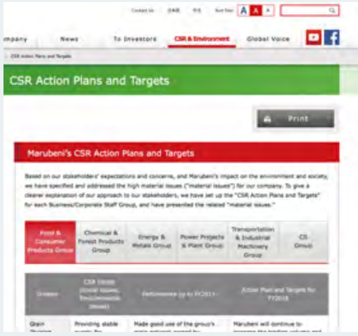
With the aim of enhancing CSR activities on a Group-wide level, in the year ended March 31, 2016, Marubeni appointed CSR promotion representatives in all business groups and corporate staff departments in which members of the CSR & Environment Committee are present. These representatives participate in discussions regarding measures for building upon CSR activities and in seminars and hands-on workshops designed to help them acquire CSR knowledge. Through such involvement, CSR promotion representatives play an important role in spreading awareness throughout their organizations of how important CSR activities are to the Group.

Food & Consumer Products Group	CSR promotion representatives
Chemical & Forest Products Group	CSR promotion representatives
Energy & Metals Group	CSR promotion representatives
Power Projects & Plant Group	CSR promotion representatives
Transportation & Industrial Machinery Group	CSR promotion representatives
Corporate staff departments	CSR promotion representatives

CSR Action Plans and Targets

Based on our stakeholders' expectations and concerns, and the impacts of Marubeni's business, we have identified material issues that are of high importance to the Company, and CSR activities are being advanced with regard to these issues. Each business group and corporate staff department has established CSR action plans and targets, which are made available for viewing on the Company's website together with information on the related material issues in order to provide a clear explanation of our approach to stakeholders. These CSR action plans and targets, and the status of initiatives based thereon, are periodically reviewed so as to pursue ongoing improvements in CSR activities.

* CSR action plans and targets can be viewed on the following website:
http://www.marubeni.com/csr/group/action_plan



Education of Executives and Employees

In the year ended March 31, 2016, two CSR roundtable discussions were conducted between CSR promotion representatives and other participants. These discussions served as an opportunity for the reaffirmation of Marubeni's basic stance toward CSR. In addition, lectures were conducted on recent developments related to human rights as well as on new external trends that are closely related to the Company's business. Also during the fiscal year, members of the CSR & Environment Committee spearheaded communication forums for stakeholders. Participants listened to lectures on the importance of non-financial information in regard to investment decisions and the type of corporate communication sought by investors delivered by outside lecturers, after which opinions were exchanged. Going forward, we intend to continue such activities in order to deepen executives and employees understanding and awareness of CSR activities.


The lecture and discussion with a CSR expert

Compliance

Policies and Approach

As it advances its global operations, Marubeni acts in accordance with the belief that compliance goes beyond merely following the letter of the law. In its truest sense, compliance means corporations—as good members of society—practicing high levels of ethics, living up to the expectations of stakeholders, and fulfilling their social responsibilities. To achieve this type of compliance, Marubeni is reinforcing and regularly improving its compliance systems under guidance of the Compliance Committee, which is overseen by the President and CEO.

We have also established the specialized Compliance Control Department and are constructing compliance systems and spreading awareness with an emphasis on preventing the occurrence of serious economic crimes within the Group. Going forward, we will continue to strengthen global compliance systems that encompass all Group companies.

Review of the Year Ended March 31, 2016

- **Marubeni formulated the Compliance Committee activities plan and other activities according to the plan–do–check–act (PDCA) cycle.**
- **Marubeni reviewed the action plans for business groups, branches, and offices (including overseas bases) for the year ended March 31, 2015, and formulated action plans for the year ended March 31, 2016.**
- **Marubeni published the 12th edition of the Marubeni Group Compliance Manual and collected written statements of adherence to the manual.**
- **Marubeni enhanced compliance systems and programs centered on anti-bribery measures, compliance with fair competition laws, and non-association with anti-social forces.** (See following page 65.)

4,312 people

Number of employees that made written statements of adherence to the code expressed in the Compliance Manual

(Non-consolidated / in the year ended March 31, 2016)

Slogans Competitions

In order to further entrench compliance awareness, executives and employees at the Company's Head Office and domestic Group companies were asked to submit slogans related to compliance guidelines contained in the Marubeni Group Compliance Manual. The five winning submissions were selected from among the 692 slogans received.

FUTURE OBJECTIVES

- Marubeni will conduct and improve upon compliance education activities (training sessions, compliance-related campaigns and events, etc.).
- Enhance due diligence and monitoring functions related to bribery prevention.
- Strengthen system related to monitoring compliance with fair competition laws and banning any relations with anti-social forces.

Priority Activities

Stringent Application of the Compliance Manual

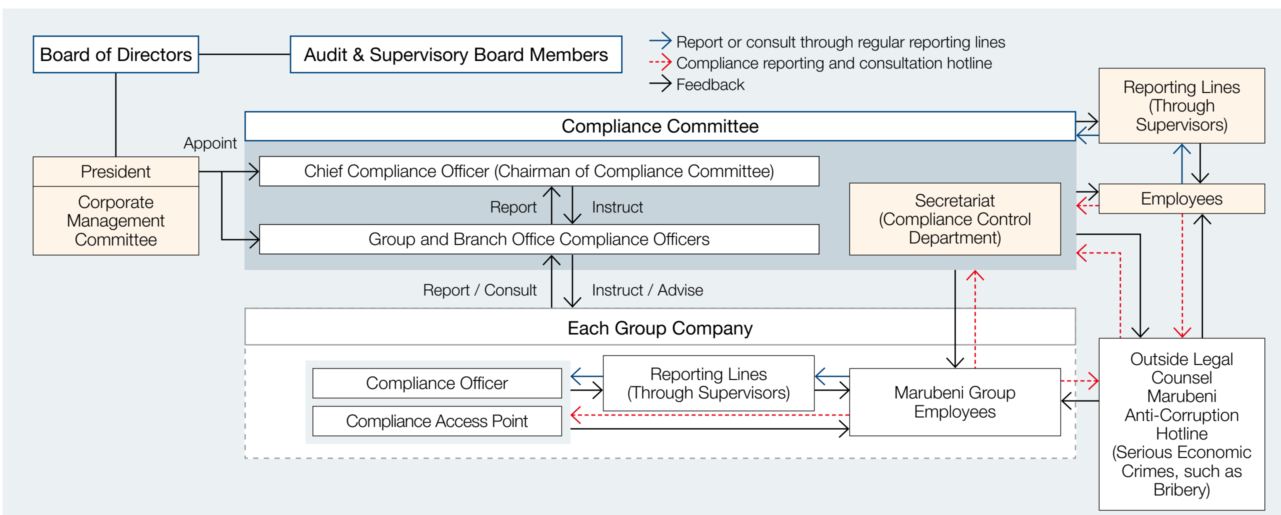
Part of the Marubeni Group' s Company Creed is "Fairness."This symbolizes our pledge to always conduct ourselves in a fair and upright manner. We have defined Marubeni's stance on compliance as: "When you are faced with a choice between integrity and profit, choose integrity without hesitation." Based on this stance, Marubeni has compiled the Marubeni Group Compliance Manual, which specifies the standards of behavior that Group employees are expected to follow in all their daily work activities.

Every year, the Company's executives and employees, as well as the presidents of all domestic Marubeni Group companies, make a written statement to adhere to the code expressed in this manual. As of June 2016, the Compliance Manual, now in its 13th edition, is available in English as well as Japanese, and can be viewed on the Company's website.

Compliance Education and Training

The Marubeni Group conducts education and training programs throughout its organization in accordance with the Marubeni Group Compliance Manual. Specifically, we conduct e-Learning programs and group training sessions to teach employees about general compliance topics, anti-bribery precautions, and cartel countermeasures. In addition, the Chairman of the Compliance Committee and representatives from the Compliance Control Department make periodic visits to Group companies and overseas offices to provide training and raise awareness of compliance.

Organizational Diagram for the Marubeni Group Compliance System



The Marubeni Group's Anti-Bribery Measures

In recent years, an increasing number of companies in both developed countries and emerging countries are refusing to tolerate bribery. The Marubeni Group, as a global enterprise, also has a strong interest in and is actively working on the prevention of bribery. The Marubeni Group upholds the following policy in its Compliance Manual and requires strict compliance from its directors, officers, and employees.

In accordance with the Marubeni Group Global Anti-Corruption Policy, the Group is conducting various anti-bribery activities.

Marubeni Group Global Anti-Corruption Policy

- Not to provide, propose, or promise an illicit benefit to public officials, their equivalents, or relatives in Japan or overseas
- Not to aid or conspire with other business entities for any of the above acts
- Not to provide presents or client entertainment to a transaction partner that exceeds the accepted business and societal norms

Major Anti-Bribery Initiatives

1. Expanding multilingualization of the Marubeni Group Global Anti-Corruption Policy and collected written statements of adherence to this policy from Group employees
2. Instituted a global anti-bribery compliance training program, strengthened anti-bribery due diligence procedures, and conducted audits related to bribery prevention
3. Established an external, multi-language whistle-blowing system regarding bribery and other serious economic crimes that is available to both Marubeni Group members and business partners

CSR Management in the Supply Chain

Policies and Approach

Promoting CSR management throughout the supply chain is an important aspect of CSR activities. Marubeni strives to contribute to the resolution of the social and environmental issues that relate to its business activities, and we will pursue this goal while gaining the understanding and support of our business partners. Our operations take us to emerging countries and other regions that face social issues such as forced labor, child labor, and degradation of the local environment. To help address these issues, Marubeni has formulated the Basic Supply Chain CSR Policy, which we transmit to all suppliers, requesting that they understand and cooperate with the enforcement of this policy. Furthermore, Marubeni conducts on-site inspections of suppliers, and will continue these activities so as to maintain an understanding of the social issues faced in different regions and work toward their resolution.

Review of the Year Ended March 31, 2016

- **Marubeni conducted on-site inspections of suppliers (manufacture socks and knitted products) in a country designated as carrying a high risk associated with supply chain labor standards.**
- **Marubeni conducted e-Learning programs that provided essential supply chain-related knowledge. Approximately 3,000 people participated in these programs.**

5,180 companies

Number of companies to which the Basic Supply Chain CSR Policy has been transmitted

(As of March 31, 2016)

3,130 people

Number of people that participated in CSR and environmental e-Learning programs

(In the year ended March 31, 2016)

FUTURE OBJECTIVES

- Ongoing institution of on-site CSR inspections of suppliers
- Continuing training efforts to cultivate the knowledge necessary for supply chain management

Priority Activities

Transmission of and Requested Adherence to the Basic Supply Chain CSR Policy

Marubeni aims to have all its long-term business partners understand and cooperate with the Basic Supply Chain CSR Policy, and we have been working to disseminate the policy to them.

In addition, Marubeni has formulated measures and procedures to counteract noncompliance with the labor standards set forth in the Basic Supply Chain CSR Policy, and to effect improvements.

Basic Supply Chain CSR Policy

1 Marubeni does not stop at achieving strong CSR results for itself, but also supports the achievement of strong CSR results throughout its supply chain, with the objective of building an environmentally friendly, healthy, and sustainable society.

2 Marubeni requests the understanding and cooperation of its business partners in the observance of the Supply Chain CSR Guidelines set forth below, so that Marubeni, together with its business partners, can facilitate highly efficient CSR results.

3 Supply Chain CSR Guidelines

1. Observance of Laws

- Observe the applicable laws of each relevant country and the various countries affected by the transaction.

2. Respect for Human Rights

- Respect human rights, without discrimination, physical, verbal, sexual, and other forms of harassment or inhumane treatment.
- No child labor, forced labor, inappropriate wage abatement, or excessive working hours.
- Respect employees' right to unionize for the purpose of negotiations between labor and management and to bargain collectively.

3. Preservation of the Environment

- Protect nature.
- Minimize environmental impact, and prevent pollution.

4. Fair Transactions

- Conduct fair transactions, and do not inhibit free competition.
- No bribery or illegal contributions, and prevent corruption.

5. Safety and Health

- Secure safety and health in the workplace, and maintain a good working environment.

6. Quality Control

- Maintain the quality and safety of products and services.

7. Disclosure of Information

- Including the items mentioned above, appropriately disclose company information.

On-Site Inspections of Suppliers (Supply Chain CSR Inspections)

In March 2016, Marubeni conducted on-site inspections of factories belonging to Toyo Textile Thai Co., Ltd., which manufactures socks, and S D Fashion Co., Ltd., which manufactures knitted products, to confirm the status of compliance with the Company's CSR requirements at these factories, which are located in Thailand.

These supply chain CSR inspections examined the sites based around seven areas, including human rights, occupational health and safety, environmental protection, and quality control. The inspection did not find a single area in which either company had failed to comply with the Basic Supply Chain CSR Policy.


Toyo Textile Thai Co., Ltd.


Inspection in S D Fashion Co., Ltd.

Contribution to Local Communities

Policies and Approach

The Marubeni Group's business is supported by its stakeholders around the world. Accordingly, contributing to society is important to ensuring the Group continues to grow sustainably. We are therefore conducting social contribution activities while also making contributions to local communities by resolving social issues through our business. The Group has a long history of conducting social contribution activities, which include the Marubeni Foundation and overseas scholarship funds. We also actively encourage all employees to participate in volunteer activities. Our commitment to building a better relationship with society, based on coexistence, and being an organization trusted by all stakeholders will remain firm into the future. The Basic Policy on Social Contribution Activities will guide us on this quest.

Review of the Year Ended March 31, 2016

- **Based on the Basic Policy on Social Contribution Activities, the Marubeni Group conducted social contribution activities in various areas.**
- **In activities to support recovery from the Great East Japan Earthquake, Marubeni dispatched a continual stream of Group employees to the disaster-stricken areas to perform volunteer work.**

¥4.1 billion

Aggregate total of grants through the Marubeni Foundation

(As of March 31, 2016)

830 people

Marubeni Group employees participating in volunteer activities

(In the year ended March 31, 2016 / Aggregate total number)

FUTURE OBJECTIVE

- Marubeni will develop frameworks to foster social contribution awareness among all employees and enable more employees to take the initiative in conducting volunteer activities. These efforts will be centered around five priority areas: social welfare, international exchange, community contribution, global environment, and cultural support.

Priority Activities

Volunteer Activities

Marubeni cooperates with NGOs and NPOs in planning and running volunteer activities for employee participation. The goal is to encourage employees to participate in volunteer activities and thereby develop an understanding of what social contribution entails and the need for the Group to make ongoing efforts as a good corporate citizen.

Forest thinning activities in the Okutama mountainous region

Also, the Company has introduced the Volunteer Leave System (five days per year) to support employees who wish to participate in volunteer activities.

Overseas Scholarship Funds

To support the education and development of young people in emerging economies, Marubeni has set up scholarship funds, mainly in the ASEAN region. Specifically, scholarship funds have been established in Brazil as well as in ASEAN nations, such as the Philippines, Vietnam, Indonesia, Cambodia, Laos, and Myanmar. These funds are operated as dictated by the circumstances regarding education in each country.

Marubeni's total overseas scholarship funds to date amount to US$3.53 million in seven countries. Each year, we provide support to meet the local communities' needs, including scholarships for students from elementary through to university level and material assistance such as PCs and stationery.

Marubeni Foundation

Funded by Marubeni, the Marubeni Foundation was established in 1974 as a private support organization for social welfare activities. In the following year, it started a tradition of providing annual donations of ¥100 million to aid welfare facilities and organizations across Japan, which it has continued. To date, this private foundation has given a total of 2,361 grants totaling ¥4.1 billion in support of a wide range of charity and aid programs.

In the year ended March 31, 2016, the foundation received grant applications from 611 welfare programs, 64 of which were selected to receive funding. The chosen programs were mainly related to the purchasing of facility supplies, equipment for job placement support centers, and special vehicles for the elderly and persons with disabilities.

Funding for the grants includes contributions from Marubeni, provided partially as a means of utilizing earnings, and contributions from the 100 Yen Club, consisting of concerned present and former executives and employees who make fixed monthly donations in multiples of ¥100, with matching contributions by Marubeni.

In addition to the annual donations of ¥100 million, the Company decided to issue donations totaling ¥10 million to private support organizations conducting social welfare activities that were heavily impacted by the severe April 2016 Kumamoto earthquake. These donations are meant to cover the costs of resuming these organizations' activities.

Support and Volunteers for the Iwaki Sunshine Marathon

Marubeni aided the 7th Iwaki Sunshine Marathon held on February 14, 2016, as a special supporter. Taking place in Iwaki City, Fukushima Prefecture, the Iwaki Sunshine Marathon is an event meant to symbolize this city's march forward in reconstructing from the damages caused by the March 2011 Great East Japan Earthquake. Approximately 12,000 runners and volunteers participated in this event.

A total of 52 Marubeni employees joined this event as either runners or staff volunteers, and Marubeni was also granted the privilege of presenting a special award to a runner as a supporting company.

The Marubeni Group has supported post-earthquake reconstruction activities from the beginning and continues to do so, such as by dispatching employee volunteers to the town of Shichigahama in Miyagi Prefecture on an ongoing basis. Moreover, we have established strong ties to Iwaki City in our business through projects including the Fukushima floating offshore wind farm demonstration project and mega-solar power generation projects. We were therefore pleased to once again be able to take part in this reconstruction-oriented event in Iwaki City as a special supporter. Going forward, Marubeni will continue to lend its aid to reconstruction effort in the regions that were heavily impacted by the earthquake.

Presentation of special award from Marubeni

Goal of the Iwaki Sunshine Marathon

Environmental Protection

Policies and Approach

As a global enterprise, the Marubeni Group believes that conducting its business in an environmentally friendly manner is one of its most important responsibilities. Based on this belief, Marubeni operates an environmental management system (EMS) in accordance with the Marubeni Group Environmental Policy, which serves as the basis for its efforts to strengthen management systems across the Group. In pursuing environmentally friendly business activities, the Company conducts environmental evaluations before launching infrastructure or other development projects or financing or investing in new businesses. Going forward, we will continue to verify the effectiveness of environmental risk management systems at domestic and overseas Group companies while also conducting environmental education and training programs targeted at employees.

Review of the Year Ended March 31, 2016

- **Marubeni continued to collect information, hold training programs, and conduct self-inspections to spread awareness on environmental regulations and promote compliance.**
- **Marubeni strengthened environmental risk management systems by enforcing orders from the Head Office at organizations under the jurisdiction of branches and offices and by deepening understanding of environmental issues among branch and office employees.**
- **Marubeni conducted on-site inspections of domestic and overseas Group companies with high environmental risks, and provided guidance as needed for improvement.**

83 evaluations

Number of environmental evaluations conducted

(In the year ended March 31, 2016)

597 people

Number of people that underwent Training on the Waste Management and Public Cleansing Act

(In the year ended March 31, 2016)

FUTURE OBJECTIVES

- Continue spreading awareness of and promoting compliance with environmental regulations
- Verify effectiveness of environmental risk management systems at domestic and overseas Group companies

Priority Activities

EMS Strengthening

Marubeni has introduced an EMS based on ISO 14001 as a tool to assist all employees in addressing environmental issues based on a common understanding.

Marubeni obtained ISO 14001 certification in 1998, and as of December 31, 2015, 57 Marubeni Group companies had been certified.

The EMS utilizes a plan–do–check–act (PDCA) cycle to ensure ongoing improvement.

With regard to Group companies that have not received ISO 14001 certification, we still expect these companies to understand and cooperate with environmental preservation activities conducted in accordance with the Marubeni Group Environmental Policy.

Environmental Evaluations of Development Projects and Financing and Investment

Before launching a development project or financing or investing in a new business, Marubeni assesses the project's conformity with environmental laws and the levels of possible adverse impact on the environment in the event of an accident or some other emergency using the Company's Environmental Evaluation Sheet. The completed evaluation sheet is used as a factor when making the final decision on whether or not the project should be implemented.

Follow-up evaluations are also conducted for projects considered to have potential environmental risks as a result of the initial assessment. Follow-up is continued until all concerns have been dispelled. In the year ended March 31, 2016, we assessed 83 projects with environmental risks related to water pollution, noise pollution, and global warming.

Environmental Education and Training

Marubeni conducts various environmental training and education programs for its employees to help raise their awareness of relevant issues. In the year ended March 31, 2016, the CSR / Global Environment e-Learning Training Program was conducted for all executives and employees, including temporary employees. More than 3,000 people participated in the training program. Marubeni organizes a variety of programs, including environmental training designed for new employees. Other specific programs include the Environmental Officers e-Learning Training Program, the ISO 14001 Internal Environmental Auditors Training Program, and Training on the Waste Management and Public Cleansing Act.

On-Site Inspections at Group Companies without ISO 14001 Certification

Marubeni identifies and conducts on-site inspections of subsidiaries that have yet to acquire ISO 14001 certification and that are engaged in activities with a relatively high risk of exerting a significant environmental impact. For these on-site inspections, Marubeni personnel visit the plants and offices of the applicable companies together with auditors specializing in environmental audits from an independent assessment agency. There, they check the systems designed to ensure compliance with environmental regulations related to work procedures and confirm compliance status. They also examine the site's environmental risk control status with regard to such areas as the operation and management of facilities and the disposal of waste. In the year ended March 31, 2016, a total of 28 operating bases of 23 companies around the world were inspected. No significant environmental issues were identified. Going forward, Marubeni will continue working to enhance environmental management throughout the Group by conducting on-site inspections of Group companies that have not yet acquired ISO 14001 certification.

On-site inspection

Energy Conservation, Resource Conservation, and Waste Reduction Targets to Achieve by the Year Ending March 31, 2021

	Numerical Targets in the Year Ending March 31, 2021	Results in the Year Ended March 31, 2016
1. Energy Usage (electricity and gas) at Tokyo Head Office and Osaka Branch*1	Reduce energy usage (electricity and gas) by 10.5% compared to the year ended March 31, 2010	42.8% decrease from the year ended March 31, 2010
2. Waste Generated at Tokyo Head Office	Reduce waste generated by 30% compared to the year ended March 31, 2011	26.5% decrease from the year ended March 31, 2011
3. Waste Recycling Rate at Tokyo Head Office	Achieve a waste recycling rate of 90% or more	94.6%
4. Water Consumption at Tokyo Head Office	Reduce water consumption by 3% compared to the year ended March 31, 2011	0.6% increase from the year ended March 31, 2011
5. Green Product Purchase Rate at Major Offices*2	Achieve a green product purchase rate of 85% or more	85.8%

*1 The Osaka Branch was relocated in July 2015, and energy usage for July was therefore calculated based on figures at both its previous and current site.
*2 Major offices: Six locations, comprising Tokyo Head Office and five branches (Hokkaido, Shizuoka, Nagoya, Osaka, and Kyushu).

Utilization of Diverse Human Resources

Policies and Approach

The Marubeni Group views human resources (HR) as its most valuable asset. For this reason, our basic policy for HR systems is to develop a framework that allows employees to utilize their skills and capabilities to the fullest extent and provide an environment in which every employee can create the most value possible by drawing on their strengths. Going forward, we will continue striving to create a stronger Marubeni Group in which a diverse range of individuals plays an active role, and will institute various measures aimed at realizing this vision.

Review of the Year Ended March 31, 2016

- **Marubeni focused particularly on the practical experience and training portion of our three-pronged approach to HR that emphasizes practical experience, assessment and incentives, and training.**
  We also revised measures related to the overseas work experience requirement and overseas training programs, thereby stepping up efforts to provide young managerial positions with overseas and on-the-job training (OJT) experience.
- **Marubeni focused efforts on utilizing and promoting a diverse range of HR.**

112 people

Number of employees in their 20s out of the total of 880 employees stationed overseas

(As of March 31, 2016)

111 people

Number of women in managerial positions

(As of March 31, 2016)

FUTURE OBJECTIVE

- We will step up efforts to recruit and develop capable HR that can succeed on a global scale and promote diversity within the Group.

The Marubeni Group wants talent who:

- Constantly pursue challenges and innovations with high aspirations and curiosity
- Accomplish their personal goals at a high level
- Think and act on their own when executing their duties

Priority Activities

Utilization of Diverse HR

In the year ended March 31, 2015, Marubeni launched the "BENInovation (BENI Innovation) Program" as a measure designed to further empower female career-track employees. The program is primarily targeted at female managerial positions and their immediate supervisors. We are also promoting work-life balance in order to create an environment in which employees from a diverse range of backgrounds are able to generate results.

The following action plan was established in response to the promulgation of the Act on Promoting Women's Empowerment in the Workplace. This plan defines the period leading up to March 31, 2021, as a time for creating foundations for incorporating diversity into decision-making. Going forward, Marubeni will enhance hiring, overseas dispatch, and education activities based on this plan.

Employees making proposals before members of the Corporate Management Committee as part of the BENInovation Program project for the year ended March 31, 2016

Action Plan for Empowering Female Employees

(Phase 1: April 1, 2016–March 31, 2021)

Goals

Construct HR development pipelines by strengthening hiring, overseas dispatch, and other development programs with the goals of increasing the ratio of career-track employees that are women to more than 10% and raising the ratio of female managers to above 7% by March 31, 2021

Marubeni's basic policy is to select applicants according to their capability and competence, based on a fair recruitment process in which no form of discrimination is tolerated. To ensure that fair recruiting activities are conducted across the entire Group, we have prepared the Marubeni Recruiting Manual, and strive to ensure that our policies are thoroughly understood.

Marubeni has adopted a continued employment system for employees aged 60 or over in accordance with the revised Elderly Employment Stabilization Act. As of March 31, 2016, 114 employees have been hired under this system, and these and other senior citizen employees are currently calling upon their breadth of experience to make wide-reaching contributions in Japan and even overseas.

In addition, to further promote the employment of persons with disabilities, Marubeni established Marubeni Office Support Corporation, which has been certified as a special-purpose subsidiary* by the Minister of Health, Labour and Welfare. As of March 31, 2016, Marubeni Corporation and Marubeni Office Support Corporation employed a total of 71 individuals with disabilities on a full-time basis.

Mark signifying certification as a Superior Company for employing persons with disabilities

In March 2016, Marubeni Office Support Corporation was certified by the Ministry of Health, Labour and Welfare as a Superior Company for employing persons with disabilities. This certification is awarded to superior companies that actively employ mentally or otherwise challenged individuals, and a total of 21 companies throughout Japan have received this certification.

* Special-purpose subsidiary: A subsidiary that has been certified by the Minister of Health, Labour and Welfare as satisfying the conditions specified in the Act on Employment Promotion, etc., of Persons with Disabilities. The number of workers with disabilities employed by such a subsidiary may be included in the calculation of the ratio of disabled persons the parent company employs.

Reorganization and Enhancement of Training Systems

Company-wide training systems will be revised and an off-the-job training* platform will be established and enhanced to provide functions for supporting the advancement of the Marubeni Group's HR strategy, which is defined in GC2018.

* Off-the-job training: For example, business skills training, etc. implemented in a location other than the workplace.

Measures for Reducing Overtime Work and Improving Operational Efficiency

The Marubeni Group launched the Marubeni Cool & Smart (MaCS) Work Project in order to strengthen our competitiveness by making all Group companies, organizations, and employees fully aware of the fact that time is a finite resource, thereby encouraging them to pursue even higher levels of efficiency and productivity. The trial period for this project of approximately one year commenced in July 2015, and we are currently introducing no-overtime periods and implementing measures to discourage nighttime overtime and encourage early morning work. Through these efforts, we aim to foster greater awareness with regard to work styles and time usage in order to allow for methods of working that respect the freedom of employees and organizations.

Advancement of Health-Related Measures

Marubeni is advancing health-related measures that are primarily formulated by the Occupational Safety and Health Committee. We have made employee health management a top priority, and have developed Company clinics at which employees can receive regular checkups. These clinics also provide health checks for employees that are going on or have returned from overseas assignments or for accompanying family members. Furthermore, we hope to assist employees in maintaining good mental health, and have instituted self-care training at Marubeni and Group companies, are encouraging employees to cut back on overtime work, and are implementing other initiatives with this regard.

ESG Data

Marubeni believes that strengthening initiatives based around environmental, social, and governance (ESG) issues, is crucial to realizing sustainable management.

The following is a collection of performance data from major ESG-related initiatives.

Non-Financial Highlights

	2012.3	2013.3	2014.3	2015.3	2016.3
Environmental Data*1:					
CO_2 emissions (t-CO_2)	6,177	5,386	4,523	4,515	**4,978**
Electricity consumption (MWh)	13,483	11,221	9,554	9,473	**9,167**
Water consumption (m^3)	122,385	108,107	96,105	97,143	**91,382**
Waste generated (tons)	773	706	580	531	**791**
Paper consumption (thousands of A4 sheets)	40,199	40,999	42,599	42,659	**39,288**
Recycling rate (%)	76.7	83.5	92.4	91.9	**94.6**
Green product procurement rate (%)	87.4	84.8	86.5	86.6	**85.8**
Social Data*2:					
No. of employees (Consolidated)*3	32,445	33,566	39,465	38,830	**39,914**
No. of employees (Non-consolidated)*4	4,074	4,166	4,289	4,379	**4,437**
Of which, domestic	3,286	3,336	3,433	3,520	**3,557**
overseas	788	830	856	859	**880**
Percentage of male and female*5	76.2:23.8	75.5:24.5	74.7:25.3	74.1:25.9	**73.7:26.3**
Average age*5	42.0	41.9	41.7	41.5	**41.4**
Average service years*5	17.1	17.0	16.8	16.7	**16.7**
No. of managerial employees*5	2,314	2,327	2,352	2,389	**2,438**
Of which, general managers or above	225	223	224	220	**219**
Employment rate of persons with disabilities (%)*6	2.19	2.14	2.09	2.17	**2.45**
Usage of annual paid leave (%)*5	43.9	44.0	45.6	46.1	**48.8**
No. of employees who took maternity leave*7	19	24	28	28	**52**
No. of employees who took childcare leave*8	16	25	27	37	**48**
Of which, male	4	5	3	10	**6**
No. of employees who took nursing care leave*8	1	1	0	0	**0**
No. of employees who took volunteer leave*5	175	141	1	4	**0**

*1 Data collected from: Tokyo Head Office and branches (Hokkaido, Nagoya, Osaka, Kyushu, and Shizuoka) (six principal sites). The Osaka Branch was relocated in July 2015, and energy usage for July was therefore calculated based on figures at both its previous and current site.
CO_2 emissions: Emission amounts are calculated based on usage of electricity, city gas, fuel, and steam.
Actual emission factors for electricity: Emissions from electricity are calculated using the separate actual emission factors for each electric power provider released by the Ministry of the Environment, Japan around December of each year.
Emission factors for city gas: From the year ended March 31, 2012, to the year ended March 31, 2015, emissions were calculated using factors published by respective gas companies for the areas in which each of the six principal sites are located. For the year ended March 31, 2016, default factors are used from the system for calculating, reporting, and publishing greenhouse gas emissions (Ministry of the Environment, Japan).
Emission factors for steam: Default factors are used from the system for calculating, reporting, and publishing greenhouse gas emissions (Ministry of the Environment, Japan).
Greenhouse gas data (CO_2 emissions data) is verified by a third-party organization based on ISO 14064-3. Other environmental data is assured by the same third-party organization using the procedure of the principles of AA1000AS and ISAE 3000.
*2 All the indicators of social data for the year ended March 31, 2016, are assured by an external assurance provider based on international standard ISAE 3000.
*3 As of March 31.
*4 Total figures include the number of Marubeni employees assigned to other companies and exclude secondees to Marubeni from other companies (as of March 31).
*5 Figures for Marubeni Corporation (as of March 31).
*6 Figures are the combined total for Marubeni Corporation and certified special-purpose subsidiary Marubeni Office Support Corporation (as of March 1).
*7 Figures for Marubeni Corporation indicate the total number of people who used leave in the fiscal year, including those who used the leave continuously from the previous fiscal year.
*8 Figures for Marubeni Corporation indicate the total number of people who started using leave in the applicable fiscal year.

KPMG

Independent Assurance Report

To the President and CEO of Marubeni Corporation

We were engaged by Marubeni Corporation (the "Company") to undertake a limited assurance engagement of the social performance indicators listed below for the period from April 1, 2015 to March 31, 2016 (the "Indicators") included in its Annual Report 2016 (the "Report") for the fiscal year ended March 31, 2016.

- Number of employees (Consolidated)
- Number of employees, Number of employees at domestic sites, Number of employees at overseas sites, Percentage of male and female employees, Average age of employees, Average service years, Number of managerial employees, Number of general managers or above, at the Company
- Employment rate of persons with disabilities at the Company and Marubeni Office Support Corporation
- Usage of annual paid leave, Number of employees who took maternity leave, Number of employees who took childcare leave, Number of male employees who took childcare leave, Number of employees who took nursing care leave, Number of employees who took volunteer leave, at the Company

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' and the 'Practical Guidelines for the Assurance of Sustainability Information' of the Japanese Association of Assurance Organizations for Sustainability Information. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing with the Company's responsible personnel to obtain an understanding of its policy for the preparation of the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical reviews of the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and also recalculating the Indicators.
- Evaluating the overall statement in which the Indicators are expressed.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustainability Co., Ltd.

KPMG AZSA Sustainability Co., Ltd.
Tokyo, Japan
May 20, 2016

LRQA Assurance Statement

Relating to Marubeni Corporation's environmental indicators within the Annual Report 2016 for the fiscal year 2015

This Assurance Statement has been prepared for Marubeni Corporation in accordance with our contract but is intended for the readers of this Report.

Terms of Engagement

Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by Marubeni Corporation (MARUBENI) to provide independent assurance on its environmental indicators within its Annual Report 2016 for the fiscal year 2015, that is, 01 April 2015 to 31 March 2016 ("the report") against the assurance criteria below to a limited level of assurance using LRQA's verification procedure and ISO14064–3:2006 Specification with guidance for validation and verification of greenhouse gas assertions.

Our assurance engagement covered MARUBENI's operations and activities at the six main offices[1] in Japan and specifically the following requirements:

- confirming that the report is in accordance with MARUBENI's in-house reporting procedures, and
- evaluating the accuracy and reliability of the selected environmental indicators:
  - Carbon dioxide (CO_2) emissions[2, 3]
  - Electricity consumption[3]
  - Water consumption[4]
  - Waste generated[5]
  - Paper consumption
  - Recycling rate[5], and
  - Green product procurement rate.

Note 1: The six main offices include the head office in Tokyo, and office branches in Hokkaido, Shizuoka, Nagoya, Osaka and Kyushu.
Note 2: Total CO_2 emissions attributed to electricity, city gas, steam, and fuel consumption.
Note 3: Electricity consumption and CO_2 emissions reported from head office in Tokyo and Osaka branch include associated companies located in each building.
Note 4: Water consumption data was not available and excluded for office branches in Nagoya, Kyushu and Shizuoka.
Note 5: General waste was not available and excluded for office branches in Osaka, Nagoya, Kyushu and Hokkaido.

Our assurance engagement excluded all operations and activities of MARUBENI and its associated companies, other than those specified above in Note 1, CO_2 emissions from transportation activities and mobile sources, and the data and information of its suppliers, contractors and any third-parties mentioned in the Annual Report 2016.

LRQA's responsibility is only to MARUBENI. LRQA disclaims any liability or responsibility to others as explained in the end footnote. MARUBENI's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of MARUBENI.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that MARUBENI has not:

- met the requirements above, and
- disclosed accurate and reliable environmental indicators.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites.

LRQA's Approach

LRQA's assurance engagements are carried out in accordance with LRQA's verification procedure and ISO 14064-3 for greenhouse gas data. LRQA's verification procedure is based on current best practise and uses the principles of AA1000AS (2008) - Inclusivity, Materiality, Responsiveness and Reliability of performance data and processes defined in ISAE3000.The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- assessing MARUBENI's approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this through interview with those key people responsible and reviewing MARUBENI's Annual Report 2015.

Lloyd's Register LRQA

- reviewing MARUBENI's process for identifying and determining material issues to confirm that the right environmental issues were included in their Report. We did this by benchmarking reports written by MARUBENI and one of its major peers to ensure that sector specific issues were included for comparability.
- auditing MARUBENI's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the report.
- visiting the head office in Tokyo to verify data as made available by MARUBENI.

Observations

Further observations and findings, made during the assurance engagement, are:

- Stakeholder inclusivity:
  We are not aware of any key stakeholder groups that have been excluded from MARUBENI's stakeholder engagement process..
- Materiality:
  We are not aware of any material issues concerning MARUBENI's environmental indicators that have been excluded from the report. MARUBENI determines the materiality with considerations of their stakeholders' interests.
- Responsiveness:
  MARUBENI has processes and systems to identify and respond to stakeholders' interests. However, we believe that future reports should cover MARUBENI's environmental indicators that meet the growing interests of not only its local but also overseas stakeholders. This is particular to MARUBENI's power generation business activities.
- Reliability:
  MARUBENI has established a well-defined and centralised system to collect and calculate its environmental indicators. MARUBENI also carries out an internal data verification process at the head office to ensure quality of the reported data.

LRQA's Competence and Independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

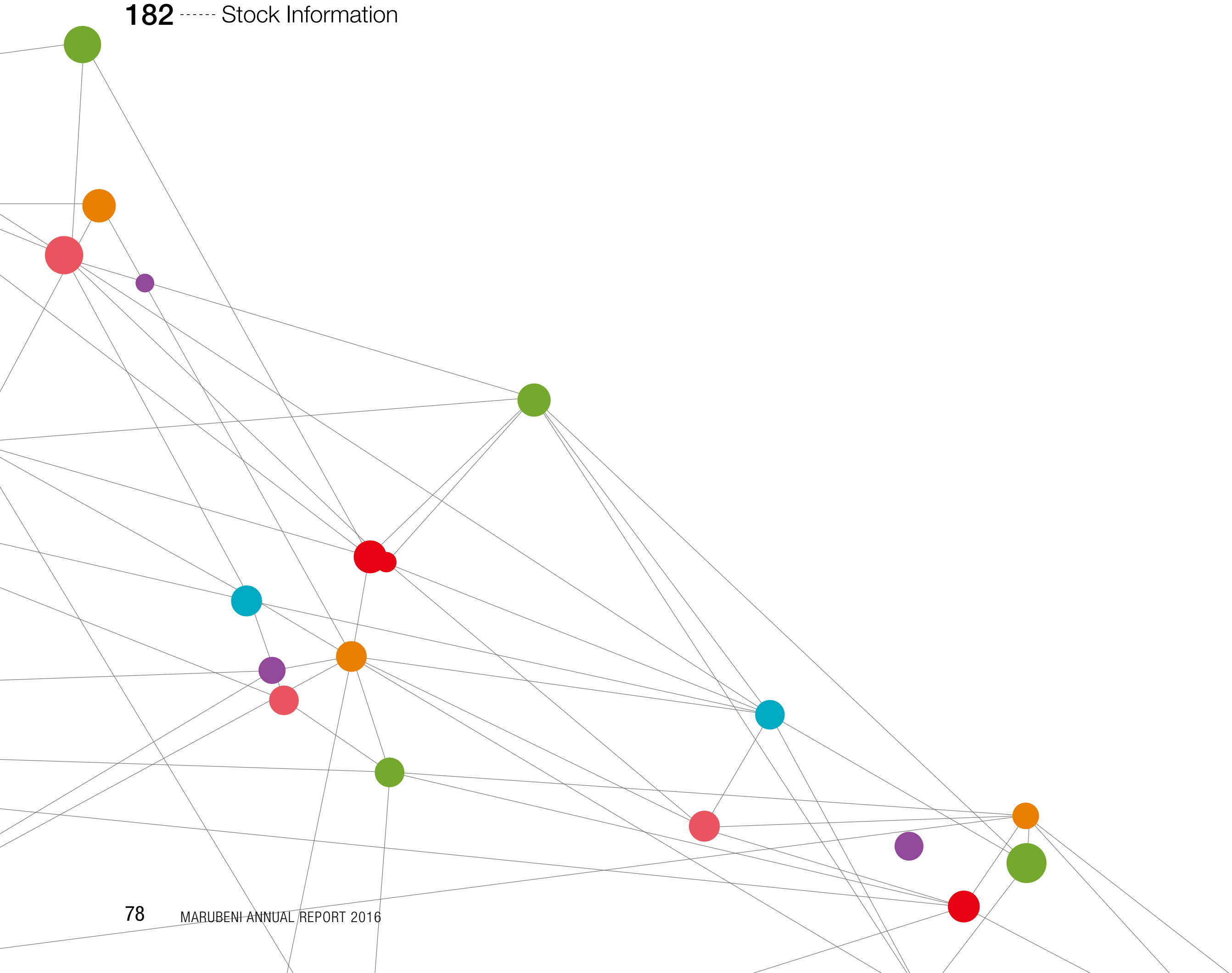
LRQA is MARUBENI's certification body for ISO14001. The verification and certification assessments are the only work undertaken by LRQA for MARUBENI and as such does not compromise our independence or impartiality.

Signed Dated: 12 May 2016

Hidemi Tomita

Hidemi Tomita
LRQA Lead Verifier
On behalf of Lloyd's Register Quality Assurance Limited
Queen's Tower A, 10th Floor, 2-3-1, Minatomirai, Nishi-ku, Yokohama 220-6010, Japan
LRQA reference: YKA4004766

Financial Information / Corporate Data



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

Overview of Business Results

Business Results

In the year ended March 31, 2016, the global economy as a whole recovered at a moderate pace. While the economies of developed countries generally continued to experience a general recovery, emerging economies—most notably China—slowed overall, largely due to the financial turmoil of China, which began in summer 2015. The fiscal year was also marked by financial market volatility, including a global downturn in stock prices. Commodity prices were generally depressed. Crude oil prices declined before rebounding somewhat at the fiscal year-end.

The U.S. economy continued to recover despite bearish capital investment. Its recovery was underpinned by household consumption amidst a strong job market. Although the Federal Reserve Board raised its policy rate in December 2015 in consideration of the recovery in the U.S. market, no major financial market volatility ensued.

The European economy picked up in the wake of ongoing, modest recovery in Germany, the United Kingdom, and other major economies. European financial markets, however, were temporarily roiled by the Greek debt crisis.

The Asian economy as a whole recovered tepidly as the Chinese economy slowed further in response to reduced levels of consumption, investment, and exports. ASEAN economies also remained beset by weakness in both domestic and foreign demand.

Emerging economies elsewhere, particularly those that are resource exporters, displayed weak conditions, with their currencies depreciating under the weight of low commodity prices and U.S. interest rate hikes.

The Japanese economy prove sluggish overall as consumption slowed in response to poor wage growth.

In this operating environment, business results for the year ended March 31, 2016, were following below.

Total volume of trading transactions for the year ended March 31, 2016, was down ¥1,717.4 billion (12.3%) year on year, to ¥12,208.0 billion, due to sales price declines in petroleum trading businesses. Gross trading profit decreased ¥37.2 billion (5.3%) year on year, to ¥670.1 billion. By operating segment, profits were down mainly in the Energy & Metals Group. Operating profit declined ¥56.5 billion (35.1%), to ¥104.2 billion, due to the decrease in gross trading profit and an increase in selling, general and administrative (SGA) expenses resulted from yen depreciation. Profit attributable to owners of the parent (hereinafter referred to as "net profit") amounted to ¥62.3 billion, down ¥43.3 billion (41.0%) year on year, due to the recording of impairment losses in conjunction with the deterioration of the natural resources market.

Meanwhile, total revenue as defined under International Financial Reporting Standards (IFRS) amounted to ¥7,300.3 billion, a decrease of ¥534.0 billion (6.8%) year on year.

Business Results

Millions of yen

	2016.3	2015.3	Change
Total volume of trading transactions	12,207,957	13,925,339	(1,717,382)
Gross trading profit	670,086	707,318	(37,232)
Operating profit	104,231	160,688	(56,457)
Share of profits of associates and joint ventures	31,824	89,919	(58,095)
Profit for the year attributable to owners of the parent	62,264	105,604	(43,340)
Total revenue	7,300,299	7,834,295	(533,996)

Notes:
1. Figures are rounded to the nearest million yen unless otherwise stated.
2. "Total volume of trading transactions" and "operating profit" are presented in accordance with Japanese accounting practices for investors' convenience and are not required by IFRS. "Total volume of trading transactions" includes all transactions involving the Company and its consolidated subsidiaries regardless of transaction type.
3. Operating profit = Gross trading profit + SGA expenses + Provision for doubtful accounts

Financial Information

Business Results by Operating Segment

Financial results for each operating segment in the year ended March 31, 2016, were as follows.

Food & Consumer Products

Despite profit growth in food product operations, gross trading profit decreased ¥5.6 billion (1.8%) year on year, to ¥301.0 billion, largely as a result of deterioration in conditions affecting earnings of Gavilon Holdings, LLC in North American grain consolidation operations. Net profit, by contrast, increased ¥9.8 billion (21.4%) year on year, to ¥55.8 billion. The net profit growth was the net effect of non-recurrence one-time profit decreases recorded in the year ended March 31, 2015, namely impairment loss on the goodwill of Gavilon Holdings and a valuation gain following the consolidation of U.S. grain export facilities.

Chemical & Forest Products

Gross trading profit increased ¥14.5 billion (8.2%) year on year, to ¥190.8 billion. This increase was largely attributable to improved margins on woodchips and pulp and growth in the earnings of Helena Chemical Company due to yen depreciation. Net profit likewise grew, rising ¥12.2 billion (64.9%) year on year, to ¥31.0 billion, boosted by higher profitability for petrochemical and inorganic and agricultural chemical operations as well as the absence of the loss recorded on the Company's stake in Gavilon Holdings recorded in the year ended March 31, 2015.

Energy & Metals

Gross trading profit decreased ¥45.1 billion (72.6%) year on year, to ¥17.0 billion, largely because of the impacts of lower oil and gas prices on oil and gas development projects. Despite the absence of losses on investment securities stemming from an impairment loss on a Canadian coal project, net loss increased ¥113.3 billion (–%) year on year, to ¥144.0 billion, mainly as a result of larger impairment losses on oil and gas development projects and a Chilean copper project and the recording of operating loss on an Australian iron ore project.

Power Projects & Plant

Gross trading profit declined ¥3.0 billion (5.3%) year on year, to ¥53.9 billion, largely reflecting decreased trading volumes in industrial plant operations. Net profit grew ¥43.8 billion (193.8%) year on year, to ¥66.4 billion, driven by gains on investment securities in relation to Chinese wastewater treatment and North American freight railcar leasing operations and higher share of profits of associates and joint ventures in association with overseas IPP projects, the combination of which was sufficient to offset a loss on discontinuation of Uruguayan LNG receiving terminal operations and accrual of provisions against losses on other overseas plant projects.

Transportation & Industrial Machinery

Gross trading profit increased ¥4.1 billion (4.4%) year on year, to ¥98.4 billion, by virtue of sales growth in ship- and aircraft-related operations. Net profit, however, was down ¥6.1 billion (20.4%), to ¥23.8 billion, as a result of lower share of profits of associates and joint ventures in ship-related operations.

Notes:

1. Marubeni reorganized the 10 operating segments, namely the "Food," "Chemicals," "Energy," "Metals & Mineral Resources," "Transportation Machinery," "Power Projects & Infrastructure," "Plant," "Lifestyle & Forest Products," "ICT, Finance & Insurance, Real Estate Business," and "Overseas Corporate Subsidiaries and Branches" into five segments, specifically the "Food & Consumer Products," "Chemical & Forest Products," "Energy & Metals," "Power Projects & Plant," and "Transportation & Industrial Machinery" effective as of the year ended March 31, 2016.
2. Inter-segment transactions are generally priced in accordance with the prevailing market prices.

Analysis of Operating Results for the Year Ended March 31, 2016

Profit for the year attributable to owners of the parent in the year ended March 31, 2016, decreased ¥43.3 billion year on year, to ¥62.3 billion.

An analysis of operating results is provided as follows.

Gross Trading Profit

Gross trading profit for the year ended March 31, 2016, was ¥670.1 billion, up ¥37.2 billion year on year. This is mainly attributable to lower profits in the Energy & Metals Group.

Selling, General and Administrative Expenses

Selling, general and administrative (SGA) expenses in the year ended March 31, 2016, increased ¥19.2 billion year on year, to ¥565.9 billion.

Losses on Property, Plant and Equipment

Losses on property, plant and equipment in the year ended March 31, 2016, amounted to ¥103.3 billion following the recording of impairment losses with regard to resource interests. However, overall loss was down ¥41.6 billion from the year ended March 31, 2015, when impairment losses were recorded in association with resource interests and the goodwill of Gavilon Holdings.

Other–Net

Other–net in the year ended March 31, 2016, equated to expenses of ¥16.0 billion, compared with income of ¥23.9 billion in the year ended March 31, 2015. This outcome was largely a result of a loss on discontinuation of Uruguayan LNG receiving terminal operations.

Interest Income and Interest Expenses

Interest income in the year ended March 31, 2016, rose by ¥0.1 billion year on year, to ¥14.6 billion. Interest expenses decreased ¥5.5 billion, to ¥33.6 billion.

Dividend Income

Dividend income in the year ended March 31, 2016, decreased ¥16.4 billion year on year, to ¥18.6 billion. Of this figure, ¥5.7 billion (¥3.6 billion in Japan and ¥2.2 billion from overseas) was received by the Company. Domestic consolidated subsidiaries received dividends totaling ¥0.2 billion, while overseas consolidated subsidiaries received dividends of ¥12.7 billion.

Gains and Losses on Investment Securities

Gains on investment securities in the year ended March 31, 2016, totaled ¥74.3 billion, up ¥73.6 billion year on year. This increase was mainly attributable to gains on investment securities in relation to Chinese wastewater treatment and North American freight railcar leasing operations.

Share of Profits and Losses of Associates and Joint Ventures

Share of profits and losses of associates and joint ventures in the year ended March 31, 2016, equated to profit of ¥31.8 billion, down ¥58.1 billion year on year, as a result of impairment losses on a Chilean copper project and an Australian iron ore project.

Income Taxes

Income taxes for the year ended March 31, 2016, increased ¥11.1 billion year on year, to ¥23.0 billion.

Liquidity and Funding Sources

Financial Position

Total assets as of March 31, 2016, were ¥7,117.7 billion, down ¥555.4 billion from the end of the previous fiscal year. While cash and cash equivalents were up, this increase was offset by decreases in investments in associates and joint ventures; property, plant and equipment; and inventories. Total equity as of March 31, 2016, decreased ¥263.5 billion year on year, to ¥1,415.2 billion, due to the adverse impacts of yen appreciation when translating the asset values of overseas business entities. Net interest-bearing debt (total of current and non-current bonds and borrowings less cash and cash equivalents and time deposits) was down ¥125.2 billion, standing at ¥2,762.5 billion on March 31, 2016. As a result, the net debt–equity (D/E) ratio was 1.95 times at March 31, 2016.

Cash Flows

Net cash provided by operating activities was ¥359.1 billion, due primarily to an improved balance in the items contributing to working capital. Net cash used in investing activities was ¥174.6 billion, as the inflows from sales of securities were outweighed by capital outlays directed at overseas operations. These activities resulted in positive free cash flow of ¥184.5 billion for the year ended March 31, 2016. Net cash used in financing activities amounted to ¥36.3 billion following the acquisition of preferred stocks.

As a result, cash and cash equivalents at March 31, 2016, was ¥600.8 billion, a decrease of ¥131.7 billion from the end of the previous fiscal year.

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 include indirect financial procurement from banks and other financial institutions, as well as direct procurement through the issuance of bonds, commercial paper, and other means.

With the aim of maximizing fund utilization efficiency across the Group, Marubeni is accelerating the shift toward a centralized fund procurement scheme, under which principal consolidated subsidiaries procure funds directly from Marubeni Corporation, domestic and overseas financing subsidiaries, and/or overseas corporate subsidiaries. This approach enables Group companies holding surplus funds to reallocate such funds to other Group companies in need of operating funds, allowing for more flexible fund procurement on a Group-wide scale.

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

- Registration for the public sale of ordinary bonds in Japan: ¥300.0 billion
- Euro Medium-Term Note Program
  Two-company joint program (Marubeni Corporation and Marubeni Europe plc): US$2.0 billion

To aid in procuring funds from capital markets, Marubeni has acquired credit ratings from Moody's Investors Service, Inc. (Moody's), Standard & Poor's Financial Services LLC (S&P), Rating and Investment Information, Inc. (R&I), and Japan Credit Rating Agency, Ltd. (JCR).

In the year ended March 31, 2016, there was no change to Marubeni's long-term credit rating, which consisted of long-term ratings of Baa2 from Moody's, BBB from S&P, A from R&I, and A+ from JCR.

Liquidity

On a consolidated basis, the liquidity ratio was 121.9% as of March 31, 2016, up from 119.4% as of the end of the previous fiscal year. In terms of liquidity, Marubeni is maintaining a sound financial position. 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, 2016, cash and cash equivalents and time deposits totaled ¥605.9 billion.

Details regarding commitment lines are as follows:

- ¥300.0 billion from syndicates consisting largely of major Japanese banks (long term)
- US$555 million from syndicates consisting largely of major European and U.S. banks (short term)

In addition to these commitment lines, Marubeni and its consolidated subsidiaries hold highly liquid assets, such as marketable securities. In all, these assets provide sufficient liquidity to cover the Group's funding demand as well as the funds linked to market interest rates, such as corporate bonds including medium-term notes redeemable within one year, which totaled ¥40.0 billion as of March 31, 2016.

Major risks that could have a serious impact on investor decisions associated with the business operations and other activities of Marubeni Corporation and its consolidated subsidiaries are outlined below. The risks discussed, however, are not inclusive of the full range of possible risks faced in the broad range of activities engaged in by the Group. Any number of additional risks other than those discussed below could also impact business performance. Furthermore, risks considered to have a low likelihood of materializing have also been disclosed, from the perspective of ensuring proactive information disclosure. Forward-looking statements with respect to the risks discussed below reflect the reasonable judgment of the Company's management based on information available as of March 31, 2016.

Impact of Japanese and Global Economies on the Marubeni Group

The Company is a general trading company engaged in a wide range of business activities through bases in Japan and over 60 other countries. Examples include the production and procurement of natural resources and other primary commodities, as well as the manufacture and sale of finished goods and various commercial and investing activities in Japan and overseas in many industrial fields. As a result, the Group is impacted by the economic conditions prevailing in Japan and other countries where it has operations, as well as by the state of the global economy as a whole. Worsening economic conditions on either of these fronts could adversely affect the operating activities, business results, and financial condition of the Group.

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 adversely affect the Group's business results and financial condition.

To prevent credit risks from materializing, the Group conducts extensive risk management at the credit screening stage. Nevertheless, the Company is susceptible to a variety of credit risks.

In preparation for the incurrence of possible losses when credit risk becomes apparent, the Group establishes allowances for doubtful accounts based on the estimated amount of loss, the business partner's creditworthiness, collateral value, and other set factors. In the event of such losses, however, the Company cannot guarantee that actual losses will not exceed these established allowances.

Investment Risk

Marubeni and its consolidated subsidiaries, both independently and in collaboration with other companies, establish new companies and purchase existing enterprises in the course of their business operations. Most of these business investments require sizable amounts of capital. The Group may be unable to withdraw from such businesses in an optimal manner or time frame, in which case it would be obliged to commit additional capital.

In an effort to prevent the occurrence of risks associated with investments and other activities, the Group conducts extensive risk management, including checking new investments to determine whether expected returns are commensurate with the risks involved. Nevertheless, a decline in the value of these investments or the necessity of additional expenditures of capital could adversely affect the Group's business results and financial condition.

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. In the context of the Group's country risk management, the Company classifies countries according to their level of risk, and has established transaction management standards and promotes efforts to ensure optimal portfolio management and appropriate risk/reward ratios. Nevertheless, a deteriorating operating environment in these markets or regions could adversely affect the Group's business results and financial condition.

Ability to Procure Funds and Funding Cost

Marubeni and its consolidated subsidiaries engage in fund procurement with an emphasis on maintaining an optimal mix of funding in line with the requirements of their respective asset portfolios and ensuring liquidity. However, significant disruptions in major global capital markets, shortages of cash flows from operating activities, declining profitability, failure in asset-liability management, or a sharp downgrade in the credit rating of the Group by ratings agencies could constrain fund procurement or lead to an increase in funding cost, which could adversely affect the Group's business results and financial condition.

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 could adversely affect the Group's business results and financial condition.

In addition, the Group participates in energy and natural resource exploration and production (E&P) businesses and other manufacturing businesses. Fluctuations in the markets of the products sold through these activities could adversely affect the Group's business results and financial condition.

2. Market Liquidity (Liquidity Risk)

Marubeni and its consolidated subsidiaries hold a variety of assets that are subject to market trading, including financial instruments. Financial market turmoil and other factors can cause the market liquidity of held assets to decline dramatically, a situation that could potentially trigger a precipitous drop in the value of held assets. Such an occurrence could adversely affect the Group's business results and financial condition.

3. Fluctuations in Foreign Currency Exchange Rates

Marubeni and its consolidated subsidiaries conduct transactions in a variety of currencies and under a variety of terms. In order to mitigate the risk of exchange rate fluctuations associated with transactions, receivables, and liabilities denominated in foreign currencies, the Group enters into forward exchange contracts and other derivative transactions. Despite these measures, fluctuations in exchange rates could adversely affect the Group's business results and financial condition.

4. Fluctuations in Interest Rates

Marubeni and its consolidated subsidiaries procure necessary business funds through borrowings from financial institutions, the issuance of corporate bonds, and other methods of procuring from capital markets. A large portion of floating rate liabilities is proportionate to operating assets that can counteract adverse impacts of interest rate fluctuations. However, interest rate fluctuation risks cannot be completely eliminated, and a certain degree of exposure remains. Among the liabilities procured for interest insensitive assets, such as investment securities and property, plant and equipment, the portion at procured floating rates is categorized as unhedged through the asset-liability management practices of Marubeni and its consolidated subsidiaries. Monitoring market movements in interest rates, the Group utilizes interest rate swaps and other measures to mitigate the risk of interest rate fluctuations.

There is no guarantee that the Group will be able to completely avoid interest rate risk, even after having implemented these management measures. Therefore, changes in market interest rates could adversely affect the Group's business results and financial condition.

5. Fluctuations in Values of Marketable Securities Subject to Market Volatility

To strengthen business relationships and for other purposes, Marubeni and its consolidated subsidiaries invest in marketable securities that are subject to market volatility. Such securities held by the Group carry the risk of fluctuations in original value due to changes in fair value. Drops in the fair value of these securities could adversely affect the Group's business results and financial condition.

6. Risks Regarding Employees' Retirement Benefits

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 or could require it to accumulate additional pension assets. Such an event could adversely affect the Group's business results and financial condition.

Impairment of Real Estate, Machinery and Equipment, and Other Property, Plant and Equipment

Marubeni and its consolidated subsidiaries hold real estate, machinery and equipment, and other property, plant and equipment for sale and lease to other parties as well as for their own use. A decline in the value of these assets could potentially require the Group to recognize impairment losses. The Group accounts for impairment of property, plant and equipment in accordance with IFRS. Nevertheless, a dramatic decline in asset value could adversely affect the Group's business results and financial condition.

Laws and Regulations

In the course of operations, Marubeni and its consolidated subsidiaries are subject to a broad range of laws and regulations both in Japan and other applicable countries. Changes in or unanticipated interpretations of these laws and regulations could increase the obligations pertaining to legal and regulatory compliance placed on the Group. Accordingly, changes or altered interpretations of laws and regulations may result in punitive measures, including the interruption of operations, lower the Company's credibility, or cause the occurrence of other circumstances that could adversely affect the Group's business results and financial condition.

Significant Litigation

In the course of business activities in Japan and overseas, Marubeni and its consolidated subsidiaries may be a party to litigation, disputes, and other legal proceedings. When party to such litigation, predicting the outcome is impossible given the inherent uncertainty of these matters. The Company cannot guarantee that such litigation will not adversely affect the Group's business results and financial condition.

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 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, that some form of environmental impact occurs, it could adversely affect the Group's business results and financial condition.

Natural Disaster Risk

Earthquakes and other natural disasters could cause damage and loss to the Group's offices and facilities and inhibit the normal business activities of Marubeni and its consolidated subsidiaries. While every effort has been made to implement appropriate countermeasures, such as the formulation of business continuity plans, earthquake countermeasures, and fire prevention drills, the potential for damage from natural disasters cannot be completely mitigated. Consequently, there is no guarantee that such disasters will not adversely affect the Group's business results and financial condition.

Risk Relating to Terrorists and Violent Groups

Marubeni and its consolidated subsidiaries conduct business operations globally, and these operations are therefore exposed to risk from unexpected situations relating to terrorists and violent groups, as well as trends in politics and social factors. The materialization of such risks could adversely affect the Group's business results and financial condition.

Other Risks Inherent and Related to Overall Marubeni Operations

Negligence on the part of employees charged with executing business operations and malfunctions pertaining to information leakages from computer systems supporting business activities are among other risks, the materialization of which could adversely affect the Group's business results and financial condition.

Consolidated Financial Statements

Marubeni Corporation and Subsidiaries

At March 31, 2016 and
for the year ended March 31, 2016
with Independent Auditors' Report

Building a better
working world

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Independent Auditors' Report

The Board of Directors
Marubeni Corporation

We have audited the accompanying consolidated financial statements of Marubeni Corporation and its subsidiaries, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Marubeni Corporation and its subsidiaries as at March 31, 2016, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

U.S. Dollar Information

We also have reviewed the translation of the consolidated financial statements mentioned above into United States dollars on the basis described in Note 1. In our opinion, such statements have been translated on such basis.

Ernst & Young ShinNihon LLC

Tokyo, Japan
June 24, 2016

Marubeni Corporation and Subsidiaries
Consolidated Statement of Financial Position

Assets	Millions of yen March 31, 2016	Millions of yen March 31, 2015	Thousands of U.S. dollars (Note 1) March 31, 2016
Current assets:			
Cash and cash equivalents *(Notes 14 and 15)*	**¥600,840**	¥469,106	**$5,317,168**
Time deposits *(Notes 14 and 15)*	**5,032**	12,310	**44,531**
Investment securities *(Note 14)*	**10,075**	601	**89,159**
Notes, trade accounts and loans receivable *(Notes 9, 14, 15, 22 and 24)*	**1,270,284**	1,350,473	**11,241,452**
Other current financial assets *(Notes 14, 15 and 22)*	**219,652**	219,221	**1,943,823**
Inventories *(Notes 4 and 15)*	**779,581**	898,870	**6,898,947**
Other current assets *(Notes 8, 15 and 22)*	**277,116**	310,086	**2,452,354**
Total current assets	**3,162,580**	3,260,667	**27,987,434**
Non-current assets:			
Investments in associates and joint ventures *(Notes 13, 15 and 24)*	**1,651,350**	1,819,015	**14,613,717**
Other investments *(Notes 14, 15 and 24)*	**348,063**	421,434	**3,080,204**
Notes, trade accounts and loans receivable *(Notes 9, 14, 15, 22 and 24)*	**168,733**	213,042	**1,493,212**
Other non-current financial assets *(Notes 14 and 15)*	**91,434**	90,336	**809,150**
Property, plant and equipment *(Notes 5, 9 and 15)*	**1,201,444**	1,363,776	**10,632,248**
Intangible assets *(Notes 6 and 15)*	**335,273**	366,185	**2,967,018**
Deferred tax assets *(Note 12)*	**94,113**	62,223	**832,858**
Other non-current assets *(Notes 9, 15 and 22)*	**64,696**	76,386	**572,531**
Total non-current assets	**3,955,106**	4,412,397	**35,000,938**
Total assets *(Note 19)*	**¥7,117,686**	¥7,673,064	**$62,988,372**

Marubeni Corporation and Subsidiaries
Consolidated Statement of Financial Position (continued)

Liabilities and equity	Millions of yen March 31, 2016	Millions of yen March 31, 2015	Thousands of U.S. dollars (Note 1) March 31, 2016
Current liabilities:			
Bonds and borrowings *(Notes 14 and 22)*	**¥636,536**	¥522,992	**$5,633,062**
Notes and trade accounts payable *(Notes 14, 22 and 24)*	**1,221,150**	1,313,165	**10,806,637**
Other current financial liabilities *(Notes 14 and 22)*	**351,246**	447,122	**3,108,372**
Income tax payable *(Note 12)*	**15,473**	20,955	**136,929**
Other current liabilities *(Notes 7, 8 and 22)*	**369,811**	425,775	**3,272,664**
Total current liabilities	**2,594,216**	2,730,009	**22,957,664**
Non-current liabilities:			
Bonds and borrowings *(Notes 14 and 22)*	**2,731,789**	2,846,032	**24,175,124**
Notes and trade accounts payable *(Notes 14, 22 and 24)*	**17,658**	20,549	**156,265**
Other non-current financial liabilities *(Notes 14 and 22)*	**76,697**	113,680	**678,734**
Accrued pension and retirement benefits *(Note 10)*	**91,918**	76,135	**813,434**
Deferred tax liabilities *(Note 12)*	**100,617**	115,716	**890,416**
Other non-current liabilities *(Notes 7 and 22)*	**89,589**	92,230	**792,823**
Total non-current liabilities	**3,108,268**	3,264,342	**27,506,796**
Total liabilities	**5,702,484**	5,994,351	**50,464,460**
Equity:			
Issued capital *(Note 20)*	**262,686**	262,686	**2,324,655**
Capital surplus *(Note 20)*	**141,504**	148,243	**1,252,248**
Treasury stock *(Note 20)*	**(1,369)**	(1,361)	**(12,115)**
Retained earnings *(Notes 20 and 21)*	**737,215**	728,098	**6,524,026**
Other components of equity *(Note 17)*:			
Gains (losses) on financial assets measured at fair value through other comprehensive income *(Notes 14 and 17)*	**43,066**	108,256	**381,115**
Foreign currency translation adjustments *(Notes 14 and 17)*	**193,608**	327,782	**1,713,345**
Gains (losses) on cash flow hedges *(Notes 14 and 17)*	**(59,658)**	(55,189)	**(527,947)**
Remeasurements of defined benefit plan *(Notes 10 and 17)*	**–**	–	**–**
Equity attributable to owners of the parent	**1,317,052**	1,518,515	**11,655,327**
Non-controlling interests *(Note 25)*	**98,150**	160,198	**868,585**
Total equity	**1,415,202**	1,678,713	**12,523,912**
Total liabilities and equity	**¥7,117,686**	¥7,673,064	**$62,988,372**

See accompanying Notes to Consolidated Financial Statements.

Financial Information

Marubeni Corporation and Subsidiaries
Consolidated Statement of Comprehensive Income

	Millions of yen		Thousands of U.S. dollars (Note 1)
	Year ended March 31, 2016	Year ended March 31, 2015	**Year ended March 31, 2016**
Revenue *(Note 19)***:**			
Sales of goods *(Note 14)*	**¥7,077,085**	¥7,621,135	**$62,629,071**
Commissions on services and trading margins	**223,214**	213,160	**1,975,345**
Total revenue	**7,300,299**	7,834,295	**64,604,416**
Cost of goods sold *(Notes 4, 5, 6, 14 and 22)*	**(6,630,213)**	(7,126,977)	**(58,674,451)**
Gross trading profit *(Note 19)*	**670,086**	707,318	**5,929,965**
Other income (expenses):			
Selling, general and administrative expenses *(Notes 5, 6 and 10)*	**(565,855)**	(546,630)	**(5,007,566)**
Gains (losses) on property, plant and equipment:			
Impairment losses *(Notes 5 and 6)*	**(114,658)**	(152,835)	**(1,014,673)**
Gains (losses) on sales of property, plant and equipment	**11,362**	7,962	**100,549**
Other-net *(Notes 11 and 14)*	**(16,035)**	7,817	**(141,903)**
Total other income (expenses)	**(685,186)**	(683,686)	**(6,063,593)**
Finance income (expenses):			
Interest income *(Note 14)*	**14,602**	14,509	**129,221**
Interest expenses *(Note 14)*	**(33,628)**	(39,090)	**(297,593)**
Dividend income *(Note 14)*	**18,555**	34,957	**164,204**
Gains (losses) on investment securities *(Notes 13 and 14)*	**74,306**	687	**657,575**
Total finance income (expenses)	**73,835**	11,063	**653,407**
Share of profits of associates and joint ventures *(Notes 13 and 19)*	**31,824**	89,919	**281,628**
Profit before taxes	**90,559**	124,614	**801,407**
Income taxes *(Note 12)*	**(23,031)**	(11,885)	**(203,814)**
Profit for the year	**¥67,528**	¥112,729	**$597,593**
Profit for the year attributable to:			
Owners of the parent *(Note 19)*	**¥62,264**	¥105,604	**$551,009**
Non-controlling interests	**5,264**	7,125	**46,584**

Marubeni Corporation and Subsidiaries
Consolidated Statement of Comprehensive Income (continued)

	Millions of yen		Thousands of U.S. dollars (Note 1)
	Year ended March 31, 2016	Year ended March 31, 2015	**Year ended March 31, 2016**
Other comprehensive income *(Note 17)*:			
Items that will not be reclassified to profit or loss:			
Gains (losses) on financial assets measured at fair value through other comprehensive income *(Notes 14 and 17)*	**¥(57,824)**	¥(48,924)	**$(511,717)**
Remeasurements of defined benefit plan *(Notes 10 and 17)*	**(15,468)**	(2,248)	**(136,885)**
Changes in other comprehensive income of associates and joint ventures *(Note 13)*	**(4,436)**	5,111	**(39,257)**
Items that will be reclassified to profit or loss:			
Foreign currency translation adjustments *(Notes 14 and 17)*	**(116,361)**	144,739	**(1,029,743)**
Gains (losses) on cash flow hedges *(Notes 14 and 17)*	**5,203**	8,084	**46,044**
Changes in other comprehensive income of associates and joint ventures *(Note 13)*	**(22,684)**	(8,319)	**(200,743)**
Other comprehensive income (loss), net of tax	**(211,570)**	98,443	**(1,872,301)**
Total comprehensive income (loss) for the year	**¥(144,042)**	¥211,172	**$(1,274,708)**
Total comprehensive income (loss) for the year attributable to:			
Owners of the parent	**¥(144,593)**	¥194,838	**$(1,279,584)**
Non-controlling interests	**551**	16,334	**4,876**

	Yen		U.S. dollars (Note 1)
	Year ended March 31, 2016	Year ended March 31, 2015	**Year ended March 31, 2016**
Basic and diluted earnings per share attributable to owners of the parent *(Note 16)*	**¥35.88**	¥60.85	**$0.32**

	Millions of yen		Thousands of U.S. dollars (Note 1)
	Year ended March 31, 2016	Year ended March 31, 2015	**Year ended March 31, 2016**
Total volume of trading transactions *(Notes 19 and 22)*	**¥12,207,957**	¥13,925,339	**$108,035,018**

"Total volume of trading transactions" includes all transactions involving the Company and its consolidated subsidiaries regardless of transaction type. "Total volume of trading transactions" is not required by International Financial Reporting Standards ("IFRSs") but is presented here to provide readers with a better understanding and is as presented in common Japanese accounting practice.

See accompanying Notes to Consolidated Financial Statements.

Marubeni Corporation and Subsidiaries
Consolidated Statement of Changes in Equity

	Millions of yen		*Thousands of U.S. dollars (Note 1)*
	Year ended March 31, 2016	Year ended March 31, 2015	**Year ended March 31, 2016**
Issued capital *(Note 20)*:			
Balance at beginning of year	**¥262,686**	¥262,686	**$2,324,655**
Balance at end of year	**262,686**	262,686	**2,324,655**
Capital surplus *(Note 20)*:			
Balance at beginning of year	**148,243**	154,054	**1,311,885**
Disposal of treasury stock	**–**	–	**–**
Equity transactions with non-controlling interests and others	**(6,739)**	(5,811)	**(59,637)**
Balance at end of year	**141,504**	148,243	**1,252,248**
Treasury stock *(Note 20)*:			
Balance at beginning of year	**(1,361)**	(1,338)	**(12,044)**
Purchases and sales of treasury stock	**(8)**	(23)	**(71)**
Balance at end of year	**(1,369)**	(1,361)	**(12,115)**
Retained earnings:			
Balance at beginning of year	**728,098**	699,951	**6,443,344**
Profit for the year attributable to owners of the parent *(Note 19)*	**62,264**	105,604	**551,009**
Transfer from other components of equity *(Note 17)*	**(12,361)**	(33,200)	**(109,389)**
Dividends to owners of the parent *(Note 21)*	**(40,786)**	(44,257)	**(360,938)**
Balance at end of year	**737,215**	728,098	**6,524,026**
Other components of equity:			
Balance at beginning of year	**380,849**	268,005	**3,370,345**
Gains (losses) on financial assets measured at fair value through other comprehensive income *(Notes 14 and 17)*	**(61,130)**	(43,955)	**(540,973)**
Foreign currency translation adjustments *(Notes 14 and 17)*	**(134,174)**	146,061	**(1,187,381)**
Gains (losses) on cash flow hedges *(Notes 14 and 17)*	**4,868**	(11,145)	**43,080**
Remeasurements of defined benefit plan *(Notes 10 and 17)*	**(16,421)**	(1,727)	**(145,319)**
Transfer to retained earnings *(Note 17)*	**12,361**	33,200	**109,389**
Transfer to non-financial assets or non-financial liabilities *(Notes 14 and 17)*	**(9,337)**	(9,590)	**(82,628)**
Balance at end of year	**177,016**	380,849	**1,566,513**
Equity attributable to owners of the parent	**¥1,317,052**	¥1,518,515	**$11,655,327**

Marubeni Corporation and Subsidiaries
Consolidated Statement of Changes in Equity (continued)

	Millions of yen		Thousands of U.S. dollars (Note 1)
	Year ended March 31, 2016	Year ended March 31, 2015	**Year ended March 31, 2016**
Non-controlling interests:			
Balance at beginning of year	**¥160,198**	¥147,873	**$1,417,681**
Dividends to non-controlling interests	**(6,742)**	(5,129)	**(59,663)**
Equity transactions with non-controlling interests and others *(Note 25)*	**(55,857)**	1,120	**(494,310)**
Profit for the year attributable to non-controlling interests	**5,264**	7,125	**46,584**
Other components of equity:			
Gains (losses) on financial assets measured at fair value through other comprehensive income *(Notes 14 and 17)*	**14**	38	**124**
Foreign currency translation adjustments *(Notes 14 and 17)*	**(4,591)**	9,646	**(40,628)**
Gains (losses) on cash flow hedges *(Notes 14 and 17)*	**55**	(58)	**487**
Remeasurements of defined benefit plan *(Notes 10 and 17)*	**(191)**	(417)	**(1,690)**
Balance at end of year	**98,150**	160,198	**868,585**
Total equity	**¥1,415,202**	¥1,678,713	**$12,523,912**

	Millions of yen		Thousands of U.S. dollars (Note 1)
	Year ended March 31, 2016	Year ended March 31, 2015	**Year ended March 31, 2016**
Total comprehensive income for the year attributable to:			
Owners of the parent	**¥(144,593)**	¥194,838	**$(1,279,584)**
Non-controlling interests	**551**	16,334	**4,876**
Total comprehensive income (loss) for the year	**¥(144,042)**	¥211,172	**$(1,274,708)**

See accompanying Notes to Consolidated Financial Statements.

Financial Information

Marubeni Corporation and Subsidiaries
Consolidated Statement of Cash Flows

	Millions of yen		*Thousands of U.S. dollars (Note 1)*
	Year ended March 31, 2016	Year ended March 31, 2015	**Year ended March 31, 2016**
Operating activities:			
Profit for the year	**¥67,528**	¥112,729	**$597,593**
Adjustments to reconcile profit for the year to net cash provided by (used in) operating activities:			
Depreciation and amortisation	**121,463**	118,239	**1,074,894**
(Gains) losses on property, plant and equipment	**103,296**	144,873	**914,124**
Finance (income) expenses	**(73,835)**	(11,063)	**(653,407)**
Share of profits of associates and joint ventures	**(31,824)**	(89,919)	**(281,628)**
Income taxes	**23,031**	11,885	**203,814**
Changes in notes and accounts receivable	**70,178**	114,444	**621,044**
Changes in inventories	**93,844**	(32,091)	**830,478**
Changes in notes and trade accounts payable	**(38,174)**	(209,004)	**(337,823)**
Other-net	**(8,370)**	(23,745)	**(74,071)**
Interest received	**15,139**	13,777	**133,973**
Interest paid	**(34,470)**	(38,384)	**(305,044)**
Dividends received	**102,278**	111,042	**905,115**
Income taxes paid	**(50,952)**	(51,840)	**(450,903)**
Net cash provided by operating activities	**359,132**	170,943	**3,178,159**
Investing activities *(Note 18)*:			
Net (increase) decrease in time deposits	**6,434**	13,611	**56,938**
Proceeds from sale of property, plant and equipment	**26,514**	36,698	**234,637**
Proceeds from sale of investment property	**15,551**	57,650	**137,619**
Collection of loans receivable	**25,848**	35,240	**228,743**
Proceeds from sale of subsidiaries, net of cash and cash equivalents disposed of	**52,080**	151	**460,885**
Proceeds from sale of investments in associates and joint ventures, and other investments	**116,984**	91,465	**1,035,257**
Purchase of property, plant and equipment	**(259,332)**	(322,419)	**(2,294,973)**
Purchase of investment property	**(418)**	(585)	**(3,699)**
Loans provided to customers	**(32,834)**	(60,294)	**(290,566)**
Acquisition of subsidiaries, net of cash and cash equivalents acquired	**(13,772)**	(15,844)	**(121,876)**
Purchase of investments in associates and joint ventures, and other investments	**(111,651)**	(167,084)	**(988,062)**
Net cash used in investing activities	**(174,596)**	(331,411)	**(1,545,097)**

Marubeni Corporation and Subsidiaries
Consolidated Statement of Cash Flows (continued)

	Millions of yen		*Thousands of U.S. dollars (Note 1)*
	Year ended March 31, 2016	Year ended March 31, 2015	**Year ended March 31, 2016**
Financing activities *(Note 18)***:**			
Net increase (decrease) in short-term borrowings	**¥(64,691)**	¥165,996	**$(572,487)**
Proceeds from long-term bonds and borrowings	**530,489**	301,954	**4,694,593**
Repayments of long-term bonds and borrowings	**(391,369)**	(484,648)	**(3,463,442)**
Dividends paid	**(40,786)**	(44,257)	**(360,938)**
Net cash outflows on purchases and sales of treasury stock	**(22)**	(23)	**(195)**
Capital contribution from non-controlling interests	**121**	809	**1,071**
Acquisition of additional interests in subsidiaries from non-controlling interests *(Note 25)*	**(63,309)**	(6,668)	**(560,257)**
Other	**(6,701)**	(3,868)	**(59,301)**
Net cash used in financing activities	**(36,268)**	(70,705)	**(320,956)**
Effect of exchange rate changes on cash and cash equivalents	**(16,534)**	34,781	**(146,319)**
Net increase (decrease) in cash and cash equivalents	**131,734**	(196,392)	**1,165,787**
Cash and cash equivalents at beginning of year	**469,106**	665,498	**4,151,381**
Cash and cash equivalents at end of year	**¥600,840**	¥469,106	**$5,317,168**

See accompanying Notes to Consolidated Financial Statements.

Marubeni Corporation and Subsidiaries
Notes to Consolidated Financial Statements

1. Business Overview

Marubeni Corporation (the "Company") is a corporation domiciled in Japan. The Company and its domestic and overseas subsidiaries, which are controlled by the Company mainly through direct or indirect holdings of the majority of voting rights (together the "Companies"), engage in import and export trading of domestic and overseas products and commodities, including domestic and offshore trading in fields which cover a wide range of commodities such as Food & Consumer Products, Chemical & Forest Products, Energy & Metals, Power Projects & Plant, Transportation & Industrial Machinery, and others. In addition, the Companies offer various services and engage in diversified businesses such as investments in domestic and foreign businesses, exploration of natural resources and others.

The translation of Japanese yen amounts into U.S. dollar amounts for the year ended March 31, 2016 and at March 31, 2016 is included solely for the convenience of readers outside of Japan and has been made at ¥113 to $1, the exchange rate prevailing on March 31, 2016. 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. Basis of Presentation

(1) Statements of Compliance

The Company's Consolidated Financial Statements have been prepared in accordance with the IFRSs issued by the International Accounting Standards Board. As the Company meets the requirements of a "Specified Company applying Designated International Financial Reporting Standards", pursuant to Article 1-2 of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976, the "Consolidated Financial Statements Ordinance"), it has applied the provisions of Article 93 of said Ordinance.

(2) Functional Currency and Presentation Currency

The Consolidated Financial Statements of the Company are presented in Japanese yen, the functional currency of the Company, and amounts of less than one million yen are rounded to the nearest million yen.

(3) Use of Estimates and Judgments

Preparation of the Consolidated Financial Statements requires management to make accounting estimates and assumptions, as necessary that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the end of the reporting period as well as the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates and assumptions due to their inherent uncertainty. Accounting estimates and assumptions that could significantly affect the Consolidated Financial Statements are as follows:

- Write-down of inventories (Note 4 "Inventories")
- Impairment of property, plant and equipment (Note 5 "Property, Plant and Equipment")
- Impairment of intangible assets (Note 6 "Intangible Assets")
- Provisions (Note 7 "Provisions")
- Defined benefit obligation (Note 10 "Employee Benefits")
- Recoverability of deferred tax assets (Note 12 "Income Taxes")
- Impairment of investments in associates and joint ventures (Note 13 "Associates and Joint Ventures")
- Valuation of financial instruments (Note 14 "Financial Instruments and Related Disclosures")
- Contingent liabilities (Note 23 "Commitments and Contingent Liabilities")

Information related to judgments made by the Company that could significantly affect the Consolidated Financial Statements in the process of applying the accounting policies are as follows:

- Scope of subsidiaries, associates and joint ventures (Note 3 "Significant Accounting Policies")
- Classification of non-current assets or disposal groups as held for sale (Note 8 "Non-current Assets or Disposal Groups Held for Sale)
- Accounting for leases (Note 9 "Leases")
- Derecognition of financial assets (Note 14 "Financial Instruments and Related Disclosures")

3. Significant Accounting Policies

(1) Basis of Measurement

The Consolidated Financial Statements, as stated in the accounting policies below, have been prepared on an historical cost basis, with the exception of certain current assets, financial instruments, and assets and liabilities relating to the post-employment benefit plan, which are measured at fair value.

(2) Basis of Consolidation

The Consolidated Financial Statements of the Company include the accounts of all domestic and foreign subsidiaries under the control of the Company either through direct or indirect ownership of a majority voting interest or by other means. Intercompany transactions and accounts between the Companies are eliminated. To align the reporting periods of subsidiaries that have a financial year end that is different from the financial year end of the Company (March 31) due to unavoidable reasons such as compliance with the local legal system of the country in which they operate, subsidiaries prepare additional financial statements as of the financial year end date of the Company and similar such adjustments.

(3) Business Combinations

The Companies use the acquisition method of accounting for all business combinations. The acquisition cost is the aggregate of the consideration transferred measured at acquisition date fair value, plus any previously held equity interest in the acquiree remeasured at its acquisition date fair value and any non-controlling interest in the acquiree. The amount of any non-controlling interest is measured as elected for each business combination either at fair value or at the proportionate interest in the identifiable net assets of the acquiree.

Any difference between the fair value and the carrying amount of the equity interest in the acquiree previously held at the time control is obtained is recognised in profit or loss. Further, any other comprehensive income that had been previously recognised in connection with the equity interest in the acquiree is treated in the same way as a disposal of the equity interest. Acquisition costs incurred are recognised in profit or loss.

The Companies perform any necessary classification and designation of identifiable assets acquired and liabilities assumed based, in principle, on the contractual terms, economic conditions, business or accounting policies, and other appropriate conditions that exist on the acquisition date.

(4) Investments in Associates and Joint Ventures

Associates refer to investees over which the Companies have the ability to exercise significant influence through such factors as the ownership of 20% to 50% of the voting interest in the entity and other factors.

A joint venture is a joint arrangement whereby the Companies, as the parties that have joint control of the arrangement, have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Companies account for investments in associates and joint ventures under the equity method. Under the equity method, investments in associates and joint ventures are normally recorded at cost, adjusted for the Companies' share of the change in the net assets of these associates and joint ventures since the acquisition date. Any dividends received from these associates and joint ventures are subtracted from the carrying amount of investments in associates and joint ventures.

The Companies' share of the profit or loss of the associates and joint ventures is included as "Share of profit of associates and joint ventures" in the Consolidated Statement of Comprehensive Income. The Companies' share of any change in other comprehensive income recognised by the associates and joint ventures is recognised in other comprehensive income. Any unrealised profit arising from the transactions between the Companies and the associates and joint ventures is eliminated against the Companies' interest in associates and joint ventures. Certain adjustments are made to achieve unification of the accounting policies of the associates and joint ventures with those of the Companies.

To align the reporting periods of associates and joint ventures accounted for under the equity method that have a financial year end that is different from the financial year end of the Company (March 31) due to unavoidable reasons such as the relationship with other shareholders, the associates and joint ventures prepare additional financial statements as of the financial year end date of the Company and similar such adjustments.

If it is determined, after the initial application of the equity method to investments in associates and joint ventures, that there is objective evidence of impairment based on all available information, the carrying amount of investments in associates and joint ventures is reduced to their recoverable amounts and the difference is recognised in profit or loss as an impairment loss.

The Companies determine, at each reporting date, whether there is an indication that the recognised impairment loss may no longer exist or may have been reduced. If there is such an indication, the Companies estimate the recoverable amount of investments in associates and joint ventures. If the estimated recoverable amount exceeds the carrying amount of the investment, a reversal of impairment losses is recognised in profit or loss to the extent of the increase in the recoverable amount of the investment since the recognition of impairment losses, and is recognised only up to the amount of impairment losses that have been recognised in the past.

If the Companies lose significant influence or joint control over any associates and joint ventures, such investments in associates and joint ventures are measured at fair value. Specifically, the difference between; the fair value of any residual interests plus the proceeds from the partial disposal of interests in associates or joint ventures, and the carrying amount of the investment at the date on which control was lost, is recognised in profit or loss. Any other comprehensive income previously recognised under the equity method is accounted for in the same manner as a disposal of assets or liabilities related to the other comprehensive income of the associates and joint ventures.

(5) Foreign Currency Translation

The Consolidated Financial Statements of the Companies are presented in Japanese yen, the functional currency of the Company. Each entity in the consolidated group determines its functional currency in consideration of, among other factors, the economic environment in which it operates, and it measures the items in its financial statements using its own functional currency.

Assets and liabilities included in the financial statements of foreign operations are translated into Japanese yen at the reporting date rates. Income and expenses are translated at the average rates prevailing for the reporting period. The resulting translation adjustments are recognised in other comprehensive income and the cumulative translation adjustments are recognised in other components of equity.

On disposal of a subsidiary that results in loss of control, all cumulative translation adjustments related to the foreign operation that have been recognised in other components of equity are reclassified to profit or loss. In a partial disposal of a subsidiary that does not result in loss of control, the corresponding share of the cumulative translation adjustment that has been recognised in other components of equity is reclassified to non-controlling interest rather than profit or loss.

On disposal of an associate or joint venture that results in loss of significant influence or loss of joint control, the full amount of the cumulative translation adjustment that has been recognised in other components of equity is reclassified to profit or loss. In a partial disposal of an associate or joint venture that does not result in loss of significant influence or loss of joint control, the corresponding proportionate share of the cumulative translation adjustment that has been recognised in other components of equity is reclassified to profit or loss.

(6) Cash and Cash Equivalents

The Companies include deposits in banks and certificates of deposit with a remaining maturity of 3 months or less at the acquisition date in cash equivalents.

(7) Financial Instruments

(i) Financial assets

Initial recognition and measurement

Financial assets to which IFRS 9 *Financial Instruments* ("IFRS 9") applies are classified as follows: debt instrument financial assets are classified as either financial assets measured at amortised cost or financial assets measured at fair value through profit or loss ("Financial assets measured at FVTPL"), and equity financial assets are classified as either Financial assets measured at FVTPL or financial assets measured at fair value through other comprehensive income ("Financial assets measured at FVTOCI"). The Companies determine such classifications at initial recognition of the financial assets.

Financial assets measured at FVTPL are measured at fair value at initial recognition and financial assets other than Financial assets measured at FVTPL are measured at fair value plus transaction costs at initial recognition.

For purchases or sales of financial assets under contracts with terms requiring delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned (regular way purchase or sale), the purchase or sale is recognised on the trade date on which the Companies become a party to the contract for the financial asset.

Financial assets of the Companies include cash and cash equivalents, debt instrument financial assets including notes, trade accounts and loans receivable, equity financial assets, and derivative financial assets.

Subsequent measurement

After initial recognition, financial assets are measured according to their category as follows:

Financial assets measured at amortised cost

A debt instrument financial asset is measured at amortised cost if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, a debt instrument financial asset for which these conditions are satisfied is measured at amortised cost calculated using the effective interest method less any impairment losses. Amortisation using the effective interest method is recognised as part of finance income in the Consolidated Statement of Comprehensive Income.

The Companies may, at initial recognition, make an irrevocable election to designate a financial asset that meets the conditions for classification as measured at amortised cost mentioned above as Financial assets measured at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets measured at FVTPL

The Companies classify the following financial assets as Financial assets measured at FVTPL: (i) equity financial assets not designated as Financial assets measured at FVTOCI at initial recognition and (ii) debt instrument financial assets that either do not meet the conditions for classification as measured at amortised cost or those that meet these conditions but are designated as Financial assets measured at FVTPL under an election made by the Companies at initial recognition.

After initial recognition, changes in the fair values of financial assets classified as Financial assets measured at FVTPL, together with the related dividend and interest income, are mainly recognised as part of finance income in the Consolidated Statement of Comprehensive Income.

Financial assets measured at FVTOCI

The Companies make an irrevocable election at initial recognition to (or not to) designate equity financial assets that are not held for trading as Financial assets measured at FVTOCI.

After initial recognition, equity financial assets designated as Financial assets measured at FVTOCI are measured at fair value with any change in fair value recognised in other comprehensive income. The cumulative amount of the change in fair value recognised in other comprehensive income is recognised in other components of equity. However, dividend income arising from equity financial assets designated as Financial assets measured at FVTOCI is recognised as part of finance income (or expenses) in the Consolidated Statement of Comprehensive Income.

Derecognition

The Companies derecognise a financial asset in the following situations:

- When the contractual rights to receive the cash flows of the financial asset are extinguished;
- When the contractual rights to receive the cash flows of the financial asset are transferred or when the Companies retain their contractual rights to receive the cash flows of the financial asset, but assume a contractual obligation to pay those cash flows to one or more of the ultimate payees without significant delay under a pass-through arrangement and substantially all the risks and rewards of ownership are transferred to the transferee; and
- When the contractual rights to receive the cash flows of the financial asset are transferred or when the Companies retain their contractual rights to receive the cash flows of the financial asset, but assume a contractual obligation to pay those cash flows to one or more of the ultimate payees without significant delay under a pass-through arrangement and substantially all the risks and rewards of ownership of the financial asset are neither transferred nor retained, but control over the financial asset is transferred.

Where substantially all the risks and rewards of ownership of the financial asset are neither transferred nor retained and control over the transferred financial asset is retained, the Companies continue to recognise the financial asset to the extent of their continuing involvement.

When Companies continue to recognise the financial asset to the extent of their continuing involvement, any liabilities arising in relation to such continuing involvement are recognised. The continuing involvement in the financial asset and any liabilities arising in relation to such continuing involvement are measured on the basis of the rights and obligations held by the Companies.

Impairment of financial assets measured at amortised cost

The Companies judge that a financial asset measured at amortised cost is impaired only if there is objective evidence of impairment as a result of one or more events that occur after the initial recognition of the asset, and such an event or events have an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence of impairment includes such events as significant financial difficulty of the issuer or obligor and a default or delinquency in interest or principal payments.

The amount of an impairment loss is estimated based on the present value of estimated future cash flows discounted at the financial asset's original effective interest rate or observable market prices of the financial asset. However, if the returns on the financial asset are based on a floating interest rate, the present value of estimated future cash flows is calculated using the effective interest rate at each reporting date.

In addition to the impairment losses recognised in the manner described above, the Companies recognise impairment losses on financial assets based on historical credit loss rates calculated in consideration of past experience, etc. or estimated recoverable amounts after evaluating potential risks associated with the obligors, geographic areas, etc. pertaining to the financial assets.

Impairment losses are recognised in the Consolidated Statement of Financial Position by deducting them directly from the carrying amount of the respective assets in the case of debt securities and by recognising an allowance in the case of financial assets other than debt securities. Impairment losses arising from trade receivables are recognised as part of selling, general and administrative expenses and those arising from other assets are recognised as part of finance income (or expenses) in the Consolidated Statement of Comprehensive Income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. Such a reversal is recognised to the extent that it does not result in the financial asset having a carrying amount that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of reversal of impairment loss is recognised in profit or loss.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities to which IFRS 9 applies, are classified as follows: financial liabilities are classified as financial liabilities measured at amortised cost unless they are financial liabilities measured at fair value through profit or loss ("Financial liabilities measured at FVTPL"). The Companies determine such classifications at the initial recognition of the financial liabilities.

Financial liabilities measured at FVTPL are measured at fair value at initial recognition and financial liabilities classified as financial liabilities measured at amortised cost are measured at fair value less transaction costs at initial recognition.

Financial liabilities of the Companies include corporate bonds and loans payable, notes and trade accounts payable, derivative financial liabilities, etc.

Subsequent measurement

After initial recognition, financial liabilities are measured according to their classification as follows:

Financial liabilities measured at FVTPL

Financial liabilities designated as Financial liabilities measured at FVTPL are measured at fair value.

After initial recognition, changes in the fair values of Financial liabilities measured at FVTPL together with the related interest expense are mainly recognised as part of finance income (or expenses) in the Consolidated Statement of Comprehensive Income. However the amount of changes in the fair value of the financial liabilities that is attributable to changes in the credit risk of the entity is recognised as other comprehensive income in the Consolidated Statement of Comprehensive Income.

Financial liabilities measured at amortised cost

Financial liabilities not classified as Financial liabilities measured at FVTPL are measured at amortised cost.

After initial recognition, financial liabilities measured at amortised cost are measured at amortised cost using the effective interest method. Amortisation using the effective interest method is recognised as part of finance income (or expenses) in the Consolidated Statement of Comprehensive Income.

Derecognition

The Companies derecognise a financial liability only when the underlying obligation specified in the contract is performed, discharged, cancelled or expires.

An exchange of financial liabilities with substantially different terms or a substantial modification of the terms of an existing financial liability is accounted for as the derecognition of the original financial liability and the recognition of a new financial liability, and the difference between the carrying amount of these liabilities is recognised as part of finance income (or expenses) in the Consolidated Statement of Comprehensive Income.

Financial guarantee contracts

The Company and certain consolidated subsidiaries, in the normal course of their business, issue various guarantees for obligations owed by associates and general trade partners ("guaranteed parties"). These are issued to third parties to guarantee the repayment, mainly of loans which the guaranteed parties have borrowed from external parties. When a guaranteed party fails to perform its obligations, the Company and certain consolidated subsidiaries are obligated to perform the obligations in accordance with the relevant financial guarantee contract.

Liabilities recognised for such financial guarantee contracts are measured at initial recognition at the present value of the total guarantee premiums to be received by the guarantor over a future period under the financial guarantee contract adjusted for directly attributable transaction costs. After initial recognition, these liabilities are amortised over the financial guarantee period on a systematic basis and the amortised amounts are recognised in profit or loss. However, if the estimated amount required to settle any such current guarantee obligations at the reporting date exceeds the amount initially recognised less cumulative amortisation, the balance of any such liability is recognised at the estimated amount required to settle such current guarantee obligations at the reporting date, and any resulting difference is recognised in profit or loss.

(iii) Offsetting of financial instruments

A financial asset and a financial liability are offset and the net amount is presented in the Consolidated Statement of Financial Position when, and only when, the Companies currently have a legally enforceable right to set off the recognised amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(iv) Fair value of financial instruments

The fair value of financial instruments at the end of each reporting period is measured based on the market price in an active market. If the market in which a financial instrument is traded is not active or no active market exists for the financial instrument, fair value is determined by using an appropriate valuation technique.

(8) Derivatives and hedge accounting

Initial recognition and subsequent measurement

The Companies recognise derivatives as assets or liabilities at fair value. For derivatives designated as qualifying hedging instruments, subsequent changes in fair value are recognised according to the objective and designation of the hedge. Subsequent changes in the fair value of derivatives not designated as qualifying hedging instruments are recognised in profit or loss.

Fair value hedges

If the objective of holding a derivative is to hedge the exposure of changes in the fair value of the hedged item (as a fair value hedge), changes in the fair value of the derivative are recognised in profit or loss and are offset against the changes in the fair value of the hedged assets, liabilities, or firm commitments.

When financial instruments measured at amortised cost are designated as hedged items, after recognising the difference between the carrying amount and the fair value of such hedged items in profit or loss, the adjusted financial instruments are amortised through profit or loss using the recalculated effective interest rate.

The Companies use fair value hedges mainly for hedging the exposure of changes in the fair value of goods or firm commitments to purchase goods and the exposure of changes in the fair value of assets and liabilities with a fixed interest rates arising from changes in interest rates.

Cash flow hedges

Changes in the fair value of derivatives designated as cash flow hedges, which are held to hedge the exposure to variability in cash flows of the hedged items, are recognised in other components of equity until changes in the fair value of the hedged item are recognised in profit or loss. However, the ineffective portion of the changes in the fair value of such derivatives is recognised in profit or loss. The Companies use cash flow hedges for hedging the exposure to variability in cash flows of forecast purchases of goods, sales of goods, etc. arising from changes in prices and exchange rates and the exposure to variability in interest cash flows of a floating rate interest bearing assets and liabilities arising from changes in interest rates.

The amounts that have been recognised in other components of equity relating to such hedging instruments are reclassified to profit or loss when the hedged transaction affects profit or loss. However, if a hedged item is a recognised non-financial asset or non-financial liability, the amounts that have been recognised in other components of equity relating to the hedging instrument are reclassified as adjustments to the initial carrying amount of the non-financial asset or non-financial liability.

If a forecast transaction or firm commitment is no longer expected to occur, the Companies discontinue hedge accounting. Accordingly, any amounts that had been recognised in other components of equity while the hedge was effective are reclassified to profit or loss when hedge accounting is discontinued. Changes in the fair value of the derivative after hedge accounting is discontinued are recognised in profit or loss prospectively as it is no longer a hedging instrument. However, to the extent that such a previously hedged forecast transaction continues to be expected to occur even if hedge accounting is discontinued, amounts that had been recognised in other components of equity before the discontinuation of hedge accounting remain in other components of equity until the forecast transaction occurs.

Hedges of a net investment in a foreign operation

Where the objective of holding a derivative and other non-derivative hedging instruments, such as loans payable, is to hedge the foreign currency risk of a net investment in a foreign operation (as a hedge of a net investment in a foreign operation), changes in the fair value of the hedging instruments attributable to changes in exchange rates are recognised in other components of equity to the extent that the hedge is effective. Of the changes in the fair values of derivative and other non-derivative hedging instruments which are due to exchange rate movements, the portions related to any ineffectiveness or any parts outside the hedge effectiveness assessment are recognised in profit or loss.

The cumulative amount of changes in the fair value of hedging instruments attributable to changes in exchange rates that have been recognised in other components of equity under a hedge of a net investment in a foreign operation is reclassified to profit or loss when the underlying foreign operation is disposed of.

(9) Inventories

Inventories, which mainly consist of commodities, merchandise, and real estate held for sale, are measured at the lower of cost (mainly specific or moving average cost) and net realisable value. If the net realisable value is lower than cost, the difference is expensed as a write-down and the amount of the write-down is directly deducted from the carrying amount of inventories.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When the cause of a write-down no longer exists, or when there is clear evidence of an increase in net realisable value due to changes in economic conditions, reversals of such write-downs are recognised. The carrying amount after reversal is recognised at the lower of cost or the revised net realisable value, and the amount of the reversal of write-downs is recognised in profit or loss.

Inventories held for generating profits from short-term fluctuations in market prices are measured at fair value less costs to sell, with fluctuations in fair value less costs to sell recognised in profit or loss in the period in which such fluctuations occur.

(10) Property, plant and equipment

Items of property, plant and equipment are recognised initially at acquisition cost including transaction costs. Acquisition cost includes borrowing costs directly attributable to the acquisition, construction, etc. of assets requiring a considerable time period before they can be used as intended. The present value of the estimated costs for the disposal of an item of property, plant and equipment at the end of its useful life is included in the acquisition cost of the item if the recognition criteria for provisions are met, and are recognised as an expense through depreciation over the useful life of the item.

After initial recognition, the Companies apply the cost model to items of property, plant and equipment and measure such assets at acquisition cost less accumulated depreciation and accumulated impairment loss. The depreciable amount of items of property, plant and equipment is allocated over each period for the useful life of each item through depreciation, mainly on a straight-line basis over the useful life of each item (buildings and structures from 2 to 60 years, machinery and equipment from 2 to 45 years), or the units of production method based on reserve estimation. Land is not depreciated. If an item of property, plant and equipment includes one or more significant parts, each significant part is individually depreciated.

The Companies derecognise an item of property, plant and equipment when they have disposed of it or when it is no longer expected to produce any future economic benefits through use or disposal. The difference between the net disposal proceeds of the item and its carrying amount is recognised in profit or loss when the item is derecognised.

The basis of depreciation of property, plant and equipment, such as residual value, useful life, and depreciation method, is reviewed at each reporting date. When there is a change in the basis of depreciation, the depreciation charge is adjusted prospectively as a change in an accounting estimate.

(11) Intangible assets

Intangible assets other than goodwill

Intangible assets acquired separately are measured at initial recognition at acquisition cost. The acquisition cost of intangible assets acquired in a business combination is measured at the acquisition date fair value. After initial recognition, the Companies apply the cost model to intangible assets and measure such assets at acquisition cost less accumulated amortisation and accumulated impairment loss. Internally generated intangible assets are expensed in the period in which they are incurred, unless they satisfy the criteria for capitalisation.

Intangible assets are classified as either intangible assets with finite useful lives or intangible assets with indefinite useful lives.

The amount of intangible assets with finite useful lives subject to amortisation is allocated as an expense over each period for the useful life of each asset (franchises and customer relationships approximately from 3 years to 45 years, software approximately from 2 years to 20 years) through amortisation, mainly on a straight-line basis. The basis of amortisation of these intangible assets, such as useful life and depreciation method, is reviewed at the end of each reporting period. When there is a change in the basis of amortisation, the amortisation charge is adjusted prospectively as a change in accounting estimate.

Intangible assets judged to have indefinite useful lives are not subject to amortisation, and the Companies review, at the end of each reporting period, whether the events or circumstances supporting such a judgment continue to exist. If the judgment that the useful life is indefinite is no longer valid, the intangible asset is reclassified from an intangible asset with an indefinite life to an intangible asset with a finite useful life, with amortisation charges adjusted prospectively as a change in an accounting estimate.

The Companies derecognise an item of intangible assets when they have disposed of it or when it is no longer expected to produce any future economic benefits from its use or disposal. The difference between the net disposal proceeds of an intangible asset arising from its derecognition and its carrying amount is recognised in profit or loss when the asset is derecognised.

Goodwill

Goodwill is recognised as the excess of (a) the aggregate of the consideration transferred measured at acquisition date fair value, the acquirer's previously held equity interest in the acquiree remeasured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree (hereinafter collectively referred to as "the aggregate amount of consideration") over (b) the net of the acquisition date fair values of the identifiable assets acquired and the liabilities assumed. The amount of non-controlling interest is measured for each business combination either at acquisition date fair value or at the acquirer's proportionate interest in the identifiable net assets of the acquiree. If the total amount of consideration is less than the fair value of the identifiable net assets of the acquired subsidiary, the difference is recognised in profit or loss.

After initial recognition, goodwill is not subject to amortisation and is measured at acquisition cost less accumulated impairment loss. For impairment testing purposes, goodwill acquired in a business combination is, on or after the acquisition date, allocated to cash-generating units or groups of cash-generating units that are expected to receive benefits from the business combination.

If an operation within a cash-generating unit or a group of cash-generating units to which goodwill has been allocated is disposed of, the portion of goodwill related to the operation to be disposed of is included in the carrying amount of the operation for the purpose of calculation of the disposal gain or loss. Goodwill is allocated on the basis of the relative percentage of the values of the business to be disposed of and the remaining portion of the cash-generating unit, unless there is a more reasonable method.

(12) Oil, gas and mineral resources mining activities

Costs associated with the exploration, evaluation and development of oil and gas are accounted for based on the successful efforts method. Costs associated with the acquisition of vested mining rights, costs associated with the drilling and construction of exploratory wells and development wells, and related facilities are capitalised; and costs associated with exploratory wells are expensed when it has been demonstrated that the wells have no commercial viability, while other costs associated with exploration and evaluation, including geographical survey costs, are recognised as expenses when incurred. Costs associated with the exploration and evaluation of mineral resources are recognised as an expense as they are incurred until such time as the commercial viability of the mining activities is demonstrated.

Capitalised costs associated with exploration, evaluation and development are recognised as property, plant and equipment (machinery and equipment). Additionally, expenditures associated with the acquisition of rights to explore, etc. are recognised as intangible assets (licenses and operating rights for natural resources), and reclassified as property, plant and equipment (machinery and equipment) when their technical feasibility and economic viability have been demonstrated.

When facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, such carrying amount is written down to its recoverable amount.

(13) Leases

The Companies engage in the business of leasing non-current assets as lessors and lease non-current assets as lessees under finance leases and operating leases.

Whether or not an arrangement is (or contains) a lease is determined at the inception of the lease based on the substance of that arrangement considering whether the performance of that arrangement depends on the use of a specific asset or group of assets, and whether the right to use the asset is transferred under the terms of that arrangement.

Accounting as lessee

For finance leases that transfer substantially all of the risks and rewards incidental to ownership of the asset, an asset and a liability are recognised on the commencement of the lease term in the Consolidated Statement of Financial Position at the lower of the fair value of the leased asset, determined at the inception of the lease, or the present value of the minimum lease payments calculated at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the outstanding liability, and finance charges are calculated so that they are equivalent to a constant interest rate on the balance of the liability. Finance charges are recognised as expenses over the lease term and contingent rents are recognised as expenses in the period in which they are incurred. Leased assets are depreciated over the period of expected use by a method consistent with the depreciation method for other similar assets owned by the lessee. The period of expected use is the useful life of the asset if the transfer of ownership is reasonably certain, or the shorter of the lease term or the useful life of the asset if the transfer of ownership is not reasonably certain.

Lease payments under an operating lease are recognised as expenses on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern by which the user of the asset obtains benefits from use of the asset. Contingent rents are recognised as expenses in the period in which they are incurred.

Accounting as lessor

For finance leases that transfer substantially all the risks and rewards incidental to ownership of the asset, a lease receivable is recognised on the commencement of the lease term at an amount that equals the net investment in the lease at the inception of the lease. Initial direct costs incurred by the lessor are recognised as part of net investment in the lease in principle.

For operating leases, the leased assets are presented in the Consolidated Statement of Financial Position according to the nature of the assets and are depreciated by a method consistent with the depreciation method for other similar assets owned by the lessor. Lease income is recognised on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern by which the user of the asset obtains benefits from use of the asset. Initial direct costs incurred by the lessor are included in the carrying amount of the leased asset and are recognised as expenses over the lease term as corresponding lease income is recognised.

(14) Impairment of non-financial assets other than inventories

Impairment losses

The Companies assess, at the end of each reporting period, whether there is an indication that an asset may be impaired.

Property, plant and equipment, and intangible assets with finite useful lives:

If there is an indication that an asset may be impaired, the recoverable amount of the asset is estimated.

Intangible assets with indefinite useful lives and goodwill:

If there is an indication that an asset may be impaired, the recoverable amount of the asset is estimated. The Companies also evaluate whether the carrying amount of an asset exceeds its recoverable amount on a regular basis (at least annually), irrespective of whether there is any indication that an asset may be impaired.

The recoverable amount of an asset is the higher of asset's or cash-generating unit's fair value less costs of disposal and its value in use. This determination is made for individual assets, unless an individual asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If the recoverable amount of an asset or cash-generating unit is less than its carrying amount, the carrying amount is reduced to the recoverable amount and that reduction is recognised as an impairment loss. Value in use is calculated as the present value of the estimated future cash flows discounted at a discount rate reflecting the time value of money and the current market evaluation of the risks inherent in the asset.

Reversals of impairment losses

The Companies assess, at the end of each reporting period, whether there is an indication that the recognised impairment losses in prior periods for an asset may no longer exist or may have decreased. If there is such an indication, the Companies estimate the recoverable amount of the asset. If the estimated recoverable amount exceeds the carrying amount of the asset, a reversal of impairment losses is recognised to the extent that the carrying amount after the reversal does exceed the carrying amount (after deducting accumulated depreciation or accumulated amortisation) that would have been determined had the impairment losses not been recognised previously. Reversal of impairment losses is recognised in profit or loss.

However, impairment losses recognised in respect of goodwill are not reversed under any circumstances.

(15) Non-current assets held for sale and discontinued operations

The Companies classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use and the following conditions are met:

- It is available for immediate sale in its present condition based solely on usual or customary conditions; and
- Sale is highly probable.

A non-current asset or disposal group classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell.

Depreciation or amortisation is discontinued for a non-current asset or disposal group for the year in which it is classified as held for sale.

(16) Provisions

The Companies recognise a provision when (i) they have a present obligation (legal or constructive) as a result of a past event, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the amount of a provision is measured at the present value of the expenditure expected to be required to settle the obligation, discounted at a discount rate reflecting the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance expenses.

For decommissioning obligations, a provision is recognised for the costs of demolition or removal of the asset, land restoration costs and expenditures incurred as a result of the use of the asset, and is added to the acquisition cost of the asset. Estimated costs and the discount rate applied are reviewed every year and any adjustment to the estimated amount is accounted for as a change in accounting estimate. The effect of changes in estimated costs or the discount rate applied is added to or deducted from the carrying amount of the related asset.

(17) Post-employment benefits

The Company and certain of its consolidated subsidiaries have defined benefit pension plans and lump-sum severance indemnity plans covering substantially all employees. The Companies measure the present value of defined benefit obligations and the post-employment benefit costs based on the projected unit credit method for each plan.

The effect of the remeasurement of a net defined benefit asset or liability is recognised in other comprehensive income and is immediately reclassified from other components of equity to retained earnings. Such remeasurement consists of actuarial gains and losses on the defined benefit obligation and the return on plan assets (excluding the amount of interest income on plan assets). Past service cost is recognised immediately in profit or loss.

A net defined benefit asset or liability is calculated as the present value of the defined benefit obligation less the fair value of the plan assets and is recognised as an asset or liability in the Consolidated Statement of Financial Position.

(18) Treasury stock

If the Companies buy back their own equity instruments (treasury stock), such treasury stock is recognised at acquisition cost and is deducted from equity. No gain or loss is recognised in profit or loss at the time of purchase, sale, issuance or retirement of treasury stock. The difference between the carrying amount and the sale proceeds is recognised in capital surplus.

(19) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Such a fair value is calculated after deducting sales discounts, volume rebates, etc.

The Companies are involved in various forms of transactions including proprietary transactions and agency transactions. In agency transactions, consideration for the transaction is settled directly between the ultimate buyer and the seller, and the Companies receive fees from the buyer, the seller or both. Proprietary transactions, agency transactions, etc. are carried out in the following forms.

Sale of goods

Revenue arising from the sale of goods is recognised when all the following conditions have been satisfied:

・ The significant risks and rewards of ownership of the goods have been transferred to the buyer;
・ Neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold is retained;
・ The amount of revenue can be measured reliably;
・ It is probable that the economic benefits associated with the transaction will flow to the entity; and
・ The costs incurred or to be incurred in respect of the transaction can be measured reliably.

For sale of goods, if the Companies arrange shipping or deliver a bill of lading, warehouse receipt, delivery order, etc., to the buyer, revenue is recognised when the delivery obligations specified in the contract have been performed, such as when said document is delivered or when the inspection of goods is completed, and there are substantially no further obligations to perform, and the receipt of goods by the customer is practically certain.

Rendering of services

When the outcome of the rendering of services can be estimated reliably, revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period.
The Companies judge that the outcome of the rendering of services can be estimated reliably if all the following conditions are satisfied:

・ The amount of revenue can be measured reliably;
・ It is probable that the economic benefits associated with the transaction will flow to the entity;
・ The stage of completion of the transaction can be measured reliably at the end of the reporting period; and
・ The costs incurred for the transaction or the costs to complete the transaction can be measured reliably.

In the case of rendering of services, revenue is recognised only to the extent of the expenses recognised that are recoverable, unless the outcome of the rendering of services can be estimated reliably. In acting as an agent, the Companies recognise commissions when contracted services are fully rendered to the customers.

Construction contracts

When the outcome of the construction contract can be reliably estimated, the percentage of completion method is applied. Under the percentage of completion method, contract revenue is recognised progressively over several accounting periods as work is performed representing the proportionate completion of the contract. The Companies judge that the outcome of the construction contract can be estimated reliably when all the following conditions are satisfied:

- The total amount of contract revenue can be measured reliably;
- It is probable that the economic benefits associated with the contract will flow to the entity;
- Both the contract costs to complete the contract and the stage of contract completion at the end of the reporting period can be measured reliably; and
- The contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

When the outcome of the construction contract cannot be reliably estimated, contract revenue is recognised to the extent recovery of contract costs incurred is probable.

When it is probable that total contract costs will exceed total contract revenue, the excess amount is recognised immediately as an expense.

Presentation of the total amount of revenue and the net amount of revenue

The Companies are deemed to be performing transactions as a principal when they have exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, and the total amount of transactions is presented as revenue. The Companies are deemed to be performing transactions as an agent when they do not have exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, and the net amount, after deduction of amounts due to third parties from the consideration earned on the transactions, is presented as revenue.

“Total volume of trading transactions” includes all transactions involving the Companies regardless of transaction type. “Total volume of trading transactions” is not required by IFRSs but is presented here to provide readers with a better understanding and is as presented in common Japanese accounting practice.

Interest income

Interest income is recognised when it is probable that economic benefits will flow to the Companies and the amount of revenue can be measured reliably. Interest income is recognised using the effective interest method.

Dividend income

Dividend income is recognised when the shareholder’s right to receive the dividends is established.

(20) Income and other taxes

Current tax

Taxes payable (receivable) at the end of each reporting period are measured at an amount expected to be due for payment to, or refunded from, the taxation authorities. In measuring the amount of taxes, the Companies use the statutory tax rate or statutory effective tax rate at the end of each reporting period.

Current tax related to items recognised in other comprehensive income is recognised in other comprehensive income, whereas current tax related to items recognised directly in equity is recognised directly in equity. The Companies recognise the financial statement effects of tax positions when it is more likely than not, based on technical interpretations, that the tax positions will be sustained upon examination by the tax authorities.

Current tax assets and current tax liabilities are offset if the Companies currently have a legally enforceable right to set off the recognised amounts of the assets and liabilities and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax assets and liabilities are recognised by the Companies based on differences between the carrying amount of assets and liabilities in the Consolidated Financial Statements and their tax basis, and are measured using the enacted tax rates and tax laws which will be in effect when the differences are expected to reverse.

Deferred tax liabilities are recognised with respect to taxable temporary differences other than those arising in the following cases:

- Initial recognition of goodwill;
- Initial recognition of assets or liabilities arising from a transaction that is not a business combination and does not affect accounting profit or taxable profit (loss) at the time of the transaction; and
- Taxable temporary differences associated with investments in subsidiaries, and associates or interests in joint ventures if the parent, investor or party to a joint venture is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, tax loss carryforwards, and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary difference, etc. can be utilised, except as follows. Deferred tax assets or liabilities are not recognised where they arise from the initial recognition of assets or liabilities as a result of transactions that are not a business combination and which do not affect accounting profit or taxable profit (loss) at the time of the transaction.

For deductible temporary differences associated with investments in subsidiaries and associates or interests in joint ventures, a deferred tax asset is recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and it is probable that taxable profit will be available against which the temporary difference can be utilised.

The Companies review, at the end of each reporting period, whether it is probable that sufficient taxable profit will be available to realise part or all of the benefit of the deferred tax assets, and reduce the amount of deferred tax assets to the extent that it is no longer probable that such taxable profit will be available. The Companies also review unrecognised deferred tax assets at the end of each reporting period and recognise them to the extent that it has become probable that future taxable profit will be available.

Deferred tax assets and deferred tax liabilities are presented as non-current assets and non-current liabilities, respectively.

Deferred tax related to items recognised in other comprehensive income is recognised in other comprehensive income, whereas deferred tax related to items recognised directly in equity is recognised directly in equity. Deferred tax assets and deferred tax liabilities are offset and presented net if, and only if, the Companies currently have a legally enforceable right to set off current tax assets and current tax liabilities and either of the following two conditions is met:

- The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity; and
- The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on different taxable entities, and those entities intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period.

Consumption taxes

Revenues, cost, and expenses in the Consolidated Statement of Comprehensive Income do not include consumption taxes.

(21) Reclassifications

Certain reclassifications and format changes have been made to the prior year amounts to conform to the current year presentation.

(22) Early application of new standards and interpretations

The Companies have early applied the following standards.

Standards and interpretations	Description
IFRS 9 *Financial Instruments (Amended November 2013)*	Changes in qualifying criteria for hedge accounting

(23) New standards and interpretations not yet adopted

Major standards and interpretations issued by the date of approval of the Consolidated Financial Statements are as follows.

At March 31, 2016, the Company has not yet adopted the following standards and interpretations. The potential impacts that application of the following standards and interpretations will have on the Consolidated Financial Statements of the Companies are currently being evaluated and cannot be estimated at the present time.

Standards and interpretations	Reporting periods on or after which the application are required	Reporting periods for adoption by the Company	Description
IFRS 9 *Financial Instruments (Amended July 2014)*	January 1, 2018	Financial year ending March 31, 2019	Changes in qualifying criteria for impairment accounting
IFRS 15 *Revenue from Contracts with Customers*	January 1, 2018	Financial year ending March 31, 2019	Accounting for and disclosure of revenue recognition
IFRS 16 *Leases*	January 1, 2019	Financial year ending March 31, 2020	Changes in lease accounting

4. Inventories

Inventories at March 31, 2016 and 2015 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Merchandise/finished goods	**¥727,089**	¥817,980	**$6,434,416**
Materials/work in progress	**26,315**	32,290	**232,876**
Real estate held for sale	**26,177**	48,600	**231,655**
Total	**¥779,581**	¥898,870	**$6,898,947**

The carrying amount of inventories measured at fair value less costs to sell on a recurring basis is based mainly on a market approach using observable inputs such as reasonable price obtained from trading partners and others, and is categorised as Level 2 in the fair value hierarchy, were ¥164,033 million ($1,451,619 thousand) and ¥199,266 million, at March 31, 2016 and 2015, respectively.

During the year ended March 31, 2016, there were no transfers between Level 1 and Level 2.

Inventories recognised as expenses for the years ended March 31, 2016 and 2015 were ¥6,406,170 million ($56,691,770 thousand) and ¥6,874,500 million, respectively. Among those expenses, inventory write-offs of ¥4,317 million ($38,204 thousand) and ¥3,635 million were included in expenses for the years ended March 31, 2016 and 2015, respectively.

5. Property, Plant and Equipment

Changes in cost, accumulated depreciation and impairment losses of property, plant and equipment for the years ended March 31, 2016 and 2015 were as follows:

Cost

	Millions of yen				
	Land	Buildings and structures	Machinery and equipment	Other	Total
April 1, 2014	¥149,672	¥333,601	¥1,447,555	¥61,409	¥1,992,237
Additions	660	7,727	212,225	60,809	281,421
Disposals	(346)	(4,505)	(88,428)	(4,990)	(98,269)
Disposals of subsidiaries	(97)	(990)	(477)	–	(1,564)
Currency translation adjustments	2,400	21,901	196,663	4,713	225,677
Other	(233)	8,425	67,964	(72,010)	4,146
March 31, 2015	**¥152,056**	**¥366,159**	**¥1,835,502**	**¥49,931**	**¥2,403,648**
Additions	**1,074**	**7,871**	**144,608**	**36,146**	**189,699**
Disposals	**(4,699)**	**(13,226)**	**(14,357)**	**–**	**(32,282)**
Disposals of subsidiaries	**(1,216)**	**(7,391)**	**(66,957)**	**–**	**(75,564)**
Currency translation adjustments	**(1,186)**	**(14,060)**	**(106,669)**	**(2,215)**	**(124,130)**
Other	**261**	**15,298**	**16,745**	**(48,437)**	**(16,133)**
March 31, 2016	**¥146,290**	**¥354,651**	**¥1,808,872**	**¥35,425**	**¥2,345,238**

	Thousands of U.S. dollars				
	Land	Buildings and structures	Machinery and equipment	Other	Total
March 31, 2015	**$1,345,628**	**$3,240,345**	**$16,243,381**	**$441,867**	**$21,271,221**
Additions	**9,504**	**69,655**	**1,279,717**	**319,876**	**1,678,752**
Disposals	**(41,584)**	**(117,044)**	**(127,053)**	**–**	**(285,681)**
Disposals of subsidiaries	**(10,761)**	**(65,407)**	**(592,540)**	**–**	**(668,708)**
Currency translation adjustments	**(10,496)**	**(124,425)**	**(943,973)**	**(19,602)**	**(1,098,496)**
Other	**2,311**	**135,380**	**148,185**	**(428,645)**	**(142,769)**
March 31, 2016	**$1,294,602**	**$3,138,504**	**$16,007,717**	**$313,496**	**$20,754,319**

Accumulated depreciation and impairment losses

	Millions of yen				
	Land	Buildings and structures	Machinery and equipment	Other	Total
April 1, 2014	¥(5,951)	¥(150,482)	¥(660,537)	¥(221)	¥(817,191)
Depreciation	–	(12,432)	(90,227)	–	(102,659)
Impairment losses	(423)	(1,259)	(101,913)	–	(103,595)
Disposals	128	2,480	61,249	–	63,857
Disposals of subsidiaries	–	778	401	–	1,179
Currency translation adjustments	(93)	(3,929)	(86,091)	–	(90,113)
Other	–	328	8,101	221	8,650
March 31, 2015	**¥(6,339)**	**¥(164,516)**	**¥(869,017)**	**¥–**	**¥(1,039,872)**
Depreciation	**–**	**(15,590)**	**(90,405)**	**–**	**(105,995)**
Impairment losses	**(1,095)**	**(798)**	**(110,596)**	**–**	**(112,489)**
Disposals	**1,989**	**7,633**	**12,312**	**–**	**21,934**
Disposals of subsidiaries	**210**	**5,624**	**11,816**	**–**	**17,650**
Currency translation adjustments	**64**	**3,955**	**57,618**	**–**	**61,637**
Other	**(461)**	**(2,516)**	**16,318**	**–**	**13,341**
March 31, 2016	**¥(5,632)**	**¥(166,208)**	**¥(971,954)**	**¥–**	**¥(1,143,794)**

	Thousands of U.S. dollars				
	Land	Buildings and structures	Machinery and equipment	Other	Total
March 31, 2015	**$(56,097)**	**$(1,455,894)**	**$(7,690,416)**	**$–**	**$(9,202,407)**
Depreciation	**–**	**(137,965)**	**(800,044)**	**–**	**(938,009)**
Impairment losses	**(9,690)**	**(7,062)**	**(978,726)**	**–**	**(995,478)**
Disposals	**17,602**	**67,548**	**108,956**	**–**	**194,106**
Disposals of subsidiaries	**1,859**	**49,770**	**104,566**	**–**	**156,195**
Currency translation adjustments	**566**	**35,000**	**509,894**	**–**	**545,460**
Other	**(4,081)**	**(22,264)**	**144,407**	**–**	**118,062**
March 31, 2016	**$(49,841)**	**$(1,470,867)**	**$(8,601,363)**	**$–**	**$(10,122,071)**

Carrying amount

	Millions of yen				
	Land	Buildings and structures	Machinery and equipment	Other	Total
March 31, 2015	¥145,717	¥201,643	¥966,485	¥49,931	¥1,363,776
March 31, 2016	¥140,658	¥188,443	¥836,918	¥35,425	¥1,201,444

	Thousands of U.S. dollars				
	Land	Buildings and structures	Machinery and equipment	Other	Total
March 31, 2016	**$1,244,761**	**$1,667,637**	**$7,406,354**	**$313,496**	**$10,632,248**

Changes in the cost classified as "Other" included transfers from construction in progress to other property, plant and equipment.

For the years ended March 31, 2016 and 2015, the Company and certain of its consolidated subsidiaries recognised impairment losses on facilities, real estate and industrial plants of ¥112,489 million ($995,478 thousand) and ¥103,595 million, respectively, based on the related recoverable amounts due to decreases in estimated future cash flows and other factors.

In terms of operating segments, the major impairment losses of ¥110,200 million ($975,221 thousand) were included in the Energy & Metals segment for the year ended March 31, 2016; and of ¥98,662 million were included in the Energy & Metals segment for the year ended March 31, 2015.

Impairment losses are included in "Impairment losses" in the Consolidated Statement of Comprehensive Income.

Depreciation of property, plant and equipment is included in "Cost of goods sold" and "Selling, general and administrative expenses" in the Consolidated Statement of Comprehensive Income.

Significant impairment losses recognised for the year ended March 31, 2016 included ¥74,949 million ($663,265 thousand) as a result of downward revisions in estimated future cash flows due to delays in the development plans, the increase in the development costs, the decrease in reserves and the decline in crude oil prices for oil and gas assets in the U.S. Gulf of Mexico and ¥33,925 million ($300,221 thousand) as a result of downward revisions in estimated future cash flows due to the decline in crude oil prices for oil and gas assets in the UK North Sea. These impairment losses were reported under the Energy & Metals segment. The amount of the impairment losses was calculated using the recoverable amounts measured at value in use based on discounted future cash flows, and the total amount of the recoverable amounts was ¥290,205 million ($2,568,186 thousand). Weighted average cost of capital used in value in use calculations ranged from 7.0% to 8.5% and reflected current market assessments of the time value of money and risks specific to the assets. Discounted future cash flows used in value in use calculations were calculated by referring to prices such as long-term prices published by external organisations such as brokers.

Significant impairment losses recognised for the year ended March 31, 2015 included ¥63,164 million as a result of downward revisions in estimated future cash flows due to the decline in crude oil prices and the increase in development costs for oil and gas assets in the UK North Sea, ¥18,166 million as a result of downward revisions in estimated future cash flows due to the decline in crude oil prices for oil and gas assets in the U.S. Gulf of Mexico, and ¥15,999 million as a result of downward revisions in estimated future cash flows due to the decline in crude oil prices for oil and gas assets in Texas in the U.S.A.. These impairment losses were reported under the Energy & Metals segment. The amount of the impairment losses was calculated using the recoverable amounts measured at value in use based on discounted future cash flows, and the total amount of the recoverable amounts was ¥128,500 million. Weighted average cost of capital used in value in use calculations ranged from 6.4% to 8.5% and reflected current market assessments of the time value of money and risks specific to the assets.

6. Intangible Assets

Changes in cost, accumulated amortisation and impairment losses of intangible assets for the years ended March 31, 2016 and 2015 were as follows:

Cost

	Millions of yen					
	Licenses and operating rights in natural resources	Franchises and customer relationships	Software	Goodwill	Other	Total
April 1, 2014	¥67,643	¥155,821	¥25,110	¥205,083	¥11,498	¥465,155
Acquisitions arising from business combinations	–	13,816	–	9,840	2,827	26,483
Additions	–	179	5,157	–	346	5,682
Disposals	–	(797)	(667)	–	(51)	(1,515)
Currency translation adjustments	14,431	21,964	62	23,630	953	61,040
Other	(15,073)	17,863	(341)	(11,619)	(2,455)	(11,625)
March 31, 2015	**¥67,001**	**¥208,846**	**¥29,321**	**¥226,934**	**¥13,118**	**¥545,220**
Acquisitions arising from business combinations	**–**	**10,113**	**201**	**942**	**–**	**11,256**
Additions	**–**	**106**	**7,281**	**–**	**291**	**7,678**
Disposals	**–**	**(919)**	**(1,334)**	**–**	**(68)**	**(2,321)**
Currency translation adjustments	**(5,849)**	**(11,478)**	**(363)**	**(12,796)**	**(511)**	**(30,997)**
Other	**–**	**(3,076)**	**(3,414)**	**(16,826)**	**(146)**	**(23,462)**
March 31, 2016	**¥61,152**	**¥203,592**	**¥31,692**	**¥198,254**	**¥12,684**	**¥507,374**

	Thousands of U.S. dollars					
	Licenses and operating rights in natural resources	Franchises and customer relationships	Software	Goodwill	Other	Total
March 31, 2015	**$592,929**	**$1,848,195**	**$259,478**	**$2,008,265**	**$116,089**	**$4,824,956**
Acquisitions arising from business combinations	**–**	**89,496**	**1,779**	**8,336**	**–**	**99,611**
Additions	**–**	**938**	**64,434**	**–**	**2,575**	**67,947**
Disposals	**–**	**(8,133)**	**(11,805)**	**–**	**(602)**	**(20,540)**
Currency translation adjustments	**(51,761)**	**(101,575)**	**(3,212)**	**(113,239)**	**(4,522)**	**(274,309)**
Other	**–**	**(27,222)**	**(30,214)**	**(148,902)**	**(1,292)**	**(207,630)**
March 31, 2016	**$541,168**	**$1,801,699**	**$280,460**	**$1,754,460**	**$112,248**	**$4,490,035**

Accumulated amortisation and impairment losses

	Millions of yen					
	Licenses and operating rights in natural resources	Franchises and customer relationships	Software	Goodwill	Other	Total
April 1, 2014	¥(62,345)	¥(23,119)	¥(15,577)	¥(9,816)	¥(3,855)	¥(114,712)
Amortisation expenses	(237)	(10,067)	(3,565)	–	(527)	(14,396)
Impairment losses	(133)	(484)	(46)	(48,053)	(26)	(48,742)
Disposals	–	776	550	–	45	1,371
Currency translation adjustments	(13,134)	(2,265)	(49)	(5,858)	(150)	(21,456)
Other	14,641	3,652	556	(50)	101	18,900
March 31, 2015	**¥(61,208)**	**¥(31,507)**	**¥(18,131)**	**¥(63,777)**	**¥(4,412)**	**¥(179,035)**
Amortisation expenses	**(235)**	**(10,077)**	**(3,893)**	**–**	**(408)**	**(14,613)**
Impairment losses	**(1,049)**	**(417)**	**–**	**(643)**	**–**	**(2,109)**
Disposals	**–**	**812**	**1,215**	**–**	**56**	**2,083**
Currency translation adjustments	**5,378**	**2,136**	**273**	**3,673**	**96**	**11,556**
Other	**–**	**981**	**3,189**	**5,471**	**376**	**10,017**
March 31, 2016	**¥(57,114)**	**¥(38,072)**	**¥(17,347)**	**¥(55,276)**	**¥(4,292)**	**¥(172,101)**

	Thousands of U.S. dollars					
	Licenses and operating rights in natural resources	Franchises and customer relationships	Software	Goodwill	Other	Total
March 31, 2015	**$(541,664)**	**$(278,823)**	**$(160,451)**	**$(564,398)**	**$(39,045)**	**$(1,584,381)**
Amortisation expenses	**(2,080)**	**(89,177)**	**(34,451)**	**–**	**(3,611)**	**(129,319)**
Impairment losses	**(9,283)**	**(3,690)**	**–**	**(5,690)**	**–**	**(18,663)**
Disposals	**–**	**7,186**	**10,752**	**–**	**496**	**18,434**
Currency translation adjustments	**47,594**	**18,903**	**2,416**	**32,504**	**850**	**102,267**
Other	**–**	**8,681**	**28,221**	**48,416**	**3,327**	**88,645**
March 31, 2016	**$(505,433)**	**$(336,920)**	**$(153,513)**	**$(489,168)**	**$(37,983)**	**$(1,523,017)**

Carrying amount

	Millions of yen					
	Licenses and operating rights in natural resources	Franchises and customer relationships	Software	Goodwill	Other	Total
March 31, 2015	¥5,793	¥177,339	¥11,190	¥163,157	¥8,706	¥366,185
March 31, 2016	**¥4,038**	**¥165,520**	**¥14,345**	**¥142,978**	**¥8,392**	**¥335,273**

	Thousands of U.S. dollars					
	Licenses and operating rights in natural resources	Franchises and customer relationships	Software	Goodwill	Other	Total
March 31, 2016	**$35,735**	**$1,464,779**	**$126,947**	**$1,265,292**	**$74,265**	**$2,967,018**

Marubeni Corporation and Subsidiaries
Notes to Consolidated Financial Statements (continued)

Changes in the cost of "Goodwill" for the year ended March 31, 2016 classified as "Other" included a decrease of ¥15,499 million ($137,159 thousand) as a result of disposals of subsidiaries.

Changes in the cost, accumulated amortisation and impairment losses of "Licenses and operating rights in natural resources" for the year ended March 31, 2015 classified as "Other" were attributable to a reclassification of certain licenses and operating rights to property, plant and equipment as their on technical feasibility and commercial viability of the related mines have been demonstrated. Changes in the cost of "Franchises and customer relationships" classified as "Other" included ¥20,573 million as a result of adjustments to the preliminary purchase price allocation of Gavilon. Changes in the cost of "Goodwill" classified as "Other" included a decrease of ¥15,382 million as a result of adjustments to the preliminary purchase price allocation of Gavilon.

Of the intangible assets stated above, the carrying amount of intangible assets with indefinite useful lives at March 31, 2016 and 2015 were ¥52,965 million ($468,717 thousand) and ¥55,512 million, respectively. Major intangible assets with indefinite useful lives were trademarks, which were included in "Franchises and customer relationships". As the trademarks with indefinite business terms will basically exist as long as the Company continues to exist, it has been determined that there is no foreseeable limit to the period of inflow of future economic benefits and thus they are classified as intangible assets with indefinite useful lives. The carrying amount of intangible assets with indefinite useful lives at March 31, 2016 and 2015 included trademarks recognised as a result of the acquisition of Gavilon in the amount of ¥42,255 million ($373,938 thousand) and ¥45,064 million, respectively.

Of the intangible assets stated above, intangible assets with finite useful lives are amortised by the straight-line basis based over their expected useful lives. However, exploration and evaluation assets are not amortised until the technical feasibility and commercial viability of the mine have been demonstrated. When the technical feasibility and commercial viability are demonstrated, an exploration and evaluation asset is reclassified to property, plant and equipment, and amortised using the units-of-production method based on the estimation of proved reserves. Major intangible assets with finite useful lives at March 31, 2016 and 2015, which were included in "Franchises and customer relationships", and their carrying amounts were as follows: customer relationship assets related to the trading and distribution business of grains and fertilizers were ¥29,263 million ($258,965 thousand) and ¥33,756 million, franchises and customer relationship assets related to the mobile phone sales distribution business were ¥29,821 million ($263,903 thousand) and ¥32,099 million, and trademarks acquired through the other business combinations were ¥22,559 million ($199,637 thousand) and ¥25,434 million. The assets are amortised over 4-31 years on a straight-line basis.

Amortisation of intangible assets is included in "Cost of goods sold" and "Selling, general and administrative expenses" in the Consolidated Statement of Comprehensive Income.

For the years ended March 31, 2016 and 2015, the Company and certain of its consolidated subsidiaries recognised impairment losses on intangible assets of ¥2,109 million ($18,664 thousand) and ¥48,742 million, respectively, based on the relevant recoverable amounts due to decreases in estimated future cash flows and other factors.

In terms of operating segments, the major impairment losses of ¥48,053 million were included in the Food & Consumer Products segment for the year ended March 31, 2015.

Impairment losses are included in "Impairment losses" in the Consolidated Statement of Comprehensive Income.

The Company recognised an impairment loss of ¥48,053 million with respect to goodwill arising from the acquisition of Gavilon for the year ended March 31, 2015.

The carrying amount of "Goodwill" at March 31, 2016 included goodwill for Gavilon in the amount of ¥70,462 million ($623,558 thousand). The recoverable amount used in impairment testing was calculated based on value in use which was measured by discounting the estimated future cash flows based on the revised business plan approved by the management. The business plan represents the management's estimate of a range of economic conditions including such significant assumptions as quantity, price and margin based on past experience, which was also consistent with external evidence. The business plan used on the most recent 10 years forecasts in order to average market conditions. For the period beyond 10 years, the Company calculated the terminal value based on a steady growth rate of 2%. The growth rate was determined by considering the market in which Gavilon operates or the long-term average growth rate in the U.S.A.. Weighted average cost of capital used in value in use calculations was 8.8%, which reflects current market assessments of the time value of money and risks specific to the assets.

7. Provisions

Changes in provisions for the year ended March 31, 2016 were as follows:

	Millions of yen			*Thousands of U.S. dollars*		
	Decommissioning Obligations	Other Provisions	Total	Decommissioning Obligations	Other Provisions	Total
Balance at beginning of year	**¥76,788**	**¥12,997**	**¥89,785**	**$679,540**	**$115,018**	**$794,558**
Increase for the year	**11,848**	**27,750**	**39,598**	**104,850**	**245,575**	**350,425**
Decrease for the year	**(10,815)**	**(25,518)**	**(36,333)**	**(95,708)**	**(225,823)**	**(321,531)**
Interest expense	**7,701**	**15**	**7,716**	**68,150**	**133**	**68,283**
Other	**(5,025)**	**(390)**	**(5,415)**	**(44,469)**	**(3,452)**	**(47,921)**
Balance at end of year	**¥80,497**	**¥14,854**	**¥95,351**	**$712,363**	**$131,451**	**$843,814**

“Other” includes changes due to foreign currency fluctuations.

Decommissioning obligations mainly relate to the costs of dismantlement and removal of development facilities for natural resources owned by consolidated subsidiaries engaged in oil and gas producing activities. Generally, costs relating to the dismantlement and removal of facilities are expected to be paid after 10 years or more after the initial recognition of said decommissioning obligations.

Other provisions include provisions for litigation and provisions for onerous contracts. “Increase for the year” and “Decrease for the year” for other provisions were mainly due to the discontinuation of the LNG receiving terminal project in Uruguay.

Decommissioning obligations and other provisions are included in “Other current liabilities” and “Other non-current liabilities” in the Consolidated Statement of Financial Position.

8. Non-current Assets or Disposal Groups Held for Sale

Assets classified as held for sale and liabilities directly associated with assets classified as held for sale in the Consolidated Statement of Financial Position at March 31, 2016 and 2015 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Assets classified as held for sale	**¥63,308**	¥64,072	**$560,248**
Liabilities directly associated with assets classified as held for sale	**1,873**	32,659	**16,575**

The Companies classify non-current assets or disposal groups as held for sale if they are expected to be sold within approximately one year, and they are measured at the lower of their carrying amounts and fair value less costs to sell.

Assets classified as held for sale and liabilities directly associated with assets classified as held for sale were included in "Other current assets" and "Other current liabilities", respectively, in the Consolidated Statement of Financial Position.

The amounts of newly classified as assets classified as held for sale and liabilities directly associated with assets classified as held for sale at March 31, 2016 included in, by operating segment, the Food & Consumer Products, the Chemical & Forest Products, the Energy & Metals, the Power Projects & Plant, the Transportation & Industrial Machinery and the Corporate & Elimination, etc. were ¥61,612 million ($545,239 thousand) and ¥1,873 million ($16,575 thousand), respectively. Such assets and liabilities were mainly comprised of investments in associates and joint ventures; other investments; inventories; and notes and trade accounts payable.

The amounts of the decrease in assets classified as held for sale and in liabilities directly associated with the assets classified as held for sale at March 31, 2015 included in, by operating segment, the Food & Consumer Products, the Energy & Metals, the Power Projects & Plant and the Transportation & Industrial Machinery, as a result of the completion of sales in the current year were ¥62,231 million ($550,717 thousand) and ¥32,659 million ($289,018 thousand), respectively. Such assets and liabilities were mainly comprised of notes and trade accounts receivable; investments in associates and joint ventures; other current liabilities; and borrowings.

9. Leases

Lessor

The Company and certain of its consolidated subsidiaries lease machinery and equipment, etc. under finance leases.

Gross investment in the lease and present value of the total of future minimum lease payments receivable under finance leases at March 31, 2016 and 2015 were as follows:

	Millions of yen				*Thousands of U.S. dollars*	
	March 31, 2016		March 31, 2015		**March 31, 2016**	
	Gross investment in the lease	Present value of minimum lease payments receivable	Gross investment in the lease	Present value of minimum lease payments receivable	Gross investment in the lease	Present value of minimum lease payments receivable
Not later than one year	**¥26,820**	**¥25,044**	¥10,941	¥8,597	**$237,345**	**$221,628**
Later than one year and not later than five years	**30,222**	**26,634**	44,051	38,179	**267,452**	**235,699**
Later than five years	**2,411**	**1,862**	3,604	2,711	**21,336**	**16,478**
Total	**¥59,453**	**¥53,540**	¥58,596	¥49,487	**$526,133**	**$473,805**
Less: Unearned finance income	**5,909**		8,139		**52,292**	
Net investment in the lease	**¥53,544**		¥50,457		**$473,841**	
Less: Present value of unguaranteed residual value	**4**		970		**36**	
Present value of minimum lease payments receivable	**¥53,540**		¥49,487		**$473,805**	

The Company and certain of its consolidated subsidiaries also lease machinery and equipment, buildings and structures, etc. under operating leases.

The total of future minimum lease payments receivable under non-cancellable operating leases at March 31, 2016 and 2015 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Not later than one year	**¥23,640**	¥28,796	**$209,203**
Later than one year and not later than five years	**79,840**	90,865	**706,549**
Later than five years	**41,617**	36,349	**368,292**
Total	**¥145,097**	¥156,010	**$1,284,044**

Lessee

The Company and certain of its consolidated subsidiaries lease machinery and equipment, etc. under finance leases. At March 31, 2016 and 2015, the net carrying amounts included in property, plant and equipment (Machinery and equipment) in the Consolidated Statement of Financial Position, were ¥20,864 million ($184,637 thousand) and ¥31,481 million, respectively.

The total of future minimum lease payments and the present value under finance leases at March 31, 2016 and 2015 were as follows:

	Millions of yen				*Thousands of U.S. dollars*	
	March 31, 2016		March 31, 2015		**March 31, 2016**	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than one year	**¥4,260**	**¥3,844**	¥12,155	¥11,459	**$37,699**	**$34,018**
Later than one year and not later than five years	**19,806**	**18,952**	27,615	25,899	**175,274**	**167,717**
Later than five years	**528**	**483**	4,346	4,153	**4,673**	**4,274**
Total	**¥24,594**	**¥23,279**	¥44,116	¥41,511	**$217,646**	**$206,009**
Less: Financial charges	**1,315**		2,605		**11,637**	
Present value of minimum lease payments	**¥23,279**		¥41,511		**$206,009**	

The Company and certain of its consolidated subsidiaries also lease machinery and equipment, buildings and structures, etc. under operating leases. Lease payments amounted to ¥47,969 million ($424,504 thousand) and ¥45,066 million for the years ended March 31, 2016 and 2015, respectively. Payments for services of ¥5,815 million ($51,460 thousand) and ¥12,001 million were included in the lease payments.

The total of future minimum lease payments under non-cancelable operating leases at March 31, 2016 and 2015 were as follows. The total of future minimum lease payments receivable at March 31, 2016 and 2015 had not been offset by the future minimum sublease rentals of ¥107,703 million ($953,124 thousand) and ¥82,355 million, respectively, under non-cancelable subleases.

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Not later than one year	**¥38,643**	¥34,424	**$341,973**
Later than one year and not later than five years	**88,754**	69,605	**785,434**
Later than five years	**80,780**	72,472	**714,867**
Total	**¥208,177**	¥176,501	**$1,842,274**

Future payments for services of ¥6,457 million ($57,142 thousand) and ¥8,665 million at March 31, 2016 and 2015 were included in the total of future minimum lease payments.

10. Employee Benefits

(1) Post-employment benefits

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

The Company, pursuant to the Japanese Defined Benefit Corporate Pension Plan Act and other laws, has the obligation to make contributions to the Marubeni Corporate Pension Fund (the "Fund"), which pays out pension benefits. The Director of the Fund has the fiduciary duty to comply with laws, the dispositions of the Minister of Health, Labour and Welfare made pursuant to laws, the bylaws of the Fund and the decisions of the Board of Representatives, and to faithfully perform duties for the Fund including the management and operation of the contributions. Additionally, a code of conduct has been articulated, which prohibits the Director of the Fund from entering into asset management agreements for the purpose of benefiting a third party and from acts that constitute conflicts of interest.

The pension plan is operated by the Fund, which is legally independent from the Company. The Board of Representatives comprises an equal number of Representatives elected from the management side (Assigned Representatives) and Representatives elected from the employee side (Mutually Elected Representatives), while the chair of the Board of Representatives (the "Chairman") is elected from the management side.

Proceedings of the Board of Representatives are decided by a majority vote of the members attending. In the case of a tied vote, the Chairman has the power to decide the vote. However, with regard to particularly important matters, the bylaws provide that the decision be made by a majority that exceeds the above.

The Representatives hold exclusive power to decide important matters including investment policy. The actual management of the assets is conducted by investment managers on the basis of an entrustment contract, and the Representatives are prohibited by law from giving instructions, such as instructions on specific investments.

The Company is required to make contributions to the Fund, and the contributions are reviewed regularly to the extent allowed by law. While it is under obligation to make contributions stipulated by the Fund into the future, the Company, in addition to these contributions, also funds a retirement benefit trust on a voluntary basis.

With regard to the lump sum retirement plan, the Company is under obligation to pay benefits directly to the beneficiaries. Although the Company is not under any legal obligation regarding the funding of this plan, fund assets exist, which have been voluntarily contributed by the Company to the retirement benefit trust.

Changes in the present value of defined benefit obligation and the fair value of plan assets of the Company and certain of its consolidated subsidiaries for the years ended March 31, 2016 and 2015 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Balance at beginning of year of net defined benefit liability	**¥75,548**	¥68,701	**$668,566**
Changes in the present value of defined benefit obligation:			
Balance at beginning of year	**324,586**	292,351	**2,872,442**
Current service cost	**12,610**	11,791	**111,593**
Past service cost	**149**	65	**1,319**
Interest expense	**5,735**	6,482	**50,752**
Remeasurements	**12,818**	21,049	**113,433**
Effect of changes in foreign exchange rates	**(6,132)**	10,973	**(54,265)**
Benefits paid	**(19,641)**	(17,953)	**(173,814)**
Effects of business combinations and divestitures	**(802)**	(172)	**(7,097)**
Balance at end of year	**329,323**	324,586	**2,914,363**
Changes in the fair value of plan assets:			
Balance at beginning of year	**249,038**	223,650	**2,203,876**
Interest income	**4,321**	5,301	**38,239**
Remeasurements	**(8,178)**	20,902	**(72,371)**
Effect of changes in foreign exchange rates	**(4,088)**	7,413	**(36,177)**
Employees' contributions	**411**	400	**3,637**
Employer's contributions	**13,759**	6,897	**121,761**
Benefits paid	**(16,478)**	(15,525)	**(145,823)**
Effects of business combinations and divestitures	**(778)**	–	**(6,885)**
Balance at end of year	**238,007**	249,038	**2,106,257**
Balance at end of year of net defined benefit liability	**¥91,316**	¥75,548	**$808,106**

Actuarial assumptions used for the present value calculation of defined benefit obligations at March 31, 2016 and 2015 were mainly as follows:

	March 31, 2016	March 31, 2015
Discount rate	**0.5%**	1.0%
Rates of salary increase	**4.9%**	4.8%

Sensitivity analyses are conducted at the year end based on reasonably estimable changes in assumptions. Although sensitivity analyses assume that the actuarial assumptions other than those that are subject to the analyses are held constant, in reality, it is possible for the sensitivity analyses to be impacted by other actuarial assumptions.

If, for example, the discount rate fell by 0.5%, and the other assumptions were held constant, defined benefit plan liability at March 31, 2016 and 2015 would increase by ¥13,874 million ($122,779 thousand) and ¥12,947 million, respectively. The rate of salary increase is not expected to change in the future.

Fair value of plan assets by class at March 31, 2016 was as follows:

	Millions of yen		
Class of plan assets	With a quoted market price in an active market	Without a quoted market price in an active market	Total
Cash and cash equivalents	**¥22,787**	**¥–**	**¥22,787**
Equity securities:			
Japanese companies	**39,413**	**–**	**39,413**
Pooled funds	**1,534**	**60,156**	**61,690**
Debt securities:			
Bonds denominated in Japanese yen	**–**	**8,637**	**8,637**
Pooled funds	**–**	**83,958**	**83,958**
Life insurance company general accounts	**–**	**16,409**	**16,409**
Other	**2,187**	**2,926**	**5,113**
Total plan assets	**¥65,921**	**¥172,086**	**¥238,007**

	Thousands of U.S. dollars		
Class of plan assets	With a quoted market price in an active market	Without a quoted market price in an active market	Total
Cash and cash equivalents	**$201,655**	**$–**	**$201,655**
Equity securities:			
Japanese companies	**348,788**	**–**	**348,788**
Pooled funds	**13,575**	**532,354**	**545,929**
Debt securities:			
Bonds denominated in Japanese yen	**–**	**76,434**	**76,434**
Pooled funds	**–**	**742,991**	**742,991**
Life insurance company general accounts	**–**	**145,212**	**145,212**
Other	**19,354**	**25,894**	**45,248**
Total plan assets	**$583,372**	**$1,522,885**	**$2,106,257**

Fair value of plan assets by class at March 31, 2015 was as follows:

	Millions of yen		
Class of plan assets	With a quoted market price in an active market	Without a quoted market price in an active market	Total
Cash and cash equivalents	¥7,594	¥–	¥7,594
Equity securities:			
Japanese companies	48,205	–	48,205
Pooled funds	1,668	66,634	68,302
Debt securities:			
Bonds denominated in Japanese yen	–	13,769	13,769
Pooled funds	–	87,843	87,843
Life insurance company general accounts	–	16,350	16,350
Other	2,227	4,748	6,975
Total plan assets	¥59,694	¥189,344	¥249,038

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 analyse the risk/return characteristics by asset class and to invest in a diversified portfolio taking into consideration the correlation among asset classes.

The Company sets an asset mix policy with investments in equity securities, debt securities and other assets. 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 the professionals in charge of managing pension assets.

Plan assets are invested 30%, 60% and 10% in equity securities, debt securities and other, respectively, at March 31, 2016.

The investments executed by investment managers are outlined as follows:

Equity securities are selected mainly from stocks that are listed on securities exchanges. Prior to investing, the Company investigates the business conditions of the investee companies and appropriately diversifies investments by type of industry and other relevant factors. Debt securities are selected mainly from government bonds, public debt instruments and corporate bonds. Prior to investing, the Company investigates the quality of the issuing conditions, including issuers, rating, interest rate and repayment dates, and appropriately diversifies the investments. Pooled funds are selected using strategies consistent with the equity and debt securities described above. For investments in life insurance company general accounts, contracts with insurance companies include a guaranteed interest rate and a return of capital. With respect to foreign investments vehicles, the Company investigates the stability of the underlying governments and economies, the market characteristics, such as settlement systems, and the taxation systems. For each such investment, the Company selects the appropriate investment country and currency.

The performance of certain plan assets by the cash balance plan is matched with the related pension benefits to a certain extent.

Funding of the Marubeni Corporate Pension Fund is conducted by taking into account various factors including limits on deductible expenses under the tax rules, the funding status of plan assets and actuarial calculations. Contributions to plan assets are intended to cover benefits for services to be rendered by employees in the future as well as services already rendered.

In accordance with the Japanese Defined Benefit Corporate Pension Plan Act, the bylaws of the Marubeni Corporate Pension Fund provide for the re-calculation of the contribution amount at five-year intervals with the year end as the base date for the purpose of maintaining balanced finances into the future.

The re-calculation process reviews the basic rates relating to the contribution (the guaranteed rate of return, expected rate of mortality, expected withdrawal rate, expected salary increase, expected new enrollment rate, etc.) and verifies the adequacy of the contribution amount.

Additionally, the Company, in order to ensure sufficient funding of the pension plan, may also contribute marketable equity securities and cash to the retirement benefit trust in the amount of the unfunded portion of defined benefit obligation.

The amount of contributions expected to be paid to plan assets for the year ending March 31, 2017 is approximately ¥12,400 million ($109,735 thousand).

The weighted average duration of defined benefit obligation at March 31, 2016 and 2015 was 14.6 years.

(2) Employee benefit cost

The aggregate amounts of employee benefit cost included under "Selling, general and administrative expenses" in the Consolidated Statement of Comprehensive Income for the years ended March 31, 2016 and 2015 were ¥293,246 million ($2,595,097 thousand) and ¥291,483 million, respectively.

11. Other-net

"Other-net" in the Consolidated Statement of Comprehensive Income was the net amount of other income of ¥55,709 million ($493,000 thousand) and other expenses of ¥71,744 million ($634,903 thousand) for the year ended March 31, 2016, and the net amount of other income of ¥76,791 million and other expenses of ¥68,974 million for the year ended March 31, 2015.

"Other-net" was mainly comprised of the following.

For the year ended March 31, 2016

Net exchange differences recognised in profit or loss classified as "Other-net" in the Consolidated Statement of Comprehensive Income were net losses of ¥32,515 million ($287,743 thousand). These net exchange differences (net losses) were mainly offset by profits or losses on derivatives held for hedging purposes.

A loss in the amount of ¥15,388 million ($136,177 thousand) was recognised for the LNG receiving terminal project in Uruguay, for which the Company adopted the policy to discontinue.

For the year ended March 31, 2015

Net exchange differences recognised in profit or loss classified as "Other-net" in the Consolidated Statement of Comprehensive Income were net gains of ¥17,430 million. These net exchange differences (net gains) were mainly offset by profits or losses on derivatives held for hedging purposes.

On September 30, 2014, the Company integrated its grain export business in the U.S.A. by contributing the grain export operations including elevator facilities at Terminal 5 in the Port of Portland, Oregon (hereinafter "T5") through one of its subsidiaries, Columbia Grain, Inc., to Pacificor, LLC (formerly, Kalama Export Company LLC) in the Port of Kalama, Washington, a joint venture of Gavilon and Archer Daniels Midland Company, U.S.A.. The Company recognised valuation gain of ¥33,091 million on T5, which is recorded in "Other-net" in the Consolidated Statement of Comprehensive Income.

Additionally, the Company recognised loss due to increase in decommissioning obligations, which is recorded in "Other-net" in the Consolidated Statement of Comprehensive Income.

12. Income Taxes

The Company files a consolidated income tax return in Japan.

Total income taxes recognised for the years ended March 31, 2016 and 2015 were attributable to the following:

	Millions of yen		*Thousands of U.S. dollars*
	2016	2015	**2016**
Current tax	**¥(40,375)**	¥(54,933)	**$(357,301)**
Deferred tax	**17,344**	43,048	**153,487**
Total	**¥(23,031)**	¥(11,885)	**$(203,814)**

The Company is mainly subject to income tax, inhabitants tax and enterprise tax, which is recognised as a deductible expense, and the applicable income tax rates calculated on the basis of these taxes for the years ended March 31, 2016 and 2015 were approximately 33.0% and 36.0%, respectively. However, the income tax rates of foreign subsidiaries are calculated on the basis of general local tax rates.

On March 29, 2016, the Act to Partially Revise the Income Tax Act (Act No. 15 of 2016) and the Act to Partially Revise the Local Tax Act, etc. (No. 13 of 2016) were enacted by the Japanese Diet. The Acts will reduce the statutory income tax rate from the financial year beginning April 1, 2016 and thereafter. As a result of the Acts, the tax rate to be used for the calculation of deferred tax assets and liabilities will be reduced from approximately 32.0% to approximately 31.0% with respect to temporary differences that are expected to be reversed in and after the financial year beginning April 1, 2016. The impact of these changes in tax rates on the financial position and results of operation of the Companies was immaterial.

A reconciliation of the applicable tax rates to the effective tax rates expressed as a percentage of profit before tax for the years ended March 31, 2016 and 2015 were as follows:

	2016	2015
Applicable tax rate	**33.0 %**	36.0 %
Tax effect on income and expenses not taxable and deductible for tax purposes	**(2.1)%**	(0.9)%
Difference in tax rate of foreign subsidiaries	**(9.3)%**	(16.8)%
Tax effect on share of profits of associates and joint ventures and retained earnings of subsidiaries	**(10.1)%**	(23.6)%
Reassessment of the recoverability of deferred tax assets	**9.3 %**	10.0 %
Other	**4.6 %**	4.8 %
Effective tax rate	**25.4 %**	9.5 %

Changes in deferred tax assets and deferred tax liabilities for the years ended March 31, 2016 and 2015 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2016	2015	**2016**
Balance at beginning of year (Deferred tax assets-net)	**¥(53,493)**	¥(90,841)	**$(473,389)**
Deferred tax income or expense recognised in profit or loss	**17,344**	43,048	**153,486**
Deferred tax income or expense recognised in other comprehensive income	**19,018**	3,046	**168,301**
Changes in acquisitions and divestitures	**10,627**	(8,746)	**94,044**
Balance at end of year (Deferred tax assets-net)	**¥(6,504)**	¥(53,493)	**$(57,558)**

Significant components of deferred tax assets and deferred tax liabilities at March 31, 2016 and 2015 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Deferred tax assets:			
Allowance for doubtful accounts	**¥4,636**	¥6,315	**$41,027**
Inventories	**2,971**	4,325	**26,292**
Property, plant and equipment and investment property	**13,898**	4,425	**122,991**
Employees' retirement benefits	**34,273**	29,238	**303,301**
Unrealised profit on intercompany transactions	**617**	4,253	**5,460**
Net operating loss carryforwards	**145,926**	131,577	**1,291,381**
Other	**38,725**	26,959	**342,698**
Total deferred tax assets	**¥241,046**	¥207,092	**$2,133,150**
Deferred tax liabilities:			
Property, plant and equipment and investment property	**¥114,946**	¥139,677	**1,017,221**
Investment securities and other investments	**23,359**	16,723	**206,717**
Intangible assets	**32,472**	36,815	**287,363**
Undistributed earnings	**53,345**	47,334	**472,080**
Other	**23,428**	20,036	**207,327**
Total deferred tax liabilities	**¥247,550**	¥260,585	**$2,190,708**
Deferred tax assets-net	**¥(6,504)**	¥(53,493)	**$(57,558)**

Deferred tax assets and deferred tax liabilities in the Consolidated Statement of Financial Position at March 31, 2016 and 2015 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Deferred tax assets	**¥94,113**	¥62,223	**$832,858**
Deferred tax liabilities	**100,617**	115,716	**890,416**
Deferred tax assets-net	**¥(6,504)**	¥(53,493)	**$(57,558)**

The amount of deductible temporary differences and tax loss carryforwards for which deferred tax assets were not recognised at March 31, 2016 and 2015 were ¥671,555 million ($5,942,965 thousand) and ¥584,592 million, respectively. Within these amounts, tax loss carryforwards classified by expiry date at March 31, 2016 and 2015 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
Expiry date	**March 31, 2016**	March 31, 2015	**March 31, 2016**
Not later than one year	**¥1,641**	¥3,663	**$14,522**
Later than one year and not later than five years	**27,868**	25,953	**246,619**
Later than five years	**87,230**	57,795	**771,947**
Indefinite carryforward periods	**32,780**	19,505	**290,089**
Total	**¥149,519**	¥106,916	**$1,323,177**

Deferred tax assets of ¥87,524 million ($774,549 thousand) and ¥53,537 million were recognised at March 31, 2016 and 2015, respectively, by certain subsidiaries that have recorded losses in the years ended March 31, 2015 or 2016 in the tax jurisdiction to which the deferred tax assets relate, and the utilisation of the deferred tax assets are dependent on future taxable profits. Each company's management carefully has assessed the probability that taxable profit will be available against which the unused tax losses or deductible temporary differences may be utilised based on tax planning.

The aggregate amounts of temporary differences relating to investments in subsidiaries and associates and equity interests in joint ventures for which deferred tax liabilities were not recognised at March 31, 2016 and 2015 were ¥815,354 million ($7,215,522 thousand) and ¥996,231 million, respectively. Determination of the amounts of the related unrecognised deferred tax liabilities is not practical.

13. Associates and Joint Ventures

For the year ended March 31, 2016

The aggregate carrying amount of investments in associates accounted for under the equity method in the Consolidated Statement of Financial Position and the Companies' share of comprehensive income (loss) were ¥931,216 million ($8,240,850 thousand) and ¥(1,395) million ($(12,345) thousand), respectively. The share of comprehensive income (loss) consisted of ¥14,080 million ($124,602 thousand) in profit for the year and ¥(15,475) million ($(136,947) thousand) in other comprehensive income (loss).

By operating segment, the Energy & Metals segment recognised impairment losses of ¥35,869 million ($317,425 thousand) from investments in certain copper mining projects in Chile and ¥20,153 million ($178,345 thousand) from investments in iron ore mining projects in Australia due to the anticipated decrease in the estimated future cash flows following the decline in commodity prices, etc. The impairment losses were calculated using the recoverable amounts measured at value in use based on discounted future cash flows, and the total amount of the recoverable amounts was ¥136,814 million ($1,210,743 thousand). Weighted average cost of capital used in the value in use calculations ranged from 6.6% to 9.2% and reflected current market assessments of the time value of money and risks specific to the assets. Discounted future cash flows used in the value in use calculations were calculated by referring to prices such as long-term prices, published by external organisations such as brokers. These impairment losses were included in "Share of profits of associates and joint ventures" in the Consolidated Statement of Comprehensive Income.

The aggregate carrying amount of investments in joint ventures accounted for under the equity method in the Consolidated Statement of Financial Position and the Companies' share of comprehensive income were ¥720,134 million ($6,372,867 thousand) and ¥6,099 million ($53,973 thousand), respectively. The share of comprehensive income consisted of ¥17,744 million ($157,027 thousand) in profit for the year and ¥(11,645) million ($(103,053) thousand) in other comprehensive income (loss).

The share of losses of associates and joint ventures accounted for under the equity method for which recognition was discontinued amounted to ¥22,738 million ($201,221 thousand) (¥8,470 million ($74,956 thousand) decreases for the current year). This unrecognised share of losses mainly consisted of remeasurement losses on cash flow hedges executed by joint ventures.

Certain associates and joint ventures procure funds through project financing, and impose restrictions on the use of cash deposits.

For the year ended March 31, 2015

The aggregate carrying amount of investments in associates accounted for under the equity method in the Consolidated Statement of Financial Position and the Companies' share of comprehensive income were ¥1,057,704 million and ¥30,755 million, respectively. The share of comprehensive income consisted of ¥37,135 million in profit for the year and ¥(6,380) million in other comprehensive income (loss).

By operating segment, the Energy & Metals segment recognised an impairment loss of ¥25,968 million from investments in coal mining projects in Canada as a result of the write down to $1, which represents the sales price following a decision to dispose of the investments. This impairment loss was included in "Gains (losses) on investment securities" in the Consolidated Statement of Comprehensive Income. Additionally, this segment recognised impairment losses of ¥15,832 million from investments in certain copper mining projects in Chile and coal mining projects in Australia due to the anticipated decrease in the estimated future cash flows following the decline in commodity prices. The impairment losses were calculated using the recoverable amounts measured at value in use based on discounted future cash flows, and the total amount of the recoverable amounts was ¥291,538 million. Weighted average cost of capital used in the value in use calculations ranged from 7.5% to 8.2% and reflected current market assessments of the time value of money and risks specific to the assets. These impairment losses were included in "Share of profits of associates and joint ventures" in the Consolidated Statement of Comprehensive Income.

The aggregate carrying amount of investments in joint ventures accounted for under the equity method in the Consolidated Statement of Financial Position and the Companies' share of comprehensive income were ¥761,311 million and ¥55,956 million, respectively. The share of comprehensive income consisted of ¥52,784 million in profit for the year and ¥3,172 million in other comprehensive income.

The share of losses of associates and joint ventures accounted for under the equity method for which recognition was discontinued amounted to ¥31,208 million (¥19,771 million increases for the current year). This unrecognised share of losses mainly consisted of remeasurement losses on cash flow hedges executed by joint ventures.

Certain associates and joint ventures procure funds through project financing, and impose restrictions on the use of cash deposits.

14. Financial Instruments and Related Disclosures

(1) Policy for managing capital

The fundamental policy of the Companies is to maintain an optimal mix of funding in line with the requirements of the asset portfolio. Funding sources include indirect financial procurement firstly from banks and other financial institutions, as well as direct procurement through the issuance of bonds, commercial paper and other means. The Companies utilise such management indicators as net D/E ratio (Note 1) and risk assets (Note 2) and strengthen the financial base to establish a strong earnings structure and a solid financial footing that can withstand changes in the business environment while attaining sustainable growth.

Note 1 Net D/E ratio = Net interest bearing debt / Total equity. Net interest bearing debt is calculated by subtracting cash and cash equivalents, and time deposits from the total bonds and borrowings (current and non-current).

Note 2 The Company defines risk assets as the exposure of its portfolio to the maximum possible loss that could be incurred on a consolidated basis, measured using the Value at Risk method. The Company conducts computer simulations on all group assets including the assets of the consolidated subsidiaries that take into account the risk attributes of each type of exposure such as country risk, industry risk, credit rating of the customers, and scheduled due dates of receivables.

At the group level, the management regularly monitors net D/E ratio, which was targeted at approximately 1.3 times by the end of the year ending March 31, 2019 under the three-year mid-term management plan, “Global Challenge 2018”, which commenced April 2016.

The Companies are not subject to any significant capital restrictions (with the exception of general restrictions pursuant to laws such as the Companies Act of Japan).

(2) Policy for managing risks

The Companies conduct business activities in various countries including Japan and are, thus, subject to the effects of interest rate risks, exchange rate risks, credit risks, commodity price risks, liquidity risks and stock price fluctuation risks described below. The Companies evaluate these risks through monitoring on a regular basis and manage these risks under an identical risk management policy, regardless of the application of hedge accounting, in order to hedge all or part of these risks. In principle, the hedged items and the hedging instruments are based on the same underlying and have an economic relationship. Additionally, the hedge ratio is on a one-to-one basis so that the risk exposure of the hedged items is effectively reduced.

(i) Management of interest rate risks

Since the Companies have raised certain funds at floating interest rates, they are exposed to the risk of an increase in interest expense in the event of a hike in market interest rates. The majority of liabilities at floating rates correspond to notes, trade accounts and loans receivable, which are positively affected by changes in interest rates. Interest insensitive assets such as certain fixed assets and investment securities will also possibly produce an increase in dividends and other income because of a rise in market interest rates. The Companies cannot completely avoid interest rate risks, however, risk exposure is limited by the portfolio of assets and liabilities held.

In addition, among the liabilities used to fund interest insensitive assets, such as certain fixed assets and investment securities, that portion with floating rates is categorised as “unhedged” based on the Group’s asset-liability management. Monitoring market movements in interest rates, the Group utilises interest rate swaps and takes other measures to mitigate the risk of interest rate fluctuations.

Interest rate sensitivity

The following table illustrates the impact of a 1% rise in interest rates on the profit before tax of the Companies at March 31, 2016 and 2015 assuming that all other variables are held constant.

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Effect on profit before tax	**¥(18,117)**	¥(18,949)	**$(160,327)**

(ii) Management of foreign currency risks

The Companies conduct transactions in a variety of currencies and are, thus, subject to the effects of exchange rate fluctuation risks associated with business activities conducted in foreign currencies and with net investments in foreign operations. In order to hedge the risks associated with business activities, i.e., the risk of changes in cash flows of foreign currency denominated receivables, payables, firm commitments and forecast transactions, and the risk of changes in fair value of foreign currency denominated receivables, payables and firm commitments; as well as the exchange rate fluctuation risk of net investments in foreign operations, the Companies utilise forward-exchange contracts, foreign currency denominated bonds and borrowings, currency swaps and other means to mitigate these risks associated with exchange rate fluctuations.

Effective April 1, 2015, the Companies have decided to manage forward-exchange contracts closely linked with bonds and borrowings denominated in Japanese yen for the purpose of financing foreign currency. In conjunction with this, the classification of cash flow relating to such forward-exchange contracts has been changed from “Operating activities” to “Financing activities”.

Foreign exchange sensitivity

The following table illustrates the impact of an appreciation of the Japanese yen by ¥1 against the US$ and AU$ on profit before tax and equity of the Companies, assuming that all other variables are held constant at March 31, 2016 and 2015. A depreciation of the Japanese yen by ¥1 against the US$ and AU$, assuming that all other variables are held constant, would result in the opposite impact on the profit before tax and equity of the Companies of the amounts shown in the following table. Currencies other than the US$ and AU$, there are no foreign currencies that pose a significant exchange rate fluctuation risk.

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
<U.S. dollars>			
Effect on profit before tax	**¥292**	¥215	**$2,584**
Effect on foreign currency translation adjustments (before tax)	**(6,538)**	(5,754)	**(57,858)**
<Australian dollars>			
Effect on profit before tax	**33**	38	**292**
Effect on foreign currency translation adjustments (before tax)	**(385)**	(1,009)	**(3,407)**

(iii) Management of credit risks

The Companies carry out general trading business, which comprise export, import, domestic and offshore trading in a wide variety of fields including industrial, agricultural and consumer products, and which also involves 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, the management of the Companies believes there is no significant concentration of credit risk among its customers or in its investments. The Companies require collateral to the extent considered necessary.

The carrying amount of the financial assets of the Companies after impairment represent the maximum exposure to credit risk that does not take into account collateral and other credit enhancements.

(iv) Management of commodity price risks

The Companies are subject to the effects of fluctuation risk of oil and gas, coal, aluminum, copper, and agricultural product prices. The Companies match buy and sell orders and use commodity derivatives including commodity futures, commodity forward contracts, commodity swaps and commodity options to mitigate the fluctuation risks of commodity prices. Additionally, certain commodity derivatives are entered into for trading purposes within pre-determined limits and loss limits.

Commodity price sensitivity

The fluctuation risk of commodity prices on inventories, and purchase and sales contracts at the end of year is substantially diminished through commodity derivatives and other means. Additionally, the impact of changes in the fair value of commodity derivatives for trading purposes is not significant.

(v) Management of liquidity risk

The Companies are subject to the effects of liquidity risk including the dramatic decline in liquidity of held assets due to financial market turmoil. The Companies maintain a sufficient level of liquidity, mainly in the form of cash and deposits, in addition to cash flows from operating activities and the establishment of commitment lines with financial institutions.

The following table illustrates the results of a liquidity analysis conducted on the derivatives of the Companies at March 31, 2016 and 2015. Derivatives that are settled net with other contracts are represented as gross amounts.

	Millions of yen				*Thousands of U.S. dollars*	
	March 31, 2016		March 31, 2015		**March 31, 2016**	
	Not later than one year	More than one year	Not later than one year	More than one year	Not later than one year	More than one year
Revenue						
Interest rate	**¥6,684**	**¥31,931**	¥6,186	¥21,588	**$59,150**	**$282,575**
Foreign currency	**22,760**	**1,733**	21,498	5,253	**201,416**	**15,336**
Commodity	**96,972**	**4,503**	84,360	4,195	**858,159**	**39,850**
Other	**–**	**–**	–	–	**–**	**–**
Expense						
Interest rate	**(150)**	**(2,488)**	(359)	(3,743)	**(1,327)**	**(22,018)**
Foreign currency	**(10,519)**	**(2,067)**	(38,946)	(1,835)	**(93,088)**	**(18,292)**
Commodity	**(74,206)**	**(2,735)**	(75,784)	(3,080)	**(656,690)**	**(24,204)**
Other	**–**	**(100)**	–	–	**–**	**(885)**

For the liquidity analysis of non-derivative financial liabilities, see (3) Fair value of financial instruments.

(vi) Management of stock price fluctuation risk

The Companies hold equity instruments (stocks) mainly for the purpose of strengthening relationships with business partners and are, thus, subject to the effects of stock price fluctuations. The Companies regularly review their holding of stocks, and by disposing of stocks that are no longer considered worthwhile holding, mitigate the risk of fluctuations in stock prices.

Sensitivity to stock price fluctuations

In terms of equity instruments (stocks) in active markets, if quoted prices drop 5% across the board at the year end, the negative impact (before tax) on “Gains (losses) on financial assets measured at fair value through other comprehensive income” of the Companies for the years ended March 31, 2016 and 2015 would be ¥(8,811) million ($(77,973) thousand) and ¥(8,524) million, respectively; while the impact on profit or loss would be minimal.

(3) Fair value of financial instruments

(i) Fair value measurement methods

The estimated fair value of the financial instruments of the Companies has been determined using available market information or other appropriate valuation methodologies.

The following methodologies and assumptions are used by the Companies in estimating the fair value disclosures of financial instruments:

Cash and cash equivalents, and time deposits: Cash and cash equivalents, and time deposits are measured at amortised cost, and their carrying amount in the Consolidated Statement of Financial Position approximate fair value due to the relative short-term maturities.

Investment securities and other investments: The fair value of investment securities in active markets is measured on the basis of quoted prices at the year end.

The fair value of equity financial assets in markets that are not active and debt instrument financial assets classified as Financial assets measured at FVTPL is measured on the basis of discounted future cash flows, third-party valuations and other valuation methods.

The fair value of debt instrument financial assets measured at amortised cost is estimated using discounted future cash flows based on the market interest rates at the year end applicable to debt instrument financial assets with identical remaining periods and similar credit ratings.

Notes, trade accounts and loans receivable, and notes and trade accounts payable: The fair value of notes, trade accounts and loans receivable, and notes and trade accounts payable is estimated using discounted future cash flows based mainly on the interest rates at the year end applicable to notes, trade accounts and loans receivable, and notes and trade accounts payable with identical remaining periods and similar credit ratings.

Bonds and borrowings: The fair value of bonds and borrowings is estimated using discounted future cash flows based on the interest rates at the year end applicable to similar loan agreements with identical remaining periods.

Other financial assets and liabilities: Other financial assets and other financial liabilities include derivative assets and derivative liabilities as well as non-derivative assets and non-derivative liabilities.

The carrying amounts of derivative assets and derivative liabilities reflected in the Consolidated Statement of Financial Position represent fair value.

Non-derivative assets mainly consist of other receivables from customers, and have been measured at amortised cost, with the exception of Financial assets measured at FVTPL.

Non-derivative liabilities mainly consist of other payables to customers and payables relating to consideration for notes, trade accounts and loans receivable that have been transferred without satisfying the criteria for derecognition of financial assets, and have been measured at amortised cost.

The carrying amounts of non-derivative assets and non-derivative liabilities measured at amortised cost reflected in the Consolidated Statement of Financial Position approximate fair value.

Interest rate swap agreements: The fair value of interest rate swap agreements is estimated using discounted future cash flows based on the swap rates at the year end applicable to similar interest rate swap agreements with identical remaining periods.

Forward exchange contracts: The fair value forward exchange contracts is estimated based on quoted prices at the year end.

Commodity futures and forward contracts: The fair value of commodity futures and forward contracts is estimated based on quoted prices at the year end.

(ii) Notes, trade accounts and loans receivable

The carrying amounts of notes, trade accounts and loans receivable at March 31, 2016 and 2015 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Notes receivable	**¥90,959**	¥100,995	**$804,947**
Trade accounts receivable	**1,237,893**	1,341,093	**10,954,805**
Loans receivable	**150,047**	152,639	**1,327,850**
Allowance for doubtful accounts	**(39,882)**	(31,212)	**(352,938)**
Total	**¥1,439,017**	¥1,563,515	**$12,734,664**

Notes, trade accounts and loans receivable subsequently measured at FVTPL have been classified as such based on the Company's business model and the contractual cash flow characteristics of the financial asset, while all other notes, trade accounts and loans receivable are substantially measured at amortised cost.

Notes, trade accounts and loans receivable measured at FVTPL were ¥50,208 million ($444,319 thousand) and ¥54,530 million at March 31, 2016 and 2015, respectively.

The fair value of notes, trade accounts and loans receivable measured at amortised cost was ¥1,389,563 million ($12,297,018 thousand) and ¥1,509,897 million at March 31, 2016 and 2015, respectively.

Notes, trade accounts and loans receivable that were transferred without meeting the criteria for derecognition and therefore continued to be recognized by the Company at March 31, 2016 and 2015 were ¥127,466 million ($1,128,018 thousand) and ¥124,405 million, respectively, and have been included in "Notes, trade accounts and loans receivable". Correspondingly amounts received from such transfers of ¥73,162 million ($647,451 thousand) and ¥88,964 million, respectively, have been included in "Other current financial liabilities". In terms of these notes, trade accounts, and loans receivable, the Companies have been judged to substantially retain all the risks and rewards of ownership of the transferred assets, as the Companies assume payment obligations in the event of default by the drawer or the obligor.

Of the amounts above, notes, trade accounts and loans receivable for which the transferee has the right to recourse to the transferred assets only were ¥96,394 million ($853,044 thousand) and ¥88,267 million, and the carrying amount of the related liabilities were ¥42,101 million ($372,575 thousand) and ¥52,835 million at March 31, 2016 and 2015, respectively. These carrying amounts approximate their respective fair values.

Additionally, certain notes, trade accounts and loans receivable transferred continue to be recognised as assets to the extent of continuing involvement, due to the Companies assuming partial payment obligations in the event of a default by the obligor or due to the Companies having been determined to retain control over the said notes, trade accounts and loans receivable. At March 31, 2016 and 2015, the carrying amounts prior to transfer of the said notes, trade accounts and loans receivable were ¥1,450 million ($12,832 thousand) and ¥1,278 million, respectively, and the carrying amounts of assets continued to be recognised by the Companies due to continuing involvement and the related liabilities in the same amounts were ¥251 million ($2,221 thousand) and ¥224 million, respectively.

Changes in allowance for doubtful accounts for the years ended March 31, 2016 and 2015 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Balance at beginning of year	**¥31,212**	¥36,253	**$276,212**
Provision for the year	**5,476**	4,735	**48,460**
Charge-offs	**(2,491)**	(12,386)	**(22,044)**
Others	**5,685**	2,610	**50,310**
Balance at end of year	**¥39,882**	¥31,212	**$352,938**

Notes, trade accounts and loans receivable for which impairment was recognised at March 31, 2016 and 2015 were ¥31,268 million ($276,708 thousand) and ¥29,231 million, respectively; and their corresponding allowances for doubtful accounts were ¥24,049 million ($212,823 thousand) and ¥23,335 million, respectively. The Companies have determined that the difference between the carrying amounts of the notes, trade accounts and loans receivable and their respective allowances will be recoverable through the collection of collateral and other means.

The Companies, as part of their accounts receivable management policy, consider financing receivables 90 days past due as delinquent and strengthen procedures over collection. Notes, trade accounts and loans receivable that were past due but not impaired at March 31, 2016 and 2015 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Not later than 90 days	**¥34,859**	¥70,027	**$308,487**
Later than 90 days	**16,219**	22,105	**143,531**
Total	**¥51,078**	¥92,132	**$452,018**

(iii) Investment securities and other investments

The carrying amounts of investment securities and other investments at March 31, 2016 and 2015 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Investment securities			
FVTPL	**¥–**	¥–	**$–**
Amortised cost	**10,075**	601	**89,159**
Total	**¥10,075**	¥601	**$89,159**
Other investments			
FVTPL	**¥13,822**	¥19,415	**$122,319**
FVTOCI	**326,526**	384,351	**2,889,611**
Amortised cost	**7,715**	17,668	**68,274**
Total	**¥348,063**	¥421,434	**$3,080,204**

Debt "Investment securities" and "Other investments" subsequently measured at FVTPL have been classified as such based on the Company's business model and the contractual cash flow characteristics of the financial asset.

At March 31, 2016 and 2015, "Other investments" measured at FVTPL mainly consisted of investments in funds.

"Investment securities" and "Other investments" measured at amortised cost mainly consisted of government and corporate bonds, and their amortised cost approximated their fair values at March 31, 2016 and 2015.

Equity instruments measured at fair value within "Other investments" held by the Company and certain of its consolidated subsidiaries, included investments made mainly for the purpose of maintaining and strengthening relationships with business partners which have been classified as subsequently measured at FVTOCI. Said financial assets as FVTOCI mainly consisted of common stock and details of their fair values at March 31, 2016 and 2015 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
With quoted prices in active markets	**¥176,216**	¥170,470	**$1,559,434**
Without quoted prices in active markets	**150,310**	213,881	**1,330,177**
Total	**¥326,526**	¥384,351	**$2,889,611**

Major issuers of "Other investments" measured at FVTOCI with quoted prices in active markets at March 31, 2016 and 2015 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
Stocks	**March 31, 2016**	March 31, 2015	**March 31, 2016**
YAMAZAKI BAKING CO., LTD.	**¥19,361**	¥17,695	**$171,336**
Anhui Guozhen Environment Protection Technology Joint Stock Co., Limited.	**18,923**	–	**167,460**
NISSHIN SEIFUN GROUP INC.	**11,243**	8,886	**99,496**
AEON CO., LTD.	**9,062**	7,348	**80,195**
INPEX CORPORATION	**7,928**	12,313	**70,159**
Okamoto Industries, Inc.	**6,850**	3,310	**60,619**
The Dai-ichi Life Insurance Company, Limited.	**5,961**	7,637	**52,752**
ISUZU MOTORS LIMITED	**5,081**	6,985	**44,965**
SAPPORO HOLDINGS LIMITED	**4,618**	3,925	**40,867**
Nissan Chemical Industries, Ltd.	**4,280**	3,674	**37,876**

"Other investments" measured at FVTOCI that do not have quoted prices in active markets comprised investments in resources, materials, machinery and lifestyle related businesses. At March 31, 2016 and 2015, investments in resources related businesses were ¥88,919 million ($786,894 thousand) and ¥132,695 million, respectively, while investments in other areas were ¥61,391 million ($543,283 thousand) and ¥81,186 million, respectively.

Dividend income recognised on "Other investments" measured at FVTOCI for the year ended March 31, 2016 was ¥18,018 million ($159,451 thousand), of which dividend income on investments held at March 31, 2016 was ¥17,164 million ($151,894 thousand). Dividend income recognised on "Other investments" measured at FVTOCI for the year ended March 31, 2015 was ¥34,583 million, of which dividend income on investments held at March 31, 2015 was ¥33,225 million.

Gains and losses on Financial assets measured at FVTOCI relating to "Other investments" measured at FVTOCI recognised within Equity in the Consolidated Statement of Financial Position that relate to the portion of investments that were derecognised or of which the decline in fair value compared with its acquisition cost is significant and other than temporary for the year have been reclassified to retained earnings. Amounts of reclassified items (after tax) for the years ended March 31, 2016 and 2015 were ¥4,060 million ($35,929 thousand) (gains) and ¥31,473 million (losses), respectively.

"Other investments" measured at FVTOCI that were disposed of due to revisions of business strategies and other reasons for the years ended March 31, 2016 and 2015 were as follows.

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Fair value at derecognition	**¥44,491**	¥23,195	**$393,726**
Cumulative gains (losses) at derecognition	**15,692**	79	**138,867**
Dividend income on the derecognised investments	**854**	1,358	**7,557**

(iv) Notes and trade accounts payable

The carrying amounts of notes and trade accounts payable at March 31, 2016 and 2015 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Notes payable	**¥241,624**	¥241,139	**$2,138,265**
Trade accounts payable	**997,184**	1,092,575	**8,824,637**
Total	**¥1,238,808**	¥1,333,714	**$10,962,902**

Notes and trade accounts payable are measured at amortised cost.

The carrying amounts of notes and trade accounts payable approximated their fair value at March 31, 2016 and 2015.

The future contract due dates of notes and trade accounts payable at March 31, 2016 and 2015 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Not later than one year	**¥1,221,150**	¥1,313,165	**$10,806,637**
Later than one year	**17,658**	20,549	**156,265**

(v) Bonds and borrowings

The carrying amounts of bonds and borrowings at March 31, 2016 and 2015 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Bonds	**¥428,930**	¥420,613	**$3,795,841**
Borrowings	**2,939,395**	2,948,411	**26,012,345**
Total	**¥3,368,325**	¥3,369,024	**$29,808,186**

Bonds and borrowings are measured at amortised cost.

The fair values of bonds and borrowings at March 31, 2016 and 2015 were ¥3,368,796 million ($29,812,354 thousand) and ¥3,370,998 million, respectively, and were categorised as Level 3.

The future contract due dates of bonds and borrowings at March 31, 2016 and 2015 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Not later than one year	**¥665,969**	¥549,569	**$5,893,531**
Later than one year and not later than five years	**1,717,620**	1,874,235	**15,200,177**
Later than five years	**1,073,196**	1,048,747	**9,497,310**

Details of bonds and borrowings at March 31, 2016 and 2015 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
0.227% - 2.55% unsecured bonds payable in Japanese yen with final maturity in 2026	**¥408,000**	¥403,000	**$3,610,619**
3.97% bonds payable in Australian dollars due 2017	**9,488**	10,127	**83,965**
Short-term borrowings principally at rates from 0.2% to 7.3%	**323,187**	377,223	**2,860,062**
Long-term borrowings due serially through 2031 principally at rates from 0.0% to 7.5%	**2,616,208**	2,571,188	**23,152,283**
(Current portion of long-term borrowings)	**(273,302)**	(130,372)	**(2,418,602)**
Other	**11,442**	7,486	**101,257**
Total	**¥3,368,325**	¥3,369,024	**$29,808,186**

(vi) Finance income (expenses)

Each component of finance income (expenses) for the years ended March 31, 2016 and 2015 was as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Interest income:			
Financial assets measured at amortised cost	**¥14,602**	¥14,509	**$129,221**
Total	**¥14,602**	¥14,509	**$129,221**
Interest expenses:			
Financial liabilities measured at amortised cost	**¥(36,693)**	¥(42,858)	**$(324,717)**
Other	**3,065**	3,768	**27,124**
Total	**¥(33,628)**	¥(39,090)	**$(297,593)**
Dividend income:			
Financial assets measured at FVTPL	**¥537**	¥374	**$4,752**
Financial assets measured at FVTOCI	**18,018**	34,583	**159,452**
Total	**¥18,555**	¥34,957	**$164,204**
Gains (losses) on investment securities:			
Financial assets measured at FVTPL	**¥(2,873)**	¥7,305	**¥(25,425)**
Other	**77,179**	(6,618)	**683,000**
Total	**¥74,306**	¥687	**$657,575**

"Other" within "Interest expenses" mainly included gains and losses from derivative transactions.

"Other" within "Gains (losses) on investment securities" mainly included gains (losses) accompanying the loss of significant influence, gains (losses) on disposal of investments and impairment losses (refer to Note 13. Associates and Joint Ventures) with respect to associates and joint ventures, and gains (losses) accompanying the loss of control of subsidiaries. For the years ended March 31, 2016 and 2015, gains (losses) on derecognition of subsidiaries from the scope of consolidation due to disposal and other were ¥32,624 million ($288,708 thousand) (gains) and ¥8,623 million (gains), respectively; of which gains (losses) on measurement at fair value of residual interests in subsidiaries at the date of loss of control for the years ended March 31, 2016 and 2015 were ¥30,817 million ($272,717 thousand) (gains) and ¥7,244 million (gains), respectively.

As gains (losses) accompanying the loss of control of subsidiaries in the year ended March 31, 2016, the Company concluded a share transfer agreement with regard to the shares of Marubeni Rail Transport Inc. ("MRTI"), a holding company of Midwest Railcar Corporation, which is engaged in the leasing of railroad freight cars in North America. As a result of this agreement, the Company will need to obtain the consent of the transferee in major business decisions. Accordingly, the Company recognised a gain on mark-to-market valuation of ¥30,097 million ($266,345 thousand).

As gains (losses) accompanying the loss of significant influence over associates in the year ended March 31, 2016, following the approval for the partial disposal of its shares of Anhui Guozhen Environment Protection Science and Technology Joint Stock Co., Ltd. ("Anhui Guozhen"), the Company's affiliate engaged in the sewage treatment business in China, from Anhui Gouzhen, the Company relinquished its voting rights corresponding to the number of shares to be sold until the disposal of the shares. Accordingly, the Company recognised a gain on mark-to-market valuation of ¥39,800 million ($352,212 thousand).

(vii) Fair value measurements

The Companies measure certain assets and liabilities at fair value. The inputs used in the fair value measurement are categorised into three levels based upon the observability of the inputs in markets.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Companies can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly
Level 3: Unobservable inputs for the assets or liabilities

The financial assets and liabilities measured at fair value by the Companies on a recurring basis at March 31, 2016 and 2015 were as follows:

	Millions of yen								*Thousands of U.S. dollars*			
	March 31, 2016				March 31, 2015				**March 31, 2016**			
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:												
Non-derivative Financial assets measured at FVTPL:												
Notes, trade accounts and loans receivable	**¥–**	**¥38,581**	**¥11,627**	**¥50,208**	¥–	¥42,302	¥12,228	¥54,530	**$–**	**$341,425**	**$102,894**	**$444,319**
Investment securities	–	–	–	–	–	–	–	–	–	–	–	–
Other Investments (equity)	**1,782**	**6,390**	**122**	**8,294**	3,498	–	8,430	11,928	**15,770**	**56,549**	**1,079**	**73,398**
Other Investments (debt)	–	–	**5,528**	**5,528**	–	–	7,487	7,487	–	–	**48,921**	**48,921**
Other financial assets	–	–	**12,526**	**12,526**	–	–	15,079	15,079	–	–	**110,850**	**110,850**
Non-derivative Financial assets measured at FVTOCI:												
Other Investments	**176,216**	**1,281**	**149,029**	**326,526**	170,470	834	213,047	384,351	**1,559,434**	**11,336**	**1,318,841**	**2,889,611**
Derivative instruments:												
Interest rate contracts	–	**36,947**	–	**36,947**	–	25,825	–	25,825	–	**326,965**	–	**326,965**
Forward exchange contracts	–	**24,493**	–	**24,493**	–	26,318	–	26,318	–	**216,752**	–	**216,752**
Commodity contracts	**9,223**	**56,579**	**2,018**	**67,820**	8,360	49,018	1,187	58,565	**81,620**	**500,699**	**17,858**	**600,177**
Other	–	–	–	–	–	–	–	–	–	–	–	–
Liabilities:												
Derivative instruments:												
Interest rate contracts	–	**(2,138)**	–	**(2,138)**	–	(2,934)	–	(2,934)	–	**(18,920)**	–	**(18,920)**
Forward exchange contracts	–	**(12,586)**	–	**(12,586)**	–	(40,348)	–	(40,348)	–	**(111,381)**	–	**(111,381)**
Commodity contracts	**(3,110)**	**(41,259)**	**(663)**	**(45,032)**	(3,789)	(43,055)	(123)	(46,967)	**(27,522)**	**(365,124)**	**(5,867)**	**(398,513)**
Other	–	–	**(100)**	**(100)**	–	–	–	–	–	–	**(885)**	**(885)**

Other investments categorised as Level 1 mainly consist of marketable equity securities in active markets. Derivative instruments categorised as Level 1 consist of derivatives related to commodity contracts. These assets are measured at quoted prices in active markets without adjustment.

Notes, trade accounts and loans receivable categorised as Level 2 consist of notes and trade accounts receivable that are settled at future market prices; and other investments categorised as Level 2 consist of equity securities traded on markets that are not active. Derivative instruments categorised as Level 2 consist of interest rate swaps, forward exchange contracts and derivatives related to commodity contracts. These assets and liabilities are mainly measured based on quoted prices of identical assets not categorised as Level 1 in markets that are not active or similar assets or liabilities in active markets, and measurement is based mainly on a market approach using observable inputs, such as prices in commodity markets, foreign exchange rates and interest rates.

Other investments categorised as Level 3 mainly consist of equity securities in inactive markets; and derivative instruments categorised as Level 3 mainly consist of derivatives related to commodity contracts. These assets and liabilities are measured mainly based on an income approach using inputs that are reasonably available or inputs many market participants use with reasonable confidence because observable inputs are not available due to a lack of similar assets or liabilities in active markets or distortive market prices resulting from dramatic liquidity decreases and such like.

Significant unobservable inputs used in the fair value measurement of investments whose fair values are measured on a recurring basis categorised as Level 3 are discount rates. Fair value decreases (increases) as the discount rate rises (declines). At March 31, 2016 and 2015, discount rates used in fair value measurement by the Companies range from 5.8% to 13.3% and 4.7% to 16.2%, respectively.

The Companies recognise transfers of assets and liabilities between Levels of the fair value hierarchy at the end of each quarterly period.

During the years ended March 31, 2016 and 2015, there were no transfers between Levels 1 and 2.

Changes in Level 3 assets and liabilities measured at fair value on a recurring basis by the Companies for the years ended March 31, 2016 and 2015 were as follows:

	Millions of yen						
	Non-derivative Financial assets measured at FVTPL				Non-derivative Financial assets measured at FVTOCI	Derivative instruments	
March 31, 2016	Notes, trade accounts and loans receivable	Investment securities	Other investments	Other financial assets	Other investments	Commodity contracts	Other contracts
Balance at beginning of year	**¥12,228**	**¥–**	**¥15,917**	**¥15,079**	**¥213,047**	**¥1,064**	**¥–**
Gains (losses) in profit or loss	**172**	**–**	**203**	**2,845**	**–**	**2,000**	**(35)**
Gains (losses) in other comprehensive income	**–**	**–**	**–**	**–**	**(39,280)**	**–**	**–**
Purchases	**–**	**–**	**264**	**–**	**10**	**–**	**14**
Sales/Redemptions	**–**	**–**	**(2,270)**	**(4,602)**	**(16,637)**	**–**	**–**
Settlements	**–**	**–**	**–**	**–**	**–**	**(1,622)**	**(86)**
Transfers	**–**	**–**	**–**	**–**	**(767)**	**1**	**–**
Effects of acquisition and divestitures	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Net transfers in and/or (out) of Level 3	**–**	**–**	**(8,370)**	**–**	**(1,455)**	**–**	**–**
Other	**(773)**	**–**	**(94)**	**(796)**	**(5,889)**	**(88)**	**7**
Balance at end of year	**¥11,627**	**¥–**	**¥5,650**	**¥12,526**	**¥149,029**	**¥1,355**	**¥(100)**
Gains (losses) in assets and liabilities held at end of year	**¥172**	**¥–**	**¥250**	**¥2,845**	**¥–**	**¥1,444**	**¥(107)**

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	Thousands of U.S. dollars						
	Non-derivative Financial assets measured at FVTPL				Non-derivative Financial assets measured at FVTOCI	Derivative instruments	
March 31, 2016	Notes, trade accounts and loans receivable	Investment securities	Other investments	Other financial assets	Other investments	Commodity contracts	Other contracts
Balance at beginning of year	**$108,212**	**$–**	**$140,858**	**$133,442**	**$1,885,372**	**$9,416**	**$–**
Gains (losses) in profit or loss	**1,522**	**–**	**1,796**	**25,177**	**–**	**17,699**	**(310)**
Gains (losses) in other comprehensive income	**–**	**–**	**–**	**–**	**(347,611)**	**–**	**–**
Purchases	**–**	**–**	**2,336**	**–**	**88**	**–**	**124**
Sales/Redemptions	**–**	**–**	**(20,088)**	**(40,726)**	**(147,230)**	**–**	**–**
Settlements	**–**	**–**	**–**	**–**	**–**	**(14,354)**	**(761)**
Transfers	**–**	**–**	**–**	**–**	**(6,788)**	**9**	**–**
Effects of acquisition and divestitures	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Net transfers in and/or (out) of Level 3	**–**	**–**	**(74,071)**	**–**	**(12,876)**	**–**	**–**
Other	**(6,840)**	**–**	**(831)**	**(7,043)**	**(52,114)**	**(779)**	**62**
Balance at end of year	**$102,894**	**$–**	**$50,000**	**$110,850**	**$1,318,841**	**$11,991**	**$(885)**
Gains (losses) in assets and liabilities held at end of year	**$1,522**	**$–**	**$2,212**	**$25,177**	**$–**	**$12,779**	**$(947)**

	Millions of yen						
	Non-derivative Financial assets measured at FVTPL				Non-derivative Financial assets measured at FVTOCI	Derivative instruments	
March 31, 2015	Notes, trade accounts and loans receivable	Investment securities	Other investments	Other financial assets	Other investments	Commodity contracts	Other contracts
Balance at beginning of year	¥–	¥–	¥11,495	¥13,834	¥289,863	¥511	¥–
Gains (losses) in profit or loss	193	–	6,921	1,098	–	1,509	60
Gains (losses) in other comprehensive income	–	–	–	–	(88,993)	–	–
Purchases	10,993	–	8,116	–	2,301	–	11
Sales/Redemptions	–	–	(10,485)	(1,995)	(7,734)	–	–
Settlements	–	–	–	–	–	(1,087)	(71)
Transfers	–	–	4,481	–	(4,818)	4	–
Effects of acquisition and divestitures	–	–	–	–	–	–	–
Net transfers in and/or (out) of Level 3	–	–	(4,032)	–	(42)	–	–
Other	1,042	–	(579)	2,142	22,470	127	–
Balance at end of year	¥12,228	¥–	¥15,917	¥15,079	¥213,047	¥1,064	¥–
Gains (losses) in assets and liabilities held at end of year	¥193	¥–	¥1,970	¥1,098	¥–	¥973	¥–

Gains and losses on the above assets and liabilities, gains and losses on other investments are included in “Gains (losses) on investment securities”, gains and losses on other financial assets are included in “Sales of goods” or “Cost of goods sold”, and gains and losses on derivatives are included in “Cost of goods sold” or “Other-net” in the Consolidated Statement of Comprehensive Income.

Additionally, "Other" above mainly consists of "Foreign currency translation adjustments" in the Consolidated Statement of Comprehensive Income.

The relevant division of the Company, upon determining the valuation method of the applicable assets and liabilities, measures the fair value of assets and liabilities categorised as Level 3, according to valuation policies and procedures stipulated by the Company. Additionally, appropriate third-party valuations are obtained, as necessary. The results of fair value measurements are then reviewed by the Corporate Staff Group, which is independent from the division responsible for the fair value measurement.

If the inputs used to measure "Other investments measured at FVTOCI" among the assets categorised as Level 3 were to be changed, there were no significant changes of the fair value at March 31, 2016 and 2015.

(4) Offsetting financial assets and financial liabilities

At March 31, 2016 and 2015, among the financial assets and financial liabilities recognised with the same counterparty, the financial instruments offset in accordance with the criteria for offsetting financial assets and financial liabilities and the financial instruments not offset as a result of not meeting some or all of the offsetting criteria despite being subject to an enforceable master netting arrangement or similar agreement, were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Gross amounts of recognised financial assets	**¥113,933**	¥104,062	**$1,008,257**
Amounts offset in accordance with the criteria for offsetting of financial assets and liabilities	**(42,521)**	(39,582)	**(376,292)**
Net amount presented in the Consolidated Statement of Financial Position	**71,412**	64,480	**631,965**
Amounts not offset due to not meeting some or all of the offsetting criteria for offsetting financial assets and liabilities despite being subject to an enforceable master netting arrangement or similar agreement	**(58,278)**	(52,069)	**(515,735)**
Net amount	**¥13,134**	¥12,411	**$116,230**

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Gross amounts of recognised financial liabilities	**¥125,609**	¥112,556	**$1,111,585**
Amounts offset in accordance with the criteria for offsetting of financial assets and liabilities	**(42,521)**	(39,582)	**(376,292)**
Net amount presented in the Consolidated Statement of Financial Position	**83,088**	72,974	**735,293**
Amounts not offset due to not meeting some or all of the offsetting criteria for offsetting financial assets and liabilities despite being subject to an enforceable master netting arrangement or similar agreement	**(58,278)**	(52,069)	**(515,735)**
Net amount	**¥24,810**	¥20,905	**$219,558**

Generally, the set-off rights on financial instruments that do not meet some or all of the offsetting criteria for offsetting financial assets and financial liabilities become enforceable only under special circumstances, such as when the counterparty can no longer fulfill its obligations due to bankruptcy and other reasons.

(5) Derivative instruments and hedging activities

Fair value hedges

The Company and certain of its consolidated subsidiaries mainly designate, as fair value hedges, currency swap agreements, which hedge the risk of changes in the fair value of foreign currency denominated receivables and payables, and foreign currency denominated firm commitments; commodity futures and forward contracts, which hedge volatility risk of the fair value of inventories and firm commitments on commodity transactions; and interest rate swaps, which convert fixed interest rates on assets and liabilities to floating interest rates.

For the years ended March 31, 2016 and 2015, there were no significant amounts recognised in profit or loss relating to the ineffective portion of hedges or portions excluded from the assessment of hedge effectiveness. Additionally, the effects of discontinuing hedge accounting and the amounts recognised in profit or loss due to firm commitments becoming ineligible as hedged items were immaterial.

Cash flow hedges

The Company and certain of its consolidated subsidiaries mainly designate, as cash flow hedges, forward exchange contracts, which hedge the cash flows of foreign currency denominated receivables and payables, foreign currency denominated firm commitments and foreign currency denominated forecast transactions; interest rate swaps, which convert floating interest rates on assets and liabilities to fixed interest rates; and commodity futures and forward contracts, which hedge the cash flows of forecasted transactions on commodity transactions. For the years ended March 31, 2016 and 2015, there were no significant amounts recognised in profit or loss relating to the ineffective portion of hedges or portions excluded from the assessment of hedge effectiveness. Additionally, the effects of discontinuing hedge accounting and the amounts of gains (losses) on cash flow hedges reclassified to profit or loss because the forecast transactions no longer were expected to occur were immaterial.

Hedges of net investments in foreign operations

The Company and certain of its consolidated subsidiaries use foreign currency denominated bonds and borrowings, and forward exchange contracts to hedge foreign exchange fluctuation risks of net investments in foreign operations. For the years ended March 31, 2016 and 2015, there were no significant amounts recognised in profit or loss relating to the ineffective portion of hedges.

At March 31, 2016 and 2015, the carrying amounts of hedging instruments to which the Company and certain of its consolidated subsidiaries applied hedge accounting by risk category for each type of hedge were as follows:

	Millions of yen				*Thousands of U.S. dollars*		Line item in the Consolidated Statement of Financial Position
	March 31, 2016		March 31, 2015		**March 31, 2016**		
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	
Fair value hedges:							
Interest rate risk	**¥36,937**	**¥(430)**	¥25,633	¥(806)	**$326,876**	**$(3,805)**	
Foreign exchange risk	**–**	**(70)**	–	(176)	**–**	**(620)**	(Note 1)
Commodity price risk	**1,949**	**(1,610)**	3,316	(6,406)	**17,248**	**(14,248)**	
Total	**¥38,886**	**¥(2,110)**	¥28,949	¥(7,388)	**$344,124**	**$(18,673)**	
Cash flow hedges:							
Interest rate risk	**¥10**	**¥(1,702)**	¥33	¥(1,973)	**$89**	**$(15,062)**	
Foreign exchange risk	**2,357**	**(19,801)**	10,475	(24,293)	**20,858**	**(175,230)**	(Note 2)
Commodity price risk	**1,654**	**(186)**	1,164	(302)	**14,637**	**(1,646)**	
Total	**¥4,021**	**¥(21,689)**	¥11,672	¥(26,568)	**$35,584**	**$(191,938)**	
Hedges of net investments in foreign operations	**¥2,554**	**¥(565,650)**	¥3,829	¥(598,257)	**$22,602**	**$(5,005,752)**	(Note 3)
Total financial instruments to which hedge accounting was applied	**¥45,461**	**¥(589,449)**	¥44,450	¥(632,213)	**$402,310**	**$(5,216,363)**	

Notes: (1) “Other current financial assets”, “Other non-current financial assets”, “Other current financial liabilities” and “Other non-current financial liabilities”

(2) “Other current financial assets”, “Other non-current financial assets”, “Notes and trade accounts payable”, “Other current financial liabilities” and “Other non-current financial liabilities”

(3) “Other current financial assets”, “Bonds and borrowings” and “Other current financial liabilities”

In addition to the above, the fair values of derivative assets and liabilities to which hedge accounting was not applied at March 31, 2016 and 2015 were ¥83,885 million ($742,345 thousand) and ¥48,151 million ($426,115 thousand), and ¥66,258 million and ¥72,049 million, respectively.

At March 31, 2016 and 2015, the profile of the timing of the nominal amount and the average price or rate of the main hedging instruments were as follows:

March 31, 2016

				Not later than one year	Later than one year and not later than five years	Later than five years	Total
Fair value hedges	Soy bean futures and forward contracts	Buy	Nominal amount (MT)	**6,670,256**	–	–	**6,670,256**
			Average price (U.S. dollars/MT)	**$325.98**	–	–	**$325.98**
		Sell	Nominal amount (MT)	**7,874,400**	–	–	**7,874,400**
			Average price (U.S. dollars/MT)	**331.83**	–	–	**331.83**
	Interest rate swaps, fixed to floating	–	Nominal amount (Millions of yen)	**73,100**	**370,288**	**395,034**	**838,422**
Cash flow hedges	Forward exchange contracts (U.S. dollars)	Buy yen/Sell U.S. dollars	Nominal amount (Millions of U.S. dollars)	**321**	**9**	–	**330**
			Average rate (Yen/U.S. dollars)	**116.53**	**120.35**	–	**116.64**
		Buy U.S. dollars/Sell yen	Nominal amount (Millions of U.S. dollars)	**1,126**	**194**	**48**	**1,368**
			Average rate (Yen/U.S. dollars)	**115.50**	**111.36**	**99.25**	**114.34**
Hedges of net investments in foreign operations	Forward exchange contracts and borrowings (U.S. dollars)	Buy yen/Sell U.S. dollars	Nominal amount (Millions of U.S. dollars)	**2,794**	**2,411**	**774**	**5,979**
			Average rate (Yen/U.S. dollars)	**103.57**	**90.35**	**108.98**	**98.94**
	Range forward contracts (U.S. dollars)	–	Nominal amount (Millions of U.S. dollars)	**1,500**	–	–	**1,500**
			Average rate (Yen/U.S. dollars)	**119.31**	–	–	**119.31**

The terms under the interest rate swaps of fair value hedges converting fixed interest rates to floating interest rates were principally receiving fixed interest rates from 0.1% to 2.0% and paying variable interest rates equivalent to the Japanese Bankers Association's 3-month or 6-month Japanese yen TIBOR.

March 31, 2015

				Not later than one year	Later than one year and not later than five years	Later than five years	Total
Fair value hedges	Soy bean futures and forward contracts	Buy	Nominal amount (MT)	4,888,656	–	–	4,888,656
			Average price (U.S. dollars/MT)	$366.24	–	–	$366.24
		Sell	Nominal amount (MT)	3,967,392	–	–	3,967,392
			Average price (U.S. dollars/MT)	365.56	–	–	365.56
	Interest rate swaps, fixed to floating	–	Nominal amount (Millions of yen)	39,900	333,027	451,508	824,435
Cash flow hedges	Forward exchange contracts (U.S. dollars)	Buy yen/Sell U.S. dollars	Nominal amount (Millions of U.S. dollars)	179	0	–	179
			Average rate (Yen/U.S. dollars)	114.22	101.06	–	114.18
		Buy U.S. dollars/Sell yen	Nominal amount (Millions of U.S. dollars)	1,157	270	–	1,427
			Average rate (Yen/U.S. dollars)	112.68	106.83	–	111.57
Hedges of net investments in foreign operations	Forward exchange contracts and borrowings (U.S. dollars)	Buy yen/Sell U.S. dollars	Nominal amount (Millions of U.S. dollars)	3,492	3,265	440	7,197
			Average rate (Yen/U.S. dollars)	115.38	87.31	99.75	101.69

The terms under the interest rate swaps of fair value hedges converting fixed interest rates to floating interest rates were principally receiving fixed interest rates from 0.2% to 2.0% and paying variable interest rates equivalent to the Japanese Bankers Association's 3-month or 6-month Japanese yen TIBOR.

Financial Information

At March 31, 2016 and 2015, the carrying amounts of hedged items which the Company and certain of its consolidated subsidiaries categolised as fair value hedge and the accumulated amounts of fair value hedge adjustments on the hedged items included in the carrying amounts of hedged items recognised in the Consolidated Statement of Financial Position were as follows:

March 31, 2016

	Millions of yen				Line item in the Consolidated Statement of Financial Position
	Carrying amounts		Accumulated amounts of fair value hedge adjustments		
	Assets	Liabilities	Assets	Liabilities	
Interest rate risk	**¥17,803**	**¥(983,640)**	**¥149**	**¥(37,218)**	(Note 1)
Foreign exchange risk	**688**	**–**	**73**	**–**	(Note 2)
Commodity price risk	**29,598**	**(32,561)**	**28,033**	**(31,694)**	(Note 3)

	Thousands of U.S. dollars				Line item in the Consolidated Statement of Financial Position
	Carrying amounts		Accumulated amounts of fair value hedge adjustments		
	Assets	Liabilities	Assets	Liabilities	
Interest rate risk	**$157,549**	**$(8,704,779)**	**$1,319**	**$(329,363)**	(Note 1)
Foreign exchange risk	**6,088**	**–**	**646**	**–**	(Note 2)
Commodity price risk	**261,929**	**(288,150)**	**248,080**	**(280,478)**	(Note 3)

March 31, 2015

	Millions of yen				Line item in the Consolidated Statement of Financial Position
	Carrying amounts		Accumulated amounts of fair value hedge adjustments		
	Assets	Liabilities	Assets	Liabilities	
Interest rate risk	¥19,761	¥(927,440)	¥307	¥(26,005)	(Note 1)
Foreign exchange risk	1,054	–	179	–	(Note 2)
Commodity price risk	40,492	(35,598)	38,688	(34,742)	(Note 3)

Notes: (1) “Notes, trade accounts and loans receivable (Current assets)” and “Bonds and borrowings”
(2) “Other current financial assets” and “Notes, trade accounts and loans receivable (Non-current assets)”
(3) “Other current financial assets” and “Other current financial liabilities”

The amounts which the Company and certain of its consolidated subsidiaries recognise in the Consolidated Statement of Comprehensive Income on cash flow hedges and hedges of net investments in foreign operations (before tax) for the years ended March 31, 2016 and 2015 were as follows:

Year ended March 31, 2016

	Millions of yen		*Thousands of U.S. dollars*		Line item in the Consolidated Statement of Comprehensive Income corresponding to reclassification adjustment
	Hedging gains or losses	Amounts reclassified as reclassification adjustment	Hedging gains or losses	Amounts reclassified as reclassification adjustment	
Cash flow hedges:					
Interest rate risk	**¥1,147**	**¥667**	**$10,151**	**$5,903**	Interest expenses
Foreign exchange risk	**1,177**	**4,235**	**10,416**	**37,478**	Other-net
Commodity price risk	**(55)**	**(162)**	**(487)**	**(1,434)**	Cost of goods sold
Total	**¥2,269**	**¥4,740**	**$20,080**	**$41,947**	
Hedges of net investments in foreign operations:	**¥49,274**	**¥2,521**	**$436,053**	**$22,310**	Other-net and gains (losses) on investment securities

Year ended March 31, 2015

	Millions of yen		Line item in the Consolidated Statement of Comprehensive Income corresponding to reclassification adjustment
	Hedging gains or losses	Amounts reclassified as reclassification adjustment	
Cash flow hedges:			
Interest rate risk	¥(1,216)	¥392	Interest expenses
Foreign exchange risk	7,521	1,732	Other-net
Commodity price risk	(904)	4,233	Cost of goods sold
Total	¥5,401	¥6,357	
Hedges of net investments in foreign operations:	¥(120,016)	¥3,939	Other-net and gains (losses) on investment securities

For the years ended March 31, 2016 and 2015, for hedges of net positions, there were no significant hedging gains or losses recognised as an individual account in the Consolidated Statement of Comprehensive Income.

Changes in other components of equity arising from cash flow hedges and hedges of net investments in foreign operations for the years ended March 31, 2016 and 2015 were as follows:

Year ended March 31, 2016

	Millions of yen			
	Cash flow hedges			Hedges of net investments in foreign operations
	Interest rate risk	Foreign exchange risk	Commodity price risk	Foreign exchange risk
Balance at beginning of year	**¥(45,175)**	**¥(6,850)**	**¥(3,164)**	**¥(241,800)**
Changes for the year	**(7,101)**	**(5,398)**	**(3,264)**	**51,146**
Reclassification to profit or loss for the year	**13,292**	**4,056**	**3,283**	**2,172**
Transfer to non-financial assets or non-financial liabilities	**–**	**(9,337)**	**–**	**–**
Balance at end of year	**¥(38,984)**	**¥(17,529)**	**¥(3,145)**	**¥(188,482)**

	Thousands of U.S. dollars			
	Cash flow hedges			Hedges of net investments in foreign operations
	Interest rate risk	Foreign exchange risk	Commodity price risk	Foreign exchange risk
Balance at beginning of year	**$(399,779)**	**$(60,620)**	**$(28,000)**	**$(2,139,823)**
Changes for the year	**(62,841)**	**(47,770)**	**(28,885)**	**452,620**
Reclassification to profit or loss for the year	**117,629**	**35,894**	**29,053**	**19,221**
Transfer to non-financial assets or non-financial liabilities	**–**	**(82,628)**	**–**	**–**
Balance at end of year	**$(344,991)**	**$(155,124)**	**$(27,832)**	**$(1,667,982)**

Year ended March 31, 2015

	Millions of yen			
	Cash flow hedges			Hedges of net investments in foreign operations
	Interest rate risk	Foreign exchange risk	Commodity price risk	Foreign exchange risk
Balance at beginning of year	¥(35,018)	¥3,782	¥(3,218)	¥(125,718)
Changes for the year	(25,045)	(2,770)	(7,463)	(118,997)
Reclassification to profit or loss for the year	14,888	1,728	7,517	2,915
Transfer to non-financial assets or non-financial liabilities	–	(9,590)	–	–
Balance at end of year	¥(45,175)	¥(6,850)	¥(3,164)	¥(241,800)

"Reclassification to profit or loss for the year" mainly represented the amounts transferred because the hedged items affected profit or loss.

There were no significant items excluded from the designation as the hedging instrument, such as the time value of option contracts, forward elements of forward contracts included in hedging instruments and foreign currency basis spreads of financial instruments.

Derivative assets included in “Other current financial assets” and “Other non-current financial assets” in the Consolidated Statement of Financial Position at March 31, 2016 and 2015 were ¥87,936 million ($778,195 thousand) and ¥41,324 million ($365,699 thousand), and ¥75,675 million and ¥35,033 million, respectively.

Additionally, at March 31, 2016 and 2015, non-derivative assets in “Other current financial assets” and “Other non-current financial assets” included Financial assets measured at FVTPL in the amounts of ¥12,526 million ($110,850 thousand) and ¥15,079 million, respectively.

Derivative liabilities included in “Other current financial liabilities” and “Other non-current financial liabilities” in the Consolidated Statement of Financial Position at March 31, 2016 and 2015 were ¥54,395 million ($481,372 thousand) and ¥5,461 million ($48,327 thousand), and ¥82,764 million and ¥7,485 million, respectively.

15. Pledged Assets

The assets pledged as collateral for the Companies' loans and such like at March 31, 2016 and 2015 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Cash and cash equivalents, and time deposits	**¥527**	¥16,612	**$4,664**
Notes, trade accounts and loans receivable (current and non-current)	**30,806**	98,984	**272,620**
Inventories	**21,035**	231,528	**186,150**
Investments in associates and joint ventures	**89,475**	198,777	**791,814**
Property, plant and equipment (after deducting accumulated depreciation)	**55,834**	159,686	**494,106**
Other	**15,935**	164,403	**141,018**
Total	**¥213,612**	¥869,990	**$1,890,372**

The Companies pledge collateral under conventional conditions in standard borrowing arrangements, etc.

In addition to the above, import bills included in notes payable at March 31, 2016 and 2015 were secured by trust receipts on inventories.

The standard terms 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 practical 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, regardless of the existence of such security, the bank has the right to offset cash deposits 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.

16. Earnings per Share

Basic and diluted earnings per share attributable to owners of the parent for the years ended March 31, 2016 and 2015 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Numerator:			
Profit for the year attributable to owners of the parent for the basic and diluted earnings per share	**¥62,264**	¥105,604	**$551,009**

	Number of shares	
	March 31, 2016	March 31, 2015
Denominator:		
Weighted average shares for the basic and diluted earnings per share (Treasury stock is excluded)	**1,735,368,048**	1,735,387,247

	Yen		*U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Basic and diluted earnings per share attributable to owners of the parent	**¥35.88**	¥60.85	**$0.32**

17. Other Components of Equity and Other Comprehensive Income

Changes in other components of equity for the years ended March 31, 2016 and 2015 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Gains (losses) on financial assets measured at fair value through other comprehensive income			
Balance at beginning of year	**¥108,256**	¥120,738	**$958,018**
Change for the year	**(61,130)**	(43,955)	**(540,973)**
Transfer to retained earnings	**(4,060)**	31,473	**(35,930)**
Balance at end of year	**¥43,066**	¥108,256	**$381,115**
Foreign currency translation adjustments			
Balance at beginning of year	**¥327,782**	¥181,721	**$2,900,726**
Change for the year	**(134,174)**	146,061	**(1,187,381)**
Balance at end of year	**¥193,608**	¥327,782	**$1,713,345**
Gains (losses) on cash flow hedges			
Balance at beginning of year	**¥(55,189)**	¥(34,454)	**$(488,399)**
Change for the year	**4,868**	(11,145)	**43,080**
Transfer to non-financial assets or non-financial liabilities	**(9,337)**	(9,590)	**(82,628)**
Balance at end of year	**¥(59,658)**	¥(55,189)	**$(527,947)**
Remeasurements of defined benefit plan			
Balance at beginning of year	**¥–**	¥–	**$–**
Change for the year	**(16,421)**	(1,727)	**(145,319)**
Transfer to retained earnings	**16,421**	1,727	**145,319**
Balance at end of year	**¥–**	¥–	**$–**
Other components of equity			
Balance at beginning of year	**¥380,849**	¥268,005	**$3,370,345**
Change for the year	**(206,857)**	89,234	**(1,830,593)**
Transfer to retained earnings	**12,361**	33,200	**109,389**
Transfer to non-financial assets or non-financial liabilities	**(9,337)**	(9,590)	**(82,628)**
Balance at end of year	**¥177,016**	¥380,849	**$1,566,513**

Each component of other comprehensive income, including non-controlling interests and related tax effects, for the years ended March 31, 2016 and 2015 were as follows:

	Millions of yen					
	March 31, 2016			March 31, 2015		
	Before tax amount	**Tax (expense) or benefit**	**Net of tax amount**	Before tax amount	Tax (expense) or benefit	Net of tax amount
Gains (losses) on financial assets measured at fair value through other comprehensive income:						
Gains (losses) arising for the year	**¥(72,534)**	**¥11,418**	**¥(61,116)**	¥(51,979)	¥8,062	¥(43,917)
Change for the year	**¥(72,534)**	**¥11,418**	**¥(61,116)**	¥(51,979)	¥8,062	¥(43,917)
Foreign currency translation adjustments:						
Gains (losses) arising for the year	**¥(133,224)**	**¥867**	**¥(132,357)**	¥165,658	¥(1,589)	¥164,069
Reclassification to profit or loss for the year	**(6,577)**	**169**	**(6,408)**	(8,868)	506	(8,362)
Change for the year	**¥(139,801)**	**¥1,036**	**¥(138,765)**	¥156,790	¥(1,083)	¥155,707
Gains (losses) on cash flow hedges:						
Gains (losses) arising for the year	**¥(15,642)**	**¥(58)**	**¥(15,700)**	¥(31,589)	¥(3,757)	¥(35,346)
Reclassification to profit or loss for the year	**22,430**	**(1,807)**	**20,623**	24,086	57	24,143
Change for the year	**¥6,788**	**¥(1,865)**	**¥4,923**	¥(7,503)	¥(3,700)	¥(11,203)
Remeasurements of defined benefit pension plan:						
Gains (losses) arising for the year	**¥(21,974)**	**¥5,362**	**¥(16,612)**	¥(1,634)	¥(510)	¥(2,144)
Change for the year	**¥(21,974)**	**¥5,362**	**¥(16,612)**	¥(1,634)	¥(510)	¥(2,144)
Other comprehensive income (loss)	**¥(227,521)**	**¥15,951**	**¥(211,570)**	¥95,674	¥2,769	¥98,443

	Thousands of U.S. dollars		
	March 31, 2016		
	Before tax amount	**Tax (expense) or benefit**	**Net of tax amount**
Gains (losses) on financial assets measured at fair value through other comprehensive income:			
Gains (losses) arising for the year	**$(641,894)**	**$101,045**	**$(540,849)**
Change for the year	**$(641,894)**	**$101,045**	**$(540,849)**
Foreign currency translation adjustments:			
Gains (losses) arising for the year	**$(1,178,973)**	**$7,672**	**$(1,171,301)**
Reclassification to profit or loss for the year	**(58,204)**	**1,496**	**(56,708)**
Change for the year	**$(1,237,177)**	**$9,168**	**$(1,228,009)**
Gains (losses) on cash flow hedges:			
Gains (losses) arising for the year	**$(138,425)**	**$(513)**	**$(138,938)**
Reclassification to profit or loss for the year	**198,496**	**(15,991)**	**182,505**
Change for the year	**$60,071**	**$(16,504)**	**$43,567**
Remeasurements of defined benefit plan:			
Gains (losses) arising for the year	**$(194,461)**	**$47,451**	**$(147,010)**
Change for the year	**$(194,461)**	**$47,451**	**$(147,010)**
Other comprehensive income (loss)	**$(2,013,461)**	**$141,160**	**$(1,872,301)**

18. Cash Flow Information

Supplemental cash flow information for the years ended March 31, 2016 and 2015 was as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Non-cash investing and financing activities:			
Exchange of assets:			
Fair value of assets received	**¥8,900**	¥62,462	**$78,761**
Carrying amounts of assets surrendered	**8,308**	21,450	**73,522**

19. Segment Information

(1) Operating Segments

The Companies' operating segments by which the management evaluates performance and allocates resources are classified in terms of the nature of the products and services. Each reportable segment purchases, distributes and markets a wide variety of industrial and consumer goods including raw materials and equipment relating to a wide variety of industries and, in addition, provides the related financing, insurance and other services to these operations on a worldwide basis. The Companies have five segments identified by products and services.

These segments are outlined as follows:

Food & Consumer Products: Both domestically and internationally, the Foods sector 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. The Lifestyle sector includes apparel, footwear, household goods and home furnishings, sporting goods, and tires, and operates various businesses from planning, manufacturing, importing, and wholesaling of products to brand development, consulting services and business investment. The Communication sector is involved in the system integration business, the data communication network business, the mobile devices sales business. The Logistics sector operates forwarding business and logistics centers, and the Insurance sector operates an insurance brokerage business, a reinsurance business and other related businesses. The Finance sector operates asset and property managements, fund operations and other businesses, while the Real estate development sector deals with condominium development and other broad range businesses to provide various services.

Chemical & Forest Products: Both domestically and internationally, the Chemical sector handles a wide variety of goods ranging from upstream, such as basic petrochemicals, to downstream, such as electronic materials, specialty chemicals, agrochemicals and fertilizers. Focusing on China, the Americas, Middle East, South East Asia and India, as priority markets, this sector is conducting business with a balance between investment and trade. For the agriculture material sales operation in the U.S., which acts as the platform of our agriculture related business, the Company has made Helena Business independent from the main sector, as a newly established sector, in order to further increase the earnings profit of Helena Chemical Company. The Forest Products sector manufactures and distributes raw materials for paper production, paper and cardboard, and takes part in afforestation projects and sells housing materials.

Energy & Metals: Both domestically and internationally, the Energy sector, which focuses on products related to energy such as oil, gas and etc., takes part in various sorts of businesses which benefit from the development of resources through retail channels such as gas stations. The Metals and Mineral Resources sector is engaged in the development business for raw materials for production of steel and iron and nonferrous light metals. Also, this sector processes and sells nonferrous light metals, and is engaged in trading of raw materials for steel and iron and nonferrous light metals, as well as producing, processing and selling steel products in general including steel plates, steel pipes, and special steels.

Power Projects & Plant: Both domestically and internationally, this segment develops, invests in, operates and manages a variety of power projects including power generating, distributing and transforming operations, energy related infrastructure operations, desalination and water treatment operations, traffic and infra-system operations and various fields of industrial plants. In addition, this segment also delivers and contracts works of related equipments.

Transportation & Industrial Machinery: Both domestically and internationally, this segment focuses on domestic and international trade (export and import) in aerospace and defense systems, automotive, construction, agricultural machinery and other transportation-related machinery; loans and investments in wide-ranging fields such as wholesale, retail, retail finance, leasing business, product development and services related to such transportation machinery; and trading, possessing and chartering various cargo vessels, tankers and LNG carriers.

Marubeni Corporation and Subsidiaries
Notes to Consolidated Financial Statements (continued)

The Companies' operating segment information for the years ended March 31, 2016 and 2015 was as follows:

	Millions of yen			
March 31, 2016	**Food & Consumer Products**	**Chemical & Forest Products**	**Energy & Metals**	**Power Projects & Plant**
Total volume of trading transactions:				
External customers	¥5,332,850	¥2,237,125	¥2,729,716	¥430,369
Inter-segment	66,477	110,293	59,756	2,050
Total	¥5,399,327	¥2,347,418	¥2,789,472	¥432,419
Gross trading profit	¥301,019	¥190,825	¥17,044	¥53,942
Share of profits (losses) of associates and joint ventures	¥10,514	¥3,364	¥(63,751)	¥66,941
Profit (loss) for the year attributable to owners of the parent	¥55,848	¥31,002	¥(143,964)	¥66,431
Segment assets	¥1,865,728	¥977,988	¥1,712,698	¥1,267,565

	Millions of yen		
March 31, 2016	**Transportation & Industrial Machinery**	**Corporate & Elimination, etc.**	**Consolidated**
Total volume of trading transactions:			
External customers	¥891,953	¥585,944	¥12,207,957
Inter-segment	16,864	(255,440)	—
Total	¥908,817	¥330,504	¥12,207,957
Gross trading profit	¥98,392	¥8,864	¥670,086
Share of profits (losses) of associates and joint ventures	¥13,977	¥779	¥31,824
Profit (loss) for the year attributable to owners of the parent	¥23,843	¥29,104	¥62,264
Segment assets	¥799,191	¥494,516	¥7,117,686

March 31, 2016	Food & Consumer Products	Chemical & Forest Products	Energy & Metals	Power Projects & Plant
	Thousands of U.S. dollars			
Total volume of trading transactions:				
External customers	**$47,193,363**	**$19,797,567**	**$24,156,779**	**$3,808,575**
Inter-segment	**588,292**	**976,044**	**528,814**	**18,142**
Total	**$47,781,655**	**$20,773,611**	**$24,685,593**	**$3,826,717**
Gross trading profit	**$2,663,885**	**$1,688,717**	**$150,832**	**$477,363**
Share of profits (losses) of associates and joint ventures	**$93,044**	**$29,770**	**$(564,168)**	**$592,398**
Profit (loss) for the year attributable to owners of the parent	**$494,230**	**$274,354**	**$(1,274,018)**	**$587,885**
Segment assets	**$16,510,867**	**$8,654,761**	**$15,156,620**	**$11,217,389**

March 31, 2016	Transportation & Industrial Machinery	Corporate & Elimination, etc.	Consolidated
	Thousands of U.S. dollars		
Total volume of trading transactions:			
External customers	**$7,893,389**	**$5,185,345**	**$108,035,018**
Inter-segment	**149,239**	**(2,260,531)**	**—**
Total	**$8,042,628**	**$2,924,814**	**$108,035,018**
Gross trading profit	**$870,726**	**$78,442**	**$5,929,965**
Share of profits (losses) of associates and joint ventures	**$123,690**	**$6,894**	**$281,628**
Profit (loss) for the year attributable to owners of the parent	**$211,000**	**$257,558**	**$551,009**
Segment assets	**$7,072,487**	**$4,376,248**	**$62,988,372**

March 31, 2015	Food & Consumer Products	Chemical & Forest Products	Energy & Metals	Power Projects & Plant
	Millions of yen			
Total volume of trading transactions:				
External customers	¥5,527,916	¥2,290,244	¥4,021,637	¥582,531
Inter-segment	53,067	109,527	61,624	927
Total	¥5,580,983	¥2,399,771	¥4,083,261	¥583,458
Gross trading profit	¥306,586	¥176,338	¥62,166	¥56,966
Share of profits (losses) of associates and joint ventures	¥11,441	¥3,060	¥6,310	¥42,731
Profit (loss) for the year attributable to owners of the parent	¥46,015	¥18,797	¥(30,691)	¥22,612
Segment assets	¥2,010,067	¥1,032,152	¥2,167,244	¥1,319,380

March 31, 2015	Transportation & Industrial Machinery	Corporate & Elimination, etc.	Consolidated
	Millions of yen		
Total volume of trading transactions:			
External customers	¥888,974	¥614,037	¥13,925,339
Inter-segment	18,150	(243,295)	—
Total	¥907,124	¥370,742	¥13,925,339
Gross trading profit	¥94,258	¥11,004	¥707,318
Share of profits (losses) of associates and joint ventures	¥25,243	¥1,134	¥89,919
Profit (loss) for the year attributable to owners of the parent	¥29,942	¥18,929	¥105,604
Segment assets	¥878,565	¥265,656	¥7,673,064

Notes: (1) Effective from the financial year ended March 31, 2016, operating segments, namely, “Food”, “Chemicals”, “Energy”, “Metals & Mineral Resources”, “Transportation Machinery”, “Power Projects & Infrastructure”, “Plant”, “Lifestyle & Forest Products”, “ICT, Finance & Insurance, Real Estate Business” and “Overseas Corporate Subsidiaries and Branches” were reorganised into “Food & Consumer Products”, “Chemical & Forest Products”, “Energy & Metals”, “Power Projects & Plant” and “Transportation & Industrial Machinery”. Some “Overseas Corporate Subsidiaries and Branches” have been incorporated into “Corporate & Elimination, etc.”. In conjunction with this, operating segment information for the financial year ended March 31, 2015 has been reclassified and is presented accordingly.

(2) “Total volume of trading transactions” includes all transactions involving the Companies regardless of transaction type. “Total volume of trading transactions” is not required by IFRSs but is presented here to provide readers with a better understanding and is as presented in common Japanese accounting practice. Effective from the financial year ended March 31, 2016, the accounting policy for revenue was changed at some consolidated subsidiaries in the “Power Projects & Plant” segment, resulting in a decrease in “Total volume of trading transactions” as presented in common Japanese accounting practice by ¥259,960 million ($2,300,531 thousand) compared with the amount based on the previous presentation method.

(3) Inter-segment transactions are generally priced in accordance with the prevailing market prices.

(4) “Profit (loss) for the year attributable to owners of the parent” of “Corporate & Elimination, etc.” includes head office expenses that are not allocated to the operating segments, including those of the Corporate Staff Group, and inter-segment elimination. “Segment assets” of “Corporate & Elimination, etc.” include assets for general corporate purposes that are not allocated to the operating segments and inter-segment elimination. The assets for general corporate purposes mainly consist of cash and cash equivalents related to financing, other investments and non-current assets for general corporate purposes.

(2) Geographical information

Geographical information is categorised according to the region or country in which the assets, which are the sources of revenue, are located.

Geographical information for the years ended March 31, 2016 and 2015 was as follows:

Revenue from external customers

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Japan	**¥3,878,418**	¥4,279,717	**$34,322,283**
United States	**2,430,287**	2,640,322	**21,506,965**
Singapore	**258,643**	272,939	**2,288,876**
Other	**732,951**	641,317	**6,486,292**
Total	**¥7,300,299**	¥7,834,295	**$64,604,416**

Note: There is no concentration of revenue from a specific customer for the years ended March 31, 2016 and 2015.

Non-current assets other than financial assets and deferred tax assets

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
United States	**¥713,901**	¥861,512	**$6,317,708**
Japan	**367,636**	369,864	**3,253,416**
United Kingdom	**254,923**	268,642	**2,255,956**
Other	**264,351**	305,742	**2,339,389**
Total	**¥1,600,811**	¥1,805,760	**$14,166,469**

20. Issued Capital Stock and Reserves

The number of shares authorised and issued at March 31, 2016 and 2015 were as follows:

	Number of shares	
	March 31, 2016	March 31, 2015
Class of share	**Ordinary shares**	Ordinary shares
Authorised	**4,300,000,000**	4,300,000,000
Issued:		
Balance at beginning of year	**1,737,940,900**	1,737,940,900
Change for the year	**–**	–
Balance at end of year	**1,737,940,900**	1,737,940,900

Notes: (1) Common stock has no par value.
(2) Issued stock is fully paid.

Treasury stock held by the Company and by its subsidiaries or associates at March 31, 2016 and 2015 was as follows:

	March 31, 2016		March 31, 2015		**March 31, 2016**
	Shareholding		*Shareholding*		***Shareholding***
Name	***Number of shares***	***Millions of yen***	*Number of shares*	*Millions of yen*	***Thousands of U.S. dollars***
The Company	**2,390,245**	**¥1,342**	2,377,560	¥1,334	**$11,876**
Subsidiaries and associates	**189,950**	**27**	189,950	27	**239**
Total	**2,580,195**	**¥1,369**	2,567,510	¥1,361	**$12,115**

The Companies Act of Japan provides that an amount equal to 10% of the amount to be distributed as distributions of capital surplus (other than capital reserve) and retained earnings (other than legal reserve) be transferred to capital reserve and legal reserve, respectively, until the sum of capital reserve and legal reserve equals 25% of the amount of issued capital.

21. Dividends

Dividends on common stock recognised as distributions to owners for the years ended March 31, 2016 and 2015 were as follows:

	Millions of yen (Yen)		*Thousands of U.S. dollars (U.S. dollars)*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Year-end dividend	**¥22,562**	¥21,695	**$199,664**
(Dividends per share)	**(13)**	(12.5)	**(0.12)**
Interim dividend	**18,223**	22,562	**161,265**
(Dividends per share)	**(10.5)**	(13)	**(0.09)**

Dividends on common stock which were approved by resolution of the Board of Directors after the year end but which have not been recognised as a distribution to owners for the years ended March 31, 2016 and 2015 were as follows:

	Millions of yen (Yen)		*Thousands of U.S. dollars (U.S. dollars)*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Year-end dividend	**¥18,223**	¥22,562	**$161,265**
(Dividends per share)	**(10.5)**	(13)	**(0.09)**

22. Related Party Transactions

The Consolidated Financial Statements of the Company include following subsidiaries.

For the year ended March 31, 2016

Company name	Main businesses	Area/Country	Holding ratio
MX Mobiling Co., Ltd.	Sale of mobile phone and related products	Tokyo/Japan	100.00%
Yamaboshiya Co., Ltd.	Wholesale of confectionery, etc. to mass retailers, convenience stores, etc.	Osaka/Japan	75.62%
Marubeni Energy Corporation	Sale of petroleum and petrochemical products, management and leasing of oil terminals and service stations	Tokyo/Japan	66.60%
Marubeni Nisshin Feed Co., Ltd.	Manufacture and sale of feed	Tokyo/Japan	60.00%
Marubeni America Corporation.	Import/export and domestic sale of domestic and overseas merchandise	New York/U.S.A.	100.00%
Axia Power Holdings B.V.	Overseas power assets holding company	Amsterdam/ Netherlands	100.00%
Gavilon Agriculture Investment, Inc.	Company overseeing the Gavilon Group (engaged in the business of consolidation and distribution of grains, fertilizers, etc.)	Nebraska/U.S.A.	100.00%
Helena Chemical Company	Sale of agricultural materials and provision of various services	Tennessee/U.S.A.	100.00%
Marubeni Los Pelambres Investment B.V.	Investment in copper business in Chile	Amsterdam/ Netherlands	100.00%
Marubeni Oil & Gas (USA) Inc.	Exploration, development, production and sales of crude oil and natural gas in the U.S. Gulf of Mexico	Texas/U.S.A.	100.00%

In addition to the above, the financial statements of the other 289 consolidated subsidiaries are included.

Total amounts of compensation to members of the board and corporate auditors of the Company for the years ended March 31, 2016 and 2015 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2016	March 31, 2015	**March 31, 2016**
Basic payments	**¥843**	¥924	**$7,460**

The outstanding balances of receivables from and payables to the primary/major related parties of the Companies at March 31, 2016 and 2015 were as follows:

	Millions of yen				*Thousands of U.S. dollars*	
	March 31, 2016		March 31, 2015		**March 31, 2016**	
	Outstanding receivables	Outstanding payables	Outstanding receivables	Outstanding payables	Outstanding receivables	Outstanding payables
Associates	**¥129,143**	**¥28,800**	¥131,710	¥32,768	**$1,142,858**	**$254,867**
Joint Ventures	**30,073**	**26,476**	31,116	20,572	**266,133**	**234,301**

Total volume of trading transactions and purchases of goods with the main related parties of the Companies for the years ended March 31, 2016 and 2015 were as follows:

	Millions of yen				*Thousands of U.S. dollars*	
	March 31, 2016		March 31, 2015		**March 31, 2016**	
	Purchases	Trading transactions	Purchases	Trading transactions	Purchases	Trading transactions
Associates	**¥105,625**	**¥152,664**	¥141,149	¥216,967	**$934,735**	**$1,351,009**
Joint Ventures	**74,612**	**86,334**	84,033	112,599	**660,283**	**764,018**

23. Commitments and Contingent Liabilities

The Company and certain of its consolidated subsidiaries enter into long-term purchase contracts for certain goods and products in chemical, metal and machinery industries at either fixed or variable prices. The Company and certain of its consolidated subsidiaries generally enter into sales contracts for such purchase contracts with customers. The total amounts of the long-term purchase contracts were approximately ¥743,000 million ($6,575,221 thousand) and ¥908,000 million at March 31, 2016 and 2015, respectively.

The Company and certain of its consolidated subsidiaries had commitments to make additional investments or loans in the aggregate amounts of approximately ¥200,000 million ($1,769,912 thousand) and ¥345,000 million at March 31, 2016 and 2015, respectively, of which capital expenditures in property, plant and equipment were approximately ¥4,000 million ($35,398 thousand) and approximately ¥48,000 million, respectively, while commitments to joint ventures were approximately ¥54,000 million ($477,876 thousand) and approximately ¥101,000 million, respectively.

The Company and certain of its consolidated subsidiaries provide various types of guarantees for the obligations of their associates and customers in the ordinary course of business. The guarantees mainly relate to the repayment of borrowings to third parties. Should the guaranteed associates and customers fail to fulfill their obligations, the Company and certain of its consolidated subsidiaries would be required to fulfill the obligations under these guarantees.

Outstanding guarantees were ¥406,467 million ($3,597,053 thousand) and ¥391,630 million, including ¥357,048 million ($3,159,717 thousand) and ¥282,033 million to associates and joint ventures, at March 31, 2016 and 2015, respectively. Outstanding guarantees (total of guarantee payable) represent the maximum potential amount of future payments under the contracts without any consideration of the likelihood of such obligations being incurred.

Therefore, such amounts do not represent the anticipated losses on these guarantees and indemnifications, and they greatly exceed anticipated losses. Some guarantees are secured by counter guarantees provided for the Company and certain of its consolidated subsidiaries by third parties.

The amounts of counter guarantees provided for the Company and certain of its consolidated subsidiaries by third parties were ¥21,919 million ($193,973 thousand) and ¥24,685 million, including ¥20,589 million ($182,204 thousand) and ¥23,289 million relating to the associates and joint ventures at March 31, 2016 and 2015, respectively.

The Company manages the risk of fulfillment of obligations under the guarantees by setting the appropriate line of credit and by undertaking provisional measures in accordance with the credit risk rank to which each guaranteed customer belongs. The Company determines the rank of each customer before entering into the guarantee agreements according to the customer's credit risk which is estimated and reviewed based on the customer's financial information.

The likelihood of such obligations being incurred under the guarantees which would have a material effect in the Consolidated Financial Statements were estimated to be remote at March 31, 2016. A provision for loss on guarantees was recognised for the amount that was considered probable.

The Companies conduct business activities on a global scale and are involved in transactions which are subject to the oversight by various types of authorities, both in Japan and abroad. Such business activities are exposed to risk and, from time to time, may involve legal actions, claims or other disputes. Although there are certain outstanding litigations such as those relating to compensation for damages and collection of receivables regarding infrastructure and plant projects overseas at the end of the financial year, the outcome of these cannot be determined at this time. The Company provides no further disclosures on these litigations since the Company believes that such disclosures would prejudice seriously the outcome of the proceedings.

24. Structured Entities

The Company and certain of its consolidated subsidiaries are involved in structured entities engaged in asset management, financing and leasing, through investments and financing, but do not include certain of such structured entities in their scope of consolidation. Total assets of these unconsolidated structured entities at March 31, 2016 and 2015 were ¥405,669 million ($3,589,991 thousand) and ¥441,780 million, respectively. These structured entities mainly procure funds through bank loans.

Carrying amounts of assets and liabilities recognised in the Consolidated Statement of Financial Position relating to the involvement in these unconsolidated structured entities and maximum exposures to assets, liabilities and lease contracts at March 31, 2016 and 2015 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
Classification	**March 31, 2016**	March 31, 2015	**March 31, 2016**
Carrying amount of assets	**¥11,380**	¥14,365	**$100,708**
Carrying amount of liabilities	**9,774**	10,700	**86,496**
Maximum exposures	**109,807**	94,137	**971,743**

The carrying amount of assets mainly consists of non-current notes, trade accounts and loans receivable, whereas the carrying amount of liabilities mainly consists of non-current notes and trade accounts payable. The sum of the carrying amount of assets and the carrying amount of liabilities is different from maximum exposures primarily due to lease contracts.

Maximum exposures represent the maximum potential amounts of losses precipitated through the decline in the price of assets held and lease contracts. Therefore, such amounts bear no relationship to the anticipated amounts of losses through the involvement in the structured entities.

25. Other Notes

On January 20, 2016, the Company exercised the right to purchase all preferred shares issued by its subsidiary Gavilon Agriculture Holdings, Co. (Gavilon Agriculture Investment has absorbed and merged Gavilon Agriculture Holdings in March 2016.) that had been held by the Japan Bank for International Cooperation (hereinafter referred to as "JBIC") pursuant to the agreement between shareholders—i.e., the Company and JBIC—and acquired the preferred shares for an aggregate amount of ¥61,886 million ($547,664 thousand) including the amount equivalent to the preferred shares yet to be paid for until the day of purchase, and completed the payment for the preferred shares.
As said preferred shares had been recognised as "Non-controlling interests" in the Consolidated Statement of Financial Position, the purchase resulted in a decrease in "Non-controlling interests" by the same amount as the amount of the acquisition.

26. Subsequent Events

The Companies have assessed whether any subsequent events occurred through June 24, 2016, the issuance date of the Consolidated Financial Statements, and there are no subsequent events to be disclosed.

27. Approval of Consolidated Financial Statements

The Consolidated Financial Statements were approved by the Board of Directors on June 24, 2016.

Corporate Management

(As of June 24, 2016)

Chairman of the Board

Teruo Asada

President and CEO, Member of the Board

Fumiya Kokubu

Senior Executive Vice Presidents, Members of the Board

Mitsuru Akiyoshi
Chief Executive Officer, Food & Consumer Products Group

Shigeru Yamazoe
CSO (Human Resources Department, Corporate Planning & Strategy Department, Regional Coordination & Administration Department, Research Institute); Senior Operating Officer, Executive Secretariat; Regional CEO for East Asia; Vice Chairman of Investment and Credit Committee

Managing Executive Officers, Members of the Board

Hikaru Minami
CAO (General Affairs Department, Information Strategy Department, Risk Management Department, Legal Department, Compliance Control Department); CIO; Senior Operating Officer, Audit Dept.; Chairman of Compliance Committee; Chairman of Internal Control Committee; Chairman of IT Strategy Committee; Vice Chairman of Investment and Credit Committee

Nobuhiro Yabe
CFO (Corporate Communications Department, Corporate Accounting Department, Business Accounting Department, Finance Department); Chief Operating Officer, Investor Relations and Credit Ratings; Chairman of Investment and Credit Committee; Chairman of CSR & Environment Committee; Chairman of Disclosure Committee

Members of the Board

Takao Kitabata

Yukiko Kuroda

Kyohei Takahashi

Susumu Fukuda

Audit & Supervisory Board Members

Masahiro Enoki

Kaoru Kuzume

Takashi Suetsuna

Yoshizumi Nezu

Shuichi Yoshikai

Senior Managing Executive Officers

Kaoru Iwasa
Chief Executive Officer, Transportation & Industrial Machinery Group

Yukihiko Matsumura
Regional CEO for the Americas; Regional COO for North & Central America; President and CEO, Marubeni America Corporation

Naoya Iwashita
Regional CEO for Europe, Africa & CIS; Regional COO for Europe; Managing Director and CEO, Marubeni Europe plc

Managing Executive Officers

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

Shoji Kuwayama
Regional CEO for ASEAN & Southwest Asia; Regional COO for ASEAN; Managing Director, Marubeni ASEAN Pte. Ltd.

Masumi Kakinoki
Chief Executive Officer, Power Projects & Plant Group

Akira Terakawa
Chief Executive Officer, Chemical & Forest Products Group

Ichiro Takahara
Chief Executive Officer, Energy & Metals Group

Mutsumi Ishizuki
Chief Operating Officer, Metals & Mineral Resources Div.

Takeo Kobayashi
Chief Operating Officer, Forest Products Div.

Kazuro Gunji
General Manager, Corporate Accounting Dept.

Hajime Kawamura
Chief Operating Officer, Plant Div.

Hirohisa Miyata
Chief Operating Officer, Power Projects Div.

Koji Yamazaki
Chief Operating Officer, Food Products Div.

Michael McCarty
Chief Operating Officer, Helena Business Div.; President & CEO, Helena Chemical Company

Executive Officers

Harumichi Tanabe
Senior Operating Officer for ASEAN & Southwest Asia; President, Marubeni Thailand Co., Ltd.; General Manager, Bangkok Branch

Noriaki Isa
General Manager, Human Resources Dept.

Masashi Hashimoto
General Manager, Osaka Branch

Masataka Kuramoto
Regional CEO for Middle East

Shinichi Kobayashi
Regional CEO for Oceania; Managing Director, Marubeni Australia Ltd.

Akihiko Sagara
Chief Operating Officer, Energy Div.-II

Koji Kabumoto
Chief Operating Officer, ICT, Logistics & Healthcare Div.

Toshiaki Ujiie
Chief Operating Officer, Construction & Industrial Machinery Div.

Takeshi Kumaki
General Manager, Nagoya Branch

Eiji Okada
Chief Operating Officer, Energy & Environment Infrastructure Div.

Soji Sakai
Chief Operating Officer, Energy Div.-I

Hisamichi Koga
Chief Operating Officer, Automotive & Leasing Div.

Yoshiaki Mizumoto
Chief Operating Officer, Grain Div.

Yutaka Shimazaki
General Manager, Executive Secretariat, and Corporate Communications Dept.

Minoru Tomita
Chief Operating Officer, Aerospace & Ship Div.

Jun Horie
Chief Operating Officer, Chemical Products Div.

Kenichiro Oikawa
Chief Operating Officer, Insurance, Finance & Real Estate Business Div.

Organization

(As of April 1, 2016)

- General Meeting of Shareholders
  - Audit & Supervisory Board / Audit & Supervisory Board Members
    - Audit & Supervisory Board Member's Office
  - Board of Directors
    - President / Corporate Management Committee
    - Committee of Heads of Divisions
    - Committee of Executive Officers

(Business Group)

- Food & Consumer Products Group
  - Grain Division
  - Food Products Division
  - Lifestyle Division
  - ICT, Logistics & Healthcare Division
  - Insurance, Finance & Real Estate Business Division
- Chemical & Forest Products Group
  - Helena Business Division
  - Chemical Products Division
  - Forest Products Division
- Energy & Metals Group
  - Energy Division-I
  - Energy Division-II
  - Steel Products Division
  - Metals & Mineral Resources Division
- Power Projects & Plant Group
  - Power Projects Division
  - Energy & Environment Infrastructure Division
  - Plant Division
- Transportation & Industrial Machinery Group
  - Aerospace & Ship Division
  - Automotive & Leasing Division
  - Construction & Industrial Machinery Division
- Domestic Branches & Offices
- Overseas Branches & Offices

(Corporate Staff Group)

- Audit Department
- Executive Secretariat
- CSO
  - Human Resources Department
  - Corporate Planning & Strategy Department
  - Regional Coordination & Administration Department
  - Research Institute
- CFO
  - Corporate Communications Department
  - Corporate Accounting Department
  - Business Accounting Department
  - Finance Department
- CAO
  - General Affairs Department
  - Information Strategy Department
  - Risk Management Department
  - Legal Department
  - Compliance Control Department

CSO : Chief Strategy Officer
CFO : Chief Financial Officer
CAO : Chief Administrative Officer

Global Network

(As of April 1, 2016)

Locations of Branches and Offices

North & Central America

- Guatemala City
- Houston
- Los Angeles
- Mexico City
- New York
- Omaha
- Queretaro
- Silicon Valley
- Toronto
- Vancouver
- Washington, D.C.

South America

- Bogota
- Buenos Aires
- Caracas
- Habana*
- Lima
- Rio de Janeiro
- Salvador
- Santiago
- São Paulo

Europe & CIS

- Almaty
- Astana
- Athens
- Bucharest
- Budapest
- Derby
- Düsseldorf
- Hamburg
- Khabarovsk
- Kiev
- London
- Madrid
- Milan
- Moscow
- Paris
- Prague
- Risley
- St. Petersburg
- Tashkent
- Vladivostok
- Warsaw
- Yuzhno-Sakhalinsk

Middle East & Africa

- Abidjan
- Abu Dhabi
- Accra
- Addis Ababa
- Algiers
- Amman
- Ankara
- Baghdad
- Cairo
- Casablanca
- Doha
- Dubai
- Istanbul
- Johannesburg
- Kuwait City
- Lagos
- Luanda
- Maputo
- Muscat
- Nairobi
- Riyadh
- Tehran
- Tripoli

* Under the incorporation procedure

Southwest Asia

Chennai
Chittagong
Dhaka
Goa
Islamabad
Karachi
Kolkata
Lahore
Mumbai
New Delhi

ASEAN

Bangkok
Hanoi
Ho Chi Minh City
Jakarta
Kuala Lumpur
Kuching
Manila
Nay Pyi Taw
Phnom Penh
Quang Ngai
Sibu
Singapore
Vientiane
Yangon

China / East Asia

Beijing
Changchun
Chengdu
Dalian
Guangzhou
Hong Kong
Kunming
Nanjing
Qingdao
Seoul
Shanghai
Shenzhen
Taipei
Tianjin
Ulan Bator
Wuhan
Xiamen

Oceania

Auckland
Melbourne
Perth
Sydney

Japan

Sapporo
Sendai
Tokyo
Shizuoka
Hamamatsu
Nagoya
Osaka
Fukuyama
Hiroshima
Imabari
Fukuoka
Naha

Major Subsidiaries and Associates

(The scope of consolidation of Marubeni Group comprises a total of 448 companies: 299 consolidated subsidiaries and 149 associates accounted for by the equity method as of March 31, 2016. The list is based on data current as of March 31, 2016, with recent data reflected.)

		Company Name	Business	Country / Area	Equity Portion
Food & Consumer Products Group					
Grain Division					
Consolidated Subsidiaries	Domestic	Marubeni Nisshin Feed	Manufacture and sales of livestock feed	Japan	60.00%
		Pacific Grain Terminal	Warehousing, stevedoring and transportation operations	Japan	78.40%
	Overseas	Columbia Grain	Collection, storage, export and domestic sale of grain produced in North America	U.S.	100.00%
		Gavilon Agriculture Investment	Trading of grain and fertilizer	U.S.	100.00%
		Terlogs Terminal Maritimo	Storage and loading of bulk cargoes, such as grain	Brazil	100.00%
Associate	Domestic	The Nisshin OilliO Group	Processing and sale of edible oil business	Japan	15.74%
Food Products Division					
Consolidated Subsidiaries	Domestic	Benirei	Sale and warehousing of seafood products	Japan	98.76%
		Wellfam Foods	Marketing of livestock, meats and processed products	Japan	100.00%
		Yamaboshiya	Wholesale of confectionery products to mass-retail and convenience stores	Japan	75.62%
	Overseas	Cia Iguaçu de Café Solúvel	Manufacturing and sale of instant coffee	Brazil	100.00%
Associates	Domestic	Aeon Market Investment	Holding company for United Super Markets Holdings Inc., a holding company for supermarket operators in the Tokyo metropolitan area	Japan	28.18%
		Kokubu Shutoken	Wholesale of foods, alcohol, and other products primarily to mass-retail and convenience stores	Japan	20.00%
		Nacx Nakamura	Wholesale of frozen foods primarily to mass-retail and convenience stores	Japan	44.33%
		SFoods	Meat-related production, wholesale, retail, and restaurant businesses	Japan	17.30%
		Tobu Store	Supermarket chain	Japan	33.68%
		Toyo Sugar Refining	Manufacturing and sale of sugar and functional food materials	Japan	39.30%
	Overseas	Acecook Vietnam	Manufacturing and sale of instant noodles and other products	Vietnam	18.30%
Lifestyle Division					
Consolidated Subsidiaries	Domestic	Marubeni Fashion Link	Planning, production and sale of textile products	Japan	100.00%
		Marubeni Intex	Sale of industrial materials, lifestyle material-related textile goods and products	Japan	100.00%
		Marubeni Mates	Planning, production, rental, and sale of uniforms; subcontracting of related clerical operations	Japan	100.00%
	Overseas	Marubeni Textile Asia Pacific	Purchase agent of textile products for Japan and other countries	Hong Kong	100.00%
Associate	Domestic	LACOSTE JAPAN	Manufacture and sale of Lacoste-brand apparel and other related products	Japan	33.36%
ICT, Logistics & Healthcare Division					
Consolidated Subsidiaries	Domestic	Marubeni Information Systems	IT solution provider for full range of IT lifecycle in every industry	Japan	100.00%
		Marubeni Logistics	International combined transport operation (NVOCC), 3PL (Third-party Logistics), ocean & air freight forwarding, consultancy relating to logistics	Japan	100.00%
		MX Mobiling	Sales, repair and maintenance of mobile handsets and related equipment	Japan	100.00%
Associates	Domestic	ARTERIA Networks	Telecommunications business, data communication service business, data center business	Japan	50.00%
	Overseas	Shanghai Jiaoyun Rihong International Logistics	Freight transport	China	34.00%

		Company Name	Business	Country / Area	Equity Portion
Food & Consumer Products Group					
Insurance, Finance & Real Estate Business Division					
Consolidated Subsidiaries	Domestic	Japan REIT Advisors	Utilization of investee assets	Japan	95.00%
		Marubeni Real Estate Sales	Real estate sales	Japan	100.00%
		Marubeni Safenet	Insurance agency and lending business	Japan	100.00%
	Overseas	Shanghai House Property Development	Housing development in Shanghai, China	China	60.00%

		Company Name	Business	Country / Area	Equity Portion
Chemical & Forest Products Group					
Helena Business Division					
Consolidated Subsidiary	Overseas	Helena Chemical Company	Sales of agricultural materials and provision of various services	U.S.	100.00%
Chemical Products Division					
Consolidated Subsidiaries	Domestic	Marubeni Chemix	Sales and foreign trade of organic chemicals and fine chemicals	Japan	100.00%
		Marubeni Plax	Sales and foreign trade of plastic products and resins	Japan	100.00%
Associates	Domestic	Katakura & Co-op Agri	Manufacture and sale of fertilizer; sale of livestock feed and materials	Japan	20.80%
		Sun Agro	Manufacture and sale of fertilizer and other products; sale of agrochemicals; golf-related business	Japan	22.78%
	Overseas	CMK Electronics (Wuxi)	Development, manufacture, and sale of printed circuit boards (PCBs)	China	20.00%
		Dampier Salt	Production and sale of salt and gypsum	Australia	21.51%
		Shen Hua Chemical Industrial	Production and sale of synthetic rubber (SBR)	China	22.56%
Forest Products Division					
Consolidated Subsidiaries	Domestic	Fukuyama Paper	Manufacture and sale of corrugating medium and core board	Japan	55.00%
		Koa Kogyo	Manufacture and sale of corrugating medium and printing paper	Japan	79.95%
		Marubeni Building Materials	Sale of housing and construction materials	Japan	100.00%
		Marubeni Pulp & Paper	Sales of Paper, Paperboard, Waste Paper, Flexible Packaging and Plastic Film	Japan	100.00%
	Overseas	Tanjungenim Lestari Pulp and Paper	Production and sale of hardwood pulp	Indonesia	100.00%
Associates	Domestic	Marusumi Paper	Manufacture and sale of paper	Japan	32.16%
	Overseas	Daishowa-Marubeni International	Manufacture and sale of pulp	Canada	50.00%
		Paperbox Holdings	Holding company for container board operations in Malaysia	Virgin Islands	25.00%

		Company Name	Business	Country / Area	Equity Portion
Energy & Metals Group					
Energy Division-I					
Consolidated Subsidiaries	Domestic	Marubeni Energy	Sale of petroleum products, management and leasing of oil terminals and service stations	Japan	66.60%
	Overseas	Marubeni International Petroleum (Singapore)	Sale of crude oil and all types of petroleum products	Singapore	100.00%
		Marubeni LNG Development	Investment company for participation in LNG project in Peru	Netherlands	100.00%
		Marubeni Petroleum	Sale of crude oil and petroleum products	Bermuda	100.00%
		MIECO	Sale of all types of petroleum products and natural gas	U.S.	100.00%
Associates	Domestic	ENEOS GLOBE	Import and sale of LPG, and sale of new energy-related equipment	Japan	20.00%
	Overseas	Merlin Petroleum	Exploration, development, production, and sale of oil and natural gas	U.S.	20.37%
Energy Division-II					
Consolidated Subsidiaries	Domestic	Marubeni Utility Services	Providing nuclear power-related equipment and services	Japan	100.00%
	Overseas	Marubeni North Sea	Exploration, development, production, and sale of oil and gas in the North Sea	U.K.	100.00%
		Marubeni Oil & Gas (USA)	Exploration, development, production, and sale of oil and gas in the U.S. Gulf of Mexico	U.S.	100.00%
		Marubeni Shale Investment	Investment in onshore shale oil and gas development projects in the United States	U.S.	100.00%
Steel Products Division					
Associates	Domestic	Marubeni Construction Material Lease	Leasing, sale, repair, and processing of steelmaking materials	Japan	35.23%
		Marubeni-Itochu Steel	Sales and business management of steel products	Japan	50.00%
Metals & Mineral Resources Division					
Consolidated Subsidiaries	Domestic	Marubeni Metals	Sale of non-ferrous and light metals	Japan	100.00%
		Marubeni Tetsugen	Sale of raw materials for steelmaking	Japan	100.00%
	Overseas	Marubeni Aluminium Australia	Investment in aluminum smelting in Australia	Australia	100.00%
		Marubeni Coal	Investment in coal mines in Australia	Australia	100.00%
		Marubeni Iron Ore Australia	Investment in iron ore mining operations in Australia	Australia	100.00%
		Marubeni Los Pelambres Investment	Investment in copper mines in Chile	Netherlands	100.00%
		Marubeni Metals & Minerals (Canada)	Investment in aluminum smelting in Canada	Canada	100.00%
Associate	Overseas	Resource Pacific Holdings	Investment in Ravensworth underground coal mine in Australia	Australia	22.22%

		Company Name	Business	Country / Area	Equity Portion
Power Projects & Plant Group					
Power Projects Division					
Consolidated Subsidiaries	Domestic	Japan Offshore Wind Power	Holding company for Seajacks International Ltd. in Japan	Japan	100.00%
		Marubeni Power Development	Development and operation of overseas IPP projects	Japan	100.00%
		Marubeni Power Retail	Retail sale of electricity in Japan	Japan	100.00%
		Marubeni Power Systems	EPC services for overseas power projects	Japan	100.00%
	Overseas	Axia Power Holdings	Holding company of overseas power assets	Netherlands	100.00%
		SmartestEnergy	Electricity consolidation and retail operations in the United Kingdom	U.K.	100.00%

		Company Name	Business	Country / Area	Equity Portion
Power Projects & Plant Group					
Associates	Overseas	Lion Power (2008)	IPP in Singapore	Singapore	42.86%
		Mesaieed Power	IPP in Mesaieed, Qatar	Qatar	30.00%
		PPN Power Generating	IPP in India	India	26.00%
		TeaM Energy	Holding company for the Ilijan, Pagbilao, and Sual power plants in the Philippines	Philippines	50.00%
		TrustEnergy	IPP in Portugal	Portugal	50.00%
		Uni-Mar Enerji Yatirimlari	Gas-fired combined-cycle thermal power generation in Turkey	Turkey	33.33%

Energy & Environment Infrastructure Division

Consolidated Subsidiary	Overseas	Aguas Decima	Water and wastewater service provider in Valdivia, Region of Los Rios, Chile	Chile	100.00%
Associates	Overseas	Energy Infrastructure Investments	Owning and operating of gas pipelines, power generating facilities, gas processing plants, and interconnectors	Australia	49.90%
		Southern Cone Water	Holding company of Aguas Nuevas S.A., which provides full water supply and wastewater services in Chile	U.K.	50.00%

Plant Division

Consolidated Subsidiaries	Domestic	Marubeni Protechs	Sale of steelmaking and industrial devices, environment-related business and sale of related devices, and logistics for factory construction and machinery installation overseas	Japan	100.00%
		Marubeni Tekmatex	Sale of textile machinery and various equipment	Japan	100.00%
Associate	Overseas	Eastern Sea Laem Chabang Terminal	Container terminal operation	Thailand	25.00%
		MARUBENI RAIL TRANSPORT	Leasing, brokerage and management of railcars	U.S.	50.00%*

* As of June 30, 2016

		Company Name	Business	Country / Area	Equity Portion
Transportation & Industrial Machinery Group					

Aerospace & Ship Division

Consolidated Subsidiaries	Domestic	Marubeni Aerospace	Import and sale of aircraft and related components	Japan	100.00%
		MMSL Japan	Ship management	Japan	100.00%
		Scarlet LNG Transport	Investment, finance, and consulting services for shipping-related businesses	Japan	100.00%
	Overseas	Marubeni Aviation Holding	Investment in aircraft operating lease business	Netherlands	100.00%
		Royal Maritime	Ship chartering and trade	Liberia	100.00%

Automotive & Leasing Division

Consolidated Subsidiaries	Overseas	MAC Trailer Leasing	Leasing and rental of refrigerated trailers	U.S.	100.00%
		MAI Holdings	Investment in automobile retail finance businesses	U.S.	100.00%
		Marubeni Auto & Construction Machinery America	Investment in retail sales business of automobiles	U.S.	100.00%
		Marubeni Auto Investment (UK)	Investment in retail sales business of automobiles in UK	U.K.	100.00%
Associate	Domestic	MG Leasing	General leasing	Japan	45.00%

Corporate Data

		Company Name	Business	Country / Area	Equity Portion
Transportation & Industrial Machinery Group					
Construction & Industrial Machinery Division					
Consolidated Subsidiaries	Domestic	Marubeni Techno-Systems	Sale, export and import of industrial machinery	Japan	100.00%
	Overseas	Marubeni Citizen-Cincom	Sales distributor for Citizen machine tools	U.S.	55.00%
		Marubeni Komatsu	Sales distributor for Komatsu construction equipment	U.K.	100.00%
Associate	Overseas	Hitachi Construction Machinery (Australia)	Sales distributor for Hitachi Construction Machinery Co., Ltd.	Australia	20.00%

	Company Name	Business	Equity Portion
Corporate Subsidiaries			
Consolidated Subsidiaries	Marubeni America Corporation	Import and export of domestic and overseas merchandise; domestic sales	100.00%
	Marubeni ASEAN Pte. Ltd.	Import and export of domestic and overseas merchandise; domestic sales	100.00%
	Marubeni Australia Ltd.	Import and export of domestic and overseas merchandise; domestic sales	100.00%
	Marubeni Europe plc	Import and export of domestic and overseas merchandise; domestic sales	100.00%

		Company Name	Business	Country / Area	Equity Portion
Others					
Consolidated Subsidiaries	Domestic	Marubeni Financial Service	Loan and zero-balance transactions; provision of finance-related support and consulting for the Marubeni Group	Japan	100.00%
	Overseas	Marubeni Finance America	Group finance	U.S.	100.00%
		Marubeni Finance Europe	Group finance	U.K.	100.00%
Associate	Domestic	Koshigaya Community Plaza	Commercial facility rental	Japan	42.86%

Corporate Data

(As of March 31, 2016, except * as of April 1, 2016)

Company Name
Marubeni Corporation

Securities Code
8002

Head Office
Tokyo Nihombashi Tower, 7-1, Nihonbashi 2-chome, Chuo-ku,
Tokyo 103-6060, Japan
Tel: 81-3-3282-2111
E-mail: TOKB191@marubeni.com

Number of Branches and Offices* (Including Tokyo Head Office)
132 branches and offices in 67 countries and regions, consisting of 12 domestic branches and offices, 57 overseas branches and offices and 30 overseas corporate subsidiaries with 63 offices

Founded
May 1858

Incorporated
December 1, 1949

Paid-in Capital
¥262,685,964,870

Number of Employees
4,437

(Excluding 433 local employees of overseas branches and offices and 1,473 local employees of overseas corporate subsidiaries)

Corporate Website
http://www.marubeni.com

(IR page)
http://www.marubeni.com/ir

(CSR & Environment page)
http://www.marubeni.com/csr

Business Year
April 1 to March 31 of the following year

Regular General Meeting of Shareholders
June of each year

Stock Information

(As of March 31, 2016)

Number of Shares Issued and Outstanding

1,737,940,900

Number of Shares Authorized

4,300,000,000

Stock Listings

Tokyo, Nagoya

Number of Shareholders

214,506

Share Unit

100 shares

Record Date for Year-End Dividend

March 31 of each year

Record Date for Interim Dividend

September 30 of each year

Transfer Agent of Common Stock

Mizuho Trust & Banking Co., Ltd.

Long-Term Credit Rating

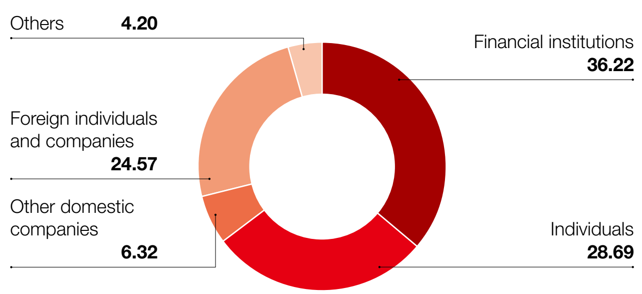
JCR	A+
R&I	A
S&P	BBB
Moody's	Baa2

Major Shareholders

Name of Shareholder	Number of Shares Held (Thousands)	Shareholding Ratio (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	82,314	4.74
The Master Trust Bank of Japan, Ltd. (Trust Account)	73,238	4.21
Bank Julius Baer SG S/A Suhail Salim Abdullah Al Mukhaini Bahwan A/C 2 (Standing proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	47,982	2.76
Sompo Japan Nipponkoa Insurance Inc.	42,083	2.42
Meiji Yasuda Life Insurance Company (Standing proxy: Trust & Custody Services Bank, Ltd.)	41,818	2.41
Japan Trustee Services Bank, Ltd. (Trust Account 9)	36,002	2.07
Mizuho Bank, Ltd. (Standing proxy: Trust & Custody Services Bank, Ltd.)	30,000	1.73
Barclays Securities Japan Limited	25,000	1.44
Tokio Marine and Nichido Fire Insurance Co., Ltd.	24,930	1.43
The Dai-ichi Life Insurance Company, Limited (Standing proxy: Trust & Custody Services Bank, Ltd.)	24,475	1.41

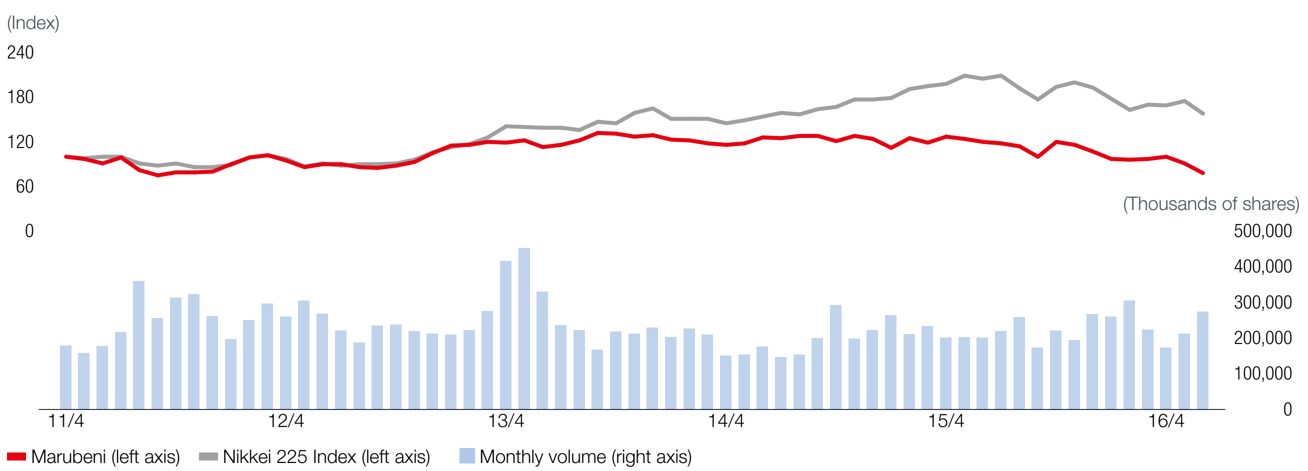
Note: The number of shares held is rounded down to the nearest thousands.

Distribution of Shares by Type of Shareholder (%)



Note: The sum of each ratio may not be 100%, because each ratio has been rounded down.

Stock Price



Note: Data for April 28, 2011, is indexed to 100.

http://www.marubeni.com

VEGETABLE OIL INK

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