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## Summary of Consolidated Financial Results

### For the 2<sup>nd</sup> Quarter FY2008

(April 1, 2008 – September 30, 2008)

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*\*This document is an English translation of a statement written initially in Japanese.*

*The original in Japanese should be considered the primary version.*

#### Disclaimer Regarding Forward-Looking Statements

This document contains forward-looking statements about the performance of Marubeni and its Group companies, based on management's assumptions in light of current information. The following factors may therefore influence actual results.

These factors include consumer trends in Japan and in major global markets, private capital expenditures, currency fluctuations, notably against the U.S. dollar, material prices, and political turmoil in certain countries and regions.

**Marubeni**  
CORPORATION

(TSE Code: 8002)

**Summary of Consolidated Financial Statements for the 2<sup>nd</sup> Quarter FY2008 (US GAAP basis)**

Company Name: Marubeni Corporation  
Listed : Tokyo, Osaka, Nagoya

(URL <http://www.marubeni.com>)

Code Number : 8002

Representative: ASADA Teruo President and CEO, Member of the Board  
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Expected filing date of quarterly financial statement report : November 13, 2008  
Expected Date of the beginning of delivery of dividends: December 1, 2008

**1. Consolidated financial results for 2nd Quarter FY2008 (April 1, 2008 - September 30, 2008)**

(1) Consolidated business results (%: changes from the previous fiscal year)

	Total volume of trading transactions		Operating profit		Income before income taxes		Net income	
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2008	5,881,762	15.4	139,410	45.8	170,338	38.2	106,439	32.5
1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2007	5,096,961	8.8	95,601	5.2	123,296	15.2	80,336	22.4

  

	Earnings per Share	Diluted EPS
	(yen)	(yen)
1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2008	61.30	-
1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2007	46.35	-

(Note)

- ① For Japanese Investors' convenience, Total volume of trading transactions and Operating profit are shown according to Japanese accounting practice.
- ② Total volume of trading transactions is the sum of those in which Marubeni and its consolidated subsidiaries ("the Companies") act as principal and those which the Companies act as agent.
- ③ "Operating profit" reflects the company's "Gross trading profit", "Selling, general and administrative expenses" and "Provision for doubtful accounts".

(2) Consolidated financial conditions

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' equity per share
	(millions of yen)	(millions of yen)	(%)	(yen)
September 30, 2008	5,499,021	842,094	15.3	484.95
March 31, 2008	5,207,225	779,764	15.0	449.04

(Note)

Shareholders' equity, Shareholders' equity ratio, and Shareholders' equity per share are stated in accordance with the US GAAP.

**2. Dividends information**

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Yearly
	(yen)	(yen)	(yen)	(yen)	(yen)
FY2007	-	6.00	-	7.00	13.00
FY2008	-	7.00	-	-	-
FY2008 (prospects)	-	-	-	7.00	14.00

(Note)

Prospects of dividends for FY2008 is unchanged from that in the announcement on April, 30, 2008.

### 3. Forecast of consolidated financial results for FY2008 (April 1, 2008-March 31, 2009)

(%: changes from the previous fiscal year)

	Total volume of trading transactions		Operating profit		Income before income taxes		Net income	
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
FY2008	11,900,000	11.9	252,000	25.9	270,000	24.9	165,000	12.1
	Basic EPS							
FY2008	95.02							

(Note)

Changes from the forecasts announced on April, 30, 2008 : Yes

### 4. Others

- (1) Changes in major consolidated subsidiaries and affiliated companies accounted for by equity method : No changes
- (2) Adoption of simplified accounting procedures and particular accounting procedures for quarterly financial reporting. : No changes
- (3) Changes in accounting principle, procedure or display method
- ① Any changes in accordance with the revision in the accounting principle : No changes
- ② Any changes other than ① : No changes
- (4) Number of outstanding shares
- |  |   |               |
|--|---|---------------|
| ① Number of outstanding shares at the end of the term<br>(Consolidated basis/Treasury shares are included) | September 30, 2008 (Common shares)                              | 1,737,940,900 |
|  | March 31, 2008 (Common shares)                                  | 1,737,940,900 |
| ② Number of outstanding treasury shares at the end of the term   | September 30, 2008 (Common shares)                              | 1,502,051     |
|  | March 31, 2008 (Common shares)                                  | 1,414,364     |
| ③ Average number of outstanding shares during the term   | 1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2008 (Common shares) | 1,736,480,586 |
|  | 1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2008 (Common shares) | 1,733,340,328 |

### <Notes to the description about future, other >

- Forecast of consolidated financial results for FY2008 is modified.
- The above prospects are based upon available information and assumption, at the announcement date, about uncertain factors which would influence upon future businesses. Actual results might be influenced by various factors in the future. Assumptions of the above prospects are mentioned in page 11 "Financial Prospects and preconditions for FY2008".

# Marubeni Corporation

## Financial Results

### **【Qualitative Information & Consolidated Financial Statements】**

#### **1. Qualitative Information on Consolidated Operating Results**

##### **<Business Environment>**

An overview of the economic environment for the first half of the period under review reveals that the economy slowed down in advanced nations, notably in the U.S., because of the escalated turmoil in the financial markets, arising from the sub-prime loan issue. While the economy decelerated in emerging nations as well, the degree of deterioration was not as serious as that in advanced countries, and the emerging nations underpinned the sharp decline of the global economy in part. In the meantime, prices of primary commodities remained at a high level, which prompted an income transfer from non-resource countries and exerted downward pressure on the economy, but prices of those commodities started to drop from around July.

In the U.S., housing investment weakened and capital expenditure slowed down. In addition, consumer spending slowed down from around June in response to the elimination of the support of a drawback for duties paid, price rises, a deterioration in the employment and income environment and declining asset prices. Although the U.S. government and the Federal Reserve Board (FRB) came up with financial stability measures following the failure of a major investment bank in September, the turmoil failed to subside and the stock market sharply plunged.

In Europe, consumer spending slowed down in response to price hikes amid softening business sentiment, and fixed asset investment including housing investment and capital expenditure slowed. In addition, the turmoil in the financial market accelerated the economic deterioration. Therefore, governments and the central banks in Europe including the European Central Bank (ECB) worked out financial stability measures, but these only had limited effects.

In Asia, the economy deteriorated, notably in non-resource countries, against the backdrop of factors including deceleration in consumer spending caused by price rises, and worsening trade balances owing to skyrocketing prices of primary commodities and the deceleration in the global economy. However, the growth rate of the economy in this region remained high compared with that in advanced nations, and the influence of the turmoil in the financial market had not been as serious so far. Given the circumstances, the Asian economy provided an underpinning to the global economy.

In Japan, the trade surplus decreased in response to factors such as prices of primary commodities remaining high, an appreciation of the yen and a slowdown in the global economy, and there was a growing perception that the economy had entered a recessionary phase. The Consumer Price Index rose by about one to two percent year-on-year, but the BOJ maintained its policy rate target in consideration of the economic conditions. In addition, the BOJ laid out countermeasures against the turmoil in the financial market in a flexible manner, but stock prices tumbled drastically.

# Marubeni Corporation

## Financial Results

### <Consolidated Financial Results>

(millions of yen)

	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2008	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2007	Variance
Total volume of trading transactions	5,881,762	5,096,961	784,801
Gross trading profit	340,114	281,400	58,714
Operating profit	139,410	95,601	43,809
Income before income taxes	170,338	123,296	47,042
Net income	106,439	80,336	26,103
Revenue	2,379,427	2,014,083	365,344

(Note) For Japanese investors' convenience, Total volume of trading transactions and Operating profit are shown according to Japanese accounting practice.

"Operating profit" reflects the company's "Gross trading profit", "Selling, general and administrative expenses" and "Provision for doubtful accounts".

The consolidated total volume of trading transactions for the first half of the fiscal year under review increased 784.8 billion yen (15.4%) year-on-year, to 5,881.8 billion yen, thanks to favorable performances of energy and food operations.

Gross trading profit grew 58.7 billion yen (20.9%) year-on-year, to 340.1 billion yen, driven by strong performances in each segment, notably in food and energy operations.

While expenses, notably payroll expenses, rose by 14.9 billion yen year-on-year, operating profit increased by 43.8 billion yen (45.8%) year-on-year, to 139.4 billion yen as a result of increased gross trading profit.

Income before income taxes increased 47.0 billion yen (38.2%) year-on-year, to 170.3 billion yen. This reflects an increase in operating profit and a rise in equity in earnings of affiliated companies (net), despite negative factors such as a deterioration in the gain (loss) on investment securities. As a result, net income for the period grew 26.1 billion yen (32.5%) to 106.4 billion yen.

In the meantime, "Revenue" as defined under U.S. GAAP was 2,379.4 billion yen, or 365.3 billion yen (18.1%) higher than the same period a year previous.

Financial results for each operating segment were as follows.

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**Food:**

(millions of yen)

	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2008	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2007	Variance
Total volume of trading transactions	854,748	657,509	197,239
Gross trading profit	50,425	36,657	13,768
Operating profit	12,450	7,007	5,443
Equity in earnings of affiliated companies	-1,737	-1,873	136
Net income	376	2,490	-2,114

Transactions amounted to 854.7 billion yen, increased by 197.2 billion yen (30.0%) year-on-year, thanks to increased grain related transactions and a food distribution affiliate made into a subsidiary at the end of the second quarter of the last fiscal year. Gross trading profit amounted to 50.4 billion yen, increased by 13.8 billion yen (37.6%) year-on-year with the increased transactions. Operating profit amounted to 12.5 billion yen, increased by 5.4 billion yen (77.7%) year-on-year in step with the increased gross trading profit. Despite the increased operating profit, net income for the period amounted to 0.4 billion yen, decreased by 2.1 billion yen (84.9%) year-on-year, due to the combination of valuation loss on listed investment securities in this period and the absence of a gain on sale of securities in a year earlier period.

**Lifestyle:**

(millions of yen)

	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2008	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2007	Variance
Total volume of trading transactions	256,074	291,148	-35,074
Gross trading profit	16,832	18,209	-1,377
Operating profit	4,258	4,005	253
Equity in earnings of affiliated companies	185	112	73
Net income	2,312	2,113	199

Transactions amounted to 256.1 billion yen, decreased by 35.1 billion yen (12.0%) year-on-year with decreased transactions in textile materials and apparel products. Despite an increase in profit on transactions related to natural rubber, gross trading profit amounted to 16.8 billion yen, decreased by 1.4 billion yen (7.6%) year-on-year, reflecting the significant impact from the decrease in transactions. In the meantime, operating profit amounted to 4.3 billion yen, increased by 0.3 billion yen (6.3%) year-on-year, because of reduced expenses that more than

## Marubeni Corporation Financial Results

offset the decrease in gross trading profit. As a result, net income for the period amounted to 2.3 billion yen, increased by 0.2 billion yen (9.4%) year-on-year..

### *Forest Products:*

(millions of yen)

	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2008	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2007	Variance
Total volume of trading transactions	363,890	351,819	12,071
Gross trading profit	23,237	22,417	820
Operating profit	10,527	8,734	1,793
Equity in earnings of affiliated companies	-66	870	-936
Net income	5,572	4,716	856

Transactions amounted to 363.9 billion yen, increased by 12.1 billion yen (3.4%) year-on-year with increased transactions in printing paper and pulp related businesses. Gross trading profit amounted to 23.2 billion yen, increased by 0.8 billion yen (3.7%) year-on-year with increased profit from Musi Pulp project and transactions related to building materials. Operating income amounted to 10.5 billion yen, increased by 1.8 billion yen (20.5%) year-on-year with increased gross trading profit and the absence of reversal of allowance for doubtful accounts regarding building material-related transactions in a year earlier period. Net income for the period grew 0.9 billion yen (18.2%) year-on-year, to 5.6 billion yen in step with increased operating profit, despite a deterioration in equity earnings for a pulp manufacturing affiliate abroad.

### *Chemicals:*

(millions of yen)

	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2008	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2007	Variance
Total volume of trading transactions	514,330	444,708	69,622
Gross trading profit	20,096	15,769	4,327
Operating profit	9,194	5,393	3,801
Equity in earnings of affiliated companies	1,734	81	1,653
Net income	5,440	3,357	2,083

Transactions amounted to 514.3 billion yen, up 69.6 billion yen (15.7%) year-on-year with increased transactions in inorganic & agricultural chemicals and basic chemicals. Gross trading profit increased by 4.3 billion yen (27.4%) year-on-year to 20.1 billion yen with increased

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transactions. Operating income amounted to 9.2 billion yen, increased by 3.8 billion yen (70.5%) year-on-year with increased gross trading profit. Net income for the period increased by 2.1 billion yen (62.0%) year-on-year to 5.4 billion yen despite valuation loss on listed investment securities, thanks to an increase in operating profit and a rise in equity earnings following the acquisition of an overseas company involved in the synthetic rubber business.

### *Energy:*

(millions of yen)

	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2008	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2007	Variance
Total volume of trading transactions	1,835,226	1,392,104	443,162
Gross trading profit	54,294	43,799	10,495
Operating profit	41,192	28,470	12,722
Equity in earnings of affiliated companies	1,026	69	1,137
Net income	32,690	18,785	13,905

Transactions amounted to 1,835.3 billion yen, increased by 443.2 billion yen (31.8%) year-on-year with the increased prices of petroleum and gas. Gross trading profit grew 10.5 billion yen (24.0%) year-on-year to 54.3 billion yen, due to increased transactions notably in the oil and gas concessions. Operating profit amounted to 41.2 billion yen, increased by 12.7 billion yen (44.7%) year-on-year, with increased gross trading profit as well as decreased expenses as a result of an LPG importing and sales subsidiary made into an affiliate following its acquisition. Consequently, net income for the period rose by 13.9 billion yen (74.0%) year-on-year to 32.7 billion yen with increased gains on sales of marketable securities and an increased dividends in addition to increased operating profit.

### *Metals and Mineral Resources:*

(millions of yen)

	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2008	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2007	Variance
Total volume of trading transactions	559,409	507,361	52,048
Gross trading profit	16,140	10,222	5,918
Operating profit	10,907	5,127	5,780
Equity in earnings of affiliated companies	8,231	7,804	427
Net income	14,130	10,019	4,111

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Transactions amounted to 559.4 billion yen, increased by 52.0 billion yen (10.3%) year-on-year thanks to increased prices of raw materials for steel making. Gross trading profit rose by 5.9 billion yen (57.9%) year-on-year to 16.1 billion yen, with the increased transactions and the increased margin in transactions related to light metals. Operating profit amounted to 10.9 billion yen, increased by 5.8 billion yen (112.7%) year-on-year, in step with the increased gross trading profit. Consequently, net income for the period amounted to 14.1 billion yen, increased by 4.1 billion yen (41.0%) year-on-year.

### *Transportation Machinery:*

(millions of yen)

	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2008	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2007	Variance
Total volume of trading transactions	323,189	313,981	9,208
Gross trading profit	25,790	26,412	-622
Operating profit	7,246	7,736	-490
Equity in earnings of affiliated companies	2,581	2,478	103
Net income	5,521	10,009	-4,488

Transactions increased by 9.2 billion yen (2.9%) year-on-year to 323.2 billion yen, because of the increase in transactions related to construction machinery and aerospace. Gross trading profit amounted to 25.8 billion yen, decreased by 0.6 billion yen (2.4%) year-on-year owing to the sellout of an automotive related business abroad. Operating profit decreased by 0.5 billion (6.3%) year-on-year to 7.2 billion yen with decreased gross trading profit. Net income for the period amounted to 5.5 billion yen, decreased by 4.5 billion yen (44.8%) year-on-year with the absence of gains on sales of marketable securities and an alleviation of income tax burden on some businesses in the same period of the previous year.

### *Power Projects and Infrastructure :*

(millions of yen)

	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2008	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2007	Variance
Total volume of trading transactions	213,908	128,716	85,192
Gross trading profit	23,355	15,644	7,711
Operating profit	9,716	5,465	4,251
Equity in earnings of affiliated companies	5,034	2,563	2,471
Net income	8,182	5,623	2,559

## Marubeni Corporation Financial Results

Transactions amounted to 213.9 billion yen, increased by 85.2 billion yen (66.2%) year-on-year, thanks to making the Caribbean integrated power businesses made into a subsidiary at the end of the second quarter of the last fiscal year. Gross trading profit rose by 7.7 billion yen (49.3%) year-on-year to 23.4 billion yen with increased transactions. Operating profit amounted to 9.7 billion yen, increased by 4.3 billion yen (77.8%) year-on-year with increased gross trading profit. Net income for the period increased by 2.6 billion yen (45.5%) year-on-year to 8.2 billion yen despite a deterioration in interest income (loss), thanks to the increased operating profit as well as increased profit on equity in earnings of affiliated companies with the acquisition of an overseas company involved in the power generation business and an alleviation of income tax burden on some businesses.

### *Plant, Ship & Industrial Machinery:*

(millions of yen)

	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2008	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2007	Variance
Total volume of trading transactions	326,581	343,365	-16,784
Gross trading profit	12,684	11,677	1,007
Operating profit	3,475	2,127	1,348
Equity in earnings of affiliated companies	4,460	1,937	2,523
Net income	5,793	2,924	2,869

Transactions decreased by 16.8 billion yen (4.9%) year-on-year to 326.6 billion yen, with the decreased transactions in plant-related business. Gross trading profit amounted to 12.7 billion yen, increased by 1.0 billion yen (8.6%) year-on-year, thanks to transactions related to new paper machinery and increased transactions in industrial machinery businesses. Operating profit was 3.5 billion yen, increased by 1.3 billion yen (63.4%) year-on-year, with increased gross trading profit and reversal of allowance for doubtful accounts following debt collection overseas. Net income for the period rose by 2.9 billion yen (98.1%) year-on-year to 5.8 billion yen, thanks to the increased operating profit as well as increased profit on equity in earnings in the ship related business.

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### *Real Estate Development:*

(millions of yen)

	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2008	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2007	Variance
Total volume of trading transactions	81,052	56,685	24,367
Gross trading profit	17,413	14,582	2,831
Operating profit	8,225	6,540	1,685
Equity in earnings of affiliated companies	17	84	-67
Net income	3,380	2,269	1,111

Transactions increased by 24.4 billion yen (43.0%) year-on-year to 81.1 billion yen, despite decreased transactions in overseas housing business, thanks to the large-scale condominium projects and investor-oriented real estate properties projects. Gross trading profit amounted to 17.4 billion yen, increased by 2.8 billion yen (19.4%) year-on-year, with the increased transactions. Operating profit grew 1.7 billion yen (25.8%) year-on-year to 8.2 billion yen, in step with increased gross trading profit. Consequently, net income for the period amounted to 3.4 billion yen, increased by 1.1 billion yen (49.0%) year-on-year.

### *FT, LT, IT & Innovative Business:*

(millions of yen)

	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2008	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2007	Variance
Total volume of trading transactions	157,686	121,075	36,611
Gross trading profit	25,014	16,876	8,138
Operating profit	1,893	-566	2,459
Equity in earnings of affiliated companies	587	-50	637
Net income	887	1,909	-1,022

Transactions amounted to 157.7 billion yen, increased by 36.6 billion yen (30.2%) year-on-year, thanks to the PC wholesale related businesses made into a subsidiary at the end of the second quarter of the last fiscal year. Gross trading profit rose by 8.1 billion yen (48.2%) year-on-year to 25.0 billion yen because of the increased profit of a domestic IT related company in addition to the increased transactions. Operating profit amounted to 1.9 billion yen, increased by 2.5 billion yen (-%) year-on-year, with increased expense owing to the new subsidiary in spite of increased gross trading profit and. Net income for the period decreased by 1.0 billion yen (53.5%) year-on-year to 0.9 billion yen because of the effect of losses related to fund

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management transactions.

### ***Iron & Steel Strategies and Coordination:***

(millions of yen)

	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2008	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2007	Variance
Total volume of trading transactions	749	469	280
Gross trading profit	749	469	280
Operating profit	-5	-164	159
Equity in earnings of affiliated companies	10,967	8,641	2,326
Net income	11,611	7,541	4,070

Transactions amounted to 0.7 billion yen, increased by 0.3 billion yen (59.7%) year-on-year. Gross trading profit was 0.7 billion yen, increased by 0.3 billion yen (59.7%) year-on-year, with increased transactions. Operating loss decreased by 0.2 billion yen (97.0%) year-on-year. Net income for the period increased by 4.1 billion yen (54.0%) year-on-year to 11.6 billion yen thanks to gains on sales of marketable securities and increased profit on equity in earnings of affiliated companies.

### ***Overseas Corporate Subsidiaries and Branches:***

(millions of yen)

	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2008	1 <sup>st</sup> -2 <sup>nd</sup> Quarter FY2007	Variance
Total volume of trading transactions	832,557	840,844	-8,287
Gross trading profit	58,939	52,962	5,977
Operating profit	19,168	13,282	5,886
Equity in earnings of affiliated companies	683	855	-172
Net income	10,424	6,842	3,582

Transactions amounted to 832.6 billion yen, decreased by 8.3 billion yen (1.0%) year-on-year, because of decreased transactions in metals related transactions in Marubeni Thailand Co., Ltd. Gross trading profit rose by 6.0 billion yen (11.3%) year-on-year to 58.9 billion yen thanks to increased transactions in the agrichemicals and fertilizer related businesses in Marubeni America Corporation. Operating profit amounted to 19.2 billion yen, increased by 5.9 billion yen (44.3%) year-on-year, with increased gross trading profit. Consequently, net income for the period amounted to 10.4 billion yen, increased by 3.6 billion yen (52.4%) year-on-year.

# Marubeni Corporation

## Financial Results

### 2. Qualitative Information on Consolidated Financial Conditions

#### <Consolidated Financial Conditions>

(billions of yen)

	September 30 2008	March 31 2008	Variance
Total assets	5,499.0	5,207.2	291.8
Shareholders' equity	842.1	779.8	62.3
Interest-bearing debt	2,625.5	2,442.3	183.2
Net interest-bearing debt (Net D/E ratio)	2,016.3 2.39 times	2,002.0 2.57 times	14.4 -0.18 points

Net interest-bearing debt after factoring	2,009.9	1,988.8	21.1
out impact of FAS No.133 (Net D/E ratio)	2.39 times	2.55 times	-0.16 points

Net interest-bearing debt is calculated as cash and cash equivalents subtracted from interest-bearing debt (sum of long-term and short-term debts and bonds).

Total consolidated assets increased 291.8 billion yen from the end of the previous fiscal year to 5,499.0 billion yen, primarily because of the increase in current assets. Net interest-bearing debt rose 14.4 billion yen from the end of the previous fiscal year to 2,016.3 billion yen because of an increase in financing by short-term and long-term debt to meet the financing requirement for new investments despite an increase in cash and cash equivalents. In spite of the deterioration of currency translation adjustments and unrealized gains (losses) on investment securities as well as the payout of dividends, consolidated shareholders' equity amounted to 842.1 billion yen, increased by 62.3 billion yen from the end of the previous fiscal year due to net income added. As a result, the net debt/equity ratio was 2.39 times.

# Marubeni Corporation

## Financial Results

### <Cash Flows>

Cash and cash equivalents at the end of the period were 584.5 billion yen, 182.2 billion yen increased from the end of the previous fiscal year.

#### (Operating activities)

Net cash from operating activities amounted to 87.8 billion yen despite the increase of business fund burden, thanks to steady operating income mainly from overseas natural resources related subsidiaries.

#### (Investing activities)

Net cash from investing activities was negative 113.5 billion yen, primarily because of the execution of new investments in an overseas power project and domestic real estate projects.

Therefore, free cash flow for the period was negative 25.7 billion yen.

#### (Financing activities)

Net cash earned in financing activities came to 213.9 billion yen as a result of the financing by short-term and long-term debt to meet the financing requirement for new investments.

# Marubeni Corporation

## Financial Results

### 3. Qualitative Information on Financial Prospects for FY2008

An overview of the economic environment for the first half of the period under review reveals that the turmoil in the financial market, arising from the sub-prime loan issue, escalated and the economy decelerated primarily in advanced nations. In addition, stock prices in countries across the world took a nosedive in response to the failure of a major U.S. investment bank in September.

Looking at the prospect for the economic environment for the second half of the period under review, we expect the economic stagnation to continue in advanced countries. In the meantime, we project the economy will slow down also in emerging nations, but the degree of deceleration will not be as serious compared with advanced nations and we expect that emerging nations will partly serve the role of shoring up the sharp decline of the global economy.

Nevertheless, world economy outlook seems very unclear regarding worldwide stock market plunge, rapid Japanese-yen appreciation, adjustment of commodity prices and adverse effect to real economy since this month. Therefore, we don't revise our prospect for the consolidated net income for this fiscal year, though we revise operating profit as 252.0 billion yen, increased by 32.0 billion yen.

#### < Consolidated financial prospects for FY2008 >

(billions of yen)

	Previous Forecast (A)	Revised Forecast (B)	Variance (B-A)	Variance ratio	Results FY2007
Total volume of trading transactions	11,300.0	11,900.0	600.0	5.3%	10,631.6
Operating profit	220.0	252.0	32.0	14.5%	200.2
Income before income taxes	270.0	270.0	-	-	216.2
Net income	165.0	165.0	-	-	147.2
EPS (yen)	95.02	95.02	-	-	84.93

#### < Major assumptions (for the 2<sup>nd</sup> half FY2008) >

Foreign exchange rate: USD1 = 100yen

JPY TIBOR: 1.000%      USD LIBOR: 3.500%

Oil North Sea Brent: USD90 / Barrel      Copper LME: USD6,300 / MT

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Notes to the description about future: The above-stated projections are based on information that is available as of the date of release of this material and on certain assumptions considered reasonable. Actual business results may vary for a variety of causes which may arise in the future.

### **4. Basic Policy Regarding Earnings Appropriation and Dividends of FY2008**

Marubeni recognizes that its important corporate responsibilities lie in paying stable dividends to shareholders in a consistent manner as well as maximizing corporate value and competitiveness by building up and effectively utilizing internal reserves.

With regard to dividends, the Company applies a new basic policy to determine dividend aiming for consolidated payout ratio around 15%, based on the principle of linking dividend to the company's business results for each term, in consideration of a clear profit distribution to our shareholders.

In accordance with the aforementioned basic policies, annual dividend per share for FY2008 is expected to be 14 yen (interim dividend: 7 yen, year-end dividend: 7 yen).

### **5. Others**

- (1) Changes in major consolidated subsidiaries and affiliated companies accounted for by equity method  
: No changes.
- (2) Adoption of simplified accounting procedures and particular accounting procedures for quarterly financial reporting.  
: None.
- (3) Changes in accounting principle, procedure or display method  
: No changes.

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**6. Consolidated Financial Statements (Unaudited)**

**(1) Consolidated Balance Sheets (Unaudited)**

	<i>Millions of yen</i>		
	September 30 2008	March 31 2008	Variance
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	¥ 584,519	¥ 402,281	¥ 182,238
Time deposits	24,664	38,058	-13,394
Investment securities	10,666	9,477	1,189
Notes and accounts receivable - trade:			
Notes receivable	77,609	87,621	-10,012
Accounts receivable	1,173,372	1,120,945	52,427
Due from affiliated companies	77,546	77,469	77
Allowance for doubtful accounts	-13,251	-13,347	96
Inventories	473,121	474,512	-1,391
Advance payments to suppliers	192,961	211,626	-18,665
Deferred income taxes	37,654	40,003	-2,349
Prepaid expenses and other current assets	258,461	159,291	99,170
<b>Total current assets</b>	<b>2,897,322</b>	<b>2,607,936</b>	<b>289,386</b>
Investments and long-term receivables:			
Affiliated companies	656,018	616,009	40,009
Securities and other investments	517,158	551,539	-34,381
Notes, loans and accounts receivable - trade, net of unearned interest	134,090	141,448	-7,358
Allowance for doubtful accounts	-47,030	-52,421	5,391
Property leased to others, at cost, less accumulated depreciation	165,587	173,014	-7,427
<b>Total investments and long-term receivables</b>	<b>1,425,823</b>	<b>1,429,589</b>	<b>-3,766</b>
Net property, plant and equipment	827,619	798,779	28,840
Prepaid pension cost	6,932	7,334	-402
Deferred income taxes	87,066	91,910	-4,844
Goodwill and intangible fixed assets	163,949	174,838	-10,889
Other assets	90,310	96,839	-6,529
<b>Total assets</b>	<b>¥ 5,499,021</b>	<b>¥ 5,207,225</b>	<b>¥ 291,796</b>

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	<i>Millions of yen</i>		
	September 30 2008	March 31 2008	Variance
<b>Liabilities and shareholders' equity</b>			
Current liabilities:			
Short-term loans	¥ 263,703	¥ 236,027	¥ 27,676
Current portion of long-term debt	194,029	65,353	128,676
Notes and accounts payable-trade			
Notes and acceptances payable	199,888	177,071	22,817
Accounts payable	933,861	833,421	100,440
Due to affiliated companies	44,170	62,444	-18,274
Advance payments received from customers	189,325	208,182	-18,857
Accrued income taxes	26,712	16,387	10,325
Deferred income taxes	3,089	2,156	933
Accrued expenses and other current liabilities	273,058	310,086	-37,028
Total current liabilities	<u>2,127,835</u>	<u>1,911,127</u>	<u>216,708</u>
Long-term debt, less current portion	2,373,562	2,368,164	5,398
Employees' retirement benefits	23,281	23,622	-341
Deferred income taxes	49,978	43,731	6,247
Minority interests in consolidated subsidiaries	82,271	80,817	1,454
Shareholders' equity:			
Paid-in capital	262,686	262,686	-
Capital surplus	158,467	158,461	6
Retained earnings	517,872	423,591	94,281
Accumulated other comprehensive income (loss)			
Unrealized gains on investment securities	38,108	50,463	-12,355
Currency translation adjustments	-67,897	-53,609	-14,288
Unrealized losses on derivatives	-24,504	-18,410	-6,094
Pension liability adjustment	-41,931	-42,773	842
Cost of common stock in treasury	-707	-645	-62
Total shareholders' equity	<u>842,094</u>	<u>779,764</u>	<u>62,330</u>
Total liabilities and shareholders' equity	<u>¥ 5,499,021</u>	<u>¥ 5,207,225</u>	<u>¥ 291,796</u>

(Note) These financial statements are based on US GAAP.

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**(2) Consolidated Statements of Income (Unaudited)**

	<i>Millions of yen</i>			
	Six months ended September 30		Variance	Ratio
	2008	2007		
<b>Revenues:</b>				
Revenues from trading and other activities	¥ 2,281,981	¥ 1,913,448	¥ 368,533	19.3%
Commissions on services and trading margins	97,446	100,635	-3,189	-3.2%
<b>Total</b>	<b>2,379,427</b>	<b>2,014,083</b>	<b>365,344</b>	<b>18.1%</b>
Cost of revenues from trading and other activities	2,039,313	1,732,683	306,630	17.7%
Gross trading profit	340,114	281,400	58,714	20.9%
<b>Expenses and other:</b>				
Selling, general and administrative expenses	-200,867	-185,325	-15,542	8.4%
Provision for doubtful accounts	163	-474	637	-
Interest income	10,606	13,903	-3,297	-23.7%
Interest expense	-30,555	-32,691	2,136	-6.5%
Dividends income	12,494	12,301	193	1.6%
Impairment loss on investment securities	-16,235	-1,239	-14,996	-
Gain on sales of investment securities	16,390	9,953	6,437	64.7%
Gain on property, plant and equipment	-184	773	-957	-
Equity in earnings of affiliated companies-net	33,880	23,650	10,230	43.3%
Other – net	4,532	1,045	3,487	333.7%
<b>Total</b>	<b>-169,776</b>	<b>-158,104</b>	<b>-11,672</b>	<b>7.4%</b>
Income from continuing operations before income taxes and minority interests	170,338	123,296	47,042	38.2%
Provision for income taxes	58,351	39,721	18,630	46.9%
Income from continuing operations before minority interests	111,987	83,575	28,412	34.0%
Minority interests	-5,548	-3,239	-2,309	71.3%
<b>Net income</b>	<b>106,439</b>	<b>80,336</b>	<b>26,103</b>	<b>32.5%</b>
<b>Comprehensive income (loss)</b>				
Net Income	106,439	80,336	26,103	32.5%
Unrealized gains on investment securities	-12,355	-9,562	-2,793	29.2%
Currency translation Adjustments	-14,288	23,342	-37,630	-
Unrealized losses on derivatives	-6,094	-8,752	2,658	-30.4%
Pension liability adjustment	842	1,675	-833	-49.7%
<b>Toal</b>	<b>74,544</b>	<b>87,039</b>	<b>-12,495</b>	<b>-14.4%</b>

(Note)These financial statements are based on US GAAP. (Revenue is presented in accordance with FASB Emerging Issue Task Force (EITF) 99-19.)

## Marubeni Corporation Financial Results

### (3) Consolidated Statements of Cash Flows (Unaudited)

*Millions of yen*

	Six months ended September 30		Variance
	2008	2007	
<b>Operating activities</b>			
Net income (loss)	106,439	80,336	26,103
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	49,796	43,182	6,614
Provision for doubtful accounts	-163	474	-637
Equity in earnings of affiliated companies, less dividends received	-7,872	-7,151	-721
(Gain) loss on investment securities	-155	-8,714	8,559
Loss on property, plant and equipment	184	-773	957
Deferred income taxes	11,293	15,186	-3,893
Changes in operating assets and liabilities:			
Notes and accounts receivable	-65,371	-69,928	4,557
Inventories	-17,009	-5,728	-11,281
Notes, acceptances and accounts payable	126,892	57,423	69,469
Other	-116,226	-33,680	-82,546
<b>Net cash provided by operating activities</b>	<b>87,808</b>	<b>70,627</b>	<b>17,181</b>
<b>Investing activities</b>			
Net decrease (increase) in time deposits	-111	-4,816	4,705
Proceeds from sales and redemptions/expenditure for purchase of securities and other investments	-39,994	-121,156	81,162
Proceeds from sales /expenditure for purchases of property and equipment	-82,981	-39,170	-43,811
Collection of loans receivable and loans made to customers	9,583	20,985	-11,402
<b>Net cash provided (used) by investing activities</b>	<b>-113,503</b>	<b>-144,157</b>	<b>30,654</b>
<b>Financing activities</b>			
Net decrease (increase) in short-term loans	39,006	31,828	7,178
Proceeds from/payment of long-term debt	188,810	24,234	164,576
Cash dividend - common and preferred stocks	-12,158	-11,268	-890
Purchase of treasury stock, net	-72	-179	107
Other	-1,710	-2,152	442
<b>Net cash used (provided) in financing activities</b>	<b>213,876</b>	<b>42,463</b>	<b>171,413</b>
Effect of exchange rate changes on cash and cash equivalents	-5,943	4,845	-10,788
Net increase (decrease) in cash and cash equivalents	182,238	-26,222	208,460
Cash and cash equivalents at beginning of period	402,281	414,952	-12,671
Cash and cash equivalents at end of period	584,519	388,730	195,789

(Note) These financial statements are based on US GAAP.

(4) Occurrence of an event or situation which creates doubt about the going concern : No occurrences

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### (5) Operating Segments (Unaudited)

◆ Six month ended September 30, 2008

<i>Millions of yen</i>					
	Food	Lifestyle	Forest Products	Chemicals	Energy
Total volume of trading transactions	854,748	256,074	363,890	514,330	1,835,266
Gross trading profit	50,425	16,832	23,237	20,096	54,294
Operating profit (loss)	12,450	4,258	10,527	9,194	41,192
Equity in earnings (losses) of affiliated companies	-1,737	185	-66	1,734	1,206
Segment net income (loss)	376	2,312	5,572	5,440	32,690
Segment assets (as of September 30, 2008)	631,522	172,168	459,451	240,726	724,308
	Metals & Mineral Resources	Transportation Machinery	Power Projects & Infrastructure	Plant, Ship & Industrial Machinery	Real Estate Development
Total volume of trading transactions	559,409	323,189	213,908	326,581	81,052
Gross trading profit	16,140	25,790	23,355	12,684	17,413
Operating profit (loss)	10,907	7,246	9,716	3,475	8,225
Equity in earnings (losses) of affiliated companies	8,231	2,581	5,034	4,460	17
Segment net income (loss)	14,130	5,521	8,182	5,793	3,380
Segment assets (as of September 30, 2008)	484,662	278,807	726,762	337,512	344,369
	FT, LT, IT & Innovative Business	Iron & Steel Strategies and Coordination	overseas corporate subsidiaries & branches	corporate & elimination etc.	consolidated
Total volume of trading transactions	157,686	749	832,557	-437,677	5,881,762
Gross trading profit	25,014	749	58,939	-4,854	340,114
Operating profit (loss)	1,893	-5	19,168	1,164	139,410
Equity in earnings (losses) of affiliated companies	587	10,967	683	-2	33,880
Segment net income (loss)	887	11,611	10,424	121	106,439
Segment assets (as of September 30, 2008)	243,373	96,964	615,364	143,033	5,499,021

◆ Six month ended September 30, 2007

<i>Millions of yen</i>					
	Food	Lifestyle	Forest Products	Chemicals	Energy
Total volume of trading transactions	657,509	291,148	351,819	444,708	1,392,104
Gross trading profit	36,657	18,209	22,417	15,769	43,799
Operating profit (loss)	7,007	4,005	8,734	5,393	28,470
Equity in earnings (losses) of affiliated companies	-1,873	112	870	81	69
Segment net income (loss)	2,490	2,113	4,716	3,357	18,785
Segment assets (as of March 31, 2008)	631,860	178,662	473,106	226,418	641,938
	Metals & Mineral Resources	Transportation Machinery	Power Projects & Infrastructure	Plant, Ship & Industrial Machinery	Real Estate Development
Total volume of trading transactions	507,361	313,981	128,716	343,365	56,685
Gross trading profit	10,222	26,412	15,644	11,677	14,582
Operating profit (loss)	5,127	7,736	5,465	2,127	6,540
Equity in earnings (losses) of affiliated companies	7,804	2,478	2,563	1,937	84
Segment net income (loss)	10,019	10,009	5,623	2,924	2,269
Segment assets (as of March 31, 2008)	333,769	274,539	670,810	351,541	325,133
	FT, LT, IT & Innovative Business	Iron & Steel Strategies and Coordination	overseas corporate subsidiaries & branches	corporate & elimination etc.	consolidated
Total volume of trading transactions	121,075	469	840,844	-352,823	5,096,961
Gross trading profit	16,876	469	52,962	-4,295	281,400
Operating profit (loss)	-566	-164	13,282	2,445	95,601
Equity in earnings (losses) of affiliated companies	-50	8,641	855	79	23,650
Segment net income (loss)	1,909	7,541	6,842	1,739	80,336
Segment assets (as of March 31, 2008)	253,622	105,077	536,718	204,032	5,207,225

◆ Variance

<i>Millions of yen</i>					
	Food	Lifestyle	Forest Products	Chemicals	Energy
Total volume of trading transactions	197,239	-35,074	12,071	69,622	443,162
Gross trading profit	13,768	-1,377	820	4,327	10,495
Operating profit (loss)	5,443	253	1,793	3,801	12,722
Equity in earnings (losses) of affiliated companies	136	73	-936	1,653	1,137
Segment net income (loss)	-2,114	199	856	2,083	13,905
Segment assets	-338	-6,494	-13,655	14,308	82,370
	Metals & Mineral Resources	Transportation Machinery	Power Projects & Infrastructure	Plant, Ship & Industrial Machinery	Real Estate Development
Total volume of trading transactions	52,048	9,208	85,192	-16,784	24,367
Gross trading profit	5,918	-622	7,711	1,007	2,831
Operating profit (loss)	5,780	-490	4,251	1,348	1,685
Equity in earnings (losses) of affiliated companies	427	103	2,471	2,523	-67
Segment net income (loss)	4,111	-4,488	2,559	2,869	1,111
Segment assets	150,893	4,268	55,952	-14,029	19,236
	FT, LT, IT & Innovative Business	Iron & Steel Strategies and Coordination	overseas corporate subsidiaries & branches	corporate & elimination etc.	consolidated
Total volume of trading transactions	36,611	280	-8,287	-84,854	784,801
Gross trading profit	8,138	280	5,977	-559	58,714
Operating profit (loss)	2,459	159	5,886	-1,281	43,809
Equity in earnings (losses) of affiliated companies	637	2,326	-172	-81	10,230
Segment net income (loss)	-1,022	4,070	3,582	-1,618	26,103
Segment assets	-10,249	-8,113	78,646	-60,999	291,796

(Note 1) Effective April 1, 2008, the segments of "Textile", "Forest Products & General merchandise", "Transportation & Industrial Machinery", "Power Projects", "Plant, Ship & Infrastructure Projects", "Information & Communication" and "Finance Logistics & New Business" have been reorganized as "Lifestyle", "Forest Products", "Transportation Machinery", "Power Projects & Infrastructure", "Plant, Ship & Industrial Machinery" and "FT, LT, IT & Innovative Business". Furthermore, "Domestic Branches and Offices" which used to be included in "Corporate & Elimination" was distributed into each product segment. Segmental information for FY2007 has been altered accordingly.

(Note 2) The figures of each operating segment are shown based on US GAAP.

For Japanese Investors' convenience, Total volume of trading transactions and Operating profit are shown according to Japanese accounting practice.

(Note 3) Inter-segment transactions are generally priced in accordance with the prevailing market prices.

### (6) Significant changes in owners' equity going concern : No changes