Marubeni

Annual Report 2015

Year ended March 31, 2015

Overview of Marubeni

To All Our Stakeholders

The year ended March 31, 2015, was a difficult one for Marubeni due to the rapid deterioration of the natural resources market. We were consequently forced to recognize impairment losses, and profits fell as a result. However, I would like to focus on the fact that these impairment losses effectively removed several concerns which had been plaguing us.

Looking ahead, the year ending March 31, 2016, will be the final year of the three-year medium-term management plan, Global Challenge 2015 (GC2015). We have thus positioned this year as a time for making a new start with an eye to the future, and are undertaking widespread structural reforms to facilitate this effort. Under the new organizational structure, all members of the Marubeni Group will unite in the pursuit of further value and growth.

At the Marubeni Group, we are committed to contributing to social and economic development as well as to the betterment of people's daily lives by helping resolve social issues through business activities as a responsible member of the global community. We believe that it is our mission to provide higher value in this way.

Going forward, we will relish great challenges, working always to maintain a harmonious state of coexistence with the ever-changing world as we build a Marubeni Group that is more ambitious, stronger, and flexible.

August 2015

Fumiya Kokubu
President and CEO

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

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

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Editorial Policy

Annual Report 2015 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.

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Inclusion in SRI Indexes (As of August 2015)

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 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.

What We Do—Marubeni's Business Model

The Marubeni Group has continued to evolve as a general trading company, advancing in step with the development and maturity of the Japanese economy. Acting ahead of the times, we have pursued constant innovation within the Company, and are now creating new value on a global scale.

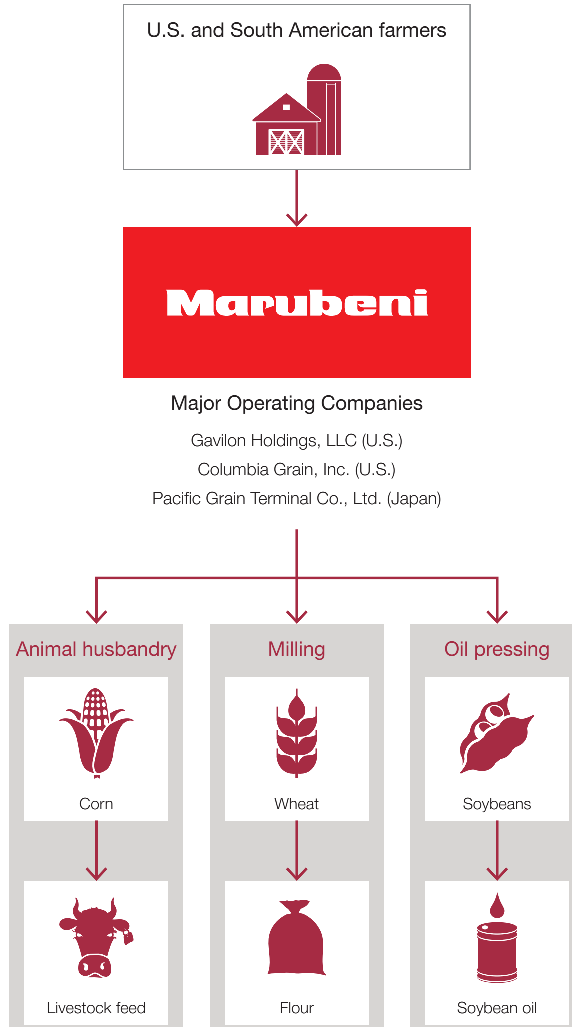
After the conclusion of the second World War, Japan's economic development was fueled by a form of added-value trade in which materials would be imported into the country and then exported as finished products. In the midst of this trend, general trading companies utilized their transaction intermediary functions to grow their businesses by serving as somewhat of an "advance guard" for national exports. Later, in the 1980s, general trading companies entered a difficult era, the so-called "Winter of General Trading Companies," in which the meaning for their very existence was called into question. Adversity continued into the 1990s, when the collapse of Japan's bubble economy forced these companies to deal with massive quantities of bad debt. To overcome these ordeals, Marubeni pushed forward with the strengthening of its financial bases, strategically selecting businesses to which attention would be focused as part of this process. At the same time, we ambitiously advanced into new businesses, conducting investments in numerous fields. These efforts led us to our current business model, which entails both trading and business investment.

In the grain field, for example, we have established a solid global value chain that encompasses upstream grain procurement, midstream storage and transportation, and downstream sales operations. In natural resource and energy fields, Marubeni participates in the development and production of natural resources to contribute to a stable supply of the resources and energy that form the foundation of our daily lives. In the power generation field, the Company leverages its wealth of engineering, procurement, and construction (EPC) contract knowledge to globally develop independent power producer (IPP) operations that entail investing in power companies and operating power plants around the world.

Trading

Grain Business

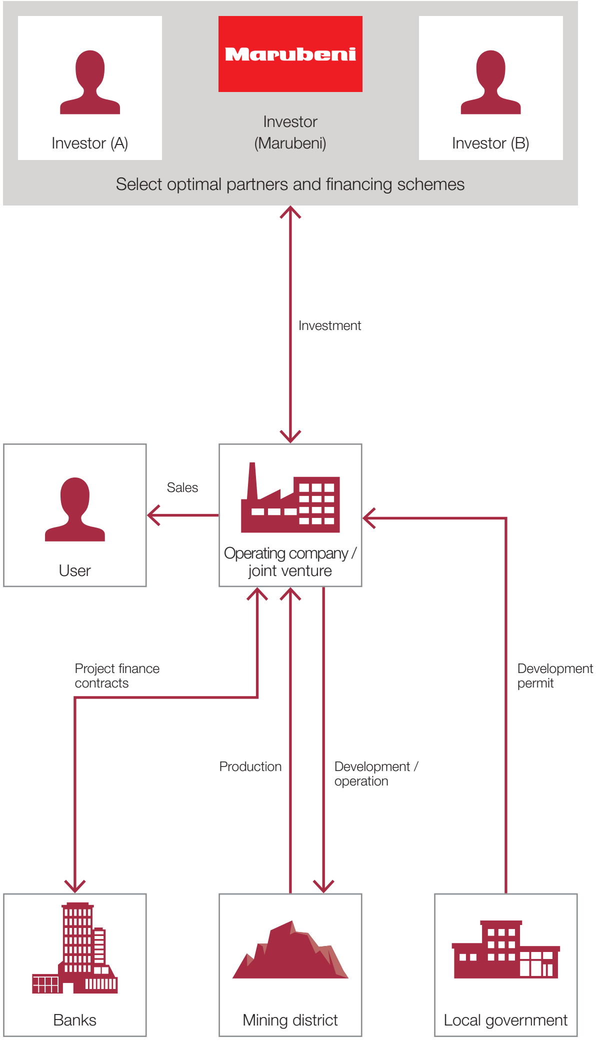
Based on facilities for grain procurement, storage, and export owned by Marubeni's subsidiaries and affiliates in producing countries, Marubeni is committed to realizing efficient and stable supply, and will further enhance its ability to ship and distribute to the world market.



Natural Resource Development

Natural Resource Businesses

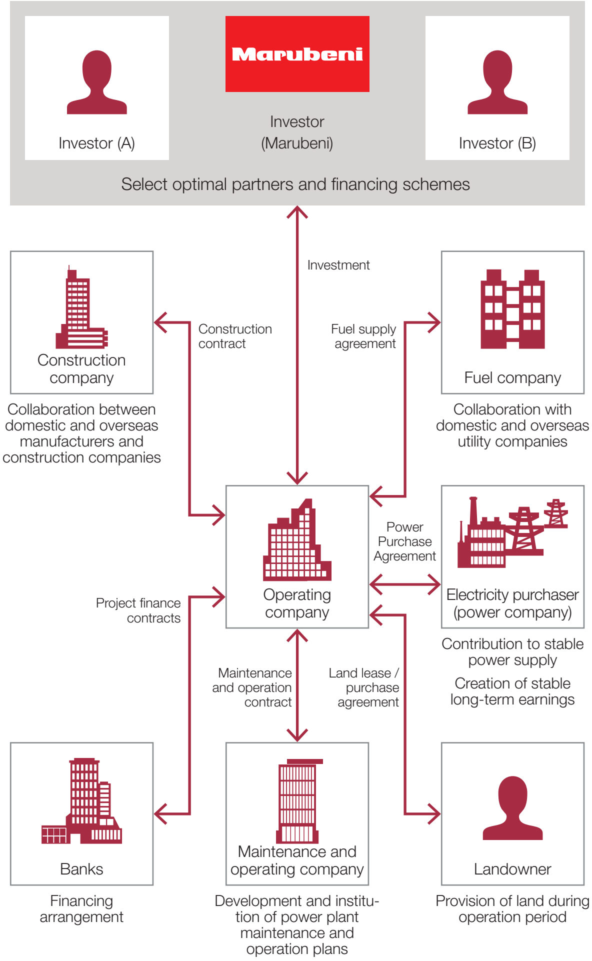
Taking advantage of its global network established through trading operations, Marubeni will accumulate prime natural resource assets to provide a stable supply of these resources to users in Japan and around the world.



Business Operation

IPP Businesses

Marubeni boasts the most extensive track record in IPP and EPC projects of any general trading company*. Leveraging this track record to take part in constructing optimal power plants, formulate business plans, procure funds and arrange financing, and secure human resources, we will conduct overseas power generation businesses, as well as improve project value and realize stable increases in earnings.



* Worldwide EPC contract capacity of 102,145 MW; Net overseas IPP generation capacity of 10,541 MW (as of March 31, 2015)

How We Create Value

Marubeni's Value Creation

Creation of Social and Corporate Value

The social and environmental conditions in which the Company conducts its business are changing rapidly and in a variety of ways due to the impacts created by global economic trends, climate change, and other factors. However, we at Marubeni believe that general trading companies have a duty to society in the midst of such change, and we therefore see changes as business opportunities. At the same time, we realize that it is absolutely essential for Marubeni to coexist with society and the environment if it is to continue growing sustainably. Each member of the Marubeni Group must address changes head-on as we strive to adopt a more global perspective on the issues faced in different countries and regions, and then work to resolve these issues through our business activities.

Response to Global Warming and Development of New Technologies

European countries are seen as forerunners in regard to the environment. Accordingly, activity is brisk in the field of electricity generation via renewable energy. In the United Kingdom, Marubeni is involved in offshore wind power generation and related facility installation service operations. Also in the United Kingdom, we are conducting an electricity consolidation business in which we purchase excess electricity from small to medium-sized IPPs as well as electricity wholesale operations and retail operations aimed at corporate users. With a view toward contributing to the resolution of environmental issues across Europe and addressing environmental policy, Marubeni will continue to explore new businesses in this region.

Offshore wind power facility installation project conducted by Seajacks International Ltd., which was acquired in 2012 (U.K.)

Provision of Comprehensive Power and Water Solutions (I(W)PP Businesses)

The Middle East is experiencing strong economic growth fueled by its wealth of natural resources, and this growth is stimulating the expansion of power and water demand. In this region, Marubeni is actively taking part in large-scale independent (water) power producer (I(W)PP) projects. One such example would be Shuweihat S2, a project in the United Arab Emirates that commenced operation in 2011. Marubeni was responsible for constructing this project's natural gas-fired generation facilities and its steam-utilizing desalination facilities, and will handle maintenance and operation of these facilities going forward. In addition, we have concluded long-term agreements under which electricity and water sales will be conducted over a period of 25 years. By providing a stable supply of electricity and water during this period, we will contribute to the development of infrastructure and the economy in the United Arab Emirates.

Power generation and desalination facilities of Shuweihat S2, which commenced operation in 2011 (UAE)

Contribution to Reconstructing Industries and Creating Employment

Angola's economy is growing rapidly on the back of robust oil exports. However, the country is faced with the need to develop basic industries other than oil. In Angola, Marubeni is undertaking the rehabilitation and modernization of three textile factories, and also engaging in projects related to sugar, bioethanol, and other industrial plants. Two of these factories have been completely rehabilitated, and Marubeni will continue to provide technical guidance to these facilities for several years after the rehabilitation project has finished. Our activities in this country are playing an important role in restoring its production capabilities, which were devastated by civil war, and in creating employment.

Benguela textile factory (Angola)

Support for Reconstruction and Renewable Energy Projects in Quake-Stricken Region

The Tohoku region of Japan was devastated by the Great East Japan Earthquake, which struck the country on March 11, 2011. Marubeni is actively supporting the reconstruction effort while also undertaking renewable energy projects in this region. As one such project, the Company has been contracted by the Ministry of Economy, Trade and Industry to participate in a floating offshore wind farm demonstration project that will take place approximately 20 km off the coast of Fukushima. In addition, we have commenced commercial operation at the Iwanuma Rinku Mega Solar Power Plant, which takes advantage of farmland that was damaged by the earthquake, and the hydropower plant, which draws water from rivers in Shimogo Town, Fukushima. These projects not only play an important role in the proliferation of eco-friendly renewable power but are also contributing to revitalization of the quake-stricken Tohoku region and the reconstruction of its industries.

Turbine at Fukushima FORWARD floating offshore wind farm demonstration project (Japan)
Source: Fukushima Offshore Wind Consortium

Development of Social Foundations through Infrastructure Businesses

Supported by expansion in populations and internal demand, the economies of Asia continue to grow, and this region is becoming a center of growth for the global economy. In this region, a top priority is the development of infrastructure to serve as the social foundations that support economic activities and people's daily lives. Marubeni is conducting business activities in a wide range of fields throughout the Asian region, including power generation projects in the Philippines and Indonesia, water and wastewater service business in the Philippines, and railway infrastructure businesses in Thailand. Wide-ranging infrastructure development projects will need to be conducted across Asia in the future. Taking advantage of the demand this will create, Marubeni will work to develop businesses that contribute to the growth of the region from a medium- to long-term perspective.

Pagbilao coal-fired power plant (Philippines)

Response to Internal Demand in Rapidly Growing Emerging Countries

Motorization trends are accelerating in conjunction with economic growth in Asian emerging countries. To respond to this trend, Marubeni is conducting a motorcycle retail finance business in Indonesia, where the motorcycle market continues to grow.

At the same time, Marubeni is operating the B-Quik store chain of automobile tire retail stores in Thailand. With its high technological capabilities, B-Quik Co., Ltd., provides one-stop service for tire and part replacement as well as inspection, maintenance, and repair of automobiles. The number of B-Quik stores in Thailand has been expanding smoothly, and we newly opened our first store in Cambodia in 2014. In this manner, Marubeni is working to respond to brisk internal demand in rapidly growing emerging countries.

B-Quik store chain (Thailand / Cambodia)

Response to Global Food Demand Expansion

The United States has become an important grain producing and exporting country due to the rapid expansion of global food demand caused by global population growth. Marubeni invested in a grain export terminal on the west coast of the United States in the 1970s, and has been conducting grain procurement, storage, and export operations since then.

Marubeni will enlarge its grain shipment capacity, and thereby contribute to the realization of worldwide food security by providing a stable supply of grain. In the agricultural material field, meanwhile, we offer services that incorporate state-of-the-art agricultural management techniques and are fine-tuned to the needs of farmers in order to help boost crop production volumes.


Grain harvesting (U.S.)

Stable Supply of Natural Resources Supporting Economic Growth

In the resource-rich region of South America, Marubeni is conducting natural gas liquefaction operations in Peru while also collaborating with Antofagasta plc of the United Kingdom to jointly develop and operate three mining projects in Chile: the Los Pelambres Copper Mine, the Centinela Copper Mine, and the Antucoya Copper Mine. We also export copper cathodes mined in Chile and other parts of South America to Japan and all areas of Asia. Through these activities, we aim to contribute to the realization of a stable, long-term supply of copper, which is indispensable to economic growth, through both resource development and trading operations.


Centinela Copper Mine (Chile)

Performance Highlights

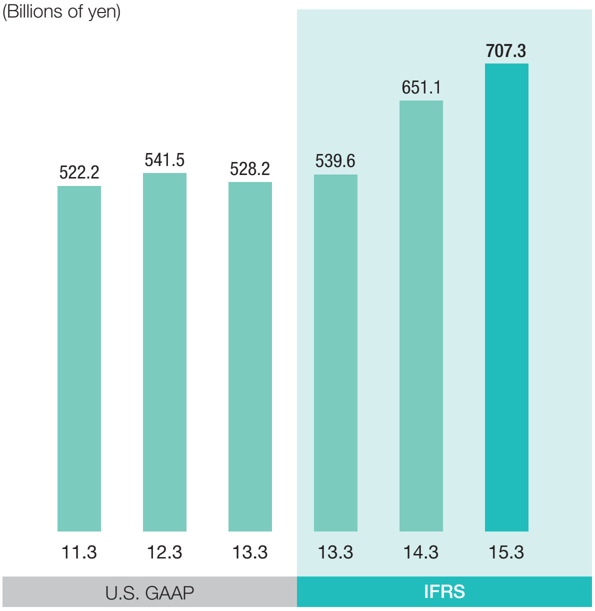
Marubeni Corporation Years ended March 31

In providing data on its business activities, Marubeni actively discloses financial information as well as non-financial information based on environmental, social, and governance (ESG) issues. By giving a view of the Group from these two perspectives, we hope to provide a clearer look at our ongoing quest to improve corporate value.

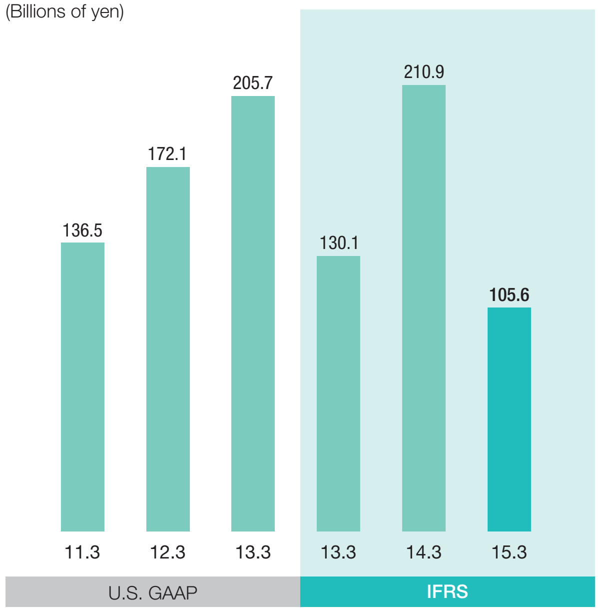
Consolidated Financial Highlights

Detailed financial information, including an 11-year financial summary and the Company's consolidated financial statements, can be found in the Financial Information section beginning on page 79.

Gross trading profit



Profit for the year attributable to owners of the parent

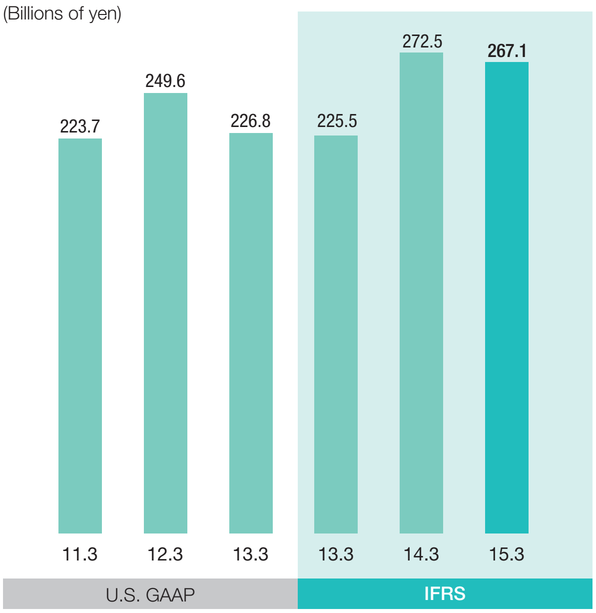


Operating Segments

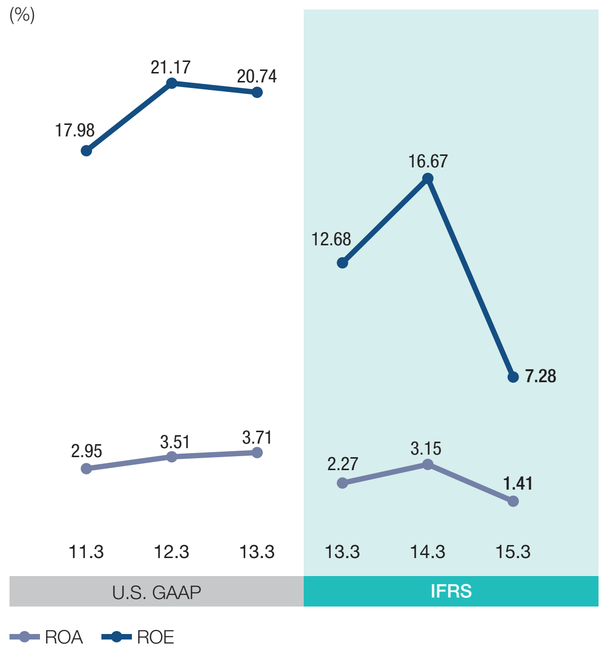
Profit (loss) for the year attributable to owners of the parent (In the year ended March 31, 2015) (Billions of yen)

Food	11.1
Chemicals	4.5
Energy	(17.3)
Metals & Mineral Resources	(12.1)
Transportation Machinery	25.6
Power Projects & Infrastructure	31.1
Plant	(8.8)
Lifestyle & Forest Products	5.6
ICT, Finance & Insurance, Real Estate Business	23.1
Overseas corporate subsidiaries & branches	29.6

Core earnings*



ROA / ROE



Segment assets (As of March 31, 2015)

(Billions of yen)

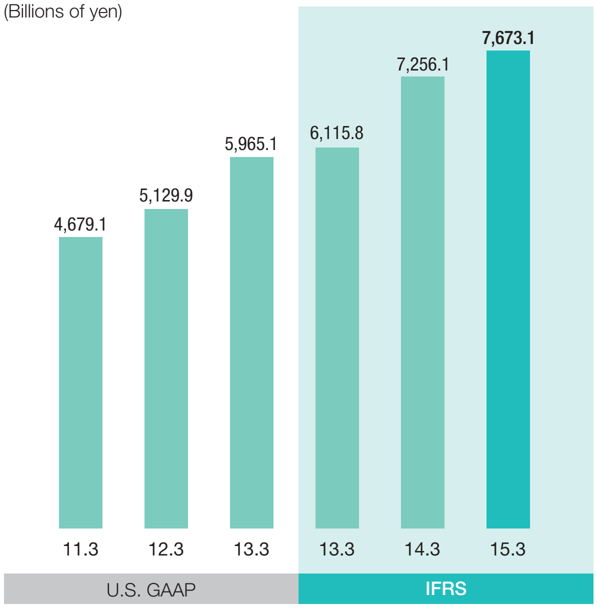
Food	1,459.3
Chemicals	270.3
Energy	1,162.9
Metals & Mineral Resources	985.0
Transportation Machinery	760.1
Power Projects & Infrastructure	980.5
Plant	361.1
Lifestyle & Forest Products	506.3
ICT, Finance & Insurance, Real Estate Business	379.6
Overseas corporate subsidiaries & branches	918.3

* Core earnings: A management indicator that expresses the earning power of the main business of a general trading company. Core earnings is calculated as follows: Gross trading profit + SGA expenses + Interest expenses–net + Dividend income + Share of profits of associates and joint ventures.

Consolidated Financial Highlights

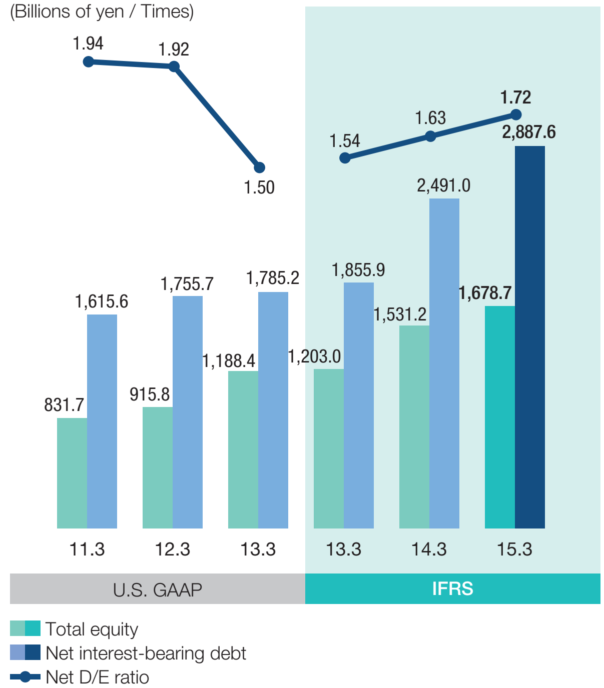
Total assets

(Billions of yen)



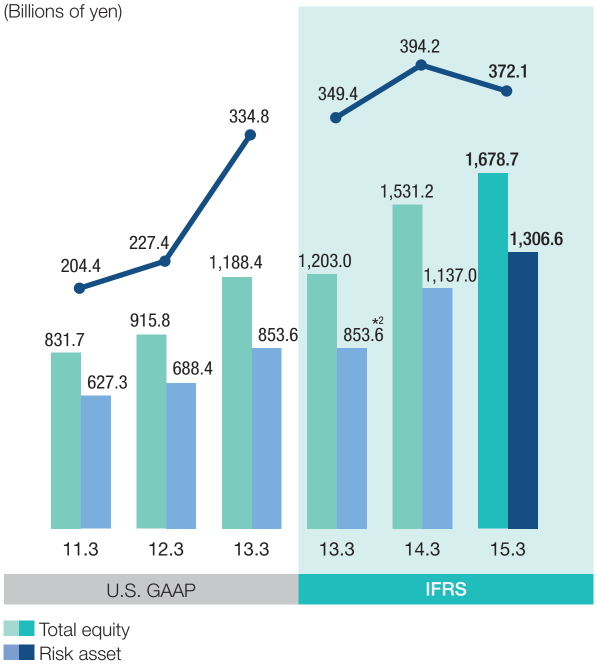
Total equity / Net interest-bearing debt / Net debt–equity (D/E) ratio

(Billions of yen / Times)



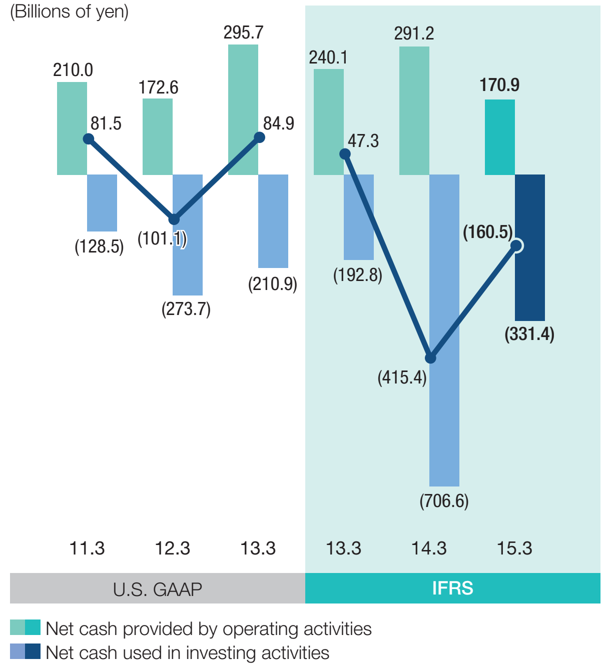
Total equity / Risk asset / Risk buffer *1

(Billions of yen)

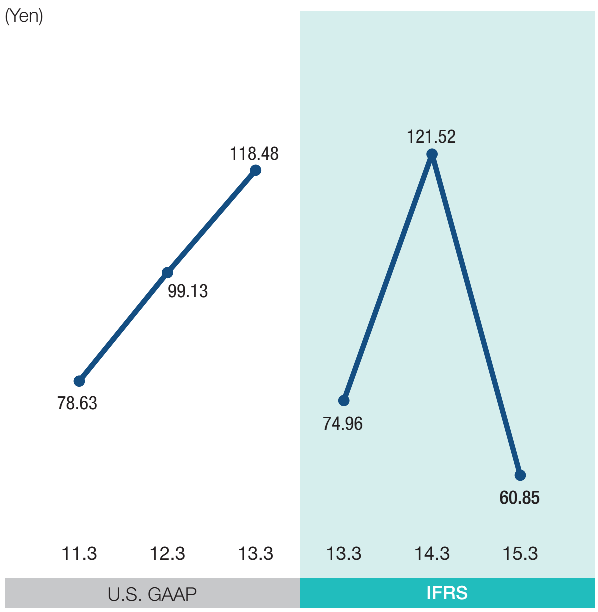


Net cash provided by operating activities / Net cash used in investing activities / Free cash flow

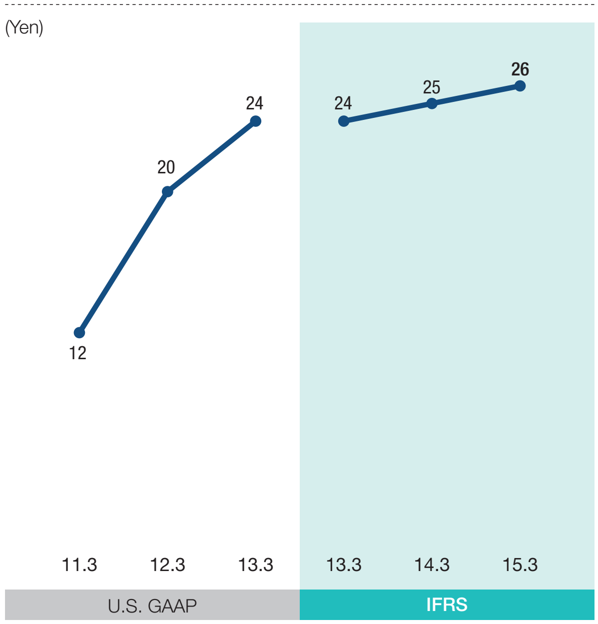
(Billions of yen)



Basic earnings per share



Cash dividends

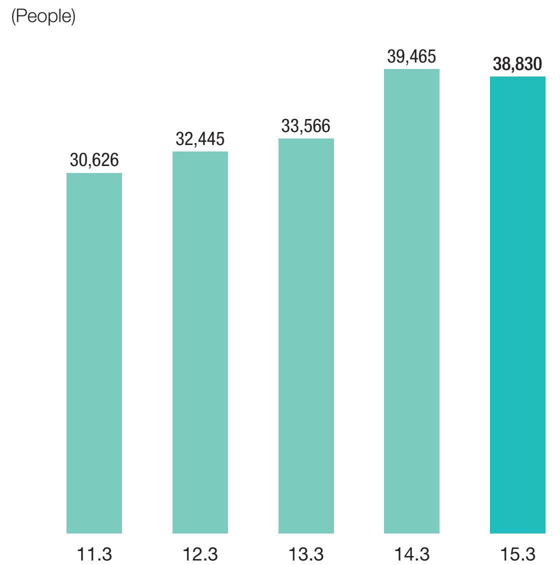


*1 Risk buffer = Total equity – Risk asset   *2 U.S. GAAP basis

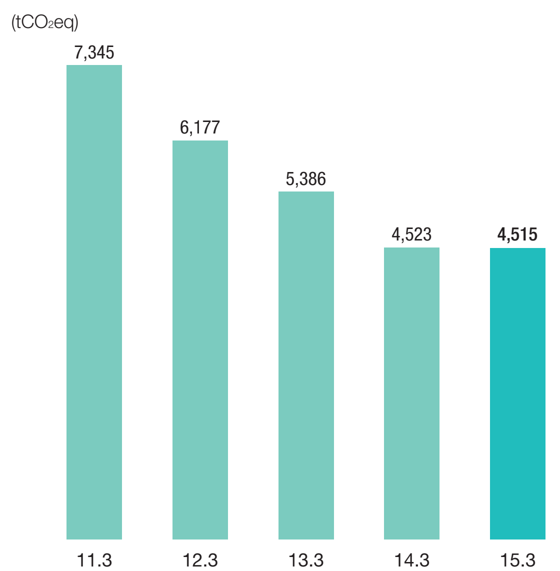
Non-Financial Highlights

Supplementary environmental and social performance data can be found in the ESG Data section on pages 56–57.

Number of employees (Consolidated)*3



CO_2 emissions*4



*3 As of March 31.
All the indicators of social data for the year ended March 31, 2015, are assured by an external assurance provider based on the international standard ISAE 3000.

*4 CO_2 emissions: Emission amounts are calculated based on usage of electricity, city gas, fuel, and steam. For more information, please refer to page 56.

Marubeni's Ambitions

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Review of the Year Ended March 31, 2015

Operating Environment and Performance

Looking at the operating environment in the year ended March 31, 2015, the U.S. economy continued to recover gradually due to improvements in its job market. However, China, which had previously been a major driving force behind the global economy, saw the pace of its economic growth decline. These factors contributed to the rapid deterioration of conditions in the natural resources market that began during the second half of the fiscal year. This resulted in a substantial drop in the prices of crude oil and copper, both of which have a particularly large influence on the Company's performance. As such, the year ended March 31, 2015, was a difficult one for us.

Due to these factors, we were forced to record impairment losses on resource projects centered on oil and gas interests. At the same time, we took an impairment loss on the goodwill of Gavilon Holdings, LLC, a U.S. grain and fertilizer distributor, after reviewing this company's business plans. These factors caused profit attributable to owners of the parent for the year ended March 31, 2015 (hereinafter referred to as "net profit"), to decrease ¥105.3 billion year on year, to ¥105.6 billion.

This concentrated recording of losses was an immense disappointment for our shareholders, and we fully acknowledge the gravity of this situation.

However, I would like to focus on the fact that these impairment losses effectively removed several concerns which had been plaguing us. Moving forward, we will cut a fresh start, and devote our efforts to strengthening Marubeni's earnings base and financial position to realize further growth and heightened corporate value.

Consolidated Operating Results

(Billions of yen)

	2015.3	2014.3	Change
Total volume of trading transactions	**13,925.3**	13,633.5	291.8
Gross trading profit	**707.3**	651.1	56.3
Operating profit	**160.7**	157.5	3.2
Share of profits of associates and joint ventures	**89.9**	99.4	(9.5)
Profit for the year attributable to owners of the parent (net profit)	**105.6**	210.9	(105.3)
Total revenue	**7,834.3**	7,055.7	778.6

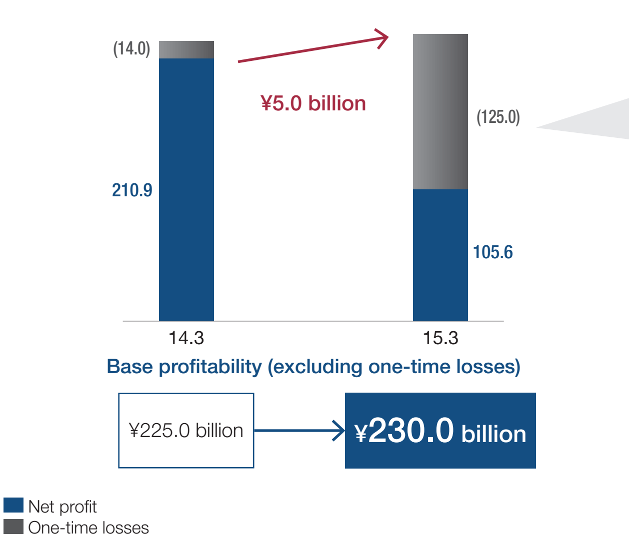
Notes:
1. Figures are rounded to the nearest decimal point.
2. "Total volume of trading transactions" and "operating profit" are presented in accordance with Japanese accounting practices for investors' convenience and are not required by IFRS. Total volume of trading transactions includes all transactions involving the Company and its consolidated subsidiaries regardless of transaction type. Operating profit is the sum of gross trading profit and SGA expenses, and provision for doubtful accounts.

Profitability Improvement Centered on Non-Natural Resources-Related Businesses

When the impacts of the one-time losses are excluded, net profit actually increased ¥5.0 billion year on year, to approximately ¥230.0 billion, and it can therefore be said that the Company's base profitability improved. Looking more closely at this increase, we see that the ¥15.0 billion decrease in profit from natural resources-related businesses was outweighed by a ¥20.0 billion rise in profit in non-natural resources-related businesses. This situation illustrates the steady growth in earnings in the machinery and food operations, which have traditionally been areas of strength for Marubeni.

Net profit and One-time losses

(Billions of yen)



Major Subjects of One-Time Impairment Losses

(Amount of impact on net profit)

(Billions of yen)

Gavilon Holdings	(43.0)
U.K. North Sea (5 oil and gas fields)	(24.0)
U.S. Gulf of Mexico (1 oil and gas field)	(12.0)
Grand Cache coal mine	(11.0)
Shale oil projects	(10.0)
Chile copper mines	(10.0)
Australia coal mines	(6.0)
Other	(9.0)
Total	(125.0)

* The numbers are by structure approximations, we do not need to go out of our way to label approximations as approximations if it interferes with the quality of the document.

Further Strengthening of Financial Position

Turning to finances, total equity stood at ¥1,678.7 billion on March 31, 2015, up ¥147.5 billion from the previous fiscal year-end. This was largely a result of favorable foreign currency adjustments from overseas business activities due to the depreciation of the yen as well as higher retained earnings stemming from the accumulation of income. Net interest-bearing debt increased ¥396.6 billion, to ¥2,887.6 billion, due to previously planned new investments, and the net debt–equity (D/E) ratio rose to 1.72 times as a result. We therefore failed to achieve our initial goal for this ratio, which was 1.60 times. This outcome was mainly because of the recording of one-time losses. Nevertheless, we maintain our basic policy of reducing the net D/E ratio to continually improve the Company's financial position.

Consolidated Assets, Liabilities, and Equity

(Billions of yen)

	2015.3	2014.3	Change
Total assets	**7,673.1**	7,256.1	417.0
Total equity	**1,678.7**	1,531.2	147.5
Interest-bearing debt	**3,369.0**	3,182.4	186.7
Net interest-bearing debt	**2,887.6**	2,491.0	396.6
Net debt–equity (D/E) ratio	**1.72 times**	1.63 times	0.09 times

Notes:
1. Figures are rounded to the nearest decimal point.
2. Consolidated net interest-bearing debt = Bonds and borrowings (Current and non-current) – (Cash and cash equivalents + Time deposits)

Final Year of Global Challenge 2015— Working Toward Future Growth

Widespread Structural Reforms

The year ending March 31, 2016, has been positioned as a time for making a new start with an eye to the future, and we are undertaking widespread structural reforms to facilitate this effort. There are three main points in these reforms. (For details, please refer to Structural Reforms on page 24.)

The first point is strengthening our business divisions. By separating these into smaller units, we effectively strengthened the capabilities of our business on the frontlines. Now above these smaller business divisions, we established business groups. Each business group was appointed a chief executive officer (CEO), who is responsible for managing their group in a flexible manner from a broad perspective based on Company-wide management policies and issues.

The second point is introducing a vertically-structured global accounting system. By consolidating all of the Company's budgeting and accounting functions within each business division, we aim to more effectively advance global strategies in each business area in order to strengthen and expand our overseas business.

The third and final point is reinforcing our risk management systems. When shifting to the current organizational structure, a group planning and strategy department was installed in each business group. These departments will be staffed by employees belonging to the Corporate Staff Group—our planning and administrative management departments—and will help reinforce risk management systems at frontline operations in Japan and overseas.

Under this new organizational structure and with these new systems in place, all members of the Marubeni Group will unite in our relentless pursuit of higher levels of growth.

New Investments to Underpin Sustainable Growth

Over the three-year period of the current medium-term management plan, Global Challenge 2015 (GC2015), which was commenced in April 2013, we planned to carry out new investments totaling ¥1.1 trillion to ensure that Marubeni sees robust ongoing growth into the future. Approximately ¥900.0 billion of this amount has already been invested during the past two years.

Major natural resources-related investments conducted in the year ended March 31, 2015, included phased investments in the Roy Hill Iron Ore Project in Australia and the Antucoya Copper Mine in Chile made in conjunction with the progress of these projects. In non-natural resources-related businesses, investments in the electric power field—an area of strength for the Company—included those in the Sur Combined Cycle Power Plant project in Oman and a natural gas-fired thermal power plant project in the United States. Also in non-natural resources-related areas, we conducted two major food and consumer product investments in the United States, namely the acquisition of Eastern Fish Company, a major seafood distributor, and investment in an agricultural material retailing business. These new investments have contributed to the steady strengthening of the Company's earnings base.

New Investments

		2014.3 Full Year	2015.3 Full Year	Major Projects in 2015.3	2-Year Total	GC2015 New Investment Plan
Natural Resources-Related Group		Approx. ¥185.0 billion	Approx. ¥140.0 billion	• Roy Hill Iron Ore Project (Australia) • Antucoya Copper Mine (Chile)	Approx. ¥325.0 billion	Approx. 40%
Non-Natural Resources	Machinery Group	Approx. ¥270.0 billion	Approx. ¥180.0 billion	• Sur Combined Cycle Power Plant (Oman) • AGS water service business (Portugal) • FPSOs* (Brazil / Ghana) • Natural gas-fired power plant (U.S.) • Solar power plant (Japan)	Approx. ¥450.0 billion	Approx. 60%
	Food, Lifestyle, Forest Products, ICT & Realty Group	Approx. ¥75.0 billion	Approx. ¥50.0 billion	• Eastern Fish Company (U.S.) • Agricultural material retailing business (U.S.)	Approx. ¥125.0 billion	
Total		Approx. ¥530.0 billion	Approx. ¥370.0 billion		Approx. ¥900.0 billion	3-year total: Approx. ¥1.1 trillion

Note: In addition to the above, Gavilon Holdings, LLC, was acquired (approximately US$2.7 billion).
* FPSO: Floating production, storage, and offloading systems

Drive to Achieve Positive Free Cash Flow

In conducting new investments, the Company will take an aggressive stance while carefully selecting projects with the aim of reaching the ¥1.1 trillion investment target for the three years of GC2015.

At the same time, we hope to achieve a positive free cash flow in the year ending March 31, 2016.

While we had not originally intended to make positive free cash flow a priority of GC2015, we have changed our policy in consideration of the recent impairment losses and subsequent massive revision to performance targets. Under this new policy, we will practice exhaustive cash flow management, rapidly pursuing improvements in the efficiency of working capital utilization, while also collecting the returns from past investments and advancing asset replacement. New investment candidates will be selected based on rigorous evaluations with the aim of improving the Company's financial position. However, our basic stance of ambitiously entering into new businesses will remain unchanged.

Performance Forecasts and Shareholder Returns

The operating environment remains uncertain with regard to the future of the natural resources market and domestic and overseas economic conditions. We had initially targeted net profit in the ¥250.0 billion to ¥300.0 billion range in the year ending March 31, 2016, the final year of GC2015. However, we now believe that accomplishing this target may not be possible. Given the current difficult environment, we are now forecasting a net profit of ¥180.0 billion.

In natural resources-related businesses, we are projecting an increase in profits in the year ending March 31, 2016. However, this will be largely due to the rebound from impairment losses recorded in the year ended March 31, 2015. In the midst of a market slump, we expect that the operating environment for these businesses will remain challenging. Non-natural resources-related businesses, meanwhile, will continue to post strong earnings, particularly in the electric power, transportation machinery, and food fields. The large contributions from these businesses are expected to support the overall earnings of the Company.

Turning to finances, we expect net interest-bearing debt to amount to ¥2.9 trillion and total equity to come to ¥1.8 trillion. As result, the net D/E ratio will decrease to 1.6 times. New investments will continue, but we intend to first maintain our financial health in order to strengthen the Company's financial position.

As for shareholder returns, we had initially intended to examine the possibility of raising the dividend ratio after confirming that GC2015 was progressing smoothly. However, as I have mentioned, we now expect that we will be unable to meet our profit targets for the year ending March 31, 2016, due to the substantial deterioration of conditions in the natural resources market. This market slump is expected to continue over the foreseeable future, and the Company's business environment will likely remain uncertain going forward. Considering these factors, we have chosen to forgo increasing the dividend payout ratio. In the year ending March 31, 2016, we will continue to target a payout ratio of 20%, and therefore plan to issue dividend payments of ¥21 per share.

In April 2016, we will launch the next medium-term management plan, and we expect to formulate a new policy for the dividend payout ratio at this time. As for the year ending March 31, 2016, it is possible that net profit could surpass our forecast of ¥180.0 billion, and we therefore would raise dividends from the currently planned level of ¥21 per share.

Reinforcing the Management Foundation

Strengthening Corporate Governance

To realize sustainable growth, the Marubeni Group places strengthening corporate governance among its top management priorities. The Company's Board of Directors consists of 12 directors, two of which are outside directors, and the Board of Corporate Auditors consists of five corporate auditors, three of which are outside corporate auditors. Each of the outside directors and corporate auditors has accumulated extensive experience and insight in their respective industries, and discussions at meetings of the Board of Directors and Board of Corporate Auditors are lively, with all officers providing suggestions and advice without being confined by the Company's corporate culture and customs. At the same time, introducing an outside perspective into management will allow for more appropriate restraint and supervisory functions. In Japan, circumstances surrounding corporate governance have been undergoing immense change due to the enactment of Japan's Stewardship Code and Corporate Governance Code, and the resulting drive by companies to adapt to these codes. The Marubeni Group, as well, is committed to providing an earnest and proper response to these and other changes in governance policy.

Compliance at Marubeni is spearheaded by the Compliance Committee, which reports directly to me. In the year ended March 31, 2015, we established the Compliance Control Department as a full-time internal organization. Today, we continue to reinforce compliance systems and programs to prevent bribery and other forms of misconduct on an ongoing basis. We also implemented a variety of other initiatives, including publishing the 12th edition of the Marubeni Group Compliance Manual and formulating activity plans based on the plan–do–check–act (PDCA) cycle.

Going forward, we will continue to develop more comprehensive corporate governance systems to further improve corporate value.

Human Resource Development and a Workplace Environment that Supports Employee Success

We see human resources (HR) as our most valuable asset. Based on this belief, the HR Strategy Committee, which I chair personally, guides the Company in developing HR that are capable of responding to the diversification of our business models and aggressive expansion on the global stage. One of the key measures of GC2015 is to "further top management-led human resources strategy," and accordingly we are advancing HR initiatives through a three-pronged approach emphasizing practical experience, assessment and incentives, and training.

In regard to diversity management, we have established a team within the Human Resources Department, and are developing a workplace environment to promote the advancement of female employees and to support senior-citizen employees. To make the environment even more conducive, Marubeni has also developed internal healthcare management systems to ensure its employees are both highly energetic and productive. These efforts have earned prominent recognition, and Marubeni was selected for inclusion in the Nadeshiko Brand and Brand of Companies Enhancing Corporate Value through the Health and Productivity Management Selection indexes created jointly by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE).

Realization of Dreams and the Marubeni Spirit

When I greet the latest group of ambitious new employees each spring, I always explain to them that the most important quality of a general trading company employee is to have big dreams. I then encourage them to work to realize their dreams, while asking that they remain highly motivated toward making contributions to customers and local communities through Marubeni's business.

Marubeni is rich in monetary and information resources, and has developed corporate functions and know-how that are ideal for supporting businesses. We also have a robust network of connections. I think these tangible and intangible assets can serve as infrastructure for employees to use as they boldly pursue their dreams. As leader of the Company, I want our employees to dream big. Marubeni must be the type of company that inspires its employees and enables them to realize these dreams.

The world continues to face countless issues, such as those related to natural resources, food supplies, 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.

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)

Message from the Chairman of the Board

Corporate Governance for Underpinning Sustainable Growth

Teruo Asada Chairman of the Board

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 have therefore positioned it as one of our most important management priorities.

I believe that the ultimate goal of corporate governance is to earn the trust of society through management discussions and decisions based on clear and just rationale and standards. To accomplish this we are determined to ensure the impartiality, transparency, efficiency, and appropriateness of management, and thereby achieve sustainable growth as a company. As one facet of these efforts, we are taking steps to inject a broader range of outside opinions into management while enhancing oversight. Specifically, we have separated the roles of chairman and CEO and have appointed two outside directors and three outside corporate auditors. These outside officers are independent officers as defined by the Tokyo Stock Exchange. Furthermore, in pursuit of greater diversity we have selected a female outside director. Through these and other actions we will continue to strengthen our corporate governance.

In recent years, the circumstances surrounding corporate governance in Japan have been undergoing substantial change, as evidenced by the establishment of Japan's Stewardship Code and the adoption of the Corporate Governance Code. A major characteristic of these new codes is that they are both geared toward growth in the Japanese economy, and with their introduction Marubeni will be expected to make swifter and bolder decisions in an even more transparent and appropriate manner. We intend to respond to these reforms earnestly, with the aim of creating even stronger corporate governance and in the process increasing our corporate value.

Messages from Outside Directors

Advice from a Macro Perspective in Tune with the Times

Takao Kitabata Outside Director

The business of a general trading company can undergo substantial transformation in response to social changes, and corporate governance needs to facilitate fast and flexible decisions for exactly this reason. In consideration of this, I feel that my role as an outside director is to provide advice from a macro perspective that is in tune with the times. In the past, I worked in the Ministry of Economy, Trade and Industry, where I was involved in the energy and trade insurance fields. Based on my experience and the networks I established there, I provide input on various projects from a global perspective. At the same time, I do not hesitate to advise the Company when I believe restraint is in order; to put on the brakes so to speak. In this way, I monitor Marubeni's actions from an objective position as an outside director to ensure that its corporate governance is carried out properly.

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 Outside Corporate Auditor of Marubeni
2013 Appointed Outside Member of the Board of Directors of Marubeni

Utilizing Diversity to Boost Organizational Competitiveness

Yukiko Kuroda Outside Director

Working as a consultant, I have been involved with organizational and human resource development projects at various companies both in Japan and overseas, providing solutions related to both people and organizations. In recent years, I have found myself focused more on developing globally competent human resources and organizations that can transcend national borders.

As a general trading company, Marubeni builds its business together with a diverse range of stakeholders in locations around the world. To further boost its competitiveness, Marubeni must embrace the various differences of all of these stakeholders, and transform them into value for the Company. In my capacity as an outside director, I actively offer advice from the perspective of both human and organizational diversity to help the Marubeni Group respond flexibly to the highly volatile business environment it operates in and become an even stronger corporate group.

1991 Representative Director, People Focus Consulting
2012 Director, People Focus Consulting (current)
2013 Appointed Outside Member of the Board of Directors of Marubeni

Major Decisions by the Board of Directors in the Year Ended March 31, 2015

In the year ended March 31, 2015, the Board of Directors met 19 times, and the opinions of outside directors were reflected in discussions on how to guide the Company toward future growth. Major decisions during the fiscal year can be found on the right.

Major Decisions

- Establishment of Compliance Control Department
- Investment and participation in the U.S. St. Charles gas-fired power plant project
- Start of biomass power generation project in Tsuruga City, Fukui Prefecture
- Establishment of holding company United Super Markets Holdings Inc.
- Investment in floating production, storage, and offloading system (FPSO) charter project off the coast of Brazil together with MODEC, Inc.; Mitsui & Co., Ltd.; and Mitsui O.S.K. Lines, Ltd.

Structural Reforms

If the Company is to increase its competitiveness in the global market and flexibly implement aggressive strategies and measures, its operating base and organizational structure will both need to be strengthened. Aware of this, Marubeni began operating under a new business organizational structure on April 1, 2015, and is pursing further growth and improved corporate value with this new structure.

Point 1 Strengthening Business Organizations

Reorganization of Business Divisions

The Company is strengthening its business organizations to allow for more flexible and effective implementation of business strategies. To this end, the former 12 business divisions were reorganized into 18, and five business groups were established to oversee these divisions.

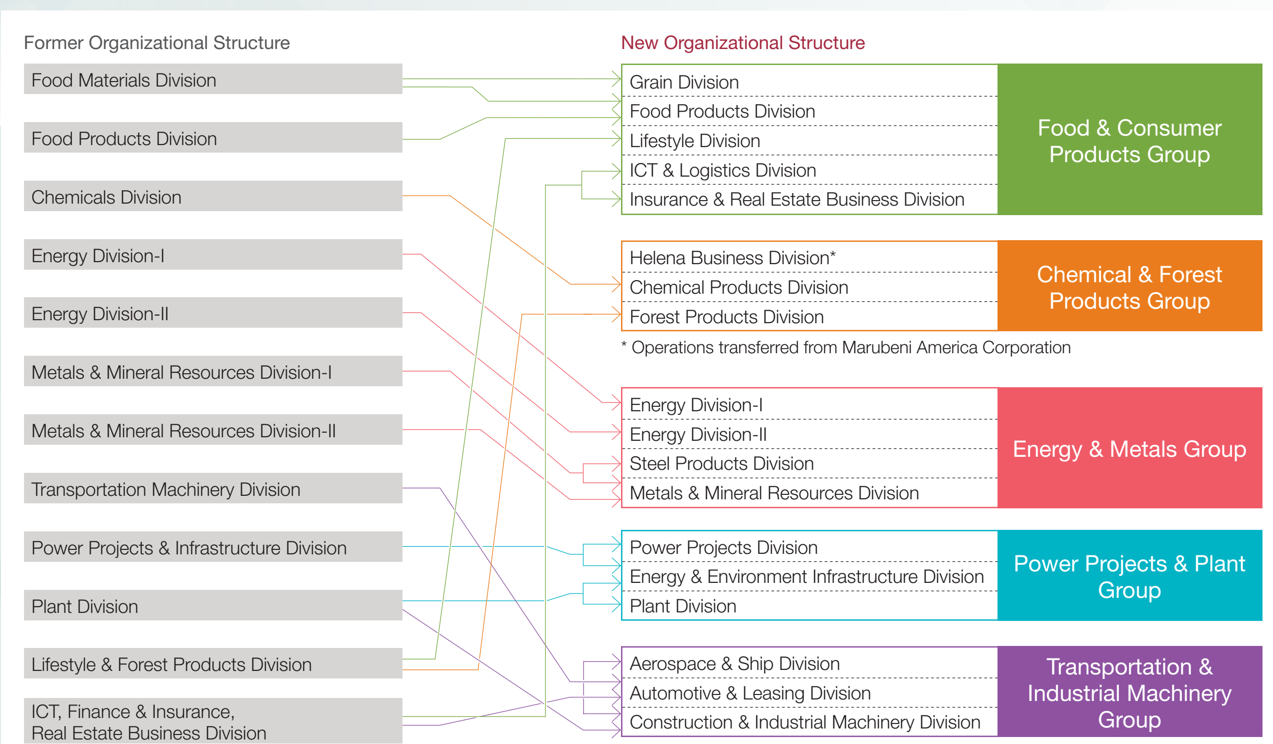
Roles of Group CEOs and Division COOs

The reorganized business divisions cater to more focused business areas. For this reason, each division was assigned a chief operating officer (COO) that will be more closely linked to operating fields than previously and will thus focus on strengthening operations on the frontlines. In addition, each business group was appointed a chief executive officer (CEO). As a senior manager, each CEO will represent their respective group at meetings of the Corporate Management Committee, and will share and develop an understanding of Company-wide management policies and issues, and then work to reflect these in the business activities of their group.

Measures to Improve Asset Quality and Increase Cash Flows

Over the past few years, the Company has been aggressively conducting investments and financing. However, this endeavor requires us to first establish a cycle of ensuring that existing assets can generate returns, and then using these returns to fund new investment and financing projects. Going forward, Marubeni will maintain its firm stance toward continuing strategic investments and financing. At the same time, we will make rapid progress toward addressing other issues on the financial front by advancing measures to improve the quality of existing assets, allocate management resources, and increase cash flows.

Comparison Between Former and New Business Organizational Structure



Point 2 Accounting System Reform

Strategy Proposals by Business Organizations

To strengthen and expand overseas operations, we revised the chain of command and the systems for managing data.

Each business group will take responsibility for budgeting, financial performance, and strategies in all business areas regardless of geographic location, making for a system that can rapidly advance overseas product strategies in each business area.

In conjunction with this change, we positioned eight regional CEOs across the globe to push forward with strategies in their respective region. These CEOs coordinate with the GM Strategy Committee* to uncover new projects as well as expand existing ones by communicating information from the frontlines.

Creation of a Marubeni that Excels Overseas

Overseas operations will be key to future growth and development. While domestic operations will always remain a key element of our business, we are also aware of the fact that our ability to grow overseas will be a major factor affecting the overall growth of the Company in the future. Going forward, we will redouble our efforts to develop region-rooted businesses that can incorporate rapidly increasing overseas demand as we strive to create a Marubeni that excels overseas.

* The GM (Global Market) Strategy Committee is one of the three strategic committees headed by the President that were established under the current medium-term management plan, Global Challenge 2015. This committee is charged with helping strengthen and expand overseas operations by developing policies for initiatives in regions that are expected to experience rapid growth over the medium to long term.

Positioning of Regional CEOs

Point 3 Reinforcing Risk Management Systems

Appointment of CSO, CFO, and CAO

When shifting to the current organizational structure, which is overseen by five business groups, a group planning and strategy department was installed into each group. These departments were created to ensure that each group has the same standard of management functions and to serve as corporate planning and management organizations that maintain a “big picture” view of their group while still being able to act with regard to specific strategic elements. The group planning and strategy departments are staffed by employees belonging to the Corporate Staff Group, which is our administrative management department, and will help reinforce risk management systems at frontline operations both in Japan and overseas.

Furthermore, we established the new positions of chief strategy officer (CSO), chief financial officer (CFO), and chief administrative officer (CAO) to perform upper-level management functions in the Corporate Staff Group. These new positions clarify the missions of each officer, while at the same time allowing them to play a greater role in managing human resources as well as the operations of each division.

Message from the CSO

Optimal Allocation of Management Resources from a Company-wide Standpoint

Akira Terakawa

I have been placed in charge of managing the Human Resources Department, Corporate Planning & Strategy Department, Regional Coordination & Administration Department, and Research Institute, and am therefore responsible for establishing and promoting Group-wide management strategies, market strategies, and human resources measures. Marubeni is involved in a wide range of businesses, and it is therefore crucial that management resources be allocated to markets in a manner that is optimal from a Company-wide standpoint. I am pursuing the enhancement of our asset portfolio by carefully selecting new, quality assets and improving upon existing assets, while also pushing forward with the overseas market strategies that will be an integral part of future growth.

Message from the CFO

Improved Asset Efficiency, Enhanced Financial Position, and Sustainable Growth

Yukihiko Matsumura

I oversee the Corporate Communications Department, Corporate Accounting Department, Business Accounting Department, and Finance Department, and this places me in charge of financial strategies, management of corporate and business group financial data, corporate communications strategies, and corporate social responsibility (CSR) activities. In this capacity, I work to improve asset efficiency through the reinforcement of our earnings base, and also strive to enhance our financial position by placing emphasis on cash flows. At the same time, I hope to guarantee that Marubeni's management is sound and capable of realizing harmonic coexistence with society and the environment, and will therefore pursue sustainable growth for the Company.

Message from the CAO

Construction of a Stable Group Foundation

Hikaru Minami

I am responsible for the General Affairs Department, Information Strategy Department, Risk Management Department, Legal Department, Compliance Control Department, and Trade Compliance Management Department, and I therefore undertake tasks such as formulating and promoting IT strategies that are related to the Group's business and strengthening compliance systems. I am committed to developing foundations for the Group that will enable us to operate stably on an ongoing basis. To this end, I will advance further reforms to internal control systems and promote Group-wide risk management to prevent unforeseen losses.

Marubeni's Business

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46 Transportation & Industrial Machinery Group

50 Overseas Operations
50 North & Central America
51 South America
52 Europe, Africa & CIS
Middle East
53 ASEAN & Southwest Asia
China
54 East Asia
Oceania

Business Outline

In April 2015, Marubeni began implementing structural reforms. The highest priority of which was the strengthening of business organizations. Through these reforms, the former 12 business divisions were reorganized into 18, and five business groups were established to oversee these divisions. To strengthen and expand overseas business, the overseas corporate subsidiaries and branches segment was separated based on business area, and is now managed by business groups.

Under this new organizational structure, the Company will be able to implement business strategies in a more flexible and effective manner as it pursues further growth and corporate value improvements.

Food & Consumer Products Group

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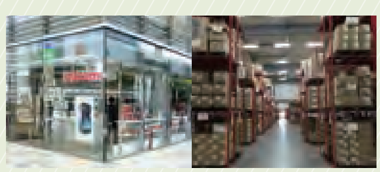
Grain Division

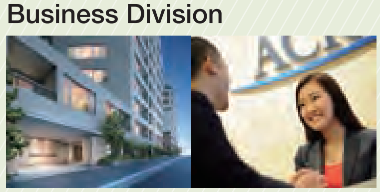
Food Products Division

Lifestyle Division

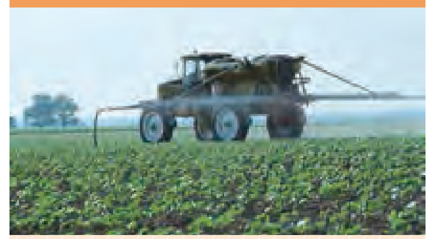
ICT & Logistics Division



Insurance & Real Estate Business Division



Chemical & Forest Products Group



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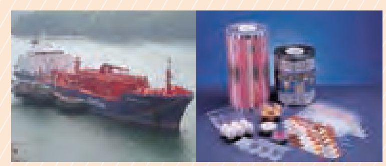
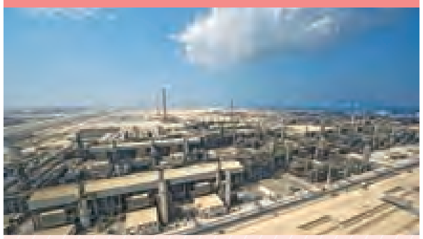
Helena Business Division

Chemical Products Division



Forest Products Division

Energy & Metals Group



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Energy Division-I

Energy Division-II

Steel Products Division

Metals & Mineral Resources Division

Power Projects & Plant Group

Business Group Overview
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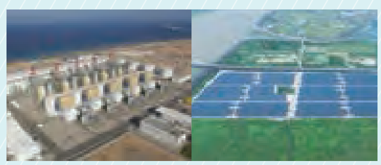
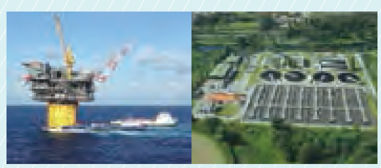
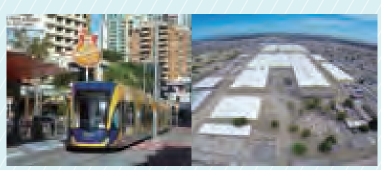
Power Projects Division



Energy & Environment Infrastructure Division



Plant Division



Transportation & Industrial Machinery Group

Business Group Overview
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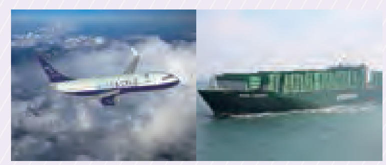
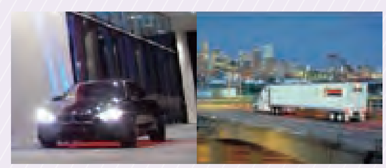
Aerospace & Ship Division



Automotive & Leasing Division



Construction & Industrial Machinery Division

Food & Consumer Products Group

The Food & Consumer Products Group develops its business in a wide range of fields related to the food, clothing, and shelter that are indispensable to our daily lives, and its operations spread from the upstream to the downstream areas of these fields. This business group strives to create new businesses by incorporating various lifestyle changes.

(From left)

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

Masakazu Arimune
Chief Operating Officer,
Lifestyle Division

Keizo Torii
Chief Operating Officer,
Grain Division

Mitsuru Akiyoshi
Chief Executive Officer,
Food & Consumer Products Group

Koji Yamazaki
Chief Operating Officer,
Food Products Division

Koji Kabumoto
Chief Operating Officer,
ICT & Logistics Division

Major Business Group Products and Strengths

Grain Division

The Grain Division works to secure grain supplies in North and South America, and has established a global grain sales network to link supplies to Japan, China, and other Asian nations as well as to principal Middle Eastern countries and North Africa. Utilizing this network, the division has come to boast the highest grain trade volume among general trading companies. Going forward, the Grain Division will expand trading operations and boost procurement capabilities in major producing regions.

- Grains in general (corn, soybeans, wheat, rapeseed, etc.)
- Feed ingredients (soybean meal, rapeseed meal, fish meal, etc.)
- Compound feed

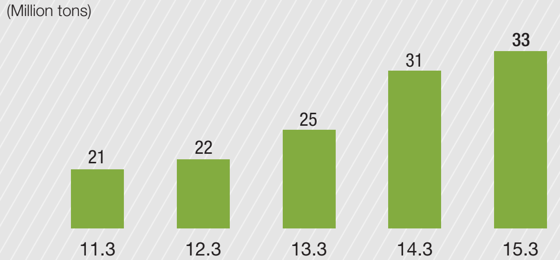
Food Products Division

The Food Products Division conducts trade and business investments related to food ingredient and food product distribution fields in Japan and overseas as well as food product, beverage, marine product, and livestock fields in emerging countries. To broaden the scope of its business, the division is advancing food product distribution strategies based on consumer needs in Japan while working to take advantage of internal demand in growing overseas markets.

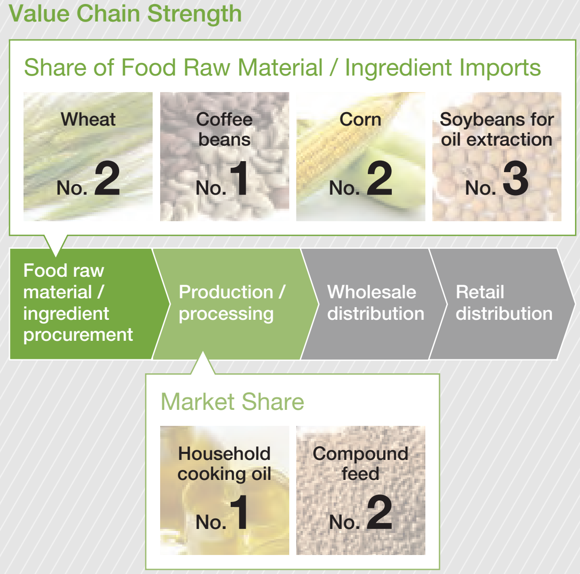
- Consumer-use food products, commercial-use food materials, and agricultural resources
- Marine products, processed seafood, and fresh and processed meat
- Raw ingredients for food (flour, sugar, oils and fats, etc.)
- Raw materials for beverages (coffee, tea, fruit juice, etc.)

Grain Trading Volume

(Million tons)



Value Chain Strength



Resolving Social Issues Through Business Activities

Responding to rising food material demand

- Construct global value chain to provide stable supply of grains and livestock feed

Ensuring food safety

- Confirm safety and manage quality

Reducing environmental impact through efficient distribution

- Optimize distribution across entire supply chain by promoting third-party logistics

Lifestyle Division

The Lifestyle Division has wide-ranging operations dealing in apparel, footwear, tires, and other lifestyle-related products around the world. In the apparel and footwear field, the division handles tasks ranging from product design and material procurement to production management and sales. The original equipment manufacturer (OEM) production system in this field represents one of the division's core strengths. Another strength is the division's value chain in the rubber field, which spans from the upstream to the downstream areas.

- Apparel, uniforms, and household goods
- Raw materials for textiles and industrial materials
- Footwear and office machinery
- Natural rubber and synthetic rubber and rubber products

ICT & Logistics Division

The ICT & Logistics Division leverages expertise forged through years of operation to provide comprehensive ICT solutions including system development, maintenance, and operation as well as mobile terminal sales. By calling upon its wealth of experience and utilizing on-site surveys, the division is able to offer an integrated logistics value chain encompassing everything from system design to operation.

- Systems solutions
- Network solutions
- Mobile handset sales agents
- Third-party logistics and international logistics

Insurance & Real Estate Business Division

Based out of Tokyo, London, and Singapore, the Insurance & Real Estate Business Division is developing insurance businesses while also enforcing reinsurance businesses focused on the growing Asian economic sphere. The division also operates in a number of other fields, including housing development—which in both Japan and overseas the division has substantial experience in—as well as real estate property management, comprehensive Japan real estate investment trust (J-REIT) management, and fund management.

- Insurance and reinsurance
- Fund and J-REIT management
- Property management
- Domestic and overseas housing development

Key Projects of the Business Group

Establishment of Pacificor, LLC

In September 2014, Marubeni transferred ownership of the grain export elevator facilities of its Group company Columbia Grain, Inc.—located at the Port of Portland in Oregon, United States—to Kalama Export Company LLC, a joint venture grain exporter established by the Company and Archer Daniels Midland Company. Subsequently, Kalama Export Company was renamed Pacificor, LLC. Columbia Grain was established on the west coast of the United States in 1978 as a grain export elevator operator, and has since then played a pivotal role in Marubeni's grain business. The common ownership of these grain facilities is expected to contribute to the improvement of operational efficiency and to aid in business expansion.

Grain export terminal (U.S.)

Establishment of United Super Markets Holdings

In March 2015, Marubeni teamed up with Aeon Co., Ltd., to establish United Super Markets Holdings Inc., to serve as a holding company for three supermarket chain operators: The Maruetsu, Inc.; Kasumi Co., Ltd.; and MaxValu Kanto Co., Ltd. Through this joint venture, the relationship between the Marubeni Group and the Aeon Group will be strengthened to increase procurement and distribution efficiency for both parties. United Super Markets Holdings will operate primarily in the Tokyo metropolitan area, where new consumer needs arise on a daily basis, and in this area it will bolster its product development and food ingredient procurement capabilities in pursuit of higher sales.

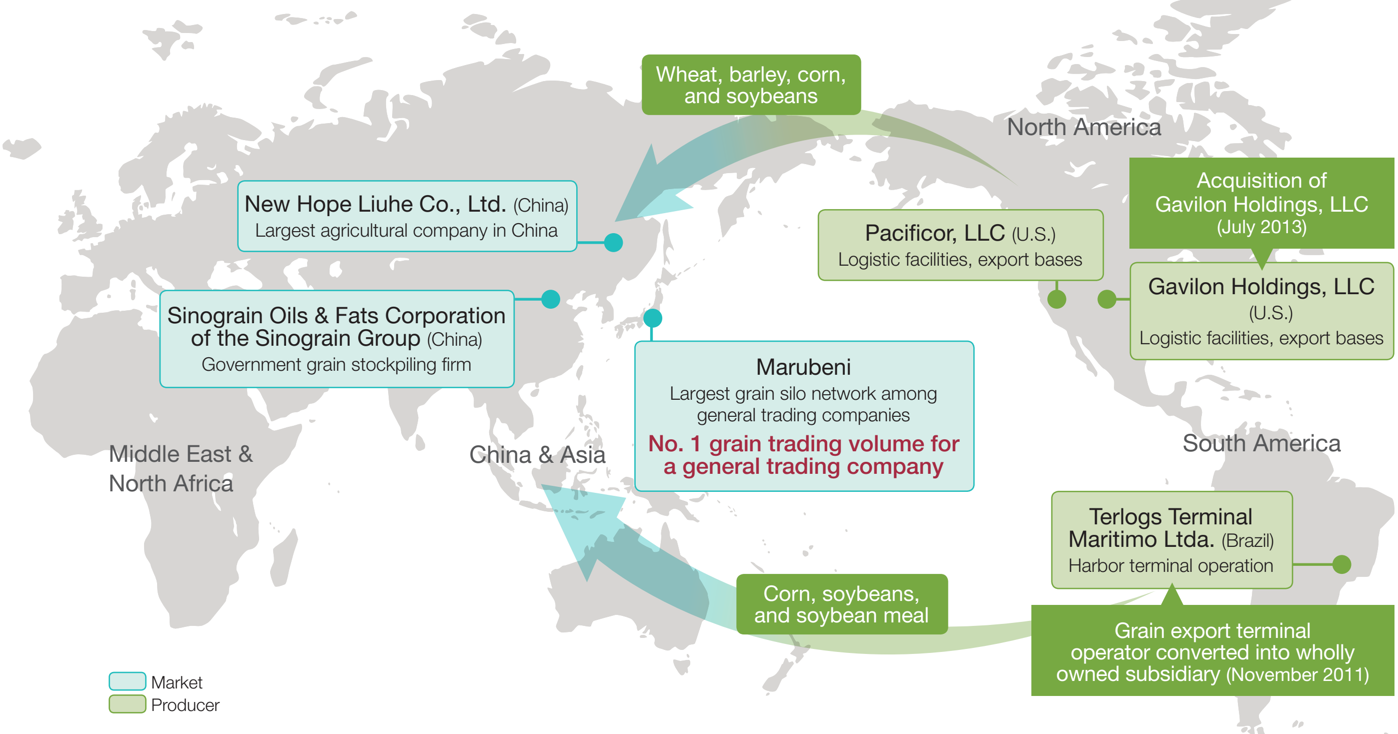
Ceremony commemorating the listing of United Super Markets Holdings (Japan)

Tire Retail Business in ASEAN Nations

In overseas tire sales, Thailand-based tire retail chain operator B-Quik Co., Ltd., has been progressively opening new stores in suburban cities that are experiencing growth in tire demand. As of March 31, 2015, this company had a total of 110 stores in Thailand. Meanwhile, Marubeni established B-Quik Cambodia Co., Ltd., in Cambodia, and operations were subsequently commenced at this company. Going forward, we will continue to steadily expand our store network as we aim to incorporate consumption in ASEAN nations into our growth.

B-Quik store chain (Thailand / Cambodia)

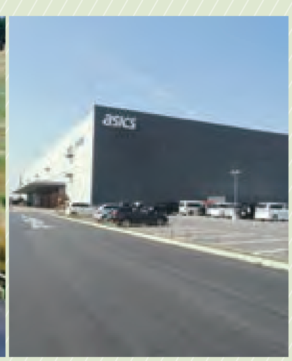
Marubeni's Grain Trade Map



Establishment of New Marubeni Logistics Corporation

In April 2015, to strengthen and expand the domestic and overseas logistics operations of the ICT & Logistics Division, Company subsidiaries Logi Partners Inc. and Marubeni Logistics Corporation were merged to form a new company, which retained the name Marubeni Logistics Corporation. In addition, the Company concluded an agreement with ASICS Corporation entailing that all shares of its subsidiary ASICS Physical Distribution Corporation, and effectively the ASICS Group's domestic logistics operations, be transferred to Marubeni Logistics Corporation in October 2015.

Project transportation being conducted



ASICS distribution center

Development of Condominiums in Japan

The Insurance & Real Estate Business Division operates a condominium development business that includes the GRAND-SUITE brand of condominiums. In the year ended March 31, 2015, we began selling condominium units at a number of complexes, including GRAND-SUITE KAGURAZAKA PIAS, a 118-unit complex located in the historic Yaraicho residential district nearby Kagurazaka Station, and GRAND-SUITE TAKADANOBABA SUWANOMORI, which consists of 45 units and resides in a quiet neighborhood in close proximity to a convenient station.

Artist rendition of GRAND-SUITE KAGURAZAKA PIAS (Japan)

Chemical & Forest Products Group

Operating primarily in the chemical, forest products, and building & construction materials fields, the Chemical & Forest Products Group provides a wide range of industries with raw and basic materials. In this business group, the operations of U.S. agricultural material distributor Helena Chemical Company have been reorganized into the Helena Business Division, which is forming the foundation for Marubeni's agriculture businesses.

(From left)

Takeo Kobayashi
Chief Operating Officer,
Forest Products Division

Michael McCarty
Chief Operating Officer,
Helena Business Division

Ichiro Takahara
Chief Executive Officer,
Chemical & Forest Products Group

Jun Horie
Chief Operating Officer,
Chemical Products Division

Major Business Group Products and Strengths

Helena Business Division

The Helena Business Division aims to expand the earnings of Helena Chemical Company of the United States. This company is the second largest U.S. distributor selling agricultural chemicals, fertilizers, seeds, and other agricultural materials. Helena Chemical caters to a customer base consisting of approximately 100,000 farmers through its network of 440 sales bases in 41 U.S. states.

- Sales of agricultural materials (agricultural chemicals, fertilizers, seeds, Helena-brand products)
- Subcontracting services for fertilization and agricultural chemical dispersion
- Provision of precision agriculture and other technical services
- Contract agricultural chemical formation

Chemical Products Division

The business of the Chemical Products Division is to conduct trading to supply the chemicals that serve as raw and basic materials for a wide variety of industries, including the petrochemical, plastic, vinyl alkali, inorganic and agricultural chemical, fine chemical, and electronic materials industries, while also undertaking businesses related to this trading. The division's strategy is to expand earnings by fully leveraging synergies generated between trading and investment businesses.

- Petrochemicals and plastics
- Vinyl alkalis
- Inorganic and agricultural chemicals
- Fine chemicals, electronic materials, and inorganic resources

Forest Products Division

The Forest Products Division is constructing a global value chain that spreads from upstream afforestation, wood chip, and pulp operations through to downstream production of paper and paperboard. This value chain represents a core strength for the division, a strength that will be utilized to its fullest in reinforcing the division's domestic earnings base while developing new overseas businesses centered on emerging markets.

- Wood chips and biomass fuel
- Pulp and waste paper
- Paper and paperboard
- Building & construction materials such as plywood and cement

Resolving Social Issues Through Business Activities

Responding to rising food material demand by helping increase production volumes

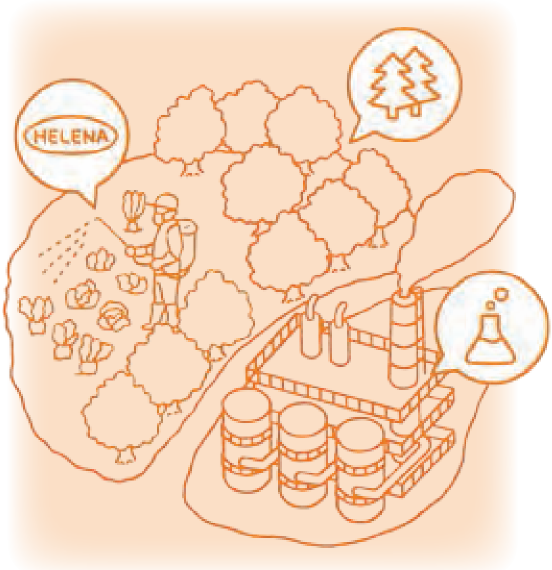
- Develop and sell fertilizers and agricultural chemicals and provide sophisticated agricultural services

Supplying raw and basic materials to support industrial development in emerging countries

- Address increased petrochemical and paper demand

Contributing to environmental preservation

- Collect waste paper and sell woody biomass fuel



Petrochemical Value Chain

Crude oil → Naphtha

Natural gas and associated gas → Methane, ethane, and propane

Basic petrochemicals
- **Olefin** (**ethylene**, propylene, and butadiene)
- Benzene
- Toluene
- Xylene

Basic inorganic chemicals
- Sulfur
- Sulfuric acid
- Ammonia and urea

Petrochemical derivative products
- Plastics
- Synthetic fiber intermediates
- Synthetic rubber
- Carbon black materials
- Paint materials and solvents
- Synthetic detergents and surfactant materials

Fertilizers

Share of ethylene trading

Approx. **30**%

* Share of 4 million tons traded yearly through offshore trading, rather than total annual trading volume of approx. 140 million tons for the entire global market

Forest Products Value Chain

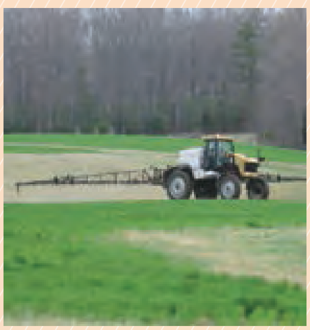
Unique value chain encompassing afforestation, wood chips, pulp manufacturing, paper and paperboard sales, and waste paper recycling realized through collaboration between industry-leading Group companies.

Afforestation and wood chips	Pulp	Paper and paperboard	Sales, distribution, and processing
Trading volume: Approx. 2.3 million bone dry tons (BDT) per year Afforestation area: 220,000 ha	Trading volume: Approx. 1.8 million tons per year Worldwide exports and offshore trading	Production capacity: Approx. 1.9 million tons per year Domestic production capacity: Approx. 1.5 million tons per year	Paper trading volume: Approx. 1.1 million tons per year Paperboard trading volume: Approx. 1.0 million tons per year

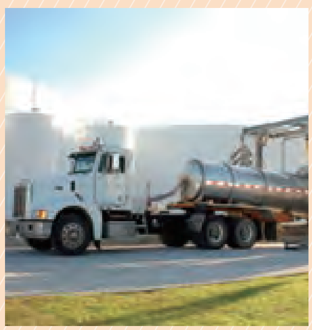
Key Projects of the Business Group

U.S. Agricultural Businesses and Helena Chemical

Agriculture is positioned as a strategic field in the United States. In the wake of rising grain demand, the United States is growing ever-more important due to its status as one of the world's foremost suppliers. However, at the same time, restrictions on water resources are limiting the area of arable land available. Agricultural materials distributor Helena Chemical Company is taking steps to address this situation. In addition to selling agricultural materials to farmers, Helena Chemical is providing comprehensive services leveraging state-of-the-art technologies to increase per area yield amounts and thereby boost both the production volumes and the earnings of U.S. farmers. Moreover, Marubeni has recently been working to expand its operations by aggressively conducting M&A activities in the grain-producing regions of the United States.



Agricultural chemical dispersion



Liquid fertilizer transportation

Sales activities by Helena Chemical

Fertilizer tank terminal

Olefin Trading

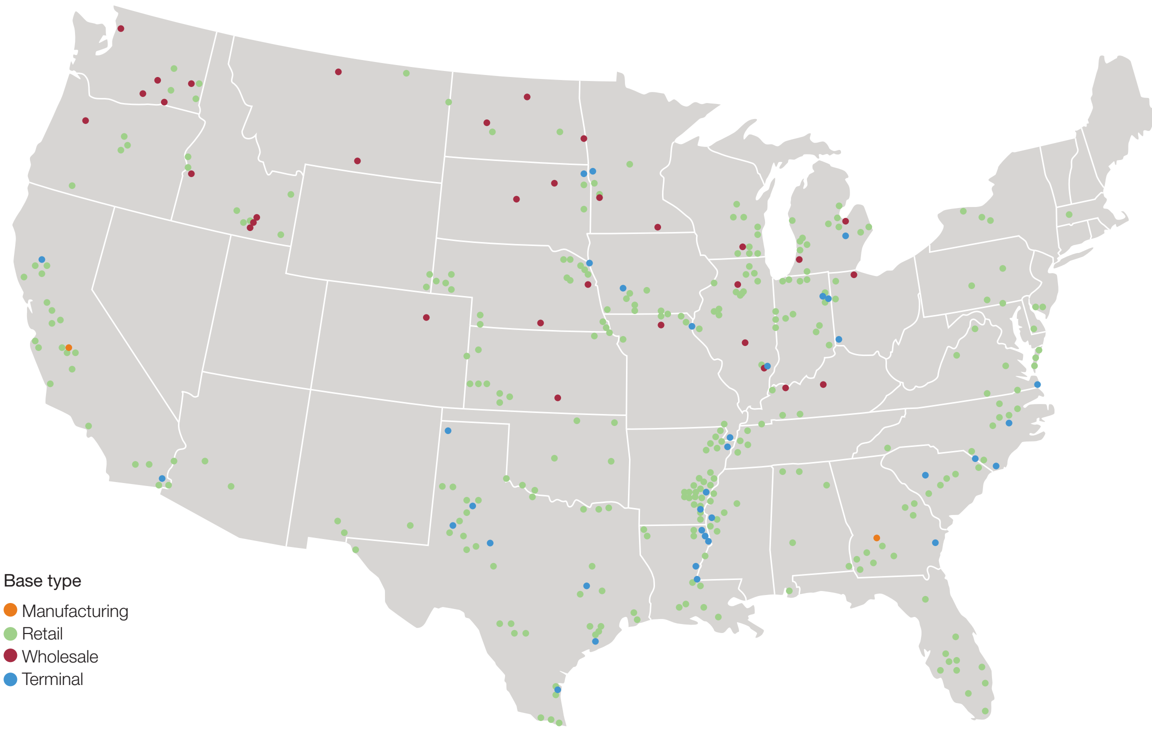
The foundation of the Chemical Products Division's operations consists of trading-related businesses that call upon its strengths in trading. Petrochemicals are a main pillar of the division's trading operations. In this field, we have long been engaged in trading olefin, a basic material of plastics, and were able to develop a foothold in the ethylene trading field during the 1980s, which we have continued to build upon since. Today, we hold a 30% share of the global ethylene trading market. Furthermore, the Chemical Products Division operates a fleet of between 20 and 30 olefin tankers at all times, which are used to transport ethylene, propylene, and other olefins. Information regarding the status of individual tankers is shared among bases around the world in real-time to enable the division to provide a more timely response to customers' various needs. Going forward, the division will work to expand trading transactions by utilizing the bonds of trust forged with customers through long-standing relationships to act as a solutions provider.

Ethylene tanker

Plastic containing olefin

Plastic film products

Helena Chemical's U.S. Network



Corrugated Board Operations in ASEAN Nations and India

The Forest Products Division has positioned packing paper and board manufacturing and sales operations in Asia as a focus field, and is pursuing expanded earnings therein. ASEAN nations are particularly noteworthy in this regard as the increasing number of foreign companies setting up operations in this region is driving growth in demand for high-value-added corrugated board products. GS Paper & Packaging Sdn Bhd (GSPP), a Malaysian container board and corrugated board manufacturer in which Marubeni commenced investment during 2010, places heavy emphasis on ASEAN nations in developing its operations, and is displaying impressive earnings growth. In March 2014, the Company established Oji GS Packaging (Yangon) Co., Ltd., a corrugated box plant located in Myanmar's Mingaladon Industrial Park, through GSPP. This company began commercial production in June 2015. In addition, Oji JK Packaging Private Limited, a joint-venture corrugated box plant created in India, started its business activities in July 2014.


Cardboard raw material manufacturer and processor GSPP (Malaysia)


Cardboard processor Oji JK Packaging (India)

Energy & Metals Group

The Energy & Metals Group is engaged in the stable and efficient supply of resources through our wide-ranging value chain from the exploration and production business to the trading and marketing business. Through investment and trading activities, we are able to establish a flexible structure, which easily adapts to changing business environments.

(From left)

Soji Sakai
Chief Operating Officer,
Energy Division-I

Mutsumi Ishizuki
Chief Operating Officer,
Metals & Mineral Resources Division

Shinji Kawai
Chief Executive Officer,
Energy & Metals Group

Akihiko Sagara
Chief Operating Officer,
Energy Division-II

Masahiro Inoue
Chief Operating Officer,
Steel Products Division

Major Business Group Products and Strengths

Energy Division-I

Energy Division-I is engaged in securing energy resources through participation in liquefied natural gas (LNG) projects as well as conducting trading, sales, and distribution of fuel oil for power generation, petroleum products, and LNG. Furthermore, the division is actively focused on new businesses, such as the solar power business in Oita, which has one of the largest capacities in Japan.

- Development and production of LNG
- Oil and gas trading
- Oil and gas sales and distribution
- Alternative energy businesses (solar power, etc.)

Energy Division-II

Energy Division-II conducts exploration, development, and production of oil and gas fields and uranium mines around the world, in the natural resource development sector. Also in the nuclear fuel sector, the division provides services related to the nuclear fuel cycle, and markets equipment and materials for nuclear power stations, as well as conducts uranium purchase and sales business.

- Exploration, development, and production of oil and gas resources
- Exploration, development, and production of uranium resources
- Uranium trading
- Sales of equipment for nuclear power plants and provision of related services

LNG Value Chain

Upstream

Production and liquefaction

After production, natural gas is cooled to -162℃ to convert it into a liquid state. Through liquefaction, LNG takes about 1/600th of the volume of its gaseous state.

Midstream

Transportation and LNG carriers

LNG is transported in a stable state using specialized LNG carriers.

Resolving Social Issues Through Business Activities

Stable supply of natural resources for economic development

- Secure natural resource assets contributing to long-term stable supply
- Diversify supply sources through trading

Effective use of limited resources

- Recycling of metal resources
- Solar power businesses

Steel Products Division

Through investments in Marubeni-Itochu Steel Inc. and Marubeni Construction Material Lease Co., Ltd., the Steel Products Division develops steel product businesses that cater to various industries. Moreover, the division collaborates with other divisions as well as with domestic and overseas Group companies in order to develop its steel product operations with their strengths.

- Steel product trading and business investment
- Leasing of temporary steel construction materials

Metals & Mineral Resources Division

The Metals & Mineral Resources Division is involved in a wide range of businesses spanning from the upstream to the downstream areas of the metals and mineral resources supply chain. These businesses include the development of iron ore, coal, and copper mines; aluminum and copper smelting and refining; and trading of ferroalloys, ferrous raw materials, and non-ferrous and light metal products. The division is strengthening its earnings base by accumulating prime resource interests and improving the cost competitiveness of existing interests.

- Iron ore and coal and copper mine development
- Aluminum and copper smelting and refining
- Iron ore, coal, ferroalloy, and ferrous raw material trading
- Non-ferrous and light metal, ingot, and related product trading

Storage

LNG is stored in a stable state at a super-low temperature.

Downstream

Supply to the market and consumers

LNG is supplied to markets after undergoing regasification and being reverted to its gaseous state.

Key Projects of the Business Group

Qatar LNG Project

Qatar is the world's leading supplier of LNG. Producing approximately 77.0 million tons a year, this country accounts for roughly one-third of the world's LNG production capacity. In 1985, Marubeni became the first Japanese company to participate in an LNG project in Qatar. In the years that followed, we worked to create an LNG value chain that encompasses development, production, financing, transportation, and marketing. The project, known as the Qatar LNG Project, made its first shipment to Japan in 1996, and has been under stable operation since. Over 6 million tons per year of LNG are delivered to 8 major Japanese electric and gas companies under a long-term contract lasting until 2021. Furthermore, this project has concluded short- and medium-term contracts which are tailored to additional demand arising in Japan as a result of the energy market structure shift that occurred after the 2011 Great East Japan Earthquake. Our involvement in this project has enabled us to accumulate both experience and expertise while also acquiring technologies, establishing networks, and building trusting relationships with project partners and business associates. This led to our participation in the forming of foundations to be used in developing future LNG and other projects in countries around the world, such as Equatorial Guinea, Peru, and Papua New Guinea. Going forward, Energy Division-I will continue to provide solution services to our customer and business partners, relying on our strengths in trading functions.

World-leading Qatar LNG Project (Qatar)

Qatar LNG Project carrier contributing to a stable energy supply

Marubeni's Resource Interests

Oil and Gas Development

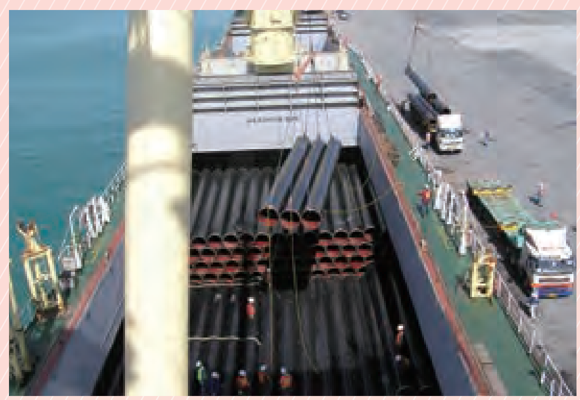
In the U.S. Gulf of Mexico, our U.S. affiliate Marubeni Oil & Gas (USA) Inc. acquired oil and gas production interests from a subsidiary of British petroleum giant BP p.l.c. in January 2011. In the U.K. North Sea, we have successfully explored the Cayley, Shaw, and Godwin oil fields since 2008, and are continuously developing these fields toward commercial production. Energy Division-II is mainly focused on the United States and the United Kingdom as its core regions for oil and gas exploration, and continues to invest in promising exploration, development, and production projects.

Sakhalin-1 Project (Russia)

Oil and gas development project in the U.S. Gulf of Mexico

Steel Products Business

Marubeni-Itochu Steel is working to strengthen its steel products business in terms of both trading and business investment, and is utilizing the networks of a general trading company that is also one of its largest shareholders to accomplish this. Over the period of the three-year medium-term management plan it launched in April 2012, this company continued to broaden its business scope while accumulating prime interests, such as through the acquisition of major U.S. oil country tubular goods distributor Sooner Inc. Looking ahead, Marubeni-Itochu Steel will keep contributing to the development of society through the distribution of steel products as it also expands its own earnings base.



Receiving steel pipes for gas transportation (Marubeni-Itochu Steel)

Copper Mining Project in Chile

In Chile, Marubeni is developing copper mines together with partner Antofagasta plc of the United Kingdom. In the year ended March 31, 2015, we moved ahead with development of the Antucoya Copper Mine, which is scheduled to begin producing in 2015, and also undertook the integration of existing mines in the Centinela Mining District. The goal of this integration was to expand these copper mines and efficiently develop new deposits. At the same time, we are considering the possibility of acquiring new, prime copper interests outside of Chile as we aim to accumulate interests equating to 300,000 tons of copper leading up to 2020.

Antucoya Copper Mine development project (Chile)

Centinela Copper Mine project (Chile)

Power Projects & Plant Group

The Power Projects & Plant Group takes part in developing the infrastructure that forms the foundations for societies and economies around the world. Specific areas of operation include power plants, water and wastewater facilities, industrial plants, and transportation systems. Business activities are advancing in these fields while exercising Marubeni's strengths in terms of project management and fund procurement.

(From left)

Hajime Kawamura
Chief Operating Officer,
Plant Division

Hirohisa Miyata
Chief Operating Officer,
Power Projects Division

Shigeru Yamazoe
Chief Executive Officer,
Power Projects & Plant Group

Eiji Okada
Chief Operating Officer, Energy &
Environment Infrastructure Division

Major Business Group Products and Strengths

Power Projects Division

The Power Projects Division invests in and operates power projects, and is engaged in other power businesses conducted in Japan and overseas. These include power plant engineering, procurement, and construction (EPC) projects, plant operation and maintenance services, electricity retail sales, and energy consolidation businesses. The division continues to push forward with these ventures while leveraging its strong business foundation and project development and execution capabilities.

- Overseas I(W)PP projects
- EPC for overseas power projects
- Power plant operation and maintenance services
- Domestic power generation and PPS businesses

Energy & Environment Infrastructure Division

The operations of the Energy & Environment Infrastructure Division include energy infrastructure businesses related to the primary processing, transportation, liquefaction, regasification, and distribution of gas as well as desalination and water and wastewater businesses and EPC projects for related facilities. These operations are conducted on a global basis, and are contributing to the development of the relevant countries as well as to a stable earnings base for the division.

- Oil, gas, and chemical industry infrastructure projects
- Construction and financing of oil, gas, and chemical plants and infrastructure
- Overseas water businesses (drinking water, wastewater treatment, desalination, etc.)
- EPC for overseas water facility projects

Plant Division

The Plant Division invests in and operates railway, road, port, airport, and other transportation infrastructure projects around the world, through its expertise in project development, execution, and financing. The division also takes part in EPC projects for railway systems and industrial plants on a global basis.

- Investments in transportation infrastructure projects (railway, road, port, airport, etc.)
- EPC for railway systems
- EPC for industrial plants (steel, cement, forest products, sugar, textiles, etc.)

Resolving Social Issues Through Business Activities

Developing social infrastructure to support people's daily lives

- Contribute to stabilization and improvement of economic growth and quality of life in various countries and regions with a focus on emerging countries as a global player in the power, water, and transportation infrastructure field

Creating regionally rooted industrial infrastructure

- Develop foundations for regional industries by constructing and operating plants*
- Contribute to long-term supply stability for resources and energy
- Support regional industry development and create employment

Preserving the environment

- Micro-hydro power
- Geothermal power
- Wind power (including offshore wind power)
- Solar power

* Oil, gas, chemical, steel, non-ferrous metal, cement, textile, pulp and paper, and cogeneration system plants

Marubeni's Ever-Growing Power Business

Marubeni's power business began with overseas EPC projects, and has since expanded to include overseas independent (water) power producer (I(W)PP) projects and domestic power producer and supplier (PPS) projects. We continue to explore new business models and technologies, such are renewable energy generation.

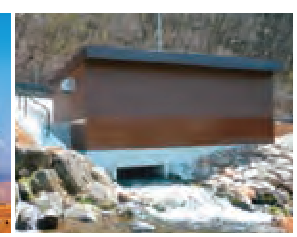
Overseas I(W)PP

We began conducting overseas I(W)PP projects in the 1990s.

I(W)PP projects with long-term Power Purchase Agreement

Renewable energy generation

Multifaceted IPP
- Deregulated IPP projects
- Electricity wholesale
- Power transmission businesses

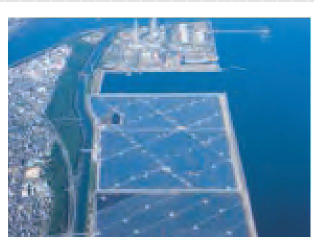


Overseas EPC

Marubeni has boasted a top-class track record as an EPC contractor since the 1960s.

Domestic power generation and PPS businesses

In Japan, we are developing power generation businesses using wind, water, solar, and other clean power sources, and are also developing electricity retail operations as a PPS operator in preparation for the upcoming complete deregulation of the electricity retail market.



Key Projects of the Business Group

Sur Combined Cycle Power Plant in Oman

The Power Projects Division took part in the establishment of the natural gas-fired Sur Combined Cycle Power Plant, which was completed in December 2014. This plant is now one of Oman's largest power plants with a capacity of approximately 2,000 MW. Marubeni has concluded a long-term sales contract with Oman Power and Water Procurement Company through which electricity will be supplied over a 15-year period to help provide Oman with a stable power supply. Funds for this project were procured through project financing from Japan Bank for International Cooperation (JBIC) and commercial banks. Going forward, the division will look to develop stably producing revenue sources in Oman and other Middle Eastern countries.

Sur Combined Cycle Power Plant (Oman)

Kisozaki Reclaimed Land Mega-Solar Project in Mie and Aichi Prefectures

The Power Projects Division has been taking part in the construction of a 49 MW mega-solar power generation plant on the Kisozaki section of reclaimed land that straddles Mie and Aichi prefectures. This plant was completed in December 2014. Marubeni was selected for this project through an open bid by both prefectures. Looking ahead, we will continue to develop renewable energy sources, not limiting ourselves to mega-solar projects but also turning our attention toward other easy-on-the-environment power sources, such as micro- to medium-scale hydropower generation, offshore wind power, and geothermal power.

Kisozaki reclaimed land mega-solar project (Japan)

U.S. Gulf of Mexico Spar-Type Floating Oil and Gas Production and Processing Service Platform Project

The Energy & Environmental Infrastructure Division is engaged in a project which conducts primary processing of crude oil and natural gas produced from deep water fields in the Gulf of Mexico by major oil companies and sends them out to the existing trunk pipelines after processing. To provide such services, we built a spar-type floating production platform that was designed to withstand the waves and winds of the Gulf of Mexico, as hurricanes are a common occurrence. This platform commenced operation in November 2014.

Spar-type floating oil and gas production and processing service platform operating in the Gulf of Mexico (U.S.)

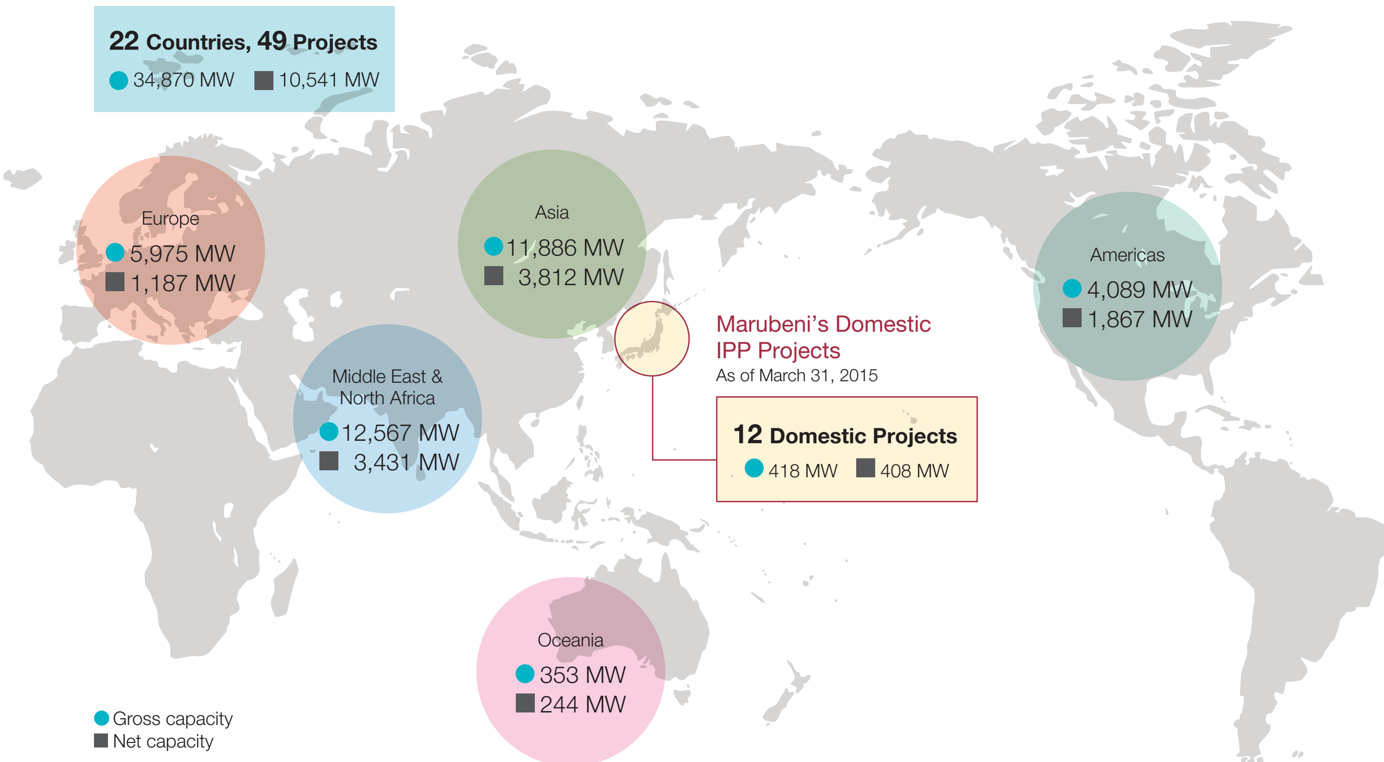
Water and Wastewater Services in Portugal and Brazil

Together with Innovation Network Corporation of Japan, Marubeni acquired a 100% stake in a major Portuguese water service company, which led to the Energy & Environment Infrastructure Division's involvement in this company's water and wastewater service businesses in Portugal and Brazil. These businesses will be advanced by utilizing the know-how gained through existing water businesses in Chile and the Philippines. At the same time, this company's water and wastewater treatment facility management system will be introduced into operations in other countries in order to boost efficiency throughout the Group's water businesses.

Water and wastewater treatment facility (Portugal)

Marubeni's Overseas IPP Projects

As of March 31, 2015



Light Rail Construction and Operation in Gold Coast

The Plant Division is participating in a public–private partnership (PPP) project that will entail building, operating, and maintaining a 13-kilometer light rail public transportation system in Gold Coast, Queensland, Australia.

In addition, in 2014 we concluded a contract for participation in the North West Rail Link project, Australia's largest urban railway PPP project set to be conducted around Sydney.

Light rail public transportation system building, operation, and maintenance project in Gold Coast (Australia)

Angola Textile Factory Rehabilitation Project

Over the period from 2010 to 2012, the Plant Division received full-turnkey contracts from Angola's Ministry of Geology, Mines and Industry for the rehabilitation and modernization of three textile factories that had been devastated by the country's civil war. By the end of 2014, two of the factories had finished rehabilitation. The other factory is scheduled for completion by December 2015. Through this project, we are helping rebuild Angola's textile industry while also creating employment opportunities.

Textile factory rehabilitation project (Angola)

Transportation & Industrial Machinery Group

The Transportation & Industrial Machinery Group has a wide range of businesses that include operations of aircraft, ships, automobiles and related leasing, and construction and industrial machinery. While strengthening existing trading, sales, and other operations, we also actively invest in new businesses that ensure stable earnings bases, such as the aircraft operating lease business.

(From left)

Tadaaki Kurakake
Chief Operating Officer, Aerospace & Ship Division

Toshiaki Ujiie
Chief Operating Officer, Construction & Industrial Machinery Division

Kaoru Iwasa
Chief Executive Officer, Transportation & Industrial Machinery Group

Hisamichi Koga
Chief Operating Officer, Automotive & Leasing Division

Major Business Group Products and Strengths

Aerospace & Ship Division

The Aerospace & Ship Division is expanding its aircraft and engine leasing and parts trading operations in the growing commercial aerospace field, while also expanding its activities in the defense business. In the shipping industry, the division is developing businesses related to newbuilding and second-hand ships, chartering and shipowning of the same as well as shipowning of LNG carriers, and investments in offshore businesses.

- Operating leases of aircraft and engines, risk- and revenue-sharing program participation for aircraft and engines, and aircraft parts trading
- Sales representatives for commercial aircraft sheet, engines, maintenance, repairs, and operations (MRO) services and defense systems, and export and support services for defense forces
- Sale and purchase, chartering, and shipowning of second-hand ships
- Shipowning and chartering of LNG carriers, and investments in offshore businesses

Automotive & Leasing Division

The Automotive & Leasing Division leverages its numerous group companies to provide comprehensive automobile-related services around the world. In addition to providing services that cover the entire automobile value chain, spreading from the upstream to the downstream areas, the division also offers financing solutions for a wide range of customers through leasing and non-banking financing provided for various products.

- Export and offshore trading of automobiles and motorcycles
- Automobile import & sales agents and dealerships
- Retail finance for automobiles and motorcycles
- New and after-market automobile parts trading business
- Leasing and non-bank financing business

Construction & Industrial Machinery Division

The Construction & Industrial Machinery Division conducts trading and other businesses all over the world. The range of businesses the division is engaged in includes distributorship operations, product support, autoparts manufacturing, and environment-related businesses. Through these businesses, the division will enhance profitability going forward.

- Sales, services, and financing of construction machinery and mining machinery
- Sales and peripheral businesses related to automotive production line and machine tools
- Sales of agro machinery and parts and related products
- Sales of industrial machinery and investment in related business

Resolving Social Issues Through Business Activities

Responding to global transportation networks and distribution

- Provide transportation methods and services that support growing demand, mainly from emerging countries

Reducing environmental impact of transportation

- Sell ballast water treatment systems for ships
- Provide eco-friendly ships

Spreading usage of renewable energy compatible with an active recycling society

- Sell photovoltaic (PV) cell manufacturing facilities and modules that are core parts of cells
- Conduct solar power generation projects

Growth Potential for Business Fields of the Transportation & Industrial Machinery Group*1

The Transportation & Industrial Machinery Group is developing its global operations from the perspectives of both trading and business investment in a variety of fields with high-growth potential.

Aircraft	Total number of passenger jet aircraft worldwide*2:	20,000 (2014)	37,000 (2034 forecast)
Agro machinery	Total number of tractors in operation:	29.0 million (2006)	34.0 million (2030 forecast)
Shipping	Total movement of freight worldwide*3:	14 trillion ton miles (2013)	17.0 trillion ton miles (2019 forecast)
Leasing	U.S. & Japan capital expenditures for equipment:	US$1.6 trillion (2014)	US$2.1 trillion (2020 forecast)
Automobiles	Total number of newly registered automobiles worldwide:	85.0 million (2014)	120.0 million (2020 forecast)
Machine tools	Total demand of machine tools worldwide:	18.0 million (2013)	26.2 million (2017 forecast)
Construction machinery	Total demand of construction machinery worldwide:	790,000 (2010)	930,000 (2018 forecast)
Environmental and industrial machinery	Total installed PV capacity cumulative worldwide:	139 GW (2013)	430 GW (2018 forecast)

*1 Source: Website of the World Bank, the Ministry of Economy, Trade and Industry, etc.
*2 Source: Japan Aircraft Development Corporation
*3 Source: NYK Research Group, "2014 Outlook for the Dry-Bulk and Crude-Oil Shipping Markets"

Key Projects of the Business Group

Chartering Contract for 11 Mega-Container Ships for Evergreen Marine

In January 2015, the Aerospace & Ship Division took part in the conclusion of a contract through which 11 mega-container ships (20,000 twenty-foot equivalent units) will be chartered to Evergreen Marine Corp. (Taiwan) Ltd. over a fixed term. Developed by Imabari Shipbuilding Co., Ltd., these state-of-the-art container ships are not only among the world's largest but are also eco-friendly and highly energy efficient. The ships related to this contract will be gradually delivered during 2018 and 2019. In the future, the division will continue to develop various projects in its ship business by organically linking the needs of ship operators, owners, builders, and financial institutions around the world.

Image: Evergreen Marine-owned container ship (Taiwan)

Contract signing ceremony for chartering of 11 mega-container ships by Evergreen Marine (Taiwan)

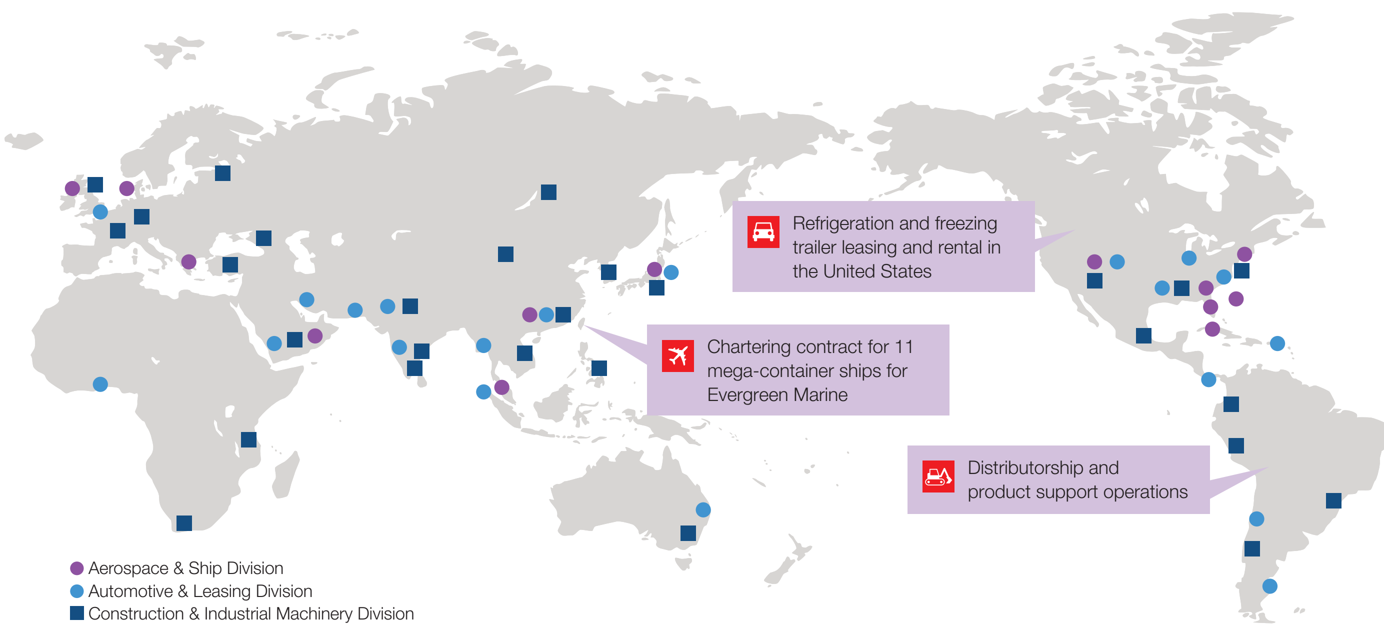
Refrigeration and Freezing Trailer Leasing and Rental in the United States

In 2000, Marubeni acquired a 100% stake in PLM Trailer Leasing Co., Ltd., a prominent specialized refrigeration and freezing trailer leasing and rental company in the United States, with 28 bases throughout the country. This company's name was later changed to MAC Trailer Leasing, Inc. Offering a wide range of trailer types, MAC Trailer Leasing provides fine-tuned services catering to the needs of customers including food product manufacturers, logistics companies, and supermarket and restaurant chains. This company's fleet consists of more than 6,000 trailers, and is thus capable of responding to demand for long-term trailer leasing and short-term trailer rental. MAC Trailer Leasing also conducts a wide range of other services, including trailer maintenance, GPS-powered trailer location and temperature monitoring, consulting, and contract operation of other companies' trailers. Going forward, MAC Trailer Leasing will improve the quality of its services and strengthen its functions in order to expand its operations as a comprehensive refrigeration and freezing trailer fleet manager.


Refrigeration and freezing trailer of MAC Trailer Leasing (U.S.)

Commercial- and maintenance-use trailers, the likes of which are positioned at MAC Trailer Leasing bases throughout the United States

Marubeni's Transportation Network



Distributorship and Product Support Operations

The Construction & Industrial Machinery Division's trading business has a particularly long history with regard to its distributorship operations, which have been conducted for decades in the United States, the United Kingdom, and Australia. Recently, the division has also begun expanding its product support operations in Asia and Latin America as an attempt to capture infrastructure demand in resource-producing nations and emerging countries.

In the machine tool field, Marubeni Citizen-Cincom, Inc., a U.S. joint venture established with Citizen Machinery Co., Ltd., in 1984, is distributing Citizen-brand machine tools in the Americas and winning customer accolades due to its strength in this field as a Japanese company. In the year ending March 31, 2016, we plan to invest in Citizen (China) Precision Machinery Co., Ltd., the Citizen Group's Chinese production and sales base. This move will be aimed at expanding operations in China, which is home to the world's largest machine tool market.


Product support operations (Peru)

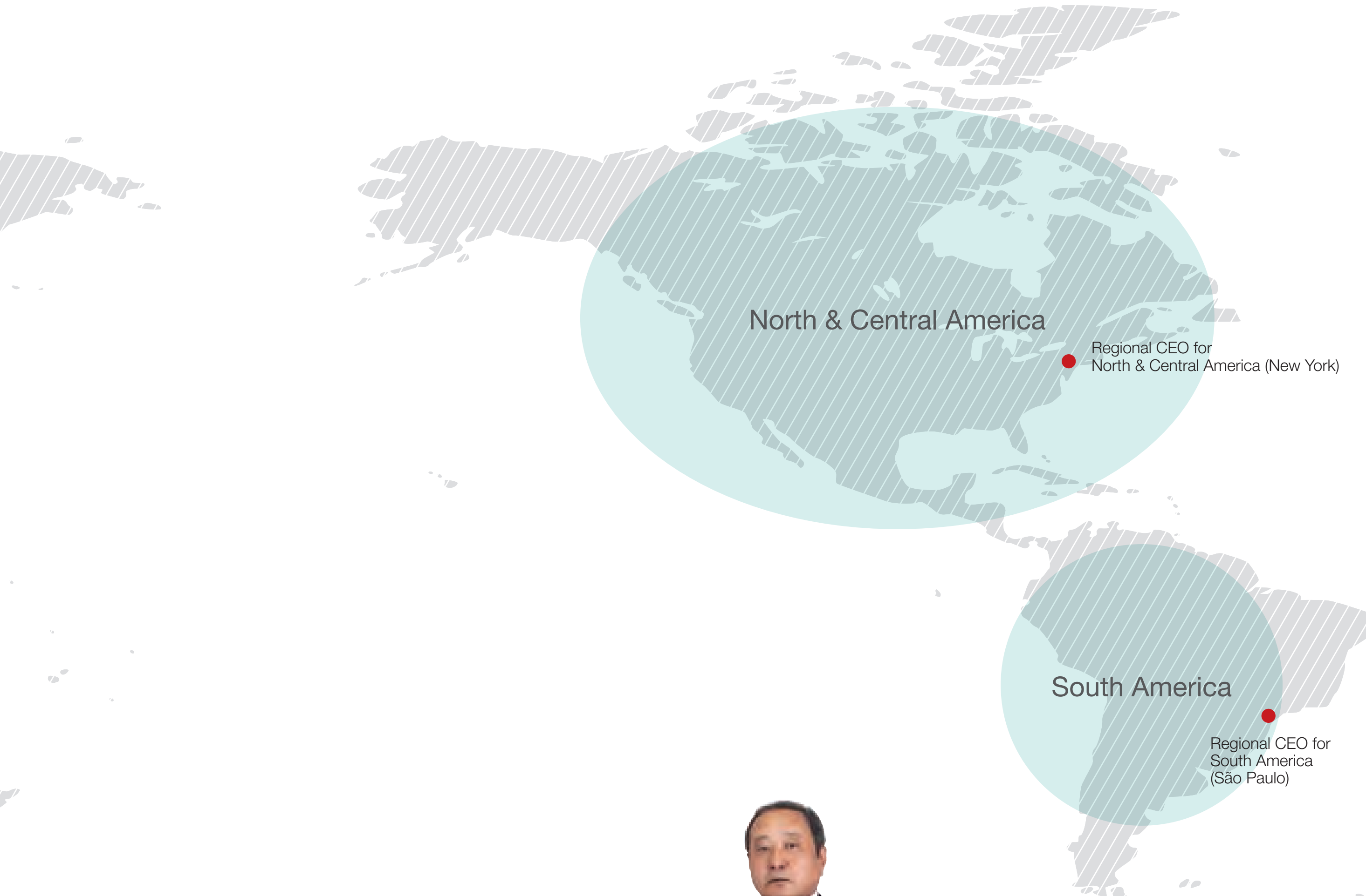
Machine tool sales base (U.S.)

Marubeni has 132 branches and offices in 67 countries and regions around the world. This global network serves as a crucial piece of infrastructure at the frontline of business for enabling the Marubeni Group to leverage its collective might by gathering, analyzing, and transmitting vital market information related to regional, industry, and business trends.

Masumi Kakinoki
Regional CEO for North & Central America

North & Central America

Marubeni is developing a wide range of businesses in the United States, which boasts one of the world's largest markets characterized by continually growing internal demand. We are among the country's few agricultural material distributors, and also undertake businesses in various fields including grain procurement and sales; trailer, railcar, and aircraft leasing; used automobile consumer finance; processed seafood sales; and renewable energy and other power projects. Going forward, we will work to incorporate the growth of this market as we focus on strengthening existing revenue bases. At the same time, we aim to create new businesses by turning our attention toward the opportunities present in wide-ranging business fields. As part of this endeavor, Marubeni's efforts will be directed toward fields in which the United States stands at the forefront of progress, such as finance and venture businesses. The Company's strengths will also be leveraged to advance businesses in other countries. For example, we have our sights set on Canada, where the development of social infrastructure is expected to give rise to businesses that take advantage of the country's wealth of natural resources, as well as on Mexico, where the economy is anticipated to grow along with the population.



South America

Motoo Uchiyama
Regional CEO for South America

South America is not only a world-leading producer of natural resources but is also home to a massive and appealing consumer market featuring a population of more than 400 million people and a GDP of US$4.2 trillion. This region continues to display stable growth as one of the major drivers of the global economy. However, it is also faced with an urgent need to develop infrastructure amidst the advancement of resource development projects. In this region, Marubeni's strengths lie in its Chilean copper operations and its Brazilian and Argentinean grain operations. We are also participating in our sole LNG project in South America, located in Peru.

As we progress into the future, we will continue to expand our copper and grain operations, while at the same time taking part in electricity, water, oil, gas, transportation, and other infrastructure projects. Partnerships with major players on the global market from around the world will be examined as an option in these ventures. We will also actively develop businesses that respond to internal demand in this region, which has been on the rise due to the growth of the middle class.

(From left)
Naoya Iwashita
Regional CEO for Europe, Africa & CIS; Regional COO for Europe
Kazunori Takeda
Regional COO for CIS
Takashi Yao
Regional COO for Africa

Europe, Africa & CIS

In Europe, attention is being directed toward opportunities arising from moves to unify markets within the European Union and developments in government policy and regulations, as well as environmental and energy conservation activities and trends affecting the structure of consumption. In this changing market, Marubeni is strengthening its ties with leading European companies, while continuing to develop a wide range of businesses. These include the power projects and transportation machinery-related operations and the trading of chemicals, food products, and industrial materials that form the core of our existing business. In addition, we are developing operations in environmental infrastructure and in the agriculture- and food-related sectors, as well as distribution businesses targeting domestic consumer demand.

In the rapidly growing African market, we have established new offices in Côte d'Ivoire and Mozambique. With this expanded network we will focus our efforts on capturing growth potential related to Africa's plentiful natural resources, thriving consumer markets, agricultural sector, and demand for infrastructure. In the CIS, meanwhile, the Company is facing a difficult operating environment arising from such factors as economic conditions in Russia and the situation in Ukraine. Nonetheless, we are taking a medium- to long-term perspective toward this region as we advance operations related to natural resources, energy, food, and agriculture products, while also pursuing projects in the Russian Far East.

Masataka Kuramoto
Regional CEO for Middle East

Middle East

The Middle East is rich in LNG and other oil and gas development and production projects as well as power and water projects in addition to opportunities for trading petroleum products and petrochemicals. This region has thus come to account for approximately 20% of the Company's overseas revenues, making it a key piece of its earnings base. Marubeni's presence is particularly strong in Qatar and the United Arab Emirates. A great deal of attention has been turned toward the geopolitical risks present in the Middle East. However, this does not change the fact that this region continues to see strong economic growth fueled by its vast quantities of natural resources. Nor does it negate the fact that core infrastructure development projects and internal demand are expected to increase as the younger population expands and as the region prepares to hold international events, such as Expo 2020 Dubai and the 2022 FIFA World Cup, which are scheduled to take place in Qatar. To respond to the demand these trends will create, Marubeni will develop energy-related projects as well as independent power producer (IPP), water, harbor, urban transportation, and other infrastructure products. We will also participate in commodity businesses, such as those related to oil, gas, chemicals, transportation machinery, food materials, and food products.

(From left)

Shoji Kuwayama
Regional CEO for
ASEAN & Southwest Asia;
Regional COO for ASEAN

Ichiro Tsuzuku
Regional COO for Southwest Asia

ASEAN & Southwest Asia

The population of the ASEAN and Southwest Asia region represents approximately 30% of the world's total population, and we expect this area to see growth in internal demand as well as robust infrastructure demand. This region has therefore been positioned as an important strategic area. Marubeni has devoted a number of years to building a strong presence in this region, where social conditions as well as investment environments vary by country, and it will take full advantage of this presence as it further expands its ASEAN and Southwest Asia business. Specifically, we will focus on trading of food materials, chemicals, metals, and other resources, and infrastructure projects related to power, water, transportation, and other fields.

The ASEAN region is expected to solidify its position as ASEAN Economic Community (AEC) going forward. Against this backdrop, we will strengthen our network of leading local companies and exercise our ability to integrate operations throughout the ASEAN and Southwest Asia region to aggressively expand our business.

Kazuaki Tanaka
Regional CEO for China

China

The rapid growth seen up until this point in China is slowing, and the Chinese economy is currently in the process of transitioning to a more stable and more modest growth period. At the same time, the country aims to achieve more-balanced growth and move away from its previous overdependence on social infrastructure and other public investment to focus more on internal demand for stimulating growth. Even in this adjustment period, China has announced its intent to pursue an annual GDP growth rate of approximately 7%. In addition, the country is actively entering into Free Trade Agreements and Economic Partnership Agreements with the principal surrounding countries, and the world recently witnessed the creation of the Asian Infrastructure Investment Bank. In consideration of these trends, it can be expected that China will continue to experience robust growth as a major economic power.

In recent years, Marubeni has been focusing on trading and other businesses in expanding internal demand-related fields, such as food materials, food products, apparel, and real estate. Going forward, however, we will also advance operations in fields related to agriculture, the environment, and energy conservation, all of which are areas of concern for the Chinese government. At the same time, we will accelerate the development of businesses focused on meeting onshore demand in China by addressing the expanded consumption and the increased tendency toward more luxurious items that are accompanying the rise in personal income.

East Asia

Akira Terakawa
Regional CEO for East Asia

The manufacturing industry is the driving force behind economic growth in East Asia. In particular, the electrical machinery and electronics industry as well as the petrochemical industry of Taiwan and Korea are proving exceptionally competitive. Marubeni has been increasingly catering to these industries. We are also working to further reinforce our IPP and shipbuilding businesses, which have traditionally been areas of strength for us.

Marubeni has spent years forging solid ties with major corporate groups in this region. These ties will be utilized to participate in new projects in China and the ASEAN region, and otherwise leverage the strengths of both Marubeni and its partners to develop multifaceted collaborative ventures.

Furthermore, Mongolia still exhibits potential in the form of its rich mineral resources. In this country, Marubeni will prioritize capturing orders for and subsequently participating in projects that contribute to the development of Mongolia's economy while also expanding trading operations with the same aim.

Oceania

Shinichi Kobayashi
Regional CEO for Oceania

Oceania is a region featuring a wealth of natural resources, and whose economy receives large boosts from exports of minerals and other primary products. Accordingly, Marubeni's operations in this region include investment and export related to coal, LNG, iron ore, and other resources. However, the Company is not limited to these businesses as it also invests in transportation infrastructure projects, exports forest products, imports construction and agricultural machinery as well as chemicals, and conducts a wide range of other businesses in Australia and other parts of Oceania. Of particular note are our operations in the agriculture and livestock field, which take advantage of the region's expansive land space. In this area, we own and operate beef cattle ranches to respond to the rising demand for high-quality meat in Asia and other regions. In addition, we are responding to the increase in transportation infrastructure demand seen primarily in urban areas through public–private partnership (PPP) projects. Specifically, Marubeni is participating in projects in which it will build, operate, and maintain a light rail public transportation system in Gold Coast as well as a rapid transit rail network in Sydney.

Stance Toward Business Development

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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

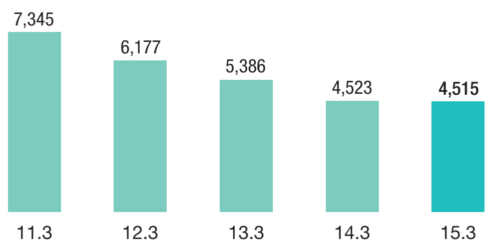
	2011.3	2012.3	2013.3	2014.3	**2015.3**
Environmental Data*1:					
CO_2 emissions (tCO_2eq)	7,345	6,177	5,386	4,523	**4,515**
Electricity consumption (MWh)	15,842	13,483	11,221	9,554	**9,473**
Water consumption (m^3)	128,307	122,385	108,107	96,105	**97,143**
Waste generation (tons)	1,067	773	706	580	**531**
Paper consumption (thousands of A4 sheets)	41,406	40,199	40,999	42,599	**42,659**
Recycling rate (%)	79.4	76.7	83.5	92.4	**91.9**
Green product procurement rate (%)	87.2	87.4	84.8	86.5	**86.6**
Social Data*2:					
No. of employees (Consolidated)*3	30,626	32,445	33,566	39,465	**38,830**
No. of employees (Non-consolidated)*4	4,020	4,074	4,166	4,289	**4,379**
Of which, domestic	3,306	3,286	3,336	3,433	**3,520**
overseas	714	788	830	856	**859**
Percentage of male and female*5	76.3:23.7	76.2:23.8	75.5:24.5	74.7:25.3	**74.1:25.9**
Average age*5	41.9	42.0	41.9	41.7	**41.5**
Average service years*5	17.1	17.1	17.0	16.8	**16.7**
No. of managerial employees*5	2,316	2,314	2,327	2,352	**2,389**
Of which, general managers or above	210	225	223	224	**220**
Employment rate of persons with disabilities (%)*6	2.03	2.19	2.14	2.09	**2.17**
Usage of annual paid leave (%)*5	42.4	43.9	44.0	45.6	**46.1**
No. of employees who took maternity leave*7	17	19	24	28	**28**
No. of employees who took childcare leave*8	24	16	25	27	**37**
Of which, male	11	4	5	3	**10**
No. of employees who took nursing care leave*8	1	1	1	0	**0**
No. of employees who took volunteer leave*5	0	175	141	1	**4**

*1 Data collected from: Tokyo Head Office and branches (Hokkaido, Nagoya, Osaka, Kyushu, and Shizuoka) (six principal sites)
CO_2 emissions: Emission amounts are calculated based on usage of electricity, city gas, fuel, and steam.
Actual emission coefficients for electricity: Emissions from electricity are calculated using the separate actual emission coefficients for each electric power provider released by the Ministry of the Environment in December of each year.
Emission coefficients for city gas: Until the year ended March 31, 2010, calculated using the coefficients stipulated in the Act on Promotion of Global Warming Countermeasures. From the year ended March 31, 2011, calculated using coefficients published by respective gas companies for the areas in which each of the six principal sites are located.
Emission coefficients for steam: Default coefficients are used from the government-sponsored system for calculating, reporting, and publishing greenhouse gas emissions.
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, 2015, 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, 2015).
*5 Figures for Marubeni Corporation (as of March 31, 2015).
*6 Figures are the combined total for Marubeni Corporation and certified special-purpose subsidiary Marubeni Office Support Corporation (as of March 1, 2015).
*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.

Environmental Data

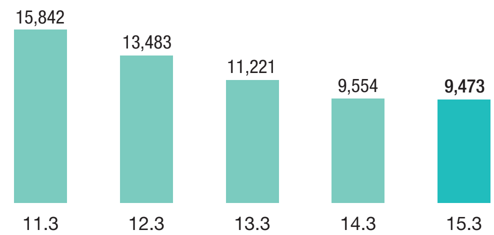
CO_2 emissions

(tCO_2eq)



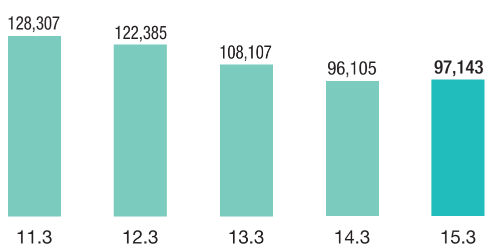
Electricity consumption

(MWh)



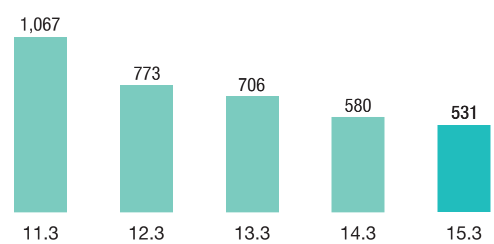
Water consumption

(m^3)



Waste generation

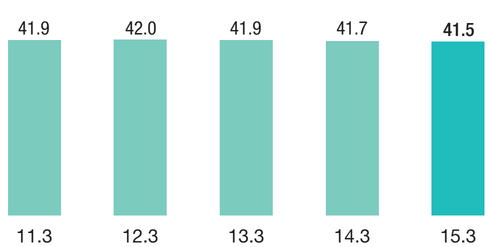
(Tons)



Social Data

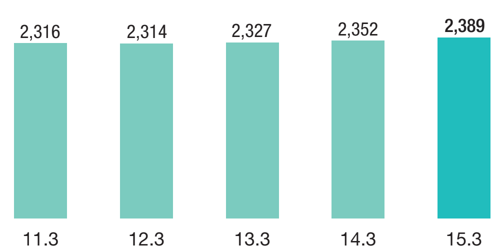
Average age

(Age)



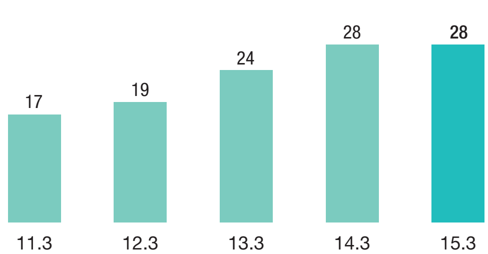
No. of managerial employees

(People)



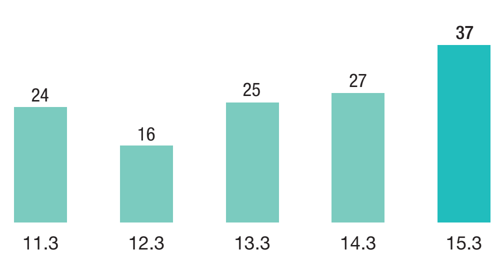
No. of employees who took maternity leave

(People)



No. of employees who took childcare leave

(People)



The Marubeni Group's Stance Toward CSR

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.

We take a diligent approach to CSR activities, aiming for sound management that coexists in harmony with both society and the environment. Our goals are to ensure that the Marubeni Group is recognized by society as a good corporate citizen, and to realize sustainable growth.

Under the leadership of the CSR & Environment Committee, we are intensifying our CSR efforts pertaining to a wide range of corporate activities.

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.

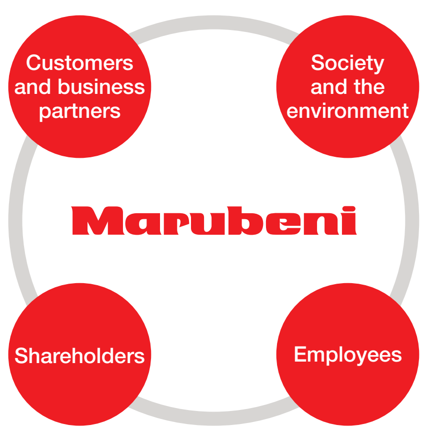
The Marubeni Group is committed to earning the trust of all its stakeholders by practicing CSR management as a highly ethical corporate group.

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 shown in the diagram below to gain their satisfaction and trust as it builds foundations for sustainable growth.

Material Issues for CSR Activities

- Respecting human rights
- Promoting supply chain management
- Protecting the global environment
- Developing business that solves social and environmental issues
- Strengthening supply chain competitiveness
- Contributing toward community development and strengthening our operating base

- Protecting the global environment
- Promoting social contribution activities
- Developing business that solves social and environmental issues
- Contributing toward community development and strengthening our operating base



- Strengthening corporate governance
- Strengthening internal controls

- Strengthening compliance
- Respecting human rights
- Promoting human resources development
- Promoting social contribution activities

Participation in the United Nations (UN) Global Compact

The Marubeni Group aims to contribute to the development of a more sustainable world, and therefore positions CSR among its most important tasks, recognizing also that CSR activities are closely related to its business activities. As the Group develops its operations on a global scale, we recognize the importance of instilling a global perspective into our CSR activities. As such, Marubeni has declared its support for the UN Global Compact, which consists of 10 principles for companies to adhere to in the areas of human rights, labour, the environment, and anti-corruption.

Marubeni remains constantly aware of how the spirit of these principles is connected to its business activities, and takes this matter to heart as it strives to conduct CSR activities throughout its business.

THE GLOBAL COMPACT
Network Japan
WE SUPPORT

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>

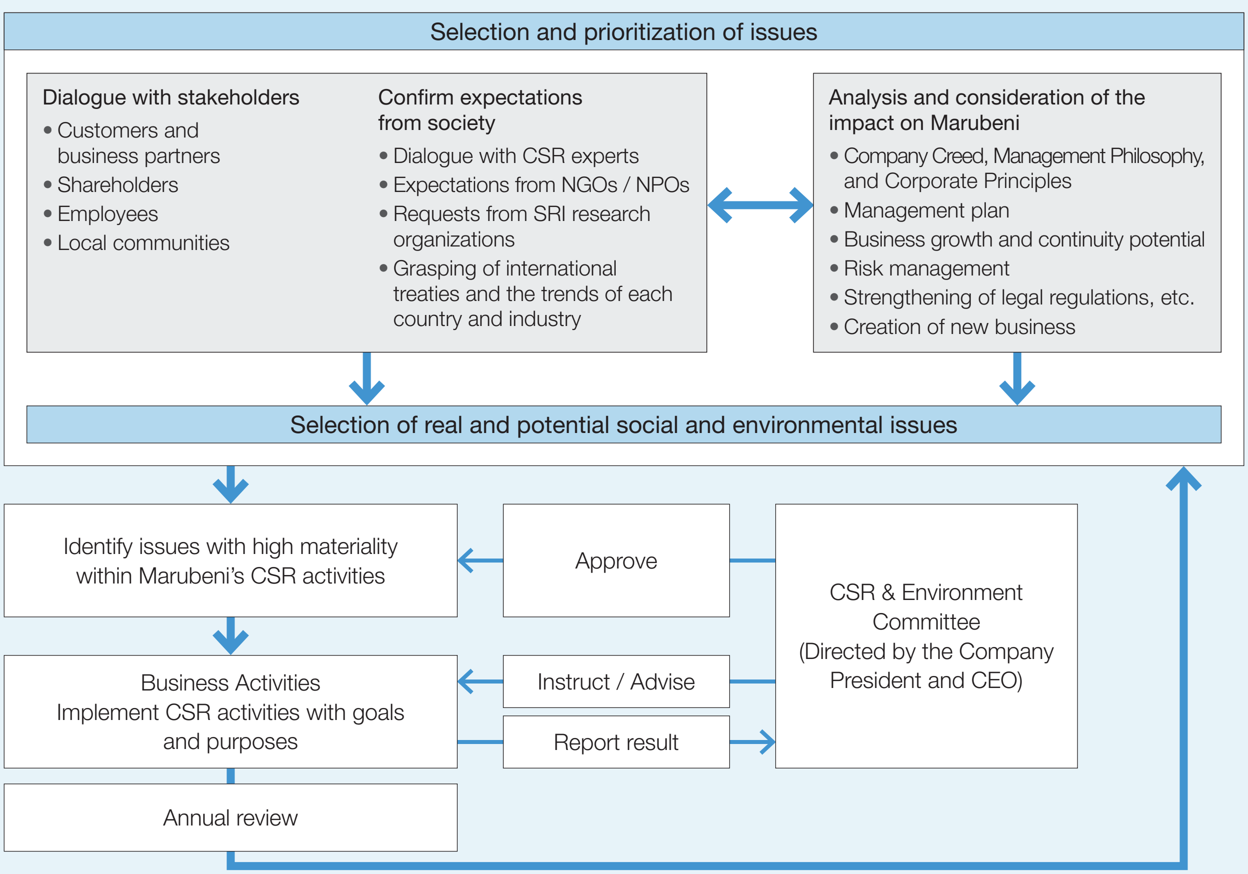
- Strengthening corporate governance
- Strengthening internal controls
- Strengthening compliance
- Respecting human rights
- Promoting human resources development
- Promoting supply chain management
- Protecting the global environment
- Promoting social contribution activities

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



Compliance

Yasuhiro Nakaki
General Manager,
Compliance Control Department

Message from the Compliance Control Department

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 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, such as bribery, within the Group. Going forward, we will continue to strengthen global compliance systems that encompass all Group companies.

Priority Activities

Stringent Application of the Compliance Manual

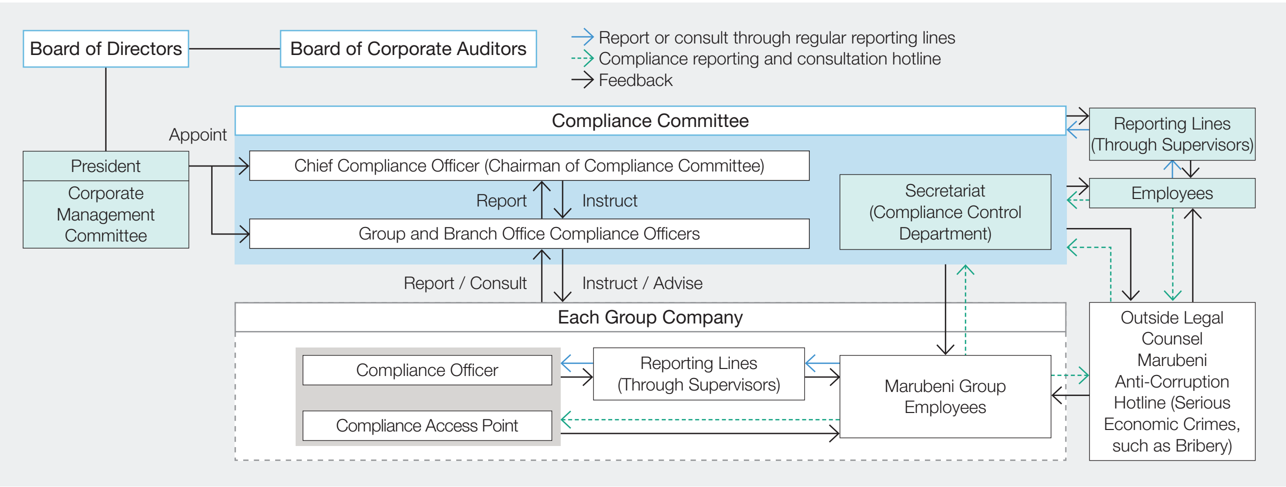
Part of the Marubeni Group's Company Creed is "Fairness." This symbolizes our pledge to always conduct ourselves in a fair and upright manner. We have defined Marubeni's stance on compliance as: "When you are faced with a choice between integrity and profit, choose integrity without hesitation." Based 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 2015, the Compliance Manual, now in its 12th 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 Compliance Manual. Specifically, we conduct e-Learning programs and group training sessions to teach employees about general compliance topics and anti-bribery precautions. 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. Overseas offices develop their own compliance systems in accordance

Organizational Diagram for the Marubeni Group Compliance System



Review of the Year Ended March 31, 2015

- 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 divisions, branches, and offices (including overseas bases) for the year ended March 31, 2014, and formulated action plans for the year ended March 31, 2015.
- Marubeni published the 11th 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. (For additional information, see below.)

4,359 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, 2015)

Corporate Head Office and all domestic and overseas branches and offices, overseas corporate subsidiaries

Bases at which anti-bribery compliance training was conducted

(Group training sessions, e-Learning programs, etc. / In the year ended March 31, 2015)

with the laws, regulatory structures, and business customs of each country in which they operate, while ensuring that these systems are in line with those of Marubeni's corporate head office. These overseas offices formulate and review their compliance plans every year.

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. Revised the Marubeni Group Global Anti-Corruption Policy (available in multiple languages) 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

Future Objectives

- Marubeni will conduct and improve upon compliance education activities (training sessions, compliance-related campaigns and events, etc.).
- Due diligence and monitoring functions related to bribery prevention will be enhanced.

CSR Management in the Supply Chain

Yutaka Shimazaki
General Manager, Corporate Communications Department

Message from the Corporate Communications Department

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.

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.

Review of the Year Ended March 31, 2015

- Marubeni conducted on-site inspections of a supplier (black tea and green tea) 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, 2015)

3,026 people

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

(In the year ended March 31, 2015)

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

In February 2015, Marubeni conducted an on-site inspection of a factory belonging to Goodricke Group Limited, a manufacturer and dealer of black tea and green tea in India, to confirm their status of compliance with the Basic Supply Chain CSR Policy. An observation visit was also made to Goodricke School for Special Education, a special-needs school managed through funds from a foundation established by Camellia Plc (headquartered in the United Kingdom), which is the parent company of Goodricke Group.

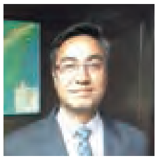
The supply chain CSR inspection at Goodricke Group examined the site from a compliance perspective based around nine areas, including labor issues, fair transactions, environmental protection, and quality control. The inspection did not find a single area in which Goodricke Group had failed to comply with the Basic Supply Chain CSR Policy. On the contrary, it was determined that this company was in fact conducting CSR activities that were top level among Indian black tea and green tea manufacturers and dealers. Furthermore, this inspection was conducted under the observation of a consultant from a third-party inspection agency, allowing us to receive advice regarding inspection methods from an outside perspective.

Factory inspection

Marubeni employees together with staff from Goodricke School for Special Education

Comment from Goodricke Group's CSR Representative

Goodricke Group operates in a labor-intensive industry, and incorporating social causes and initiatives has always occupied a prime focus in our operations. This CSR inspection has helped us in actually measuring our own performance against the objectives we have set in our policies. It was an effective tool for monitoring and evaluating our company's social performance and the sustainable agricultural practices we have adopted.



Pranjal Neog
Human Resources,
Goodricke Group Limited

Future Objectives

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

Contribution to Local Communities

Hiroshi Ueda
General Manager,
General Affairs Department

Message from the General Affairs Department

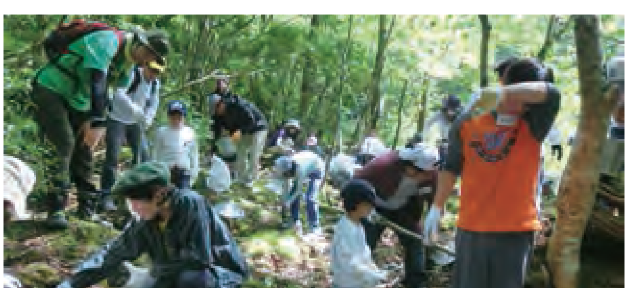
The Marubeni Group's business is supported by its stakeholders around the world. Accordingly, contributing to society is important to ensuring the Group continues to grow sustainably. We are therefore conducting social contribution activities while also making contributions to local communities by resolving 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.

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.

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



Mt. Fuji clean-up 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 2,297 grants totaling ¥4.0 billion in support of a wide range of charity and aid programs.

In the year ended March 31, 2015, the foundation received grant applications from 542 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.

Moreover, to support the reconstruction effort following the Great East Japan Earthquake, over the two-year period spanning the years ended March 31, 2012 and 2013, we donated a total of ¥500 million in aid to 126 organizations.

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.

Review of the Year Ended March 31, 2015

- 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.

¥4.0 billion

Aggregate total of grants through the Marubeni Foundation
(As of March 31, 2015)

849 people

Marubeni Group employees participating in volunteer activities
(In the year ended March 31, 2015 / Aggregate total number)

Support and Volunteers for the Iwaki Sunshine Marathon

Marubeni aided the 6th Iwaki Sunshine Marathon held on February 8, 2015, 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 Great East Japan Earthquake. Approximately 10,000 runners participated in this event, which was staffed by around 2,000 volunteers.

Roughly 60 Marubeni employees joined this event as either runners or staff volunteers, and we were 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 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 the reconstruction effort in the regions that were heavily impacted by the Great East Japan Earthquake.


Employees serving as volunteer staff members

Presentation of special award from Marubeni

Start of the Iwaki Sunshine Marathon

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.

Environmental Protection

Yutaka Shimazaki
General Manager, Corporate Communications Department

Message from the Corporate Communications Department

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.

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, 2014, 58 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, 2015, we assessed 99 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, 2015, the CSR / Global Environment e-Learning Training Program was conducted for all executives and employees, including temporary

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, 2015
1. Energy Usage (electricity and gas) at Tokyo Head Office and Osaka Branch	Reduce energy usage (electricity and gas) by 10.5% compared to the year ended March 31, 2010	41.8% decrease from the year ended March 31, 2010
2. Waste Generation at Tokyo Head Office	Reduce waste generation by 30% compared to the year ended March 31, 2011	35.8% 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	92.0%
4. Water Consumption at Tokyo Head Office	Reduce water consumption by 3% compared to the year ended March 31, 2011	0.3% decrease from the year ended March 31, 2011
5. Green Product Purchase Rate at Major Offices*	Achieve a green product purchase rate of 85% or more	86.6%

* Major offices: Six locations, comprising Tokyo Head Office and five branches (Hokkaido, Shizuoka, Nagoya, Osaka, and Kyushu)

Review of the Year Ended March 31, 2015

- 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.

99 evaluations

Number of environmental evaluations conducted
(In the year ended March 31, 2015)

639 people

Number of people that underwent Training on the Waste Management and Public Cleansing Act
(In the year ended March 31, 2015)

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, 2015, a total of 24 operating bases of 19 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

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

Utilization of Diverse Human Resources

Noriaki Isa
General Manager, Human Resources Department

Message from the Human Resources Department

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 skills and capabilities to their 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.

Priority Activities

Management-Guided HR Strategies

Marubeni has established an HR Strategy Committee, chaired by the President and CEO, which is tasked with strengthening HR across the Group.

Marubeni has adopted a three-pronged approach to HR that emphasizes 1) practical experience, 2) assessment and incentives, and 3) training.

In the area of practical experience, Marubeni has adopted a strategy which focuses on young career-track employees, and has made overseas work experience in their 20s a requirement. We also provide these employees with on-the-job training (OJT) experience. In this way, the Company hopes to develop a globally oriented and productive workforce with an OJT perception. To implement this strategy, Marubeni has a program in place that promotes more dynamic job transfer and rotation plans through a system of assessments and incentives.

At the same time, Marubeni's training strategy has been reinforced with a focus on group-specific training programs designed by the groups themselves in order to better meet the core needs of each business. Company-wide training programs mainly comprise job grade-specific programs and special programs for selected personnel.

Utilization and Promotion of Diverse HR

Marubeni has established a dedicated organization within the Human Resources Department to promote diversity management. In addition to developing a work environment in which every employee can play an active part regardless of their gender, nationality, age, career, or disabilities, Marubeni is also engaged in a policy of developing a corporate culture and a sense of values that makes the most of diverse individual strengths.

Marubeni's basic recruitment 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.

To provide opportunities for senior employees, 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, 2015, 110 employees have been hired under this system.

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, 2015, Marubeni Corporation and Marubeni Office Support Corporation employed a total of 60 individuals with disabilities on a full-time basis.

* 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 employment rate of disabled persons of the parent company.

Review of the Year Ended March 31, 2015

- With regard to its three-pronged approach to HR that emphasizes practical experience, assessment and incentives, and training, Marubeni focused particularly on practical experience and training. We revised measures related to the overseas work experience requirement as well as overseas training programs, and thereby stepped up efforts to instill young career-track employees with overseas and OJT experience.
- Marubeni focused efforts on utilizing and promoting a diverse range of HR.

16.7 years

Average service years
(As of March 31, 2015)

90 women

Number of women in managerial positions
(As of March 31, 2015)

Measures to Promote Work-Life Balance

Marubeni and its employees are committed to developing an environment in which employees can work as best suited to their career level and life stage. We believe that this sort of environment will help maximize the contributions that employees make to the Company over the medium to long term, and are promoting work-life balance to this end.

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.

Inclusion in Health & Productivity Stock Selection

Marubeni was chosen for inclusion in the Brand of Companies Enhancing Corporate Value through Health and Productivity Management Selection (Health & Productivity Stock Selection). Launched in the year ended March 31, 2015, this joint program by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) recognizes TSE-listed companies that exhibit excellence in strategically practicing Healthcare Management*, thereby making employee health a management issue. Aiming to help employees improve their health, Marubeni has been developing more sophisticated healthcare management systems while simultaneously supporting employees in living more fulfilling social and private lives. It was the recognition of these efforts that resulted in the Company's inclusion in the Health & Productivity Stock Selection. Going forward, we will continue to invest in employee health to further boost our global competitiveness.

* Healthcare Management is a registered trademark of NPO Workshop for the Management of Health on Company and Employees.

健康経営銘柄
Health and Productivity

Future Objectives

- With regard to its three-pronged approach to HR that emphasizes practical experience, assessment and incentives, and training, Marubeni will focus on examining the issues surrounding assessment and incentive systems, while continuing to advance measures related to practical experience and training.
- Marubeni will continue to institute various measures geared toward developing a workplace environment in which a diverse range of employees can exercise their skills and capabilities to the fullest.

Empowerment of Female Career-Track Employees

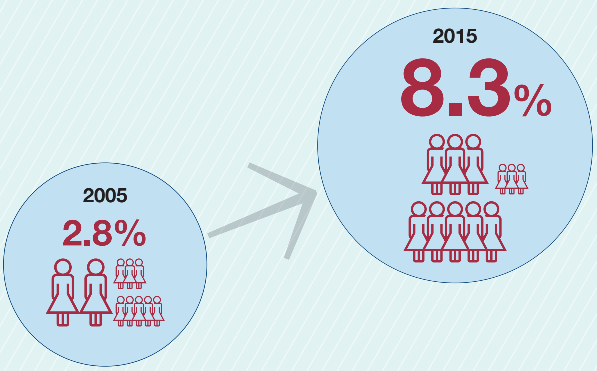
Marubeni's diversity management policies call for the creation of a stronger Marubeni Group in which a diverse range of individuals plays an active role. In its first step toward this goal, Marubeni has begun working to empower female career-track employees and allow them more active roles.

Programs to Empower Female Employees

Since 2006, Marubeni has been accelerating efforts to fill career-track positions with female employees. As of March 31, 2015, there were 274 women in career-track positions in Marubeni's domestic and overseas operations, and approximately 60% of these employees were in their 20s. We view these employees as potential candidates for managerial positions in the future, and anticipate that they will play an even greater role in the years to come. In the year ended March 31, 2015, Marubeni launched the "BENInovation (BENI Innovation) Program" as a measure designed to further empower female employees. The program is primarily targeted at female career-track employees and their immediate managers.

The BENInovation Program will be coordinated with other HR development initiatives, such as the program requiring employees in their 20s to experience overseas work and the program for gaining OJT experience out in the field. Together, these programs will pave the way towards the steady development and advancement of women in career-track positions.

Ratio of Women in Career-Track Positions



BENInovation Program

For next-generation managers

Pre-Manager Empowerment Sessions

Through the use of seminars and action learning, these sessions help female employees develop the insight they need as future managers. The sessions also help them develop a medium- to long-term vision for their own individual roles within the Company.

For fourth-year employees

Mid-J* Counseling Sessions

*J = J grade (training period)

Employees take part in small group sessions to discuss their approach to the remaining part of their training period and what they wish to experience, taking into consideration future life events that lie ahead.

For managers

Diversity Management Sessions

These sessions help managers to understand key points related to how to support the career development of subordinates with diverse backgrounds as well as how to manage these subordinates.

Inclusion in Nadeshiko Brand 2015 for Excellence in Promoting Women's Empowerment

Marubeni was selected as a Nadeshiko Brand 2015 enterprise by METI and TSE for excellence in promoting women's empowerment.

About the Nadeshiko Brand

METI and the TSE started the Nadeshiko Brand as a joint initiative in the year ended March 31, 2013, for the purpose of selecting and publicizing enterprises that make significant contributions to encouraging women's success in the workplace. In the year ended March 31, 2015, 40 companies were selected for inclusion in this brand, and Marubeni was chosen for the first time. This decision was out of recognition for the "BENInovation Program," which targets female career-track employees and their immediate managers, as well as for the various work-life balance measures Marubeni has instituted to serve as Company infrastructure for supporting the activities of a diverse range of human resources.

NADESHIKO BRAND 2015

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" and the Marubeni Corporate Principles, the executives and employees of the Marubeni Group observe relevant laws and regulations, as well as our own corporate rules. Further enhancing corporate governance, our corporate activities are conducted in line with our Corporate Ethics Code and Management Philosophy.

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 pages 72–73.

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 outside directors and collaboration with the Board of Corporate Auditors) 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 outside directors; assigning dedicated staff to the Corporate Auditor Department; fostering collaboration among the corporate auditors, the Audit Department, the independent auditors, and the corporate auditors of Group companies; and implementing advance briefings on matters referred to the Board of Directors for both outside directors and outside corporate auditors on the same occasions.

Corporate Governance Structure

Numbers of people are for the year ending March 31, 2016; Numbers of meetings are for the year ended March 31, 2015

General Meeting of Shareholders

Election and dismissal

Board of Directors

Met 19 times

Directors 12 (2 outside)

Audit

Our Board of Directors comprises 12 directors (including two outside 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.

Accounting audit

Appointing, removing, and supervising

(Business Execution System)

Audit

President

Corporate Management Committee 9

Met 41 times

The Corporate Management Committee, which reports directly to the President, comprises nine representative directors including the President, who deliberate substantive matters related to management and operations.

Committee of Heads of Divisions 27 or more

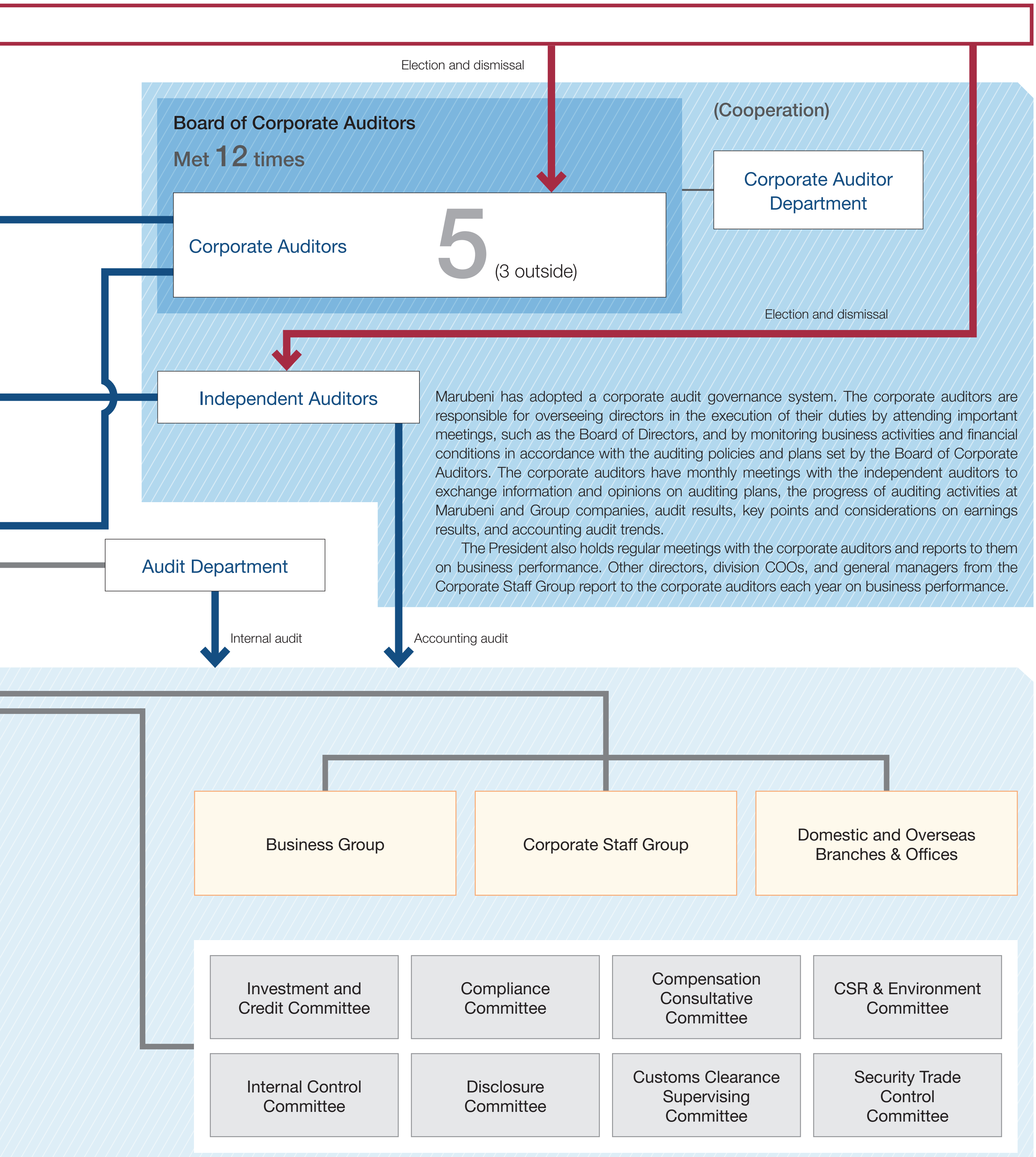
Met 2 times

The members of the Committee of Heads of Divisions (known as the Committee of Chief Operating Officers prior to April 1, 2015) are the President, the representative directors, 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 37

Met 6 times

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



Marubeni has adopted a corporate audit governance system. The corporate auditors 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 Board of Corporate Auditors. The corporate auditors 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 corporate auditors and reports to them on business performance. Other directors, division COOs, and general managers from the Corporate Staff Group report to the corporate auditors each year on business performance.

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 Chairman: **Yukihiko Matsumura** Senior Managing Executive Officer, Member of the Board	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 Chairman: **Hikaru Minami** Managing Executive Officer, Member of the Board	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
Compensation Consultative Committee Chairman: **Akira Terakawa** Managing Executive Officer, Member of the Board	Based on advice from the President, the Compensation Consultative Committee deliberates and provides reports on matters related to officer treatment, including compensation, rewards, and sanctions.	Held when necessary
CSR & Environment Committee Chairman: **Yukihiko Matsumura** Senior Managing Executive Officer, Member of the Board	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 Chairman: **Hikaru Minami** Managing Executive Officer, Member of the Board	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 Chairman: **Yukihiko Matsumura** Senior Managing Executive Officer, Member of the Board	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 four times a year and when necessary
Customs Clearance Supervising Committee Chairman: **Hikaru Minami** Managing Executive Officer, Member of the Board	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 Chairman: **Hikaru Minami** Managing Executive Officer, Member of the Board	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 Outside Directors

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

Outside directors attend the meetings of the Board of Directors and the Committee of Executive Officers, including on an ad hoc basis, making active contributions from the perspective of internal control. Prior to meetings, outside directors are provided with agendas and fully briefed on management issues and project execution status. One of the outside directors is a member of the Compensation Consultative Committee.

Name	Independent Director / Auditor	Major Activities
Takao Kitabata	Y	Participated in 18 meetings of the Board of Directors out of a total 19 meetings held during the year ended March 31, 2015, and made comments as needed based primarily on his wide experience in government services and his profound knowledge accumulated through such experience.
Yukiko Kuroda	Y	Participated in 17 meetings of the Board of Directors out of a total 19 meetings held during the year ended March 31, 2015, and made comments as needed based primarily on her wide experience from having been an executive of various corporate entities and her profound knowledge accumulated through such experience.

Roles and Functions of Outside Corporate Auditors

Outside corporate auditors monitor the directors' execution of duties and draw upon their wealth of professional expertise to offer various recommendations and advice to enhance corporate audits.

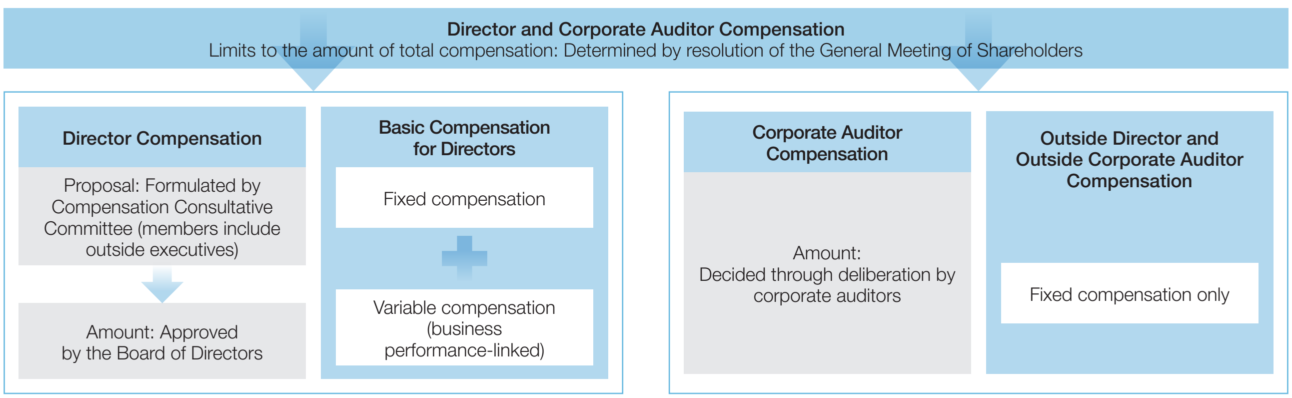
Outside corporate auditors attend meetings of the Board of Corporate Auditors and also the Board of Directors and Committee of Executive Officers. In addition, the corporate auditors meet with the President on a regular basis, as well as with members of the Audit Department, Corporate Accounting Department, and independent auditors, for an exchange of opinions. They receive audit-related information from the standing corporate auditors, which they use in the execution of their auditing duties. One of the outside corporate auditors is also a member of the Compensation Consultative Committee.

Name	Independent Director / Auditor	Major Activities
Takashi Suetsuna	Y	Participated in all meetings of the Board of Directors and all meetings of the Board of Corporate Auditors held during the year ended March 31, 2015, and made comments as needed based primarily on his wide experience in government services and his profound knowledge accumulated through such experience.
Yoshizumi Nezu	Y	Participated in 17 meetings of the Board of Directors out of a total 19 meetings and all meetings of the Board of Corporate Auditors held during the year ended March 31, 2015, and made comments as needed based primarily on his wide experience from having been an executive of various corporate entities and his profound knowledge accumulated through such experience.
Kyohei Takahashi	Y	Participated in 13 meetings of the Board of Directors out of a total 15 meetings held since his appointment on June 20, 2014, and all meetings of the Board of Corporate Auditors held since his appointment and made comments as needed based primarily on his wide experience from having been an executive of various corporate entities and his profound knowledge accumulated through such experience.

Executive Compensation

Compensation for directors and corporate auditors is decided based on limits to the amount of total compensation for directors and corporate auditors determined by the General Meeting of Shareholders. Compensation for directors is decided through a process involving discussion and formulation of proposals by the Compensation Consultative Committee, a body whose membership includes outside executives, with the proposals then being approved by the Board of Directors. Compensation for individual corporate auditors is decided through deliberation by the corporate auditors. Basic compensation paid to directors other than outside directors consists of fixed compensation and variable compensation, the latter of which is linked to business performance in the previous fiscal year. Compensation for outside directors and corporate auditors, all of whom are completely independent from business execution, consists entirely of fixed compensation.

Executive Compensation Calculation Method



Total Compensation Paid to Directors and Corporate Auditors for the Year Ended March 31, 2015

Position	Total Amount of Compensation		Number of Recipients
	Basic Compensation		
Directors (excluding outside directors)	¥771 million	¥771 million	10
Corporate auditors (excluding outside corporate auditors)	¥93 million	¥93 million	2
Outside executives	¥60 million	¥60 million	6
Total	¥924 million	¥924 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: "¥110 million to directors monthly (including ¥2.5 million for outside directors)" and "¥12 million to corporate auditors monthly" (both resolutions of the 88th General Meeting of Shareholders, held on June 22, 2012).
3. The number of outside executives receiving payment listed above includes one director that resigned from their position at the conclusion of the 90th General Meeting of Shareholders, held on June 20, 2014.
4. The Company submitted a resolution to abolish its system of retirement bonuses for executives at the conclusion of the 83rd General Meeting of Shareholders, held on June 22, 2007, with abolishment accompanied by the decision to close out and pay any remaining retirement bonuses associated with the system. The Company will make these payments to directors and corporate auditors who are eligible under the resolution, paying directors when they have retired both from their directorship and any held post as executive officer, and paying corporate auditors upon their retirement. In the year ended March 31, 2015, retirement bonuses were not paid to the directors and corporate auditors, 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	¥112 million	¥112 million
Fumiya Kokubu	Director	Issuing company	¥129 million	¥129 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, 2014, we again submitted our internal control report for the year ended March 31, 2015, 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 Corporate Auditors, and matters concerning the independence of these employees from Directors
7. Systems for Directors and employees to report to Corporate Auditors and other systems for reports to Corporate Auditors
8. Other systems necessary to ensure effective audits by Corporate Auditors

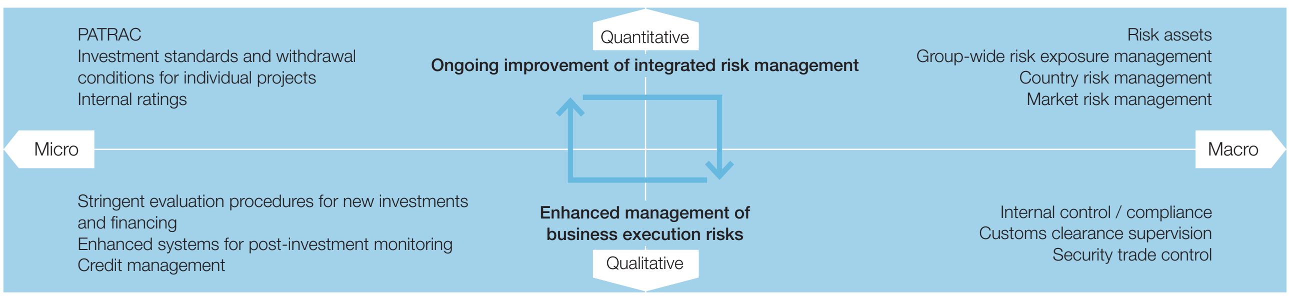
Please refer to the corporate website for information on the Company's basic internal control policy.

http://www.marubeni.com/ir/reports/business_report/data/91_notice_en.pdf (pages 32–33)

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, and Marubeni has adopted PATRAC as an important management indicator, using it to screen 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 the direct control of the Group CEO, the highest authority with regard to all Group businesses, in conjunction with the structural reforms conducted in April 2015. This new organization serves to strengthen on-site risk management systems.

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11-Year Financial Summary

	IFRS			U.S. GAAP	
	2015.3	2014.3	2013.3	2013.3	2012.3
For the year:					
Revenue:					
Sales of goods	**¥ 7,621,135**	¥ 6,853,975	¥ 4,733,022	¥ 4,702,281	¥ 4,221,653
Commissions on services and trading margins	**213,160**	201,725	163,026	159,030	168,700
Total revenue	**7,834,295**	7,055,700	4,896,048	4,861,311	4,390,353
Total volume of trading transactions	**13,925,339**	13,633,520	10,674,395	10,509,088	10,584,393
Gross trading profit	**707,318**	651,063	539,648	528,194	541,454
Operating profit	**160,688**	157,462	128,423	122,932	157,315
Dividend income	**34,957**	34,917	30,151	30,112	27,351
Share of profits of associates and joint ventures	**89,919**	99,405	83,031	87,790	81,528
Profit for the year attributable to owners of the parent	**105,604**	210,945	130,143	205,696	172,125
Core earnings (Billions of yen)	**267.1**	272.5	225.5	226.8	249.6
At year-end:					
Total assets	**¥ 7,673,064**	¥ 7,256,085	¥ 6,115,783	¥ 5,965,086	¥ 5,129,887
Net interest-bearing debt	**2,887,608**	2,491,043	1,855,941	1,785,247	1,755,705
Total equity	**1,678,713**	1,531,231	1,203,008	1,188,379	915,770
Equity attributable to owners of the parent	**1,518,515**	1,383,358	1,149,369	1,131,834	852,172
Amounts per share (¥, US$):					
Basic earnings	**¥ 60.85**	¥ 121.52	¥ 74.96	¥ 118.48	¥ 99.13
Cash dividends	**26.00**	25.00	24.00	24.00	20.00
Cash flows:					
Net cash provided by operating activities	**¥ 170,943**	¥ 291,188	¥ 240,075	¥ 295,734	¥ 172,599
Net cash (used in) provided by investing activities	**(331,411)**	(706,585)	(192,825)	(210,878)	(273,689)
Free cash flow	**(160,468)**	(415,397)	47,250	84,856	(101,090)
Net cash (used in) provided by financing activities	**(70,705)**	196,779	111,585	129,030	171,913
Cash and cash equivalents at end of year	**469,106**	665,498	865,592	919,475	677,312
Ratios:					
ROA (%)	**1.41**	3.15	2.27	3.71	3.51
ROE (%)	**7.28**	16.67	12.68	20.74	21.17
Equity attributable to owners of the parent ratio (%)	**19.79**	19.06	18.79	18.97	16.61
Net debt–equity (D/E) ratio (times)	**1.72**	1.63	1.54	1.50	1.92

Notes:
1. 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.
2. "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.
3. Operating profit = Gross trading profit + SGA expenses + Provision for doubtful accounts
4. Core earnings = Gross trading profit + SGA expenses + Interest expenses–net + Dividend income + Share of profits of associates and joint ventures
5. U.S. dollar amounts above and elsewhere in this report are converted from yen, for convenience only, at ¥120 to US$1, the prevailing rate as of March 31, 2015.

						Millions of yen	Millions of U.S. dollars
U.S. GAAP							IFRS
2011.3	2010.3	2009.3	2008.3	2007.3	2006.3	2005.3	2015.3
¥3,514,937	¥3,110,736	¥ 3,807,480	¥ 3,958,276	¥3,467,925	¥2,949,058	¥2,874,455	**$ 63,509**
168,912	169,233	194,819	207,950	190,930	190,787	161,108	**1,776**
3,683,849	3,279,969	4,002,299	4,166,226	3,658,855	3,139,845	3,035,563	**65,286**
9,020,468	7,965,055	10,462,067	10,631,616	9,554,943	8,686,532	7,936,348	**116,044**
522,152	491,673	644,803	596,916	531,171	502,024	433,395	**5,894**
145,774	118,926	234,065	200,153	165,020	143,248	86,461	**1,339**
19,200	23,561	27,719	23,645	20,705	12,065	8,989	**291**
71,452	28,864	21,973	55,661	44,880	31,602	25,727	**749**
136,541	95,312	111,208	147,249	119,349	73,801	41,247	**880**
223.7	154.4	245.0	239.6	202.1	171.3	109.9	**2,226**
¥4,679,089	¥4,586,572	¥ 4,707,309	¥ 5,207,225	¥4,873,304	¥4,587,072	¥4,208,037	**$ 63,942**
1,615,634	1,706,397	1,911,607	2,001,977	1,843,445	1,876,350	1,823,909	**24,063**
831,730	799,746	623,356	860,581	820,839	710,786	483,567	**13,989**
773,592	745,297	567,118	779,764	745,454	663,787	443,152	**12,654**
¥ 78.63	¥ 54.89	¥ 64.04	¥ 84.93	¥ 72.41	¥ 48.34	¥ 26.61	**$ 0.51**
12.00	8.50	10.00	13.00	10.00	7.00	4.00	**0.22**
¥ 210,044	¥ 280,610	¥ 343,618	¥ 235,290	¥ 152,075	¥ 133,408	¥ 173,824	**$ 1,425**
(128,495)	(35,207)	(387,069)	(306,855)	(135,147)	(193,781)	46,043	**(2,762)**
81,549	245,403	(43,451)	(71,565)	16,928	(60,373)	219,867	**(1,337)**
(17,010)	(254,655)	257,608	65,865	24,819	(46,037)	(238,057)	**(589)**
616,003	570,789	573,924	402,281	414,952	368,936	459,194	**3,909**
2.95	2.05	2.24	2.92	2.52	1.68	0.97	
17.98	14.52	16.51	19.31	16.94	13.33	9.87	
16.53	16.25	12.05	14.97	15.30	14.47	10.53	
1.94	2.13	3.07	2.33	2.25	2.64	3.77	

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

Overview of Business Results

Business Results

In the year ended March 31, 2015, the global economy as a whole staged a moderate recovery against the backdrop of a continued, relatively robust recovery in the United States coupled with tepid recoveries in Japan and Europe and a slowdown in emerging market economies. Resource prices continued to decline during the fiscal year, with crude oil prices in particular falling sharply beginning in the summer. Resource price declines created instability in the financial markets of commodity-producing countries by way of stock price decreases and currency depreciation.

The U.S. economy experienced continued recovery underpinned by the household sector, which in turn was supported by stock price increases and improvement in both employment and income levels. Although the Federal Reserve ended its quantitative easing (QE) program, U.S. markets were spared any major volatility.

Overall growth in the European economy slowed, mainly in Italy and other countries forced to adopt fiscal austerity policies, despite continued improvement in the U.K. and German economies. Meanwhile, geopolitical risks continued to escalate, partly due to sanctions against Russia in response to events in Ukraine. Additionally, the European Central Bank launched a QE program amid renewed debt problems in Greece.

In Asia, investment was sluggish in China, economic growth slowed overall, and economic growth targets were subsequently revised downward. The Thai economy was weighed down by political factors, most notably a military coup d'état.

The Japanese economy was buoyed by stock price increases and the benefits of economic stimulus measures chiefly targeted at public works projects. However, it has been slow to recover from lackluster internal demand in the wake of the April, 2014, consumption tax hike.

In this operating environment, business results for the year ended March 31, 2015, were as follows.

Total volume of trading transactions in the year ended March 31, 2015, grew to ¥13,925.3 billion, up ¥291.8 billion (2.1%) year on year, as a result of an increase in grain trading volume that was sufficient enough to offset the decrease in oil trading revenues, which stemmed from decreased sales prices. Gross trading profit increased ¥56.3 billion (8.6%) year on year, to ¥707.3 billion, due to the growth of total volume of trading transactions, and operating profit consequently amounted to ¥160.7 billion, up ¥3.2 billion (2.0%). Profit for the year attributable to owners of the parent (hereinafter referred to as "net profit") for the year ended March 31, 2015, decreased ¥105.3 billion (49.9%) year on year, to ¥105.6 billion, due to one-time losses that were primarily in the form of impairment losses on property, plant and equipment.

Meanwhile, total revenue as defined under IFRS amounted to ¥7,834.3 billion, an increase of ¥778.6 billion (11.0%) year on year.

Business Results

Millions of yen

	2015.3	2014.3	Change
Total volume of trading transactions	**13,925,339**	13,633,520	291,819
Gross trading profit	**707,318**	651,063	56,255
Operating profit	**160,688**	157,462	3,226
Share of profits of associates and joint ventures	**89,919**	99,405	(9,486)
Profit for the year attributable to owners of the parent	**105,604**	210,945	(105,341)
Total revenue	**7,834,295**	7,055,700	778,595

Notes:
1. Figures are rounded to the nearest million yen unless otherwise stated.
2. “Total volume of 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

Business Results by Operating Segment

Financial results for each operating segment in the year ended March 31, 2015, were as follows.

Food

Millions of yen

	2015.3	2014.3	Change
Total volume of trading transactions	**4,725,590**	4,020,145	705,445
Gross trading profit	**172,264**	147,585	24,679
Operating profit	**50,621**	39,464	11,157
Share of profits of associates and joint ventures	**6,013**	2,763	3,250
Profit for the year attributable to owners of the parent	**11,071**	18,336	(7,265)

Total volume of trading transactions in the year ended March 31, 2015, increased ¥705.4 billion (17.5%) year on year, to ¥4,725.6 billion. This was mainly due to rises in the volume of grain transactions and the influences of yen depreciation. With this increase, gross trading profit grew ¥24.7 billion (16.7%) year on year, to ¥172.3 billion, and operating profit rose ¥11.2 billion (28.3%), to ¥50.6 billion. Despite a valuation gain following the consolidation of U.S. grain export facilities, net profit for the year ended March 31, 2015, declined ¥7.3 billion (39.6%) year on year, to ¥11.1 billion, due to recognition of impairment loss on the goodwill of Gavilon Holdings, LLC.

In the food materials field, Marubeni posted a one-time loss in conjunction with the revision of Gavilon's business plan. In the grain trading business, Marubeni focused on expanding grain trading volume while capitalizing on its price competitiveness by utilizing its proprietary global sales network and grain logistics network, the main hubs of which are Columbia Grain, Inc., of the United States and Terlogs Terminal Maritimo Ltda. of Brazil.

In the food products field, Marubeni teamed up with Aeon Co., Ltd., to establish United Super Markets Holdings Inc., to serve as a holding company for three supermarket chain operators: The Maruetsu, Inc., Kasumi Co., Ltd., and MaxValu Kanto Co., Ltd. Marubeni aims to enhance the value and expedite the growth of United Super Markets Holdings by leveraging its know-how, information, and networks as a general trading company.

Chemicals

Millions of yen

	2015.3	2014.3	Change
Total volume of trading transactions	**1,277,468**	1,258,146	19,322
Gross trading profit	**36,252**	28,351	7,901
Operating profit	**8,883**	4,106	4,777
Share of profits of associates and joint ventures	**2,058**	1,580	478
Profit for the year attributable to owners of the parent	**4,542**	6,414	(1,872)

Total volume of trading transactions for the year ended March 31, 2015, amounted to ¥1,277.5 billion, an increase of ¥19.3 billion (1.5%) year on year. This was chiefly due to a rise in the volume of transactions in the inorganic chemical, agricultural chemical, and vinyl chloride alkali-related businesses of the Company. Gross trading profit grew ¥7.9 billion (27.9%) year on year, to ¥36.3 billion, due mainly to improved profitability for petrochemical products and vinyl chloride alkali-related products, and operating profit increased ¥4.8 billion (116.3%), to ¥8.9 billion. Net profit decreased ¥1.9 billion (29.2%) year on year, to ¥4.5 billion, as a result of the recognition of impairment loss on the goodwill of Gavilon Holdings.

In the petrochemical and synthetic resin fields, profits were earned from trading ethylene and other petrochemicals despite major volatility in and an uncertain outlook for prices of crude oil and naphtha, both of which are key petrochemical feedstocks. In the vinyl alkali field, vinyl chloride resin trading volume increased in Asia, Africa, and Latin America. In the electronic materials field, solar cell module sales increased due to the ongoing benefits of the feed-in tariff system for renewable energy. Meanwhile, the Company expanded its sales network in the inorganic and agricultural chemical fields, largely through acquisition of agriculture-related operations.

Energy

Millions of yen

	2015.3	2014.3	Change
Total volume of trading transactions	**3,248,288**	3,686,878	(438,590)
Gross trading profit	**40,043**	49,827	(9,784)
Operating profit	**9,290**	20,639	(11,349)
Share of profits (losses) of associates and joint ventures	**(405)**	3,030	(3,435)
Profit (loss) for the year attributable to owners of the parent	**(17,274)**	36,464	(53,738)

Total volume of trading transactions in the year ended March 31, 2015, amounted to ¥3,248.3 billion, down ¥438.6 billion (11.9%) year on year, due mainly to a fall in selling prices in the oil trading field. Gross trading profit declined ¥9.8 billion (19.6%), to ¥40.0 billion, due chiefly to a drop in oil and gas prices in the oil and gas development field. Operating profit fell ¥11.3 billion (55.0%), to ¥9.3 billion. Loss for the year attributable to owners of the parent (hereinafter referred to as "net loss") of ¥17.3 billion was recorded in the year ended March 31, 2015, compared with net profit of ¥36.5 billion in the year ended March 31, 2014. This outcome was largely due to the recognition of impairment losses on property, plant and equipment as a result of the significant decline in oil and gas prices.

In the upstream resource development field, the Company made steady progress in expanding production in the U.S. Gulf of Mexico and U.K. North Sea. In the LNG field, existing projects in Qatar, Equatorial Guinea, and Peru performed well, while a new project in Papua New Guinea commenced commercial production and continued to operate stably thereafter. In the energy trading field, while leveraging our domestic and overseas trading infrastructure and networks, we stepped up initiatives aimed at increasing revenues from petroleum products and LNG.

Metals & Mineral Resources

Millions of yen

	2015.3	2014.3	Change
Total volume of trading transactions	**809,589**	798,727	10,862
Gross trading profit	**20,301**	15,617	4,684
Operating profit (loss)	**872**	(2,915)	3,787
Share of profits of associates and joint ventures	**6,632**	21,068	(14,436)
Profit (loss) for the year attributable to owners of the parent	**(12,136)**	20,316	(32,452)

Total volume of trading transactions in the year ended March 31, 2015, totaled ¥809.6 billion, an increase of ¥10.9 billion (1.4%) year on year, reflecting growth in non-ferrous and light metal transactions. Gross trading profit grew ¥4.7 billion (30.0%), to ¥20.3 billion, due mainly to the profit growth that was the result of increased revenue in aluminum-related businesses. Subsequently, operating profit of ¥0.9 billion was recorded, compared with operating loss of ¥2.9 billion in the previous fiscal year. Share of profits of associates and joint ventures declined ¥14.4 billion (68.5%) year on year, to ¥6.6 billion, due to the absence of the gain on negative goodwill recorded in the previous fiscal year and the recognition of impairment loss on overseas copper and coal operations. Net loss of ¥12.1 billion was recorded in the year ended March 31, 2015, compared with net profit of ¥20.3 billion in the year ended March 31, 2014, as a result of recognition of expected loss in accordance with the decision to sell a coal project in Canada.

In new projects, development of the Roy Hill Iron Ore Mine in Australia and Antucoya Copper Mine in Chile progressed steadily toward the commencement of production in 2015. Meanwhile, Marubeni focused on initiatives to increase the value of existing iron ore, coal, copper, and aluminum projects by reducing costs and improving operating efficiency with the aim of increasing productivity and rationalizing management. In one such initiative, Marubeni consolidated two Chilean copper mining ventures, the Esperanza and El Tesoro mines, and established new company Minera Centinela to manage these projects. At the same time, Marubeni endeavored to strengthen its earnings foundation in terms of both resource development and trading by stringently evaluating the profitability of projects and conducting asset replacement when necessary.

Transportation Machinery

Millions of yen

	2015.3	2014.3	Change
Total volume of trading transactions	**772,266**	694,340	77,926
Gross trading profit	**78,082**	66,059	12,023
Operating profit	**15,110**	14,865	245
Share of profits of associates and joint ventures	**24,753**	17,892	6,861
Profit for the year attributable to owners of the parent	**25,627**	23,303	2,324

Total volume of trading transactions in the year ended March 31, 2015, came to ¥772.3 billion, an increase of ¥77.9 billion (11.2%) year on year, due to new consolidation of the automotive retail finance business and an increase in new shipbuilding transactions. With this increase, gross trading profit grew ¥12.0 billion (18.2%), to ¥78.1 billion, and operating profit rose ¥0.2 billion (1.6%), to ¥15.1 billion. Share of profits of associates and joint ventures increased ¥6.9 billion (38.3%), to ¥24.8 billion, due primarily to the increase in profits in the aircraft leasing business. As a result, net profit increased ¥2.3 billion (10.0%), to ¥25.6 billion.

In the construction machinery field, the Company commenced investment in a Turkish construction machinery sales agent. In the automobile field, Marubeni increased its stake in a North American automotive retail finance business. In the aircraft field, Marubeni continued to make steady progress in building a stable earnings foundation, aided by the success of a major U.S. aircraft leasing business in which Marubeni commenced investment in the year ended March 31, 2014. In addition to these business investments, Marubeni also focused on strengthening its automobile, production machinery, construction machinery, and agro machinery trading operations. In the ship field, Marubeni focused on likewise expanding its trading operations, and successfully concluded a contract to supply 11 mega-container ships, among the largest in the world, to a Taiwanese shipping company.

Power Projects & Infrastructure

Millions of yen

	2015.3	2014.3	Change
Total volume of trading transactions	**426,366**	400,888	25,478
Gross trading profit	**29,212**	26,644	2,568
Operating loss	**(8,031)**	(3,638)	(4,393)
Share of profits of associates and joint ventures	**45,684**	45,659	25
Profit for the year attributable to owners of the parent	**31,125**	27,227	3,898

Total volume of trading transactions in the year ended March 31, 2015, amounted to ¥426.4 billion, an increase of ¥25.5 billion (6.4%) year on year, reflecting growth in transactions in the electricity consolidation business in the United Kingdom. This increase caused gross trading profit to rise ¥2.6 billion (9.6%) year on year, to ¥29.2 billion. However, operating loss increased ¥4.4 billion year on year, to ¥8.0 billion, due mainly to new consolidation of subsidiaries. Net profit grew ¥3.9 billion (14.3%), to ¥31.1 billion, as a result of sale of existing projects and the absence of a one-time loss on an overseas project that was recognized in the previous fiscal year.

In the overseas power projects field, operations commenced at the Sur Combined Cycle Power Plant, which is one of the largest plants in Oman, and Marubeni joined a natural gas-fired power plant construction and operation project in the United States. In the Philippines, we started a construction project for enlarging the Pagbilao coal-fired power plant. In the overseas power project engineering, procurement, and construction (EPC) field, the Company received an order for a large coal-fired power plant project in Thailand. In the domestic power project field, three mega-solar power plants commenced operation. In the water field, Marubeni acquired Portugal's largest water utility, becoming the first Japanese company to enter the water utility business in Portugal and Brazil.

Plant

Millions of yen

	2015.3	2014.3	Change
Total volume of trading transactions	**192,602**	445,971	(253,369)
Gross trading profit	**31,532**	35,441	(3,909)
Operating profit	**6,596**	11,763	(5,167)
Share of profits (losses) of associates and joint ventures	**(2,863)**	3,150	(6,013)
Profit (loss) for the year attributable to owners of the parent	**(8,803)**	10,302	(19,105)

Total volume of trading transactions in the year ended March 31, 2015, declined ¥253.4 billion (56.8%) year on year, to ¥192.6 billion, reflecting decreases in transaction volumes for energy and chemical plant projects as well as industrial plant projects. Gross trading profit decreased ¥3.9 billion (11.0%), to ¥31.5 billion, due to lower transaction volumes for environmental and industrial machinery projects, and operating profit fell ¥5.2 billion (43.9%), to ¥6.6 billion. Share of losses of associates and joint ventures of ¥2.9 billion was recorded, compared with share of profits of associates and joint ventures of ¥3.2 billion in the previous fiscal year. This outcome was due primarily to recognition of impairment loss on energy and chemical plant operations. In addition, there were losses associated with overseas infrastructure construction projects. As a result, net loss of ¥8.8 billion was recorded in the year ended March 31, 2015, compared with net profit of ¥10.3 billion in the year ended March 31, 2014.

In the plant field, Marubeni stepped up efforts in its industrial cogeneration business in Europe and concluded an agreement to supply a port coal conveyor system to Russia. Additionally, the Company steadily expanded upon its track record, commencing a spar-type floating oil and gas production and processing service platform project in the United States and a floating production, storage, and offloading system (FPSO) charter business in Brazil. In the transportation and infrastructure project field, Marubeni received a rail system contract in Australia, its second public–private partnership (PPP) project in this country, and began selling industrial park sites in the Thilawa Special Economic Zone in Myanmar. In the environmental and industrial machinery field, Marubeni actively expanded operations related to sales of photovoltaic (PV) equipment and components and mega-solar power generation projects.

Lifestyle & Forest Products

Millions of yen

	2015.3	2014.3	Change
Total volume of trading transactions	**947,745**	959,221	(11,476)
Gross trading profit	**57,752**	58,253	(501)
Operating profit	**10,851**	12,519	(1,668)
Share of profits of associates and joint ventures	**1,209**	1,560	(351)
Profit for the year attributable to owners of the parent	**5,570**	7,184	(1,614)

Total volume of trading transactions in the year ended March 31, 2015, declined ¥11.5 billion (1.2%) year on year, to ¥947.7 billion, due mainly to lower transaction volumes for building materials and natural rubbers. Despite increases in profits from growth in tire and belt transaction volumes in the rubber field and higher earnings in the wood chip and pulp field, gross trading profit was down ¥0.5 billion (0.9%), to ¥57.8 billion, due to decreased profitability in the Musi Pulp project. Operating profit declined ¥1.7 billion (13.3%) year on year, to ¥10.9 billion. Net profit decreased ¥1.6 billion (22.5%), to ¥5.6 billion, due to higher income tax payments.

Marubeni focused on solidifying the foundations of existing businesses in the domestic market while building new earnings bases in overseas markets. In the footwear field, Marubeni commenced investment in ASICS Asia Pte. Ltd., the central Southeast and South Asian sales company for ASICS Corporation. In the rubber field, Marubeni made further inroads into ASEAN countries, opening 12 new B-Quik Co., Ltd., stores in Thailand and launching the B-Quik chain in Cambodia in the tire retail business. In the paper and pulp field, Oji JK Packaging Private Limited, which processes and sells cardboard products in India, commenced operation at its plant.

ICT, Finance & Insurance, Real Estate Business

Millions of yen

	2015.3	2014.3	Change
Total volume of trading transactions	**448,245**	430,658	17,587
Gross trading profit	**92,695**	88,098	4,597
Operating profit	**18,254**	19,645	(1,391)
Share of profits of associates and joint ventures	**5,405**	1,678	3,727
Profit for the year attributable to owners of the parent	**23,105**	15,748	7,357

Total volume of trading transactions in the year ended March 31, 2015, increased ¥17.6 billion (4.1%) year on year, to ¥448.2 billion, due to contributions from a domestic mobile phone sales subsidiary. Accordingly, gross trading profit grew ¥4.6 billion (5.2%), to ¥92.7 billion. Conversely, operating profit declined ¥1.4 billion (7.1%), to ¥18.3 billion, as a result of converting ARTERIA Networks Corporation into an associate. Share of profits of associates and joint ventures, meanwhile, increased ¥3.7 billion (222.1%), to ¥5.4 billion. In addition, the balance of gains and losses on investment securities improved. As a result, net profit grew ¥7.4 billion (46.7%) year on year, to ¥23.1 billion.

In the ICT field, Marubeni expanded its IT service operations by establishing Marubeni IT Solutions Inc., a joint venture with Nomura Research Institute, Ltd., and reorganizing operating companies. In the financial services field, Marubeni entered the private real estate investment trust (REIT) market for the first time and created Marubeni Private REIT Inc., a diversified private REIT designed to invest in office, commercial, hotel, and residential properties. In the real estate field, Marubeni began selling condominium units at the GRAND-SUITE KAGURAZAKA PIAS and GRAND-SUITE TAKADANOBABA SUWANOMORI condominium complexes.

Overseas Corporate Subsidiaries and Branches

Millions of yen

	2015.3	2014.3	Change
Total volume of trading transactions	**3,163,705**	2,895,626	268,079
Gross trading profit	**170,617**	150,462	20,155
Operating profit	**43,475**	42,775	700
Share of profits of associates and joint ventures	**1,072**	924	148
Profit for the year attributable to owners of the parent	**29,557**	25,281	4,276

Total volume of trading transactions in the year ended March 31, 2015, amounted to ¥3,163.7 billion, an increase of ¥268.1 billion (9.3%) year on year, due to the influences of yen depreciation. Gross trading profit grew ¥20.2 billion (13.4%), to ¥170.6 billion, reflecting increased profits at Helena Chemical Company, an agricultural chemicals and fertilizer products sales subsidiary of Marubeni America Corporation, and the influences of yen depreciation. Similarly, operating profit rose ¥0.7 billion (1.6%) year on year, to ¥43.5 billion. Combined with the rebound from a loss on valuation of property, plant and equipment recorded in the previous fiscal year, these factors caused net profit to increase ¥4.3 billion (16.9%), to ¥29.6 billion.

Although the economic outlook became increasingly opaque amidst a slowdown in growth in the Chinese economy and a slump in resource prices, overseas operations generally performed well, largely by virtue of the relatively stable recovery trend in the U.S. economy. Marubeni America was the chief driver of overseas earnings growth, aided by yen depreciation and the continuation of strong profit contributions from its subsidiary Helena Chemical. In sub-Saharan Africa, which has been designated a priority region in the Company's medium-term management plan, Marubeni substantially increased the number of employees dispatched from Japan. Also in this region, we explored new business opportunities in a broad range of sectors, such as infrastructure development, marine projects, and plant construction in addition to trade in metals, foodstuffs, and other goods.

Notes:
1. Effective from the year ended March 31, 2015, the Plant & Industrial Machinery segment has been renamed the Plant segment.
2. Inter-segment transactions are generally priced in accordance with the prevailing market prices.

Analysis of Operating Results for the Year Ended March 31, 2015

Profit for the year attributable to owners of the parent in the year ended March 31, 2015, decreased ¥105.3 billion year on year, to ¥105.6 billion. In terms of the operating results of consolidated subsidiaries, 337 companies were profitable, compared to 115 unprofitable companies. The percentage of companies achieving profitability was thus 74.6%, down 3.8 percentage points from 78.4% in the year ended March 31, 2014. Total income from these companies in the year ended March 31, 2015, decreased ¥91.0 billion year on year.

An analysis of operating results is provided as follows.

Gross Trading Profit

Gross trading profit for the year ended March 31, 2015, was ¥707.3 billion, up ¥56.3 billion year on year. This is mainly attributable to higher profits in the Food segment and from overseas corporate subsidiaries and branches.

Selling, General and Administrative Expenses

Selling, general and administrative (SGA) expenses in the year ended March 31, 2015, increased ¥53.0 billion year on year, to ¥546.6 billion. The principal components were personnel expenses, which were up ¥31.1 billion, to ¥291.5 billion, followed by depreciation and amortization, which increased ¥7.4 billion, to ¥33.4 billion.

Losses on Property, Plant and Equipment

Losses on property, plant and equipment in the year ended March 31, 2015, increased ¥103.4 billion year on year, to ¥144.9 billion. This increase was largely due to impairment losses associated with resource interests and the goodwill of Gavilon Holdings.

Other–Net

Other–net in the year ended March 31, 2015, equated to income of ¥7.8 billion, compared with expenses of ¥5.9 billion in the year ended March 31, 2014. This was mainly attributable to the recording of valuation gains in conjunction with the integration of grain export facilities in the United States.

Interest Income and Interest Expenses

Interest income in the year ended March 31, 2015, was relatively unchanged year on year at ¥14.5 billion. Interest expenses rose ¥2.5 billion, to ¥39.1 billion.

Dividend Income

Dividend income in the year ended March 31, 2015, was relatively unchanged year on year at ¥35.0 billion. Of this figure, ¥9.8 billion (¥4.4 billion in Japan and ¥5.4 billion from overseas) was received by the Company. Domestic consolidated subsidiaries received dividends totaling ¥1.0 billion, while overseas consolidated subsidiaries received dividends of ¥24.2 billion.

Gains and Losses on Investment Securities

Gains on investment securities in the year ended March 31, 2015, totaled ¥0.7 billion, down ¥13.4 billion year on year. This decrease was largely due to impairment loss recognized on an investment in a coal project in Canada.

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, 2015, equated to profit of ¥89.9 billion, down ¥9.5 billion year on year, owing mainly to impairment losses recorded in relation to operating companies in the Metals & Mineral Resources segment.

Income Taxes

Income taxes for the year ended March 31, 2015, decreased ¥11.2 billion year on year, to ¥11.9 billion.

Liquidity and Funding Sources

Financial Position

Total assets as of March 31, 2015, were ¥7,673.1 billion, up ¥417.0 billion from the end of the previous fiscal year. This increase was mainly attributable to new investments. Total equity as of March 31, 2015, rose ¥147.5 billion year on year, to ¥1,678.7 billion, due to the benefits of yen depreciation when translating the asset values of overseas business entities.

Interest-bearing debt as of March 31, 2015, was ¥3,369.0 billion, up ¥186.7 billion from the previous fiscal year-end. Net interest-bearing debt (interest-bearing debt less cash and cash equivalents and time deposits) increased ¥396.6 billion, to ¥2,887.6 billion. As a result, the net debt–equity (D/E) ratio was 1.72 times as March 31, 2015.

Cash Flows

Net cash provided by operating activities was ¥170.9 billion, due primarily to robust operating revenue mainly at overseas subsidiaries which offset the cash decrease resulting from an increase in working capital. Net cash used in investing activities was ¥331.4 billion. Major cash inflows came from sales of real estate investments. These inflows were outweighed by cash outflows, including those for the investment in the Roy Hill Iron Ore project in Australia and the Sur Combined Cycle Power Plant project in Oman as well as capital outlays directed at overseas resources-related operations. These activities resulted in negative free cash flow of ¥160.5 billion for the year ended March 31, 2015. Net cash used in financing activities amounted to ¥70.7 billion, as a result of repayment of borrowings and redemption of corporate bonds.

As a result, cash and cash equivalents at March 31, 2015, was ¥469.1 billion, a decrease of ¥196.4 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, 2015, Marubeni's long-term credit rating from R&I was upgraded from A– to A in May 2014. There was no change to other credit ratings, which consisted of long-term ratings of Baa2 from Moody's, BBB from S&P, and A+ from JCR.

Liquidity

On a consolidated basis, the liquidity ratio was 119.4% as of March 31, 2015, down from 125.0% 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, 2015, cash and cash equivalents and time deposits totaled ¥481.4 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 ¥15.4 billion as of March 31, 2015.

Business Risks

Major risks that could have a serious impact on investor decisions associated with the business operations and other activities of Marubeni Corporation and its consolidated subsidiaries are outlined below. The risks discussed, however, are not inclusive of the full range of possible risks faced in the broad range of activities engaged in by the Group. Any number of additional risks other than those discussed below could also impact business performance. Furthermore, risks considered to have a low likelihood of materializing have also been disclosed, from the perspective of ensuring proactive information disclosure. Forward-looking statements with respect to the risks discussed below reflect the reasonable judgment of the Company's management based on information available as of March 31, 2015.

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, such as business operations in Indonesia. 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 for each country and promotes efforts to ensure optimal portfolio management. Nevertheless, a deteriorating operating environment in these markets or regions could adversely affect the 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 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, 2015 and
for the year ended March 31, 2015
with Independent Auditors' Report

EY
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, 2015, 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 such internal control as management determines is necessary to enable the preparation of 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 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 financial statements present fairly, in all material respects, the consolidated financial position of Marubeni Corporation and its subsidiaries as at March 31, 2015, 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 19, 2015

Marubeni Corporation and Subsidiaries
Consolidated Statement of Financial Position

Assets	Millions of yen March 31, 2015	Millions of yen March 31, 2014	Thousands of U.S. dollars (Note 1) March 31, 2015
Current assets:			
Cash and cash equivalents *(Notes 4, 15 and 16)*	**¥469,106**	¥665,498	**$3,909,217**
Time deposits *(Notes 15 and 16)*	**12,310**	25,824	**102,583**
Investment securities *(Note 15)*	**601**	0	**5,008**
Notes, trade accounts and loans receivable *(Notes 4, 10, 15, 16, 23 and 25)*	**1,350,473**	1,414,045	**11,253,942**
Other current financial assets *(Notes 15, 16 and 23)*	**219,221**	208,768	**1,826,842**
Inventories *(Notes 4, 5 and 16)*	**898,870**	778,683	**7,490,583**
Assets classified as held for sale *(Note 9)*	**64,072**	26,805	**533,933**
Other current assets *(Notes 16 and 23)*	**246,014**	191,403	**2,050,117**
Total current assets	**3,260,667**	3,311,026	**27,172,225**
Non-current assets:			
Investments in associates and joint ventures *(Notes 4, 14, 16 and 25)*	**1,819,015**	1,587,840	**15,158,458**
Other investments *(Notes 15, 16 and 25)*	**421,434**	466,624	**3,511,950**
Notes, trade accounts and loans receivable *(Notes 10, 15, 16, 23 and 25)*	**213,042**	156,618	**1,775,350**
Other non-current financial assets *(Notes 15 and 16)*	**90,336**	94,669	**752,800**
Property, plant and equipment *(Notes 4, 6, 10 and 16)*	**1,363,776**	1,175,046	**11,364,800**
Intangible assets *(Notes 4, 7 and 16)*	**366,185**	350,443	**3,051,542**
Deferred tax assets *(Note 13)*	**62,223**	8,307	**518,525**
Other non-current assets *(Notes 10, 16 and 23)*	**76,386**	105,512	**636,550**
Total non-current assets	**4,412,397**	3,945,059	**36,769,975**
Total assets *(Note 20)*	**¥7,673,064**	¥7,256,085	**$63,942,200**

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

Liabilities and equity	Millions of yen March 31, 2015	Millions of yen March 31, 2014	Thousands of U.S. dollars (Note 1) March 31, 2015
Current liabilities:			
Bonds and borrowings *(Notes 4, 15 and 23)*	**¥522,992**	¥482,904	**$4,358,267**
Notes and trade accounts payable *(Notes 4, 15, 23 and 25)*	**1,313,165**	1,443,064	**10,943,042**
Other current financial liabilities *(Notes 15 and 23)*	**447,122**	390,876	**3,726,017**
Income tax payable *(Note 13)*	**20,955**	18,081	**174,625**
Liabilities directly associated with assets classified as held for sale *(Note 9)*	**32,659**	10,402	**272,158**
Other current liabilities *(Notes 8 and 23)*	**393,116**	303,019	**3,275,966**
Total current liabilities	**2,730,009**	2,648,346	**22,750,075**
Non-current liabilities:			
Bonds and borrowings *(Notes 4, 15 and 23)*	**2,846,032**	2,699,461	**23,716,933**
Notes and trade accounts payable *(Notes 15, 23 and 25)*	**20,549**	19,714	**171,242**
Other non-current financial liabilities *(Notes 15 and 23)*	**113,680**	117,372	**947,333**
Accrued pension and retirement benefits *(Note 11)*	**76,135**	69,014	**634,458**
Deferred tax liabilities *(Notes 4 and 13)*	**115,716**	99,148	**964,300**
Other non-current liabilities *(Notes 8 and 23)*	**92,230**	71,799	**768,584**
Total non-current liabilities	**3,264,342**	3,076,508	**27,202,850**
Total liabilities	**5,994,351**	5,724,854	**49,952,925**
Equity:			
Issued capital *(Note 21)*	**262,686**	262,686	**2,189,050**
Capital surplus *(Note 21)*	**148,243**	154,054	**1,235,358**
Treasury stock *(Note 21)*	**(1,361)**	(1,338)	**(11,341)**
Retained earnings *(Notes 21 and 22)*	**728,098**	699,951	**6,067,483**
Other components of equity *(Note 18)*:			
Gains (losses) on financial assets measured at fair value through other comprehensive income *(Notes 15 and 18)*	**108,256**	120,738	**902,133**
Foreign currency translation adjustments *(Notes 15 and 18)*	**327,782**	181,721	**2,731,517**
Gains (losses) on cash flow hedges *(Notes 15 and 18)*	**(55,189)**	(34,454)	**(459,908)**
Remeasurements of defined benefit plan *(Notes 11 and 18)*	**–**	–	**–**
Equity attributable to owners of the parent	**1,518,515**	1,383,358	**12,654,292**
Non-controlling interests *(Note 4)*	**160,198**	147,873	**1,334,983**
Total equity	**1,678,713**	1,531,231	**13,989,275**
Total liabilities and equity	**¥7,673,064**	¥7,256,085	**$63,942,200**

See accompanying notes to consolidated financial statements.

Overview of Marubeni
Marubeni's Ambitions
Marubeni's Business
Stance Toward Business Development
Financial Information
Corporate Information

Marubeni Corporation and Subsidiaries
Consolidated Statement of Comprehensive Income

	Millions of yen		Thousands of U.S. dollars (Note 1)
	Year ended March 31, 2015	Year ended March 31, 2014	**Year ended March 31, 2015**
Revenue *(Note 20)*:			
Sales of goods *(Note 15)*	**¥7,621,135**	¥6,853,975	**$63,509,458**
Commissions on services and trading margins	**213,160**	201,725	**1,776,334**
Total revenue	**7,834,295**	7,055,700	**65,285,792**
Cost of goods sold *(Notes 5, 6, 7 and 15)*	**(7,126,977)**	(6,404,637)	**(59,391,475)**
Gross trading profit *(Note 20)*	**707,318**	651,063	**5,894,317**
Other income (expenses):			
Selling, general and administrative expenses *(Notes 6, 7 and 11)*	**(546,630)**	(493,601)	**(4,555,250)**
Gains (losses) on property, plant and equipment:			
Impairment losses *(Notes 6 and 7)*	**(152,835)**	(43,452)	**(1,273,625)**
Gains (losses) on sales of property, plant and equipment	**7,962**	1,956	**66,350**
Other-net *(Notes 12 and 15)*	**7,817**	(5,906)	**65,142**
Total other income (expenses)	**(683,686)**	(541,003)	**(5,697,383)**
Finance income (expenses):			
Interest income *(Note 15)*	**14,509**	14,565	**120,908**
Interest expenses *(Note 15)*	**(39,090)**	(36,626)	**(325,750)**
Dividend income *(Note 15)*	**34,957**	34,917	**291,308**
Gains (losses) on investment securities *(Notes 14 and 15)*	**687**	14,052	**5,725**
Total finance income (expenses)	**11,063**	26,908	**92,191**
Share of profits of associates and joint ventures *(Notes 14 and 20)*	**89,919**	99,405	**749,325**
Profit before taxes	**124,614**	236,373	**1,038,450**
Income taxes *(Note 13)*	**(11,885)**	(23,087)	**(99,042)**
Profit for the year	**¥112,729**	¥213,286	**$939,408**
Profit for the year attributable to:			
Owners of the parent *(Note 20)*	**¥105,604**	¥210,945	**$880,033**
Non-controlling interests	**7,125**	2,341	**59,375**

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

	Millions of yen		*Thousands of U.S. dollars (Note 1)*
	Year ended March 31, 2015	Year ended March 31, 2014	**Year ended March 31, 2015**
Other comprehensive income *(Note 18)***:**			
Items that will not be reclassified to profit or loss:			
Gains (losses) on financial assets measured at fair value through other comprehensive income *(Notes 15 and 18)*	**¥(48,924)**	¥(17,911)	**$(407,700)**
Remeasurements of defined benefit plan *(Notes 11 and 18)*	**(2,248)**	(2,523)	**(18,733)**
Changes in other comprehensive income of associates and joint ventures *(Note 14)*	**5,111**	1,040	**42,592**
Items that will be reclassified to profit or loss:			
Foreign currency translation adjustments *(Notes 15 and 18)*	**144,739**	64,361	**1,206,158**
Gains (losses) on cash flow hedges *(Notes 15 and 18)*	**8,084**	639	**67,367**
Changes in other comprehensive income of associates and joint ventures *(Note 14)*	**(8,319)**	24,319	**(69,325)**
Other comprehensive income, net of tax	**98,443**	69,925	**820,359**
Total comprehensive income for the year	**¥211,172**	¥283,211	**$1,759,767**
Total comprehensive income for the year attributable to:			
Owners of the parent	**¥194,838**	¥278,752	**$1,623,650**
Non-controlling interests	**16,334**	4,459	**136,117**

	Yen		*U.S. dollars (Note 1)*
	Year ended March 31, 2015	Year ended March 31, 2014	**Year ended March 31, 2015**
Basic and diluted earnings per share attributable to owners of the parent *(Note 17)*	**¥60.85**	¥121.52	**$0.51**

	Millions of yen		*Thousands of U.S. dollars (Note 1)*
	Year ended March 31, 2015	Year ended March 31, 2014	**Year ended March 31, 2015**
Total volume of trading transactions *(Notes 20 and 23)*	**¥13,925,339**	¥13,633,520	**$116,044,492**

"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, 2015	Year ended March 31, 2014	**Year ended March 31, 2015**
Issued capital *(Note 21)*:			
Balance at beginning of year	**¥262,686**	¥262,686	**$2,189,050**
Balance at end of year	**262,686**	262,686	**2,189,050**
Capital surplus *(Note 21)*:			
Balance at beginning of year	**154,054**	153,874	**1,283,783**
Disposal of treasury stock	**–**	0	**–**
Equity transactions with non-controlling interests and others	**(5,811)**	180	**(48,425)**
Balance at end of year	**148,243**	154,054	**1,235,358**
Treasury stock *(Note 21)*:			
Balance at beginning of year	**(1,338)**	(887)	**(11,150)**
Purchases and sales of treasury stock	**(23)**	(451)	**(191)**
Balance at end of year	**(1,361)**	(1,338)	**(11,341)**
Retained earnings:			
Balance at beginning of year	**699,951**	550,841	**5,832,924**
Cumulative effect of applying new standards and interpretations *(Note 3)*	**–**	(1,955)	**–**
Profit for the year attributable to owners of the parent *(Note 20)*	**105,604**	210,945	**880,033**
Transfer from other components of equity *(Note 18)*	**(33,200)**	(17,343)	**(276,666)**
Dividends to owners of the parent *(Note 22)*	**(44,257)**	(42,537)	**(368,808)**
Balance at end of year	**728,098**	699,951	**6,067,483**
Other components of equity:			
Balance at beginning of year	**268,005**	182,855	**2,233,376**
Gains (losses) on financial assets measured at fair value through other comprehensive income *(Notes 15 and 18)*	**(43,955)**	(16,630)	**(366,292)**
Foreign currency translation adjustments *(Notes 15 and 18)*	**146,061**	68,571	**1,217,175**
Gains (losses) on cash flow hedges *(Notes 15 and 18)*	**(11,145)**	18,837	**(92,875)**
Remeasurements of defined benefit plan *(Notes 11 and 18)*	**(1,727)**	(2,971)	**(14,391)**
Transfer to retained earnings *(Note 18)*	**33,200**	17,343	**276,666**
Transfer to non-financial assets or non-financial liabilities *(Notes 15 and 18)*	**(9,590)**	–	**(79,917)**
Balance at end of year	**380,849**	268,005	**3,173,742**
Equity attributable to owners of the parent	**¥1,518,515**	¥1,383,358	**$12,654,292**

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, 2015	Year ended March 31, 2014	**Year ended March 31, 2015**
Non-controlling interests:			
Balance at beginning of year	**¥147,873**	¥53,639	**$1,232,275**
Dividends to non-controlling interests	**(5,129)**	(3,008)	**(42,742)**
Equity transactions with non-controlling interests and others	**1,120**	92,783	**9,333**
Profit for the year attributable to non-controlling interests	**7,125**	2,341	**59,375**
Other components of equity:			
Gains (losses) on financial assets measured at fair value through other comprehensive income *(Notes 15 and 18)*	**38**	115	**317**
Foreign currency translation adjustments *(Notes 15 and 18)*	**9,646**	2,005	**80,383**
Gains (losses) on cash flow hedges *(Notes 15 and 18)*	**(58)**	(94)	**(483)**
Remeasurements of defined benefit plan *(Notes 11 and 18)*	**(417)**	92	**(3,475)**
Balance at end of year	**160,198**	147,873	**1,334,983**
Total equity	**¥1,678,713**	¥1,531,231	**$13,989,275**

	Millions of yen		Thousands of U.S. dollars (Note 1)
	Year ended March 31, 2015	Year ended March 31, 2014	**Year ended March 31, 2015**
Total comprehensive income for the year attributable to:			
Owners of the parent	**¥194,838**	¥278,752	**$1,623,650**
Non-controlling interests	**16,334**	4,459	**136,117**
Total comprehensive income for the year	**¥211,172**	¥283,211	**$1,759,767**

See accompanying notes to consolidated financial statements.

Marubeni Corporation and Subsidiaries
Consolidated Statement of Cash Flows

	Millions of yen		Thousands of U.S. dollars (Note 1)
	Year ended March 31, 2015	Year ended March 31, 2014	**Year ended March 31, 2015**
Operating activities:			
Profit for the year	**¥112,729**	¥213,286	**$939,408**
Adjustments to reconcile profit for the year to net cash provided by (used in) operating activities:			
Depreciation and amortisation	**118,239**	85,855	**985,325**
(Gains) losses on property, plant and equipment	**144,873**	41,496	**1,207,275**
Finance (income) expenses	**(11,063)**	(26,908)	**(92,191)**
Share of profits of associates and joint ventures	**(89,919)**	(99,405)	**(749,325)**
Income taxes	**11,885**	23,087	**99,042**
Changes in notes and accounts receivable	**114,444**	31,773	**953,700**
Changes in inventories	**(32,091)**	(47,568)	**(267,425)**
Changes in notes and trade accounts payable	**(209,004)**	45,668	**(1,741,700)**
Other-net	**(23,745)**	(10,438)	**(197,875)**
Interest received	**13,777**	17,833	**114,808**
Interest paid	**(38,384)**	(36,927)	**(319,867)**
Dividends received	**111,042**	104,530	**925,350**
Income taxes paid	**(51,840)**	(51,094)	**(432,000)**
Net cash provided by operating activities	**170,943**	291,188	**1,424,525**
Investing activities *(Note 19)*:			
Net (increase) decrease in time deposits	**13,611**	8,245	**113,425**
Proceeds from sale of property, plant and equipment	**36,698**	18,596	**305,817**
Proceeds from sale of investment property	**57,650**	28,743	**480,417**
Collection of loans receivable	**35,240**	36,616	**293,667**
Proceeds from sale of subsidiaries, net of cash and cash equivalents disposed of	**151**	12,663	**1,258**
Proceeds from sale of investments in associates and joint ventures, and other investments	**91,465**	57,408	**762,208**
Purchase of property, plant and equipment	**(322,419)**	(198,477)	**(2,686,825)**
Purchase of investment property	**(585)**	(348)	**(4,875)**
Loans provided to customers	**(60,294)**	(37,121)	**(502,450)**
Acquisition of subsidiaries, net of cash and cash equivalents acquired	**(15,844)**	(315,982)	**(132,033)**
Purchase of investments in associates and joint ventures, and other investments	**(167,084)**	(316,928)	**(1,392,367)**
Net cash used in investing activities	**(331,411)**	(706,585)	**(2,761,758)**

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

	Millions of yen		*Thousands of U.S. dollars (Note 1)*
	Year ended March 31, 2015	Year ended March 31, 2014	**Year ended March 31, 2015**
Financing activities *(Note 19)*:			
Net increase (decrease) in short-term borrowings	**¥165,996**	¥(20,761)	**$1,383,300**
Proceeds from long-term bonds and borrowings	**301,954**	834,038	**2,516,283**
Repayments of long-term bonds and borrowings	**(484,648)**	(623,876)	**(4,038,733)**
Dividends paid	**(44,257)**	(42,537)	**(368,808)**
Net cash outflows on purchases and sales of treasury stock	**(23)**	(451)	**(192)**
Capital contribution from non-controlling interests	**809**	63,549	**6,742**
Other	**(10,536)**	(13,183)	**(87,800)**
Net cash provided by (used in) financing activities	**(70,705)**	196,779	**(589,208)**
Effect of exchange rate changes on cash and cash equivalents	**34,781**	18,524	**289,841**
Net increase (decrease) in cash and cash equivalents	**(196,392)**	(200,094)	**(1,636,600)**
Cash and cash equivalents at beginning of year	**665,498**	865,592	**5,545,817**
Cash and cash equivalents at end of year	**¥469,106**	¥665,498	**$3,909,217**

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 trades of domestic and overseas products and commodities, including domestic and offshore trades in fields which cover extensive types of commodities such as agri-marine products, chemicals, energy, metals, machinery, textile, forest products and general merchandise, paper and pulp, finance, logistics, information industry, development and construction and others. In addition, the Companies offer various services and engage in diversified business 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, 2015 and at March 31, 2015 is included solely for the convenience of readers outside of Japan and has been made at ¥120 to $1, the exchange rate prevailing on March 31, 2015. 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", 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 5 "Inventories")
- Impairment of property, plant and equipment(Note 6 "Property, Plant and Equipment")
- Impairment of intangible assets (Note 7 "Intangible Assets")
- Provisions (Note 8"Provisions")
- Defined benefit obligation (Note 11 "Employee Benefits")
- Recoverability of deferred tax assets (Note 13 "Income Taxes")
- Impairment of investments in associates and joint ventures (Note 14 "Associates and Joint Ventures")
- Valuation of financial instruments (Note 15"Financial Instruments and Related Disclosures")
- Contingent liabilities (Note 24 "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 9 "Non-current Assets or Disposal Groups Held for Sale)
- Accounting for leases (Notes 10 "Leases")
- Derecognition of financial assets (Note 15 "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 and 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) Newly applied standards and interpretations

From the beginning of the financial year, the Companies have applied the following standards and interpretations.

Standards and interpretations	Description
IAS 36 *Impairment of Assets*	Disclosure of recoverable amounts for non-financial assets
IFRIC 21 *Levies*	Recognition of liabilities related to levies

From the beginning of the third quarter ended December 31, 2014, the Companies have early applied the following standards and interpretations.

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

The above-mentioned standards and interpretations did not have a significant impact on the Consolidated Financial Statements for the financial year. The cumulative effect of applying IFRIC 21 was accounted for as an adjustment to retained earnings.

(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, 2015, 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 Statement 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, 2017	Financial year ending March 31, 2018	Accounting for and disclosure of revenue recognition

4. Business Combinations

There were no significant business combinations for the year ended March 31, 2015.

In the first quarter ended June 30, 2014, the Company completed the purchase price allocation of Gavilon Holdings, LLC (Head Office: Omaha, Nebraska, U.S.A., hereinafter "Gavilon"), which was acquired on July 5, 2013, to the assets acquired and liabilities assumed. The fair values of the consideration transferred, the assets acquired and the liabilities assumed at the acquisition date were as follows:

	Millions of yen	*Thousands of U.S. dollars*
Fair value of the consideration transferred	¥274,474	$2,287,283
Current assets:	215,083	1,792,358
Cash and cash equivalents	15,099	125,825
Notes, trade accounts and loans receivable	44,542	371,183
Inventories	118,988	991,567
Other	36,454	303,783
Non-current assets:	202,195	1,684,959
Property, plant and equipment	83,173	693,108
Intangible assets	69,549	579,575
Investments in associates and joint ventures	46,223	385,192
Other	3,250	27,084
Fair value of the assets acquired	¥417,278	$3,477,317
Current liabilities:	¥(155,485)	$(1,295,708)
Notes and trade accounts payable	(66,037)	(550,308)
Bonds and borrowings	(52,892)	(440,767)
Other	(36,556)	(304,633)
Non-current liabilities:	(92,881)	(774,009)
Bonds and borrowings	(56,926)	(474,383)
Deferred tax liabilities	(29,525)	(246,042)
Other	(6,430)	(53,584)
Fair value of the liabilities assumed	¥(248,366)	$(2,069,717)
Fair value of the assets acquired and liabilities assumed-net	¥168,912	$1,407,600
Non-controlling interests	(1,012)	(8,434)
Goodwill	¥106,574	$888,117

The amount of non-controlling interests represents the interests in the subsidiaries of the Gavilon group at the acquisition date. Goodwill mainly comprises the expected synergies that are not individually identifiable and separately recognised.

The Company made adjustments to the preliminary purchase price allocation in the first quarter ended June 30, 2014 and as a result, the amount of goodwill at the acquisition date decreased by ¥15,382 million ($128,183 thousand) mainly due to the increase in intangible assets of ¥20,573 million ($171,442 thousand) and related deferred tax liabilities of ¥5,023 million ($41,858 thousand).

As described in Note 7 "Intangible Assets", the Company recognised, as an estimated non-recoverable amount of the cash-generating unit, an impairment loss in the Consolidated Statement of Comprehensive Income for the year ended March 31, 2015.

5. Inventories

Inventories at March 31, 2015 and 2014 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Merchandise/finished goods	**¥817,980**	¥696,992	**$6,816,500**
Real estate held for sale	**48,600**	56,391	**405,000**
Materials/work in progress	**32,290**	25,300	**269,083**
Total	**¥898,870**	¥778,683	**$7,490,583**

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 ¥199,266 million ($1,660,550 thousand) and ¥168,232 million, at March 31, 2015 and 2014, respectively.

During the year ended March 31, 2015, there were no transfers between Level 1 and Level 2.

Inventories recognised as expenses for the years ended March 31, 2015 and 2014 were ¥6,874,500 million ($57,287,500 thousand) and ¥6,114,700 million, respectively. Among those expenses, inventory write-offs of ¥3,635 million ($30,292 thousand) and ¥4,186 million were included in expenses for the years ended March 31, 2015 and 2014, respectively.

6. Property, Plant and Equipment

Changes in cost, accumulated depreciation and impairment losses of property, plant and equipment for the years ended March 31, 2015 and 2014 were as follows:

Cost

	Millions of yen				
	Land	Buildings and structures	Machinery and equipment	Other	Total
April 1, 2013	¥171,684	¥291,676	¥1,071,095	¥18,287	¥1,552,742
Additions	270	8,023	216,423	47,813	272,529
Disposals	(28,144)	(15,299)	(33,235)	–	(76,678)
Disposals of subsidiaries	(1,006)	(23,240)	(16,373)	(1,025)	(41,644)
Currency translation adjustments	1,002	7,385	78,132	1,700	88,219
Other	5,866	65,056	131,513	(5,366)	197,069
March 31, 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**

	Land	Buildings and structures	Machinery and equipment	Other	Total
	Thousands of U.S. dollars				
March 31, 2014	**$1,247,267**	**$2,780,008**	**$12,062,958**	**$511,742**	**$16,601,975**
Additions	**5,500**	**64,392**	**1,768,542**	**506,741**	**2,345,175**
Disposals	**(2,883)**	**(37,542)**	**(736,900)**	**(41,583)**	**(818,908)**
Disposals of subsidiaries	**(808)**	**(8,250)**	**(3,975)**	**–**	**(13,033)**
Currency translation adjustments	**20,000**	**182,508**	**1,638,858**	**39,275**	**1,880,641**
Other	**(1,943)**	**70,209**	**566,367**	**(600,083)**	**34,550**
March 31, 2015	**$1,267,133**	**$3,051,325**	**$15,295,850**	**$416,092**	**$20,030,400**

Accumulated depreciation and impairment losses

	Land	Buildings and structures	Machinery and equipment	Other	Total
	Millions of yen				
April 1, 2013	¥(29,109)	¥(164,516)	¥(577,005)	¥–	¥(770,630)
Depreciation	–	(11,537)	(60,692)	–	(72,229)
Impairment losses	(1,481)	(164)	(24,242)	(217)	(26,104)
Disposals	24,654	11,856	22,020	–	58,530
Disposals of subsidiaries	–	14,685	11,307	–	25,992
Currency translation adjustments	(15)	(1,665)	(35,548)	(4)	(37,232)
Other	–	859	3,623	–	4,482
March 31, 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)**

	Land	Buildings and structures	Machinery and equipment	Other	Total
	Thousands of U.S. dollars				
March 31, 2014	**$(49,592)**	**$(1,254,016)**	**$(5,504,475)**	**$(1,842)**	**$(6,809,925)**
Depreciation	**–**	**(103,600)**	**(751,891)**	**–**	**(855,491)**
Impairment losses	**(3,525)**	**(10,492)**	**(849,275)**	**–**	**(863,292)**
Disposals	**1,067**	**20,667**	**510,408**	**–**	**532,142**
Disposals of subsidiaries	**–**	**6,483**	**3,342**	**–**	**9,825**
Currency translation adjustments	**(775)**	**(32,742)**	**(717,425)**	**–**	**(750,942)**
Other	**–**	**2,733**	**67,508**	**1,842**	**72,083**
March 31, 2015	**$(52,825)**	**$(1,370,967)**	**$(7,241,808)**	**$–**	**$(8,665,600)**

Carrying amount

	Millions of yen				
	Land	Buildings and structures	Machinery and equipment	Other	Total
March 31, 2014	¥143,721	¥183,119	¥787,018	¥61,188	¥1,175,046
March 31, 2015	¥145,717	¥201,643	¥966,485	¥49,931	¥1,363,776

	Thousands of U.S. dollars				
	Land	Buildings and structures	Machinery and equipment	Other	Total
March 31, 2015	**$1,214,308**	**$1,680,358**	**$8,054,042**	**$416,092**	**$11,364,800**

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

Changes in the cost of "Buildings and structures" for the year ended March 31, 2014 classified as "Other" included ¥57,112 million of acquisitions arising from business combinations. Changes in the cost of "Machinery and equipment" for the year ended March 31, 2014 classified as "Other" included ¥104,640 million of acquisitions arising from business combinations.

For the years ended March 31, 2015 and 2014, the Company and certain of its consolidated subsidiaries recognised impairment losses on facilities, real estate and industrial plants of ¥103,595 million ($863,292 thousand) and ¥26,104 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 ¥97,928 million ($816,067 thousand) were included in the Energy segment for the year ended March 31, 2015; and of ¥16,451 and ¥8,031 million were included in the Energy segment and the Lifestyle & Forest Products segment, respectively, for the year ended March 31, 2014.

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, 2015 included ¥63,164 million ($526,367 thousand) 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 ($151,383 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 U.S. Gulf of Mexico, and ¥15,999 million ($133,325 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 Texas in the U.S.A.. These impairment losses were reported under the Energy 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 ($1,070,833 thousand). Weighted average cost of capital used in value in use calculations ranged from 6.4% to 8.5% and reflected current market assessments of time value of money and risks specific to the assets.

Significant impairment losses recognised for the year ended March 31, 2014 included ¥13,366 million as a result of the write down of "Machinery and equipment" to its value in use, following downward revisions in estimated future cash flows due to a revised production plans for oil and gas assets in Texas in the U.S.A.. This impairment loss was reported under the Energy segment.

7. Intangible Assets

Changes in cost, accumulated amortisation and impairment losses of intangible assets for the years ended March 31, 2015 and 2014 were as follows:

Cost

	Millions of yen					
	Licenses and operating rights in natural resources	Franchises and customer relationships	Software	Goodwill	Other	Total
April 1, 2013	¥93,391	¥42,253	¥25,578	¥68,733	¥17,793	¥247,748
Additions	–	232	3,918	–	1,030	5,180
Disposals	(25,462)	–	(2,575)	–	(434)	(28,471)
Currency translation adjustments	10,156	4,116	301	6,274	473	21,320
Other	(10,442)	109,220	(2,112)	130,076	(7,364)	219,378
March 31, 2014	**¥67,643**	**¥155,821**	**¥25,110**	**¥205,083**	**¥11,498**	**¥465,155**
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)**	**31,679**	**(341)**	**(1,779)**	**372**	**14,858**
March 31, 2015	**¥67,001**	**¥208,846**	**¥29,321**	**¥226,934**	**¥13,118**	**¥545,220**

	Thousands of U.S. dollars					
	Licenses and operating rights in natural resources	Franchises and customer relationships	Software	Goodwill	Other	Total
March 31, 2014	**$563,692**	**$1,298,508**	**$209,250**	**$1,709,025**	**$95,817**	**$3,876,292**
Additions	**–**	**1,492**	**42,975**	**–**	**2,883**	**47,350**
Disposals	**–**	**(6,642)**	**(5,558)**	**–**	**(425)**	**(12,625)**
Currency translation adjustments	**120,258**	**183,033**	**517**	**196,917**	**7,941**	**508,666**
Other	**(125,608)**	**263,992**	**(2,842)**	**(14,825)**	**3,100**	**123,817**
March 31, 2015	**$558,342**	**$1,740,383**	**$244,342**	**$1,891,117**	**$109,316**	**$4,543,500**

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, 2013	¥(73,932)	¥(17,672)	¥(15,802)	¥(16,664)	¥(4,889)	¥(128,959)
Amortisation expenses	(455)	(6,624)	(3,435)	–	(600)	(11,114)
Impairment losses	(4,730)	(3,896)	(323)	(3,189)	(1,713)	(13,851)
Disposals	25,252	–	2,453	–	5	27,710
Currency translation adjustments	(8,497)	(762)	(185)	(473)	(75)	(9,992)
Other	17	5,835	1,715	10,510	3,417	21,494
March 31, 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)**

	Thousands of U.S. dollars					
	Licenses and operating rights in natural resources	Franchises and customer relationships	Software	Goodwill	Other	Total
March 31, 2014	**$(519,542)**	**$(192,658)**	**$(129,808)**	**$(81,800)**	**$(32,125)**	**$(955,933)**
Amortisation expenses	**(1,975)**	**(83,892)**	**(29,708)**	**–**	**(4,392)**	**(119,967)**
Impairment losses	**(1,108)**	**(4,033)**	**(383)**	**(400,442)**	**(217)**	**(406,183)**
Disposals	**–**	**6,467**	**4,583**	**–**	**375**	**11,425**
Currency translation adjustments	**(109,450)**	**(18,875)**	**(408)**	**(48,817)**	**(1,250)**	**(178,800)**
Other	**122,009**	**30,433**	**4,632**	**(416)**	**842**	**157,500**
March 31, 2015	**$(510,066)**	**$(262,558)**	**$(151,092)**	**$(531,475)**	**$(36,767)**	**$(1,491,958)**

Carrying amount

	Millions of yen					
	Licenses and operating rights in natural resources	Franchises and customer relationships	Software	Goodwill	Other	Total
March 31, 2014	¥5,298	¥132,702	¥9,533	¥195,267	¥7,643	¥350,443
March 31, 2015	**¥5,793**	**¥177,339**	**¥11,190**	**¥163,157**	**¥8,706**	**¥366,185**

	Thousands of U.S. dollars					
	Licenses and operating rights in natural resources	Franchises and customer relationships	Software	Goodwill	Other	Total
March 31, 2015	**$48,276**	**$1,477,825**	**$93,250**	**$1,359,642**	**$72,549**	**$3,051,542**

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 ($171,442 thousand) as a result of adjustments to the preliminary purchase price allocation of Gavilon and ¥13,816 million ($115,133 thousand) of acquisitions arising from business combinations. Changes in the cost of "Goodwill" classified as "Other" included a decrease of ¥15,382 million ($128,183 thousand) as a result of adjustments to the preliminary purchase price allocation of Gavilon and ¥9,840 million ($82,000 thousand) due to acquisitions.

Changes in the cost of "Licenses and operating rights in natural resources" for the year ended March 31, 2014 classified as "Other" were mainly attributable to a reclassification of certain licenses and operating rights to property, plant and equipment as their 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 ¥110,399 million of acquisitions arising from business combinations with the acquisitions of Gavilon and MXM were ¥48,976 million and ¥36,021 million, respectively. Changes in the cost of "Goodwill" classified as "Other" included ¥121,956 million and ¥12,918 million due to acquisitions of Gavilon and MXM, respectively.

Of the intangible assets stated above, the carrying amount of intangible assets with indefinite useful lives at March 31, 2015 and 2014 were ¥55,512 million ($462,600 thousand) and ¥25,110 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, 2015 included ¥45,064 million ($375,533 thousand) of trademarks recognised as a result of the acquisition of Gavilon.

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, 2015 and 2014, 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 ¥33,756 million ($281,300 thousand) and ¥34,905 million, franchises and customer relationship assets related to the mobile phone sales distribution business were ¥32,099 million ($267,492 thousand) and ¥34,328 million, and trademarks acquired through the other business combinations were ¥25,434 million ($211,950 thousand) and ¥22,994 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.

In the first quarter ended June 30, 2014, the Company completed the purchase price allocation of Gavilon to the assets acquired and liabilities assumed. The carrying amount of "Goodwill" at March 31, 2015 included ¥73,716 million ($614,300 thousand) of goodwill arising from the acquisition of Gavilon, for which an impairment loss has been recognised by the Company.

For the years ended March 31, 2015 and 2014, the Company and certain of its consolidated subsidiaries recognised impairment losses on intangible assets of ¥48,742 million ($406,183 thousand) and ¥13,851 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 ($400,442 thousand) were included in the Food segment for the year ended March 31, 2015; and of ¥4,730 million, ¥3,332 million and ¥3,042 million were included in the Energy segment, the Overseas corporate subsidiaries & branches segment and the Power Projects & Infrastructure segment, respectively, for the year ended March 31, 2014.

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

The Company revised the business plan for Gavilon, as it expected the operating results not achieving the original plan's targets for two consecutive years. As a result, the Company reduced the carrying amount of goodwill arising from the acquisition of Gavilon to its recoverable amount and recognised an impairment loss of ¥48,053 million ($400,442 thousand) in the Consolidated Statement of Comprehensive Income for the year ended March 31, 2015.

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 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 calculation was 8.25%, which reflects current market assessments of time value of money and risks specific to the assets.

8. Provisions

Changes in provisions for the year ended March 31, 2015 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	**¥57,027**	**¥11,176**	**¥68,203**	**$475,225**	**$93,133**	**$568,358**
Increase for the year	**15,775**	**5,534**	**21,309**	**131,458**	**46,117**	**177,575**
Decrease for the year	**(10,125)**	**(5,126)**	**(15,251)**	**(84,375)**	**(42,717)**	**(127,092)**
Interest expense	**6,108**	**17**	**6,125**	**50,900**	**142**	**51,042**
Other	**8,003**	**1,396**	**9,399**	**66,692**	**11,633**	**78,325**
Balance at end of year	**¥76,788**	**¥12,997**	**¥89,785**	**$639,900**	**$108,308**	**$748,208**

"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.

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

9. 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, 2015 and 2014 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Assets classified as held for sale	**¥64,072**	¥26,805	**$533,933**
Liabilities directly associated with assets classified as held for sale	**32,659**	10,402	**272,158**

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.

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, 2015 included in, by operating segment, the Energy, the Transportation Machinery, the Power Projects & Infrastructure, the Plant, the ICT, Finance & Insurance, Real Estate Business and the Overseas corporate subsidiaries & branches were ¥64,072 million ($533,933 thousand) and ¥32,659 million ($272,158 thousand), respectively. Such assets and liabilities were mainly comprised of notes and trade accounts receivable; investments in associates and joint ventures; property, plant and equipment; other current liabilities; and borrowings.

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, 2014 were included in, by operating segment, the Transportation Machinery, the ICT, Finance & Insurance, Real Estate Business and the Corporate & Elimination, etc., as a result of the completion of sales in the current year were ¥26,805 million ($223,375 thousand) and ¥10,402 million ($86,683 thousand), respectively. Such assets and liabilities were mainly comprised of inventories; property, plant and equipment; intangible assets; investment property; and notes and trade accounts payable.

10. Leases

Lessor

The Company and certain of its consolidated subsidiaries lease vessels, automobiles and certain other assets 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, 2015 and 2014 were as follows:

	Millions of yen				*Thousands of U.S. dollars*	
	March 31, 2015		March 31, 2014		**March 31, 2015**	
	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	**¥10,941**	**¥8,597**	¥12,992	¥9,866	**$91,175**	**$71,642**
Later than one year and not later than five years	**44,051**	**38,179**	38,826	32,883	**367,092**	**318,158**
Later than five years	**3,604**	**2,711**	7,675	7,104	**30,033**	**22,592**
Total	**¥58,596**	**¥49,487**	¥59,493	¥49,853	**$488,300**	**$412,392**
Less: Unearned finance income	**8,139**		8,568		**67,825**	
Net investment in the lease	**¥50,457**		¥50,925		**$420,475**	
Less: Present value of unguaranteed residual value	**970**		1,072		**8,083**	
Present value of minimum lease payments receivable	**¥49,487**		¥49,853		**$412,392**	

The Company and certain of its consolidated subsidiaries also lease property such as vessels, freight railcars, trailers, office buildings and certain other assets under operating leases.

The total of future minimum lease payments receivable under non-cancellable operating leases at March 31, 2015 and 2014 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Not later than one year	**¥28,796**	¥19,915	**$239,967**
Later than one year and not later than five years	**90,865**	63,400	**757,208**
Later than five years	**36,349**	24,943	**302,908**
Total	**¥156,010**	¥108,258	**$1,300,083**

Lessee

The Company and certain of its consolidated subsidiaries lease trailers, freight railcars, machinery, vessels, office equipment and certain other assets under finance leases. At March 31, 2015 and 2014, the net carrying amounts included in property, plant and equipment (Machinery and equipment) in the Consolidated Statement of Financial Position, were ¥31,481 million ($262,342 thousand) and ¥18,298 million, respectively. The total of future minimum lease payments and the present value under finance leases at March 31, 2015 and 2014 were as follows:

	Millions of yen				*Thousands of U.S. dollars*	
	March 31, 2015		March 31, 2014		**March 31, 2015**	
	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	**¥12,155**	**¥11,459**	¥8,069	¥7,571	**$101,291**	**$95,492**
Later than one year and not later than five years	**27,615**	**25,899**	19,842	18,760	**230,125**	**215,825**
Later than five years	**4,346**	**4,153**	3,630	3,063	**36,217**	**34,608**
Total	**¥44,116**	**¥41,511**	¥31,541	¥29,394	**$367,633**	**$345,925**
Less: Financial charges	**2,605**		2,147		**21,708**	
Present value of minimum lease payments	**¥41,511**		¥29,394		**$345,925**	

The Company and certain of its consolidated subsidiaries also lease vessels, office buildings, trailers, machinery and certain other assets under operating leases. Lease payments amounted to ¥45,066 million ($375,550 thousand) and ¥41,991 million for the years ended March 31, 2015 and 2014, respectively. Payments for services of ¥12,001 million ($100,008 thousand) and ¥8,304 million were included in the lease payments.

The total of future minimum lease payments under non-cancelable operating leases at March 31, 2015 and 2014 were as follows. The total of future minimum lease payments receivable at March 31, 2015 and 2014 had not been offset by the future minimum sublease rentals of ¥82,355 million ($686,292 thousand) and ¥38,084 million, respectively, under non-cancelable subleases.

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Not later than one year	**¥34,424**	¥34,281	**$286,867**
Later than one year and not later than five years	**69,605**	63,661	**580,042**
Later than five years	**72,472**	61,886	**603,933**
Total	**¥176,501**	¥159,828	**$1,470,842**

Future payments for services of ¥8,665 million ($72,208 thousand) and ¥12,474 million at March 31, 2015 and 2014 were included in the total of future minimum lease payments.

11. 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, 2015 and 2014 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Balance at beginning of year of net defined benefit liability	**¥68,701**	¥67,404	**$572,508**
Changes in the present value of defined benefit obligation:			
Balance at beginning of year	**292,351**	282,345	**2,436,258**
Current service cost	**11,791**	10,251	**98,258**
Past service cost	**65**	271	**542**
Interest expense	**6,482**	5,458	**54,017**
Remeasurements:			
Actuarial gains (losses) arising from changes in demographic assumptions	**3,801**	4,346	**31,675**
Actuarial gains (losses) arising from changes in financial assumptions	**15,226**	(2,601)	**126,883**
Other	**2,022**	750	**16,850**
Effect of changes in foreign exchange rates	**10,973**	6,229	**91,442**
Benefits paid	**(17,953)**	(21,636)	**(149,608)**
Effects of business combinations and divestitures	**(172)**	6,938	**(1,433)**
Balance at end of year	**324,586**	292,351	**2,704,884**
Changes in the fair value of plan assets:			
Balance at beginning of year	**223,650**	214,941	**1,863,750**
Interest income	**5,301**	4,575	**44,175**
Remeasurements:			
Return on plan assets	**20,902**	8,872	**174,184**
Effect of changes in foreign exchange rates	**7,413**	5,395	**61,775**
Employees' contributions	**400**	3,918	**3,333**
Employer's contributions	**6,897**	3,003	**57,475**
Benefits paid	**(15,525)**	(19,471)	**(129,375)**
Effects of business combinations and divestitures	**–**	2,417	**–**
Balance at end of year	**249,038**	223,650	**2,075,317**
Balance at end of year of net defined benefit liability	**¥75,548**	¥68,701	**$629,567**

Actuarial assumptions used for the present value calculation of defined benefit obligations at March 31, 2015 and 2014 were mainly as follows:

	March 31, 2015	March 31, 2014
Discount rate	**1.0%**	1.3%
Rates of salary increase	**4.8%**	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 rose by 0.5%, and the other assumptions were held constant, defined benefit plan liability at March 31, 2015 and 2014 would decrease by ¥12,032 million ($100,267 thousand) and ¥11,463 million, respectively. The rate of salary increase is not expected to change.

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**

	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	**$63,283**	**$–**	**$63,283**
Equity securities:			
Japanese companies	**401,708**	**–**	**401,708**
Pooled funds	**13,900**	**555,283**	**569,183**
Debt securities:			
Bonds denominated in Japanese yen	**–**	**114,742**	**114,742**
Pooled funds	**–**	**732,025**	**732,025**
Life insurance company general accounts	**–**	**136,250**	**136,250**
Other	**18,559**	**39,567**	**58,126**
Total plan assets	**$497,450**	**$1,577,867**	**$2,075,317**

Fair value of plan assets by class at March 31, 2014 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	¥15,160	¥–	¥15,160
Equity securities:			
Japanese companies	34,801	–	34,801
Pooled funds	1,398	57,735	59,133
Debt securities:			
Bonds denominated in Japanese yen	–	13,372	13,372
Pooled funds	–	80,612	80,612
Life insurance company general accounts	–	14,393	14,393
Other	1,930	4,249	6,179
Total plan assets	¥53,289	¥170,361	¥223,650

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, 2015.

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, 2016 is approximately ¥12,800 million ($106,667 thousand).

The weighted average duration of defined benefit obligation at March 31, 2015 and 2014 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, 2015 and 2014 were ¥291,483 million ($2,429,025 thousand) and ¥260,428 million, respectively.

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12. Other-net

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 ($145,250 thousand). These net exchange differences (net gains) were mainly offset by profits or losses on derivatives held for hedging purpose.

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 ($275,758 thousand) 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.

For the year ended March 31, 2014

Net exchange differences recognised in profit or loss classified as “Other-net” in the Consolidated Statement of Comprehensive Income were net gains of ¥3,120 million.

Fines of ¥8,976 million in loss were included in “Other-net” in the Consolidated Statement of Comprehensive Income. Fines represent the loss as a result of resolution with the U.S. Department of Justice regarding violations of the U.S. Foreign Corrupt Practices Act (“FCPA”) in relation to the Indonesia Tarahan Project.

13. Income Taxes

The Company files a consolidated income tax return in Japan.

Total income taxes recognised for the years ended March 31, 2015 and 2014 were attributable to the following:

	Millions of yen		*Thousands of U.S. dollars*
	2015	2014	**2015**
Current tax	**¥(54,933)**	¥14,803	**$(457,775)**
Deferred tax	**43,048**	(37,890)	**358,733**
Total	**¥(11,885)**	¥(23,087)	**$(99,042)**

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, 2015 and 2014 were approximately 36.0% and 38.0%, respectively. However, the income tax rates of foreign subsidiaries are calculated on the basis of general local tax rates.

On March 31, 2015, the Act to Partially Revise the Income Tax Act (Act No. 2, and No. 9 of 2015) was promulgated. The Act will reduce the statutory income tax rate from the financial year beginning April 1, 2015 and thereafter. As a result of the Act, the applicable tax rate will be reduced from approximately 36.0% to 33.0% effective the financial year beginning April 1, 2015, and to approximately 32.0% effective 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 rate expressed as a percentage of profit before tax for the years ended March 31, 2015 and 2014 were as follows:

	2015	2014
Applicable tax rate	**36.0 %**	38.0 %
Tax effect on income and expenses not taxable and deductible for tax purposes	**(0.9)%**	1.9 %
Difference in tax rate of foreign subsidiaries	**(16.8)%**	(3.8)%
Tax effect on share of profits of associates and joint ventures and retained earnings of subsidiaries	**(23.6)%**	(23.0)%
Reassessment of the recoverability of deferred tax assets	**10.0 %**	(4.3)%
Other	**4.8 %**	1.0 %
Effective tax rate	**9.5 %**	9.8 %

Changes in deferred tax assets and deferred tax liabilities for the years ended March 31, 2015 and 2014 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2015	2014	**2015**
Balance at beginning of year (Deferred tax assets-net)	**¥(90,841)**	¥(42,223)	**$(757,008)**
Deferred tax income or expense recognised in profit or loss	**43,048**	(37,890)	**358,733**
Deferred tax income or expense recognised in other comprehensive income	**3,046**	28,975	**25,383**
Changes in acquisitions and divestitures	**(8,746)**	(39,703)	**(72,883)**
Balance at end of year (Deferred tax assets-net)	**¥(53,493)**	¥(90,841)	**$(445,775)**

Significant components of deferred tax assets and deferred tax liabilities at March 31, 2015 and 2014 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Deferred tax assets:			
Allowance for doubtful accounts	**¥6,315**	¥7,213	**$52,625**
Inventories	**4,325**	4,023	**36,042**
Property, plant and equipment and investment property	**101,463**	27,512	**845,525**
Employees' retirement benefits	**29,238**	28,882	**243,650**
Unrealised profit on intercompany transactions	**4,253**	7,363	**35,442**
Net operating loss carryforwards	**131,577**	82,451	**1,096,475**
Other	**26,959**	33,964	**224,658**
Total deferred tax assets	**¥304,130**	¥191,408	**$2,534,417**
Deferred tax liabilities:			
Property, plant and equipment and investment property	**¥236,715**	¥165,243	**$1,972,625**
Investment securities and other investments	**16,723**	25,069	**139,358**
Intangible assets	**36,815**	40,184	**306,792**
Undistributed earnings	**47,334**	36,913	**394,450**
Other	**20,036**	14,840	**166,967**
Total deferred tax liabilities	**¥357,623**	¥282,249	**$2,980,192**
Deferred tax assets-net	**¥(53,493)**	¥(90,841)	**$(445,775)**

Deferred tax assets and deferred tax liabilities in the Consolidated Statement of Financial Position at March 31, 2015 and 2014 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Deferred tax assets	**¥62,223**	¥8,307	**$518,525**
Deferred tax liabilities	**115,716**	99,148	**964,300**
Deferred tax assets-net	**¥(53,493)**	¥(90,841)	**$(445,775)**

The amount of deductible temporary differences and tax loss carryforwards for which deferred tax assets were not recognised at March 31, 2015 and 2014 were ¥584,592 million ($4,871,600 thousand) and ¥527,191 million, respectively. Within these amounts, tax loss carryforwards classified by expiry date at March 31, 2015 and 2014 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
Expiry date	**March 31, 2015**	March 31, 2014	**March 31, 2015**
Not later than one year	**¥3,663**	¥2,852	**$30,525**
Later than one year and not later than five years	**25,953**	27,164	**216,275**
Later than five years	**57,795**	47,519	**481,625**
Infinite carryforward periods	**19,505**	17,902	**162,542**
Total	**¥106,916**	¥95,437	**$890,967**

For the year ended March 31, 2015, deferred tax assets of ¥53,537 million ($446,142 thousand) were recognised by certain subsidiaries that have recorded losses in the current period 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 in excess of the profits arising from the reversal of existing taxable temporary differences. 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, 2015 and 2014 were ¥996,231 million ($8,301,925 thousand) and ¥856,580 million, respectively. Determination of the amounts of the related unrecognised deferred tax liabilities is not practical.

14. Associates and Joint Ventures

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 ($8,814,200 thousand) and ¥30,755 million ($256,291 thousand), respectively. The share of comprehensive income consisted of ¥37,135 million ($309,458 thousand) in profit for the year and ¥(6,380) million ($(53,167) thousand) in other comprehensive income.

By operating segment, the Metals & Mineral Resources segment recognised an impairment loss of ¥25,968 million ($216,400 thousand) 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 ($131,933 thousand) 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 ($2,429,483 thousand). Weighted average cost of capital used in the value in use calculation 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 ($6,344,258 thousand) and ¥55,956 million ($466,301 thousand), respectively. The share of comprehensive income consisted of ¥52,784 million ($439,867 thousand) in profit for the year and ¥3,172 million ($26,434 thousand) 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 ($260,067 thousand) (¥19,771 million ($164,758 thousand) 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.

For the year ended March 31, 2014

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 ¥973,163 million and ¥43,718 million, respectively. The share of comprehensive income consisted of ¥35,929 million in profit for the year and ¥7,789 million in other comprehensive income.

By operating segment, the Metals & Mineral Resources segment recognised an impairment loss of ¥12,264 million from investments in coal mining projects in Canada. This impairment loss was recognised due to the anticipated decrease in the estimated future cash flows following revisions in the business plan, and the amount of the impairment loss was calculated using the fair value less costs of disposal. The fair value less costs of disposal was calculated based on future cash flows and weighted average cost of capital that reflected current market assessments of the time value of money and risks specific to the asset, etc. Said impairment loss was 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 ¥614,677 million and ¥81,046 million, respectively. The share of comprehensive income consisted of ¥63,476 million in profit for the year and ¥17,570 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 ¥11,437 million (decrease of ¥21,160 million 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.

15. 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 = Consolidated net interest bearing debt / Total consolidated equity. Consolidated 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 1.5 times by the end of the year ending March 31, 2016 under the three-year mid-term management plan, "Global Challenge 2015", which commenced April 2013. However, reflecting the announcement of "Notice Regarding Revision of Consolidated Financial Results Forecast and Recognition of Impairment Loss" dated January 26, 2015, and the various factors such as the recent global economic trends, resource price trends and currency exchange rate fluctuations, the management revised the target net D/E ratio to approximately 1.6 times.

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, 2015 and 2014 assuming that all other variables are held constant.

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Effect on profit before tax	**¥(18,949)**	¥(16,626)	**$(157,908)**

(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.

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, 2015 and 2014. 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, 2015	March 31, 2014	**March 31, 2015**
<U.S. dollars>			
Effect on profit before tax	**¥215**	¥300	**$1,792**
Effect on foreign currency translation adjustments (before tax)	**(5,754)**	(6,696)	**(47,950)**
<Australian dollars>			
Effect on profit before tax	**38**	31	**317**
Effect on foreign currency translation adjustments (before tax)	**(1,009)**	(1,055)	**(8,408)**

(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, 2015 and 2014. Derivatives that are settled net with other contracts are represented as gross amounts.

	Millions of yen				*Thousands of U.S. dollars*	
	March 31, 2015		March 31, 2014		**March 31, 2015**	
	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	**¥6,186**	**¥21,588**	¥6,740	¥18,305	**$51,550**	**$179,900**
Foreign currency	**21,498**	**5,253**	8,940	4,628	**179,150**	**43,775**
Commodity	**84,360**	**4,195**	84,006	4,769	**703,000**	**34,958**
Other	**–**	**–**	–	–	**–**	**–**
Expense						
Interest rate	**(359)**	**(3,743)**	(190)	(5,567)	**(2,992)**	**(31,192)**
Foreign currency	**(38,946)**	**(1,835)**	(14,915)	(670)	**(324,550)**	**(15,291)**
Commodity	**(75,784)**	**(3,080)**	(90,036)	(3,359)	**(631,533)**	**(25,667)**
Other	**–**	**–**	–	–	**–**	**–**

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, 2015 and 2014 would be ¥(8,524) million ($(71,033) thousand) and ¥(7,089) 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.

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 of foreign 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, 2015 and 2014 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Notes receivable	**¥100,995**	¥89,610	**$841,625**
Trade accounts receivable	**1,341,093**	1,400,021	**11,175,775**
Loans receivable	**152,639**	117,285	**1,271,992**
Allowance for doubtful accounts	**(31,212)**	(36,253)	**(260,100)**
Total	**¥1,563,515**	¥1,570,663	**$13,029,292**

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 ¥54,530 million ($454,417 thousand) and ¥72,631 million at March 31, 2015 and 2014, respectively.

The fair value of notes, trade accounts and loans receivable measured at amortised cost was ¥1,509,897 million ($12,582,475 thousand) at March 31, 2015. The carrying amounts of notes, trade accounts and loans receivable measured at amortised cost approximated their fair value at March 31, 2014.

Notes, trade accounts and loans receivable that were transferred without meeting the criteria for derecognition at March 31, 2015 and 2014 were ¥124,405 million ($1,036,708 thousand) and ¥117,981 million, respectively, and have been included in "Notes, trade accounts and loans receivable" correspondingly the amounts credited from the transfer of ¥88,964 million ($741,367 thousand) and ¥81,670 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.

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, 2015 and 2014, the carrying amounts prior to transfer of the said notes, trade accounts and loans receivable were ¥1,278 million ($10,650 thousand) and ¥702 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 ¥224 million ($1,867 thousand) and ¥120 million, respectively.

Of the amounts above, notes, trade accounts and loans receivable for which the transferee has the right to recourse only for the transferred assets were ¥88,267 million ($735,558 thousand) and ¥98,528 million, and the carrying amount of the related liabilities were ¥52,835 million ($440,292 thousand) and ¥62,220 million at March 31, 2015 and 2014, respectively. These carrying amounts approximate the fair values.

Changes in allowance for doubtful accounts for the years ended March 31, 2015 and 2014 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Balance at beginning of year	**¥36,253**	¥30,152	**$302,108**
Provision for the year	**4,735**	3,971	**39,459**
Charge-offs	**(12,386)**	(9,236)	**(103,217)**
Others	**2,610**	11,366	**21,750**
Balance at end of year	**¥31,212**	¥36,253	**$260,100**

Impairment of notes, trade accounts and loans receivable is recognised when there is objective evidence of impairment, and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate falls below the carrying amount. Notes, trade accounts and loans receivable for which impairment was recognised at March 31, 2015 and 2014 were ¥29,231 million ($243,592 thousand) and ¥34,531 million, respectively; and their corresponding allowances for doubtful accounts were ¥23,335 million ($194,458 thousand) and ¥29,903 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, 2015 and 2014 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Not later than 90 days	**¥70,027**	¥75,923	**$583,559**
Later than 90 days	**22,105**	18,006	**184,208**
Total	**¥92,132**	¥93,929	**$767,767**

(iii) Investment securities and other investments

The carrying amounts of investment securities and other investments at March 31, 2015 and 2014 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Investment securities			
FVTPL	**¥–**	¥–	**$–**
Amortised cost	**601**	0	**5,008**
Total	**¥601**	¥0	**$5,008**
Other investments			
FVTPL	**¥19,415**	¥11,495	**$161,792**
FVTOCI	**384,351**	432,664	**3,202,925**
Amortised cost	**17,668**	22,465	**147,233**
Total	**¥421,434**	¥466,624	**$3,511,950**

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, 2015 and 2014, "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, 2015 and 2014.

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, 2015 and 2014 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
With quoted prices in active markets	**¥170,470**	¥141,776	**$1,420,583**
Without quoted prices in active markets	**213,881**	290,888	**1,782,342**
Total	**¥384,351**	¥432,664	**$3,202,925**

Major issuers of "Other investments" measured at FVTOCI with quoted prices in active markets at March 31, 2015 and 2014 were as follows:

Stocks	Millions of yen March 31, 2015	Millions of yen March 31, 2014	Thousands of U.S. dollars March 31, 2015
YAMAZAKI BAKING CO., LTD.	**¥17,695**	¥9,979	**$147,458**
INPEX CORPORATION	**12,313**	12,438	**102,608**
NISSHIN SEIFUN GROUP INC.	**8,886**	6,479	**74,050**
The Dai-ichi Life Insurance Company, Limited	**7,637**	6,563	**63,642**
AEON CO., LTD.	**7,348**	6,473	**61,233**
ISUZU MOTORS LIMITED	**6,985**	5,186	**58,208**
ASICS Corporation	**4,792**	2,973	**39,933**
Citizen Holdings Co., Ltd.	**4,145**	3,493	**34,542**
Tokio Marine Holdings, Inc.	**4,137**	2,824	**34,475**
SAPPORO HOLDINGS LIMITED	**3,925**	3,348	**32,708**

"Other investments" measured at FVTOCI that do not have quoted prices in active markets comprised investments in resources, materials, lifestyle, and machinery related businesses. At March 31, 2015 and 2014, investments in resources related businesses were ¥132,695 million ($1,105,792 thousand) and ¥208,330 million, respectively, while investments in other areas were ¥81,186 million ($676,550 thousand) and ¥82,558 million, respectively.

Dividend income recognised on "Other investments" measured at FVTOCI for the year ended March 31, 2015 was ¥34,583 million ($288,191 thousand), of which dividend income on investments held at March 31, 2015 was ¥33,225 million ($276,875 thousand). Dividend income recognised on "Other investments" measured at FVTOCI for the year ended March 31, 2014 was ¥34,899 million, of which dividend income on investments held at March 31, 2014 was ¥34,292 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, 2015 and 2014 were ¥31,473 million ($262,275 thousand) (losses) and ¥14,372 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, 2015 and 2014 were as follows.

	Millions of yen March 31, 2015	Millions of yen March 31, 2014	Thousands of U.S. dollars March 31, 2015
Fair value at derecognition	**¥23,195**	¥9,982	**$193,292**
Cumulative gains (losses) at derecognition	**79**	(809)	**658**
Dividend income on the derecognised investments	**1,358**	607	**11,316**

(iv) Notes and trade accounts payable

The carrying amounts of notes and trade accounts payable at March 31, 2015 and 2014 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Notes payable	**¥241,139**	¥256,998	**$2,009,492**
Trade accounts payable	**1,092,575**	1,205,780	**9,104,792**
Total	**¥1,333,714**	¥1,462,778	**$11,114,284**

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, 2015 and 2014.

The future contract due dates of notes and trade accounts payable at March 31, 2015 and 2014 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Not later than one year	**¥1,313,165**	¥1,443,064	**$10,943,042**
Later than one year and not later than five years	**18,410**	15,411	**153,417**
Later than five years	**2,139**	4,303	**17,825**

(v) Bonds and borrowings

The carrying amounts of bonds and borrowings at March 31, 2015 and 2014 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Bonds	**¥420,613**	¥440,285	**$3,505,108**
Borrowings	**2,948,411**	2,742,080	**24,570,092**
Total	**¥3,369,024**	¥3,182,365	**$28,075,200**

Bonds and borrowings are measured at amortised cost.

The fair values of bonds and borrowings at March 31, 2015 and 2014 were ¥3,370,998 million ($28,091,650 thousand) and ¥3,184,520 million, respectively, and were categorised as Level 3.

The future contract due dates of bonds and borrowings at March 31, 2015 and 2014 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Not later than one year	**¥549,569**	¥509,156	**$4,579,742**
Later than one year and not later than five years	**1,874,235**	1,737,868	**15,618,625**
Later than five years	**1,048,747**	1,050,653	**8,739,558**

Details of bonds and borrowings at March 31, 2015 and 2014 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
1.80% bonds due 2014	**¥–**	¥10,000	**$–**
1.72% bonds due 2014	**–**	15,000	**–**
1.46% bonds due 2014	**–**	20,000	**–**
1.46% bonds due 2015	**20,000**	20,000	**166,667**
2.30% bonds due 2022	**5,000**	5,000	**41,667**
1.11% bonds due 2015	**–**	10,000	**–**
2.55% bonds due 2025	**10,000**	10,000	**83,333**
0.88% bonds due 2015	**15,000**	15,000	**125,000**
0.72% bonds due 2014	**–**	30,000	**–**
0.57% bonds due 2015	**10,000**	10,000	**83,333**
0.85% bonds due 2017	**10,000**	10,000	**83,333**
1.59% bonds due 2020	**10,000**	10,000	**83,333**
2.10% bonds due 2025	**10,000**	10,000	**83,333**
0.68% bonds due 2016	**10,000**	10,000	**83,333**
1.50% bonds due 2021	**10,000**	10,000	**83,333**
2.20% bonds due 2029	**10,000**	10,000	**83,333**
0.70% bonds due 2016	**30,000**	30,000	**250,000**
1.29% bonds due 2021	**20,000**	20,000	**166,667**
0.66% bonds due 2017	**10,000**	10,000	**83,333**
0.92% bonds due 2019	**10,000**	10,000	**83,333**
0.52% bonds due 2017	**40,000**	40,000	**333,333**
0.511% bonds due 2017	**10,000**	10,000	**83,333**
0.756% bonds due 2019	**10,000**	10,000	**83,333**
0.491% bonds due 2017	**10,000**	10,000	**83,333**
1.17% bonds due 2022	**10,000**	10,000	**83,333**
0.558% bonds due 2018	**10,000**	10,000	**83,333**
0.859% bonds due 2020	**10,000**	10,000	**83,333**
0.451% bonds due 2018	**10,000**	10,000	**83,333**
1.096% bonds due 2023	**10,000**	10,000	**83,333**
0.36% bonds due 2018	**20,000**	20,000	**166,667**
0.619% bonds due 2020	**10,000**	10,000	**83,333**
0.436% bonds due 2021	**10,000**	–	**83,333**
0.756% bonds due 2024	**10,000**	–	**83,333**
1.034% bonds due 2026	**13,000**	–	**108,333**
0.227% bonds due 2019	**30,000**	–	**250,000**
3.97% bonds payable in Australian dollars due 2017	**10,127**	10,471	**84,392**
Short-term borrowings principally at rates from 0.2% to 6.1%	**377,223**	208,028	**3,143,525**
Long-term borrowings due serially through 2030 principally at rates from 0.1% to 7.5%	**2,571,188**	2,534,052	**21,426,567**
(Current portion of long-term borrowings)	**(130,372)**	(199,827)	**(1,086,433)**
Other	**7,486**	4,814	**62,389**
Total	**¥3,369,024**	¥3,182,365	**$28,075,200**

(vi) Finance income (expenses)

Each component of finance income (expenses) for the years ended March 31, 2015 and 2014 was as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Interest income:			
Financial assets measured at amortised cost	**¥14,509**	¥14,565	**$120,908**
Total	**¥14,509**	¥14,565	**$120,908**
Interest expenses:			
Financial liabilities measured at amortised cost	**¥(42,858)**	¥(40,243)	**$(357,150)**
Other	**3,768**	3,617	**31,400**
Total	**¥(39,090)**	¥(36,626)	**$(325,750)**
Dividend income:			
Financial assets measured at FVTPL	**¥374**	¥18	**$3,117**
Financial assets measured at FVTOCI	**34,583**	34,899	**288,191**
Total	**¥34,957**	¥34,917	**$291,308**
Gains (losses) on investment securities:			
Financial assets measured at amortised cost	**¥–**	¥(1)	**$–**
Financial assets measured at FVTPL	**7,305**	2,370	**60,875**
Other	**(6,618)**	11,683	**(55,150)**
Total	**¥687**	¥14,052	**$5,725**

"Other" within "Interest expenses" mainly included gains and losses from derivative transactions.

"Other" within "Gains (losses) on investment securities" mainly included impairment losses (refer to Note 14. Associates and Joint Ventures) and gains (losses) on disposal of investments in associates and joint ventures, and gains (losses) accompanying the loss of control of subsidiaries. For the years ended March 31, 2015 and 2014, gains (losses) on derecognition of subsidiaries from the scope of consolidation due to disposal and other were ¥8,623 million ($71,858 thousand) (gains) and ¥3,211 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, 2015 and 2014 were ¥7,244 million ($60,367 thousand) (gains) and ¥3,180 million (gains), respectively.

(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, 2015 and 2014 were as follows:

	Millions of yen								*Thousands of U.S. dollars*			
	March 31, 2015				March 31, 2014				**March 31, 2015**			
	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	**¥–**	**¥42,302**	**¥12,228**	**¥54,530**	¥–	¥72,631	¥–	¥72,631	**$–**	**$352,517**	**$101,900**	**$454,417**
Investment securities	**–**	**–**	**–**	**–**	–	–	–	–	**–**	**–**	**–**	**–**
Other Investments (equity)	**3,498**	**–**	**8,430**	**11,928**	–	–	113	113	**29,150**	**–**	**70,250**	**99,400**
Other Investments (debt)	**–**	**–**	**7,487**	**7,487**	–	–	11,382	11,382	**–**	**–**	**62,392**	**62,392**
Other financial assets	**–**	**–**	**15,079**	**15,079**	–	–	13,834	13,834	**–**	**–**	**125,658**	**125,658**
Non-derivative Financial assets measured at FVTOCI:												
Other Investments	**170,470**	**834**	**213,047**	**384,351**	141,776	1,025	289,863	432,664	**1,420,583**	**6,950**	**1,775,392**	**3,202,925**
Derivative instruments:												
Interest rate contracts	**–**	**25,825**	**–**	**25,825**	–	20,601	–	20,601	**–**	**215,208**	**–**	**215,208**
Forward exchange contracts	**–**	**26,318**	**–**	**26,318**	–	13,550	–	13,550	**–**	**219,317**	**–**	**219,317**
Commodity contracts	**8,360**	**49,018**	**1,187**	**58,565**	1,250	48,481	663	50,394	**69,667**	**408,483**	**9,892**	**488,042**
Other	**–**	**–**	**–**	**–**	–	–	–	–	**–**	**–**	**–**	**–**
Liabilities:												
Derivative instruments:												
Interest rate contracts	**–**	**(2,934)**	**–**	**(2,934)**	–	(1,701)	–	(1,701)	**–**	**(24,450)**	**–**	**(24,450)**
Forward exchange contracts	**–**	**(40,348)**	**–**	**(40,348)**	–	(15,567)	–	(15,567)	**–**	**(336,233)**	**–**	**(336,233)**
Commodity contracts	**(3,789)**	**(43,055)**	**(123)**	**(46,967)**	(10,055)	(32,733)	(152)	(42,940)	**(31,575)**	**(358,792)**	**(1,025)**	**(391,392)**
Other	**–**	**–**	**–**	**–**	–	–	–	–	**–**	**–**	**–**	**–**

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 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, 2015 and 2014, discount rates used in fair value measurement by the Companies range from 4.7% to 16.2% and 1.4% to 13.0%, 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, 2015 and 2014, 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, 2015 and 2014 were as follows:

	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**	**¥–**

	Thousands of U.S. dollars						
	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	**$–**	**$–**	**$95,792**	**$115,283**	**$2,415,525**	**$4,258**	**$–**
Gains (losses) in profit or loss	**1,608**	**–**	**57,675**	**9,150**	**–**	**12,575**	**500**
Gains (losses) in other comprehensive income	**–**	**–**	**–**	**–**	**(741,608)**	**–**	**–**
Purchases	**91,608**	**–**	**67,633**	**–**	**19,175**	**–**	**92**
Sales/Redemptions	**–**	**–**	**(87,375)**	**(16,625)**	**(64,450)**	**–**	**–**
Settlements	**–**	**–**	**–**	**–**	**–**	**(9,058)**	**(592)**
Transfers	**–**	**–**	**37,342**	**–**	**(40,150)**	**33**	**–**
Effects of acquisition and divestitures	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Net transfers in and/or (out) of Level 3	**–**	**–**	**(33,600)**	**–**	**(350)**	**–**	**–**
Other	**8,684**	**–**	**(4,825)**	**17,850**	**187,250**	**1,059**	**–**
Balance at end of year	**$101,900**	**$–**	**$132,642**	**$125,658**	**$1,775,392**	**$8,867**	**$–**
Gains (losses) in assets and liabilities held at end of year	**$1,608**	**$–**	**$16,417**	**$9,150**	**$–**	**$8,108**	**$–**

	Millions of yen						
	Non-derivative Financial assets measured at FVTPL				Non-derivative Financial assets measured at FVTOCI	Derivative instruments	
March 31, 2014	Notes, trade accounts and loans receivable	Investment securities	Other investments	Other financial assets	Other investments	Commodity contracts	Other contracts
Balance at beginning of year	¥–	¥–	¥14,452	¥11,732	¥286,320	¥(4)	¥–
Gains (losses) in profit or loss	–	–	2,370	2,644	–	3,300	(459)
Gains (losses) in other comprehensive income	–	–	–	–	(19,686)	–	–
Purchases	–	–	1,879	1,658	11,285	–	–
Sales/Redemptions	–	–	(7,795)	(3,289)	(4,119)	–	–
Settlements	–	–	–	–	–	(1,067)	–
Transfers	–	–	–	–	233	3	–
Effects of acquisition and divestitures	–	–	–	–	139	(1,732)	459
Net transfers in and/or (out) of Level 3	–	–	–	–	–	–	–
Other	–	–	589	1,089	15,691	11	–
Balance at end of year	¥–	¥–	¥11,495	¥13,834	¥289,863	¥511	¥–
Gains (losses) in assets and liabilities held at end of year	¥–	¥–	¥1,833	¥2,325	¥–	¥500	¥–

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 Division, 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, 2015 and 2014.

(4) Offsetting financial assets and financial liabilities

At March 31, 2015 and 2014, 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, 2015	March 31, 2014	**March 31, 2015**
Gross amounts of recognised financial assets	**¥104,062**	¥120,063	**$867,183**
Amounts offset in accordance with the criteria for offsetting of financial assets and liabilities	**(39,582)**	(47,114)	**(329,850)**
Net amount presented in the Consolidated Statement of Financial Position	**64,480**	72,949	**537,333**
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	**(52,069)**	(55,172)	**(433,908)**
Net amount	**¥12,411**	¥17,777	**$103,425**

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Gross amounts of recognised financial liabilities	**¥112,556**	¥127,006	**$937,966**
Amounts offset in accordance with the criteria for offsetting of financial assets and liabilities	**(39,582)**	(47,114)	**(329,850)**
Net amount presented in the Consolidated Statement of Financial Position	**72,974**	79,892	**608,116**
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	**(52,069)**	(55,172)	**(433,908)**
Net amount	**¥20,905**	¥24,720	**$174,208**

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 year ended March 31, 2014, the Company recognised net gains of ¥2,933 million on hedging instruments in fair value hedges. Gains (losses) on the hedged items more or less corresponded to the gains (losses) on hedging instruments.

For the years ended March 31, 2015 and 2014, 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, 2015 and 2014, 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.

For the year ended March 31, 2014, the amounts recognised as gains (losses) on cash flow hedges (before tax) were net gains of ¥15,167 million. For the year ended March 31, 2014, gains (losses) on cash flow hedges reclassified into profit or loss were net gains of ¥13,709 million (including "Interest expenses" of ¥(963) million, "Other-net" gains of ¥15,034 million and "Cost of goods sold" of ¥(362) million).

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, 2015 and 2014, there were no significant amounts recognised in profit or loss relating to the ineffective portion of hedges.

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

At March 31, 2015 and 2014, 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, 2015		March 31, 2014		**March 31, 2015**		
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	
Fair value hedges:							
Interest rate risk	**¥25,633**	**¥(806)**	¥20,571	¥(195)	**$213,609**	**$(6,717)**	
Foreign exchange risk	**–**	**(176)**	71	(58)	**–**	**(1,467)**	(Note 1)
Commodity price risk	**3,316**	**(6,406)**	1,249	(5,930)	**27,633**	**(53,383)**	
Total	**¥28,949**	**¥(7,388)**	¥21,891	¥(6,183)	**$241,242**	**$(61,567)**	
Cash flow hedges:							
Interest rate risk	**¥33**	**¥(1,973)**	¥20	¥(1,489)	**$275**	**$(16,441)**	
Foreign exchange risk	**10,475**	**(24,293)**	9,275	(6,979)	**87,292**	**(202,442)**	(Note 2)
Commodity price risk	**1,164**	**(302)**	16	(112)	**9,700**	**(2,517)**	
Total	**¥11,672**	**¥(26,568)**	¥9,311	¥(8,580)	**$97,267**	**$(221,400)**	
Hedges of net investments in foreign operations	**¥3,829**	**¥(598,257)**	¥838	¥(566,260)	**$31,908**	**$(4,985,475)**	(Note 3)
Total financial instruments to which hedge accounting was applied	**¥44,450**	**¥(632,213)**	¥32,040	¥(581,023)	**$370,417**	**$(5,268,442)**	

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, 2015 and 2014 were ¥66,258 million ($552,150 thousand) and ¥72,049 million ($600,408 thousand), and ¥52,576 million and ¥48,278 million, respectively.

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

At March 31, 2015, the profile of the timing of the nominal amount and the average price or rate of the main hedging instruments were as follows:

				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.

At March 31, 2015, the carrying amounts 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:

	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)

	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	**$164,675**	**$(7,728,667)**	**$2,558**	**$(216,708)**	(Note 1)
Foreign exchange risk	**8,783**	**–**	**1,492**	**–**	(Note 2)
Commodity price risk	**337,433**	**(296,650)**	**322,400**	**(289,517)**	(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 recognised in the Consolidated Statement of Comprehensive Income on cash flow hedges and hedges of net investments in foreign operations (before tax) for the year ended March 31, 2015 were as follows:

	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	**¥(1,216)**	**¥392**	**$(10,134)**	**$3,267**	Interest expenses
Foreign exchange risk	**7,521**	**1,732**	**62,675**	**14,433**	Other-net
Commodity price risk	**(904)**	**4,233**	**(7,533)**	**35,275**	Cost of goods sold
Total	**¥5,401**	**¥6,357**	**$45,008**	**$52,975**	
Hedges of net investments in foreign operations:	**¥(120,016)**	**¥3,939**	**$(1,000,133)**	**$32,825**	Other-net and gains (losses) on investment securities

For the year ended March 31, 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 year ended March 31, 2015 were as follows:

	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)**

	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	**$(291,817)**	**$31,517**	**$(26,816)**	**$(1,047,650)**
Changes for the year	**(208,708)**	**(23,083)**	**(62,192)**	**(991,642)**
Reclassification to profit or loss for the year	**124,067**	**14,400**	**62,641**	**24,292**
Transfer to non-financial assets or non-financial liabilities	**–**	**(79,917)**	**–**	**–**
Balance at end of year	**$(376,458)**	**$(57,083)**	**$(26,367)**	**$(2,015,000)**

"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, 2015 and 2014 were ¥75,675 million ($630,625 thousand) and ¥35,033 million ($291,942 thousand), and ¥55,172 million and ¥29,373 million, respectively.

Additionally, at March 31, 2015 and 2014, non-derivative assets in "Other current financial assets" and "Other non-current financial assets" included Financial assets measured at FVTPL in the amounts of ¥15,079 million ($125,658 thousand) and ¥13,834 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, 2015 and 2014 were ¥82,764 million ($689,700 thousand) and ¥7,485 million ($62,375 thousand), and ¥54,804 million and ¥5,404 million, respectively.

16. Pledged Assets

The assets pledged as collateral for the Companies' loans and such like at March 31, 2015 and 2014 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Cash and cash equivalents, and time deposits	**¥16,612**	¥27,223	**$138,433**
Notes, trade accounts and loans receivable (current and non-current)	**98,984**	86,105	**824,867**
Inventories	**231,528**	164,709	**1,929,400**
Investments in associates and joint ventures	**198,777**	339,761	**1,656,475**
Property, plant and equipment (after deducting accumulated depreciation)	**159,686**	185,642	**1,330,717**
Other	**164,403**	141,059	**1,370,025**
Total	**¥869,990**	¥944,499	**$7,249,917**

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, 2015 and 2014 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.

17. Earnings per Share

Basic and diluted earnings per share attributable to owners of the parent for the years ended March 31, 2015 and 2014 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Numerator:			
Profit for the year attributable to owners of the parent for the basic and diluted earnings per share	**¥105,604**	¥210,945	**$880,033**

	Number of shares	
	March 31, 2015	March 31, 2014
Denominator:		
Weighted average shares for the basic and diluted earnings per share (Treasury stock is excluded)	**1,735,387,247**	1,735,902,213

	Yen		*U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Basic and diluted earnings per share attributable to owners of the parent	**¥60.85**	¥121.52	**$0.51**

18. Other Components of Equity and Other Comprehensive Income

Changes in other components of equity for the years ended March 31, 2015 and 2014 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Gains (losses) on financial assets measured at fair value through other comprehensive income			
Balance at beginning of year	**¥120,738**	¥122,996	**$1,006,150**
Change for the year	**(43,955)**	(16,630)	**(366,292)**
Transfer to retained earnings	**31,473**	14,372	**262,275**
Balance at end of year	**¥108,256**	¥120,738	**$902,133**
Foreign currency translation adjustments			
Balance at beginning of year	**¥181,721**	¥113,150	**$1,514,342**
Change for the year	**146,061**	68,571	**1,217,175**
Balance at end of year	**¥327,782**	¥181,721	**$2,731,517**
Gains (losses) on cash flow hedges			
Balance at beginning of year	**¥(34,454)**	¥(53,291)	**$(287,116)**
Change for the year	**(11,145)**	18,837	**(92,875)**
Transfer to non-financial assets or non-financial liabilities	**(9,590)**	–	**(79,917)**
Balance at end of year	**¥(55,189)**	¥(34,454)	**$(459,908)**
Remeasurements of defined benefit plan			
Balance at beginning of year	**¥–**	¥–	**$–**
Change for the year	**(1,727)**	(2,971)	**(14,391)**
Transfer to retained earnings	**1,727**	2,971	**14,391**
Balance at end of year	**¥–**	¥–	**$–**
Other components of equity			
Balance at beginning of year	**¥268,005**	¥182,855	**$2,233,376**
Change for the year	**89,234**	67,807	**743,617**
Transfer to retained earnings	**33,200**	17,343	**276,666**
Transfer to non-financial assets or non-financial liabilities	**(9,590)**	–	**(79,917)**
Balance at end of year	**¥380,849**	¥268,005	**$3,173,742**

Each component of other comprehensive income, including non-controlling interests and related tax effects, for the years ended March 31, 2015 and 2014 were as follows:

	Millions of yen					
	March 31, 2015			March 31, 2014		
	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	**¥(51,979)**	**¥8,062**	**¥(43,917)**	¥(5,567)	¥(10,948)	¥(16,515)
Change for the year	**¥(51,979)**	**¥8,062**	**¥(43,917)**	¥(5,567)	¥(10,948)	¥(16,515)
Foreign currency translation adjustments:						
Gains (losses) arising for the year	**¥165,658**	**¥(1,589)**	**¥164,069**	¥79,897	¥(10,768)	¥69,129
Reclassification to profit or loss for the year	**(8,868)**	**506**	**(8,362)**	1,286	161	1,447
Change for the year	**¥156,790**	**¥(1,083)**	**¥155,707**	¥81,183	¥(10,607)	¥70,576
Gains (losses) on cash flow hedges:						
Gains (losses) arising for the year	**¥(31,589)**	**¥(3,757)**	**¥(35,346)**	¥25,771	¥(4,656)	¥21,115
Reclassification to profit or loss for the year	**24,086**	**57**	**24,143**	(7,911)	5,539	(2,372)
Change for the year	**¥(7,503)**	**¥(3,700)**	**¥(11,203)**	¥17,860	¥883	¥18,743
Remeasurements of defined benefit pension plan:						
Gains (losses) arising for the year	**¥(1,634)**	**¥(510)**	**¥(2,144)**	¥6,554	¥(9,433)	¥(2,879)
Change for the year	**¥(1,634)**	**¥(510)**	**¥(2,144)**	¥6,554	¥(9,433)	¥(2,879)
Other comprehensive income	**¥95,674**	**¥2,769**	**¥98,443**	¥100,030	¥(30,105)	¥69,925

	Thousands of U.S. dollars		
	March 31, 2015		
	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	**$(433,158)**	**$67,183**	**$(365,975)**
Change for the year	**$(433,158)**	**$67,183**	**$(365,975)**
Foreign currency translation adjustments:			
Gains (losses) arising for the year	**$1,380,483**	**$(13,242)**	**$1,367,241**
Reclassification to profit or loss for the year	**(73,900)**	**4,217**	**(69,683)**
Change for the year	**$1,306,583**	**$(9,025)**	**$1,297,558**
Gains (losses) on cash flow hedges:			
Gains (losses) arising for the year	**$(263,242)**	**$(31,308)**	**$(294,550)**
Reclassification to profit or loss for the year	**200,717**	**475**	**201,192**
Change for the year	**$(62,525)**	**$(30,833)**	**$(93,358)**
Remeasurements of defined benefit plan:			
Gains (losses) arising for the year	**$(13,616)**	**$(4,250)**	**$(17,866)**
Change for the year	**$(13,616)**	**$(4,250)**	**$(17,866)**
Other comprehensive income	**$797,284**	**$23,075**	**$820,359**

19. Cash Flow Information

Supplemental cash flow information for the years ended March 31, 2015 and 2014 was as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Non-cash investing and financing activities:			
Exchange of assets:			
Fair value of assets received	**¥62,462**	¥29,968	**$520,517**
Carrying amounts of assets surrendered	**21,450**	26,788	**178,750**

20. 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 or the areas. The segments, by product and service, are managed by the divisions of the Head Office. "Overseas corporate subsidiaries and branches" operate in the respective areas and are independent operating units. 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 nine segments identified by products and services, in addition to its "Overseas corporate subsidiaries and branches".

These segments are outlined as follows:

Food: This group produces and distributes all sorts of food such as fodder, soy beans, grain, sugar, processed food and beverages, raw materials, foodstuffs for commercial use, and agricultural and marine products, both domestically and internationally.

Chemicals: This group handles a wide variety of goods ranging from upstream, such as basic petrochemicals, to downstream, such as electronic materials, specialty chemicals, agrochemicals and fertilizers. Focusing on China, Americas, Middle East, South East Asia, and India, as priority markets, this group conducts business with a balance between investment and trade.

Energy: This group focuses on products related to energy such as oil and gas, etc. It also takes part in various sorts of businesses which benefit from the development of resources through retail such as gas stations, both domestically and internationally.

Metals & Mineral Resources: This group produces, processes and sells nonferrous light metals, while trading raw materials for production of steel and light metals as well as manufacturing, processing and selling steel related products such as steel plate, steel pipe, and special steel, both domestically and internationally. This group also develops raw materials for production of steel and light metals internationally.

Transportation Machinery: This group focuses on domestic and international trade (export and import) in aerospace and defense systems, automotive, construction, agricultural machinery, production facilities, machine tools and other transportation related machinery; wide-ranging loans and investments in the fields such as wholesale, retail, retail finance, leasing business, product development and services related to transportation machinery and related machinery; and trading, possessing and chartering various cargo vessels, tankers and LNG carriers.

Power Projects & Infrastructure: This group develops, invests in, and operates power projects and infrastructure projects, especially power generation (including desalinization, co-generation and renewable energy power projects), while undertaking the procurement and installation of generators, power distribution grids, electrical substations, clean water treatment and waste water treatment, both domestically and internationally.

Plant: This group deals with equipment procurement and construction of oil, gas, chemical, steel, non-ferrous, cement, textile, sugar, paper and pulp, and other industrial plants, infrastructure development such as railway, airport, port and industrial complex, textile machinery, alternative energy facilities, and other environmental and industrial machines; origination and management of projects in domestic and overseas markets.

Lifestyle & Forest Products: Both domestically and internationally, in the lifestyle area, this group deals with a wide-range of customer goods, such as apparel, footwear, household goods and home furnishings, sporting goods, fitness machines and tyres. In addition, this group operates various businesses from planning, manufacturing, importing, and wholesaling of products to brand development, consulting services and business investments, and provides a variety of services. In the forest products area, this group manufactures and distributes raw materials for paper production, paper and cardboard, and takes part in afforestation projects and sells housing materials, both domestically and internationally.

ICT, Finance & Insurance, Real Estate Business: Both domestically and internationally, this group deals with businesses in wide-ranging areas: in the communication area, it operates system integration, data communication network, mobile device sale, and MVNO businesses; in the logistics area, it operates forwarding and logistics centre businesses; in the insurance area, it operates insurance brokerage and reinsurance businesses; in the finance area, it operates leasing, non-banking, asset business, and fund management businesses; and in the real estate development area, it operates condominium development and property management businesses.

Overseas corporate subsidiaries & branches: Overseas corporate subsidiaries and branches are located throughout the world, in North America, Europe, Asia and other areas, and handle various merchandise and perform related activities.

The Companies' operating segment information for the years ended March 31, 2015 and 2014 was as follows:

March 31, 2015	Food	Chemicals	Energy	Metals & Mineral Resources
	Millions of yen			
Total volume of trading transactions:				
External customers	¥4,604,993	¥1,149,576	¥3,234,781	¥717,216
Inter-segment	120,597	127,892	13,507	92,373
Total	¥4,725,590	¥1,277,468	¥3,248,288	¥809,589
Gross trading profit	¥172,264	¥36,252	¥40,043	¥20,301
Share of profits (losses) of associates and joint ventures	¥6,013	¥2,058	¥(405)	¥6,632
Profit (loss) for the year attributable to owners of the parent	¥11,071	¥4,542	¥(17,274)	¥(12,136)
Segment assets	¥1,459,310	¥270,341	¥1,162,913	¥985,022

March 31, 2015	Transportation Machinery	Power Projects & Infrastructure	Plant	Lifestyle & Forest Products
	Millions of yen			
Total volume of trading transactions:				
External customers	¥724,350	¥426,295	¥189,369	¥893,730
Inter-segment	47,916	71	3,233	54,015
Total	¥772,266	¥426,366	¥192,602	¥947,745
Gross trading profit	¥78,082	¥29,212	¥31,532	¥57,752
Share of profits (losses) of associates and joint ventures	¥24,753	¥45,684	¥(2,863)	¥1,209
Profit (loss) for the year attributable to owners of the parent	¥25,627	¥31,125	¥(8,803)	¥5,570
Segment assets	¥760,109	¥980,515	¥361,076	¥506,288

March 31, 2015	ICT, Finance & Insurance, Real Estate Business	Overseas corporate subsidiaries & branches	Corporate & Elimination, etc.	Consolidated
	Millions of yen			
Total volume of trading transactions:				
External customers	¥434,969	¥1,532,690	¥17,370	¥13,925,339
Inter-segment	13,276	1,631,015	(2,103,895)	–
Total	¥448,245	¥3,163,705	¥(2,086,525)	¥13,925,339
Gross trading profit	¥92,695	¥170,617	¥(21,432)	¥707,318
Share of profits (losses) of associates and joint ventures	¥5,405	¥1,072	¥361	¥89,919
Profit (loss) for the year attributable to owners of the parent	¥23,105	¥29,557	¥13,220	¥105,604
Segment assets	¥379,577	¥918,267	¥(110,354)	¥7,673,064

	Thousands of U.S. dollars			
March 31, 2015	Food	Chemicals	Energy	Metals & Mineral Resources
Total volume of trading transactions:				
External customers	$38,374,941	$9,579,800	$26,956,509	$5,976,800
Inter-segment	1,004,975	1,065,767	112,558	769,775
Total	$39,379,916	$10,645,567	$27,069,067	$6,746,575
Gross trading profit	$1,435,534	$302,100	$333,692	$169,175
Share of profits (losses) of associates and joint ventures	$50,108	$17,150	$(3,375)	$55,267
Profit (loss) for the year attributable to owners of the parent	$92,258	$37,850	$(143,950)	$(101,133)
Segment assets	$12,160,916	$2,252,842	$9,690,941	$8,208,517

	Thousands of U.S. dollars			
March 31, 2015	Transportation Machinery	Power Projects & Infrastructure	Plant	Lifestyle & Forest Products
Total volume of trading transactions:				
External customers	$6,036,250	$3,552,458	$1,578,075	$7,447,750
Inter-segment	399,300	592	26,942	450,125
Total	$6,435,550	$3,553,050	$1,605,017	$7,897,875
Gross trading profit	$650,683	$243,433	$262,767	$481,267
Share of profits (losses) of associates and joint ventures	$206,275	$380,700	$(23,858)	$10,075
Profit (loss) for the year attributable to owners of the parent	$213,558	$259,375	$(73,358)	$46,417
Segment assets	$6,334,242	$8,170,958	$3,008,967	$4,219,067

	Thousands of U.S. dollars			
March 31, 2015	ICT, Finance & Insurance, Real Estate Business	Overseas corporate subsidiaries & branches	Corporate & Elimination, etc.	Consolidated
Total volume of trading transactions:				
External customers	$3,624,742	$12,772,417	$144,750	$116,044,492
Inter-segment	110,633	13,591,791	(17,532,458)	–
Total	$3,735,375	$26,364,208	$(17,387,708)	$116,044,492
Gross trading profit	$772,458	$1,421,808	$(178,600)	$5,894,317
Share of profits (losses) of associates and joint ventures	$45,042	$8,933	$3,008	$749,325
Profit (loss) for the year attributable to owners of the parent	$192,541	$246,308	$110,167	$880,033
Segment assets	$3,163,142	$7,652,225	$(919,617)	$63,942,200

March 31, 2014	Food	Chemicals	Energy	Metals & Mineral Resources
	Millions of yen			
Total volume of trading transactions:				
External customers	¥3,905,803	¥1,123,554	¥3,670,718	¥717,034
Inter-segment	114,342	134,592	16,160	81,693
Total	¥4,020,145	¥1,258,146	¥3,686,878	¥798,727
Gross trading profit	¥147,585	¥28,351	¥49,827	¥15,617
Share of profits (losses) of associates and joint ventures	¥2,763	¥1,580	¥3,030	¥21,068
Profit (loss) for the year attributable to owners of the parent	¥18,336	¥6,414	¥36,464	¥20,316
Segment assets	¥1,377,530	¥261,693	¥1,158,553	¥933,124

March 31, 2014	Transportation Machinery	Power Projects & Infrastructure	Plant	Lifestyle & Forest Products
	Millions of yen			
Total volume of trading transactions:				
External customers	¥651,651	¥400,832	¥439,984	¥910,825
Inter-segment	42,689	56	5,987	48,396
Total	¥694,340	¥400,888	¥445,971	¥959,221
Gross trading profit	¥66,059	¥26,644	¥35,441	¥58,253
Share of profits (losses) of associates and joint ventures	¥17,892	¥45,659	¥3,150	¥1,560
Profit (loss) for the year attributable to owners of the parent	¥23,303	¥27,227	¥10,302	¥7,184
Segment assets	¥628,369	¥828,918	¥333,063	¥490,489

March 31, 2014	ICT, Finance & Insurance, Real Estate Business	Overseas corporate subsidiaries & branches	Corporate & Elimination, etc.	Consolidated
	Millions of yen			
Total volume of trading transactions:				
External customers	¥416,412	¥1,345,209	¥51,498	¥13,633,520
Inter-segment	14,246	1,550,417	(2,008,578)	–
Total	¥430,658	¥2,895,626	¥(1,957,080)	¥13,633,520
Gross trading profit	¥88,098	¥150,462	¥(15,274)	¥651,063
Share of profits (losses) of associates and joint ventures	¥1,678	¥924	¥101	¥99,405
Profit (loss) for the year attributable to owners of the parent	¥15,748	¥25,281	¥20,370	¥210,945
Segment assets	¥382,490	¥799,406	¥62,450	¥7,256,085

Notes: (1) Effective from the financial year ended March 31, 2015, “Plant & Industrial Machinery” has been renamed as “Plant”.

(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.

(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 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 in which the assets, which are the sources of revenue, are located.

Geographical information for the years ended March 31, 2015 and 2014 was as follows:

Revenue from external customers

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Japan	**¥4,279,717**	¥4,269,704	**$35,664,308**
United States	**2,640,322**	2,017,502	**22,002,683**
Singapore	**272,939**	264,064	**2,274,492**
Other	**641,317**	504,430	**5,344,309**
Total	**¥7,834,295**	¥7,055,700	**$65,285,792**

Non-current assets other than financial assets and deferred tax assets

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
United States	**¥861,512**	¥716,473	**$7,179,267**
Japan	**369,864**	397,342	**3,082,200**
United Kingdom	**268,642**	250,549	**2,238,683**
Other	**305,742**	266,324	**2,547,850**
Total	**¥1,805,760**	¥1,630,688	**$15,048,000**

(3) Product information

Product information for the years ended March 31, 2015 and 2014 was as follows:

Revenue from external customers

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Machinery	**¥718,193**	¥604,119	**$5,984,942**
Resources	**954,549**	1,058,192	**7,954,575**
Materials	**1,592,039**	1,468,691	**13,266,992**
Consumer products	**4,569,514**	3,924,698	**38,079,283**
Total	**¥7,834,295**	¥7,055,700	**$65,285,792**

Notes: (1) "Machinery" mainly includes" Transportation Machinery", "Power Projects & Infrastructure" and "Plant". "Resources" mainly includes "Energy" and "Metals & Mineral Resources". "Materials" mainly includes "Chemicals". "Consumer products" mainly includes "Food", "Lifestyle & Forest Products" and "ICT, Finance & Insurance, Real Estate Business".

(2) There is no concentration of the revenue to a specific customer for the years ended March 31, 2015 and 2014.

21. Issued Capital Stock and Reserves

The number of shares authorised and issued at March 31, 2015 and 2014 were as follows:

	Number of shares	
	March 31, 2015	March 31, 2014
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, 2015 and 2014 was as follows:

	March 31, 2015		March 31, 2014		**March 31, 2015**
	Shareholding		*Shareholding*		***Shareholding***
Name	***Number of shares***	***Millions of yen***	*Number of shares*	*Millions of yen*	***Thousands of U.S. dollars***
The Company	**2,377,560**	**¥1,334**	2,346,612	¥1,311	**$11,116**
Subsidiaries and associates	**189,950**	**27**	189,950	27	**225**
Total	**2,567,510**	**¥1,361**	2,536,562	¥1,338	**$11,341**

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.

22. Dividends

Dividends on common stock recognised as distributions to owners for the years ended March 31, 2015 and 2014 were as follows:

	Millions of yen (Yen)		*Thousands of U.S. dollars (U.S. dollars)*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Year-end dividend	**¥21,695**	¥20,835	**$180,791**
(Dividends per share)	**(12.5)**	(12)	**(0.10)**
Interim dividend	**22,562**	21,702	**188,017**
(Dividends per share)	**(13)**	(12.5)	**(0.11)**

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, 2015 and 2014 were as follows:

	Millions of yen (Yen)		*Thousands of U.S. dollars (U.S. dollars)*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Year-end dividend	**¥22,562**	¥21,695	**$188,017**
(Dividends per share)	**(13)**	(12.5)	**(0.11)**

23. Related Party Transactions

The Consolidated Financial Statements of the Company include following subsidiaries.

For the year ended March 31, 2015

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	Osaka/Japan	95.62%
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 Holdings, Co.	Investment purpose company for Gavilon Agriculture Investment, Inc.	Nebraska/U.S.A.	100.00%
Marubeni Coal Pty. Ltd.	Investment in coal business in Australia	Brisbane/Australia	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	Texas/U.S.A.	100.00%

In addition to the above, the financial statements of the other 293 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, 2015 and 2014 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2015	March 31, 2014	**March 31, 2015**
Basic payments	**¥924**	¥1,011	**$7,700**
Retirement allowance	**–**	156	**–**
Total	**¥924**	¥1,167	**$7,700**

The outstanding balances of receivables from and payables to the primary/major related parties of the Companies at March 31, 2015 and 2014 were as follows:

	Millions of yen				*Thousands of U.S. dollars*	
	March 31, 2015		March 31, 2014		**March 31, 2015**	
	Outstanding receivables	Outstanding payables	Outstanding receivables	Outstanding payables	Outstanding receivables	Outstanding payables
Associates	**¥131,710**	**¥32,768**	¥106,699	¥31,547	**$1,097,583**	**$273,067**
Joint Ventures	**31,116**	**20,572**	20,569	20,321	**259,300**	**171,433**

Total volume of trading transactions and purchases of goods with the main related parties of the Companies for the years ended March 31, 2015 and 2014 were as follows:

	Millions of yen				*Thousands of U.S. dollars*	
	March 31, 2015		March 31, 2014		**March 31, 2015**	
	Purchases	Trading transactions	Purchases	Trading transactions	Purchases	Trading transactions
Associates	**¥141,149**	**¥216,967**	¥110,022	¥218,641	**$1,176,242**	**$1,808,058**
Joint Ventures	**84,033**	**112,599**	64,260	85,022	**700,275**	**938,325**

24. Commitments and Contingent Liabilities

The Company and certain of its consolidated subsidiaries enter into long-term purchase contracts for certain goods and products in 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 ¥908,000 million ($7,566,667 thousand) and ¥784,000 million at March 31, 2015 and 2014, respectively.

The Company and certain of its consolidated subsidiaries had commitments to make additional investments or loans in the aggregate amounts of approximately ¥345,000 million ($2,875,000 thousand) and ¥325,000 million at March 31, 2015 and 2014, respectively, of which capital expenditures in property, plant and equipment were approximately ¥48,000 million ($400,000 thousand) and approximately ¥71,000 million, respectively, while commitments to joint ventures were approximately ¥101,000 million ($841,667 thousand) and approximately ¥124,000 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 ¥391,630 million ($3,263,583 thousand) and ¥329,647 million, including ¥282,033 million ($2,350,275 thousand) and ¥194,159 million to associates and joint ventures, at March 31, 2015 and 2014, 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 ¥24,685 million ($205,708 thousand) and ¥24,044 million, including ¥23,289 million ($194,075 thousand) and ¥22,516 million relating to the associates and joint ventures at March 31, 2015 and 2014, respectively.

The liabilities recognised for the guarantees were ¥4,150 million ($34,583 thousand) and ¥1,435 million at March 31, 2015 and 2014, 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, 2015. 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 infrastructure construction projects overseas at the end of the fiscal 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.

25. Structured Entities

The Company and certain of its consolidated subsidiaries hold subordinated investment securities and other interests without voting rights in structured entities engaged in real estate developments, and include such structured entities in their scope of consolidation.

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 such structured entities in their scope of consolidation. Total assets of these unconsolidated structured entities at March 31, 2015 and 2014 were ¥441,780 million ($3,681,500 thousand) and ¥441,094 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, 2015 and 2014 were as follows:

	Millions of yen						*Thousands of U.S. dollars*		
	March 31, 2015			March 31, 2014			**March 31, 2015**		
	Carrying amounts		Maximum	Carrying amounts		Maximum	Carrying amounts		Maximum
Classification	Assets	Liabilities	exposures	Assets	Liabilities	exposures	Assets	Liabilities	exposures
Current notes, trade accounts and loans receivable	**¥1,936**	**¥–**	**¥1,936**	¥1,658	¥–	¥1,658	**$16,133**	**$–**	**$16,133**
Investment in associates and joint ventures	**2,068**	**–**	**2,068**	2,249	–	2,249	**17,233**	**–**	**17,233**
Other investments	**252**	**–**	**252**	342	–	342	**2,100**	**–**	**2,100**
Non-current notes, trade accounts and loans receivable	**10,109**	**–**	**10,109**	10,400	–	10,400	**84,242**	**–**	**84,242**
Current notes and trade accounts payable	**–**	**538**	**541**	–	428	431	**–**	**4,483**	**4,508**
Non-current notes and trade accounts payable	**–**	**10,162**	**10,573**	–	9,403	9,877	**–**	**84,684**	**88,109**
Lease contracts	**–**	**–**	**68,658**	–	–	58,563	**–**	**–**	**572,150**
Total	**¥14,365**	**¥10,700**	**¥94,137**	¥14,649	¥9,831	¥83,520	**$119,708**	**$89,167**	**$784,475**

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.

26. Subsequent Events

The Companies have assessed whether any subsequent events occurred through June 19, 2015, 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 19, 2015.

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Corporate History

Foundation Era

1858 → 1920

1858 Signing of Treaty of Amity and Commerce (United States–Japan)

1920 U.S. Agricultural Depression

Chubei Itoh

An advertisement for proprietary dyeing method called *kokonoe* (nine-layer) dyeing

Benchu storefront

1842 Marubeni's founder Chubei Itoh was born in Shiga Prefecture.

1858 Chubei Itoh moved out of the family business and started a linen trading business with his uncle.

1872 Chobei Itoh, Chubei Itoh's elder brother, opened Itoh Chobei Shoten.

Chubei Itoh opened Benchu in Osaka.

Building the Business Base

1921 → 1948

1939 Start of second World War

1945 End of second World War

Textile factory in 1921

Employees at the Cebu Branch, Daido Boeki in 1939

Indian jute arriving at the Port of Dalian in China

1923 Daido Boeki Kaisha Ltd. expanded trading operations into the Philippines.

1931 Marubeni Shoten, Ltd., strengthened overseas trading operations.

1937 Marubeni Shoten began dealing in food products and light machinery.

Recovering and Rebuilding

1949 → 1963

1951 Signing of Treaty of San Francisco

1956 Admission of Japan into the United Nations

Nissan Datsuns for the U.S. market

Unit No.1 at Manila Electric Company (Philippines)

Staff of New York office at time of opening

1950 Listed shares on the Osaka Securities Exchange and Tokyo Stock Exchange.

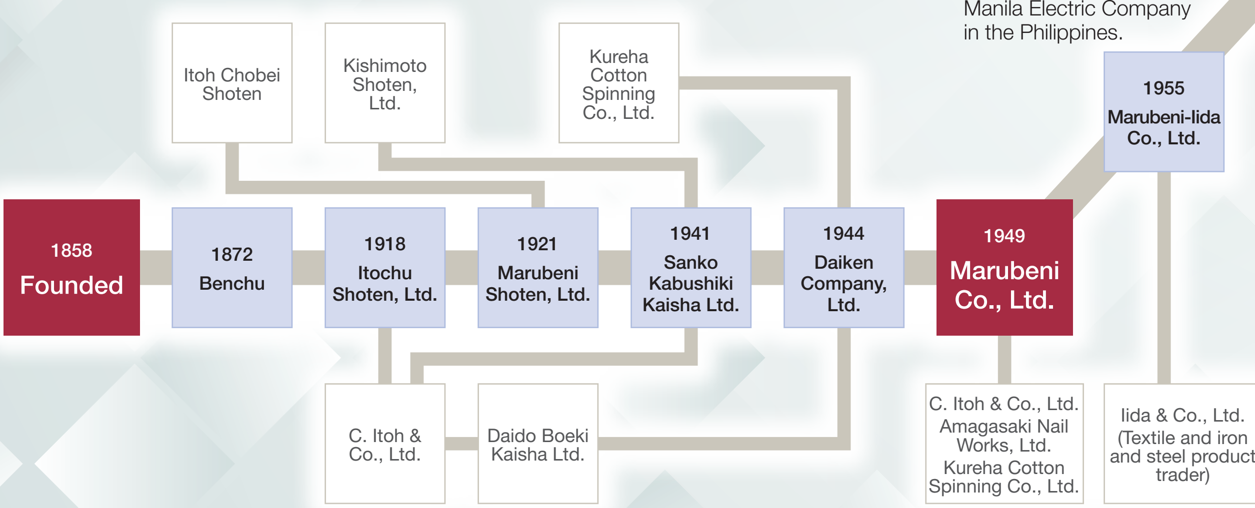
1951 First overseas subsidiary was established in New York.

1958 Started importing Nissan automobiles to the West Coast of the United States.

1961 Sales of textiles became less than half of total sales.

1963 Received orders for coal-fired power generation facilities from Manila Electric Company in the Philippines.

Marubeni's Evolution



Prosperity and Growth

1964 → 1980

1964 Tokyo Olympic Games
1975 First G6 Summit

A Time of Change

1981 → 1998

1985 Plaza Accord
1990 German reunification

The Spirit of Challenge

1999 → 2015

2001 September 11 attacks
2008 Lehman Brothers bankruptcy

Totsu Co., Ltd. (Iron and steel product trader)

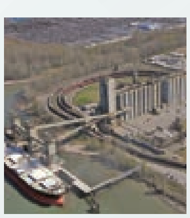
1972
Marubeni Corporation

Nanyo Bussan Co., Ltd. (Non-ferrous metal trader)

- **1966** Received first turnkey contract for sugar plant.
- **1967** Salt production company Dampier Salt Ltd. was established in Australia.
- **1969** Joint-venture pulp production company Daishowa-Marubeni International Ltd. was established in Canada.
- **1972** Changed trading name to Marubeni Corporation.
- **1978** Grain procurement, storage, and export company Columbia Grain, Inc., was established in the United States.

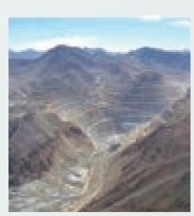

Received first turnkey contract for sugar plant (Philippines)


Washer plant owned by Dampier Salt, a salt production company (Australia)


Columbia Grain's grain procurement, storage, and exporting base (U.S.)

- **1981** Total sales exceeded ¥10 trillion and shareholders' equity exceeded ¥100 billion.
- **1987** Acquired agrochemical sales company Helena Chemical Company in the United States.
- **1996** First shipment from the LNG project in Qatar arrived in Japan.
  Acquired interest in Los Pelambres Copper Mine in Chile.
- **1998** Marubeni Corporation Code of Conduct was established.

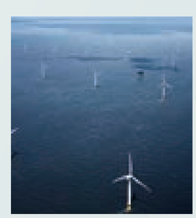

LNG Project (Qatar)


Los Pelambres Copper Mine (Chile)


Staff of agricultural material distributor Helena Chemical (U.S.)

- **1999** Started sales of Shanghai townhouses in Sakura Garden.
- **2001** Medium-term management plan @ction 21 started.
  @ction 21 "A" PLAN was announced.
  Stock price fell to ¥58 in December.
- **2008** Achieved record-high consolidated net income for fifth consecutive year.
  Acquired interests in Esperanza and El Tesoro copper mines in Chile.
- **2011** Commenced investment and participation in Gunfleet Sands Offshore Wind Farm in the United Kingdom.
- **2012** Commenced investment and participation in Roy Hill Iron Ore Project in Australia.
- **2013** Acquired U.S. Gavilon Holdings, LLC.
- **2014** Operations commenced at mega-solar power project in Oita City.


Gavilon Holdings' grain silo (U.S.)


Gunfleet Sands Offshore Wind Farm (U.K.)


Roy Hill Iron Ore Project (Australia)

Members of the Board and Corporate Auditors

Members of the Board

Chairman of the Board

Teruo Asada

President and CEO

Fumiya Kokubu

Senior Executive Vice Presidents

Mitsuru Akiyoshi

Chief Executive Officer,
Food & Consumer
Products Group

Shigeru Yamazoe

Chief Executive Officer,
Power Projects & Plant Group

Senior Managing Executive Officers

Kaoru Iwasa

Chief Executive Officer,
Transportation & Industrial
Machinery Group

Shinji Kawai

Chief Executive Officer,
Energy & Metals Group

Yukihiko Matsumura

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

Managing Executive Officers

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

Akira Terakawa

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

Ichiro Takahara

Chief Executive Officer,
Chemical & Forest
Products Group

Outside Directors

Takao Kitabata (Independent Officer)

Yukiko Kuroda (Independent Officer)

Corporate Auditors

(Front row from left) Kaoru Kuzume, Masahiro Enoki
(Back row from left) Yoshizumi Nezu, Takashi Suetsuna, Kyohei Takahashi

Corporate Auditors

Masahiro Enoki

Kaoru Kuzume

Outside Corporate Auditors

Takashi Suetsuna
(Independent Officer)

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 Outside Corporate Auditor of Marubeni

Yoshizumi Nezu
(Independent Officer)

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 Outside Corporate Auditor of Marubeni

Kyohei Takahashi
(Independent Officer)

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 Outside Corporate Auditor of Marubeni
2015 Director, Chairman of the Board, Showa Denko K.K. (Current)

Corporate Management

(As of June 19, 2015)

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
Chief Executive Officer,
Power Projects & Plant Group

Senior Managing Executive Officers, Members of the Board

Kaoru Iwasa
Chief Executive Officer,
Transportation & Industrial Machinery Group

Shinji Kawai
Chief Executive Officer,
Energy & Metals Group

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

Managing Executive Officers, Members of the Board

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

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

Ichiro Takahara
Chief Executive Officer,
Chemical & Forest Products Group

Members of the Board

Takao Kitabata

Yukiko Kuroda

Corporate Auditors

Masahiro Enoki

Kaoru Kuzume

Takashi Suetsuna

Yoshizumi Nezu

Kyohei Takahashi

Managing Executive Officers

Keizo Torii
Chief Operating Officer, Grain Div.

Shoji Kuwayama
Regional CEO for ASEAN & Southwest Asia;
Regional COO for ASEAN; Managing Director,
Marubeni ASEAN Pte. Ltd.

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

Naoya Iwashita
Regional CEO for Europe, Africa & CIS;
Regional COO for Europe;
Managing Director and CEO,
Marubeni Europe plc

Motoo Uchiyama
Regional CEO for South America;
Director President, Marubeni Brasil S.A.;
President, Marubeni Uruguay
International S.A.

Masumi Kakinoki
Regional CEO for North & Central America;
President and CEO,
Marubeni America Corporation

Mutsumi Ishizuki
Chief Operating Officer,
Metals & Mineral Resources Div.

Takeo Kobayashi
Chief Operating Officer,
Forest Products Div.

Kazuro Gunji
General Manager,
Corporate Accounting Dept.

Executive Officers

Katsuhisa Yabe
General Manager, Nagoya Branch

Hajime Kawamura
Chief Operating Officer, Plant Div.

Nobuhiro Yabe
General Manager,
Corporate Planning & Strategy Dept.

Harumichi Tanabe
Senior Operating Officer
for ASEAN & Southwest Asia;
President, Marubeni Thailand Co., Ltd.;
General Manager, Bangkok Branch

Masakazu Arimune
Chief Operating Officer, Lifestyle Div.

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

Hirohisa Miyata
Chief Operating Officer, Power Projects Div.

Koji Yamazaki
Chief Operating Officer, Food Products Div.

Koji Kabumoto
Chief Operating Officer, ICT & Logistics Div.

Toshiaki Ujiie
Chief Operating Officer,
Construction & Industrial Machinery Div.

Michael McCarty
Chief Operating Officer,
Helena Business Div.; President and CEO,
Helena Chemical Company

Takeshi Kumaki
Senior Executive Officer,
Energy & Metals Group (Special Mission);
General Manager, Doha Office

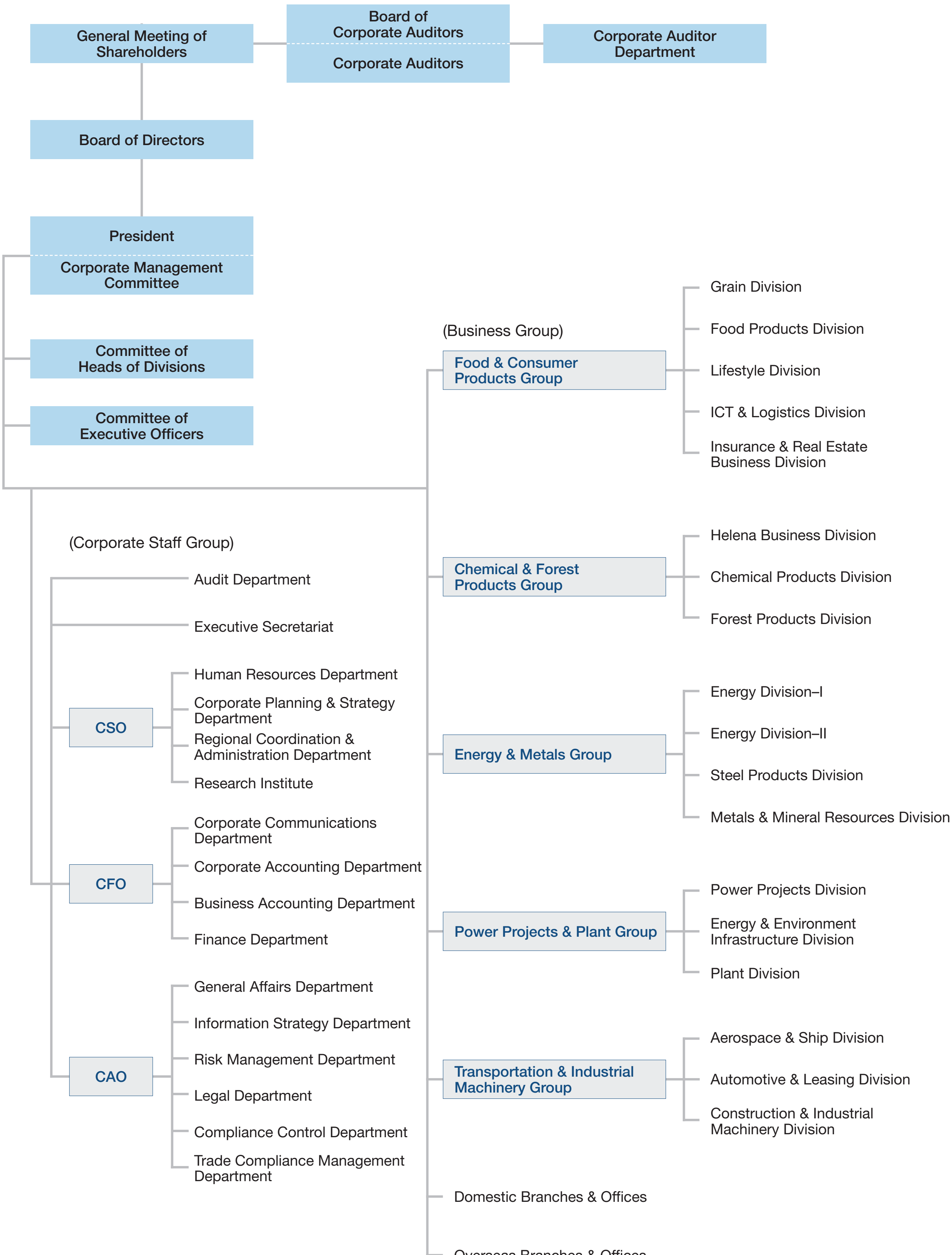
Eiji Okada
Chief Operating Officer,
Energy & Environment Infrastructure Div.

Soji Sakai
Chief Operating Officer,
Energy Div.-I

Hisamichi Koga
Chief Operating Officer,
Automotive & Leasing Div.

Organization

(As of April 1, 2015)



CSO: Chief Strategy Officer
CFO: Chief Financial Officer
CAO: Chief Administrative Officer

Global Network

(As of April 1, 2015)

Locations of Branches and Offices (132 branches and offices in 67 countries and regions)

North & Central America

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

South America

- Bogota
- Buenos Aires
- Caracas
- Lima
- Rio de Janeiro
- Salvador
- Santiago
- São Paulo

Europe & CIS

- Almaty
- Astana
- Athens
- Bucharest
- Budapest
- 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
- Jeddah
- Johannesburg
- Kuwait City
- Lagos
- Luanda
- Maputo
- Muscat
- Nairobi
- Riyadh
- Tehran
- Tripoli

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
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 452 companies: 303 consolidated subsidiaries and 149 associates accounted for by the equity method as of March 31, 2015. The list is based on data current as of March 31, 2015, with recent data reflected.)

		Company Name	Business	Country / Area	Percentage of Voting Rights
Food & Consumer Products Group					
Grain Division					
Consolidated Subsidiaries	Domestic	Marubeni Nisshin Feed	Manufacturing and sale of livestock feed	Japan	60.00%
		Pacific Grain Terminal	Warehousing, stevedoring, and transportation operations	Japan	78.40%
	Overseas	Columbia Grain	Procurement, storage, export, and domestic sale of grain produced in North America	U.S.	100.00%
		Gavilon Agriculture Holdings	Investment in Gavilon Agriculture Investment, Inc.	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%
		Nacx Nakamura	Wholesale of frozen foods primarily to mass-retail and convenience stores	Japan	88.83%
		Wellfam Foods	Production, processing, and sale of meat products	Japan	100.00%
		Yamaboshiya	Wholesale of confectionery products to mass-retail and convenience stores	Japan	95.62%
	Overseas	Cia Iguaçu de Café Solúvel	Manufacturing and sale of instant coffee	Brazil	100.00%
		Eastern Fish Company	Sale of shrimp and other seafood products	U.S.	90.00%
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%
		SFoods	Meat-related production, wholesale, retail, and restaurant businesses	Japan	17.30%
		Tobu Store	Supermarket chain	Japan	31.39%
		Toyo Sugar Refining	Manufacturing and sale of sugar and functional 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 products, and lifestyle goods	Japan	100.00%
		Marubeni Mates	Planning, production, rental, and sale of uniforms; subcontracting of related clerical operations	Japan	100.00%
	Overseas	Marubeni International Commodities (Singapore)	Sale of natural rubber	Singapore	100.00%
		Marubeni Textile Asia Pacific	Purchase agent of textile products for Japan and other countries	Hong Kong	100.00%
Associate	Domestic	Fabricant	Manufacture and sale of Lacoste-brand apparel and other related products	Japan	33.36%
ICT & Logistics Division					
Consolidated Subsidiaries	Domestic	Marubeni Information Systems	Planning, development, and sale of information and communications services; provision of information processing and communications services, data center services, and IT solutions	Japan	100.00%
		Marubeni Logistics	General international logistics	Japan	100.00%
		Marubeni Telecom	Broadband service agency; sale and maintenance of telecommunications equipment and private branch exchange systems	Japan	100.00%
		MX Mobiling	Sale of mobile handsets and related equipment	Japan	100.00%
Associates	Domestic	ARTERIA Networks	Telecommunications operations, data transmission services, data center operations, and telecom-munications equipment installation in accordance with the Telecommunications Business Law	Japan	50.00%
	Overseas	Shanghai Jiaoyun Rihong International Logistics	Freight transport	China	34.00%

		Company Name	Business	Country / Area	Percentage of Voting Rights
Food & Consumer Products Group					
Insurance & 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	Percentage of Voting Rights
Chemical & Forest Products Group					
Chemical Products Division					
Consolidated Subsidiaries	Domestic	Marubeni Chemix	Sale and foreign trade of organic chemicals and fine chemicals	Japan	100.00%
		Marubeni Plax	Sale and foreign trade of plastic products and resins	Japan	100.00%
	Overseas	Agrovista U.K.	Sale of agrochemicals	U.K.	100.00%
Associates	Domestic	Katakura Chikkarin	Manufacture and sale of fertilizer; sale of livestock feed and materials	Japan	39.40%
		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, liner board, and other products	Japan	79.95%
		Marubeni Building Materials	Sale of housing and construction materials	Japan	100.00%
		Marubeni Pulp & Paper	Sale of all types of paper	Japan	100.00%
	Overseas	Tanjungenim Lestari Pulp and Paper	Production and sale of acacia-based wood 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%

Energy & Metals Group

Energy Division-I

		Company Name	Business	Country / Area	Percentage of Voting Rights
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%
		Shenzhen Sino-Benny LPG	Import, storage, production, and sale of LPG	China	30.00%

Energy Division-II

Consolidated Subsidiaries	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%

Steel Products Division

Associates	Domestic	Marubeni Construction Material Lease	Leasing, sale, repair, and processing of steelmaking materials	Japan	35.22%
		Marubeni-Itochu Steel	Sale and business management of steel products	Japan	50.00%

Metals & Mineral Resources Division

Consolidated Subsidiaries	Domestic	Marubeni Coal Japan	Investment in operator of Canadian coal mines	Japan	100.00%
		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 smelters in Australia	Australia	100.00%
		Marubeni Coal	Investment in coal mines 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 smelter in Canada	Canada	100.00%
Associate	Overseas	Resource Pacific Holdings	Operation and management of Ravensworth Underground coal mine	Australia	22.22%

		Company Name	Business	Country / Area	Percentage of Voting Rights
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 Systems	EPC services for overseas power projects	Japan	100.00%
	Overseas	Axia Power Holdings	Overseas power assets holding company	Netherlands	100.00%
		SmartestEnergy	Electricity consolidation and retail operations in the United Kingdom	U.K.	100.00%
Associates	Overseas	Lion Power (2008)	IPP in Singapore	Singapore	42.86%
		Mesaieed Power	IPP in Mesaieed, Qatar	Qatar	30.00%
		TeaM Energy	Holding company for the Ilijan, Pagbilao, and Sual power plants in the Philippines	Philippines	50.00%
Energy & Environment Infrastructure Division					
Consolidated Subsidiary	Overseas	Aguas Décima	Providing full water and wastewater services to the city of Valdivia, in the 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%
	Overseas	Midwest Railcar	Leasing, brokerage, and management of railcars	U.S.	100.00%
Associate	Overseas	Eastern Sea Laem Chabang Terminal	Container terminal operation	Thailand	25.00%

		Company Name	Business	Country / Area	Percentage of Voting Rights
Transportation & Industrial Machinery Group					
Aerospace & Ship Division					
Consolidated Subsidiaries	Domestic	Marubeni Aerospace	Sale, import, and leasing 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%
		Marubeni Aviation Services	Investment in engines for civil aircraft	Cayman Islands	100.00%
		Royal Maritime	Ship chartering and trade	Liberia	100.00%
Automotive & Leasing Division					
Consolidated Subsidiaries	Overseas	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	U.K.	100.00%
Associate	Domestic	MG Leasing	General leasing	Japan	45.00%

		Company Name	Business	Country / Area	Percentage of Voting Rights
Transportation & Industrial Machinery Group					
Construction & Industrial Machinery Division					
Consolidated Subsidiaries	Domestic	Marubeni Techno-Systems	Import, export, and domestic sales of industrial machinery	Japan	100.00%
	Overseas	Marubeni Komatsu	Wholesale importer of Komatsu construction equipment in the United Kingdom	U.K.	100.00%
Associates	Overseas	Hitachi Construction Machinery (Australia)	Sales distributor for Hitachi Construction Machinery Co., Ltd.	Australia	20.00%
		Unipres U.S.A.	Manufacture and sale of pressed components for automobile bodies	U.S.	20.00%

	Company Name	Business	Percentage of Voting Rights
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 (Beijing) Trading Co., Ltd.	Import and export of domestic and overseas merchandise; domestic sales	100.00%
	Marubeni Brasil S.A.	Import and export of domestic and overseas merchandise; domestic sales	100.00%
	Marubeni (China) Co., Ltd.	Investment in local subsidiaries and provision of management services	100.00%
	Marubeni Europe plc	Import and export of domestic and overseas merchandise; domestic sales	100.00%
	Marubeni Hong Kong & South China Ltd.	Import and export of domestic and overseas merchandise; domestic sales	100.00%
	Marubeni India Private Ltd.	Import and export of domestic and overseas merchandise; domestic sales	100.00%
	Marubeni Korea Corporation	Import and export of domestic and overseas merchandise; domestic sales	100.00%
	Marubeni Philippines Corporation	Import and export of domestic and overseas merchandise; domestic sales	100.00%
	Marubeni (Shanghai) Co., Ltd.	Import and export of domestic and overseas merchandise; domestic sales	100.00%
	Marubeni Taiwan Co., Ltd.	Import and export of domestic and overseas merchandise; domestic sales	100.00%
	Marubeni Thailand Co., Ltd.	Import and export of domestic and overseas merchandise; domestic sales	100.00%
	P.T. Marubeni Indonesia	Import and export of domestic and overseas merchandise; domestic sales	99.96%

		Company Name	Business	Country / Area	Percentage of Voting Rights
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%

Independent Assurance Report

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, 2014 to March 31, 2015 (the "Indicators") disclosed in its Annual Report 2015 (the "Report") for the fiscal year ended March 31, 2015.

- Number of employees at the Company and its consolidated subsidiaries
- 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 years of service, Number of management level employees, Number of employees at the level of general managers or above, at the Company
- Employment rate of persons with disabilities at the Company and Marubeni Office Support Corporation
- Acquisition rate of paid annual leave, Number of employees who took maternity leave, Number of male employees who took maternity 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', issued by the International Auditing and Assurance Standards Board, 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
June 3, 2015

Lloyd's Register LRQA

LRQA Assurance Statement

Relating to Marubeni Corporation's environmental indicators within the Annual Report 2015 for the fiscal year 2014

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 2015 for the fiscal year 2014, that is, 01 April 2014 to 31 March 2015 ("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 generation[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 2015.

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:

Lloyd's Register
LRQA

- 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 2014.
- 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 its 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 Tokyo head office to confirm the data collection processes, record management practices, and to physically check its electricity and gas meters, steam utilizing and monitoring facilities, emergency power generator equipment and fuel oil tank.

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 performance 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 MARUBENI should consider widening the scope for disclosure and reporting of its environmental indicators to meet the growing interests of not only its local but also overseas stakeholders.
- 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 2015

Takahiro Iio
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_5

Corporate Data

(As of March 31, 2015, except * as of April 1, 2015)

Company Name

Marubeni Corporation

Securities Code

8002

Head Office

4-2, Ohtemachi 1-chome, Chiyoda-ku,
Tokyo 100-8088, 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, 59 overseas branches and offices and 30 overseas corporate subsidiaries with 61 offices

Founded

May 1858

Incorporated

December 1, 1949

Paid-in Capital

¥262,685,964,870

Number of Employees

4,379

(Excluding 414 local employees of overseas branches and offices and 1,485 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, 2015)

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

193,690

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

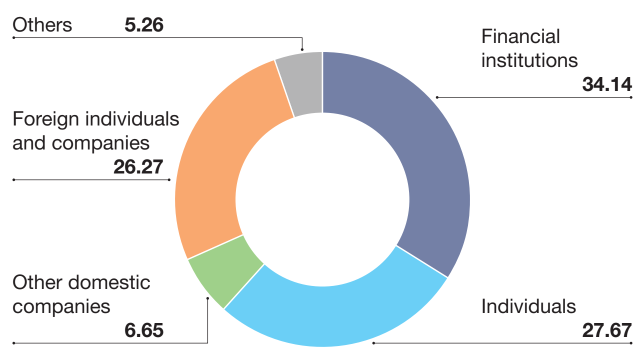
JCR	A+
R&I	A
S&P	BBB
Moody's	Baa2

Major Shareholders

Name of Shareholder	Number of Shares Held (Thousands)	Shareholding Ratio (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	75,024	4.32
The Master Trust Bank of Japan, Ltd. (Trust Account)	66,631	3.83
Sompo Japan Nipponkoa Insurance Inc.	42,083	2.42
Meiji Yasuda Life Insurance Company	41,818	2.41
Mizuho Bank, Ltd.	30,000	1.73
Japan Trustee Services Bank, Ltd. (Trust Account 9)	25,226	1.45
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	24,475	1.41
JP Morgan Chase Bank 380055	23,774	1.37

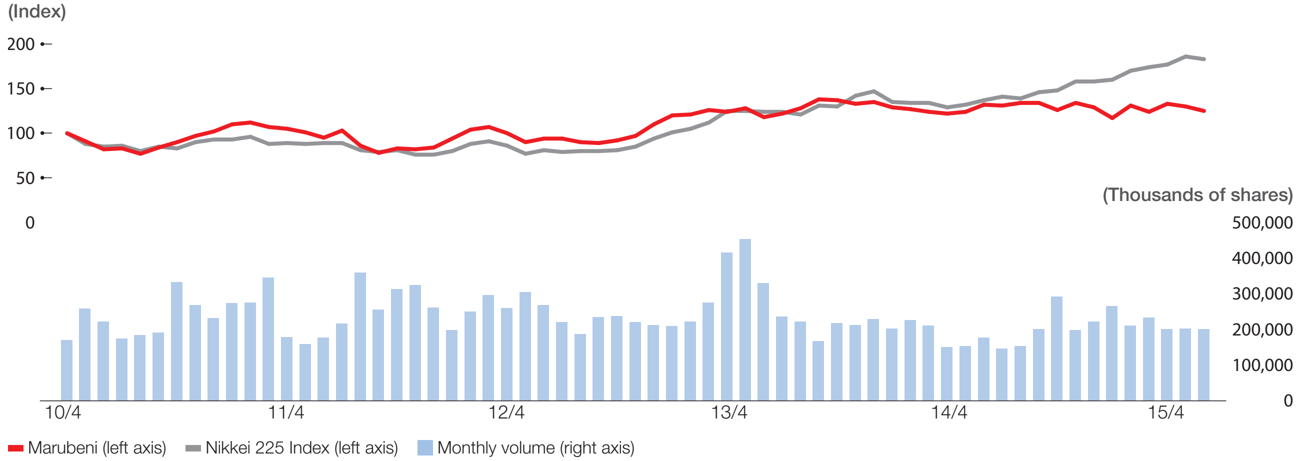
Note: The number of shares held is rounded down to the nearest thousand.

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 30, 2010, is indexed to 100.

http://www.marubeni.com

VEGETABLE OIL INK

Printed in Japan