Marubeni

BECOMING A STRONGER MARUBENI

Annual Report 2012

For the year ended March 31, 2012

Contents

Disclaimer Regarding Forward-Looking Statements

This report contains forward-looking statements about the performance and management plans of Marubeni Corporation and its Group companies based on management's assumptions in light of current information. The following factors may therefore influence actual results: consumer trends in Japan and in major global markets, private capital expenditure, currency fluctuations, notably against the U.S. dollar, materials price changes and political turmoil in certain countries and regions.

Chapter

1 DESIGNING GROWTH

Marubeni's Development Strategies

Growth Trajectory

Results for the Year Ended March 31, 2012 and Outlook for the

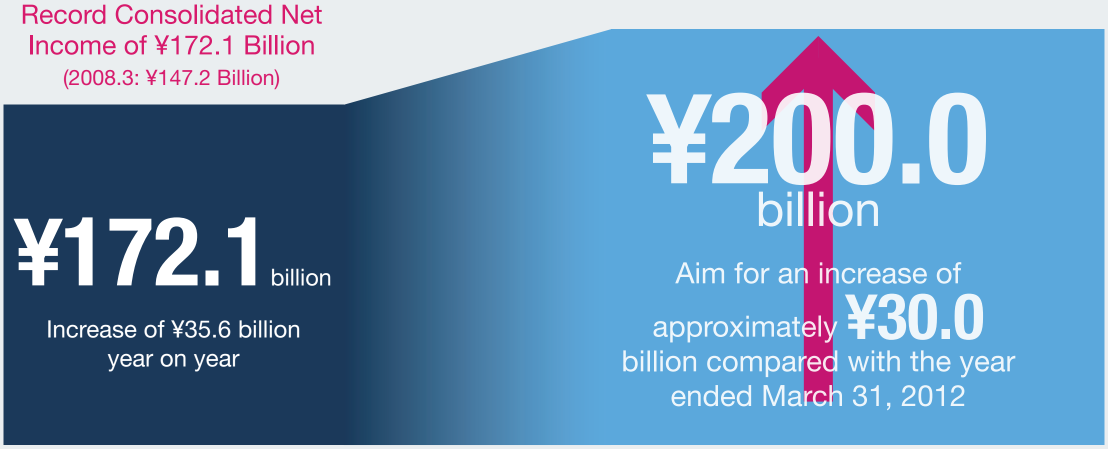
Striving for Record Earni

Consolidated Net Income*

Results for the Year Ended March 31, 2012

Record Consolidated Net Income of ¥172.1 Billion
(2008.3: ¥147.2 Billion)

Outlook for the Year Ending March 31, 2013



Consolidated Net D/E Ratio

Results for the Year Ended March 31, 2012

The consolidated net D/E ratio improved by 0.02 points year on year, as the Company strengthened its financial position by reducing consolidated net interest-bearing debt and other measures.

Outlook for the Year Ending March 31, 2013

Estimated ¥900.0 Billion in New Investment and Financing During SG-12

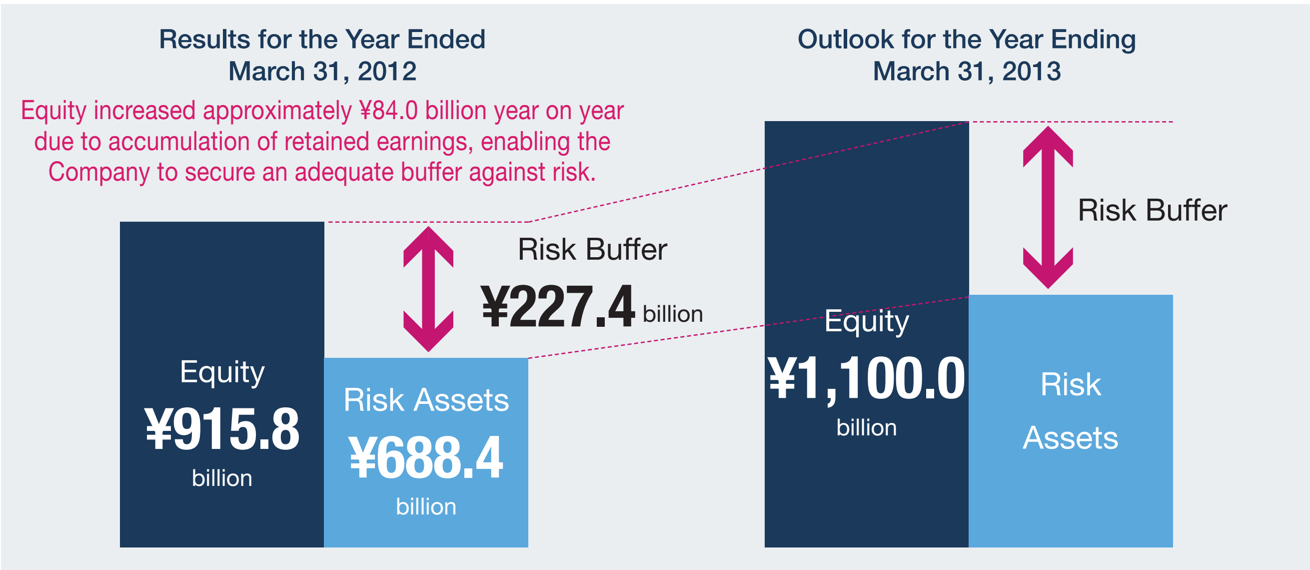
Reflecting steady progress in pursuing new investment and financing opportunities under SG-12, Marubeni's policy is to raise its initial target of ¥750.0 billion by between ¥100.0 to ¥150.0 billion.

* In this report, "Consolidated Net Income" and "Net Income" indicate "Net Income (Loss) Attributable to Marubeni."

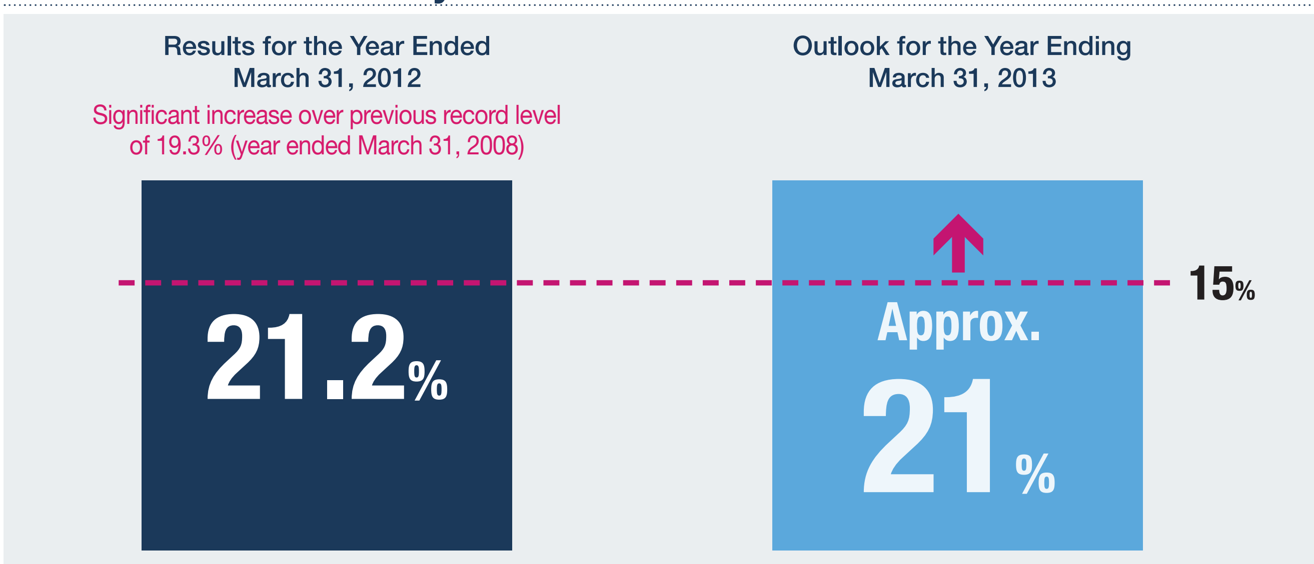
Year Ending March 31, 2013

ngs and Further Growth

Risk Assets Less than Equity



ROE over 15% Stably



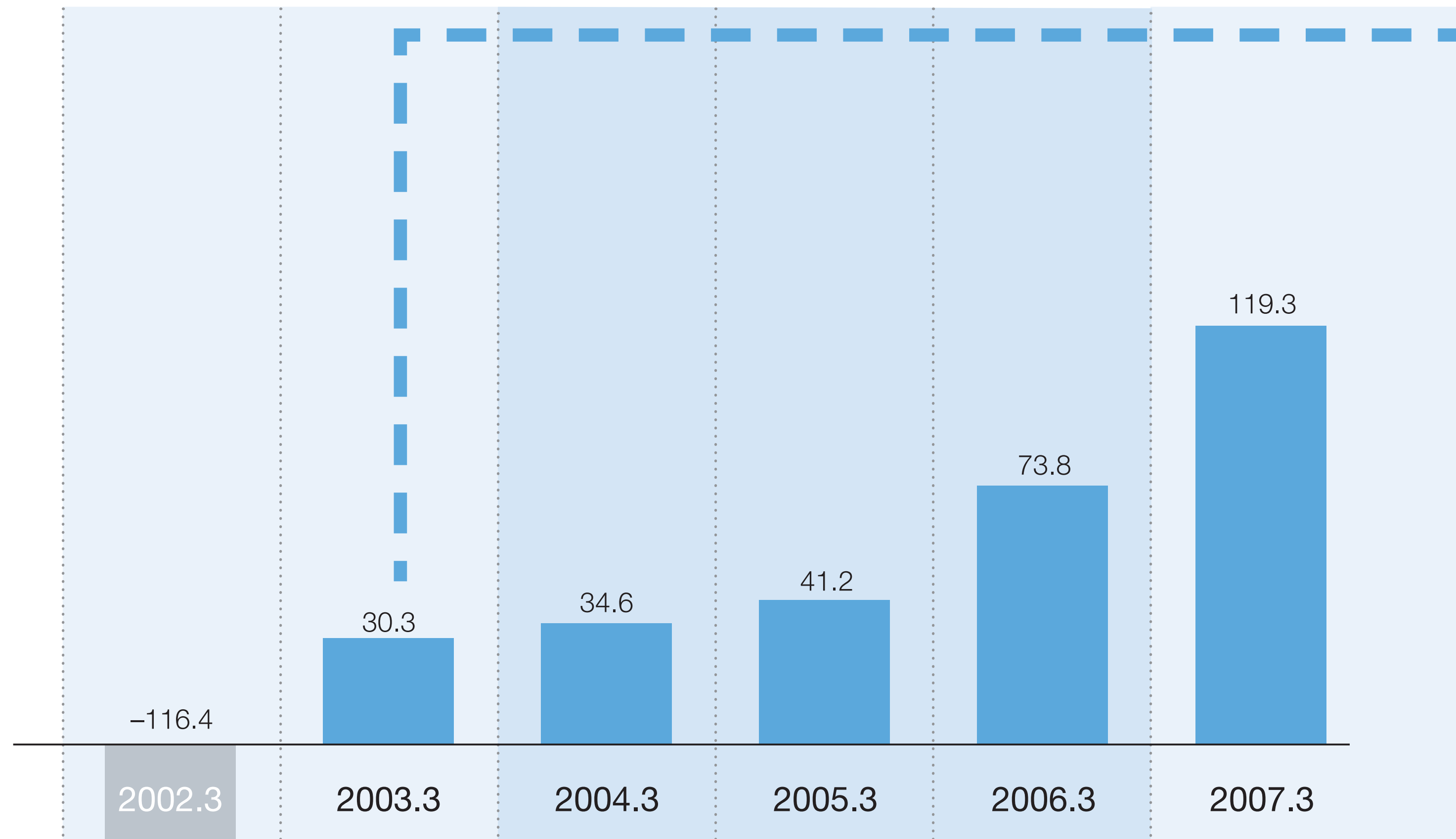
Payout Ratio of 20%

In a bid to further enhance shareholder returns, Marubeni has opted to pay cash dividends based on a consolidated payout ratio of at least 20% from the year ended March 31, 2012.

Trajectory of Earnings Growth and Medium-Term Management

Growth Capacity— From Reform to

From the @ction "A" PLAN announced in November 2001 through to the year ended March 31, 2012, currently under the SG-12 medium-term management plan, the Marubeni Group has consistently worked as one to achieve plan targets. The result has been dramatic growth in the Company's earning power and significant improvement in its financial position.
In the year ended March 31, 2012, Marubeni achieved record-high consolidated net income of ¥172.1 billion. That figure is projected to rise to ¥200.0 billion in the year ending March 31, 2013, as we continue to strive for further growth.



"V-Shaped Recovery in Performance"

Acceleration

@ction 21 "A" PLAN

(Years ended March 31, 2002 to March 31, 2003)

Basic Policies:

» Reallocation of management resources/ Realization of sufficient returns corresponding to risks/Business expansion leveraged by advanced trading company functions

Overview of Measures:

» Accelerate write-offs and provisions for doubtful accounts and receivables or withdrawal from loss-generating businesses
» Cut consolidated net interest-bearing debt
» Reduce costs of parent company, subsidiaries and affiliates
» Eliminate losses and improve performances of divisions, subsidiaries and affiliates

"Process of reinforcing the earning power and the corporate resilience"

Vitalize Marubeni

"V" PLAN

(Years ended March 31, 2004 to March 31, 2006)

Basic Policies:

» We are implementing management strategies tailored to the respective business models of each unit and attempting to focus thoroughly on risk-return and cash flow

Overview of Measures:

» The clarification of management strategies according to the specific business model concerned
» To implement portfolio management
» Stronger risk management
» Focus thoroughly on cash flow
» Bolster the compliance structure

"Toward Further Achievement"

Growth, Glory

"G" PLAN

(Years ended March 31, 2007 to March 31, 2008)

Basic Policies:

» The "G" PLAN will further reinforce management systems to lay down a powerful "defensive" posture. At the same time, the plan seeks to realize continuous growth through an "offensive" posture that will see Marubeni expand its business domains, achieve greater sophistication and diversity in function as a general trading company provided to customers, and aggressively invest in strategic fields

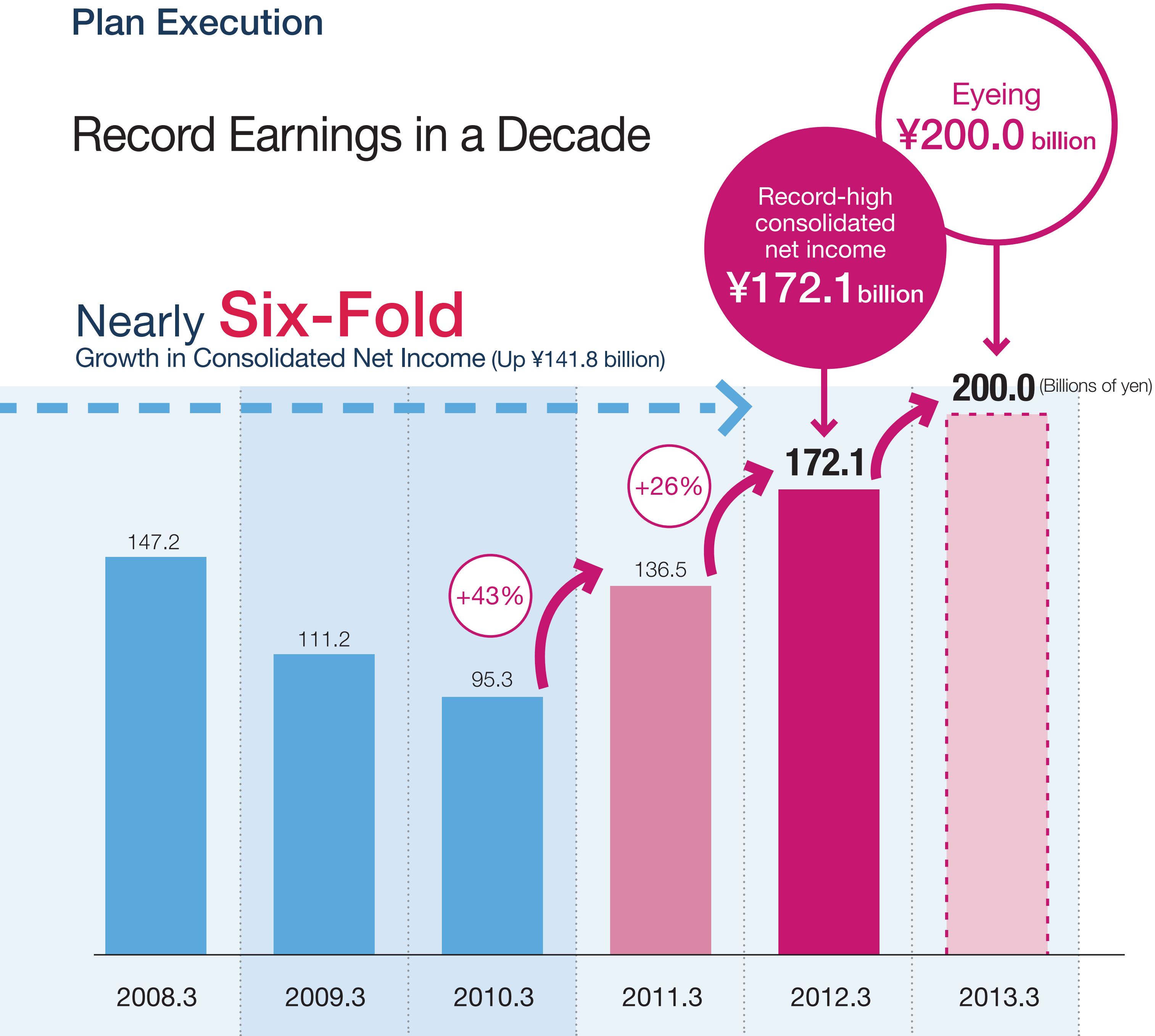
Overview of Measures:

» Prioritizing allocation of management resources into strategic fields
» Continuing commitment to extensive portfolio management
» Stronger risk management
» Utilization and training of human resources
» Enhancing CSR and internal control
» Pursuing comprehensive strength with cross-divisional functions

Record Earnings in a Decade

Nearly Six-Fold

Growth in Consolidated Net Income (Up ¥141.8 billion)



“Beyond Your Expectations – Marubeni”

Sustainable Growth

SG2009

(Years ended March 31, 2009 to March 31, 2010)

Basic Policies:
- To achieve sustainable growth, Marubeni will bolster the earnings base to endure business environmental changes by setting up a rigorous risk management system, building up prime assets, and pursuing asset efficiency

Overview of Measures:
- Selectively allocate management resources to strategic business fields
- Advance portfolio management system
- Reinforce and further upgrade risk management systems
- Enhance the quality of human resources
- Exercise the comprehensive strengths of the Marubeni Group
- Reinforce emphasis on CSR and environmental issues

“Becoming a Stronger Marubeni”

Sustainable Growth

SG–12

(Years ended March 31, 2011 to March 31, 2013)

Basic Policies:
- The Marubeni group, even in this turbulent world economy, will build strong earnings and a solid financial base to become a “Stronger Marubeni” who challenges sustainable growth beyond all our stakeholders’ expectations

Overview of Measures:
- Top management-led human resources strategy
- Priority allocation of management resources
- Accelerate business in overseas market
- Strengthen financial base and upgrade risk management

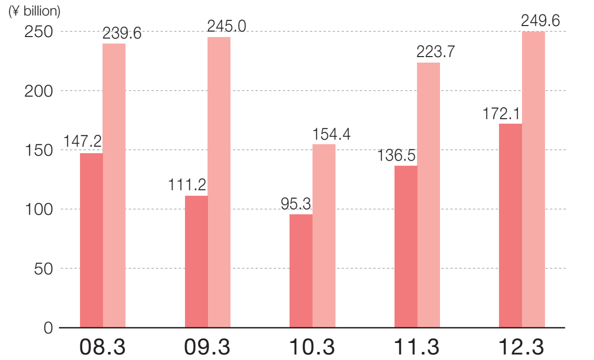
Consolidated Financial Highlights

Marubeni Corporation Years ended March 31

Five-Year Summary	2012.3	2011.3	2010.3	2009.3	2008.3 (Millions of yen)	2012.3 (Millions of U.S. dollars)
For the year:						
Revenues:						
Revenues from trading and other activities	¥ 4,221,653	¥3,514,937	¥3,110,736	¥ 3,807,480	¥ 3,958,276	$ 51,484
Commissions on services and trading margins	168,700	168,912	169,233	194,819	207,950	2,057
Total	4,390,353	3,683,849	3,279,969	4,002,299	4,166,226	53,541
Total volume of trading transactions	10,584,393	9,020,468	7,965,055	10,462,067	10,631,616	129,078
Gross trading profit	541,454	522,152	491,673	644,803	596,916	6,603
Equity in earnings of affiliated companies—net	81,528	71,452	28,864	21,973	55,661	994
Net income attributable to Marubeni	172,125	136,541	95,312	111,208	147,249	2,099
Core earnings (Billions of yen)	249.6	223.7	154.4	245.0	239.6	3,044
At year-end:						
Total assets	¥ 5,129,887	¥4,679,089	¥4,586,572	¥ 4,707,309	¥ 5,207,225	$ 62,560
Net interest-bearing debt	1,755,705	1,615,634	1,706,397	1,911,607	2,001,977	21,411
Total equity	915,770	831,730	799,746	623,356	860,581	11,168
Total Marubeni shareholders' equity	852,172	773,592	745,297	567,118	779,764	10,392
Amounts per share (¥, US$):						
Basic earnings	¥ 99.13	¥ 78.63	¥ 54.89	¥ 64.04	¥ 84.93	$ 1.20
Cash dividends	20.00	12.00	8.50	10.00	13.00	0.24
Cash flows:						
Net cash provided by operating activities	¥ 172,599	¥ 210,044	¥ 280,610	¥ 343,618	¥ 235,290	$ 2,105
Net cash used in investing activities	(273,689)	(128,495)	(35,207)	(387,069)	(306,855)	(3,338)
Free cash flow	(101,090)	81,549	245,403	(43,451)	(71,565)	(1,233)
Net cash provided by (used in) financing activities	171,913	(17,010)	(254,655)	257,608	65,865	2,097
Cash and cash equivalents at end of year	677,312	616,003	570,789	573,924	402,281	8,260
Ratios:						
Return on assets (%)	3.51	2.95	2.05	2.24	2.92	
Return on equity (%)	21.17	17.98	14.52	16.51	19.31	
Marubeni shareholders' equity to total assets (%)	16.61	16.53	16.25	12.05	14.97	
Net D/E ratio (times)	1.92	1.94	2.13	3.07	2.33	

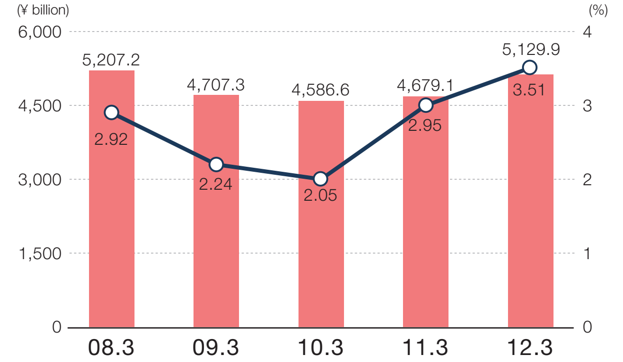
Notes: 1. In the recognition of revenue, the Company and its consolidated subsidiaries ("the Companies") generally present transactions as net. This is done both in instances in which the Companies legally act as principal, or when the Companies are not the primary obligor and do not have general inventory risk.
2. For the convenience of investors in Japan, the presentation of total volume of trading transactions is consistent with customary accounting practices in Japan.
3. Core earnings is a management indicator that expresses the earning power of the main business of a general trading house. Core earnings is calculated as follows: Gross trading profit + SGA expenses + Interest expense—net + Dividend income + Equity in earnings of affiliated companies—net
4. U.S. dollar amounts above and elsewhere in this report are converted from yen, for convenience only, at ¥82 to US$1, the prevailing rate as of March 31, 2012.

Net income attributable to Marubeni/Core earnings



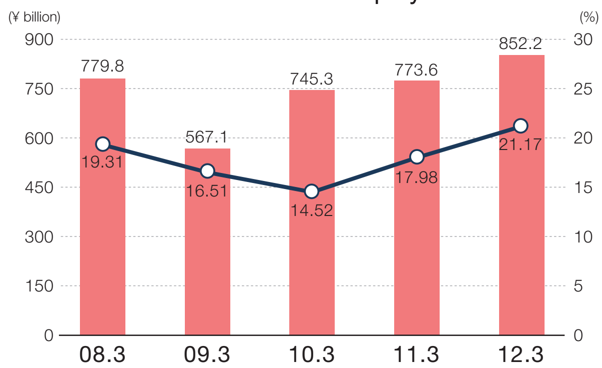
Net income attributable to Marubeni (Billions of yen)
Core earnings (Billions of yen)

Consolidated total assets/ROA



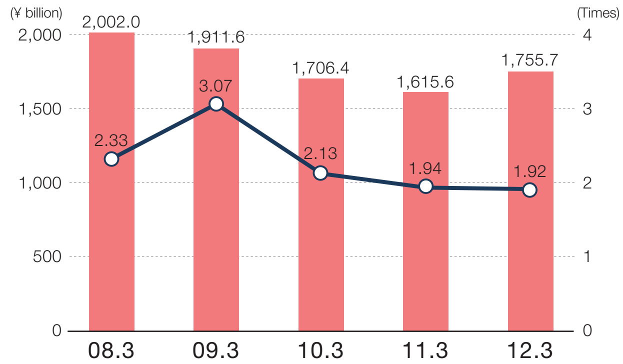
Consolidated total assets (Billions of yen)
ROA (%)

Total Marubeni shareholders' equity/ROE



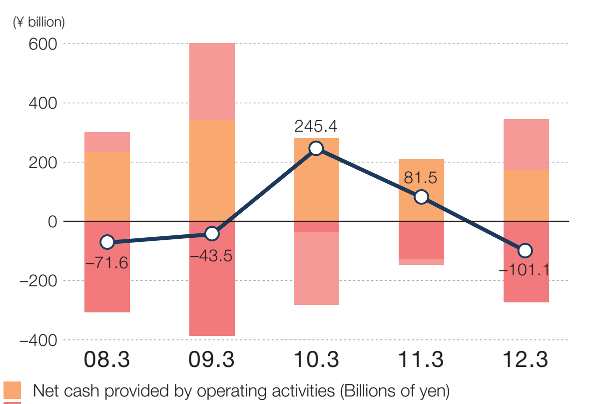
Total Marubeni shareholders' equity (Billions of yen)
ROE (%)

Consolidated net interest-bearing debt/ Consolidated net D/E ratio



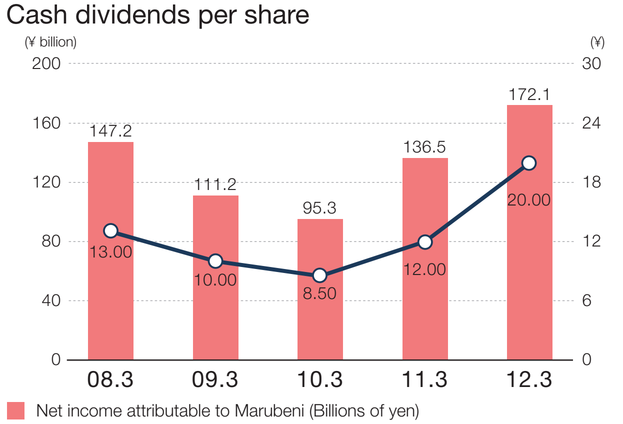
Consolidated net interest-bearing debt (Billions of yen)
Consolidated net D/E ratio (Times)

Cash flows



Net cash provided by operating activities (Billions of yen)
Net cash used in investing activities (Billions of yen)
Net cash provided by (used in) financing activities (Billions of yen)
Free cash flow (Billions of yen)

Net income attributable to Marubeni/ Cash dividends per share



Net income attributable to Marubeni (Billions of yen)
Cash dividends per share (Yen)

To All of Our Stakeholders
—Overview of Financial Results and Management Strategy—

Teruo Asada,
President and CEO

Striving boldly and consistently for sustainable growth

In the year ending March 31, 2013, the entire Marubeni Group will work together to complete the three-year medium-term management plan, SG-12, aiming to achieve consolidated net income of ¥200.0 billion. With strong earnings and financial bases firmly established, we will stand ready for a new era of growth as a company, as we continue to strive to earn the trust of all our stakeholders.

1 SG-12 Medium-Term Management Plan —Overview and Progress

Overview of SG-12

Adding a dash (–) to "sustainable growth" (represented by the initials "SG") the SG-12 Plan launched in the year ended March 31, 2011 embodies Marubeni's commitment to move boldly forward with speed to achieve plan objectives.

The guiding principle of the SG-12 Plan is as follows: The Marubeni Group, even in this turbulent world economy, will build strong earnings and a solid financial base to become a "Stronger Marubeni" that challenges sustainable growth beyond all our stakeholders' expectations. In the first two years of the plan, we have made exceptionally steady progress as we diligently enacted a host of measures in line with this basic policy. As the third and final year of the plan, the year ending March 31, 2013 is the time to crown the achievements that Marubeni has made. (For further information about SG-12 see page 16–18)

Results for the Year Ended March 31, 2012

In terms of financial results for the year ended March 31, 2012, the second year of the plan, Marubeni reported consolidated net income of ¥172.1 billion, representing a substantial year-on-year improvement of ¥35.6 billion, or 26%. This performance was a major boost ahead of the capstone year of the plan, the year ending March 31, 2013. For Marubeni, this record-setting earnings growth is a massive advance over the previous record high of ¥147.2 billion that we posted in the year ended March 31, 2008.

In the year ended March 31, 2012, the global economy continued to post a modest recovery overall; however, the lingering impact of the Great East Japan Earthquake on the Japanese economy coupled with Europe's smoldering sovereign debt problem that began in Greece continued to cause instability in the operating environment. Amid these challenges, Marubeni has been widely lauded for reporting consolidated net income of ¥172.1 billion, clearing its initial forecast of ¥170.0 billion to post a new record high. Similarly core earnings, an indicator of Marubeni's total earning power, rose ¥25.8 billion, or 12% year on year, to ¥249.6 billion, also a new record high.

Regarding our earnings structure, the resources field now accounts for 46% of consolidated net income, and we are continuing to hold the level to under 50%. This figure demonstrates that the resource and non-resource sectors are contributing roughly equally to profit growth.

Turning to the balance sheets, we managed to steadily build profit in the year ended March 31, 2012 despite the yen's appreciation and other negative factors. Consequently, equity as of March 31, 2012 stood at ¥915.8 billion, up ¥84.0 billion year on

Progress of SG-12

SG-12 is progressing well

Consolidated Net Income	Actual results of consolidated net income for the year ended March 31, 2011 and 2012 exceeded the initial yearly prospects respectively. Consolidated net income for the year ended March 31, 2012: ¥172.1 billion reached a new record high. (Second highest is ¥147.2 billion for the year ended March 31, 2008)
Consolidated Net D/E Ratio	Consolidated net D/E ratio for March 31, 2012: 1.92 times modestly improved year-on-year, despite a consequence of yen appreciation, etc.
Risk Assets	Risk buffer for March 31, 2012 amounted to ¥227.4 billion, taking a big leap compared with ¥204.4 billion for March 31, 2011.
ROE	ROE reached 21.2% for the year ended March 31, 2012 considerably exceeding the year ended March 31, 2008 record of 19.3%.

	SG-12 targets	2011.3 actual results	2012.3 actual results	Prospects for 2013.3
Consolidated Net Income (initial prospect)		¥136.5 billion (¥125.0 billion)	¥172.1 billion (¥170.0 billion)	¥200.0 billion
Consolidated Net D/E Ratio	Approx. 1.8 times	1.94 times	1.92 times	Approx. 1.8 times
Risk Assets	Less than Equity	¥627.3 billion (Equity: ¥831.7 billion)	¥688.4 billion (Equity: ¥915.8 billion)	Less than Equity
ROE	Over 15% stably	18.0%	21.2%	Approx. 21%

year. Meanwhile, net interest-bearing debt increased ¥140.1 billion from the previous fiscal year-end to ¥1,755.7 billion, reflecting smooth progress made in new investment plans. As a result, the consolidated net D/E ratio was down 0.02 points year on year, to 1.92 times, bringing Marubeni close to the SG-12 Plan target of a consolidated net D/E ratio of 1.8 times.

New Investment Projects (see Fig. 1)

New investment came to roughly ¥260.0 billion in the year ended March 31, 2012, as we amassed an even stronger portfolio of prime assets.

This investment covered a number of major projects. In the resources field, Marubeni acquired shale oil interests in two projects in North America—Niobrara and Eagle Ford, acquired interests in an LNG project in Papua New Guinea, and purchased Grande Cache Coal Corporation, a Canadian company, to expand its coking coal interests going forward. In infrastructure, Marubeni invested in the Paiton 2 Coal-Fired Power Station project in Indonesia, purchased LNG ships from A.P. Moller-Maersk A/S, and entered the gas distribution business via the acquisition of shares in APT Allgas Energy Pty Ltd of Australia. In the environment, essential living commodities and other sectors, Marubeni acquired the U.K.-based Gunfleet Sands offshore wind farm from DONG Energy A/S of Denmark, invested and participated in U.S. automobile retail finance company Westlake Services, LLC, and made Brazilian grain export terminal operator Terlogs Terminal Maritimo Ltda. a wholly owned subsidiary, among other actions.

New investment so far under the SG-12 Plan has totaled ¥420.0 billion, including the ¥160.0 billion from the year ended March 31, 2011, and Marubeni's efforts to build solid earnings bases in every one of its strategic fields have truly begun to take shape.

Apart from these new investment amounts, we opted during the year ended March 31, 2012 to participate in the Roy Hill Iron Ore Project in Australia, and expect to contribute approximately A$1.5 billion to this project going forward. This investment will add iron ore as a new resource to Marubeni's portfolio.

Furthermore, in May 2012, Marubeni decided to acquire Gavilon Holdings, LLC of Nebraska, U.S.A., which is engaged in trading activities in grain, fertilizer, and energy commodities in North America. With an acquisition price of approximately US$3.6 billion, the Gavilon acquisition marks Marubeni's largest investment to date. Beyond boasting the third largest grain storage network in the U.S., Gavilon is developing a wholesale network in fertilizer, along with a distribution network in energy that includes crude oil warehousing facilities. Through this acquisition, Marubeni's trading volume for grain in the fiscal year ending March 31, 2013, if

Fig. 1 Major Projects of the Year Ended March 31, 2012

	2012.3 Yearly	Priority Allocation of Management Resources	Major Projects of 2012.3	
Natural Resources	Approx. ¥90.0 billion	Metals and Mineral Resources, Energy Resources, etc.	Energy	• Niobrara Shale Oil (U.S.A.) • Eagle Ford Shale Oil (U.S.A.) • PNG LNG (Papua New Guinea)
			Coal	• Grande Cache (Canada)
Infrastructure	Approx. ¥40.0 billion	Overseas I(W)PP* Projects, Water-related Projects, Industrial and Social Infrastructure Projects, etc.	Overseas I(W)PP	• Paiton 2 Coal-Fired Power Station (Indonesia)
			LNG Vessel	• A.P. Moller-Maersk LNG Vessels
			Gas Pipeline	• Allgas (Australia)
Environment, Essential Living Commodities and Others	Approx. ¥130.0 billion	Forestation Projects, Clean Energy Projects, Emissions Credits, etc.	Wind-power	• Gunfleet Sands Offshore Wind Farm (U.K.)
		Grain, Agriculture-related Materials (fertilizer, agrichemicals, etc.), etc.	Grain Terminal	• Terlogs (Brazil)
		Trade/Distribution (food products, pulp and paper, lifestyle products, motor vehicles, etc.), etc.	Transportation Machinery	• Westlake Service—automotive finance (U.S.A.)
New Investment (Gross)	Approx. ¥260.0 billion			
Strategic Divestiture of Assets	Approx. ¥80.0 billion			
New Investment (Net)	Approx. ¥180.0 billion			

* I(W)PP: Independent (Water) Power Producer

its target of 25 million tons is combined with 30 million tons from Gavilon, will exceed 55 million tons. This level will further raise Marubeni's global profile in grain trading. More importantly, it will make it possible to address expanding demand for grains in China and other emerging countries, as well as the stable supply of grains to the Japanese market.

By actively making such investments, Marubeni aims to further accelerate efforts to strengthen its earnings base.

Dividends for the Year Ended March 31, 2012

For dividends for the year ended March 31, 2012, we opted during the payment of interim dividends to raise the consolidated payout ratio from around 15% to a minimum of 20% given the clear improvement in Marubeni's earning power. Accordingly, we decided to pay an annual dividend of ¥20 per share for the year.

2 Measures and Outlook for the Year Ending March 31, 2013

Initiatives for SG-12 Plan Quantitative Objectives

In terms of the quantitative objectives outlined in the SG-12 Plan, all four key indicators rose to record-high levels during the year ended March 31, 2012. As I mentioned earlier, consolidated net income for the year was ¥172.1 billion, while the consolidated D/E ratio was 1.92 times. Similarly, our risk buffer, defined as the difference between equity and risk assets, as of March 31, 2012 was ¥227.4 billion, more than ¥20.0 billion higher than the previous record high of ¥204.4 billion reported for the year ended March 31, 2011. ROE, meanwhile, improved 3.2 points year on year to 21.2%, the highest level ever and well above the plan target of 15%.

Measures for Growth ①/ Strengthening Our Earning Power

In the year ending March 31, 2013, we will continue to aggressively pursue new investment opportunities, enhancing our earnings base to support sustainable growth in the future. In-house approval has already been given to spend ¥240.0 billion (as of the announcement of business results for the year ended March 31, 2012) for investment in projects during the year ending March 31, 2013. This brings the total approved funding for investment projects through the year ended March 31, 2012 to roughly ¥660.0 billion. In light of this steady progress in identifying new investment opportunities, we have raised the target for new investment for the duration of the

SG-12 Plan from an initial target of ¥750.0 billion, to between ¥850.0 and ¥900.0 billion.

Furthermore, the vigorous approach we have taken to new investment has clearly strengthened our earning power. For the year ending March 31, 2013, the SG-12 Plan's final year, we are projecting consolidated net income on the milestone level of ¥200.0 billion, surpassing even the record high set in the year ended March 31, 2012.

Assumptions for key indicators for the year ending March 31, 2013 include an exchange rate of ¥80 to the U.S. dollar, an LME price of US$8,500 per ton for copper, and a WTI of US$95 per barrel for crude oil. Because the vast majority of our overseas operating companies, including those involved in resource interest-related businesses, end their fiscal year in December, these companies have already ended their first fiscal quarter and are now in the second quarter. The assumptions stated are thus reflective of actual results from the first business quarter of these companies.

We expect the resources field to account for 38% of forecasted consolidated net income, down from 46% reported for the year ended March 31, 2012 (see Fig. 2). In the year ending March 31, 2013, the resources field will likely see negative factors such as lower prices for copper, coal and other metal and mineral resources covered by positive factors, such as increased production volume from interests at the Esperanza copper mine in Chile. Non-resource sectors, meanwhile, are expected to see higher earnings across all segments, with total consolidated net income for these sectors projected to rise to ¥120.0 billion, or more than 30% higher than the previous year. In this way, non-resource sectors will emerge to spearhead profit growth in the coming year. This change shows clearly once again the extent to which Marubeni is strengthening its

earning power, while retaining its characteristic favorable balance between resources and non-resource sectors.

In the trading company business, large-scale investment projects tend to steal the limelight. In reality, however, while the investment business accounts for 65% of Marubeni's consolidated net income, the remaining 35% is generated from trading business grounded on trading activities. The business model of general trading companies can be traced back to their roles as intermediary businesses linking producers and consumers. Today, the business model has evolved to encompass investment and finance in various fields, including resource interests, as well as the building of supply chains covering upstream to downstream operations. In this context, Marubeni has sought to become more than a mere intermediary business by obtaining the insight and capabilities needed to proactively trade in various goods, thereby providing customers with added value. Today's Marubeni is underpinned by the culmination of these steady efforts. Without the strengths developed through trading activities, the investment and finance business would not be possible.

The added value that customers expect of Marubeni lies in the provision of truly differentiated products, services, and functions that cannot be provided by competitors. The value we seek to provide must be unique to Marubeni, and must be possible only through Marubeni. It is only by achieving these goals that we can win the trust of customers as their most preferred trading company, and as the trading company with whom they want to build lasting relationships.

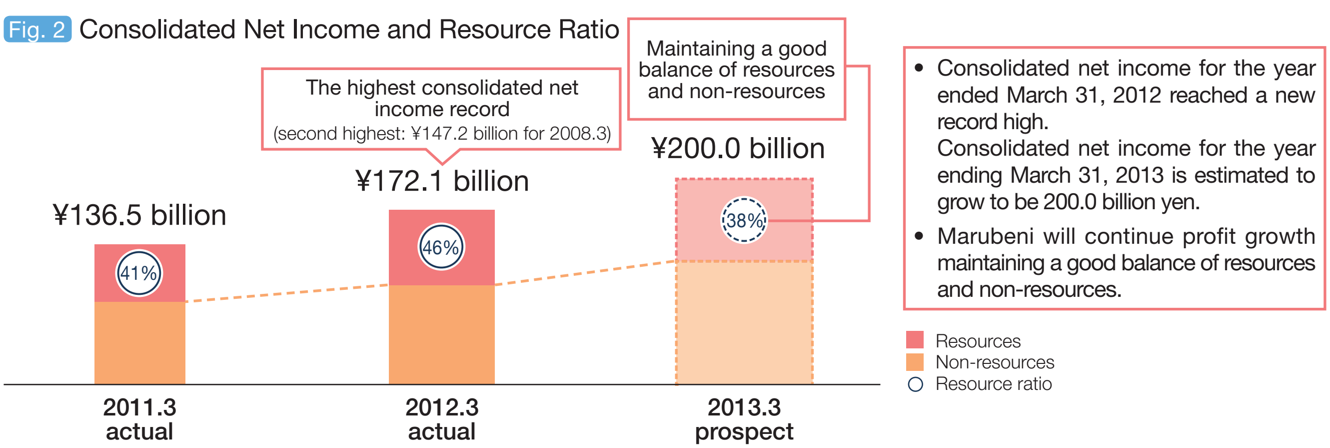
As for ROE, we expect to retain levels for the year ending March 31, 2013 at virtually the same record-breaking level of 21.2% posted for the previous fiscal year.

Taken together, we anticipate that quantitative objectives for the SG-12 Plan with respect to consolidated net income and ROE will reach historically high levels, showing that we have truly made steady progress in building solid earnings bases.

Measures for Growth ②/ Improved Financial Base, Risk Management

In parallel with the earnings base enhancement, what could be termed our "aggressive" aspect, we will also further strengthen our

Fig. 2 Consolidated Net Income and Resource Ratio



"defensive" aspect, Marubeni's financial base, through extensive balance-sheet management.

In line with a policy to continue to aggressively pursue and conduct new investments in prime projects, net interest-bearing debt is projected to increase to around ¥2,000.0 billion by March 31, 2013. At the same time, equity is expected to grow to around ¥1,100.0 billion. It is therefore very likely that we will reach the SG-12 Plan target of a consolidated net D/E ratio of around 1.8 times.

As always, our policy of retaining an appropriate risk buffer remains unchanged, and we continue to build a firm financial base through asset replacement and other means. Initially, we sought to recoup ¥150.0 billion through asset replacement over the three-year duration of the plan. We achieved this goal in the year ended March 31, 2012, primarily through the sale of overseas power generation assets and publicly listed stocks. We intend to carry out more well-timed asset replacement in the future.

For these reasons, we are projecting historic highs for the consolidated net D/E ratio and our risk buffer similar to the case with consolidated net income and ROE. These results will create deeper confidence that not only Marubeni's solid earnings base, but also its firm financial base have both been properly developed.

On the other hand, looking at the global economic situation surrounding Marubeni, it is clear that while lower unemployment, robust consumer spending and other modest recovery trends in the U.S. will continue, slower economic growth in China, and, above all else the lingering sovereign debt problem in Europe, still leave little room for unbridled optimism.

While this uncertainty in the operating environment demands appropriate caution, even under these daunting conditions, Marubeni is confident that targeting an unprecedented level of ¥200.0 billion in consolidated net income outlined in the SG-12 Plan is a feasible goal. That we are able to retain this objective demonstrates how adhering to the fundamentals of our plan and moving swiftly to enact a range of vital measures has steadily strengthened our earning and financial bases.

3 Strategies for the Future

Until now, this discussion has centered on an overview of business results for the year ended March 31, 2012, and progress on the SG-12 medium-term management plan. Now I would like to move on to talk about the path that Marubeni has taken up to this point, and my vision for the Company in the future.

First, let's take a look back at what Marubeni has been aiming for over the last decade, and how our management plans over that time have led up to the SG-12 Plan that we are executing today (see Fig. 3).

@ction 21 "A" PLAN (2002.3/2003.3)

Through the basic policies of reallocation of management resources, realization of sufficient returns corresponding to risks, and business expansion leveraged by advanced trading company functions under the @ction 21 announced in February 2001, Marubeni posted a consolidated net loss of over ¥100.0 billion for the year ended March 31, 2002, and decisively did away with bad assets that had become a pressing concern in order to build a corporate structure capable of withstanding a tumultuous climate and meeting challenges. Along with sweeping away any concerns of hidden sources of losses and opening the way for rigorous selectivity and focus, this plan transformed Marubeni's earnings structure from the ground up by slashing operating expenses and pushing business divisions and operating companies to eliminate losses and improve performance. Marubeni went on to achieve the plan's numerical target of ¥30.0 billion in consolidated net income for the year ended March 31, 2003.

"V" PLAN (2004.3/2005.3/2006.3)

The "V" PLAN was designed to lift the earning power Marubeni had revived with the "A" PLAN to the next level. The plan outlined three specific management policies: Be a resilient Group possessing the No. 1 Portfolio Unit in each industry; attain a solid financial structure; and achieve consolidated net income of at least ¥50 billion. Following enactment of a host of measures to strengthen its earnings base and improve its financial structure, Marubeni met all of its numerical targets for the year ended March 31, 2006, including consolidated net income of ¥50.0 billion, total shareholders' equity of between ¥400.0 billion and ¥500.0 billion, and a consolidated net D/E ratio of less than 5 times.

"G" PLAN (2007.3/2008.3)

The "G" PLAN was a two-year plan for accelerating growth for a further leap forward in performance following the firm earnings base and financial structure the Group had attained with completion of the "V" PLAN. In tandem with further reinforcing risk management, the plan's management policies called for achieving balanced and sustainable growth by retaining a customer-centric stance and aggressively investing in strategic fields to develop a management style focused on "offense." Marubeni met most of its numerical targets for the year ended March 31, 2008, including total consolidated net income for the two-year period of ¥220.0 billion, and a consolidated net D/E ratio of between 2 and 2.9 times. However, because the consolidated net D/E ratio level in particular compared quite unfavorably with other trading companies, this became a critical management issue from the year ended March 31, 2009 onward.

SG2009 (2009.3/2010.3)

The next plan, "SG2009," came during a period of dramatic change in the operating environment triggered by the global economic recession. Amid the unavoidable downward revision of numerical targets given this situation, Marubeni established two key management issues that emphasized a defensive posture—revitalization of its financial standing and rebuilding of its earnings power—which it implemented extensively. Specifically, rather than simply accumulating assets, Marubeni revised the content of its existing assets and businesses, focusing on tying these to definitive earnings. At the same time, it chose to exit from assets and businesses that lacked growth potential, and took other steps to promote "selectivity and concentration" more vigorously than ever before. As a result, Marubeni met its revised numerical targets for "SG2009." This was the period when Marubeni built the rock-solid financial structure and earnings base that became the springboard for dramatic growth achieved through the current SG-12 Plan.

SG-12 (Current)

Under the SG-12 Plan, Marubeni has achieved its numerical targets for the first two years of the plan, and is on track to reach consolidated net income on the order of ¥200.0 billion in the plan's final year.

Since the "A" PLAN, Marubeni has introduced integrated risk management with an awareness of portfolio management, defined investment standards for individual projects, and implemented both of these thoroughly. At the same time, Marubeni has also strengthened its resilience to risks that have resulted from changes in the operating environment. During both the global economic recession caused by the 2008 financial crisis and the 2011 European debt crisis, we managed to avoid any serious adverse impacts and expand our earnings base. We attribute this to the success of our efforts to deepen and upgrade Marubeni's risk management system. However, strengthening risk management is a never-ending task. Accordingly, we will work conscientiously to recognize the extent of our present risks and to manage them properly as a key priority going forward.

During each of the medium-term management plans, we promoted selectivity and focus in line with the operating environment that we faced. At the same time, we have continued to roll out individual measures, while continuing to balance the priority allocation of management resources against the need to strengthen our financial structure to make such allocation possible. As we move ahead, we will remain strongly aware of the need to retain this

Fig. 3 Outcome of Management Plans Over the Last Decade

	@ction 21 "A"PLAN		"V"PLAN	
	2002.3	2003.3	2004.3	2005.3
Consolidated Net Income (Loss)	¥(116.4) billion	¥30.3 billion	¥34.6 billion	¥41.2 billion
Consolidated Total Assets	¥4,805.7 billion	¥4,321.5 billion	¥4,254.2 billion	¥4,208.0 billion
Equity	¥296.8 billion	¥292.7 billion	¥434.6 billion	¥483.6 billion
Risk Assets	¥652.7 billion	¥645.9 billion	¥625.6 billion	¥584.7 billion
Consolidated Net D/E Ratio (times)	9.14 times	7.73 times	4.53 times	3.77 times
ROE (%)	–	11.57%	10.59%	9.87%

policy—we must continue to invest in prime projects and amass highly profitable assets, and yet we will also need to build a stronger financial structure through asset replacement, improved capital efficiency and other means.

Vision for Marubeni's Future

The year ending March 31, 2013 marks the end of the SG-12 Plan. This year Marubeni will rise up to the next stage as a company by achieving the ¥200.0 billion level in consolidated net income for the first time. Essentially, this means that Marubeni will be at the starting point for new growth on an entirely different dimension than before. As a consequence, Marubeni will become known as one of Japan's leading corporate groups, and our executives and employees share a sense of pride and responsibility in having helped us to arrive at this point.

This year we will formulate a new medium-term management plan for achieving even more dramatic growth for Marubeni from the year ending March 31, 2014 onward. As always, the plan will focus on building an unshakeable foundation to enable further development for the Marubeni Group, while also fulfilling the aspirations and expectations that all of our many stakeholders have for Marubeni.

		"G"PLAN		SG2009		SG-12	
	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3	**2012.3**
	¥73.8 billion	¥119.3 billion	¥147.2 billion	¥111.2 billion	¥95.3 billion	¥136.5 billion	**¥172.1 billion**
	¥4,587.1 billion	¥4,873.3 billion	¥5,207.2 billion	¥4,707.3 billion	¥4,586.6 billion	¥4,679.1 billion	**¥5,129.9 billion**
	¥710.8 billion	¥820.8 billion	¥860.6 billion	¥623.4 billion	¥799.7 billion	¥831.7 billion	**¥915.8 billion**
	¥572.6 billion	¥642.5 billion	¥708.3 billion	¥673.7 billion	¥635.6 billion	¥627.3 billion	**¥688.4 billion**
	2.64 times	2.25 times	2.33 times	3.07 times	2.13 times	1.94 times	**1.92 times**
	13.33%	16.94%	19.31%	16.51%	14.52%	17.98%	**21.17%**

SG-12 Medium-Term Management Plan —Overview and Progress—

Marubeni is pushing ahead with SG-12, its medium-term management plan covering the three years from the year ended March 31, 2011 to the year ending March 31, 2013. In this section, we give an overview of the entire plan, review the achievements of the first two years, and outline our policy on new investment and finance for bringing the plan to a successful completion.

SG-12 (Year ended March 31, 2011 to March 31, 2013) Overview

SG-12—Marubeni's Medium-Term Management Plan

SG-12 Principles
The Marubeni Group, even in this turbulent world economy, will build strong earnings and a solid financial base to become a "Stronger Marubeni" who challenges sustainable growth beyond all our stakeholders' expectations.

SG-12 Key Measures

- Top Management-Led Human Resources Strategy
  (Please see page P20–23 for further details)
- Priority Allocation of Management Resources
  (Please see page P24–46 for further details)
- Accelerate Business in Overseas Market
  (Please see page P47–49 for further details)
- Strengthen Financial Base and Upgrade Risk Management
  (Please see page P50 for further details)

Priority Regions		
	China	North America
	ASEAN	South America
	India	(Please see page P47–49 for further details)

	Priority Business Fields
Natural Resources	Metals and Mineral Resources, Energy Resources, etc.
Infrastructure	Overseas I(W)PP Projects, Water-related Projects, Industrial and Social Infrastructure Projects, etc.
Environment	Forestation Projects, Clean Energy Projects, Emissions Credits, etc.
Essential Living Commodities	Grain, Agriculture-related Materials (fertilizer, agrichemicals, etc.) Trade/Distribution (food products, pulp and paper, lifestyle products, motor vehicles, etc.) etc.

Overview of the Year Ended March 31, 2012

In the year ended March 31, 2012, consolidated net income was ¥172.1 billion (up ¥35.6 billion year on year), eclipsing the former record high of ¥147.2 billion set in the year ended March 31, 2008.

Similarly, ROE was a record-high 21.2%, a level sharply higher than the previous high of 19.3% recorded in the year ended March 31, 2008.

Equity as of March 31, 2012 stood at ¥915.8 billion, a year-on-year increase of ¥84.0 billion. Growth was driven by profit accumulation, which overcame a decline in accumulated other comprehensive income stemming mainly from deterioration in currency translation adjustments caused by the yen's appreciation and in unrealized gains on derivatives caused by a decline in U.S. dollar interest rates. As a result, the consolidated net D/E ratio was 1.92 times, down 0.02 points from the previous fiscal year-end, demonstrating steady progress toward our targeted goal of around 1.8 times. Risk assets, meanwhile, have been contained to within the scope of equity, while the risk buffer, calculated as the difference between equity and risk assets, was ¥227.4 billion at the end of March 2012, up ¥23.0 billion year on year.

Progress and Outlook for SG-12

SG-12 targets, performance for the years ended March 31, 2011 and 2012, and outlook for the year ending March 31, 2013

	SG-12 targets	2011.3 actual results	2012.3 actual results	Prospects for 2013.3
Consolidated Net Income (initial prospect)		¥136.5 billion (¥125.0 billion)	¥172.1 billion (¥170.0 billion)	¥200.0 billion
Consolidated Net D/E Ratio	Approx. 1.8 times	1.94 times	1.92 times	Approx. 1.8 times
Risk Assets	Less than Equity	¥627.3 billion (Equity:¥831.7 billion)	¥688.4 billion (Equity:¥915.8 billion)	Less than Equity
ROE	Over 15% stably	18.0%	21.2%	Approx. 21%

Assumptions for the year ending March 31, 2013	Currency Exchange Rate 80 Yen/US$	US$ LIBOR 0.60%	Yen TIBOR 0.40%	LME Copper US$8,500/t [Jan.–Dec.]	Crude Oil (WTI) US$95/bbl [Jan.–Dec.]

The year ending March 31, 2013 Sensitivity to consolidated net income prospect on yearly basis	Currency Exchange Rate Approx. 1.3 billion yen (¥1/US$)	LME Copper Approx. 0.6 billion yen (US$100/t)	Crude Oil & Gas (oil equivalent) Approx. 0.3 billion yen (US$1/bbl)

Outlook for the Year Ending March 31, 2013

The year ending March 31, 2013 is the final year of SG-12, and the year in which we aim to realize a "stronger Marubeni" that will be a "partner that performs beyond expectations" for all of our stakeholders. To this end, we are aiming to achieve consolidated net income of ¥200 billion.

We expect the resource field to account for 38% of this ¥200 billion, as we continue to maintain a good balance between the resource and non-resource fields. Moreover, we expect to achieve steady earnings to accumulate from our existing projects, including the new investments that we made through out the year ended March 31, 2012.

At the same time, we will strive to build a financial base able to cope with a changing business environment by steadily implementing measures to achieve our SG-12 targets for the consolidated net D/E ratio, risk assets, and ROE.

SG-12 Medium-Term Management Plan —Overview and Progress—

Priority Allocation of Management Resources (Promoting New Investments)

[New Investment Plan] Total of 2011.3–2013.3 (3 years)		
New Investment (Gross)	Strategic Divestiture of Assets	New Investment (Net)
Approx. **¥750.0** billion	Approx. **¥150.0** billion	Approx. **¥600.0** billion

	New Investment (Gross)	Strategic Divestiture of Assets	New Investment (Net)
2011.3 Yearly	Approx. **¥160.0** billion	Approx. **¥70.0** billion	Approx. **¥90.0** billion
2012.3 Yearly	Approx. **¥260.0** billion	Approx. **¥80.0** billion	Approx. **¥180.0** billion

	2011.3 Yearly	2012.3 Yearly	SG-12 Period Total
Natural Resources	Approx. **¥30.0** billion	Approx. **¥90.0** billion	Approx. **¥120.0** billion
Infrastructure	Approx. **¥80.0** billion	Approx. **¥40.0** billion	Approx. **¥120.0** billion
Environment, Essential Living Commodities and Others	Approx. **¥50.0** billion	Approx. **¥130.0** billion	Approx. **¥180.0** billion
New Investment (Gross)	Approx. **¥160.0** billion	Approx. **¥260.0** billion	Approx. **¥420.0** billion
Strategic Divestiture of Assets	Approx. **¥70.0** billion	Approx. **¥80.0** billion	Approx. **¥150.0** billion
New Investment (Net)	Approx. **¥90.0** billion	Approx. **¥180.0** billion	Approx. **¥270.0** billion

Approx. **¥660.0** billion of new investments have been approved including the above

Plan for new investment during SG-12 (2011.3 to 2013.3) Original plan of gross **¥750.0** billion yen
—> upwardly revised to **¥850.0** to **¥900.0** billion

In the year ended March 31, 2012, Marubeni made new investments of ¥260 billion. Together with the ¥160 billion of investments for the previous fiscal year, this makes a total of ¥420 billion invested during the period of SG-12 to March 31, 2012.

These investments have also been made with a view to contributing to economic and social development, and this development should translate into growth for Marubeni. For example, in the natural resources field, Marubeni has invested in shale oil and gas development projects in the U.S., while our investments in the environment field include the Gunfleet Sands offshore wind farm in the U.K. Broadly, we have allocated our management resources in four priority fields.

New investment projects that have been approved in-house for execution within the period covered by SG-12 have already reached ¥660 billion (approximately 88% of the ¥750 billion initially planned under SG-12). Accordingly, we now plan to adjust our target upward from ¥750 billion by a further ¥100 to ¥150 billion as we accelerate our efforts to expand our future earnings base.

Chapter

2 DRIVING GROWTH

Expansion Under SG-12

Growth Drivers —Progress Report for Key SG-12 Measures

Human Resources Strategy—Develop the Next Generation of Marubeni

Kaoru Kuzume
Executive Officer, General Manager, Human Resources Dept.

Three Key Components of Human Resources Strategy

Top Management Leads an HR Strategy to Maximize the Value of Marubeni's Greatest Asset—Its People

In the SG-12 medium-term management plan, Marubeni has positioned the promotion of a top management-led human resources strategy as a key measure. Reflecting this emphasis on strengthening human resources across the whole Company, and to better deal with the changing business environment and diversified business models, we have established an HR Strategy Committee, chaired by the CEO, and appointed HR officers in each business division, corporate staff department, and overseas region.

Specifically, Marubeni has adopted a three-pronged approach to HR that emphasizes practical "Experience" together with "Assessment and Incentives," and finally "Training."

Where "Experience" is concerned, our focus is on young career-track employees, with strong emphasis on two keywords: "global" and "frontline".

First, our objective is to develop globally viable human resources by exposing employees to experience overseas at a young age, thereby enhancing their ability to cope with different cultures. To this end, we have made overseas work experience mandatory for all employees during their twenties (within seven years of joining Marubeni). We will also send employees in their twenties to operating companies or rotate them in-house. By helping them to gain experience on the frontlines of business, we will aim to develop an even higher level of operational ability among our human resources, fostering in them a keen awareness of frontline operations.

From April 2011, Marubeni opted to switch the basis of "Assessment and Incentive" mechanisms for determining compensation from job responsibilities and roles to ability. This change has realized the kind of dynamic HR allocation and rotation necessary to advance our measures for fostering Experience.

For "Training," Marubeni is reinforcing division-based training plan. Under this system each individual division conducts efficient training programs tailored to frontline operational needs. We have also revised the content of Company-wide selective training programs and job grade-based training.

Among selective training programs, Marubeni has begun offering the Next-Gen Management School with an executive course and master's course, designed to foster strong leaders to become the next generation of management. The master's course, for example, is offered only to general manager employees class who are recommended by their division, and features an intensive curriculum that conveys sophisticated knowledge and key management approaches in a short timeframe.

To support these measures, Marubeni creates opportunities for all employees to draft individualized medium- to long-term career plans and align these with its HR development policy. We also created an individual career record that allows employees to share their own experiences as career information with all their colleagues. These are just some of the initiatives in our Career Development Program, which is designed to enable sustainable Company-wide employee development.

For Marubeni, where overseas-related transactions account for over 80% of consolidated net income, its greatest asset is undoubtedly human resources capable of winning out against competition in the global marketplace. Our people are also the essential source for continuing to provide new added value to Marubeni stakeholders.

At Marubeni, we are devising a framework that optimally deploys employee abilities and skills and creates an environment where each individual can maximize his or her own value. We believe that this is fundamentally important in order to realize sustainable growth as a corporation. Guided by this, Marubeni is poised to take a variety of HR development measures going forward.

Experience

As measures that promote “Experience” we are implementing steps targeting young career-track employees, such as mandatory overseas work experience and encouraging firsthand involvement in frontline operations.

Overseas Work Experience for Young Career-Track Employees

Hiroyuki Arisawa
Finance Sec.,
Finance Dept.

Joined Marubeni in 2006. After involvement primarily in foreign currency exchange-related operations in the Finance Dept., became a business trainee* at Marubeni America Corporation (New York) from May 2010 to November 2011.

As a business trainee, my mission was to learn about financial operations at Marubeni America Corporation, Marubeni’s largest overseas office. One of the most impressive things for me was coming to gain a firsthand understanding of Marubeni’s business scale through the employees I saw at work during my business trips across North America. I was also able to take part in a training program at a financial institution during my stay, and I was really amazed by the sense of urgency with which people there approached their work. Through my training, I came away with insight into everything from approaches to procuring corporate capital to approaches to work. My time as a business trainee made me keenly aware that being active on a global stage is impossible without a firm understanding of real financial knowledge. Today, I am responsible for capital procurement operations for Marubeni Corporation, which finds me in negotiations with foreign financial institutions every day. My experience in the U.S. has given me the confidence to act on an equal footing when I’m abroad, and I have a real sense that the available options I see while performing my duties have grown substantially.

Yusuke Yoshioka
Sec.-II,
Agro Machinery Dept.

Joined Marubeni in 2006. Following involvement in agro machinery sales company operations, became a business trainee* at Marubeni AG Makina Ticaret Limited Sirketi (Istanbul) from September 2009 to November 2011.

I was assigned to a subsidiary company in Turkey that I had been involved with since its inception. There, I provided support for control operations to assist management and supported marketing work for the sale of agro machinery. At the new company, my mission was to gain expertise across the full management spectrum including the process of developing in-house rules with respect to internal control. Turkey, of course, is very different from Japan, both in terms of business customs and the approaches that people take. Since trying to push through our system would have sparked a strong reaction, I sought instead to promote understanding through close and persistent communication. I also actively created opportunities on my own to visit product users, something I never had the chance to do while at Marubeni headquarters. Coming into contact with live input from the frontlines of business really made a lasting impression on me. After returning to Japan, I was put in charge of M&A operations. Nevertheless, in my current work, I take full advantage of the management knowledge and deeper understanding of risk management at operating companies gained from my time spent as a business trainee.

* Business Trainees: Marubeni has programs that immerse employees in practical training at overseas subsidiaries and operating companies. A new group of 23 employees will be dispatched to 12 countries during 2013.

Human Resources Strategy—Develop the Next Generation of Marubeni

Training

For Company-wide training programs, Marubeni has job class and role-based training with curriculums that vary by length of service in the Company and specific duties, as well as selective training opportunities designed to foster the next generation of leaders. Marubeni is also reinforcing division-based training, where individual divisions take the lead in formulating and conducting training closely tailored to needs on the operational frontlines. By combining these two systems, we aim to support the acquisition of shared knowledge and skills Company-wide, while simultaneously nurturing and enhancing human resources with high-level specialization.
Opportunities for direct dialogue between Corporate Management Committee members and employees are arranged to promote greater understanding of Marubeni's Management Philosophy.

Next-Gen Management School (Master's Course)

This program was newly established from April 2011 to foster Marubeni's next generation of leaders. The program consists of two course tracks: a Master's course for section managers and equivalent job classes, and an Executive course for the next generation of directorship candidates. The result is a place where leadership candidates, who come recommended by their respective departments and senior management, can engage and challenge one another to hone their skills further.

Masahiro Kotani
General Manager, LNG Trading Sec., LNG Dept.

Joined Marubeni in 1994. In current position since 2009, following foreign language trainee experience and an assignment to Shanghai.

The curriculum of this training program is extremely concentrated, effectively squeezing an MBA program into just two months. The management strategy curriculum in particular made a strong impression on me. Until I took the course, my vision was limited to my own operational scope. But with training, I learned to put a Company-wide perspective driven by an awareness of our stakeholders into practice. Gaining greater insight into what a manager's perspective really is was deeply meaningful for me. Another major benefit for me was the strong sense of solidarity that emerged with my other colleagues. Coming from different departments makes close-knit interaction difficult under ordinary circumstances. But even now that the course is over, we still get together regularly to share viewpoints. All of the roughly 30 people who took part in the training course are around the same age, in their forties. I hope that through challenging one another and taking advantage of this new in-house network that we can all bring a more expansive perspective to our work.

Dialogue Between Corporate Management Committee Members and Employees

Dialogue between the President and new employees

Marubeni has established dialogue-based training as one way to improve communication between senior management and employees, and to promote the penetration of the Company's Management Philosophy and policies. The President delivers a message to new employees that touches on elements from his own career, coupled with a lively Q&A session with those in attendance.

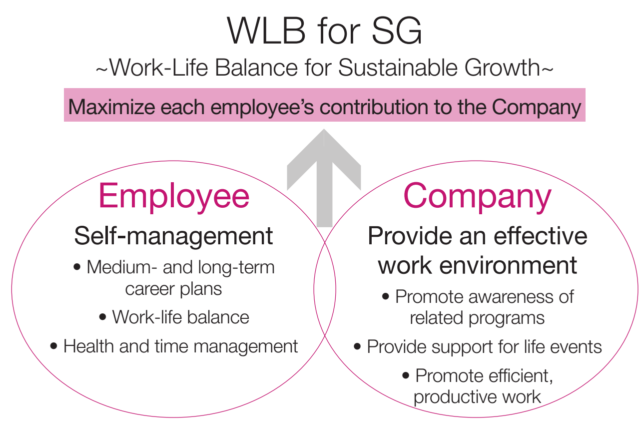
Dialogue between Corporate Management Committee members and young and mid-career employees

Directors participate in dialogue sessions designed to advance a multifaceted understanding of what a "Stronger Marubeni" means. The sessions provide means for direct dialogue on various topics, which enables management to convey its expectations and everyone to express opinions from different perspectives. A total of 56 such sessions were held during the fiscal year, with plans to hold similar sessions in the future.

Column

Work-Life Balance

Marubeni recognizes that raising both employees' level of satisfaction with their working environment and their motivation to engage in their work are essential to bolstering competitiveness from a medium- to long-term perspective. In 2010, Marubeni revised and enhanced a host of key measures in these areas that will contribute to realizing a "Stronger Marubeni" able to meet the challenges of sustainable growth envisioned in the SG-12 medium-term management plan. Specifically, we divided our previous measures into two programs and sought to make each more robust. The first, called the "Life Event Support Program," aims to support employees in their career and personal lives during childrearing, nursing care, or other life events. The second, called the "Meri-Hari Work Promotion Program," encourages employees to reduce work outside of normal business hours and to take time off so that they can be in the best possible condition to efficiently deliver high-quality performance.



Global Workshops

Marubeni holds workshops for its National Staff members designed to deepen understanding of Marubeni Group's market strategies and its concrete initiatives in regions outside of Japan, as well as build international human networks that will make a "Stronger Marubeni" a reality. During the fiscal year, 65 people from 22 countries took part in workshops held in Singapore, Shanghai and Tokyo.

THE MARUBENI CHALLENGE 1

Shale Oil and Gas: Rewriting the Global Energy Map

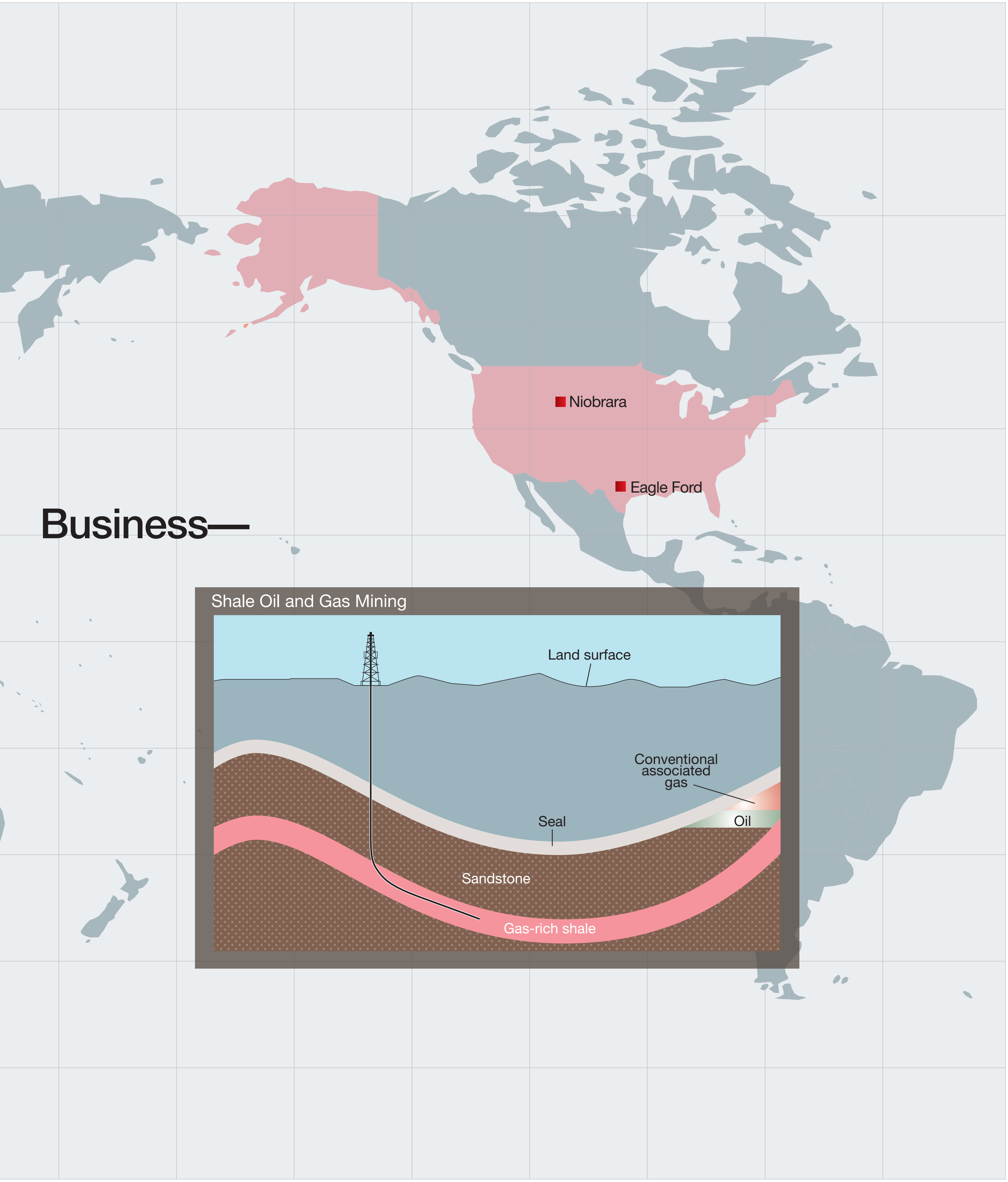
—Marubeni's Shale Oil and Gas Development

In recent years, the resources and energy sector has seen more attention turn to the non-conventional resource of shale oil and gas, as opposed to conventional oil and natural gas produced from traditional oil and gas field development. Spurring this shift is sharply higher crude oil prices, reflecting energy demand in emerging markets.

With initiatives in this field set to gain momentum worldwide, Marubeni views the development of shale oil and gas as a growth business. To this end, we are taking part in two development projects in the United States, currently the world's leader in shale oil and gas development. We intend to leverage the knowledge and expertise gained from these projects to acquire prime resource and energy assets going forward.

The following is an introduction to the unique features and future initiatives of Marubeni's shale oil and gas development business.

in Building a Pathway to the Future



Business—

Priority Allocation of Management Resources: Marubeni's Challenge

Production facilities for the Eagle Ford shale oil and gas development business

An exclusive glimpse into Marubeni's forward-looking resource and energy development strategy.

Takeshi Kumaki

Executive Officer, COO,
Energy Division-I

What Are Shale Oil and Gas?

Shale oil and gas refer to oil and gas contained in the geologic shale layer, found some 100 to 2,000 meters underground. This hard bedrock is broadly distributed worldwide, yielding a resource that offers ample oil and gas reserves. Until recently, however, commercialization had been hindered by technological and cost issues. But with recent technological innovations now making low-cost, high-volume production feasible, shale oil and gas are set to emerge as promising non-conventional resources.

Marubeni's Shale Oil and Gas Development Business

Energy Division-I has acquired interests in two development projects in quick succession since 2011 in the United States, currently the leading country in this field.

For the first project, the division has partnered with major U.S. oil and gas developer Marathon Oil Corporation in the Niobrara shale oil development project spanning the states of Colorado and Wyoming. In the second project, the division is partnering with Hunt Oil Company, a major independent oil and gas development firm in the U.S., for the shale oil and gas development project at Eagle Ford in the state of Texas. A number of oil and gas developers are moving ahead with development and production work at these two promising mining projects. The same regions are also projected to see the development of new interests, which should translate into stable medium- to long-term earnings from these projects. A prominent feature of the shale oil and gas produced at both mining blocks is the relatively high proportion of oil being yielded. The decision to participate in these projects thus comes at the best possible time, since market prices for crude oil are projected to rise even higher going forward.

The shale oil and gas development business is a potential game changer for the global energy market; a point that has attracted a large field of rivals, including major resource firms, and created barriers to entry. One reason that Marubeni was able to participate as a development and production partner in two promising mining blocks is its strong track record in the resource and energy sectors over the years. Marubeni has a history of collaboration with Marathon Oil and Hunt Oil in LNG projects in Equatorial Guinea and Peru, respectively. The trust and reputation Marubeni built as a partner allowed it to gain access ahead of rival companies. Another reason is Marubeni's strength as a general trading company. In shale gas development, securing buyers for methane, which makes up more than 90% of the gas produced, is particularly vital. Raising the added value of methane is thus key to improving the profitability of this business. Marubeni has business divisions and operating companies with a range of expertise in enhancing the added value of methane and all other mining outputs. Outside

in Building a Pathway to the Future

of the sale of crude oil and petroleum products and LNG business promotion by Energy Division-I, capitalizing on Marubeni's comprehensive capabilities allows for the development of the shale oil and gas business on many fronts. Examples include power generation in the Power Projects & Infrastructure Division, the production and sale of fertilizers and ethylene in the Chemicals Division, industrial plant construction by the Plant & Industrial Machinery Division, and the transport of petroleum products and LNG by the Transportation Machinery Division. In addition to Marubeni's track record and funding abilities, our partners surely have high expectations for our comprehensive capabilities in these areas.

Future Initiatives

Shale oil and gas have rich reserves, and with pre-development surveys now under way not only in the United States, but in China, Australia, and other sites worldwide, the scale of this market is expected to grow sharply in the future. Determined to seize this opportunity, Marubeni has established a shale oil and gas operating company in North America with the goal of becoming an operator in its own right. One vital mission of the shale oil and gas development business in North America is to amass knowledge and expertise for taking this business to the next level. The various initiatives in this area are an essential element of Marubeni's forward-looking resource development strategy. Marubeni remains committed to acquiring prime resource and energy assets going forward.

How will shale gas and oil impact the global economy?

Tetsuhide Mikamo

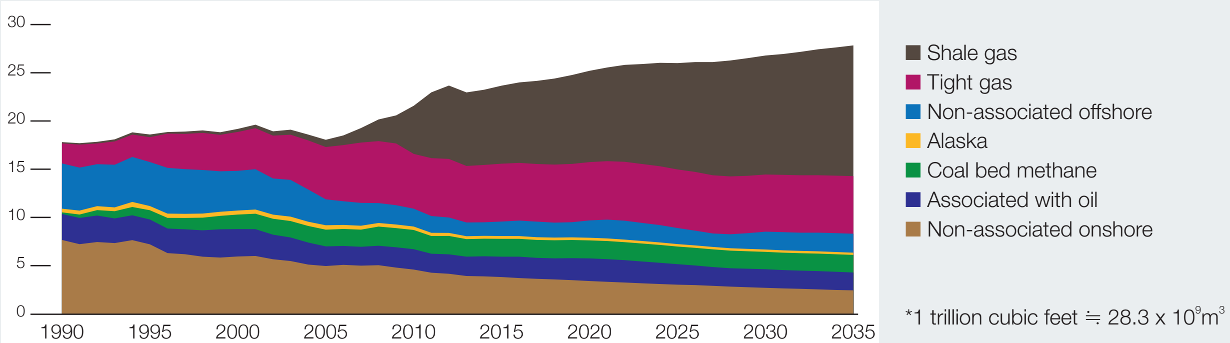
Director,
Marubeni Research Institute

Today, the United States is the world's leader in development and production in what is now being called the "Shale Oil and Gas Revolution." The beginnings of this era can be traced back to the 1970s, when small and medium-sized independent gas companies across the U.S., seeking to tap oil and gas deep underground, established the foundation technologies used for this type of mining. The full-fledged spread of shale oil and gas mining came as technological improvements enabled efficient, low-cost development work. One factor driving things forward has been escalating prices for crude oil. In 2005, the price of crude oil topped \$60 per barrel for the first time, which coincided with renewed interest in shale oil and gas. Since then, shale gas has come to account for a quarter of the natural gas produced in the United States. On the other hand, further technological innovations are being sought to reduce the environmental impact of extracting shale oil and gas, which is achieved through a process known as hydraulic fracturing. This mining method entails injecting massive volumes of water under high pressure into the ground to fracture rock, then collecting the oil and gas that emerge. This method has been criticized, however, for its impact on the supply-demand balance for water in areas adjacent to the gas fields, the way wastewater is treated, and other concerns.

Until recently, the U.S. energy self-sufficiency rate had stood at around 80%. However, with the addition of shale oil and gas production in particular, that level is projected to rise to around 90% by 2035 (see Fig.). This is especially true for natural gas, where it seems likely that the U.S. may actually grow from a net importer into a net exporter of natural gas by around 2020. The greater energy self-sufficiency in the United States that results is expected to help curb price volatility in the energy market. Furthermore, the international supply-demand balance for energy can be expected to improve even more in the future if shale oil and gas mining technologies tailored to local characteristics become established and spread around the world.

Fig. U.S. Natural Gas Production, 1990–2035

(Trillion cubic feet*)



*1 trillion cubic feet ≒ 28.3 x $10^9 m^3$

Source: U.S. Energy Information Administration "Annual Energy Outlook 2012 Early Release Overview" (Jan. 2012)

THE MARUBENI CHALLENGE

2

Weathering Economic Cha the LNG Tanker Ship-Owni

2010 marked Marubeni's full-scale entry into the LNG tanker ship-owning and operation business.

The primarily trade-driven transportation machinery business that Marubeni had previously pursued was susceptible to economic volatility.

To overcome this concern, the LNG tanker ship-owning and operation business is now positioned as a core driver for new business.

Global demand for LNG as a relatively clean and inexpensive form of energy is widely expected to rise. As a means of transporting this fuel, LNG ships are also set to play a more important role going forward.

The following is an introduction to the LNG tanker ship-owning and operation business, an operation that takes optimal advantage of the knowledge and expertise that Marubeni has accumulated in the ship trade, coupled with the Company's comprehensive capabilities.

in Building a Pathway to the Future

nge with
ng and Operation Business

Chapter 2

Priority Allocation of Management Resources: Marubeni's Challenge

Entering the LNG tanker ship-owning and operation business for a new stage in the ship business

Koki Kitagawa

Senior Operating Officer,
Transportation Machinery Division
General Manager, Ship Dept.-II

Takahiro Nakamura

General Manager,
LNG & Offshore Projects Sec.,
Ship Dept.-II

Initiatives in 2010 and 2011

In 2010, Marubeni established a joint venture with BW Gas Limited, an LNG marine transport service company in Bermuda. Through this venture, Marubeni gained entry to the LNG tanker ship-owning and operation business acquiring 49% ownership of eight ships under long-term charters to Nigerian LNG production and sales company Nigeria LNG Limited. In 2011, Marubeni added to its fleet by joining forces with Teekay LNG Partners L.P. of Canada to purchase six LNG ships owned by A.P. Moller-Maersk A/S of Denmark.

Expectations for the LNG Ship-owning and Operation Business

With crude oil prices surging and global environmental awareness on the rise, demand for LNG as a clean and relatively inexpensive form of energy is projected to grow in the future. In this climate, Marubeni anticipated increased demand for LNG ships as the mode for transporting this fuel and opted to enter the LNG tanker ship-owning and operation business. Today, Japan is the world's largest importer of LNG, consuming roughly 30% of the world's LNG imports. Together with neighbors South Korea and Taiwan, the Asia markets consume over 50% of all LNG imports. With the world's biggest market for LNG unfolding right at Marubeni's doorstep, this is a field in which Marubeni can capitalize on its geographical advantages.

The main purchasers of LNG are domestic and foreign electric power companies, gas companies, and other major enterprises with highly public profiles. For this reason, the operation of LNG ships requires sophisticated ship management capabilities. Also, since each ship can cost upwards of several hundred million dollars, operators must have strong funding abilities. Becoming a new entrant to the LNG ship industry is thus no easy task. These barriers to entry make the market for the LNG tanker ship-owning and operation business a stable one with relatively few competitors. Moreover, In addition, since ensuring stable energy supplies is critical to electric power and gas companies, the terms of the typical contract binds one LNG ship to a long-term commitment of 10 years or more. In summary, the LNG tanker ship-owning and operation business is characterized by requirements for sophisticated ship management capabilities and funding strengths, and the potential for drawing stable, long-term earnings.

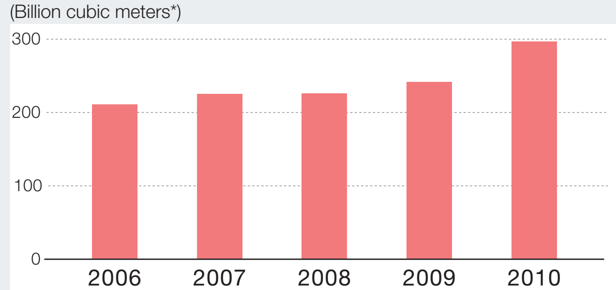
in Building a Pathway to the Future

Future Initiatives

As the nature of the energy market changes, LNG appears likely to grow in importance as an energy source, along with the ships needed to transport it. In addition to the purchase of existing LNG ships, Marubeni will move in the coming years to address new ship-building in preparation for acquisitions of new LNG projects. The goal is to ensure stable medium- to long-term earnings through businesses that contribute to energy supply stability.

Fig. International LNG Trade

(Billion cubic meters*)



*1 billion cubic meters = 1,000m x 1,000m x 1,000m

Ownership of LNG ships is meaningful in a host of important ways.

Kaoru Iwasa

Managing Executive Officer, COO, Transportation Machinery Division

In the past, the transportation machinery business was focused mainly on trade, specifically the purchase and sale of certain goods. Consequently, business was greatly impacted by a drop in global demand and market prices in key sectors triggered by the 2008 financial crisis; namely, automobiles, aerospace, and construction and agricultural machinery. This situation drove Marubeni to develop and strengthen its operations in commercial materials and services capable of realizing stable earnings that are unswayed by market trend-driven businesses and resilient to economic volatility. To this end, we focused on businesses where Marubeni has a competitive advantage in offering high added value, such as leasing (aircraft sector), retail finance (automobile sector), product support (construction machinery sector), and after-market services (agriculture machinery sector).

As part of this initiative, we also looked at the ship sector, where we concentrated on developing business in ways that would deliver earnings stability. The solution we came upon was to own and manage our own fleet of ships. Crucial to succeeding in this field, however, is building a reputation in promising future markets where we can secure long-term commitments from those looking to charter ships and cargo buyers. Since global demand for LNG is projected to grow, Marubeni's attention turned to the ownership and management of the ships needed to transport this fuel.

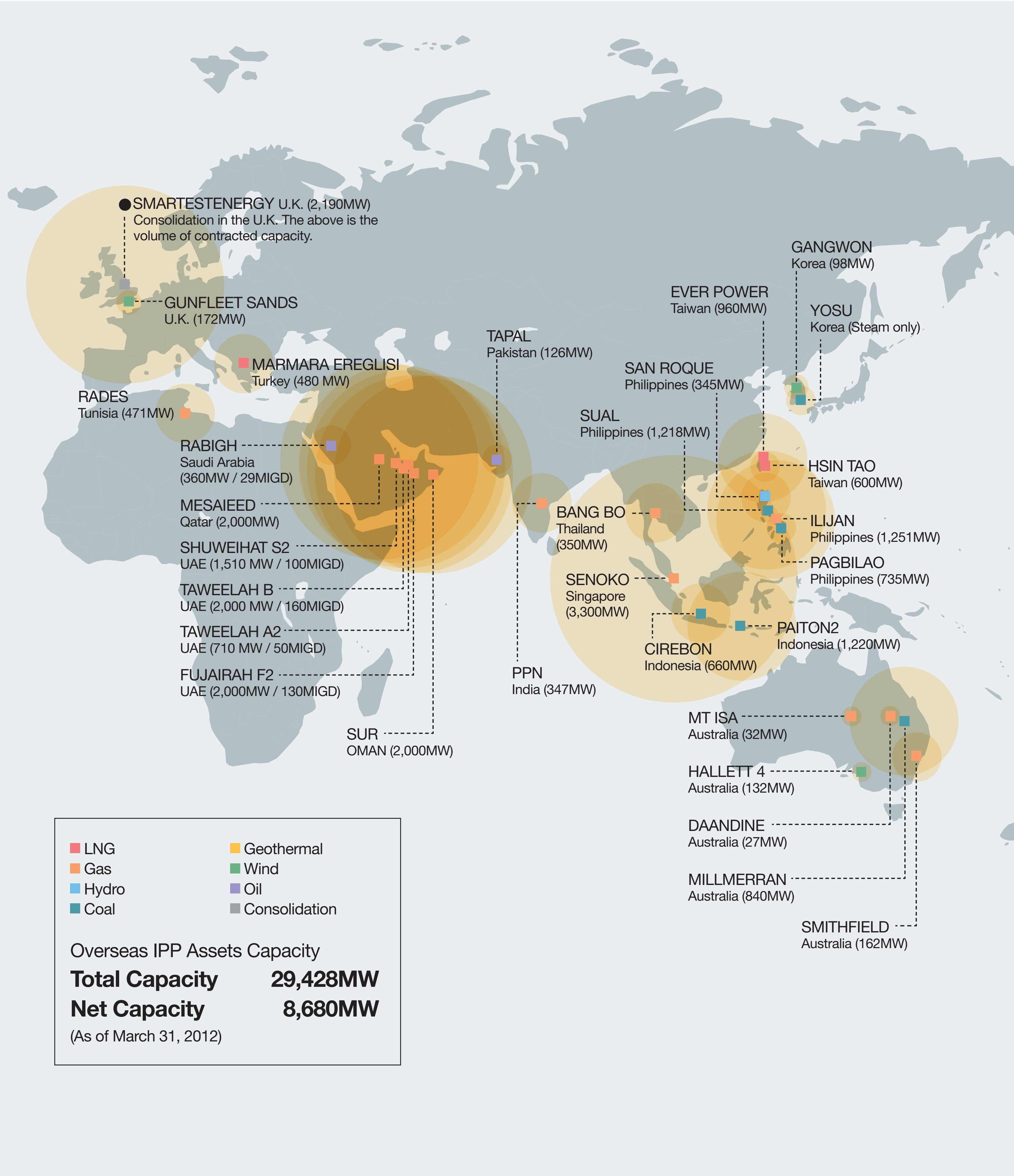
While centered on LNG as a product, the LNG tanker ship-owning and operation business allows us to take full advantage of Marubeni's comprehensive capabilities. For example, it will now be possible for the Transportation Machinery Division to transport LNG from new production interests developed by Energy Division-I. It is clear that our partners also have high expectations for Marubeni's comprehensive capabilities in this regard.

Furthermore, participation in a business built on our own ownership and deployment of LNG ships has not only brought access to LNG-related project and business information, but allowed us to acquire a host of information outside of LNG as well. These benefits will enable Marubeni's ship business to rise to its next stage of development in the years ahead.

Beyond the LNG tanker ship-owning and operation business, we plan to branch out into direct ship management, where the Transportation Machinery Division will own and manage ships on a stand-alone basis, and the marine energy development business, where it will deal with ships for supporting and creating marine structures. At present, we are looking to develop the direct ship management business from our base in Singapore. In the marine energy development business, we coordinated with the Power Projects & Infrastructure Division, and joined forces with the Innovation Network Corporation of Japan to acquire U.K.-based offshore wind power service provider Seajacks International Ltd. Other major projects on the horizon include LNG FPSO*1 and FSRU*2 ventures. By making the most of Marubeni's funding strengths and capabilities with respect to project finance arrangement, we will work vigorously to expand business going forward.

*1 FPSO: Floating Production, Storage & Offloading system
*2 FSRU: Floating Storage and Regasification Unit

Priority Allocation of Management Resources: Marubeni's Challenge



Overseas IPP Assets Capacity

Total Capacity	**29,428MW**
Net Capacity	**8,680MW**

(As of March 31, 2012)

THE MARUBENI CHALLENGE 3

A Long Track Record of Mastering New Challenges

—Overseas IPP Business—

IPP is an acronym for “Independent Power Producer.”
Propelled by a wave of deregulation and liberalization in the provision of electric power since the 1980s, the global electric power business has witnessed an expansion in many countries of the IPP market, in which private-sector power producers sell electricity produced at their own power-generating facilities.
Having rightly understood the overseas IPP business as a business model capable of generating stable long-term earnings, Marubeni became an early entrant in this sector in the 1990s.
As of April 2012, Marubeni has power generation assets in 23 countries worldwide, including Japan, with a net generation capacity of 8.8 GW. This places Marubeni as the undisputed leader among Japanese trading companies in the field.
The following is an introduction to the overseas IPP business, where Marubeni is determined to extend its lead even further, and continues to boldly take up the challenge to uncover new fields and business in new regions.

Priority Allocation of Management Resources: Marubeni's Challenge

HALLETT 4 (Australia)

Facing challenges critical to unlocking electric power business potential.

Masumi Kakinoki

Executive Officer, COO,
Power Projects &
Infrastructure Division

Marubeni's Overseas IPP Business

Marubeni's key strength in the overseas IPP business is the ability to take charge as a project leader capable of guiding everything from initial construction to facility operation. To ensure optimal functions are in place for each project, Marubeni has established a unique model that enables it to offer a price that includes construction cost when bidding for projects by obtaining advance estimates from multiple companies based on project specifications. It is this model that has enabled Marubeni to participate in many projects. We seize the competitive advantage by taking on a range of risks ourselves as the lead in driving the project forward, including environmental measures, electric power sales contracts, and fund procurement. At the same time, we have built relationships of trust with those we have gained orders from, which is why Marubeni has a net generation capacity of 8.8 GW (as of April 2012), ranking it No. 1 among Japanese trading companies.

Today, Marubeni is involved in IPP operations tailored to market needs in 23 countries worldwide. The power-generation methods employed run the gamut, covering thermal, wind, hydro, and geothermal. Because the natural resources usable for power generation and the types of facilities available differ from region to region, we emphasize maintaining an even and optimal balance of assets, and are always on the lookout for new projects.

Overview of Marubeni Participation in the Overseas IPP Business in the Year Ended March 31, 2012

As a result of proactive efforts to win new projects, Marubeni in the year ended March 31, 2012 participated in the Paiton 2 Coal-Fired Power Station project in Indonesia, the Sur Combined Cycle Power Plant project in Oman, and the Gunfleet Sands offshore wind farm in the U.K. As these examples show, Marubeni's business participation is well balanced, without overemphasis on any particular power-generation method or region.

Paiton 2 began operating commercially in 2000, and is the largest Coal-Fired Power Station in Indonesia. In contrast, the Sur Combined Cycle Power Plant in the Middle East is a new development project. But in both cases, Marubeni's well-honed track record as a project leader is what made participation possible. Demand for electric power in Indonesia is rapidly increasing in step with the country's economic growth, with demand predicted to grow an average of 9% annually by 2019. Marubeni capitalized on its knowledge and expertise at the Paiton 2 project, and is now looking to take on more projects in Indonesia. For the Sur Combined Cycle Power Plant project, we conducted an in-depth analysis of bidding factors in the Middle East over the last several years, and sought to curb construction costs by partnering with a Korean firm. These and other ongoing initiatives to win the contract culminated in Marubeni being awarded the largest project of its kind in Oman.

In the U.K.-based Gunfleet Sands offshore wind farm project, Marubeni is partnering with DONG Energy A/S, a Denmark-based firm that boasts the world's leading market share in this field. This represents the first full-fledged participation by a Japanese company in an offshore wind farm project. We also signed an agreement to acquire U.K.-based Seajacks International Ltd., a leader in the provision of offshore wind farm services, marking Marubeni's entry into specialty ships used for such installations. Marubeni has also opted to serve as project integrator for the Fukushima Experimental Offshore Wind Farm Project, sponsored by Japan's Ministry of Economy, Trade and Industry. A host of challenges are expected in the construction of what will be the first ever attempt to use floating power generation facilities, among them the laying of cable to connect the offshore and onshore facilities, and actual facility construction offshore in the presence of active waves. While the ocean region and conditions differ, there is little doubt that Marubeni's insight and expertise from the Gunfleet Sands offshore wind farm and the acquisition of Seajacks will prove absolutely essential to the project.

Overseas IPP Business Strategic Vision

In recent years, the world has faced many changes, including dramatic climate change, economic growth in emerging markets, and a shift in awareness in support of a recycling-oriented society. Furthermore, there are signs that the environment surrounding energy resources for power generation is about to undergo a transformation. Shale oil and gas, as widely distributed non-conventional resources that have captured the spotlight, may soon come into greater usage. If this happens, the current dependency on a small number of regions for crude oil and similar energy resources may evaporate, with energy prices for conventional resources likely to drop dramatically as the tight supply-demand seen today loosens. At the same time, attention is turning increasingly to renewable energy that emphasizes on environmental performance.

Demand for electric power, a form of energy essential to modern life, is increasing worldwide in step with population growth and economic development in emerging markets. The IPP market is also in a growth stage. One of the most important features of electric power is that the company or region where it is produced has no bearing on the quality of the power consumed. And although ensuring the stable supply of electric power requires a great deal of practical capability and expertise, the actual generation of thermal, hydro, and other electricity is straightforward, making it possible to enter the IPP business with only a certain amount of equipment and investment. Marubeni believes that simply engaging in the same business patterns and initiatives alone inevitably means that earnings and market share will eventually decline as latecomers looking to catch up emerge. This is what drives Marubeni to tirelessly tackle new challenges in the overseas IPP business. In existing businesses, Marubeni makes constant revisions and improvements to the management and operation of assets. In parallel, Marubeni's fundamental strategy in the overseas IPP business is to raise asset-value, optimize its portfolio, and boldly challenge business in new fields and regions. We believe that this is what will really unlock new potential in the IPP business. Furthermore, our aim going forward is also to take the lead in offering an all-inclusive electricity business in fields that make full play of Marubeni's comprehensive capabilities. This will entail a shift from a traditional power generation and transmission-based business, to one encompassing these plus the supply of fuel, power distribution, and utility fee collection.

HARDEE (U.S.A.)

SENOKO (Singapore)

THE MARUBENI CHALLENGE 4

Eyeing Greater Growth for Grain Business in China

Surging demand and a growing taste for premium food as incomes rise in China is spurring sharp growth in the volume of grain imports. In response, Marubeni is aggressively pursuing intercompany alliances in China aimed at further expanding its sales volume.
The key to the grain business is how much grain can be traded at the most competitive price. Trading large volumes of grain enhances our buying power, making it possible, in turn, to provide customers with competitively priced grain.
Marubeni's grain business boasts the top trading volume of grain among general trading companies. The following is an introduction to our initiatives in this business in China.

in Building a Pathway to the Future

Marubeni's

Priority Allocation of Management Resources: Marubeni's Challenge

Expectations for Marubeni growing larger as trade expands.

Takashi Fukuda

General Manager,
Grain Global Trading Sec.,
Planning Sec.,
Grain Dept.

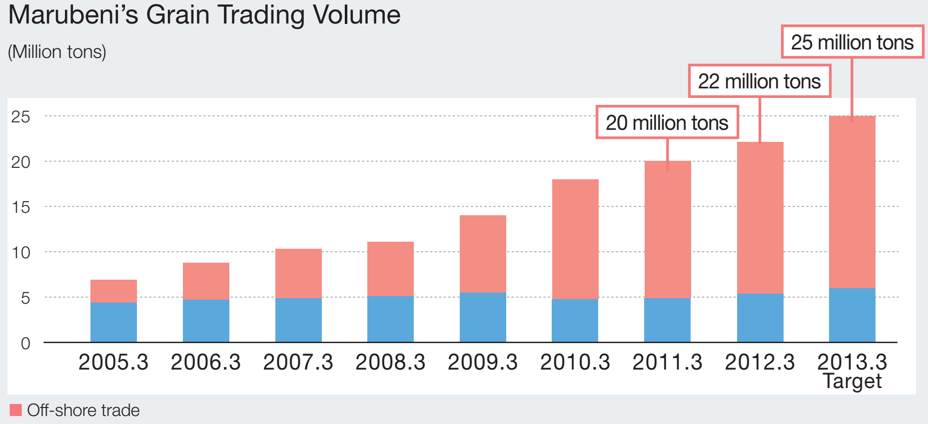
Recent Marubeni Trends

In 2009, Marubeni signed an agreement with Sinograin Oils & Fats Corporation, a subsidiary of China's largest grain company, the Sinograin Group. This was followed in 2010 by the signing of an agreement with the Shandong Liuhe Group, China's largest farming company. With the Sinograin Group's grain distribution network in China and the Shandong Liuhe Group's integration of feed and livestock complementing Marubeni's own powerful, global-level procurement capabilities, our trade in grain marked for China is on the rise.

Accurately Capturing Surging Demand

Today, China imports 55 million tons of soybeans each year. Marubeni handles roughly 20% of this volume, or 10 million tons. Within China, this massive trading volume puts Marubeni among the top foreign-owned companies in the sector. The sheer scale of trade has won Marubeni a great deal of attention from domestic Chinese firms involved in the grain trade, with expectations growing larger as trade expands.

Marubeni's Grain Trading Volume



in Building a Pathway to the Future

As products, grains are an embedded part of daily life. Accordingly, what customers demand in grain trading along with a good price is the sense of security that comes from a stable supply framework. To provide a sense of security to customers and facilitate trading, Marubeni's policy is to assign local staff as point persons for customers, with an emphasis on sales activities that adhere to local customs. Presently, Marubeni has four sales bases in key regions in China, where local staff negotiate closely with customers on a daily basis.

To make its supply of grain more secure, Marubeni has decided on Brazil, home to some of the world's most prominent grain warehouses, as a supply site for grain to China. To ensure supply stability, in 2009 Marubeni signed a comprehensive agreement with Amaggi Exportação e Importação Ltda. (AMAGGI), a Brazilian firm involved in the retail sale of seeds and fertilizer, grain collection, and oil pressing, as well as export silo operations. This was followed in 2011 by the conversion of grain export terminal operating company Terlogs Terminal Maritomo Ltda. (Terlogs) into a wholly owned subsidiary. Now Marubeni's focus in Brazil is on reinforcing its inland grain collection network and streamlining and managing export terminals in order to augment its abilities for both to procurement and supply of Brazilian grain.

Marubeni also has several grain transport and delivery ships operating under charter across the globe that enable it to deliver grain in time with customer demands. At present, one ship sails for China every two days, with Marubeni leveraging its well-honed Chinese sales network and expertise in ship management to deliver grain with optimal timing.

As a company developing operations on a global scale, Marubeni is accurately capturing surging and growing demand in China by combining its procurement strengths with its Chinese sales network to establish a grain network tailored to customer needs.

Developments Going Forward

In January 2011, Marubeni decided to enter a strategic alliance with New Hope Liuhe Co. Ltd. to develop a joint venture that will integrate feed and livestock operations across Africa, the Middle East, Eastern Europe and South America. Going forward, with China as the site of enormous demand, Marubeni will pursue tie-ups with major Chinese companies looking to expand into the global marketplace to uncover demand in growing emerging markets.

Targeting our next stage by taking advantage of capital and organizational strengths.

Satoshi Wakabayashi

Executive Officer, COO,
Food Materials Division

The key to the grain business is how much grain can be traded at the most competitive price. Trading large volumes of grain enhances our buying power, making it possible, in turn, to provide customers with competitively priced grain. Moreover, since the larger the trading volume, the greater the bargaining power with ship companies, large trading volumes enable Marubeni to charter grain transport ships on its own, and thereby control transport operations. At the same time, large volumes mean that ships are dispatched more frequently, enabling Marubeni to flexibly deliver the products that customers need.

For Marubeni, the most vital task is identifying and securing demand markets where grain can be sold. Our policy is to first properly confirming demand, and then develop the supply regions to support it. Expansion in both the demand and supply regions, in turn, stimulates growth in earnings.

China has seen rapid growth in demand for grain in recent years, reflecting both the sheer size of its population and a growing preference for premium food spurred by growth in personal income. Given China's close proximity to Japan, addressing this demand certainly has many merits. But we are not viewing China simply as a large demand market. Going forward, our policy is to collaborate as partners with major Chinese companies to promote business and develop opportunities in other emerging markets where future growth in demand is anticipated, such as the Middle East, North Africa, and Southeast Asia. At present, Marubeni handles some 22 million tons of grain worldwide. By the year ending March 31, 2014, our goal is to raise that by an additional 5 million tons by developing North Africa and other markets. Right now, we are assigning staff to Paris and Cairo, two cities contiguous with these regions, to establish sales companies. In Southeast Asia, we have already set up a sales company, where we handle 2 million tons of grain annually.

Chinese companies' choice of Marubeni as a collaborating partner in advancing into these overseas regions and markets owes much to the reputation of Marubeni's grain business. Marubeni has conducted business smoothly with local companies over the years, all while handling the largest sales volume in China as a foreign-owned, independent grain trader.

As a general trading company, Marubeni has a history of developing a rich variety of businesses in many countries and regions, all supported by a global organization and funding capabilities. We are leveraging these advantages to firmly establish Marubeni's grain business in the global market by building a structure for the long-term, stable supply of competitively priced grain.

Major Projects During SG-12

Under the SG-12, Marubeni is targeting ¥900.0 billion in new investments, ¥150.0 billion more than initially planned, in priority fields (natural resources, infrastructure, the environment, essential living commodities) between the year ended March 31, 2011 and the year ending March 31, 2013, in a bid to further enhance our earnings base for supporting sustainable future growth. Particularly from the year ended March 31, 2012, Marubeni is stepping up the pace of investment even further in order to adopt a more aggressive stance and accelerate growth in its earnings base.

Management resources will be channeled mainly into four specific business sectors: "natural resources," where future growth in metal resources and energy is anticipated; "infrastructure," where Marubeni will focus on overseas independent power producers (IPPs) and water-related businesses; the "environment," with a focus on specific areas such as afforestation projects, clean energy and greenhouse gas emissions credits; and "essential living commodities," where we will focus on areas where Marubeni has advantages, such as grain, agricultural products, trade and distribution. The following is an introduction to major initiatives during the SG-12 medium-term management plan that will accelerate Marubeni's growth going forward.

Please see Chapter 4 Business Segments (P74~99) for more information about each business division.

Food Materials Division P74

Promoting feed and livestock integration

The Food Materials Division is promoting the integration of its feed and livestock businesses through a unified structure underpinned by grain trading and spanning feed production through to processed meat. Integration efforts are centered on Japan, as well as China, Vietnam and other emerging markets.

Food Products Division

P76

Strategic development of food distribution network

Leveraging sales capabilities in retail and distribution based on investment in supermarkets in the Tokyo Metropolitan Area, the Food Products Division is promoting its business by taking advantage of sales floor-inspired product development, global merchandise procurement capabilities, and other strengths.

Lifestyle Division

P78

Expansion of overseas sales of lifestyle-related merchandise

The Lifestyle Division has launched initiatives targeting overseas sales of lifestyle-related merchandise in China and other growth markets, leveraging its strategic alliance with Shangtex Holding (Group) Corporation, China's largest comprehensive textile company.

Major Projects During SG-12

Forest Products Division P80

Investment in containerboard business of GSPP

The Forest Products Division began its business participation in GS Paper & Packing Sdn. Bhd. (GSPP), Malaysia's largest containerboard manufacturer in August 2010, and has made it fully operational in production and sales. The division will aggressively develop business going forward, particularly in Asia, where definite growth is anticipated.

Chemicals Division P82

Synthetic rubber manufacturing business in India

The Chemicals Division has established India's first company manufacturing synthetic rubber for automobile tires in collaboration with Indian Oil Corporation Ltd. and TSRC Corporation of Taiwan. The division is developing this business as a pioneer in the field in India, with substantial growth anticipated atop economic growth in the country.

Photo courtesy of The Chemical Daily

Energy Division-I P84

Acquisition of shale oil and gas interests

Energy Division-I took part in two shale oil and gas development projects in the United States in 2011: Niobrara and Eagle Ford. While steadily promoting development and production operations, the division will continue to focus on acquiring other prime projects.

Energy Division-II P86

Oil and gas field development in the Gulf of Mexico

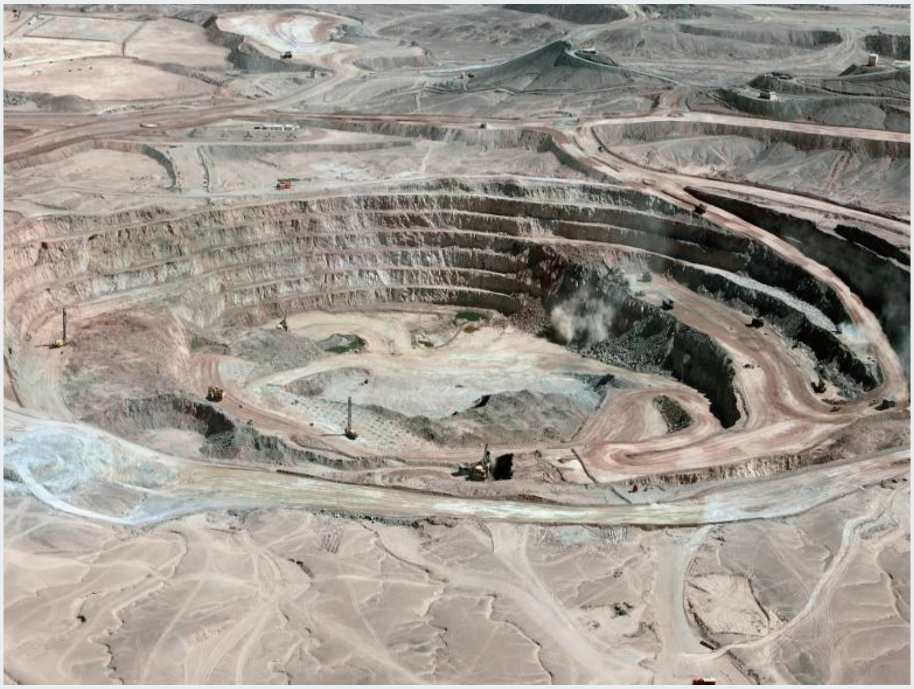
In January 2011, Marubeni, through its U.S. subsidiary, acquired a range of oil and gas production interests in the U.S. Gulf of Mexico held by a subsidiary of U.K.-based petroleum giant BP p.l.c., and took steps to further increase both production volume and reserves.

Progress Report for Key SG-12 Measures

Major Projects During SG-12

Metals & Mineral Resources Division

P88



Copper mining business in Chile

The Metals & Mineral Resources Division has participated in the Esperanza Copper Mining Project since 2008. The mine began operating in November 2010, and recorded its first shipments in January 2011. Continuous full-time operations are scheduled for the year ending March 31, 2013, which should allow the project to contribute to division earnings.

Transportation Machinery Division

P90

Establishment of construction machinery sales agency in Mongolia

In Mongolia, the Transportation Machinery Division launched a sales and product support business for construction machinery produced by Hitachi Construction Machinery Co., Ltd. The division is enhancing its earnings strength by moving beyond the existing sales agency business to encompass product support and the after-market sales sector.

Power Projects & Infrastructure Division

P92

Expansion of overseas electric power assets

The Power Projects & Infrastructure Division is expanding its earnings base through capital participation in the Paiton 2 Coal-Fired Power Station in Indonesia, the Gunfleet Sands offshore wind farm in the U.K., and the offshore wind farm installation provider, Seajacks International Ltd., and by acquiring development rights for the Sur Combined Cycle Power Plant in Oman.

Plant & Industrial Machinery Division

P94

Investment and participation in Allgas, Australia

The Plant & Industrial Machinery Division has invested in APT Allgas Energy Pty Ltd, a member of comprehensive Australian energy company the APA Group. This step marks the first participation of a Japanese company in the gas distribution business in Australia. With demand for gas and infrastructure set to grow dramatically going forward, this move will help further the development of the country's energy industry.

Major Projects During SG-12

Finance, Logistics & IT Business Division P96

Expansion of business domain in information and communications

The Finance, Logistics & IT Business Division is focused on expanding its business domains in the information and communications sector, branching out into businesses such as cloud computing, wireless data communications, network integration, and datacenter system recovery response.

Real Estate Business Department P98

Strengthening the overseas real estate development business

The Real Estate Business Department is aiming to extend its business domain in China and Southeast Asia, such as through implementation of a multipurpose development project consisting of residential condominiums and commercial facilities in Shanghai's Nanxiang district.

Accelerate Business in Overseas Market

Global Networks and Regional Strategy

Marubeni has 120 branches, offices, and corporate subsidiaries spanning 67 countries and regions around the world, as well as 9 business sites in Japan and 430 operating companies worldwide. These global networks allow Marubeni to gather live market information and data along geographical, industrial and corporate dimensions. They also serve as a driving force in bringing the Company's comprehensive capabilities to bear. As such, these networks offer the kind of global value that only Marubeni can provide.

Under the SG-12 medium-term management plan, Marubeni is directly addressing growth outside of Japan. To capture growth particularly in emerging markets, the Company has positioned China, ASEAN, India, North America, and South America as priority countries and regions in a drive to augment its overseas personnel, and conduct strategic investments. Through these and other actions, Marubeni is reinforcing its initiatives in overseas markets.

In April 2011, Marubeni established new autonomous regional CEO posts in South America (in São Paolo, Brazil) and the CIS (in Moscow, Russia), to strengthen measures targeting local markets and customers. These steps were followed in April 2012 by the establishment of an autonomous regional CEO post for Oceania (in Sydney, Australia). Marubeni is also continuing to focus on Company-wide cross-divisional initiatives, including the development of alliances with prominent local customers through its six Business Strategy Committees covering ASEAN, China, India, South America, CIS/ Mongolia, and Sub-Saharan Africa.

As one example of market measures in priority regions such as ASEAN, in October 2011 Marubeni established a corporate subsidiary in Vietnam. In this fast-growing market, the Company is working to advance into Vietnam's domestic trade in chemical products, foodstuffs, and other commodities in addition to leveraging its traditional strengths in infrastructure businesses such as power, industrial plants, and transportation systems. In Myanmar, meanwhile, Marubeni opened a liaison office in the capital Nay Pyi Taw in January 2012, becoming one of the first foreign companies to do so. As democratization in the country gains momentum, business opportunities in the Myanmar market are set to expand. By carefully responding to the needs of local government and customers in this market, Marubeni is eyeing business expansion in a wide range of sectors, including infrastructure, investment and trade.

North & Central America

Naoya Iwashita
Managing Executive Officer, Regional CEO for North & Central America

Major Regional Business Bases

North America
Chicago
Detroit
Houston
Los Angeles
New York
Omaha
Silicon Valley
Toronto
Vancouver
Washington, D.C.

Mexico and Central America
Guatemala
Mexico City

Regional Strategies, Mission

In North America, the world's largest market, Marubeni is steadily cultivating business in growth fields such as agriculture, energy resources, electric power/infrastructure, and sectors related to internal demand. During the year ended March 31, 2011, we participated in a regulated power transmission and distribution business. Following this, in the year ended March 31, 2012, we acquired interests in two non-conventional resource projects (shale oil and gas fields), and also took part in an automobile retail finance business.

Initiatives in the Year Ending March 31, 2013

While promoting business investment concentrated on the growth fields related to resources/energy and agriculture, we will seek out business opportunities in the commodities trade. Our goal is to build a more robust earnings base for the Marubeni Group in North and Central America region.

South America

Yoji Ibuki
Corporate Officer, Regional CEO for South America

Major Regional Business Bases

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

Regional Strategies, Mission

Marubeni has bases in six countries in the South American market, where it promotes business in a number of fields. In the resource sector, Marubeni has invested ¥200 billion in copper mines in Chile, representing its highest-ever level of investment. In foodstuffs, Marubeni acquired a grain export terminal in Brazil, where our trading volume in soybeans topped 5 million tons in 2011. And in infrastructure, Marubeni is invested in Chile's third-largest water business, which supplies water to 1.2 million people.

Initiatives in the Year Ending March 31, 2013

Marubeni's aim going forward is to develop business in several areas. These include sectors peripheral to resources, namely product support for construction machinery; areas derived from foodstuffs such as agrochemicals, fertilizers, and logistics; and infrastructure, specifically electric power, water and transportation, where Marubeni has world-class strengths. The Company is also eyeing business development in chemical products, which it has positioned as a new priority field.

Accelerate Business in Overseas Market

Europe

Shingo Tsuda
Managing Executive Officer, Regional CEO for Europe

Major Regional Business Bases

Europe
Athens
Bucharest
Budapest
Düsseldorf
Hamburg
London
Madrid
Milan
Paris
Prague
Risley
Warsaw

Maghreb
Algiers

Regional Strategies, Mission

The European debt crisis is continuing to cause instability in the market environment. In this context, Marubeni will remain focused on existing businesses such as electric power wholesale and retail, transportation machinery, agrochemicals, chemical products, industrial materials and food, as well as on new business sectors such as foodstuffs, environmental business and infrastructure. Current conditions offer prime opportunities for investment. Accordingly, Marubeni acquired ownership rights to LNG ships and invested in an offshore wind farm in the U.K. during the year ended March 31, 2012.

Initiatives in the Year Ending March 31, 2013

As well as promoting trade between Europe and other regions such as Asia and the Middle East, Marubeni will focus on investment in food, chemical products and other commodities, and in new offshore wind farms, water and other parts of the environmental and infrastructure sectors.

CIS

Shoichi Ikuta
Executive Officer, Regional CEO for CIS

Major Regional Business Bases

Almaty
Astana
Khabarovsk
Kiev
Moscow
St. Petersburg
Tashkent
Vladivostok
Yuzhno-Sakhalinsk

Regional Strategies, Mission

In the CIS, Marubeni is active in fields such as energy, industrial plants, chemical products, metals, tyres, and construction machinery. The Company's initiatives are centered on leading companies in the region, particularly those connected to resources. The year ended March 31, 2012 was a productive one for Marubeni. Among other achievements, we bolstered our relationship with a major Russian company involved in natural resources and won an order for a large-scale modernization project for a state-run oil refinery in Kazakhstan.

Initiatives in the Year Ending March 31, 2013

In the year ending March 31, 2013, Marubeni's basic policy is to continue strengthening our initiatives with major corporations, to promote resource- and energy-related projects, and to focus on enhancing trade. The Company will also develop new investment opportunities.

Middle East & North Africa

Shingo Tsuda
Managing Executive Officer, Regional CEO for Middle East & North Africa

Major Regional Business Bases

Abu Dhabi
Amman
Ankara
Baghdad
Cairo
Doha
Dubai
Istanbul
Kuwait City
Muscat
Riyadh
Tehran
Tripoli

Regional Strategies, Mission

In this resource-rich region, Marubeni is continuing to develop infrastructure including water, electric power, and transportation systems. Marubeni is aiming to increase business participation and win more projects in the region, similar to the order won for a power-generation project in Oman during the fiscal year. Alongside its mainstay energy and chemical products, Marubeni will continue to expand trade in foodstuffs, transportation machinery and other areas going forward.

Initiatives in the Year Ending March 31, 2013

The spread of democratization movements across the Middle East and tougher economic sanctions against Iran are among several geopolitical concerns that will bear close monitoring. Nevertheless, Marubeni is seeking to raise its profile in the region further, capitalizing on its strengths to expand base cargo and drive projects forward.

ASEAN

Hiroshi Ikuno
Executive Officer, Regional CEO for ASEAN

Major Regional Business Bases

Bangkok
Hanoi
Ho Chi Minh
Jakarta
Kuala Lumpur
Kuching
Manila
Nay Pyi Taw
Phnom Penh
Quang Ngai
Sibu
Singapore
Vientiane
Yangon

Regional Strategies, Mission

The ASEAN region has a mostly young population of 600 million people, and continues to show firm economic growth. Although the region is a traditional market for Marubeni, we will concentrate not only on IPP and our other strengths in infrastructure-related businesses but also on foodstuffs, chemical products, paper pulp and other commodity-related businesses, targeting the region's growing class of middle-income earners.

Initiatives in the Year Ending March 31, 2013

Marubeni will respond in even greater detail to market characteristics in ASEAN countries, such as internal demand-led economies, external demand-led economies and emerging economies, while moving more assertively to create and execute business investment projects.

China

Chihiro Shikama
Managing Executive Officer, Regional CEO for China

Major Regional Business Bases

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

Regional Strategies, Mission

In China, the world's second largest economy, Marubeni is focusing on expanding its business scale. Targeting China's huge internal demand, Marubeni will invest in integration of feed and livestock operations and actively cultivate alliances with major food manufacturers. Moreover, we will also enhance cooperation with Chinese companies in third countries. Examples here include a contract award for an oil refinery modernization project in Kazakhstan, and a joint acquisition of a coal mining company in Canada.

Initiatives in the Year Ending March 31, 2013

In 2012, the Chinese government is targeting an economic growth rate of 7.5%, and is seeking to realize stable, quality growth with an emphasis on the well-being of its people. Marubeni will accelerate its efforts to capture internal demand, particularly growing consumption, while "Aiming to achieve greater presence and penetration in the Chinese market."

Oceania

Shinji Kawai
Managing Executive Officer, Regional CEO for Oceania

Major Regional Business Bases

Auckland
Melbourne
Perth
Sydney

Regional Strategies, Mission

Within the Oceania region, Australia has managed to maintain buoyant growth, outperforming other industrialised nations and promises to show continued resilience going forward. Oceania is rich in resources such as energy, metals and minerals and has expansive forestry and agricultural assets. Marubeni maintains a group of over 20 operating companies in Oceania, led by Marubeni Australia Ltd., with major business activities in the resource, wood chip, foodstuffs, infrastructure, and chemical product sectors.

Initiatives in the Year Ending March 31, 2013

Marubeni will focus on investing in iron ore, coal and other metal and mineral resources, as well as in power- and energy-related infrastructure. Another focus will be on participation in Public Private Partnership (PPP) projects involving railway transportation, and the foodstuffs sector, where the Trans-Pacific Partnership (TPP) is set to come into effect.

Column

Opening of Office in Myanmar Capital of Nay Pyi Taw

On January 1, 2012, Marubeni opened a liaison office in the Myanmar capital of Nay Pyi Taw. Myanmar is home to 62 million people and occupies an advantageous position between India and China. This translates into substantial market potential for Myanmar. Business opportunities in Myanmar, particularly around infrastructure and the development of the country's abundant resources, are widely predicted to grow in the coming years. Marubeni's own history in the country dates back to the opening of its Yangon Branch there in 1942, as well as subsequent involvement in the construction of power plants, resource development, and other business efforts. However, in step with recent changes in the social and political climate, Marubeni moved quickly to open a liaison office in the capital of Nay Pyi Taw. Through this structure with bases in both Nay Pyi Taw and Yangon, Marubeni is seeking to deftly identify and promote new business opportunities.

Nay Pyi Taw liaison office

Strengthen Financial Base and Upgrade Risk Management

Thorough Risk Management to Support Earnings Expansion Strategy

Marubeni responds to changes in the business environment and minimizes withdrawal losses to strengthen its management foundation. Key strategies here are selection and accumulation of prime assets through more stringent and sophisticated screening of individual projects, and enabling assets to be sold as deemed necessary by setting clear guidelines for business withdrawal.

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

As quantitative benchmarks for investment and financing projects, Marubeni uses the recovery period, its own measure- PATRAC[*1], and IRR[*2] guidelines.

For projects with a recovery period of less than 10 years from the start of investment, Marubeni's criteria is that PATRAC must become positive within three years from the start of operations.

For IRR, Marubeni sets guidelines according to the characteristics of the business field for both Project IRR—a measure of the profitability of the project itself, and Equity IRR—which measures the profitability of the equity investment. These measures help Marubeni to select the best assets.

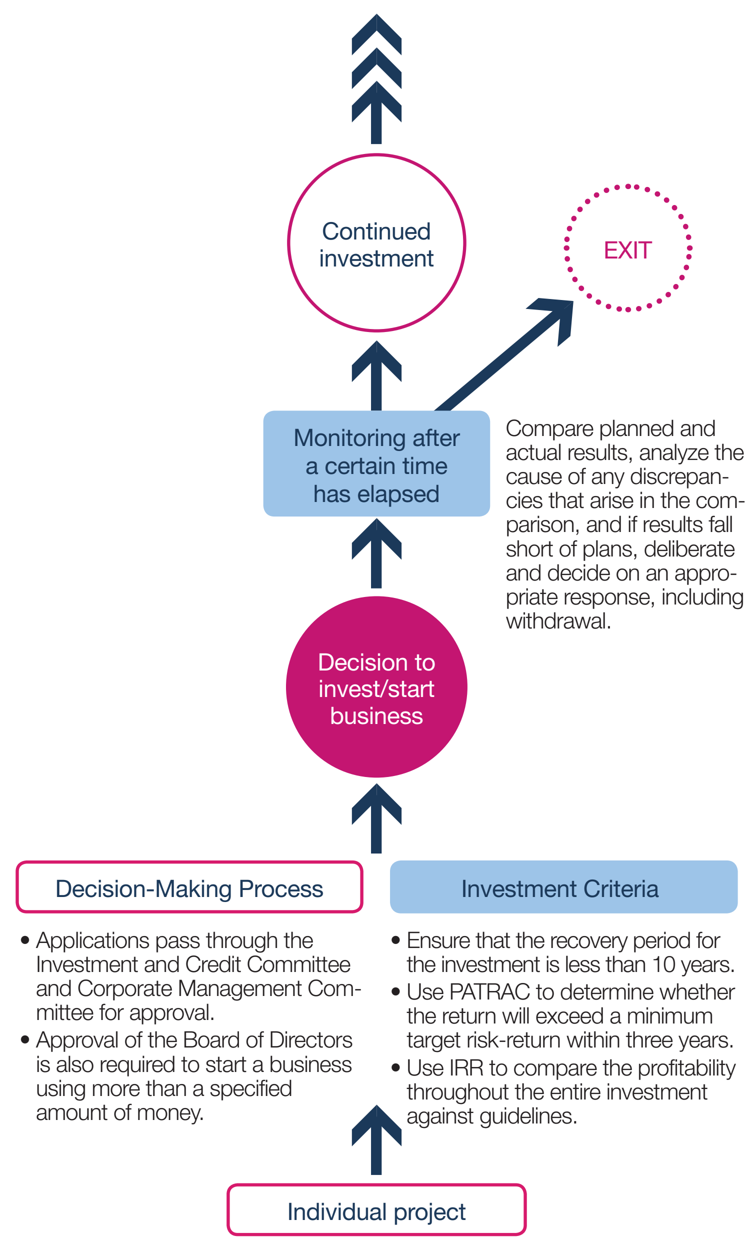
Marubeni also conducts regular monitoring and follow-up on the projects it has invested in.

Thorough implementation of these risk management strategies and tools helps Marubeni to strengthen its business foundation.

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

*2 IRR: Internal Rate of Return
An index measuring the profitability of an investment as the future cash flows against the initial investment expressed as an average annual percentage.

Process for Deciding on a New Investment or Financing Project



Appendix: Contributing to Society at Marubeni

Social Contributions Which Involve the Entire Marubeni Group

To promote coexistence in harmony with society and the environment, Marubeni has established a Basic Policy on Social Contribution Activities to guide its social contribution activities. This policy places priority on activities that fall into any of the following five categories: social welfare, international exchange, community contribution, global environment and cultural support. A representative example of these activities is support for social welfare by the Marubeni Foundation. The foundation spends some ¥100 million each year to assist social welfare groups, NPOs and other organizations across Japan, and has come to embody the essence of Marubeni's social contribution efforts today. Overseas, Marubeni has set up scholarship foundations in five Southeast Asian countries and Brazil to provide financial assistance for education. With these funding programs, we place importance on managing activities in close connection with the region, tailoring eligibility, the delivery of assistance, and other details based on local characteristics.
Marubeni has also launched a Volunteer Promotion Team to develop a variety of volunteer programs that actively support employees' volunteering efforts. Several key activities are planned for year ending March 31, 2013. One will include a "Mt. Fuji cleanup program" for foreign exchange students and Marubeni Group employees, using efforts to beautify the area as an opportunity to deepen mutual understanding. The "Okutama Forest Thinning Volunteer" program will utilize brush clearing and the creation of walking paths to encourage participants to think about nature in Tokyo, while another program, called "Arakawa Clean Aid," asks volunteers to consider what they can do to beautify their local environment.


Mt. Fuji Cleanup Program


Okutama Forest Thinning Volunteer Program


Arakawa Clean Aid

Marubeni Foundation

Since 1974, the Marubeni Foundation has provided some ¥100 million in assistance and support for social welfare each year. In the fiscal year ended March 31, 2012, the foundation's 37th year, a total of ¥100 million in grants went to 58 projects for facilities and organizations involved in social welfare across Japan. Over the past 37 years since it was established, the Marubeni Foundation has provided a total of ¥3.7 billion in assistance to a total of 2,107 projects.

The main source of the funds used to make grants is earnings on managed assets funded by contributions from Marubeni, and individual donations made possible through the 100 Yen Club, a voluntary organization consisting of current and former Marubeni Group executives and employees who donate 100 yen each month, along with a matching gift from Marubeni equal to these individual donations.

Support for Recovery from the Great East Japan Earthquake

In addition to its annual support for social welfare programs, Marubeni has provided a total of ¥500 million in special assistance for two years (year ended March 31, 2012 to year ending March 31, 2013) to social welfare groups, NPOs and other organizations affected by the Great East Japan Earthquake.

In addition, Marubeni contributed a further ¥500 million to the Marubeni Foundation in the year ended March 31, 2012, the same amount as the assistance it donated for recovery efforts following the Great East Japan Earthquake.

Furthermore, the 100 Yen Club raised nearly double the donations of a typical year, after a campaign to increase donations in step with assistance for recovery efforts in the wake of the disaster. These funds were donated to the Marubeni Foundation, together with a matching gift from Marubeni.


Presentation of donations at a ceremony to support earthquake recovery efforts held in Sendai, Japan, on November 22, 2011

Social Contribution Activities Led by Group Employees

Great East Japan Earthquake: Initiatives for Recovery

The Great East Japan Earthquake has prompted the Marubeni Group to become involved in a variety of support efforts. To support relief and revitalization in the hardest hit areas in the immediate aftermath of the disaster, the Marubeni Group decided to provide some ¥400 million in charitable donations. So far the Group has provided ¥360 million to 5 prefectures in the disaster zone (Iwate, Miyagi, Fukushima, Aomori, and Ibaraki). Including these funds, Marubeni Head Office, domestic and overseas branches and offices, overseas subsidiaries, and Marubeni Group companies have donated over ¥480 million in response to the March 2011 disaster.

Daisuke Katsuura, former General Manager of Marubeni's General Affairs Dept., presents a list of donations to Fukushima Prefectural Governor Yuhei Sato

Disaster Volunteer Project

Marubeni, together with Oki Electric Industry Co., Ltd., Sompo Japan Insurance Inc., and Mizuho Financial Group, Inc., are dispatching employee volunteers to Japan's disaster-struck Tohoku region. The Marubeni Group sent 58 people to take part in the project from June to July 2011. When they arrived onsite, the volunteers coordinated with a volunteer center in Miyagi Prefecture to join in the activities most needed, including clearing away mud and removing home furnishings and household goods.

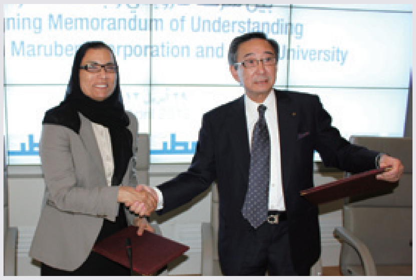
Also, as part of new employee training for Marubeni's class of 103 career-track employees who joined in April 2011, new hires took part in 5 rounds of activities supporting revitalization in the town of Shichigahama in Miyagi Prefecture between September and October 2011. Around 20 people participated in each round, helping to organize and clean areas near the town's coast. In connection with the work, lectures by the head of Marubeni's Tohoku branch and group discussions were held, reiterating for the new working adults the precious value of life and providing vital opportunities to consider ways to support the stricken area. Elsewhere, 135 people from the Marubeni Group, some of them new hires slated at the time to join Marubeni from April 2012, took part in the Marubeni Volunteer Project held from October to December 2011. All told, a total of 311 Marubeni Group employees were involved in supporting revitalization efforts from June to December 2011.

Volunteer activities in Shichigahama, Miyagi Prefecture

Memorandum of Understanding Concluded Regarding Donations to Qatar University

In April 2012, Marubeni concluded a Memorandum of Understanding with Qatar University regarding the donation of a total of US$6 million to the school over the next 5 years. Marubeni's intention is to make donations to encourage deeper understanding of Japanese culture. In this case, the funds will be used to provide Japan-related books, research courses in Japan or East Asian studies, and a Qatar-Japan student cultural exchange program.

In Qatar, Marubeni is involved in business projects in LNG and power generation, as well as commodity trading in crude oil, petroleum products, and chemical-related products. Through these businesses, Marubeni will foster the mutually beneficial economic development of both Japan and Qatar, while contributing to greater bilateral exchange on the educational and cultural fronts, which are part of the Company's CSR activities.



Qatar University President Professor Sheikha Abdulla Al-Misnad shakes hands with Marubeni President and CEO Teruo Asada on signing the Memorandum of Understanding

Chapter

3 SUPPORTING GROWTH

Strong Corporate Foundation

Management Systems and CSR

A Message from the Chairman

Nobuo Katsumata
Chairman of the Board

Aiming to Enhance Corporate Governance at Marubeni

The ultimate aim of corporate governance is not only to enhance earning capacity and prevent misconduct but to build systems to ensure that a company can gain the trust and confidence of society. To attain this goal, Marubeni has developed a compliance system based on its Company Creed of "Fairness, Innovation and Harmony" as it engages in diverse businesses and sectors in regions around the world. Moreover, in management we strive to ensure fairness, transparency, efficiency and appropriateness, which we consider vital to the sustainable growth of the Company.

To enhance the efficacy of corporate governance at Marubeni, we have thoroughly separated supervision and execution functions in management: the roles of chairman and CEO have been separated; an executive officer system has been introduced; and two outside directors have been elected to the Board of Directors in addition to three outside corporate auditors. In this way, we have taken powerful measures to enhance the oversight functions of management.

Elsewhere, Marubeni is striving for greater coexistence with society and the environment by strengthening proactive communication with shareholders and other stakeholders, and through a firm stance with respect to timely and appropriate information disclosure.

When it comes to corporate governance, no system or mechanism is foolproof. The Japanese government is currently bringing a number of industry experts together to deliberate on revisions to Japan's system of corporate laws, and it seems likely that there will be some reforms to the system in the future. Marubeni will respond to these reforms positively and appropriately, actively adopting effective systems with the aim of creating an even better corporate governance system. We will continue our efforts to continuously improve our corporate value in this way.

Marubeni's Company Creed:
"(正) Fairness, (新) Innovation, (和) Harmony"

Formulated in 1949

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

The Marubeni Management Philosophy

(formulated in 2003, revised 2008)

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

Marubeni's Corporate Principles

(formulated in 1998)

Marubeni Corporation, as a business enterprise, will actively pursue its business interests through the exercise of fair and legal competition. As a company, Marubeni will also continue to play its part in the growth of the global economy, while always striving to enrich the society within which it operates. In order to achieve all the elements of the aforementioned goal, Marubeni is committed to the following six basic principles of business:

1. Conduct Fair and Open Business Activities
2. Develop a Globally Connected Company
3. Create New Value Through Business Vision
4. Respect and Encourage Individuality and Originality
5. Promote Good Corporate Governance
6. Safeguard Ecological and Cultural Diversity

Marubeni Group's Approach to CSR (Corporate Social Responsibility)

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, and work to increase transparency for various stakeholders, as we aim 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.

Marubeni is particularly focused on the following specific areas.

- Achieve management transparency by strengthening corporate governance and internal controls
- Be committed to compliance and respect for human rights, which are essential for sound corporate management
- Promote development of human resources, the most valuable assets of a general trading company, and create efficient and comfortable working environments
- Contribute to society and the protection of the global environment, as a responsible corporate citizen
- Promote sound management and increase corporate value

Pursuing CSR Together With Our Stakeholders

In order to exist in harmony and prosper alongside society and the global environment and attain sustainable growth, Marubeni believes that efforts must be made to pursue a balance among three domains in terms of value and assessment. The three domains include not only the domain of economic activities that generate profit, but also the social and environmental domains.

In order to establish a CSR policy that earns the trust and approval of stakeholders, the Marubeni Group recognizes that it is important to always listen to the opinions of stakeholders, and work with them to put these ideas into practice. By striving to serve the interests of various stakeholders, win their trust and ensure their satisfaction, we are working to steadily build a sustainable foundation for Group companies.

* Please see Marubeni's CSR Report for more information about key activities.
http://www.marubeni.com/csr_env/reports.html

Corporate Governance

Approach to Corporate Governance

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. A diagram of the structure is described below.

Our Board of Directors comprises 14 directors (two externally appointed) who deliberate on overall corporate policy and major issues, while monitoring the performance of individual directors. Each director's term of office is one year, and the Board is led by a chairman who has no representation rights and no authority for business execution to ensure a clear distinction between management and execution.

The five auditors (including three outside auditors) who comprise the Board of Corporate Auditors are responsible for implementing the auditing policies and plans set by the Board of Corporate Auditors, as well as for overseeing directors in the execution of their duties, by attending important meetings of the Board of Directors and the Board of Executive Officers, monitoring business activities and financial conditions. The Corporate Auditors have monthly meetings with the independent accounting auditors to exchange information and opinions on auditing plans, progress of auditing activities at Marubeni and its subsidiaries, audit results, key points and considerations on earnings results, and accounting audit trends.

The Corporate Management Committee, which reports directly to the President, comprises the President and 10 directors to deliberate substantive matters related to management and operations.

To enhance corporate governance, another six committees have been established: the Investment and Credit Committee, the Compliance Committee, the Compensation Consultative Committee, the CSR & Environment Committee, the Internal Control Committee and the Disclosure Committee.

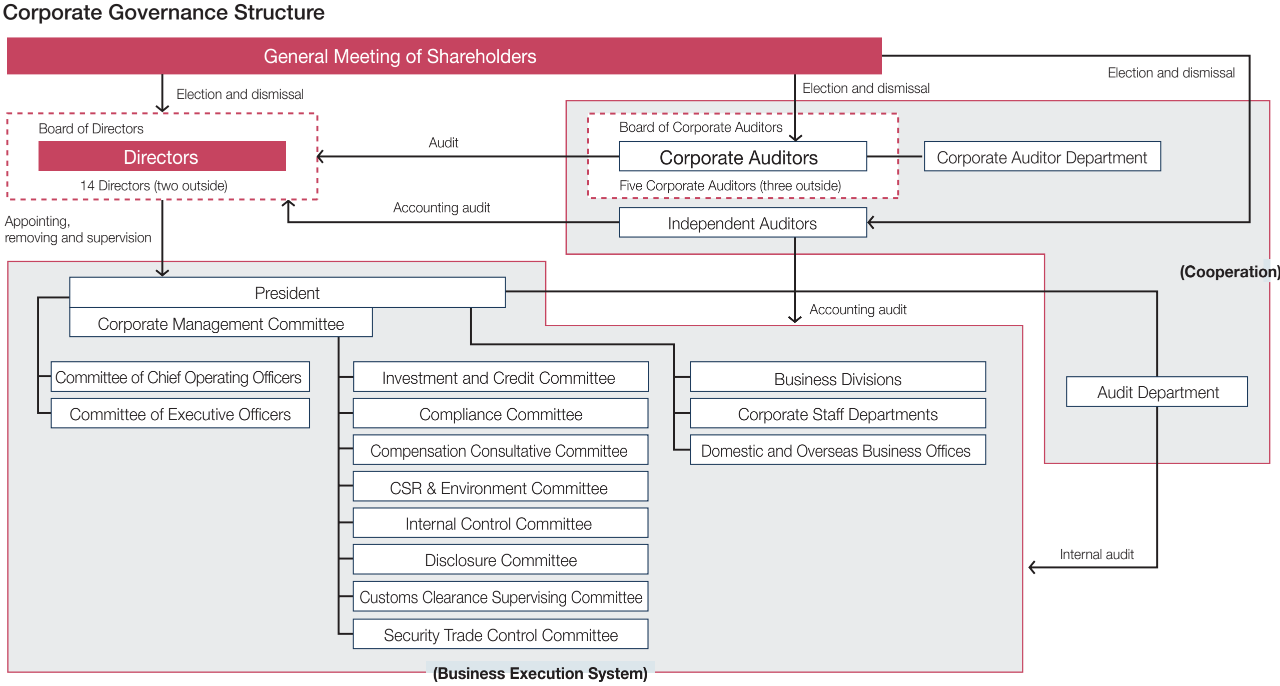
In addition, individual committees are established to address specified issues (such as the Customs Clearance Supervising Committee and the Security Trade Control Committee).

Marubeni's Executive Officer System

To clearly separate supervisory and executive functions, and to define authority and responsibility, Marubeni has introduced an executive officer system. Each executive officer is assigned authority to manage the operations of their division and full responsibility for implementing policies, while the relevant advisors to the President will monitor and support the executive officers. The Committee of Executive Officers comprises 39 executive officers (11 of whom are also directors) and holds monthly meetings, in principle, to announce management policies issued by the President and to discuss financial performance, the results of internal audits and other issues that affect business execution, and to facilitate the exchange of information between the oversight function and the implementation function.

Keeping communication lines open between the directors and officers, outside directors also attend these meetings. Executive officers are selected by the Board of Directors and appointed to one-year terms of office.

Corporate Governance Structure



Committee Roles and Functions

Marubeni has established various committees designed to enhance corporate governance. To build a highly effective governance structure, committee members are selected from across the Company based on the role and function of each committee. A brief description of the principal committees and their respective governance roles is given below.

Investment and Credit Committee

Along with a committee chairman, vice chairman, and an advisor to the president from one of the business divisions, this committee is composed of general managers from Corporate Planning & Strategy, Corporate Accounting, Finance, Risk Management, Legal, and other corporate staff departments. When Marubeni makes an investment, this committee performs an analysis of business viability and examines business plans from a specialist standpoint, using indicators such as PATRAC*[1] and IRR*[2] to quantitatively evaluate profitability, and makes qualitative evaluation of the investment's significance and strategic importance.

Projects pending approval, such as investments, are discussed by the Investment and Credit Committee prior to appearing on the Corporate Management Committee's agenda. For highly important projects, a mechanism is also in place whereby the committee deliberates such projects prior to receiving the Board of Directors' approval.

Key Activities

The Investment and Credit Committee deliberated a total of 168 projects pending approval in the year ended March 31, 2012.

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

*2 IRR: Internal Rate of Return
An index measuring the profitability of an investment as the future cash flows against the initial investment expressed as an average annual percentage.

Compliance Committee

The organizational function of this committee, supervised directly by the Company President, is to support and raise compliance awareness, thereby ensuring that Group officers and employees are able to act in full compliance. Specifically, the committee strives to enhance and promote the Company's compliance structure. Tasks here include compliance structure development, maintenance and management, drafting and maintenance of the Marubeni Group Compliance Manual, providing various training seminars and other compliance knowledge and awareness raising activities, research and response formulation when compliance issues emerge, and operation of the "Door of Courage"—a compliance reporting and consultation hotline for Marubeni and Group company officers and employees.

Key Activities

- Distribution of the revised Compliance Manual and posting on the Company intranet and website
- Visits by the Chairman of the Compliance Committee and the Secretariat to operating companies in Japan and overseas offices to conduct training and discussion sessions
- Development of compliance e-Learning at overseas operating companies for national staff at overseas offices
- Conduct a third-party compliance monitoring questionnaire in order to assess the current state of compliance and formulate future improvement activities
- Review of the business law management system (each division creates lists of process flow and applicable business laws in order to enhance the management system)

* Please see page 68 for further details.

Board of Directors

Frequency of meetings	Once per month in principle, and on an ad hoc basis as needed
Number of meetings in the year ended March 31, 2012	19

Board of Corporate Auditors

Frequency of meetings	Bimonthly in principle, and on an ad hoc basis as needed
Number of meetings in the year ended March 31, 2012	10

Frequency of Various Management Committee Meetings

Investment and Credit Committee	Once per week in principle (36 times in the year ended March 31, 2012)
Compliance Committee	Twice per year in principle
Compensation Consultative Committee	On an ad hoc basis
CSR & Environment Committee	Once per year in principle, and on an ad hoc basis as needed (1 time in the year ended March 31, 2012)
Internal Control Committee	On an ad hoc basis (4 times in the year ended March 31, 2012)
Disclosure Committee	Four times per year in principle, and on an ad hoc basis as needed (7 times in the year ended March 31, 2012)

Compensation Consultative Committee

Under advice from the Company President, this committee deliberates the full range of decisions regarding officer compensation made by the President, including salaries, rewards and sanctions, in order to enhance the transparency and objectivity of the decision-making processes involved. Committee members serve one-year terms, and in the year ended March 31, 2012 included a Senior Managing Executive Officer and seven other members. In addition, an outside corporate auditor serves as a committee member each year, helping to maintain the transparency and objectivity of the committee.

Executive Compensation

Amounts of executive compensation, details of policies regarding calculation methods used to decide compensation, and methods for making compensation decisions are as follows.

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 individual directors is decided by the Compensation Consultative Committee, a body whose membership includes outside auditors, and 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, both of whom are completely independent from business execution, consists entirely of fixed compensation.

Total compensation paid to directors and corporate auditors for the year ended March 31, 2012

Position	Total Amount of Compensation	Total Compensation by Type		Number of Recipients
		Basic Compensation	Retirement Bonuses	
Directors (excluding outside directors)	¥795 million	¥795 million	—	11
Corporate auditors (excluding outside auditors)	¥81 million	¥81 million	—	3
Outside executives	¥58 million	¥58 million	—	5
Total	¥934 million	¥934 million	—	19

*1 Rounded to the nearest million.

*2 Limits to the amount of executive compensation determined by a resolution of the General Meeting of Shareholders are as follows: "¥85 million to directors monthly (including ¥2.5 million for outside directors)" and "¥10 million to corporate auditors monthly" (both resolutions of the 83rd General Meeting of Shareholders held on June 22, 2007).

*3 Corporate auditors (excluding outside auditors) to whom compensation was paid include one executive who retired at the conclusion of the 87th General Meeting of Shareholders held on June 21, 2011.

*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.

Individuals to whom the total amount of compensation paid exceeded ¥100 million are as follows.

Name	Position	Total Compensation by Type		Total Compensation
		Basic Compensation	Retirement Bonuses	
Teruo Asada	Director	¥138 million	—	¥138 million

CSR & Environment Committee

The CSR & Environment Committee (established as the CSR Committee in April 2004) is responsible for discussing and reporting on the Group's basic policy on CSR and environmental protection activities. It also monitors the Group's activity status, the measures, identifies and prioritizes critical social and environmental issues, proposes plans, and offers awareness-raising activities.

Key Activities

- Introduce strict compliance with environment-related laws such as the "Waste Management and Public Cleansing Act," the "Act on the Rational Use of Energy," and the "Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc."
- Deployment of an ISO 14001 standards-based environmental management system
- Issue a CSR report as a tool for publicizing the Marubeni Group's CSR activities both within and outside of the Group
- Provide CSR-related information to SRI index research firms, etc.

* Please see page 69–70 for further details.

Internal Control Committee

Until the establishment of the Internal Control Committee in April 2008, internal control system improvement and management was conducted on a voluntary basis mainly through the Internal Control System Promotion Task Force. The committee's purpose is to add functionality and strength to the Company's internal control system on an ongoing basis. Committee activities are designed to improve internal control systems across the entire Group, and rest largely on compliance with mandates pertaining to the "Internal Control Report System" under Japan's Financial Instruments and Exchange Act, as well as the basic policy on internal control systems stipulated by Japan's Companies Act.

Key Activities

- Ensure the creation and implementation of the basic policy on internal control systems, conduct reviews and prepare proposed revisions
- Formulate policy for addressing internal control reporting system
- Deliberate on the formal internal control reports that state the Company directors' evaluation

* Please see page 66 for further details.

Disclosure Committee

The purpose of this committee, established in April 2008, is to develop a more robust disclosure framework and further enhance the various initiatives regarding proper information disclosure that the Company has promoted over the years. Composed of a committee chair appointed by the Company President as well as general managers from corporate staff departments, the committee ensures that internal systems concerning legally mandated and timely disclosure are in place, and decides the importance and appropriateness of the information targeted for disclosure. When necessary, issues from this committee may be referred to the Corporate Management Committee or Board of Directors.

Key Activities

The committee convened seven times in the year ended March 31, 2012, deliberating on items in the securities report, the business report, the financial statements, the quarterly reports, and in extraordinary reports, among other matters. The committee will convene as needed in the year ending March 31, 2013 as well.

Individual Committees Established to Address Specified Issues

Customs Clearance Supervising Committee

The Customs Clearance Supervising Committee was established in 1990 for the purpose of sharing awareness throughout the Marubeni Group of correct import and export customs procedures, payment of correct customs duties, and customs administration and international trends. The main activities of the committee are planning, proposal, and implementation of import and export customs control for the entire Group, carrying out internal import and export customs inspections for business divisions and operating companies, and conducting in-house education relating to import and export customs controls.

Security Trade Control Committee

The Security Trade Control Committee was established in 1987 for the purpose of sharing awareness throughout the Marubeni Group of compliance with the Foreign Exchange and Foreign Trade Act, correct and efficient implementation of security trade control operations, and international trends. The committee focused these activities mainly in relation to cargo exports, the supply of technology, and brokerage transactions. The main activities of the committee are planning, proposal and implementation of measures to ensure that security trade controls are properly implemented, inspection and approval of transactions, and in-house education concerning security trade controls.

Members of the Board and Auditors

Members of the Board

Nobuo Katsumata
Chairman of the Board

1966 Joined Marubeni-Iida Co., Ltd.*
1996 Director, Marubeni Corporation, Member of the Board
1999 Corporate Vice President
2001 Senior Vice President
2002 Corporate Executive Vice President
2003 President and CEO
2008 Chairman of the Board

Teruo Asada
President and CEO

1972 Joined Marubeni Corporation
2002 Corporate Vice President
2004 Corporate Senior Vice President
2005 Corporate Senior Vice President, Member of the Board
2006 Corporate Executive Vice President
2008 President and CEO

Mamoru Sekiyama
Senior Executive Vice President

1974 Joined Marubeni Corporation
2002 Corporate Vice President
2005 Corporate Senior Vice President
2006 Corporate Senior Vice President, Member of the Board
2007 Corporate Executive Vice President
2008 Senior Managing Executive Officer
2009 Senior Executive Vice President

Michihiko Ota
Senior Executive Vice President

1975 Joined Marubeni Corporation
2005 Corporate Vice President
2008 Managing Executive Officer
2009 Managing Executive Officer, Member of the Board
2010 Senior Managing Executive Officer
2012 Senior Executive Vice President

Fumiya Kokubu
Senior Executive Vice President

1975 Joined Marubeni Corporation
2005 Corporate Vice President
2008 Managing Executive Officer, Member of the Board
2010 Senior Managing Executive Officer
2012 Senior Executive Vice President

Shigeru Yamazoe
Senior Managing Executive Officer

1978 Joined Marubeni Corporation
2006 Corporate Vice President
2009 Managing Executive Officer
2010 Managing Executive Officer, Member of the Board
2012 Senior Managing Executive Officer

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

Mitsuru Akiyoshi
Senior Managing Executive Officer

1978 Joined Marubeni Corporation
2007 Corporate Vice President
2009 Managing Executive Officer
2010 Managing Executive Officer, Member of the Board
2012 Senior Managing Executive Officer

Yutaka Nomura
Managing Executive Officer

1978 Joined Marubeni Corporation
2007 Corporate Vice President
2010 Managing Executive Officer
2011 Managing Executive Officer, Member of the Board

Daisuke Okada
Managing Executive Officer

1979 Joined Marubeni Corporation
2007 Corporate Vice President
2010 Managing Executive Officer
2011 Managing Executive Officer, Member of the Board

Keizo Torii
Managing Executive Officer

1979 Joined Marubeni Corporation
2008 Executive Officer
2010 Managing Executive Officer
2012 Managing Executive Officer, Member of the Board

Shoji Kuwayama
Managing Executive Officer

1979 Joined Marubeni Corporation
2008 Executive Officer
2011 Managing Executive Officer
2012 Managing Executive Officer, Member of the Board

Yukihiko Matsumura
Managing Executive Officer

1980 Joined Marubeni Corporation
2009 Executive Officer
2012 Managing Executive Officer, Member of the Board

Outside Directors

Toshiyuki Ogura*

Outside Director
(Independent Officer)

1965 Joined The Fuji Bank, Limited
1991 Director, The Fuji Bank, Limited
1998 Deputy President, The Fuji Bank, Limited
1998 Senior Managing Director, The Fuji Bank, Limited
1999 Deputy President, The Fuji Bank, Limited
2000 Deputy President, Representative Director, Mizuho Holdings, Inc.
2002 President & CEO, Fuyo General Lease Co., Ltd.
2008 Chairman, Representative Director, Fuyo General Lease Co., Ltd.
2009 Outside Director, Member of the Board

Performing Checks from a Stakeholder's Perspective

As an outside director, my role is to contribute to Marubeni's management by calling on my many years of work in risk management and compliance to offer up frank and honest input. In this role, I believe it is particularly important to speak from the standpoint of a stakeholder. This is made possible first and foremost by pre-presentation meetings ahead of meetings of the Board of Directors and other in-depth mechanisms that help to promote deeper understanding of trading company activities among the outside directors. The legally mandated governance system that Marubeni has built is highly effective; and because it is also properly managed we have had no reason to sound the alarm, as it were, so far. Ultimately, however, I attribute this success to the deep penetration of Marubeni's creed of "Fairness, Innovation, and Harmony" in the hearts and minds of every employee, even as they face a host of difficulties on the various global frontlines of business. Rest assured, though, that should any signs of trouble with respect to governance ever arise, the outside directors stand ready to fulfill their duty as expected and play their part in Marubeni's management.

Shigeaki Ishikawa*

Outside Director
(Independent Officer)

1968 Joined National Police Agency
2002 Superintendent General, Tokyo Metropolitan Police Department
2004 Retired from Superintendent General, Tokyo Metropolitan Police Department
President, Japan Road Traffic Information Center
2007 Retired from Japan Road Traffic Information Center
2008 Lawyer
2009 Outside Director, Member of the Board

* Outside director as stipulated under Article 2, Item 15 of the Companies Act

The Roles and Functions of Outside Directors

To enhance management transparency and the effectiveness of its Board of Directors, Marubeni ratified two external appointments in June 2005. Outside directors offer opinions on business management drawn from their broad experience and high-level perspective, and give advice to better implement corporate governance. We currently employ two outside directors; one has served as an officer for a bank, and the other as Superintendent General of the Tokyo Metropolitan Police Department.

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

Auditors

Hideyuki Yasue
Corporate Auditor

1973 Joined Marubeni Corporation
2005 Corporate Vice President
2007 Corporate Senior Vice President
2008 Managing Executive Officer, Member of the Board
2009 Corporate Auditor

Takafumi Sakishima
Corporate Auditor

1974 Joined Marubeni Corporation
2006 Corporate Vice President
2008 Managing Executive Officer, Member of the Board
2011 Corporate Auditor

Hiroshi Kudo
Outside Corporate Auditor
(Independent Officer)

2005 Managing Executive Officer of Sompo Japan Insurance Inc.
2009 Chairman of Sompo Japan Commercial Line Services Inc.
Appointed outside corporate auditor of Marubeni

Norimasa Kuroda
Outside Corporate Auditor
(Independent Officer)

2002 Managing Executive Officer of Mizuho Corporate Bank, Ltd.
2007 Deputy President of Mizuho Corporate Bank, Ltd.
2010 Chairman of Mizuho Trust & Banking Co., Ltd.
Appointed outside corporate auditor of Marubeni

Takao Kitabata
Outside Corporate Auditor
(Independent Officer)

2002 Deputy Vice-Minister of Ministry of Economy, Trade and Industry
2004 Director-General of Economic and Industrial Policy Bureau
2006 Vice-Minister of Economy, Trade and Industry
2008 Retired from Vice-Minister of Economy, Trade and Industry
2010 Appointed outside corporate auditor

Corporate Governance Befitting a General Trading Company

As an outside corporate auditor, I am expected to give input that leverages insight I have gained over the years. This might include, for example, offering advice on utilization approaches for minimizing corporate risk through use of trade insurance, or analyzing specific political and economic conditions overseas.

I think that the strength of a general trading company lies in its ability to bring projects to fruition while actively addressing risk. Maintaining highly effective corporate governance that goes beyond being mere formality in this context is a tough task. Marubeni, for its part, has a range of check functions at work, including those of the Audit Department, Corporate Accounting Department, and Independent Accounting Auditors. Moreover, the opinions that we express at meetings of the Board of Corporate Auditors and other meetings and presentations with Marubeni management are frequently reflected in how the Company operates.

A company's approach to corporate governance can vary depending on its particular business format. My hope is that Marubeni will strive for corporate governance that fully capitalizes on its capacity as a trading company.

The Roles and Functions of Outside Auditors

Marubeni's Board of Corporate Auditors is comprised of five members, including three outside corporate auditors. Outside corporate auditors monitor the directors' execution of duties and draw upon their wealth of professional expertise to offer various recommendations and advice to enhance corporate audits. The current outside corporate auditors have experience as an executive of an insurance company, as Vice-Minister of the Ministry of Economy, Trade and Industry and as a bank executive, respectively. The outside corporate auditors attended meetings of the Board of Corporate Auditors and also the Board of Directors and Committee of Executive Officers, contributing to the meetings appropriately. 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 Accounting 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.

Corporate Management (As of June 22, 2012)

Members of the Board

Chairman of the Board
Nobuo Katsumata

President and CEO
Teruo Asada

Senior Executive Vice Presidents
Mamoru Sekiyama
Advisor to the President for Real Estate Business Dept.; Senior Operating Officer, Audit Dept.

Michihiko Ota
Advisor to the President for Lifestyle Div. and Forest Products Div.

Fumiya Kokubu
CIO; Chief Operating Officer, Global Strategy & Coordination Dept., Information Strategy Dept., and Research Institute; Advisor to the President for Energy Div.-II; Chairman of Investment and Credit Committee

Senior Managing Executive Officers
Shigeru Yamazoe
Advisor to the President for Transportation Machinery Div., Power Projects & Infrastructure Div., and Plant & Industrial Machinery Div.

Mitsuru Akiyoshi
Chief Operating Officer, Executive Secretariat, Corporate Communications Dept., and Corporate Planning & Strategy Dept.; Advisor to the President for Finance, Logistics & IT Business Div.;
Chief Operating Officer, Real Estate Business Dept.;
Chairman of CSR & Environment Committee;
Chairman of Internal Control Committee

Managing Executive Officers
Yutaka Nomura
Chief Operating Officer, General Affairs Dept., Human Resources Dept., Legal Dept., and Trade Compliance Management Dept.; Chairman of Compliance Committee; Chairman of Compensation Consultative Committee

Daisuke Okada
Advisor to the President for Food Materials Div., Food Products Div., and Supply Chain Management;
Vice Chairman of Investment and Credit Committee

Keizo Torii
Advisor to the President for Chemicals Div., and Energy Div.-I

Shoji Kuwayama
Advisor to the President for Metals & Mineral Resources Div.

Yukihiko Matsumura
CFO; Chief Operating Officer, Corporate Accounting Dept., Finance Dept., and Risk Management Dept.;
Chief Operating Officer, Investor Relations and Credit Ratings; Chairman of Disclosure Committee;
Vice Chairman of Investment and Credit Committee

Outside Directors
Toshiyuki Ogura
Shigeaki Ishikawa

Corporate Auditors

Hideyuki Yasue
Takafumi Sakishima
Hiroshi Kudo
Takao Kitabata
Norimasa Kuroda

Executive Officers

Managing Executive Officers
Shinji Kawai
Regional CEO for Oceania;
Chairman, Marubeni Coal Pty. Ltd.

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

Masahiro Enoki
Chief Operating Officer, Business Accounting Dept.;
Senior Operating Officer, Corporate Accounting Dept.;
Vice Chairman of Investment and Credit Committee

Shingo Tsuda
Regional CEO for Europe;
Regional CEO for Middle East & North Africa;
Managing Director and CEO, Marubeni Europe plc

Kazuaki Tanaka
General Manager, Corporate Planning & Strategy Dept.; Chief Operating Officer, Energy Div.-II

Kaoru Iwasa
Chief Operating Officer, Transportation Machinery Div.

Naoya Iwashita
Regional CEO for North & Central America;
Advisor to the President for South America;
President and CEO, Marubeni America Corporation

Executive Officers
Shoichi Ikuta
Regional CEO for CIS

Hiroshi Ikuno
Regional CEO for ASEAN;
Managing Director, Marubeni ASEAN Pte. Ltd.

Kaoru Kuzume
General Manager, Human Resources Dept.

Motoo Uchiyama
Chief Operating Officer,
Plant & Industrial Machinery Div.

Hikaru Minami
Chief Operating Officer,
Finance, Logistics & IT Business Div.

Katsuhisa Yabe
Chief Operating Officer, Lifestyle Div.

Yutaka Ienaga
General Manager, Osaka Branch

Yasuyuki Amakusa
Chief Operating Officer, Forest Products Div.

Masumi Kakinoki
Chief Operating Officer,
Power Projects & Infrastructure Div.

Akira Terakawa
Chief Operating Officer, Chemicals Div.

Yoshiaki Mizumoto
Regional COO for North & Central America;
Senior Executive Vice President and COO,
Regional General Manager of Midwest Region,
Marubeni America Corporation

Satoshi Wakabayashi
Chief Operating Officer, Food Materials Div.

Takeo Kobayashi
General Manager, Nagoya Branch

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

Shin Tajima
Chief Operating Officer, Food Products Div.

Takeshi Kumaki
Chief Operating Officer, Energy Div.-I

Kazuro Gunji
General Manager, Corporate Accounting Dept.

Hajime Kawamura
Senior Operating Officer,
Plant & Industrial Machinery Div.

Kazunori Fujikawa
Deputy Regional CEO for China;
President, Marubeni (Shanghai) Co., Ltd.

Nobuhiro Yabe
General Manager, Finance Dept.

Harumichi Tanabe
Senior Operating Officer, Energy Div.-I

Organization (As of April 1, 2012)

Internal Control

Marubeni seeks to steadily increase and maximize corporate value through business activities that are in accordance with our Company Creed and management philosophy, and to steadily and continuously build and expand the 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 activities, accurate reporting of earnings results to stakeholders, maintenance of compliance with applicable laws and regulations, and safeguarding of assets. The Company regularly reviews this internal control system policy 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 system 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. We submitted our internal control report for the year ended March 31, 2012, which concluded that "internal control is effective," together with our annual securities report in June 2012."

* For further information on the basic internal control system policy, please refer to the Company's website: http://www.marubeni.com/csr_env/005455.html

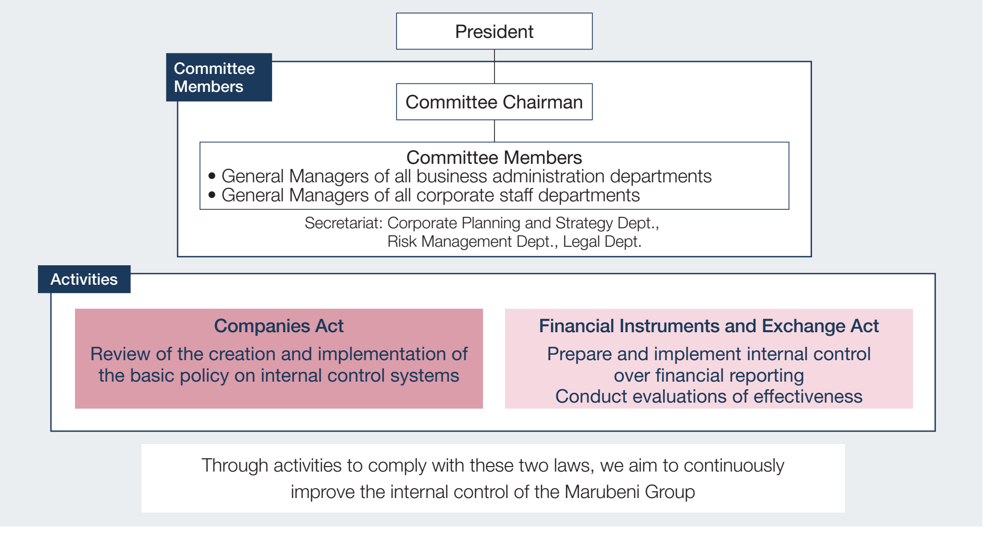
Consolidating Internal Control Activities for the Entire Group

The Financial Instruments and Exchange Act was established in 2006 to provide rules on the internal control over financial reporting. In the year ended March 31, 2009, revisions to this law made it mandatory for company directors to submit internal control reports, and also required external auditors to submit verification stating that the internal control reports have been audited. Marubeni recognized the importance of internal controls at a very early stage. In March 2004, a decision by top management launched the "MARICO PROJECT" (MARubeni Internal COntrol Systems PROJECT) with a view to ensuring the reliability of financial reporting. The mechanism was fully implemented in the year ended March 31, 2006.

In April 2008 Marubeni established the Internal Control Committee, a new structure reporting directly to the Company president. The committee was established to maintain the internal control over financial reporting activated by the MARICO PROJECT, and is also charged with overall management of internal control activities, including formulation and implementation of the basic policy on internal control systems, based on the Companies Act. Through this committee, Marubeni has established a structure which improves the effectiveness of comprehensive internal control, and conducts practical activities related to the basic policy on internal control and the Financial Instruments and Exchange Act.

Marubeni conducts a review of the basic policy on internal control every year. In the year ended March 31, 2009, the Company added four items: (1) To avoid any and all contact with corporate racketeers and other antisocial forces; (2) To prevent the loss or improper release of information; (3) To formulate a business continuity plan; and (4) To establish the Internal Control Committee and the Disclosure Committee. With regard to the "Internal Control Report System" under Japan's Financial Instruments and Exchange Act, the Company has implemented continuous improvements by each organization and striven to raise the evaluations of company directors, and confirmed that internal controls are functioning effectively.

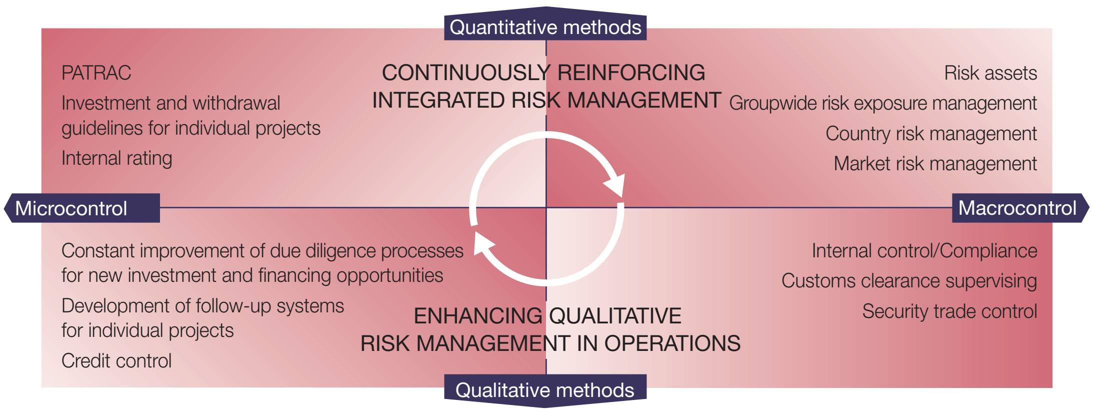
Mechanism of the Internal Control Committee
<Overall Management of Internal Control Activities>



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, qualitative and quantitative.
In the wake of the global financial crisis, increased volatility in exchange rates, resource prices and other parameters has 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 equity, set aside as a provision for potential losses.
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.

Risk Management at Marubeni



In the year ended March 31, 2012, Marubeni held risk assets to within the scope of equity and maintained a risk buffer that included reserves for future investment in targeted fields, while conducting new and well-balanced investment and financing in natural resources, infrastructure and trade. The Company also flexibly revised its country-specific risk management criteria to cope with increasing country risk.

Elsewhere, with respect to risk management for the promotion of individual projects, Marubeni has adopted probability analysis of risk scenarios and risk assessment aimed at exposing and evaluating critical risk factors. At the same time, the Company is compiling a database of past cases in which risks have materialized to serve as a mechanism to help in preventing losses.

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—industry risk, country risk, credit risk for each client, and so on. These risks form the basis for calculating Value at Risk (VaR), which takes into account dispersion effects and correlations to calculate maximum risk. VaR is used as a primary benchmark for our portfolio management.

Management Indicators Used to Pursue Steady, Balanced Growth

Integrated risk management looks at various risk factors in a comprehensive way to enable managers to understand risk as a single monetary value. By adopting a simulation system that uses an independently developed computerized statistical model, Marubeni has made it possible to grasp the degree of risk in more detail than ever before. We calculate PATRAC based on risk assets—a value based on the maximum decline in the value of Group assets as quantified by the Company. PATRAC 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, as well as to evaluate the performance of each portfolio unit. Each business unit constantly takes steps to adjust its portfolio in a flexible manner, seeking to improve PATRAC in order to achieve maximum returns for a given level of risk, enabling Marubeni to achieve steady and balanced earnings growth.

Compliance

Yutaka Nomura
Managing Executive Officer
Chairman of Compliance Committee

Making Compliance the Top Priority

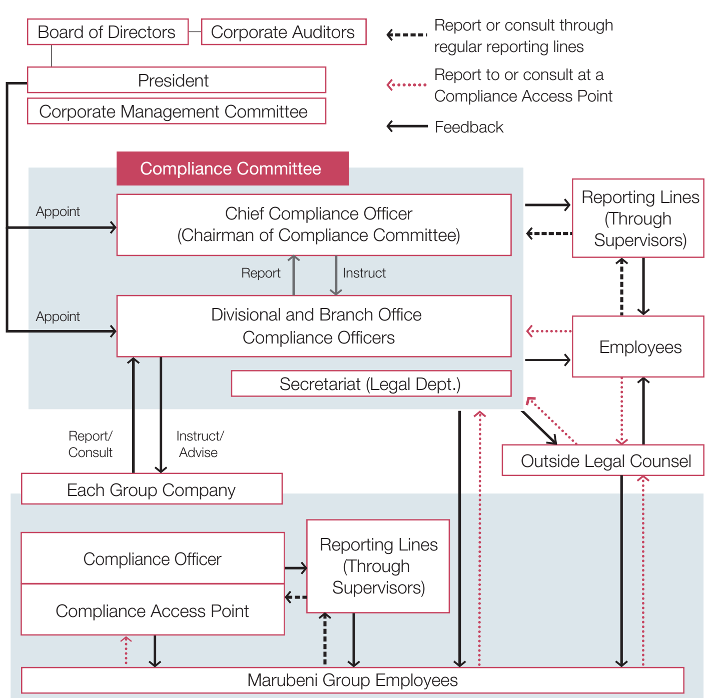
Marubeni recognizes that “compliance” means more than observing laws and regulations. A company is a member of society that must live up to the expectations of its stakeholders and act in a socially responsible manner. This is the real meaning of compliance: to ensure that all employees and executives have a strong awareness of their responsibilities and to ensure that all activities adhere to high ethical standards.

Marubeni has compiled the Marubeni Group Compliance Manual, which specifies the standards of behavior that Group employees are expected to follow in all of their daily work activities. Every year, the Company’s employees and executives, as well as presidents of all Marubeni Group companies, take an oath to adhere to the code expressed in this manual.

In the foreword to the manual, the top management sends a message that defines Marubeni’s stance on compliance: “When you are faced with a choice between integrity and profit, choose integrity without hesitation.” Every Marubeni Group employee is expected to take this slogan to heart, and apply it in their daily work activities. The Company holds group training programs and e-learning programs on a timely basis to educate personnel in general compliance issues and to keep up to date on regulatory changes and economic and social trends. In addition, the Chairman of the Compliance Committee makes periodic visits to Group companies and overseas offices to provide training and raise awareness of compliance. These and other measures help to ensure that all individuals in the Company possess the necessary understanding and awareness of compliance issues, and know-how to apply their knowledge. Overseas subsidiaries and offices develop their own compliance systems in accordance with the laws, regulatory structures and business customs of each country in which they operate. Major overseas offices formulate and review their compliance plans every year.

In January 2012, Marubeni entered into a Deferred Prosecution Agreement with the U.S. Department of Justice (DOJ), after a DOJ investigation on suspicion of violation of the U.S. Foreign Corrupt Practices Act (FCPA) with respect to transactions by Marubeni in Nigeria in the 1990s, prior to adoption of the Company’s current compliance program. Marubeni has since significantly strengthened its compliance framework, and will continue to make efforts to achieve even higher standards of compliance to prevent the potential for any legal violations in the future.

Organizational Diagram for the Marubeni Group Compliance System



Compliance Access Point (Door of Courage)

Rules on reporting to and consulting with a Compliance Access Point

1. A person filing a report or requesting a consultation shall provide his/her name, which shall remain confidential. (The report to the Compliance Committee from outside legal counsel shall omit the name of the reporting person, if he/she so desires.)
2. The company guarantees that the reporting person shall not in any way be prejudiced or reprimanded because of his/her decision to report or consult with a Compliance Access Point.
3. Anyone who believes that the company has not acted in accordance with the above may consult with the Compliance Committee.
4. The Compliance Committee shall provide the reporting person with details of its findings in relation to any matter reported to it and any matter upon which they have been consulted.

The Environment

Environment Policy and Systems

Anchored by the Senior Managing Executive Officer, member of the board-led CSR & Environment Committee, Marubeni strives to manage itself in an environmentally friendly manner. Since the formulation in 1998 of the Marubeni Group's Environmental Policy, the entire Marubeni Group has taken a proactive stance with regard to environmental preservation activities.

Environmental Management System

The Marubeni Group has adopted an environmental management system based on ISO 14001 standards, allowing all employees to carry out environmental measures based on a common understanding.

The environmental management system utilizes a PDCA cycle that includes planning, implementation and operation, inspection, management and review of environmental measures to ensure ongoing improvement. Marubeni obtained ISO 14001 certification in 1998. Since then, both overseas subsidiaries and Marubeni Group companies have obtained certification as needed as part of their environmental measures. As of December 31, 2011, 64 Marubeni Group companies have been certified.

Energy Conservation, Resource Conservation and Waste Reduction Activities

Marubeni set numerical targets regarding energy conservation, resource conservation, and waste reduction in August 2007. These targets and the Company's progress in the year ended March 31, 2012 are shown below.

	① Energy Usage at *Major Offices	② Waste Recycling Rate at Tokyo Head Office	③ Green Procurement Rate at Major Offices
Numerical Targets	7% reduction by the year ending March 31, 2013 from the year ended March 31, 2006 level	80% by the year ending March 31, 2013	At least 85% by the year ending March 31, 2013
Year ended March 31, 2012 (Actual)	Down 34.4% from year ended March 31, 2006	93.2%	87.2%

*Major offices: Head Office (Tokyo), five branches (Hokkaido, Nagoya, Osaka, Kyushu, Shizuoka), and the Head Office's Mita Annex

Post-Kyoto Protocol Target

The Japan Foreign Trade Council (JFTC) is a participant in Nippon Keidanren's Commitment to a Low Carbon Society (post-Kyoto Protocol objectives). As a member of JFTC, Marubeni has set its own target of a 10.5% reduction compared to the year ended March 31, 2010 in energy usage (electricity and gas) at its Tokyo Head Office and Osaka branch by the year ending March 31, 2021. We have already begun efforts to meet this target with the introduction of energy-saving equipment.

Environmental Assessment Development Projects and Financing/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 an "Environmental Evaluation Sheet." The complete evaluation sheet is used to make the final decision on whether or not the project should be implemented.

Follow-up evaluation is also conducted for projects considered to have potential environmental risks as a result of the initial assessment. In the year ended March 31, 2012, we assessed 159 projects with environmental risks, including projects for natural resources and energy development, food production and transportation, and real estate development and others.

The following table indicates the number of projects subject to environmental evaluation, categorized according to risk type.

Number of Environmental Evaluations in Year Ended Mar. 31, 2012 by Risk Type

Atmospheric pollution	67
Water pollution	72
Soil pollution	48
Noise/vibration	83
Offensive odor	9
Waste increase	37
Natural resource depletion	35
Global warming	32
Biodiversity	14
Others	12
Total	409

(This total is not equal to the aggregate of environmental assessments conducted as some of the 159 assessments identified no applicable risks, while others detected more than one risk.)

Supply Chain Management

Marubeni's Supply Chain Management

In operating a wide range of businesses on a global scale, the Marubeni Group has built up supply chains in many different countries and regions, including some developing countries where issues such as forced labor, child labor and degradation of the local environment may arise. Given these concerns, Marubeni sees supply chain management as an important CSR issue for continued sound business practice, and works diligently to prevent these problems through employee training, site evaluations of its business partners, and other means.

In December 2011, Marubeni partially revised its Basic Supply Chain CSR Policy, which was established in October 2008, as part of a consistent effort to keep the policy up to date.

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 on the right, 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 or sexual harassment.
- No child labor, forced labor or inappropriate wage abatement.
- 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.

Third-party Evaluation of Marubeni CSR Activities

SRI (Socially Responsible Investment) Indexes are stock price indexes that include only companies that deliver outstanding performance both financially and in terms of social responsibility initiatives.

In order to build a better future where society and companies grow together, Marubeni works tirelessly to fulfill its social responsibilities as a corporate citizen. We do this through our core operations of stably supplying a range of key resources for daily life, developing social infrastructure, and trading grain and other essential living commodities. Beyond these efforts, we strive to develop human resources, strengthen corporate governance, and to preserve the environment. We also make ongoing contributions to society in other ways, including through the Marubeni Foundation and scholarship foundations established overseas.

In recognition of these CSR initiatives, Marubeni has been selected as an index component of two global SRI indexes, the Dow Jones Sustainability World Index (DJSI World) and the FTSE4Good Global Index, as well as a Japanese SRI index, the Morningstar Socially Responsible Investment Index (MS-SRI). We have also won recognition from global CSR research and rating company SAM as a "SAM Sector Leader" (1 of 3 Japanese companies out of 58 selected worldwide) for a fourth consecutive year since 2009. Marubeni was also selected as a member of the prestigious "SAM Gold Class" (1 of 4 Japanese companies out of 87 selected worldwide) for a third consecutive year since 2010.

Dow Jones Sustainability Indexes
Member 2011/12

Dow Jones Sustainability World Index

FTSE4Good

FTSE4Good Global Index

MS-SRI

Morningstar Socially Responsible Investment Index (MS-SRI)

Chapter

4 DELIVERING GROWTH

A Review of Marubeni's Performance

Review of Operations

Marubeni at a Glance 2012

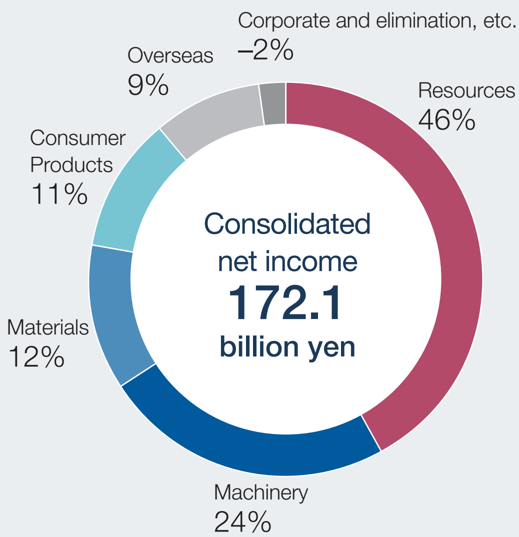
Performance Overview for the Year Ended March 31, 2012

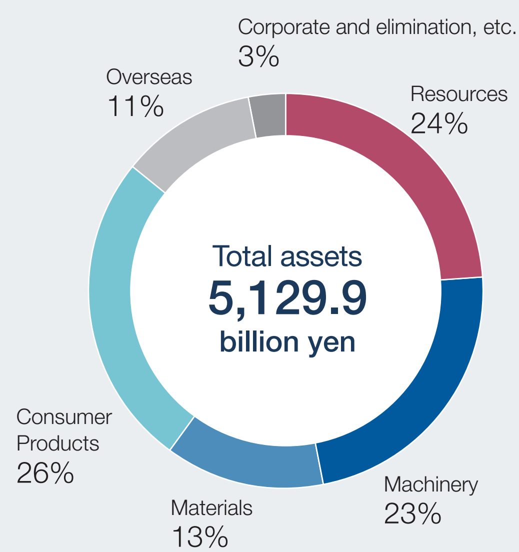
<Consolidated>

Earnings Structure and Business Portfolio

(Category)

- **Resources:** Energy, Metals & Mineral Resources*
- **Machinery:** Transportation Machinery, Power Projects & Infrastructure, Plant & Industrial Machinery
- **Materials:** Forest Products, Chemicals
- **Consumer Products:** Food, Lifestyle, Finance, Logistics & IT Business, Real Estate Development*
- **Overseas**
- **Corporate and elimination, etc.**





<Segment>

<Resources>

Energy

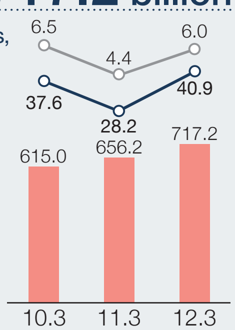
Gross trading profit
¥58.8 billion

Equity in earnings
¥0.8 billion

Net income
¥40.9 billion

Segment assets
¥717.2 billion

Segment assets,
Net income,
ROA



<Resources>

Metals & Mineral Resources**

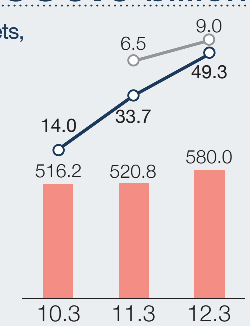
Gross trading profit
¥31.6 billion

Equity in earnings
¥43.7 billion

Net income
¥49.3 billion

Segment assets
¥580.0 billion

Segment assets,
Net income,
ROA



<Materials>

Forest Products

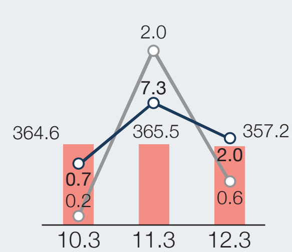
Gross trading profit
¥29.7 billion

Equity in earnings (losses)
¥–0.5 billion

Net income
¥2.0 billion

Segment assets
¥357.2 billion

Segment assets,
Net income,
ROA



<Materials>

Chemicals

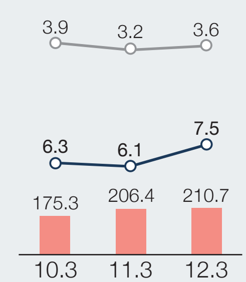
Gross trading profit
¥26.5 billion

Equity in earnings
¥4.0 billion

Net income
¥7.5 billion

Segment assets
¥210.7 billion

Segment assets,
Net income,
ROA



* Iron and Steel Strategies and Coordination Business is continuously counted among Materials area though the business was incorporated into Metals & Mineral Resources Segment in the year ended March 31, 2011.
Real Estate Development Business is continuously counted among Consumer Products area though the business was incorporated into Corporate & Eliminations, etc. in the year ended March 31, 2012.

Segment assets (¥ billion)
Net income (¥ billion)
ROA (%)

<Machinery>
Transportation Machinery**

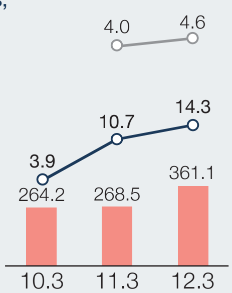
Gross trading profit
¥43.1 billion

Equity in earnings
¥8.3 billion

Net income
¥14.3 billion

Segment assets
¥361.1 billion

Segment assets,
Net income,
ROA



<Machinery>
Power Projects & Infrastructure**

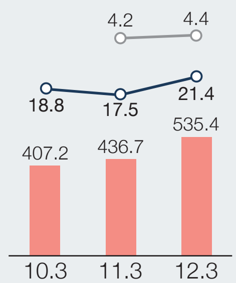
Gross trading profit
¥37.7 billion

Equity in earnings
¥20.9 billion

Net income
¥21.4 billion

Segment assets
¥535.4 billion

Segment assets,
Net income,
ROA



<Machinery>
Plant & Industrial Machinery**

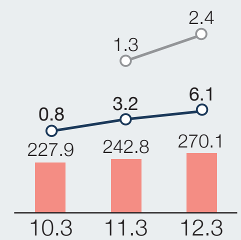
Gross trading profit
¥28.2 billion

Equity in earnings
¥2.8 billion

Net income
¥6.1 billion

Segment assets
¥270.1 billion

Segment assets,
Net income,
ROA



<Consumer Products>
Food

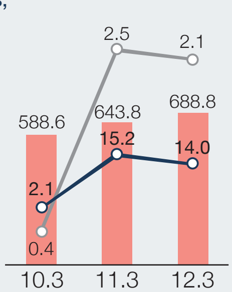
Gross trading profit
¥100.0 billion

Equity in earnings
¥2.1 billion

Net income
¥14.0 billion

Segment assets
¥688.8 billion

Segment assets,
Net income,
ROA



<Consumer Products>
Lifestyle

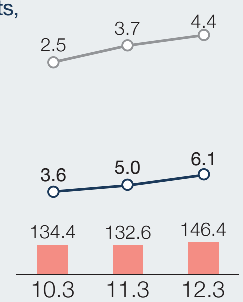
Gross trading profit
¥31.8 billion

Equity in earnings
¥0.3 billion

Net income
¥6.1 billion

Segment assets
¥146.4 billion

Segment assets,
Net income,
ROA



<Consumer Products>
Finance, Logistics & IT Business**

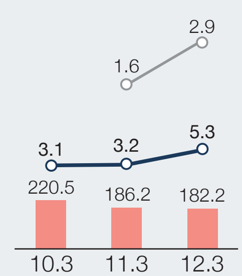
Gross trading profit
¥42.5 billion

Equity in earnings (losses)
¥–0.3 billion

Net income
¥5.3 billion

Segment assets
¥182.2 billion

Segment assets,
Net income,
ROA



** As of April 1, 2010, this operating segment has been reorganized and the figures for the year ended March 31, 2010 are altered to apply to the new divisional organization for reference purposes.

Food Materials Division

Division Organization:

Food Administration Dept./Grain Dept./Grain Business Development Dept./Meat Dept./Agricultural Products Dept.

The Food Materials Division is engaged in trading and business development in the grain, livestock and agricultural products sectors. In grain, the division is the top trader among general trading companies in terms of volume. Backed by unrivaled sales capabilities, we are bolstering efforts to develop sales operations worldwide, along with measures targeting grain production markets. At the same time, we are moving to boost efficiency through expansion in trading volume and taking steps to broaden our procurement options.

In the livestock feed and livestock sectors, we pursue synergies with grain, with sights on promoting an integrated livestock and feed business encompassing feed grain and processed meat worldwide. This is especially important with respect to emerging markets, where diets are becoming more Western and meat consumption is increasing. Finally in agricultural products, along with boosting distribution efficiency for rice in Japan, we are developing business overseas in a bid to extend this business further.

Satoshi Wakabayashi

Executive Officer, COO, Food Materials Division

[Food Materials Division] Support for Growth

The Food Materials Division leads general trading companies with annual grain trading volume of roughly 22 million tons. The division is simultaneously seeking to develop the scale needed to meet high demand for grain from China and other emerging markets in Asia, and securing more diverse production sites to establish a framework for procuring grain worldwide. In this way, we are building a structure for flexibly supplying globally competitive grain.

Furthermore, with grain trading as a base, the division is promoting the integration of its livestock feed and livestock businesses in China, Vietnam and other emerging markets. We will expand business domains for the division by building an integrated structure covering feed production, meat processing, and wholesale and retail operations.

Grain terminal subsidiary in Brazil, now wholly owned

Main Products and Areas:

Assorted grain (wheat, soybeans, rapeseed, and corn)/Livestock feed and raw ingredients/Fresh and processed meat (beef, pork, and chicken)/Agricultural products (rice, vegetables and fruits) and fertilizer

Results for the Year Ended March 31, 2012

In the year ended March 31, 2012, gross trading profit (combining the Food Materials and Food Products Divisions) was ¥100.0 billion, and consolidated net income was ¥14.0 billion.

Demand for feed grain in emerging markets is growing, stemming from both rising internal demand and greater meat consumption. In this environment, grain transaction volume rose to 22 million tons, reflecting growth in trading, coupled with aggressive investments and alliance formation during the fiscal year.

In terms of sales-side business development, we reached agreements with Sinograin Oil & Fats Corporation and New Hope Liuhe Co., Ltd. that will see the development of joint ventures in livestock feed across China. Furthermore, we reached agreement with New Hope Liuhe Co., Ltd. to promote feed and livestock business integration in emerging markets. To respond to sales expansion, we made Terlogs Terminal Maritomo Ltda. (Terlogs) a wholly owned subsidiary. Terlogs is a grain export terminal company in Brazil, where there is ample room to expand grain production, and this step has strengthened our ability to procure locally produced grain.

In the agricultural products sector, we are advancing a tie-up with Ebro Foods, S.A., Europe's largest seller of processed rice, to develop long-grain rice production sites centered on Cambodia, and expand sales in Europe, the United States, North Africa and other markets.

Initiatives in the Year Ending March 31, 2013

The division will advance more in-depth growth strategies as a global player contributing to the stable supply of foodstuffs worldwide.

In grain, along with stable supplies to Japan, the division will extend sales to China and the ASEAN region, as well as the Middle East, North Africa, and other growth markets. In parallel, we will invest in the feed business in demand markets in a drive to capture rising demand. For production sites, we will move to further enhance our grain shipment network in Brazil and other countries in North and South America, led by wholly owned subsidiary Terlogs, in order to broaden our procurement options.

In livestock, we are pushing forward with the integration in Japan and overseas of feed and livestock businesses covering livestock feed, grain and processed meat. In China and Vietnam, especially, we will seek out alliances in all areas from grain transactions upstream to production and processing downstream.

In agricultural products, the division will act to secure rice supply sites and sales channels in Japan and overseas, and promote rice trade. At the same time, we will focus on achieving more robust trade in fertilizer, a vital resource for agricultural production.

Business Highlights*

(Billions of yen)

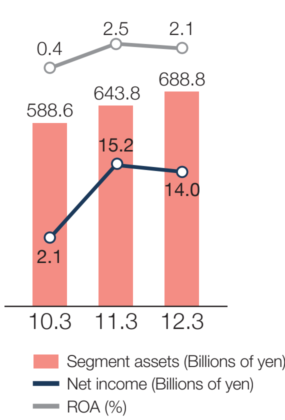
	2010.3	2011.3	2012.3	2013.3 (Pros.)
Gross trading profit	108.8	113.4	100.0	–
Equity in earnings (losses)	(8.2)	3.5	2.1	–
Net income	2.1	15.2	14.0	22.5
Segment assets	588.6	643.8	688.8	–

Equity Interest in Principal Subsidiaries and Affiliates

(Billions of yen)

	2010.3	2011.3	2012.3	Percentage of Voting Rights
Columbia Grain, Inc.	4.2	7.4	5.9	100.0%
Marubeni Nisshin Feed Co., Ltd.	0.9	0.3	0.9	60.0%
Pacific Grain Terminal Co., Ltd.	0.9	0.9	1.4	78.4%
Marubeni Chikusan Corporation	0.5	0.8	1.1	100.0%

Segment assets / Net income / ROA*



* Figures are for total of Food Materials and Food Products Divisions

Food Products Division

Division Organization:

Food Administration Dept./Food Materials & Products Marketing Dept./ Retail and wholesale Business Development Dept./Overseas Food Business Development Dept./Beverage Dept./Seafood Dept./Nishinihon-Tokai Food Dept./Daiei Dept.

The Food Products Division specializes in trade and business development in four main fields: raw ingredients for food and food distribution, the food products business in emerging markets, beverages, and the marine products business.

The division possesses sales capabilities in the food retail and distribution sectors built on investment in supermarkets located in the Tokyo Metropolitan Area. By leveraging this advantage, the division is widening its food supply chain by bolstering relationships with food product manufacturers. Specifically, we are working closely with them in areas ranging from raw ingredients for foods and beverages, marine products and other raw ingredients, to finished products. In beverage ingredients and marine products, the division is expanding its business through measures targeting both global production sites and markets. To capture internal demand in growing emerging markets, the division is also taking aggressive steps to develop business through initiatives with foreign and domestic partners.

Shin Tajima

Executive Officer, COO, Food Products Division

[Food Products Division] Support for Growth

In Japan, the division has high-profile sales spaces through investments in supermarkets around the Tokyo Metropolitan Area. This enables the division to develop a food distribution strategy that merges sales space-inspired product development functions and expertise related to procurement of raw materials and ingredients. To capture internal demand in growing overseas markets, the division is promoting the food business through several initiatives. One is to build food distribution networks through business investment targeting food product manufacturers. Another is to utilize the food distribution network of Acecook Vietnam Joint Stock Company, where we participate in management. In China, meanwhile, the division reached an agreement to develop a strategic alliance with the Want Want Group (Want Want China Holdings Limited), the country's largest confectionery manufacturer.

Strategic alliance with the Want Want Group (China)

Main Products and Areas:

Domestic (Japan) food ingredients/Domestic (Japan) distribution business/Overseas food products business/Beverage products and raw materials/Marine products and processed seafood

Results for the Year Ended March 31, 2012

In the year ended March 31, 2012, gross trading profit (combining the Food Materials and Food Products Divisions) was ¥100.0 billion, and consolidated net income was ¥14.0 billion.

In Japan, the overall market is contracting, reflecting market maturation, a falling birthrate, and an aging population. In stark contrast, internal demand is rising dramatically in emerging markets. In this climate, the division pursued further trade expansion as well as investment and alliance opportunities during the year.

In Japan, along with investment in retailers The Daiei, Inc., The Maruetsu, Inc., and Tobu Store Co., Ltd., we took a 20% stake in another retailer, Sotetsu Rosen Co., Ltd. Sotetsu Rosen is expanding its sales spaces centered in the Tokyo Metropolitan Area, and we took advantage of our sales space-inspired product development, global product procurement and other strengths to increase transactions.

In growth markets overseas, we vigorously pursued investment and alliance-building opportunities in an effort to capture growing internal demand. In China, we reached an agreement to develop a strategic alliance with the Want Want Group, the country's largest confectionery manufacturer. As the initial project under this agreement, we established a processed food business with Natori Co., Ltd. Turning to marine products, we bolstered the division's wild salmon and trout business in Alaska with the acquisition of a processing site. This step is part of moves to develop a structure for the stable supply of marine resources.

Initiatives in the Year Ending March 31, 2013

Along with expansion in trade and business earnings in Japan, we are using overseas markets as engines for growth as we push ahead with assertive business development in emerging markets in the year ending March 31, 2013.

In Japan, we intend to strengthen relationships with retailers in which Marubeni invests, and will expand transactions not only in raw ingredients but in processed foods as well. In addition to stronger initiatives with manufacturers and broader sales of private-brand products, both backed by retail and wholesale purchasing power, we will bolster our intermediate distribution functions in a move to extend our business domains to cover commercial-use fields. In raw ingredients for beverages and marine products, we will target both production sites and markets with measures to enhance the division's supply chain in both areas.

In overseas markets, to capture internal demand in China, ASEAN, India and other growth markets, we plan to execute strategic investments and partnerships with local processed food manufacturers. We will also work to strengthen the division's food product sales structure and expand earnings through product development; specifically by leveraging the platforms of operating companies where we participate in management.

Business Highlights*

(Billions of yen)

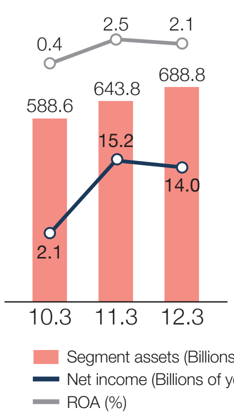
	2010.3	2011.3	2012.3	2013.3 (Pros.)
Gross trading profit	108.8	113.4	100.0	–
Equity in earnings (losses)	(8.2)	3.5	2.1	–
Net income	2.1	15.2	14.0	22.5
Segment assets	588.6	643.8	688.8	–

Equity Interest in Principal Subsidiaries and Affiliates

(Billions of yen)

	2010.3	2011.3	2012.3	Percentage of Voting Rights
Yamaboshiya Co., Ltd.	1.5	1.6	1.4	77.6%
Marubeni Foods Corporation	0.5	0.4	0.5	100.0%

Segment assets / Net income / ROA*



* Figures are for total of Food Materials and Food Products Divisions

Chapter 4

Lifestyle Division

Division Organization:

Lifestyle Administration Dept./Fashion Apparel Dept.-I/Fashion Apparel Dept.-II/Utility Apparel Dept./Functional Materials Dept./Rubber Dept./General Merchandise & Footwear Dept.

The Lifestyle Division coordinates businesses related to a wide range of lifestyle-related consumer goods, such as apparel, footwear, household goods, home furnishings, sporting goods, tyres, and fitness equipment.

To progress to a model with global development potential, we moved in the year ended March 31, 2012 to forge a strategic alliance with Shangtex Holding (Group) Corporation, China's largest comprehensive textile company. The division then focused on the growing market for domestic sales in China, exports to third-party countries from China, and expansion of exports from ASEAN into China. In the year ending March 31, 2013, we will continue to concentrate on increasing sales in advanced industrial markets such as Europe and the United States, as well as emerging markets such as China, by leveraging the division's competitive Original Equipment Manufacturer (OEM) production framework.

Katsuhisa Yabe

Executive Officer, COO, Lifestyle Division

[Lifestyle Division] Support for Growth

In apparel, footwear, household goods and other lifestyle-related products, the division has a well-established OEM production framework enabling low cost, timely and stable delivery of high-added-value products. These advantages have earned a high level of trust for the division from our customers around the world, and are supporting its growth.

To cope with rising costs in China, the division's largest production site, particularly for labor and raw materials, we are seeking to develop additional production bases in other countries such as Vietnam, Bangladesh, and Myanmar. As part of this effort, we entered a strategic alliance during the year ended March 31, 2012 with VINATEX, Vietnam's largest textile company, and are expanding transactions in uniforms, shirts, and other apparel.

Comprehensive alliance with VINATEX (Vietnam)

Main Products and Areas:

Apparel/Uniforms/Footwear/Lifestyle goods/Raw materials for textiles/Industrial materials/Fitness and office equipment/Natural rubber/Synthetic rubber/Rubber products

Results for the Year Ended March 31, 2012

The division recorded ¥31.8 billion in gross trading profit, and consolidated net income of ¥6.1 billion for the year ended March 31, 2012.

A host of factors fueled a challenging industry environment in the year ended March 31, 2012. In Japan, the key factor was the Great East Japan Earthquake. Outside of Japan, consumer sentiment was notably impacted by the European debt crisis and major flooding in Thailand, while labor and raw material costs escalated in China and other producer nations and production stability was undermined by labor shortages. Despite this adversity, the division reported brisk transactions in apparel, uniforms, and household goods for the Japanese market. This success reflected planning and proposals that accurately matched the needs of consumers and customers, efforts to strengthen the division's production framework in Southeast Asia and elsewhere, and the development of a robust value chain. The division also benefited from rising sales prices for rubber and increased trading volume for tyre products, spurring top- and bottom-line growth for the year.

Elsewhere, in a bid to extend the division's production sites outside of China and expand sales in overseas markets, we entered strategic alliances with the VINATEX Group, Vietnam's largest state-run textile firm, and Shangtex Holding (Group) Corporation, China's largest comprehensive textile company.

Initiatives in the Year Ending March 31, 2013

The year ending March 31, 2013 will likely see consumer needs in the Japanese market diversify further as low birthrate and population aging trends continue. In overseas markets, we expect production sites to shift increasingly to ASEAN countries as labor and raw material costs rise alongside living standards in China, the world's largest production site and most populous nation. Expansion in consumer markets in the region is also likely to accelerate.

In this climate, we will take steps to further bolster planning and development capabilities with respect to basic materials and design in apparel, household goods, and footwear. At the same time, we will strengthen the division's OEM production framework, taking advantage of economic partnership and free trade agreements particularly in Vietnam, Bangladesh, Myanmar, and other ASEAN countries. In parallel, we will cultivate consumer markets in emerging markets such as China, the ASEAN region, and India. In uniforms, we will work to grow market share, leveraging the merger of Marubeni Mates Ltd. and TEXTILE RENTAL Co., Ltd. to offer one-stop services that encompass product planning and production, sales and rentals. In rubber, initiatives will include expanding the export of general-purpose tyres to Europe, exporting large tyres to China, Russia, Mexico, and other resource markets, and expanding the retail and wholesale tyre and conveyor belt businesses overseas. Another task will be to boost sales of natural and synthetic rubber to China and other growth markets.

Business Highlights

(Billions of yen)

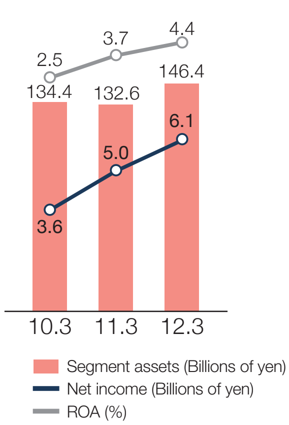
	2010.3	2011.3	2012.3	2013.3 (Pros.)
Gross trading profit	30.7	31.0	31.8	–
Equity in earnings (losses)	(0.1)	0.1	0.3	–
Net income	3.6	5.0	6.1	7.5
Segment assets	134.4	132.6	146.4	–

Equity Interest in Principal Subsidiaries and Affiliates

(Billions of yen)

	2010.3	2011.3	2012.3	Percentage of Voting Rights
Marubeni Fashion Link, Ltd.	1.0	0.9	0.9	100.0%
Marubeni Intex Co., Ltd.	0.7	0.6	0.8	100.0%
Marubeni Footwear Inc.	0.5	0.6	0.5	100.0%

Segment assets / Net income / ROA



Forest Products Division

Division Organization:

Forest Products Administration Dept./Pulp Dept./Wood Chip Dept./Paper & Paperboard Dept./TEL Dept./Housing & Construction Materials Dept.

The Forest Products Division is dynamically developing production activities and trading in the field of forest industry.

Particularly in the area of pulp and paper, we are developing a robust value chain centered on our operating companies, covering upstream, including afforestation and wood chips, midstream, including production of pulp, paper and paperboard, and downstream, including sales of printing paper, containerboard, and other products.

Notably, we are working to further enhance the competitiveness of the pulp manufacturers, Indonesia-based PT. Tanjungenim Lestari Pulp and Paper (TEL) and Canada-based Daishowa-Marubeni International Ltd. (DMI). In paper and paperboard, we continue to make structural improvements to our operating companies in Japan, while working overseas to secure production sites and enhance our sales framework, especially in fast-growing Asia. Through these measures, we are aiming to achieve sustainable earnings growth.

Yasuyuki Amakusa

Executive Officer, COO, Forest Products Division

[Forest Products Division] Support for Growth

The Forest Products Division is developing a robust value chain through operating companies in and outside of Japan including afforestation and wood chip companies, manufacturers of pulp, paper and containerboard, and distributors of paper and paperboard. Equipped with manufacturing functions that create value beyond simple trading, the Forest Products Division boasts the largest transaction volume among Japanese trading companies in the area of pulp and paper.

The division holds the largest forested area abroad among Japanese companies, aimed at ensuring renewable wood resources. We are also actively involved in environmentally conscious businesses, such as trading of wastepaper and wood chips for biomass fuel and commercialization of recycled carbon paper.

Pulp manufacturing business at TEL (Indonesia)

Main Products and Areas:

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

Results for the Year Ended March 31, 2012

In the year ended March 31, 2012, gross trading profit of the division totaled ¥29.7 billion, and consolidated net income totaled ¥2.0 billion. The pulp market was firm through the start of spring, buoyed by growth in demand from emerging markets. From the summer, however, prices plummeted, causing pulp business conditions to decline, mainly due to a decline in the performance of pulp manufacturers. In finished products, high costs for raw materials and fuel contributed to a price hike in Japan, but printing paper demand trended lower while demand for industrial-use paper was relatively firm. In building materials, the market weakened following a temporary surge in prices for plywood and other products triggered by the Great East Japan Earthquake.

In this environment, we sought to enhance the competitiveness of our operating companies. Upstream, we augmented capacity for electric power sales and undertook large-scale construction to improve productivity at overseas pulp manufacturing companies. Midstream operation, along with reinforcing the competitiveness of our cardboard manufacturers in and outside Japan, we leveraged power-generation equipment at Koa Kogyo Co., Ltd. to sell electricity during the summer, when supply was tight. In areas downstream, we promoted further improvement of management efficiency by consolidating processing and logistics companies under a domestic sales company, coupled with ongoing streamlining and consolidation in the paper and paperboard sales business.

Initiatives in the Year Ending March 31, 2013

In the year ending March 31, 2013, we will bolster our framework for supplying competitive raw materials, primarily through effective utilization of our pulp manufacturers, where large-scale construction works have been completed, and by newly securing woodchip supply sources in Asia. In the area of paper and paperboard, we will take steps to secure new production sites abroad in addition to our existing investee manufacturers in Malaysia and China. In the building materials field, we will respond to domestic demand related to earthquake recovery efforts and expand trading of goods such as building materials and cement.

Although demand for pulp and paper has reached an inevitable stagnation point in advanced industrial countries, growth in emerging markets is strong, especially in Asia. As such, growth is projected to continue worldwide. Given this climate, we intend to build a more robust earnings base by optimally leveraging our global value chain spanning upstream through downstream to meet demand from emerging markets.

In the year ending March 2013, the division will continue to pursue synergies in operation and trading. We will strive to build an even stronger business base in and outside Japan by further enhancing our competitive strength and sales capabilities in order to expand earnings.

Business Highlights

(Billions of yen)

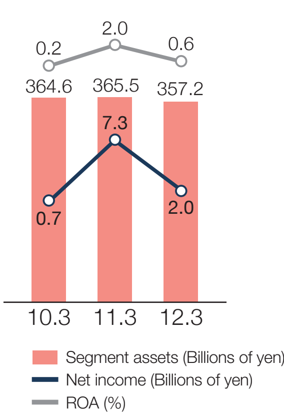
	2010.3	2011.3	2012.3	2013.3 (Pros.)
Gross trading profit	33.3	39.8	29.7	–
Equity in earnings (losses)	0.3	3.0	(0.5)	–
Net income	0.7	7.3	2.0	4.0
Segment assets	364.6	365.5	357.2	–

Equity Interest (Loss) in Principal Subsidiaries and Affiliates

(Billions of yen)

	2010.3	2011.3	2012.3	Percentage of Voting Rights
Marubeni Pulp & Paper Sales Co., Ltd.	0.2	0.5	2.1	100.0%
Koa Kogyo Co., Ltd.	1.5	0.8	0.7	80.0%
Marubeni Building Materials Co., Ltd.	(0.4)	(0.2)	0.6	100.0%
Fukuyama Paper Co., Ltd.	0.8	0.6	0.4	55.0%

Segment assets / Net income / ROA



Chemicals Division

Division Organization:

Chemicals Administration Dept./Petrochemicals & Plastics Dept./Vinyl Alkali Dept./Inorganic & Agricultural Chemicals Dept./Specialty Chemicals Dept./Electronic Materials Dept.

The Chemicals Division supplies chemicals that serve as raw and basic materials to a host of industries worldwide. This regular contact with trends across a range of industries is the division's greatest strength.

The division's main businesses consist of the trade and manufacture of products such as petrochemicals and raw materials for fertilizers, the sale of fertilizers, and agricultural chemicals, the production of inorganic raw materials, and a marketing business targeting specialty chemicals.

Focusing on the four sectors of petrochemicals, agriculture, inorganic resources, and specialty chemicals, the division works through bases worldwide to leverage networks with customers and business partners to promote new business investment. In parallel, the division is maximizing synergies between its trade and business operations.

Akira Terakawa

Executive Officer, COO, Chemicals Division

[Chemicals Division] Support for Growth

The Chemicals Division possesses strengths in the trade of petrochemicals and in the manufacture of synthetic rubber, a product derived from petrochemicals. In the trade of petrochemicals, the division has a standing charter for a fleet of around 15 specialized ships. This allows it to handle, for example, over 1 million tons of ethylene each year, for a dominant 50% share of the global trade in this commodity.

In the manufacture of synthetic rubber, the division already has two joint venture projects in China enjoying strong growth in step with the country's burgeoning automobile industry. The next growth market is India, where we are constructing a new plant slated to begin operating in the year ending March 31, 2014.

Synthetic rubber manufacturing business in China

Main Products and Areas:

Petrochemicals/Agriculture/Inorganic resources/Specialty chemicals

Results for the Year Ended March 31, 2012

The division posted gross trading profit of ¥26.5 billion and consolidated net income of ¥7.5 billion (up ¥1.5 billion year on year) for the year ended March 31, 2012.

This performance was supported by healthy progress in transactions for a range of products in petrochemicals, coupled with steady growth in the manufacture of synthetic rubber for car tyres in China. Other key factors included brisk sales of fertilizers and agricultural pesticides in the agriculture field.

Turning to new initiatives, the division entered a long-term trade agreement for butadiene, a chemical used primarily in synthetic rubber for automobile tires, with BRASKEM S.A. of Brazil, the largest petrochemical firm in South America. The division also launched a synthetic-rubber manufacturing project with state-run Indian Oil Corporation Ltd., and promoted a manufacturing joint venture for high-purity lithium carbonate, a raw material for meeting higher demand for lithium-ion batteries in the future.

The market environment of the Chemicals Division in the year ended March 31, 2012 was marked by an overall pullback in demand and a drop in market prices, particularly from the second half of the year. The impact of these factors on business performance, however, was limited.

Initiatives in the Year Ending March 31, 2013

For the year ending March 31, 2013, the division will steadily implement business projects newly set up in the previous fiscal year, while continuing to lay additional groundwork for the future. Challenges here will include manufacturing businesses in new petrochemical fields, manufacturing and sales operations in agriculture, and securing interests and manufacturing bases in inorganic resources.

In specialty chemicals, we established a new Lithium & Environment Business Department. Going forward, we will focus on development environmental businesses, including in the new growth fields of lithium-ion battery-related materials and storage batteries.

The division's business environment is likely to continue to see surging demand for chemical products in emerging markets, and we will arrange and promote new projects designed to capture this growth.

For the year ending March 31, 2013, we are projecting consolidated net income of ¥9.5 billion, up ¥2.0 billion from the previous fiscal year. We are aiming to achieve even higher earnings for the year by emphasizing growth in the trade business in petrochemicals, together with sales expansion and trade business growth in the agriculture field.

Business Highlights

(Billions of yen)

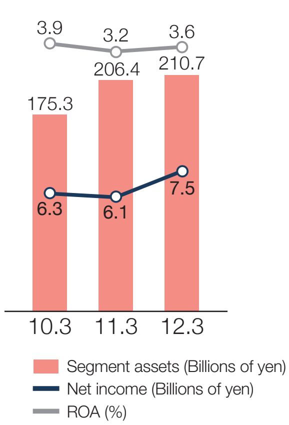
	2010.3	2011.3	2012.3	2013.3 (Pros.)
Gross trading profit	22.6	24.1	26.5	–
Equity in earnings	3.0	3.0	4.0	–
Net income	6.3	6.1	7.5	9.5
Segment assets	175.3	206.4	210.7	–

Equity Interest in Principal Subsidiaries and Affiliates

(Billions of yen)

	2010.3	2011.3	2012.3	Percentage of Voting Rights
Marubeni Plax Corporation	0.3	0.6	0.4	100.0%
Marubeni Chemix Corporation	0.4	0.4	0.4	100.0%
Agrovista B.V.	0.7	0.5	0.6	90.0%
Shen Hua Chemical Industrial Co., Ltd.	0.9	1.0	2.2	22.6%

Segment assets / Net income / ROA



Chapter 4

Energy Division-I

Division Organization:

Energy Administration Dept./LNG Dept./Natural Gas Project Development Dept./LPG Dept./Energy Trading Dept./Industrial Energy Dept./Energy Business Development Dept.

Energy Division-I is seeking to enhance its earnings base and develop new business domains in three primary business fields: LNG/upstream resource development, oil and gas trading, and oil and gas marketing.

In LNG/upstream resource development, the division is promoting LNG businesses in Qatar, Equatorial Guinea, Peru, and Papua New Guinea, as well as a shale oil and gas business in the United States. The division is also taking part in new business projects, and is focusing on expanding its LNG trade. In trading the division is leveraging bases worldwide, to use its ships, tankers, and other trading infrastructure to develop global trade. In marketing, the division consistently strives to devise inventive ways for its operating companies worldwide to take advantage of import terminals, service stations, LPG retailers, and other strengths in its logistic networks to win out against the competition.

Takeshi Kumaki

Executive Officer, COO, Energy Division-I

[Energy Division-I] Support for Growth

In LNG/upstream resource development, operations continue to progress smoothly at existing LNG projects. At the same time, the division is focusing on expanding business scope through shale oil and gas development, participation in new LNG projects, and other operations.

In trading, the division is involved in global trading through bases worldwide. For naphtha and other petrochemical feedstocks in particular, the division maintains the top trading share in Japan and the entire Asia region.

In marketing, the division uses its distribution network to sell petroleum products through operating companies worldwide, and remains committed to offering distinctive, high-value-added services to customers.

LNG project in Qatar

Main Products and Areas:

Development and production of LNG/Development and production of shale oil and gas/Trading in LNG/Trading in oil and petroleum products/Marketing of petroleum products and LPG/Other new businesses

Results for the Year Ended March 31, 2012

Consolidated net income for Energy Division-I and Energy Division-II for the year ended March 31, 2012 amounted to ¥40.9 billion, up ¥12.7 billion from the previous fiscal year.

Looking back at energy market prices during the fiscal year, crude oil prices were volatile due to the rekindling of the European financial crisis and heightened geopolitical risk in Iran and other countries. As a result, price levels have climbed to around US$100 per barrel from mid-November 2011. Natural gas prices remained at around US$2 per mmbtu* for almost the entire year, against the backdrop of firm gas production in the U.S. and other factors.

Under these circumstances, the division made steady progress in operations at existing projects in its LNG/upstream resource development operations, and took part in LNG development in Papua New Guinea, and shale oil and gas development at Eagle Ford, and Niobrara. In Japan, the division saw increased demand for LNG and fuel oil as nuclear power plants were taken offline.

In response, we prepared to help maintain Japan's energy security by increasing the division's handling of LNG and fuels for power generation, while working in parallel in marketing to maintain and improve margins.

*mmbtu: Millions of British thermal units. The btu is an imperial system unit for measuring thermal energy volume.

Initiatives in the Year Ending March 31, 2013

In the LNG/upstream resource development sector, we will focus on maintaining operational stability at existing projects and on activities to win new prime projects. In trading, we will expand our networks of LNG suppliers and retailers, and secure our trading infrastructure. In petroleum trading, we intend to focus on expanding business scope and strengthening alliances among division bases worldwide, while developing operations overseas and enhancing the division's earnings base. In marketing, we will pursue options for delivering high-value-added services.

Looking ahead, the pace of growth in oil demand is expected to slow as the global economic slowdown takes greater hold, but geopolitical risk in Iran and elsewhere is expected to increase. Meanwhile, an uncertain timetable for bringing nuclear power plants back on line in Japan, among other factors has made the outlook for the energy market increasingly uncertain.

In light of these circumstances, we will strive in trading and marketing to accurately grasp changes in global and domestic supply and demand for oil and gas, and will steadily build earnings by devising inventive ways to maintain and expand commercial rights. In LNG/upstream resource development, with the acquisition of new interests on the horizon, we remain committed to initiatives for growing earnings.

Business Highlights*

(Billions of yen)

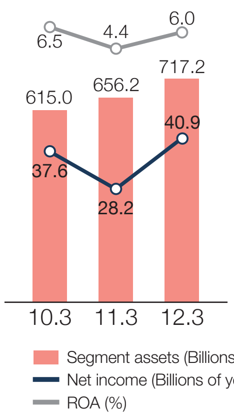
	2010.3	2011.3	2012.3	2013.3 (Pros.)
Gross trading profit	44.7	48.8	58.8	–
Equity in earnings	0.7	0.6	0.8	–
Net income	37.6	28.2	40.9	37.0
Segment assets	615.0	656.2	717.2	–

Equity Interest (Loss) in Principal Subsidiaries and Affiliates

(Billions of yen)

	2010.3	2011.3	2012.3	Percentage of Voting Rights
MIECO Inc.	0.3	(0.0)	0.0	100.0%
Shenzhen Sino-Benny LPG Co., Ltd.	0.2	0.1	0.1	30.0%

Segment assets / Net income / ROA*



* Figures are for total of Energy Division-I and Energy Division-II.

Energy Division-II

Division Organization:

Energy Administration Dept./Oil and Gas E&P Dept./Sakhalin Project Dept./Nuclear Fuel Dept./Nuclear Fuel Project Dept.

Energy Division-II is keenly focused on enhancing its earnings base through two main strategic fields: the upstream resource development business, mainly the exploration and development of oil and gas fields and uranium mines; and the broad field of the nuclear fuel business.

In the upstream resource development business, the division is jointly conducting the oil and gas field exploration, development and production business with international oil majors and leading independent oil development companies in various locations worldwide, including the U.S. Gulf of Mexico, the U.K. North Sea, India, Qatar, and Sakhalin. At the same time, the division is taking part in a uranium mine development project in Kazakhstan.

In the nuclear fuel business, the division's focus is on uranium procurement and sales, with efforts led by bases in Japan and the U.S. Other priorities include providing services pertaining to each stage of the nuclear fuel cycle, and sales of equipment and materials for nuclear power plants.

Kazuaki Tanaka

Managing Executive Officer, COO, Energy Division-II

[Energy Division-II] Support for Growth

The division's growth foundations are the upstream resource development business, which is being developed on a full stage (exploration, development and production), and the nuclear fuel business, which is based on uranium trading and nuclear fuel-related services.

In the upstream resource development business, the division is promoting oil, natural gas, and uranium development in various countries worldwide, while taking proactive steps to identify new prime projects in an assertive effort to increase its production and reserve volumes. In the nuclear fuel business, the division is expanding its global procurement and sales of uranium, with efforts led by bases in Japan and the United States. The division is also developing wide-ranging business activities such as the provision of solutions services pertaining to each stage of the nuclear fuel cycle and, through operating companies, of nuclear power plant equipment and materials.

Oil and gas field in the U.S. Gulf of Mexico

Main Products and Areas:

Exploration, development and production of oil and gas fields/Exploration, development and production of uranium resources/Uranium trading/Nuclear fuel-related services/Sale of equipment and materials for nuclear power plants

Results for the Year Ended March 31, 2012

For the year ended March 31, 2012, the total consolidated net income of Energy Division-I and Energy Division-II rose ¥12.7 billion year on year to ¥40.9 billion.

Crude oil prices were volatile due to the rekindling of the European financial crisis and heightened geopolitical risk in Iran and other countries. As a result, price levels have climbed to around US$100 per barrel from mid-November 2011. Natural gas prices remained at around US$2 per mmbtu for almost the entire year, against the backdrop of firm gas production in the U.S. and other factors. The spot price for uranium on a per-pound basis, meanwhile, tumbled from the US$70 range to around the US$50 range, partly due to the Fukushima Daiichi Nuclear Power Station accident, and continued in the lower US$50 range thereafter.

Under these conditions, the division made every effort in the upstream resource development business to promote exploration, development and production operations at project sites worldwide, and to develop new prime projects. In the nuclear fuel field, the division stepped up efforts related to global purchasing and sales of uranium to spur increased trading volume. In Japan, the division assisted power companies by promptly providing emergency relief supplies after the Fukushima Daiichi Nuclear Power Station accident. Thereafter, the division strove to expand business with power companies through such means as delivering emergency backup generators.

Initiatives in the Year Ending March 31, 2013

In the upstream resources development business, the division will develop oil and gas field exploration, development and production operations, while seeking to acquire new prime projects in a push to further boost production and reserve volumes. In uranium, the division will concentrate on identifying new projects, while advancing existing development projects. In the area of nuclear fuel, the division is focused on enhancing its menu of services and improving value at each stage of the nuclear fuel cycle, in addition to expanding uranium trading volume. Another task will be sales expansion in equipment, materials and other products for nuclear power plants.

The outlook for the energy market is growing increasingly uncertain due to a slower pace of growth in oil demand as the global economic slowdown takes greater hold, heightened geopolitical risk in Iran and elsewhere, and an uncertain timetable for bringing nuclear power plants back on line in Japan, among other factors.

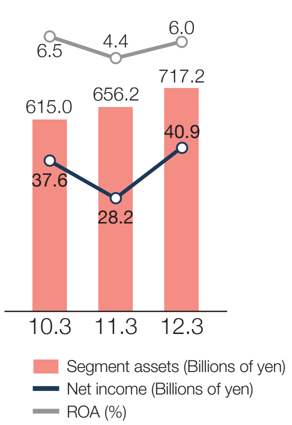
In the upstream resource development business, the division will strive to maintain and expand its share of production and reserve volumes by steadily promoting operations at existing resource development interests, while actively acquiring new prime projects. In the nuclear fuel field, the division will work to accumulate earnings by providing services for enhancing nuclear power plant safety, along with delivering equipment and materials for nuclear power plants. Another priority will be to drive expansion in uranium trading volume.

Business Highlights*

(Billions of yen)

	2010.3	2011.3	2012.3	2013.3 (Pros.)
Gross trading profit	44.7	48.8	58.8	–
Equity in earnings	0.7	0.6	0.8	–
Net income	37.6	28.2	40.9	37.0
Segment assets	615.0	656.2	717.2	–

Segment assets / Net income / ROA*



* Figures are for total of Energy Division-I and Energy Division-II.

Chapter 4

Metals & Mineral Resources Division

Division Organization:

Metals & Mineral Resources Administration Dept./Metals & Mineral Resources Development Dept./Iron Ore Dept./Coal Dept./Non-Ferrous Metals & Ores Dept./Light Metals Dept./Metals & Mineral Resources Project Management Dept./Iron & Steel Strategies and Coordination Dept.

The Metals & Mineral Resources Division seeks to expand earnings through resource development and trading operations throughout the value chain. The division's value chain ranges from upstream such as metals and coal mine development and smelting operations to business in a wide array of downstream fields, such as cathodes and ingots of non-ferrous metals, iron and steel products, non-ferrous products, electronic materials, and metals recycling.

In the resource development business, the division is focused on accumulating prime resource development interests. While striving to expand existing projects, the division is actively promoting efforts to acquire new resource development interests. In trading, the division boasts one of the best transaction volumes in every product category and region. Going forward, the division will continue working to expand transaction volumes primarily in China and emerging markets in Asia, where robust growth is anticipated.

Taking a medium- and long-term view, the division will continue to promote resource development projects harnessing Marubeni's strengths, while upgrading and expanding its trading activities.

Mutsumi Ishizuki

Executive Officer, COO, Metals & Mineral Resources Division

[Metals & Mineral Resources Division] Support for Growth

The division is engaged in copper mine development in the Sierra Gorda region of northern Chile, including the Esperanza and El Tesoro copper mining projects.

In the year ended March 31, 2012, the division decided to participate in the Antucoya copper mining project. Once production at this project begins, Marubeni's share of total payable copper production will be 150,000 tons per annum. Looking ahead, Marubeni will remain focused on copper mine development projects in this region.

In coal, the division conducts numerous coal mine operations in Australia, centered on coking coal for steelmaking. In 2011, the division decided to participate in a coal mining project in Canada. Combined with expansion work at existing projects such as the Lake Vermont Coal Mine in Australia, Marubeni expects to increase its share of coal production to 9 million tons per annum.

Lake Vermont Coal Mine (Australia)

Main Products and Areas:

Iron ore/Coal/Copper, zinc and rare metals/Aluminum/Ferroalloy, metals recycling/Non-ferrous and light metal products, electronic materials/Iron and steel products/Business investments related to the above

Results for the Year Ended March 31, 2012

For the year ended March 31, 2012, the division reported consolidated net income of ¥49.3 billion, up 46%, year on year.

This result reflected higher prices of resources such as copper and coal compared with the previous fiscal year, supported by firm demand for metals and mineral resources centered on emerging economies. This was despite a slowdown in global economic growth, due to fiscal uncertainty in various European countries and an adjustment phase in the Chinese economy.

In the iron ore business, the division decided to invest in the Roy Hill Iron Ore Project in Australia. This investment marks Marubeni's entry into iron ore resource development, following on from its coal, copper and aluminum projects. In the coal business, chronic supply shortages of coking coal for steelmaking are anticipated going forward. In response, Marubeni has secured an alternate supply of this coal outside Australia through the acquisition of Grande Cache Coal Corporation, a Canada-based producer of coking coal. In non-ferrous and light metals, Marubeni decided to make a 30% investment in the Antucoya Copper Project, which was 100%-owned by Antofagasta plc. Furthermore, Marubeni and Investissement Quebec of Canada reached an agreement on Marubeni's acquisition of an additional ownership interest in the Alouette Aluminum Smelter joint venture. Through these and other initiatives, Marubeni has focused on expanding its prime new resource interests, while pursuing expansion work on existing projects.

Initiatives in the Year Ending March 31, 2013

In the year ending March 31, 2013, the Metals & Mineral Resources Division will continue working to increase prime resource interests from a medium- and long-term perspective. The division will pursue measures to expand operations at existing coal and copper mines. We will also broaden the scope of potential business investment opportunities to include mines in the early exploratory stage, with an emphasis on copper and coal as well as other mineral resources. The division will make various preparations for the start of production at the Roy Hill Iron Ore Project and the Antucoya Copper Project, having decided to participate in the project during the fiscal year. Preparations will include raising development funds. In addition, the division aims to increase earnings by expanding trading volume through the steady capture of demand from emerging economies.

In the year ending March 31, 2013, commodity market conditions are projected to remain firm, supported by demand for resources primarily in emerging economies, despite the chance of persistently volatile market conditions amid lingering global economic uncertainty. The division is forecasting earnings growth, based mainly on contributions to segment earnings from the Esperanza copper mine, which will continue to operate at full capacity, the coal business of Grande Cache Coal Corporation, which Marubeni acquired in the year ended March 31, 2012, and the Alouette Aluminum Smelter joint venture, in which Marubeni has decided to acquire an additional ownership interest.

Business Highlights

(Billions of yen)

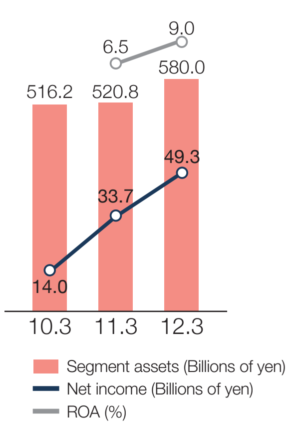
	2010.3	2011.3	2012.3	2013.3 (Pros.)
Gross trading profit	20.5	27.7	31.6	–
Equity in earnings	14.2	32.6	43.7	–
Net income	14.0	33.7	49.3	52.5
Segment assets	516.2	520.8	580.0	–

Equity Interest (Loss) in Principal Subsidiaries and Affiliates

(Billions of yen)

	2010.3	2011.3	2012.3	Percentage of Voting Rights
Marubeni Coal Pty. Ltd.	8.9	14.8	21.2	100.0%
Marubeni Aluminium Australia Pty. Ltd.	(0.5)	1.2	1.5	100.0%
Marubeni Metals & Minerals (Canada) Inc.	(0.7)	0.4	1.8	100.0%
Marubeni Los Pelambres Investment B.V.	7.8	11.3	14.9	100.0%
Resource Pacific Holdings Pty Limited	1.4	2.4	1.7	22.2%
Marubeni-Itochu Steel Inc.	2.7	6.8	12.9	50.0%

Segment assets / Net income / ROA



* As of April 1, 2010, this operating segment has been reorganized and the figures for the year ended March 31, 2010 are altered to apply to the new divisional organization for reference purposes.

Transportation Machinery Division

Division Organization:

Transportation Machinery Administration Dept./Aerospace & Defense Systems Dept./Automotive Dept.-I/Automotive Dept.-II/Construction Machinery Dept./Agro Machinery Dept./Ship Dept.-I/Ship Dept.-II

The Transportation Machinery Division is developing business and trade across the broad field of transportation machinery (aircraft and defense systems, automobiles, construction machinery, agro machinery and ships).

In our trade business, we steadily secured earnings in line with economic recovery. In business development, we have recently entered the LNG ship chartering and aircraft operating lease businesses with the aim of building bases for stable earnings. We also invested in several new businesses, including aircraft engine leases, automobile and construction machinery retail finance and construction machinery product support.

In the year ending March 31, 2013, our goal is to further enhance the division's earnings base by working to extend our new and existing business models. New business models include the aircraft and agro machinery after-market businesses, the marine business in the ship field and other new investments, while existing ones include the wholesale and retail automobile, construction machinery, and agro machinery businesses.

Kaoru Iwasa

Managing Executive Officer, COO, Transportation Machinery Division

[Transportation Machinery Division] Support for Growth

In the aircraft and defense systems sectors, the division has entered two new businesses: aircraft operating leases and engine leases. The lease and after-market sectors will remain focal points going forward as we move to offer a broader range of services.

In automobiles, construction machinery and agro machinery, the division is advancing diverse business development across regions worldwide. In addition to trade, wholesale and retail finance businesses centered on emerging economies, the division is involved in automobile retail and other operations in the U.S.A., U.K., and Australia. In the ship field, the division has newly entered into LNG ship ownership and operation. Thus, in addition to reinforcing our value chain encompassing new shipbuilding, ship chartering, second-hand ships and ship equipment, we are pushing to expand operations in LNG-related sectors.

Automobile retail and retail finance business (Chile)

Main Products and Areas:

Aircraft, helicopters/Defense systems/Automobiles/Construction machinery/Agro machinery/Ships

Results for the Year Ended March 31, 2012

The division's gross trading profit was ¥43.1 billion, and consolidated net income was ¥14.3 billion in the year ended March 31, 2012.

The fiscal year was marked by the impact of earthquakes, flooding and other natural disasters across the globe. The global economy, however, showed signs of rebounding from the financial crisis, with increased earnings in the automobile, construction machinery and agro machinery fields, on improvements in trade, and in the wholesale, retail, retail finance, and other business areas at Group operating companies. In aerospace and defense systems, intense competition caused delays in asset accumulation in the aircraft operating lease business. The ship field, by contrast, saw the division's new LNG ship chartering business add to earnings despite deterioration in market prices for marine transport.

Examining conditions by sector, in addition to bolstering the earnings base for existing businesses and business development, we marked steady progress in making new investments. These included investments in the aircraft engine lease business in the aerospace sector, the retail finance and product support businesses in the automobile, construction machinery and agro machinery sectors, and the new LNG ship chartering and marine businesses in the ship sector. The investments should contribute to division earnings in the year ending March 31, 2013. Accumulating such investments in promising projects, we are steadily building value chains for our existing businesses.

Initiatives in the Year Ending March 31, 2013

In the automobile, construction machinery and agro machinery fields, we plan to build a stable earnings base by enhancing sales at existing operating companies, while reinforcing initiatives targeting retail finance, and the product support and after-sales service sectors, all of which are strongly resistant to economic fluctuations.

In the aerospace and defense systems fields, we plan to expand the division's presence in the lease business and in after-sales services. In the ship field, along with developing new shipbuilding, LNG ship chartering, and other existing businesses, we will take steps to promote the marine business, and are committed to improving customer satisfaction and offering high added value.

For the year ending March 31, 2013, the division's business sphere is projected to broaden thanks to a good business climate, reflecting modest economic recovery and high resource prices worldwide. In this context, the division has a number of tasks including expanding business scope in the wholesale and retail, retail finance, and product support businesses in the automobile, construction machinery and agro machinery fields, amassing prime assets for the lease business in the aerospace and defense system fields, and expanding earnings in the LNG chartering business and realizing a swift return from new business investments in the ship field. By building a value chain with existing businesses, and focusing on the shift to a portfolio with high earnings stability, we are aiming for consolidated net income of ¥15.5 billion for the year.

Business Highlights

(Billions of yen)

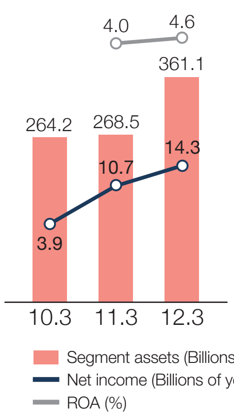
	2010.3	2011.3	2012.3	2013.3 (Pros.)
Gross trading profit	37.7	42.9	43.1	–
Equity in earnings	1.9	3.4	8.3	–
Net income	3.9	10.7	14.3	15.5
Segment assets	264.2	268.5	361.1	–

Equity Interest in Principal Subsidiaries and Affiliates

(Billions of yen)

	2010.3	2011.3	2012.3	Percentage of Voting Rights
Marubeni Aviation Services Ltd.	2.9	4.0	2.6	100.0%
MAI Holding LLC/Marubeni Auto Investment (USA) (Westlake Service)	–	0.0	1.0	100.0%

Segment assets / Net income / ROA



* As of April 1, 2010, this operating segment has been reorganized and the figures for the year ended March 31, 2010 are altered to apply to the new divisional organization for reference purposes.

Power Projects & Infrastructure Division

Division Organization:

Power Projects & Infrastructure Administration Dept./Power Projects & Infrastructure Asset Management Dept./Overseas Power Project Dept.-I/Overseas Power Project Dept.-II/Overseas Power Project Dept.-III/Overseas Power Project Dept.-IV/Domestic Power Project Dept./Environment Infrastructure Dept.

The Power Projects & Infrastructure Division focuses on sales activities that contribute not only to economic growth in target countries and regions but to society as a whole, as a global player in public infrastructure worldwide with an emphasis on power and water. By contributing in this way, the division assists in the economic growth of the countries and regions where it operates. At the same time, the division continues to build upon a stable earnings base backed by a diverse portfolio, business domain development, and over 50 years of industry experience and insight. Moreover, the division will continue to take on new business domains.

The division is strengthening its project development capabilities, including in EPC cost analysis and procurement, plant operations, project finance arrangement, and risk management responsiveness. Our capabilities in these areas are backed by a solid regional management base and strong record of success overseas as an I(W)PP*[1], and in water, EPC*[2] for overseas power projects, global power trading business, renewable energy, and other operations. In this way, the division is further raising its profile as a global player, with the aim of becoming a partner that surpasses the expectations of stakeholders worldwide.

Masumi Kakinoki

Executive Officer, COO, Power Projects & Infrastructure Division

[Power Projects & Infrastructure Division] Support for Growth

Division growth is supported by several key advantages. One of these is project management capabilities honed through a long track record of collaborating with manufacturers in Japan, the U.S., and Europe on orders in the EPC sector since the 1960s. Another is EPC regional management bases spanning a host of countries, coupled with a global regional management structure that leverages I(W)PP development bases in New York, London, and Singapore, along with diverse finance arrangement capabilities. A third is synergies between our capabilities in EPC project management and I(W)PP project development. Growth is also supported by the development of a structure for managing owned assets through asset management bases in Japan and overseas. Other advantages include net generating capacity of 8.8 GW centered on the Middle East and Asia, which places Marubeni at the top among Japanese trading companies, and a diverse water business portfolio ranging from drinking water, wastewater and desalination operations to fully integrated water businesses in Central and South America, China, the Middle East, and Australia.

Senoko IPP business (Singapore)

Main Products and Areas:

EPC for overseas power projects/Power service and maintenance businesses/I(W)PP and other overseas power businesses/
Power consolidation and retailing/PPS business in Japan/EPC for overseas environmental infrastructure projects/
Overseas water businesses (drinking water, wastewater treatment and desalination)

Results for the Year Ended March 31, 2012

Gross trading profit for the Power Projects & Infrastructure Division totaled ¥37.7 billion, and consolidated net income amounted to ¥21.4 billion. In the overseas I(W)PP business, the division participated in the Paiton 2 Coal-Fired Power Station in Indonesia. In Europe, the division invested in the Gunfleet Sands offshore wind farm in the U.K., becoming the first Japanese enterprise to take a stake in a commercially operating site of this kind. In parallel, the division signed an agreement in March 2012 to acquire Seajacks International Ltd., a leader in the offshore turbine and platform service industry. These moves enabled the division to build a base for engaging in the offshore wind farm business through both equity participation in power-generation projects and the equipment installation business. The offshore wind farm market is expected to expand especially in developed countries going forward. In the Middle East, commercial operations commenced at the UAE Shuweihat S2 I(W)PP project. This milestone marked the completion of all large-scale I(W)PP projects under construction in the region, effectively establishing a stable earnings base there. In Oman, we acquired the rights to develop the Sur Combined Cycle Power Plant. A financial close was achieved in November 2011, and construction is now underway. Performance was also strong in EPC for overseas power projects. In Thailand, the division won orders for the Wang Noi Combined Cycle Power Plant Block 4 and the Chana Combined Cycle Power Plant Block 2, followed in Indonesia by orders for the Keramasan Combined Cycle Power Plant and Patuha Geothermal Power Plant. The division also received three consecutive orders for large-scale combined-cycle power plants in South Korea.

Initiatives in the Year Ending March 31, 2013

In overseas I(W)PP, we will continue working to secure sustainable and stable earnings by improving the operational management and earnings capacity of existing assets. We will also move forward with replacing existing assets from the standpoint of achieving regional portfolio balance and maximizing investment returns in the division's investment business. At the same time, we will accumulate prime business assets as part of our policy of expanding the scale of business.

In water business, the aim is to grow the net service population. By utilizing expertise honed in existing businesses in Central and South America, China, the Middle East, and Australia, we will seek to broaden our business scope further in these regions. At the same time, we will promote regional development in Asia and Europe.

In EPC for overseas power projects, we will broaden markets where we can capitalize on Marubeni's strengths in coordinating engineering, procurement and construction functions and in regional sales abilities. We will pursue orders for medium- and large-scale projects in these markets. We will also look to grow earnings from the power project service and maintenance business, where we can utilize the division's expertise from its EPC projects, and from the offshore wind farm installation business.

In retail power sales in Japan, the division will build up its earnings base by identifying and developing new power sources. We will also promote greater added value on the environmental front, by participating in wind power, geothermal, and new hydroelectric operations, and realizing profits from them.

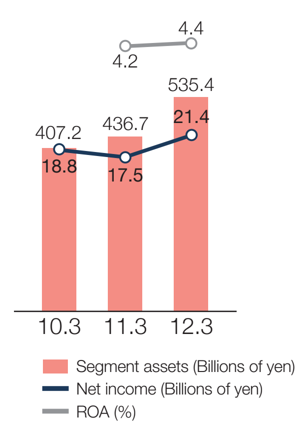
Business Highlights

(Billions of yen)

	2010.3	2011.3	2012.3	2013.3 (Pros.)
Gross trading profit	24.9	25.6	37.7	–
Equity in earnings	16.0	23.9	20.9	–
Net income	18.8	17.5	21.4	22.5
Segment assets	407.2	436.7	535.4	–

*1 I(W)PP: Independent (Water) Power Producer
*2 EPC: Engineering, Procurement and Construction

Segment assets / Net income / ROA



* As of April 1, 2010, this operating segment has been reorganized and the figures for the year ended March 31, 2010 are altered to apply to the new divisional organization for reference purposes.

Plant & Industrial Machinery Division

Division Organization:

Plant & Industrial Machinery Administration Dept./Heavy Machinery & Natural Resources Plant Dept./Energy & Chemical Projects Dept./Marine Projects Dept./Global Environment Projects Dept./Railway & Transport Project Dept./Transport Project Management Dept./Pulp & Paper Machinery Dept./Plant Engineering Dept./Industrial Machinery Dept./Production Machinery Dept.

The Plant & Industrial Machinery Division's business domain has four main segments: i) plants for oil, gas, chemicals, steel, cement, textiles, and pulp and paper industries; ii) transportation projects; iii) industrial and production machinery; and iv) environmental projects, including Clean Development Mechanism (CDM) and new energy-related projects.

In each segment, we leverage knowledge and insight gained from our experience, and accurately identify customers' diversifying needs in project development and execution. We are also focusing on generating and participating in new business opportunities in collaboration with strategic business partners worldwide. We make full use of our comprehensive functions as a trading company to expand markets and transactions, and to develop new businesses.

Motoo Uchiyama

Executive Officer, COO, Plant & Industrial Machinery Division

[Plant & Industrial Machinery Division] Support for Growth

Through its experience over the years in the full range of plant, transportation, and industrial and production machinery fields, the division has accumulated technical expertise, strong relationships with engineering companies and equipment manufacturers, and expertise in project management. The division leverages these skills in its efforts to win engineering, procurement, and construction (EPC) contracts and to sell machinery.

In environmental projects, the division has an extensive track record and expertise in development of greenhouse gas reduction projects, and boasts a top-notch track record in this area among Japanese trading companies.

On top of market and product expertise built on a strong record of achievements, the division will offer comprehensive solutions, including the supply of raw materials, marketing of products, and finance arrangements, that will lead to an expansion in business transactions and development of new business fields.

Light rail system business project in Gold Coast (Australia)

Main Products and Areas:

Plant projects in oil, gas, chemical, steel, non-ferrous metals, cement, textiles, pulp, and paper industries/Greenhouse gas reduction projects/Railway, airport and other transportation infrastructure/Industrial and production machinery/New energy and environment-related equipment

Results for the Year Ended March 31, 2012

In the year ended March 31, 2012, gross trading profit was ¥28.2 billion, and the segment recorded consolidated net income of ¥6.1 billion.

During the fiscal year, underpinned by stable resource demand mainly in emerging countries, our market environment remained relatively firm on the whole, despite signs of an economic slowdown in Europe. In addition to orders for EPC projects, where our core strengths lie, we accumulated prime assets and invested in new fields as we marked steady success in business projects.

In the plant field, the division won a number of contract awards. These included an oil refinery modernization project in Kazakhstan, stage two construction of a biomass power generation facility in Singapore, and a textile plant and sugar plant in Angola. In Australia, we participated in the management of APT Allgas Energy Pty Ltd, a company developing a gas distribution business there. The division was also able to take part in the FPSO* charter business in Brazil.

In transportation projects, along with participation in a light rail system project in Gold Coast, Australia, we expanded our railcar leasing business in the U.S. and Australia.

In industrial and production machinery, along with firm sales of hydraulic components to China, we strengthened our sales framework for machine tools.

In environmental projects, we promoted initiatives in three areas: emissions credit development and trade, environmental EPC business, and investment in environmental business. We also focused on new businesses ahead of the post-Kyoto framework that will emerge from 2013.

*FPSO: Floating Production, Storage & Offloading system

Initiatives in the Year Ending March 31, 2013

In the year ending March 31, 2013, we will utilize the division's strengths to reinforce its earnings base, while deepening efforts with customers and alliance partners to develop business further.

In plant projects, we have set up a Plant Engineering Department in a bid to reinforce the division's engineering and solutions provision functions. Going forward, we will concentrate on expanding the division's core EPC and trading businesses. In business investment, we will aggressively expand prime business assets, particularly in areas related to resource infrastructure and railcar leasing. In industrial and production machinery, meanwhile, we will look to expand trade and augment our functions, including product development that anticipates customer needs.

In environmental projects, in addition to targeting emissions credit trading, an area where Marubeni ranks in the top tier among Japanese trading companies, we will expand the trade of photovoltaic generation facility-related equipment and deepen our efforts with respect to environmental projects, a wide-ranging field covering global warming countermeasures, as well as biomass- and energy efficiency-related projects.

Business Highlights

(Billions of yen)

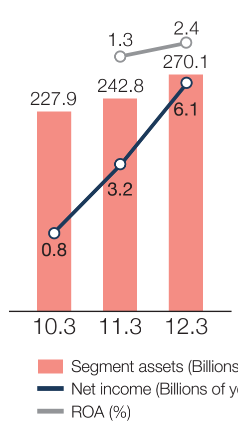
	2010.3	2011.3	2012.3	2013.3 (Pros.)
Gross trading profit	18.1	24.4	28.2	–
Equity in earnings	1.1	1.7	2.8	–
Net income	0.8	3.2	6.1	10.0
Segment assets	227.9	242.8	270.1	–

Equity Interest in Principal Subsidiaries and Affiliates

(Billions of yen)

	2010.3	2011.3	2012.3	Percentage of Voting Rights
Midwest Railcar Corporation	0.6	0.6	0.7	100.0%
Marubeni Techno-Systems Corporation	0.3	0.8	1.0	100.0%

Segment assets / Net income / ROA



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Chapter 4

Finance, Logistics & IT Business Division

Division Organization:

Finance, Logistics & IT Business Administration Dept./
Finance Business Dept./
Insurance Business Dept./Logistics Business Dept./ICT Infrastructure Business Dept./ICT Service Business Dept./Mobile Solutions Business Dept.

The Finance, Logistics & IT Business Division provides functions that are relatively new for general trading houses. We offer comprehensive services primarily to domestic and international private enterprises and public institutions in the business areas of finance, insurance, logistics, information, and communications. Building on our existing businesses based on years of expertise honed as a trading company, we seek to grow by expanding our business domain to encompass areas peripheral to those businesses.

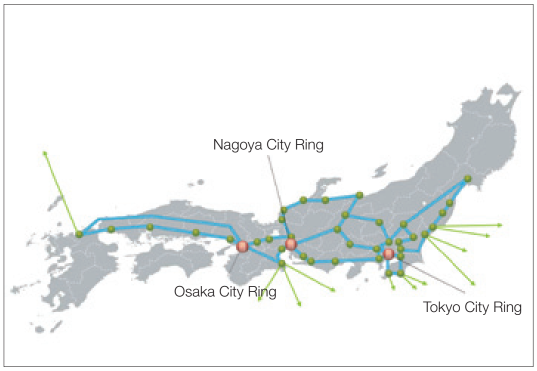
In each business sector, the division aims to form partnerships with Group companies to offer distinctive services with higher added value as integrated solutions to customers' wide-ranging needs. By region, the division is working to develop a presence in the fast-growing Chinese and ASEAN markets, with plans to accelerate these efforts going forward.

Hikaru Minami

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

[Finance, Logistics & IT Business Division] Support for Growth

In-group ownership of optical fiber networks and datacenters is a key advantage for the division in the information and communications sectors. These assets make the division unique as an IT communications services provider. The ability to offer one-stop coverage of a broad spectrum of fields through partnerships with Group companies is another strength. In the finance and insurance sectors, the division's strong suits are fund management capabilities comparable to those of financial institutions and insurance arrangement capabilities that have supported large-scale projects worldwide. Our capabilities in both areas are rooted in the division's business management acumen as a trading company. In logistics, specifically third-party logistics (3PL), we take advantage of consulting capabilities backed by experience in international and domestic transport and distribution of cargoes and cartons in the host of domains in which other Marubeni business divisions operate.



Fiber-optic networks

Main Products and Areas:

Network infrastructure and datacenters/Network services and cloud computing/System integration and call centers/Wireless data communications and mobile solutions/Fund, lease and asset management/Insurance broking/Third-party logistics and distribution

Results for the Year Ended March 31, 2012

Gross trading profit in the year ended March 31, 2012 was ¥42.5 billion and consolidated net income was ¥5.3 billion, up from ¥2.1 billion in the previous fiscal year. Performance was driven by contributions to earnings from new operating companies acquired in the information and communications sectors, earnings expansion in existing businesses, and earnings expansion in the finance and insurance sectors.

The fiscal year ended March 2012 saw challenging industry environments in virtually all sectors, attributable mainly to the Great East Japan Earthquake and the debt crisis in Europe. The division, however, saw contributions to earnings from business expansion at Group companies, with withdrawal from unprofitable sectors also resulting in steady growth of the division's earnings base.

In the information and communications sectors, in addition to three acquisitions to facilitate strategic entry into the cloud and mobile businesses, we established a datacenter in the city of Osaka to meet system recovery demand from companies after the Great East Japan Earthquake. In the insurance sector, meanwhile, the division entered the reinsurance broking business in Singapore. In logistics, along with the start of outsourced e-Commerce logistics for Shiseido Co., Ltd. in China, we targeted logistics for the food product industry in Japan with the acquisition of logistics companies in the field.

Initiatives in the Year Ending March 31, 2013

We have separated the Insurance Business Unit from the Finance & Insurance Business Unit to facilitate entry into the ASEAN region's growing reinsurance market and achieve further business expansion. Under the Finance Business Unit, we will advance into the auto lease business in China. In the logistics sector, we will continue to focus on expanding 3PL operations in Japan and China. In the IT and communications sectors, we have moved to accelerate initiatives targeting the cloud and mobile businesses by shifting from a two-unit to a three-unit structure consisting of ICT infrastructure, ICT services, and mobile solutions. We will act in these corresponding sectors to pursue business development in the ASEAN region.

While the external environment is likely to be mixed, the division will continue to concentrate on sectors and regions that will support high rates of growth, with the goal of growing earnings further.

Acquisitions made during the fiscal year, including overseas operations in the insurance sector and other new businesses, will contribute to earnings during the coming year. Accordingly, the division is targeting consolidated net income of ¥6.5 billion (up ¥1.2 billion year on year) for the year ending March 2013.

Business Highlights

(Billions of yen)

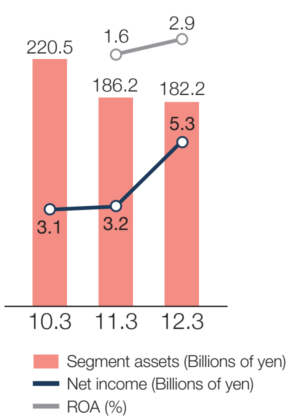
	2010.3	2011.3	2012.3	2013.3 (Pros.)
Gross trading profit	45.6	42.3	42.5	–
Equity in earnings (losses)	(0.2)	(0.5)	(0.3)	–
Net income	3.1	3.2	5.3	6.5
Segment assets	220.5	186.2	182.2	–

Equity Interest in Principal Subsidiaries and Affiliates

(Billions of yen)

	2010.3	2011.3	2012.3	Percentage of Voting Rights
Marubeni Information Systems Co., Ltd.	1.1	1.2	1.5	100.0%
Marubeni Access Solutions Inc.	2.0	2.6	1.1	100.0%
Marubeni Telecom Co., Ltd.	1.1	1.2	1.1	100.0%
Marubeni Safenet Co., Ltd.	0.4	0.5	0.5	100.0%
Marubeni Logistics Corporation	0.2	0.4	0.4	100.0%

Segment assets / Net income / ROA



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Chapter 4

Real Estate Business Department

The Real Estate Business Department and its operating companies are involved in a wide range of real estate businesses, with the condominium sales business in Japan, asset management business, and overseas real estate development business as core earnings drivers. Particularly in the wake of the Great East Japan Earthquake, we have sought to supply housing that meets buyer needs by paying attention to location selection and product planning to reflect a growing emphasis on safe and environmentally conscious housing.

In asset management, the department is working through J-REIT (publicly listed real estate investment trust) management company Japan REIT Advisors Co., Ltd. (JRA) and other operating companies to bolster its fee business by expanding entrusted assets under management. In China and Southeast Asia, where substantial medium- and long-term growth is anticipated, our aim is to broaden the department's operating domain in the real estate business.

Mitsuru Akiyoshi

Senior Managing Executive Officer, Member of the Board,
COO, Real Estate Business Department

[Real Estate Business Department] Support for Growth

The Real Estate Business Department has supplied over 75,000 residences since first entering the condominium business in Japan in the 1960s. Today, under the "Grand-Suite" brand, the department promotes business through an integrated system that encompasses everything from product planning and sales to management services. Meanwhile, United Urban Investment Corporation, a J-REIT managed by JRA, is ranked fourth largest in the industry in Japan in terms of assets and first among comprehensive J-REITs.

In 1985, the department became the first Japanese real estate developer in China when it took part in a rental housing project for foreign nationals in Shanghai. Since then, the department has focused mainly on the housing business there. To date, the department has developed roughly 5,000 residences, including detached dwellings and condominiums.

House Huang Ma Yuan in Shanghai

Main Products and Areas:

Condominium sales in Japan/Asset management business/Overseas real estate development business/Real estate rental and brokerage

Results for the Year Ended March 31, 2012

In 2011, the supply of condominium residences in the Tokyo metropolitan area was virtually unchanged from 2010 at roughly 44,500 units, largely due to sale plan revisions following the March 2011 disaster. However, the market, showed signs of recovery, evidenced by a steady decline in housing inventory. In this climate, the department completed construction of eight projects that contributed to sales, including Minamiaoyama Masters House. Further, condominium management specialist Marubeni Community Co., Ltd. and condominium Internet connection professional Tsunagu Network Communications, Inc. experienced steady growth respectively in the number of units under management and the number of service subscribers. In the asset management business, we made progress in expanding entrusted assets under management, with United Urban Investment Corporation reaching an asset scale of ¥400 billion. In the real estate market in China, housing transactions in Shanghai have temporarily lost momentum following measures by the Chinese government to cool off the market. Nevertheless, the department pushed ahead with the implementation of ongoing projects, and worked to identify land for new property development with a view to future business development in other Chinese cities.

Initiatives in the Year Ending March 31, 2013

In the domestic condominium business, in tandem with planning products that meet to buyers' changing needs concerning safety and environmental performance, we will acquire land for development after due consideration of demand trends in each area. In the housing-related businesses, we aim to further increase the number of units under management and the number of subscribers for Marubeni Community Co., Ltd. and Tsunagu Network Communications, Inc., with the goal of enhancing their respective earnings bases. In the asset management business, the department will strengthen the functions of both JRA and Marubeni Asset Management Co., Ltd. to expand the fee business by increasing the entrusted assets under management.

In the overseas real estate development business, we will continue to promote our housing development business centered in Shanghai, while working to identify new projects in other parts of China and in Southeast Asia where growth is anticipated.

In the year ending March 31, 2013, although trends in China's real estate market are uncertain in the overseas real estate development business, we plan to complete construction of 12 properties in the condominium business in Japan that should contribute to earnings. Accordingly, we anticipate improved earnings compared to the previous fiscal year.

<Department Reference Data>

(Billions of yen)

	2011.3	2012.3	2013.3 (Pros.)
Net income (loss)	(2.9)	(7.0)	3.5

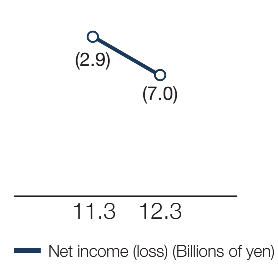
Equity Interest in Principal Subsidiaries and Affiliates

(Billions of yen)

	2010.3	2011.3	2012.3	Percentage of Voting Rights
Shanghai House Property Development Co., Ltd.	1.2	0.3	0.3	60.0%
Marubeni Community Co., Ltd.	0.7	0.6	0.7	100.0%
Marubeni Real Estate Co., Ltd.	0.8	0.9	0.6	100.0%

Net income (loss)

<References>



Major Subsidiaries and Affiliates

		Company Name	Description of Operations	Country/ Area	Percentage of Voting Rights
Food Materials Division					
Consolidated Subsidiaries	Domestic	Marubeni Chikusan	Raising, processing and sale of livestock	Japan	100.00%
		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	Collection, storage, export and domestic sale of grain produced in North America	U.S.A.	100.00%
Affiliates	Domestic	SFoods	Meat-related wholesale, product, and retail and restaurant businesses	Japan	17.39%
		The Nisshin OilliO Group	Edible oil business, others	Japan	15.72%
Food Products Division					
Consolidated Subsidiaries	Domestic	Benirei	Sale and warehousing of seafood products	Japan	98.76%
		Marubeni Retail Investment	Holding and management of shares	Japan	100.00%
		Nacx Nakamura	Wholesale of frozen foods primarily to mass-retail and convenience stores	Japan	83.52%
		Yamaboshiya	Wholesale of confectionery products to mass-retail and convenience stores	Japan	77.58%
	Overseas	Cia. Iguaçu de Café Solúvel	Manufacturing and sale of instant coffee	Brazil	86.38%
Affiliates	Domestic	The Daiei	Food retailer	Japan	29.35%
		The Maruetsu	Supermarket	Japan	29.89%
		Tobu Store	Supermarket	Japan	31.02%
		Toyo Sugar Refining	Manufacturing and sale of sugar and functional food materials; condominium and building leasing	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 and related products	Singapore	100.00%
		Marubeni Textile Asia Pacific	Purchase agent of textile products for Japan and other countries	Hong Kong	100.00%
Affiliates	Domestic	Fabricant	Manufacture and sale of Lacoste-brand apparel and other related products	Japan	33.36%
Forest Products Division					
Consolidated Subsidiaries	Domestic	Fukuyama Paper	Manufacture and sale of medium board and paper tube materials	Japan	55.00%
		Koa Kogyo	Manufacture and sale of medium board, liners and other products	Japan	79.95%
		Marubeni Building Materials	Sale of housing and construction materials	Japan	100.00%
		Marubeni Pulp & Paper Sales	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%
Affiliates	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 containerboard operations in Malaysia	Virgin Islands	25.00%
		WA Plantation Resources	Manufacture, sale and afforestation related to wood chips for paper production	Australia	50.00%
Chemicals 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%
Affiliates	Domestic	Katakura Chikkarin	Manufacture and sale of fertilizer, sale of livestock feed and materials	Japan	25.15%
		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 (PCB)	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%

		Company Name	Description of Operations	Country/ Area	Percentage of Voting Rights
Energy Division-I					
Consolidated Subsidiaries	Domestic	Marubeni Energy	Sale of petroleum products, management and leasing of oil terminals and service stations	Japan	66.60%
	Overseas	Marubeni International Petroleum (Singapore)	Sale of crude oil and all types of petroleum products	Singapore	100.00%
		Marubeni LNG Development	Investment company for participation in LNG project in Peru	Netherlands	100.00%
		Marubeni Petroleum	Sale of crude oil and all types of petroleum products	Bermuda	100.00%
		MIECO	Sale of all types of petroleum products and natural gas	U.S.A.	100.00%
Affiliates	Domestic	ENEOS GLOBE	Import and sale of LPG, and sale of new energy-related equipment	Japan	20.00%
	Overseas	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.A.	100.00%
Metals & Mineral Resources Division					
Consolidated Subsidiaries	Domestic	Marubeni Metals	Sale of non-ferrous and light metals	Japan	100.00%
		Marubeni Tetsugen	Sale of raw materials for steelmaking	Japan	100.00%
	Overseas	Marubeni Aluminium Australia	Refining and sale of aluminum ingots	Australia	100.00%
		Marubeni Coal	Investment in coal production and sale businesses	Australia	100.00%
		Marubeni Los Pelambres Investment	Investment in copper mines in Chile	Netherlands	100.00%
Affiliates	Domestic	Marubeni Construction Material Lease	Leasing, sale, repair and processing of steelmaking materials, design, execution and subcontracting of civil engineering and construction projects	Japan	35.24%
		Marubeni-Itochu Steel	Sale and business management of steel products	Japan	50.00%
		Nippon Shindo	Production and sale of copper and brass rods, electrical wire cable, forge processing products, etc.	Japan	15.83%
	Overseas	Resource Pacific Holdings	Operation and management of Ravensworth Underground coal mine	Australia	22.22%
		Toyo-Memory Technology	Production of aluminum disks for hard disk drives (HDDs)	Malaysia	40.00%
Transportation Machinery Division					
Consolidated Subsidiaries	Domestic	KOYO LINE	Ship management and trade of ship machinery and equipment	Japan	100.00%
		Marubeni Aerospace	Sale, import, export and leasing of aircraft and related components	Japan	100.00%
	Overseas	Marubeni Auto & Construction Machinery America	Investment in automobile and agricultural machinery sales business	U.S.A.	100.00%
		Marubeni Auto Investment (UK)	Investment in retail sale of automobiles	U.K.	100.00%
		Marubeni Aviation Services	Investment in engines for civil aircraft	Cayman Islands	100.00%
		Royal Maritime	Ship chartering and trade	Liberia	100.00%
Affiliates	Overseas	Hitachi Construction Machinery (Australia)	Sales distributor for Hitachi Construction Machinery Co., Ltd.	Australia	20.00%
		Kubota Europe	Import and sale of Kubota Corporation agricultural machinery, construction machinery, engines and general-purpose machinery	France	26.22%
		MD Aviation Capital	Aircraft operating leases	Singapore	50.00%
Power Projects & Infrastructure Division					
Consolidated Subsidiaries	Domestic	Marubeni Power Development	Development and operation of overseas IPP projects	Japan	100.00%
		Marubeni Power Systems	Engineering, procurement and construction services for power projects overseas	Japan	100.00%
	Overseas	Aguas Décima	Providing full water and wastewater services to the city of Valdivia, region of Los Rios, Chile	Chile	100.00%
		Axia Power Holdings	Overseas power assets holding company	Netherlands	100.00%
Affiliates	Overseas	Hsin Tao Power	IPP in Hsinchu County, Taiwan	Taiwan	50.00%
		Lion Power (2008)	IPP in Singapore	Singapore	42.86%
		Mesaieed Power	IPP in Messaieed, Qatar	Qatar	30.00%
		PPN Power Generating	IPP in Pilaiperumalnallur, India	India	26.00%
		TeaM Energy	Holding company for the Ilijan, Pagbilao and Sual power plants in the Philippines	Philippines	50.00%
		Uni-Mar Enerji Yatirimlari	IPP in Marmara Ereglisi, Turkey	Turkey	33.33%

		Company Name	Description of Operations	Country/ Area	Percentage of Voting Rights

Plant & Industrial Machinery Division

Consolidated Subsidiaries	Domestic	Marubeni Protechs	Sale of steelmaking and industrial devices, environment-related business and sale of related devices, logistics for factory construction and machinery installation overseas	Japan	100.00%
		Marubeni Techno-Systems	Import, export and domestic sale of industrial machinery	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.A.	100.00%
Affiliates	Domestic	Kaji Technology	Manufacture and sale of pressing machines, textile machines, cast products, and industrial machinery	Japan	38.44%
	Overseas	Compañía de Nitrógeno de Cantarell	Production and supply of nitrogen for secondary oil recovery	Mexico	35.00%
		Energy Infrastructure Investments	Owning and operating of gas pipelines, power generating facilities, gas processing plants, and interconnectors	Australia	49.90%
		Unipres U.S.A.	Manufacture and sale of pressed components for automobile bodies	U.S.A.	25.00%

Finance, Logistics & IT Business Division

Consolidated Subsidiaries	Domestic	Marubeni Access Solutions	Provision of data communication and datacenter services	Japan	100.00%
		Marubeni Information Systems	Planning, development and sale of information and communications systems, data processing and communications services, datacenter operations, provision of IT-based solutions	Japan	100.00%
		Marubeni Logistics	General international logistics	Japan	100.00%
		Marubeni Safenet	Insurance agency and lending business	Japan	100.00%
		Marubeni Telecom	Sale of communications services and mobile handsets, provision of voice, Internet, and network-related services	Japan	100.00%
Affiliates	Domestic	MG Leasing	General leasing	Japan	45.00%
	Overseas	Eastern Sea Laem Chabang Terminal	Container terminal operation	Thailand	25.00%
		Shanghai Jiaoyun Rihong International Logistics	Freight transport	China	34.00%

Real Estate Business Department

Consolidated Subsidiaries	Domestic	Marubeni Community	Property management of condominiums, buildings and complexes	Japan	100.00%
		Marubeni Real Estate	Development, leasing and management of real estate	Japan	100.00%
		Marubeni Real Estate Sales	Sales agent and planning, consultation and coordination of sales promotion	Japan	100.00%
	Overseas	Shanghai House Property Development	Housing development in Shanghai, China	China	60.00%
Affiliates	Domestic	Koshigaya Community Plaza	Management of the Koshigaya Community Plaza, operations related to real estate leasing	Japan	42.86%
		TIPNESS	Operation of sports clubs and facilities	Japan	28.57%

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%
		Marubeni Personnel Management	Services regarding personnel management	Japan	100.00%

Chapter

5 CONSOLIDATED FINANCIAL STATEMENTS/ CORPORATE DATA

Eleven-Year Financial Summary

	2012.3	2011.3	2010.3	2009.3
For the year:				
Revenues:				
Revenues from trading and other activities	¥ 4,221,653	¥3,514,937	¥3,110,736	¥ 3,807,480
Commissions on services and trading margins	168,700	168,912	169,233	194,819
Total	4,390,353	3,683,849	3,279,969	4,002,299
Total volume of trading transactions	10,584,393	9,020,468	7,965,055	10,462,067
Gross trading profit	541,454	522,152	491,673	644,803
Operating profit	157,315	145,774	118,926	234,065
Dividend income	27,351	19,200	23,561	27,719
Equity in earnings of affiliated companies—net	81,528	71,452	28,864	21,973
Net income attributable to Marubeni	172,125	136,541	95,312	111,208
Core earnings (Billions of yen)	249.6	223.7	154.4	245.0
At year-end:				
Total assets	¥ 5,129,887	¥4,679,089	¥4,586,572	¥ 4,707,309
Net interest-bearing debt	1,755,705	1,615,634	1,706,397	1,911,607
Total equity	915,770	831,730	799,746	623,356
Total Marubeni shareholders' equity	852,172	773,592	745,297	567,118
Amounts per share (¥, US$):				
Basic earnings	¥ 99.13	¥ 78.63	¥ 54.89	¥ 64.04
Diluted earnings	—	—	—	—
Cash dividends	20.00	12.0	8.50	10.00
Cash flows:				
Net cash provided by operating activities	¥ 172,599	¥ 210,044	¥ 280,610	¥ 343,618
Net cash used in (provided by) investing activities	(273,689)	(128,495)	(35,207)	(387,069)
Free cash flow	(101,090)	81,549	245,403	(43,451)
Net cash provided by (used in) financing activities	171,913	(17,010)	(254,655)	257,608
Ratios:				
Return on assets (%)	3.51	2.95	2.05	2.24
Return on equity (%)	21.17	17.98	14.52	16.51
Marubeni shareholders' equity to total assets (%)	16.61	16.53	16.25	12.05
Net D/E ratio (times)	1.92	1.94	2.13	3.07

Notes: 1. U.S. dollar amounts above and elsewhere in this report are converted from yen, for convenience only, at ¥82 to US$1, the prevailing rate as of March 31, 2012.

2. In the recognition of revenue, the Companies generally present transactions as net. This is done both in instances in which the Companies legally act as principal, or when the Companies are not the primary obligor and do not have general inventory risk.

3. The figures for total volume of trading transactions and operating profit have been prepared according to accounting principles generally accepted in Japan (Japan GAAP). Figures for equity in earnings of affiliate companies for the year ended March 31, 2004 and prior years have not been revised to include them under income before income taxes.

	2008.3	2007.3	2006.3	2005.3	2004.3	2003.3	Millions of yen 2002.3	Millions of U.S. dollars 2012.3
	¥ 3,958,276	¥3,467,925	¥2,949,058	¥2,874,455	¥2,622,546	¥2,520,531	¥ —	$ 51,484
	207,950	190,930	190,787	161,108	148,674	160,636	—	2,057
	4,166,226	3,658,855	3,139,845	3,035,563	2,771,220	2,681,167	—	53,541
	10,631,616	9,554,943	8,686,532	7,936,348	7,902,494	8,793,303	8,972,245	129,078
	596,916	531,171	502,024	433,395	406,761	424,643	436,804	6,603
	200,153	165,020	143,248	86,461	78,624	73,371	776	1,918
	23,645	20,705	12,065	8,989	7,198	6,797	7,477	334
	55,661	44,880	31,602	25,727	—	—	—	994
	147,249	119,349	73,801	41,247	34,565	30,312	(116,418)	2,099
	239.6	202.1	171.3	109.9	80.0	—	—	3,044
	¥ 5,207,225	¥4,873,304	¥4,587,072	¥4,208,037	¥4,254,194	¥4,321,482	¥4,805,669	$ 62,560
	2,001,977	1,843,445	1,876,350	1,823,909	1,969,323	2,264,117	2,712,906	21,411
	860,581	820,839	710,786	483,567	434,581	292,712	296,769	11,168
	779,764	745,454	663,787	443,152	392,982	260,051	263,895	10,392
	¥ 84.93	¥ 72.41	¥ 48.34	¥ 26.61	¥ 22.85	¥ 20.30	¥ (77.92)	$ 1.20
	—	68.85	40.46	22.31	20.16	18.96	(77.92)	—
	13.00	10.00	7.00	4.00	3.00	3.00	—	0.24
	¥ 235,290	¥ 152,075	¥ 133,408	¥ 173,824	¥ 201,560	¥ 194,788	¥ 198,456	$ 2,105
	(306,855)	(135,147)	(193,781)	46,043	57,983	113,241	74,504	(3,338)
	(71,565)	16,928	(60,373)	219,867	259,543	308,029	272,960	(1,233)
	65,865	24,819	(46,037)	(238,057)	(233,938)	(294,001)	(150,104)	2,097
	2.92	2.52	1.68	0.97	0.81	0.66	—	
	19.31	16.94	13.33	9.87	10.59	11.57	—	
	14.97	15.30	14.47	10.53	9.24	6.02	5.49	
	2.33	2.25	2.64	3.77	4.53	7.73	9.14	

4. Operating profit = Gross trading profit + Selling, general and administrative expenses + Provision for doubtful accounts
5. Core earnings is a management indicator that expresses the earning power of the main business of a general trading house. Core earnings is calculated as follows: Gross trading profit + SGA expenses (excluding restructuring costs up to the year ended March 31, 2007 or prior) + Interest expense—net + Dividend income + Equity in earnings of affiliated companies—net
6. Although dilutive effects existed for the Company's Class I preferred stock issued in December 2003, the conversion of all preferred stock to shares of common stock was completed on March 19, 2007. Consequently, diluted earnings per share data have been omitted from earnings per share of common stock data since the year ended March 31, 2008.

Consolidated Financial Statements

Marubeni Corporation and Subsidiaries

At March 31, 2012 and 2011 and
for the Years ended March 31, 2012 and 2011
with Report of Independent Auditors

ERNST & YOUNG

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Report of Independent Auditors

The Board of Directors and Shareholders
Marubeni Corporation
(Marubeni Kabushiki Kaisha)

We have audited the accompanying consolidated balance sheets of Marubeni Corporation and subsidiaries (the "Company") as of March 31, 2012 and 2011, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Marubeni Corporation and subsidiaries at March 31, 2012 and 2011, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

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

Ernst & Young ShinNihon LLC

June 22, 2012

Marubeni Corporation and Subsidiaries
Consolidated Balance Sheets

Assets	Millions of yen March 31 2012	Millions of yen March 31 2011	Thousands of U.S. dollars (Note 1) March 31 2012
Current assets:			
Cash and cash equivalents *(Notes 9, 18, 19, 20 and 24)*	**¥ 677,312**	¥ 616,003	**$ 8,259,902**
Time deposits *(Notes 9, 18, 19 and 20)*	**49,968**	25,187	**609,366**
Investment securities *(Notes 4, 18 and 19)*	**2,438**	2,870	**29,732**
Notes and accounts receivable—trade *(Notes 6, 9, 20 and 22)* :			
Notes receivable	**61,122**	53,376	**745,390**
Accounts receivable	**1,009,361**	884,872	**12,309,280**
Due from affiliated companies	**49,687**	49,156	**605,939**
Allowance for doubtful accounts	**(7,337)**	(8,457)	**(89,476)**
Inventories *(Notes 2 and 9)*	**443,186**	372,156	**5,404,707**
Advance payments to suppliers	**151,230**	191,910	**1,844,268**
Deferred income taxes *(Note 12)*	**21,642**	11,135	**263,927**
Prepaid expenses and other current assets *(Note 20)*	**185,284**	199,583	**2,259,563**
Total current assets	**2,643,893**	2,397,791	**32,242,598**
Investments and long-term receivables:			
Affiliated companies *(Notes 5, 6, 9, 18 and 19)*	**978,871**	821,575	**11,937,451**
Securities and other investments *(Notes 4, 9, 18, 19 and 24)*	**330,325**	354,928	**4,028,354**
Notes, loans and accounts receivable—trade *(Notes 6, 9, 18, 22 and 24)*	**106,958**	91,903	**1,304,366**
Allowance for doubtful accounts *(Note 6)*	**(27,877)**	(39,734)	**(339,964)**
Property leased to others, at cost, less accumulated depreciation of ¥47,614 million ($580,659 thousand) in 2012 and ¥45,493 million in 2011 *(Notes 9, 19, 22 and 24)*	**218,008**	171,800	**2,658,634**
Total investments and long-term receivables	**1,606,285**	1,400,472	**19,588,841**
Property, plant and equipment, at cost *(Notes 9, 19, 22 and 24)* **:**			
Land	**162,013**	175,200	**1,975,768**
Buildings and structures	**310,295**	314,716	**3,784,085**
Machinery and equipment	**723,228**	668,729	**8,819,854**
Mining rights	**10,924**	7,849	**133,220**
	1,206,460	1,166,494	**14,712,927**
Accumulated depreciation	**(557,927)**	(527,128)	**(6,803,988)**
Net property, plant and equipment	**648,533**	639,366	**7,908,939**
Prepaid pension cost *(Note 11)*	**96**	468	**1,171**
Deferred income taxes *(Note 12)*	**39,377**	66,307	**480,207**
Intangible assets *(Notes 7 and 19)*	**85,815**	85,406	**1,046,524**
Goodwill *(Notes 7 and 19)*	**46,881**	41,790	**571,720**
Other assets *(Note 20)*	**59,007**	47,489	**719,598**
Total assets *(Note 16)*	**¥ 5,129,887**	¥ 4,679,089	**$ 62,559,598**

Liabilities and equity	Millions of yen March 31 2012	2011	Thousands of U.S. dollars (Note 1) March 31 2012
Current liabilities:			
Short-term loans *(Notes 9, 10, 18 and 20)*	**¥ 126,459**	¥ 105,275	**$ 1,542,183**
Current portion of long-term debt *(Notes 9, 10, 18 and 20)*	**208,429**	248,888	**2,541,817**
Notes and accounts payable—trade:			
Notes payable	**156,644**	167,368	**1,910,293**
Accounts payable	**869,324**	732,560	**10,601,512**
Due to affiliated companies	**34,778**	36,765	**424,122**
Advance payments received from customers	**119,662**	156,118	**1,459,293**
Accrued income taxes *(Note 12)*	**20,715**	13,046	**252,622**
Deferred income taxes *(Note 12)*	**1,514**	1,995	**18,463**
Accrued expenses and other current liabilities *(Notes 8, 9 and 20)*	**301,426**	274,137	**3,675,927**
Total current liabilities	**1,838,951**	1,736,152	**22,426,232**
Long-term debt, less current portion *(Notes 8, 9, 10, 18, 20 and 24)*	**2,268,552**	2,021,241	**27,665,268**
Employees' retirement benefits *(Note 11)*	**60,887**	53,411	**742,525**
Deferred income taxes *(Note 12)*	**45,727**	36,555	**557,646**
Commitments and contingent liabilities *(Note 23)*			
Equity *(Note 13)* **:**			
Marubeni shareholders' equity:			
Common stock:			
Authorized shares—4,300,000,000 shares			
Issued and outstanding shares—1,737,940,900 shares in 2012 and 1,737,940,900 shares in 2011	**262,686**	262,686	**3,203,488**
Capital surplus	**158,237**	157,908	**1,929,720**
Retained earnings	**856,286**	712,815	**10,442,512**
Accumulated other comprehensive income (loss) *(Notes 12 and 14)* :			
Unrealized gains on investment securities *(Note 4)*	**19,510**	21,005	**237,927**
Currency translation adjustments	**(307,642)**	(273,019)	**(3,751,732)**
Unrealized losses on derivatives *(Note 20)*	**(71,286)**	(46,224)	**(869,341)**
Pension liability adjustments *(Note 11)*	**(64,842)**	(60,898)	**(790,756)**
Treasury stock, at cost—1,744,243 shares in 2012 and 1,551,900 shares in 2011	**(777)**	(681)	**(9,476)**
Total Marubeni shareholders' equity	**852,172**	773,592	**10,392,342**
Noncontrolling interests	**63,598**	58,138	**775,585**
Total equity	**915,770**	831,730	**11,167,927**
Total liabilities and equity	**¥ 5,129,887**	¥ 4,679,089	**$62,559,598**

See accompanying Notes to consolidated financial statements.

Marubeni Corporation and Subsidiaries
Consolidated Statements of Income

	Millions of yen		Thousands of U.S. dollars (Note 1)
	Year ended March 31		Year ended March 31
	2012	2011	2012
Revenues *(Note 16)* **:**			
Revenues from trading and other activities	**¥ 4,221,653**	¥ 3,514,937	**$ 51,483,573**
Commissions on services and trading margins	**168,700**	168,912	**2,057,317**
Total	**4,390,353**	3,683,849	**53,540,890**
(Total volume of trading transactions: 2012, ¥ 10,584,393 million ($ 129,077,963 thousand) 2011, ¥ 9,020,468 million) (*Notes 5 and 16*)			
Cost of revenues from trading and other activities *(Notes 19 and 20)*	**3,848,899**	3,161,697	**46,937,792**
Gross trading profit (*Note 16*)	**541,454**	522,152	**6,603,098**
Other expenses (income):			
Selling, general and administrative expenses	**382,971**	370,963	**4,670,378**
Provision for doubtful accounts *(Note 6)*	**1,168**	5,415	**14,244**
Interest income (*Note 6*)	**(12,943)**	(10,944)	**(157,841)**
Interest expense *(Note 20)*	**30,753**	29,077	**375,037**
Dividend income	**(27,351)**	(19,200)	**(333,549)**
Impairment loss on investment securities *(Notes 4 and 19)*	**9,762**	14,476	**119,049**
Gain on sales of investment securities *(Notes 3, 4, 19, 20 and 25)*	**(23,527)**	(26,105)	**(286,915)**
Loss on property, plant and equipment *(Notes 7 and 19)*	**7,737**	6,947	**94,354**
Equity in earnings of affiliated companies—net *(Notes 5, 16 and 19)*	**(81,528)**	(71,452)	**(994,244)**
Other—net *(Notes 2, 4, 17, 19 and 20)*	**(6,571)**	15,758	**(80,135)**
Total	**280,471**	314,935	**3,420,378**
Income before income taxes	**260,983**	207,217	**3,182,720**
Provision for income taxes *(Note 12)* :			
Current	**53,092**	44,173	**647,464**
Deferred	**30,857**	20,366	**376,305**
	83,949	64,539	**1,023,769**
Net income	**177,034**	142,678	**2,158,951**
Less: net income attributable to noncontrolling interests	**(4,909)**	(6,137)	**(59,866)**
Net income attributable to Marubeni (*Note 16*)	**¥ 172,125**	¥ 136,541	**$ 2,099,085**

	Yen		U.S. dollars
Earnings per share of common stock *(Note 15)* **:**			
Basic:			
Net income attributable to Marubeni	**¥ 99.13**	¥ 78.63	**$ 1.21**

See accompanying Notes to consolidated financial statements.

Marubeni Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income

	Millions of yen				Thousands of U.S. dollars	
	Year ended March 31				Year ended March 31	
	2012		2011		2012	
Comprehensive income (loss):						
Net income	¥	**177,034**	¥	142,678	$	**2,158,951**
Other comprehensive income (loss), net of tax *(Note 14)* :						
Unrealized gains (losses) on investment securities *(Notes 4 and 19)*		**(1,471)**		(12,798)		**(17,939)**
Currency translation adjustment *(Note 20)*		**(35,228)**		(70,903)		**(429,610)**
Unrealized gains (losses) on derivatives *(Notes 19 and 20)*		**(25,966)**		(3,398)		**(316,658)**
Pension liability adjustment *(Note 11)*		**(3,955)**		(4,743)		**(48,232)**
Total		**(66,620)**		(91,842)		**(812,439)**
Comprehensive income (loss)		**110,414**		50,836		**1,346,512**
Less: comprehensive (income) loss attributable to noncontrolling interests		**(3,413)**		(3,763)		**(41,622)**
Comprehensive income (loss) attributable to Marubeni	¥	**107,001**	¥	47,073	$	**1,304,890**

See accompanying Notes to consolidated financial statements.

Marubeni Corporation and Subsidiaries
Consolidated Statements of Changes in Equity

Millions of yen

Year ended March 31, 2012

	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total Marubeni shareholders' equity	Noncontrolling interests	Total equity
Balance at April 1, 2011	**¥ 262,686**	**¥ 157,908**	**¥ 712,815**	**¥ (359,136)**	**¥ (681)**	**¥ 773,592**	**¥ 58,138**	**¥ 831,730**
Dividends on common stocks	–	–	(28,654)	–	–	(28,654)	–	(28,654)
Dividends to noncontrolling interests	–	–	–	–	–	–	(2,779)	(2,779)
Equity transactions with noncontrolling interests and other	–	327	–	–	–	327	4,826	5,153
Sales/ purchase of treasury stock, net	–	2	–	–	(96)	(94)	–	(94)
Comprehensive income:								
Net income	–	–	172,125	–	–	172,125	4,909	177,034
Other comprehensive income (loss), net of tax *(Note 14)*								
Unrealized gains (losses) on investment securities *(Notes 4 and 19)*	–	–	–	(1,495)	–	(1,495)	24	(1,471)
Currency translation adjustments *(Note 20)*	–	–	–	(34,623)	–	(34,623)	(605)	(35,228)
Unrealized gains (losses) on derivatives *(Notes 19 and 20)*	–	–	–	(25,062)	–	(25,062)	(904)	(25,966)
Pension liability adjustments *(Note 11)*	–	–	–	(3,944)	–	(3,944)	(11)	(3,955)
Comprehensive income (loss)						107,001	3,413	110,414
Balance at March 31, 2012	**¥ 262,686**	**¥ 158,237**	**¥ 856,286**	**¥ (424,260)**	**¥ (777)**	**¥ 852,172**	**¥ 63,598**	**¥ 915,770**

Thousands of U.S. dollars (Note 1)

Year ended March 31, 2012

	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total Marubeni shareholders' equity	Noncontrolling interests	Total equity
Balance at April 1, 2011	$ 3,203,488	$ 1,925,707	$ 8,692,866	$ (4,379,707)	$ (8,305)	$ 9,434,049	$ 709,000	$ 10,143,049
Dividends on common stocks	–	–	(349,439)	–	–	(349,439)	–	(349,439)
Dividends to noncontrolling interests	–	–	–	–	–	–	(33,890)	(33,890)
Equity transactions with noncontrolling interests and other	–	3,988	–	–	–	3,988	58,853	62,841
Sales/ purchase of treasury stock, net	–	25	–	–	(1,171)	(1,146)	–	(1,146)
Comprehensive income:								
Net income	–	–	2,099,085	–	–	2,099,085	59,866	2,158,951
Other comprehensive income (loss), net of tax *(Note 14)*								
Unrealized gains (losses) on investment securities *(Notes 4 and 19)*	–	–	–	(18,232)	–	(18,232)	293	(17,939)
Currency translation adjustments *(Note 20)*	–	–	–	(422,232)	–	(422,232)	(7,378)	(429,610)
Unrealized gains (losses) on derivatives *(Notes 19 and 20)*	–	–	–	(305,634)	–	(305,634)	(11,024)	(316,658)
Pension liability adjustments *(Note 11)*	–	–	–	(48,097)	–	(48,097)	(135)	(48,232)
Comprehensive income (loss)						1,304,890	41,622	1,346,512
Balance at March 31, 2012	**$ 3,203,488**	**$ 1,929,720**	**$ 10,442,512**	**$ (5,173,902)**	**$ (9,476)**	**$ 10,392,342**	**$ 775,585**	**$ 11,167,927**

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

	Millions of yen							
	Year ended March 31							
	2011							
	Common stock	**Capital surplus**	**Retained earnings**	**Accumulated other comprehensive income (loss)**	**Treasury stock**	**Total Marubeni shareholders' equity**	**Noncontrolling interests**	**Total equity**
Balance at April 1, 2010	**¥ 262,686**	**¥ 158,409**	**¥ 594,508**	**¥ (269,668)**	**¥ (638)**	**¥ 745,297**	**¥ 54,449**	**¥ 799,746**
Dividends on common stocks	—	—	(18,234)	—	—	(18,234)	—	(18,234)
Dividends to noncontrolling interests	—	—	—	—	—	—	(2,939)	(2,939)
Equity transactions with noncontrolling interests and other	—	(499)	—	—	—	(499)	2,865	2,366
Sales/ purchase of treasury stock, net	—	(2)	—	—	(43)	(45)	—	(45)
Comprehensive income:								
Net income	—	—	136,541	—	—	136,541	6,137	142,678
Other comprehensive income (loss), net of tax *(Note 14)*								
Unrealized gains (losses) on investment securities *(Notes 4 and 19)*	—	—	—	(12,803)	—	(12,803)	5	(12,798)
Currency translation adjustments *(Note 20)*	—	—	—	(68,537)	—	(68,537)	(2,366)	(70,903)
Unrealized gains (losses) on derivatives *(Notes 19 and 20)*	—	—	—	(3,367)	—	(3,367)	(31)	(3,398)
Pension liability adjustments *(Note 11)*	—	—	—	(4,761)	—	(4,761)	18	(4,743)
Comprehensive income (loss)						47,073	3,763	50,836
Balance at March 31, 2011	**¥ 262,686**	**¥ 157,908**	**¥ 712,815**	**¥ (359,136)**	**¥ (681)**	**¥ 773,592**	**¥ 58,138**	**¥ 831,730**

See accompanying Notes to consolidated financial statements.

Marubeni Corporation and Subsidiaries
Consolidated Statements of Cash Flows

	Millions of yen		Thousands of U.S. dollars (Note 1)
	Year ended March 31		Year ended March 31
	2012	2011	2012
Operating activities :			
Net income	¥ **177,034**	¥ 142,678	$ **2,158,951**
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	**72,511**	72,142	**884,280**
Provision for doubtful accounts	**1,168**	5,415	**14,244**
Equity in earnings of affiliated companies, less dividends received	**(26,547)**	(28,957)	**(323,744)**
Gain on investment securities	**(13,765)**	(11,629)	**(167,866)**
Loss on property, plant and equipment	**7,737**	6,947	**94,354**
Deferred income taxes	**30,857**	20,366	**376,305**
Changes in operating assets and liabilities:			
Notes and accounts receivable	**(149,462)**	(49,578)	**(1,822,707)**
Inventories	**(77,789)**	(67,733)	**(948,646)**
Advance payments to suppliers and prepaid expenses and other assets	**49,657**	(97,717)	**605,573**
Prepaid pension cost	**358**	(293)	**4,366**
Notes, acceptances and accounts payable	**127,435**	103,685	**1,554,085**
Advance payments received from customers and accrued expenses and other liabilities	**531**	65,143	**6,476**
Accrued income taxes	**7,624**	(5,790)	**92,976**
Other	**(34,750)**	55,365	**(423,781)**
Net cash provided by operating activities	**172,599**	210,044	**2,104,866**
Investing activities:			
Net increase (decrease) in time deposits	**(21,015)**	544	**(256,280)**
Proceeds from sales of available-for-sale securities	**33,268**	12,434	**405,707**
Proceeds from redemptions of available-for-sale securities	**1,394**	13,738	**17,000**
Purchases of available-for-sale securities	**(2,856)**	(6,561)	**(34,829)**
Proceeds from sales of investments in affiliated companies	**5,334**	12,867	**65,049**
Acquisitions of investments in affiliated companies	**(141,648)**	(71,136)	**(1,727,415)**
Proceeds from sales of other investments	**26,926**	42,071	**328,366**
Acquisitions of other investments	**(50,709)**	(40,134)	**(618,402)**
Proceeds from sales of property, plant and equipment and property leased to others	**17,000**	11,311	**207,317**
Purchases of property, plant and equipment and property leased to others	**(142,891)**	(91,457)	**(1,742,573)**
Collection of loans receivable	**23,335**	24,924	**284,573**
Loans made to customers	**(21,827)**	(37,096)	**(266,184)**
Net cash used in investing activities	**(273,689)**	(128,495)	**(3,337,671)**

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

	Millions of yen		Thousands of U.S. dollars (Note 1)
	Year ended March 31		Year ended March 31
	2012	2011	2012
Financing activities:			
Net increase in short-term loans	¥ **15,643**	¥ 1,766	$ **190,768**
Proceeds from long-term loans and bonds	**718,521**	350,093	**8,762,451**
Payments of long-term loans and bonds	**(532,699)**	(350,757)	**(6,496,329)**
Cash dividends paid	**(28,654)**	(18,234)	**(349,439)**
Purchase of treasury stock, net	**(96)**	(44)	**(1,171)**
Other	**(802)**	166	**(9,780)**
Net cash provided by (used in) financing activities	**171,913**	(17,010)	**2,096,500**
Effect of exchange rate changes on cash and cash equivalents	**(9,514)**	(19,325)	**(116,024)**
Net increase in cash and cash equivalents	**61,309**	45,214	**747,671**
Cash and cash equivalents at beginning of year	**616,003**	570,789	**7,512,231**
Cash and cash equivalents at end of year	¥ **677,312**	¥ 616,003	$ **8,259,902**
Supplemental cash flow information:			
Cash paid during the year for:			
Interest	¥ **30,850**	¥ 29,391	$ **376,220**
Income taxes	**43,282**	49,695	**527,829**
Non-cash investing activities:			
Exchange of assets:			
Fair value of assets received	**6,924**	1,421	**84,439**
Carrying value of assets surrendered	**6,924**	2	**84,439**
Contribution of securities to employee retirement benefit trusts	**4,036**	—	**49,220**

See accompanying Notes to consolidated financial statements.

1. Nature of Operations and Basis of Financial Statements

Marubeni Corporation (the "Company"), a Japanese corporation, and its consolidated subsidiaries engage in import and export trades of domestic and overseas products and commodities, including domestic and offshore trades in fields which cover extensive types of commodities such as agri-marine products, textile, forest products and general merchandise, paper and pulp, chemicals, energy, metals, machinery, finance, logistics, information industry, development and construction and others. In addition, the Company offers various services and engages in diversified business such as investments in domestic and foreign businesses, exploration of natural resources and others.

The Company maintains its books and records and prepares its financial statements in Japanese yen. The accompanying consolidated financial statements differ from the consolidated financial statements issued generally in Japan. In addition to the consolidation adjustments, they reflect certain adjustments not recorded in the Company's books, which in the opinion of management are appropriate to present the Company's financial position, results of operations, and cash flows in accordance with accounting principles generally accepted in the United States.

The translation of Japanese yen amounts into U.S. dollar amounts for the year ended March 31, 2012 is included solely for the convenience of readers outside of Japan and has been made at ¥82 to $1, the exchange rate prevailing on March 31, 2012. The translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at this or any other rate.

2. Significant Accounting Policies

Consolidation

The consolidated financial statements of the Company include the Company and the accounts of all majority owned domestic and foreign subsidiaries and variable interest entities ("VIEs"), of which the Company and/or its subsidiaries are the primary beneficiary (together, the "Companies").

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

Certain subsidiaries have been included on the basis of a fiscal year-end on or after December 31, but prior to the parent company's fiscal year-end of March 31. There have been no significant transactions with or significant events at such subsidiaries during the intervening periods.

Investments in affiliated companies

The Companies' investments in affiliated companies (investees owned 20% to 50% and other investees over which the Companies have the ability to exercise significant influence) are stated at cost, adjusted for equity in their undistributed earnings or accumulated losses since acquisition. Dividends received from the affiliated companies are deducted from the investments in the affiliated companies. No amortization is recorded for equity method goodwill which is the excess amount of the cost of investments in the affiliated companies. When declines in the value of investments in the affiliated companies are other than temporary, the investments are written down to fair value and impairment losses are recognized. Whether declines in the value of investments are other than temporary is determined by examining the length of time and the extent to which the market value has been less than cost as well as the recoverability based on projected business results.

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates due to inherent uncertainty in nature. Significant estimates and assumptions reflected in the accompanying consolidated financial statements include allowance for doubtful accounts, valuation of investment securities, impairment of long-lived assets, impairment of goodwill and other intangible assets, realization of deferred tax assets, employees' retirement benefits and uncertain tax positions.

Foreign currency translation

Assets and liabilities included in financial statements of foreign subsidiaries and affiliated companies are translated into Japanese yen at the respective year-end rates. All income and expense accounts are translated at the average rates prevailing during the year. The resulting translation adjustments are included in accumulated other comprehensive income (loss). Foreign currency-denominated receivables and payables are translated into Japanese yen at the year-end rates with the resulting gains and losses recognized in earnings.

Cash equivalents

The Companies include deposits in banks, certificates of deposit and securities purchased under resale agreements with an original maturity of 3 months or less in cash equivalents.

Investments in debt and marketable equity securities

The Companies determine the appropriate classification of investment securities as trading securities, held-to-maturity securities or available-for-sale securities at the date of purchase.

Debt securities are classified as held-to-maturity when the Companies have positive intent and ability to hold the securities to maturity. Held-to-maturity securities are stated at amortized cost, adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization and interest on securities classified as held-to-maturity are included in interest income. When there are declines in the value of held-to-maturity securities that are judged to be other than temporary, if the Companies intend to sell the debt securities or it is more likely than not that they will be required to sell the securities before recovery of its amortized cost basis excluding credit losses, they are written down to fair value by recognizing impairment loss on investment securities. If the Companies do not intend to sell the debt securities and it is more likely than not that they will not be required to sell the securities before recovery of its amortized cost basis, declines in fair value of these investments that are judged to be other than temporary are classified as credit losses or other losses. The Companies recognize the credit losses in impairment loss on investment securities and the other losses with unrealized gains and losses, net of taxes, in accumulated other comprehensive income (loss).

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

Marketable equity securities not classified as trading and debt securities not classified as trading or held-to-maturity are classified as available-for-sale securities and are carried at fair value, with the unrealized gains and losses, net of taxes, reported in accumulated other comprehensive income (loss). The amortized cost of debt securities in this category is adjusted for the amortization of premiums and accretion of discounts to maturity. Such amortization and accretion are included in interest income. Interest and dividends on investment securities classified as available-for-sale are included in interest income and dividend income, respectively. Realized gains and losses on available-for-sale securities are calculated based on the average cost and included in gain on sales of investment securities. If the declines in fair value of available-for-sale securities are judged to be other than temporary, debt securities are accounted for on the same basis as held-to-maturity securities, and marketable equity securities are written down to fair value with recognition of impairment losses.

Whether declines in the value of investments are other than temporary is comprehensively determined by examining the length of time and the extent to which the market value has been less than cost.

Non-marketable equity securities

Non-marketable equity securities are stated at cost. Declines in value judged to be other than temporary are written down to fair value by recognizing impairment loss on investment securities.

Whether declines in the value of investments are other than temporary is determined by examining the extent to which the value of net assets is less than cost and other factors.

Inventories

Inventories, which primarily consist of commodities, merchandise and real estate held for sale, are stated at the lower of cost (primarily specific or moving average cost) or market (generally replacement cost). Inventories included real estate held for sale of ¥66,483 million ($810,768 thousand) and ¥56,370 million at March 31, 2012 and 2011, respectively.

Allowance for doubtful accounts

In evaluating the credit risk relating to financing receivables, the Companies categorize them based on the potential exposures for credit ratings of debtors, geographical and other considerations. The allowance for credit losses for financing receivables is determined based on a historical bad debt ratio or an estimated collectable amount by the credit risk category. When financing receivable is impaired, the allowance for credit losses is determined based on discounted cash flows using the financing receivable's initial effective interest rate, observable quoted prices or the fair value of the collateral for certain collateral dependent loans. When financing receivables are legally or contractually determined to be uncollectible, the financing receivables are offset against their respective allowances.

Leases

The Companies lease fixed assets under direct financing leases, sales-type leases and operating leases as lessors. Income from direct financing leases and sales-type leases are recognized by the amortization of unearned income over the lease term at a constant periodic rate of return on the net investment. Sales revenue on sales-type leases is recognized at the beginning of the lease term. Rental revenue on operating leases is recognized over the lease term on a straight-line basis.

The Companies lease fixed assets under operating leases and capital leases as lessees. For capital lease obligations, interest expense is recognized over the lease term at a constant periodic rate on the lease obligation. Accumulated depreciation of the leased assets is recognized over the lease term on a straight-line basis or a declining-balance basis. Rental expense on operating leases is recognized over the lease term on a straight-line basis.

Depreciation

Depreciation of property, plant and equipment and property leased to others excluding mining rights is determined by the straight-line method or the declining-balance method based on the estimated useful lives of the respective assets (buildings and structures from 2 to 60 years, machinery and equipment from 2 to 45 years). Mining rights are primarily amortized by the straight-line method or the unit-of-production method based on the estimated useful lives of 9 to 30 years. Depreciation of property, plant and equipment (including property leased to others) is ¥61,936 million ($755,317 thousand) and ¥62,888 million for the years ended March 31, 2012 and 2011, respectively.

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

Impairment of long-lived assets (property leased to others, property, plant and equipment and intangible assets)

Property leased to others, property, plant and equipment and intangible assets subject to amortization that are held and used or to be disposed of other than by sale are evaluated for impairment and written down to fair value if the sum of their expected future cash flows is less than the carrying amount of the assets, whenever events or changes in circumstances indicate the carrying value may not be recoverable. Long-lived assets to be disposed of by sale are reported at the lower of the carrying amount or fair value less cost to sell.

Goodwill and other intangible assets

The Companies do not amortize goodwill and intangible assets with indefinite useful lives. The Companies review them for impairment at least annually. The Companies test goodwill for impairment using the two-step process. The first step is a screen for recognizing an impairment loss at the reporting unit level, and the second step measures the amount of the impairment, if any.

Business combinations

The Companies use the acquisition method of accounting for all business combinations. The Companies separately recognize and present acquired intangible assets as goodwill or other intangible assets.

Asset retirement obligation

The Companies recognize a liability for an asset retirement obligation of long-lived assets at fair value at the time that the obligation is incurred and capitalize the same amount of the liability. The liability is accreted to the present value each period over time and the capitalized costs is depreciated over the useful life of the related long-lived assets.

Oil and gas producing activities

Oil and gas exploration and development costs are accounted for the successful efforts method of accounting. The costs of acquiring properties, costs of drilling and equipping exploratory wells, and costs of development wells and related plant and equipment are capitalized, and amortized using the units-of-production method. Exploratory well costs are expensed if economically recoverable reserves are not found. Other exploration costs, such as geological and geophysical costs, are expensed as incurred. Proved properties are reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. The proved properties are written down to fair value and impairment losses are recognized if the carrying value may not be recoverable. Unproved properties are assessed at least annually for impairment. Unproved properties are written down to fair value and the impairment losses are recognized whenever the carrying value may not be recoverable.

Mining operations

Mining exploration costs are expensed as incurred until the mining projects have been established as commercially viable by a final feasibility study. Once established as commercially viable, costs are capitalized as development costs and are amortized using the straight-line method or the units-of-production method based on the proven and probable reserves. The stripping costs incurred during the production phase of the mines are accounted for as variable production costs included in the costs of the inventory produced during the period that the stripping costs are incurred.

Employees' retirement benefits

The Company and certain of its subsidiaries have pension plans or severance indemnities plans covering substantially all employees other than directors. The Company and certain of its subsidiaries measure the projected benefit obligation and pension cost based on an actuarial valuation and the fair value of plan assets. The funded status, which is the net of the fair value of plan assets and projected benefit obligation are measured at the date of the fiscal year-end and recognized in the consolidated balance sheets.

Revenue recognition and the total volume of trading transactions

The trading transactions undertaken by the Companies take many forms and consist of those in which the Companies act as a principal and those in which the Companies act as an agent. In agency transactions, payment for goods is made directly by the purchaser to the supplier. The Companies receive commissions from the purchaser and/or the supplier.

The Companies derive revenues from sales of goods, performance of services and commissions on trading transactions. Although the Companies legally act as a principal, when the Companies are not the primary obligor and do not have general inventory risk, the Companies generally present the transactions net. The presentation may change according to changes in form or substance of transactions.

The total volume of trading transactions, which is voluntarily disclosed in the statements of income, includes the sales value of all transactions in which the Companies participate, regardless of the form of such transaction, based on similar practices of Japanese trading companies. This information is not required by accounting principles generally accepted in the United States.

The Companies' revenues and commissions are recognized when they are realized or realizable and earned. Revenues and commissions are realized or realizable and earned when the Companies have persuasive evidence of an arrangement, the goods have been delivered or the services have been rendered to the customers, the sales price is fixed or determinable and collection is reasonably assured.

Sales of goods and other: In acting as a principal, revenues from the sales of goods are recognized when the delivery conditions are met. These conditions are considered to have been met when the goods are received by the customers or the title is transferred to the customer. In addition, revenues are recognized when the inspection testing is fully completed and any future obligations become inconsequential or perfunctory and do not affect each customer's final acceptance.

Performance of services: Commissions are recognized when the contracted services to the third-party customers are completed. In acting as an agent, the Companies recognize commissions when contracted services are fully rendered to the customers.

Construction arrangements: Revenues from construction projects are accounted for by the completed-contract-method unless revenues and costs to complete and extent of progress toward completion of construction are reasonably estimable, in which case the Companies use the percentage-of-completion method. The measurement of the percentage to completion of construction is primarily based on the cost-to-cost method. Losses on construction contracts are recognized in the period when the losses become probable.

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

Consumption taxes

Revenues, cost and expenses in the consolidated statements of income do not include consumption taxes.

Other—net

Other—net includes gains and losses incurred in liquidating subsidiaries and affiliated companies, such amounts were ¥191 million ($2,329 thousand) of losses and ¥249 million of losses for the years ended March 31, 2012 and 2011, respectively.

The aggregated amounts of gains and losses on sales of loans, included in other—net were ¥238 million ($2,902 thousand) of gains for the year ended March 31, 2012. There were no significant gains and losses on sales of loans for the year ended March 31, 2011.

Derivative instruments and hedging activities

The Companies recognize all derivative instruments at fair value as an asset or liability. Accounting for changes in the fair value of derivatives is determined by whether the derivatives are eligible for a hedging instrument or not, and the purpose of holding and the designation of the hedge. Changes in the fair value of derivatives that are not designated as a hedging instruments are recognized in earnings. Depending on the purpose of the hedges, the derivatives are designated as a hedging instrument of fair value hedge, cash flow hedge or hedge of net investments in foreign operations.

Changes in the fair value of derivatives held and designated as a hedging instrument of fair value hedge are offset against the changes in the fair value of the hedged assets, liabilities, or firm commitments and are recognized in earnings. The Companies use derivatives for hedging the volatility in the fair value of commodities or firm commitments and the volatility in the fair value of assets and liabilities with a fixed interest rate.

Changes in the fair value of derivatives held for hedging risks in the cash flow of the hedged items are recognized in accumulated other comprehensive income (loss) until the changes in the fair value of the hedging items are recognized in earnings. The ineffective portion of the change in the fair value of the hedging instrument is immediately recognized in earnings. The Companies use derivatives for hedging changes in future cash flow from changes in market price risk and foreign currency risk in forecast purchase and sales of commodities and other, and changes in future cash flow from change in interest rates in assets and liabilities with a floating interest rate.

For derivative and non-derivative financial instruments designated as a hedging instrument for foreign currency exposure of a net investment in foreign operations, gains or losses from changes in the fair value and the exchange rate are recognized in other comprehensive income (loss) as part of the currency translation adjustment to the extent the hedges are effective. Gains and losses related to the hedge ineffective portion and related to the portion of hedging instruments excluded from the assessment of hedge effectiveness are included in other—net on the consolidated statements of income.

Offsetting of amounts related to certain contracts

The Companies offset the fair value of derivatives contracted with the same partner in master netting agreements and the fair value of receivables recognized for the right to receive a return of cash collateral or a liability recognized for the obligation to return cash collateral against net derivative positions in master netting agreements. The amount of derivative liabilities offset was ¥1,568 million ($19,122 thousand) at March 31, 2012. The amount of derivative liabilities offset at March 31, 2011 was not material.

Fair value measurement

The Companies measure certain assets and liabilities at fair value. The inputs used in fair value measures are categorized into three levels based upon the observability of inputs in markets.

Guarantees

The Companies recognize a liability for the fair value of the obligation undertaken at the inception of a guarantee.

Income taxes

Deferred tax assets and liabilities are recognized based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse. A valuation allowance is recognized to reduce the deferred tax assets to the amount that is considered more likely than not to be realized.

The Companies recognize 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. Benefits from the tax positions that are more likely than not are measured at the largest amount of benefit to be realized upon settlement.

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

Accounting for noncontrolling interests

Changes in the Companies' ownership interest that do not result in a loss of control are accounted for as equity transactions of the consolidated entity. If the Companies lose control, the Companies recognize gains or losses from changes in the Companies' ownership interests in net income. Noncontrolling interests are remeasured at fair value and included in gain on sales of investment securities.

Reclassification

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

3. Acquisitions

There were no significant acquisitions for the year ended March 31, 2011.

For the year ended March 31, 2012, there was one significant acquisition:

On January 11, 2011, the Companies entered into the definitive agreement with Abu Dhabi National Energy Company PJSC ("TAQA") to purchase TAQA's shares of Marubeni TAQA Caribbean, Ltd. ("MTC"), which was formerly 50% owned by the Companies and TAQA, respectively. The cash payment of ¥16,672 million ($200,000 thousand) was completed on January 12, 2011. MTC was renamed as MaruEnergy Caribbean, Ltd. ("MCL"), after this additional acquisition.

MCL owns the controlling interest in vertically integrated power companies in Jamaica and equity interests in IPP in Trinidad and Tobago. Total net generating capacity of MCL is 1,030 megawatts. MCL owns:

- 80.0% equity interest in Jamaica Public Service Company Limited. ("JPS");
- 39.0% equity interest in the Power Generation Company of Trinidad and Tobago Limited;

Building up its overseas power project business is one of the Company's core strategies and the Company aims to strengthen its asset portfolio through new investments, acquisitions, and replacement of assets.

The financials of MCL subsequent to the date of acquisition were included in the Company's consolidated financial statements for the year ended March 31, 2012.

The fair values of assets acquired and liabilities assumed at the date of acquisition were as follows:

	Millions of yen	*Thousands of U.S. dollars*
Current Assets	¥ 34,532	$ 421,122
Non-current Assets	85,858	1,047,049
Total Assets	¥ 120,390	$ 1,468,171
Current Liabilities	¥ 16,392	$ 199,902
Non-current Liabilities	65,413	797,720
Total Liabilities	¥ 81,805	$ 997,622
Total Marubeni shareholder's equity	¥ 32,596	$ 397,512
Noncontrolling interest	5,989	73,037
Total Equity	¥ 38,585	$ 470,549

Until the three-month period ended on December 31, 2011, the allocation of the purchase price to the assets acquired and liabilities assumed was not completed, and the assets acquired and liabilities assumed were recorded at provisional amounts in the Company's consolidated financial statements. The provisional amounts were included in Non-current Assets and Non-current Liabilities for which ¥82,588 million ($1,007,171 thousand) and ¥62,143 million ($757,841 thousand) were allocated, respectively.

Upon remeasuring its previously held equity interests of MTC at the acquisition-date fair value, the Company recognized ¥2,583 million ($31,500 thousand) of gains for the year ended March 31, 2012. Gains recognized by this accounting treatment were included in gain on sales of investment securities. Valuation techniques of fair value measurement are based on various factors, including the purchase price of the securities and discounted cash flow method that uses future expected cash flows generated from the investees.

The acquisition costs related to this acquisition was immaterial.

Pro-forma information related to this acquisition was not disclosed because the impact on the consolidated financial statements was not significant.

40.0% equity interest in JPS was subsequently sold for the year ended March 31, 2012. As a result, JPS became a 40% owned affiliated company of MCL.

4. Debt Securities and Marketable Equity Securities

The following is a summary of available-for-sale securities at March 31, 2012 and 2011. There were no held-to-maturity securities at March 31, 2012 and 2011.

	Millions of yen							
	Available-for-sale securities							
	2012				**2011**			
	Cost	**Gross unrealized gains**	**Gross unrealized losses**	**Fair value**	**Cost**	**Gross unrealized gains**	**Gross unrealized losses**	**Fair value**
Current:								
Debt securities	¥ —	¥ —	¥ —	¥ —	¥ 1,046	¥ 212	¥ (7)	¥ 1,251
Non-current:								
Debt securities	¥ **23,734**	¥ **480**	¥ **(122)**	¥ **24,092**	¥ 16,790	¥ —	¥ (92)	¥ 16,698
Marketable equity securities	**119,524**	**34,525**	**(6,821)**	**147,228**	146,665	45,293	(12,313)	179,645
Total	¥ **143,258**	¥ **35,005**	¥ **(6,943)**	¥ **171,320**	¥ 163,455	¥ 45,293	¥ (12,405)	¥ 196,343

	Thousands of U.S. dollars			
	Available-for-sale securities			
	2012			
	Cost	**Gross unrealized gains**	**Gross unrealized losses**	**Fair value**
Current:				
Debt securities	$ —	$ —	$ —	$ —
Non-current:				
Debt securities	$ **289,439**	$ **5,854**	$ **(1,488)**	$ **293,805**
Marketable equity securities	**1,457,610**	**421,036**	**(83,183)**	**1,795,463**
Total	$ **1,747,049**	$ **426,890**	$ **(84,671)**	$ **2,089,268**

Debt securities were mainly consisted of corporate bonds.

The fair value and gross unrealized holding losses on available-for-sale aggregated by investment category and length of time that such securities have been in continuous unrealized loss positions, at March 31, 2012 and 2011, were as follows:

Millions of yen

	2012				2011			
	Less than 12 months		12 months or longer		Less than 12 months		12 months or longer	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Available-for-sale:								
Debt securities	¥ 1,367	¥ (122)	¥ –	¥ –	¥ 2,379	¥ (99)	¥ –	¥ –
Marketable equity securities	35,570	(6,821)	–	–	56,989	(12,313)	–	–
Total	¥ 36,937	¥ (6,943)	¥ –	¥ –	¥ 59,368	¥ (12,412)	¥ –	¥ –

Thousands of U.S.dollars

	2012			
	Less than 12 months		12 months or longer	
	Fair value	Unrealized losses	Fair value	Unrealized losses
Available-for-sale:				
Debt securities	$ 16,671	$ (1,488)	$ –	$ –
Marketable equity securities	433,780	(83,183)	–	–
Total	$ 450,451	$ (84,671)	$ –	$ –

The investments in available-for-sale securities with unrealized losses primarily consisted of marketable equity securities of 60 issues and 90 issues as of March 31, 2012 and 2011, respectively. The unrealized losses on these securities were mainly due to what management believes is a temporary decline in the stock market. The severity of the decline in fair value less than cost was 0% to 44% and the duration of the impairment was less than 12 months. Based on the evaluation and the Companies' ability and intent to hold these securities for a reasonable period of time sufficient for a recovery of fair value, the Companies did not consider the declines in fair value of these investments to be other-than-temporary and accordingly these investments were not impaired at March 31, 2012.

In addition to the securities listed above, the Companies held trading securities of ¥2,438 million ($29,732 thousand) and ¥1,619 million, at fair value, as of March 31, 2012 and 2011, respectively. The net unrealized holding losses on trading securities included in earnings for the year ended March 31, 2011 amounted to ¥1 million of losses. The net unrealized holding gains or losses on trading securities included in earnings for the year ended March 31, 2012 were not significant.

The proceeds from sales of available-for-sale securities amounted to ¥33,268 million ($405,707 thousand) and ¥12,434 million for the years ended March 31, 2012 and 2011, respectively. Gross realized gains on sales of available-for-sale securities totaled ¥10,138 million ($123,634 thousand) and ¥6,314 million, and gross realized losses totaled ¥102 million ($1,244 thousand) and ¥77 million for the years ended March 31, 2012 and 2011, respectively.

The Companies contributed certain available-for-sale securities to the employees retirement benefit trust for the year ended March 31, 2012. The fair value at the contribution of this security was ¥4,036 million ($49,220 thousand). The gross realized gain on the contribution was ¥3,007 million ($36,671 thousand) which is included in other—net in the consolidated statements of income.

The Companies wrote down to fair value certain marketable investment securities whose declines in value were considered to be other than temporary. These write-downs amounted to ¥8,899 million ($108,524 thousand) and ¥7,275 million for the years ended March 31, 2012 and 2011, respectively.

The amortized cost and estimated fair value of debt and marketable equity securities at March 31, 2012 and 2011 were summarized by contractual maturity below. Expected maturities may differ from contractual maturities because the issuers of certain securities have the right to prepay obligations without penalties.

	Available-for-sale Securities			
	Millions of yen		*Millions of yen*	
	2012		2011	
	Cost	Fair value	Cost	Fair value
Due in one year or less	¥ —	¥ —	¥ 1,046	¥ 1,251
Due after one year through five years	18,021	18,403	1,017	949
Due after five years through ten years	224	232	10,284	10,286
Due after ten years	5,489	5,457	5,489	5,463
Total debt securities	23,734	24,092	17,836	17,949
Marketable equity securities	119,524	147,228	146,665	179,645
Total	¥ 143,258	¥ 171,320	¥ 164,501	¥ 197,594

	Thousands of U.S. dollars	
	2012	
	Cost	Fair value
Due in one year or less	$ —	$ —
Due after one year through five years	219,768	224,427
Due after five years through ten years	2,732	2,829
Due after ten years	66,939	66,549
Total debt securities	289,439	293,805
Marketable equity securities	1,457,610	1,795,463
Total	$ 1,747,049	$ 2,089,268

5. Affiliated Companies

Investments in and amounts due from affiliated companies at March 31, 2012 and 2011 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Investments in equity securities	¥ **930,655**	¥ 778,227	$ **11,349,451**
Long-term receivables	**48,216**	43,348	**588,000**
Total	¥ **978,871**	¥ 821,575	$ **11,937,451**

Summarized financial information of affiliated companies at March 31, 2012 and 2011 and for the years ended March 31, 2012 and 2011, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Current assets	¥ **2,440,400**	¥ 2,139,287	$ **29,760,976**
Other assets	**4,094,089**	4,013,376	**49,927,914**
Total assets	¥ **6,534,489**	¥ 6,152,663	$ **79,688,890**
Current liabilities	¥ **1,831,062**	¥ 1,554,904	$ **22,330,024**
Other liabilities	**2,562,216**	2,654,764	**31,246,537**
Equity accounts	**2,141,211**	1,942,995	**26,112,329**
Total liabilities and equity	¥ **6,534,489**	¥ 6,152,663	$ **79,688,890**

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Total volume of trading transactions	¥ **6,031,041**	¥ 5,599,270	$ **73,549,280**
Net income attributable to shareholders of affiliated companies	**254,203**	211,431	**3,100,037**

The Companies' transactions with affiliated companies for the years ended March 31, 2012 and 2011 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Total volume of trading transactions	¥ **274,452**	¥ 265,109	$ **3,346,976**
Purchase transactions	**139,731**	145,956	**1,704,037**

The Company's significant investments in affiliated companies, which are accounted for using the equity method are Marubeni-Itochu Steel Inc. (50.00% owned), Marubeni Construction Material Lease Co., Ltd. (35.24% owned), The Maruetsu, Inc. (29.89% owned), The Daiei, Inc. (29.35% owned), TeaM Energy Corporation (50.00% owned) and Lion Power (2008) Pte. Ltd. (42.86% owned).

The balance of the difference between the cost of investment in the affiliated companies and the Companies' equity in the net assets at the dates of acquisitions amounted to ¥220,867 million ($2,693,500 thousand) and ¥193,614 million at March 31, 2012 and 2011, respectively. The excess consisted of fair value adjustments on assets and liabilities of the affiliated companies at the time of acquisition and equity method goodwill.

Certain investments in the common stock of the affiliated companies are marketable equity securities, which had carrying values of ¥60,869 million ($742,305 thousand) and ¥59,487 million at March 31, 2012 and 2011, with corresponding aggregate quoted market values of ¥40,123 million ($489,305 thousand) and ¥40,583 million, respectively.

Note: The presentation of total volume of trading transactions is based on similar practice of Japanese trading companies.

6. Financing Receivables and Allowance for Credit Losses

The Companies classify financing receivables into normal receivables, doubtful receivables and failed receivables on the basis of the credit risk associated with its obligors. Normal receivables are those financing receivables whose obligors are without significant problems in its financial position or its operations. Doubtful receivables are those financing receivables whose obligors are in financing difficulty for payment or are suspected of being so. Failed receivables are those financing receivables whose obligors are in legal bankruptcy, liquidation, rehabilitation and/or in-substance bankruptcy. The allowance for credit losses for normal receivables are determined collectively, and those for doubtful receivables and failed receivables are determined individually based on an estimated collectable amount. The Companies periodically monitor the financing receivables and update them whenever obligors' credit risk are changed.

The recorded investments in financing receivables and the balance in the allowance for credit losses classified by the credit quality indicator at March 31, 2012 and 2011 were as follows:

	Millions of yen			
	2012			
	The recorded investment in financing receivables		**The balance in the allowance for credit losses**	
Normal receivables	**¥**	**145,171**	**¥**	**1,066**
Doubtful receivables		**8,330**		**7,691**
Failed receivables		**20,970**		**18,892**
Total	**¥**	**174,471**	**¥**	**27,649**

	Millions of yen			
	2011			
	The recorded investment in financing receivables		**The balance in the allowance for credit losses**	
Normal receivables	¥	112,964	¥	868
Doubtful receivables		8,834		7,925
Failed receivables		31,533		30,324
Total	¥	153,331	¥	39,117

	Thousands of U.S. dollars			
	2012			
	The recorded investment in financing receivables		**The balance in the allowance for credit losses**	
Normal receivables	**$**	**1,770,378**	**$**	**13,000**
Doubtful receivables		**101,585**		**93,793**
Failed receivables		**255,732**		**230,390**
Total	**$**	**2,127,695**	**$**	**337,183**

The activities in the allowance for credit losses for financing receivables for the year ended March 31, 2012 and the three-month period ended March 31, 2011 were as follows:

		Millions of yen
		2012
Balance at beginning of the year	**¥**	**39,117**
Provision		**1,095**
Charge-offs		**(11,271)**
Other		**(1,292)**
Balance at end of the year	**¥**	**27,649**

		Millions of yen
		Three-month period ended March 31, 2011
Balance at beginning of the period	¥	36,736
Provision		2,717
Charge-offs		(90)
Other		(246)
Balance at end of the period	¥	39,117

		Thousands of U.S. dollars
		2012
Balance at beginning of the year	**$**	**477,037**
Provision		**13,354**
Charge-offs		**(137,451)**
Other		**(15,757)**
Balance at end of the year	**$**	**337,183**

The Companies do not record the accrual of interest when financing receivables are past due for a period of 180 days or more. The accrual of interest is resumed when an agreement for the rescheduling of payments is made and the receipt of interest is probable. Financing receivables 90 days past due are noted as delinquent and collectability monitoring policies are tightened. The recorded investments in financing receivables past due 90 days or more were ¥27,518 million ($335,585 thousand) and ¥37,499 million at March 31, 2012 and 2011, respectively. The recorded investments in financing receivables past due 90 days or more and still accruing interest were not significant at March 31, 2012 and 2011, respectively.

The Companies evaluate loans subject to doubtful receivables or failed receivables as impairment when it is probable that the Companies will be unable to collect all amounts due according to the contractual terms of the loan agreement. At March 31, 2012 and 2011, the recorded investments in loans that were considered to be impaired were ¥29,300 million ($357,317 thousand) and ¥40,367 million, and the allowance for credit losses related to those loans were ¥26,583 million ($324,183 thousand) and ¥38,249 million, respectively. The recorded investments in the impaired loans, net of the allowance for credit losses, are either secured by collateral or considered collectible based upon various analyses. The average recorded investments in impaired loans were ¥34,834 million ($424,805 thousand) and ¥40,042 million for the year ended March 31, 2012 and the three-month period ended March 31, 2011, respectively. The differences between recorded investments and unpaid principal balances in impaired loans were not significant at March 31, 2012 and 2011. The Companies generally do not accrue for interest on those loans, and recognize interest income on a cash basis. Recognized interest income on those loans was ¥44 million ($537 thousand) and ¥42 million for the year ended March 31, 2012 and the three-month period ended March 31, 2011, respectively.

7. Long-Lived Assets

The gross carrying amounts and accumulated amortization of intangible assets as of March 31, 2012 and 2011 were as follows:

	Millions of yen			
	2012		2011	
	Gross carrying amount	Accumulated amortization	Gross carrying amount	Accumulated amortization
Intangible assets subject to amortization:				
Licenses and operating rights in natural resources	¥ **56,415**	¥ **(12,003)**	¥ 56,584	¥ (10,027)
Sales licenses and customer relationships	**27,123**	**(10,557)**	24,599	(8,003)
Software	**22,748**	**(14,537)**	22,308	(13,534)
Other	**3,541**	**(2,092)**	3,288	(1,854)
Intangible assets not subject to amortization:				
Land lease rights	**2,196**	**—**	2,196	—
Trademarks	**1,330**	**—**	1,711	—
Other	**11,651**	**—**	8,138	—
Total	¥ **125,004**	¥ **(39,189)**	¥ 118,824	¥ (33,418)

	Thousands of U.S. dollars	
	2012	
	Gross carrying amount	Accumulated amortization
Intangible assets subject to amortization:		
Licenses and operating rights in natural resources	$ **687,988**	$ **(146,378)**
Sales licenses and customer relationships	**330,768**	**(128,744)**
Software	**277,415**	**(177,280)**
Other	**43,183**	**(25,513)**
Intangible assets not subject to amortization:		
Land lease rights	**26,780**	**—**
Trademarks	**16,220**	**—**
Other	**142,085**	**—**
Total	$ **1,524,439**	$ **(477,915)**

Intangible assets subject to amortization acquired during the year ended March 31, 2012 totaled ¥5,108 million ($62,293 thousand) and consisted primarily of sales licenses and customer relationships of ¥2,056 million ($25,073 thousand) and software of ¥2,963 million ($36,134 thousand). The weighted-average amortization periods of sales licenses and customer relationships and software acquired during the year ended March 31, 2012 were 14 years (straight-line method) and 5 years (straight-line method), respectively. Intangible assets not subject to amortization acquired during the year ended March 31, 2012 totaled ¥3,853 million ($46,988 thousand).

Intangible assets subject to amortization acquired during the year ended March 31, 2011 totaled ¥4,885 million and consisted primarily of sales licenses and customer relationships of ¥881 million and software of ¥3,874 million. The weighted-average amortization periods of sales licenses and customer relationships and software acquired during the year ended March 31, 2011 were 12 years (straight-line method) and 5 years (straight-line method), respectively. Intangible assets not subject to amortization acquired during the year ended March 31, 2011 totaled ¥430 million.

The amortization expense for intangible assets was ¥8,467 million ($103,256 thousand) and ¥7,268 million for the years ended March 31, 2012 and 2011, respectively. The future amortization expense for the next 5 years was estimated as follows:

Years ending March 31	*Millions of yen*	*Thousands of U.S. dollars*
2013	¥ 7,530	$ 91,829
2014	6,171	75,256
2015	5,409	65,963
2016	4,534	55,293
2017	3,542	43,195

The changes in the carrying amount of goodwill by operating segment for the years ended March 31, 2012 and 2011 were as follows:

	Millions of yen					
	Food		Lifestyle		Forest Products	
	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses
Balance at March 31, 2010	¥ 10,346	¥ —	¥ 1,748	¥ —	¥ 2,067	¥ —
Goodwill acquired during the year	—	—	—	—	—	—
Impairment losses	—	—	—	—	—	(2,067)
Disposal, effect of exchange rate and other	(182)	—	—	—	—	—
Balance at March 31, 2011	**10,164**	**—**	**1,748**	**—**	**2,067**	**(2,067)**
Goodwill acquired during the year	5,655	—	—	—	—	—
Impairment losses	—	—	—	—	—	—
Disposal, effect of exchange rate and other	**14**	—	—	—	—	—
Balance at March 31, 2012	**¥ 15,833**	**¥ —**	**¥ 1,748**	**¥ —**	**¥ 2,067**	**¥ (2,067)**

	Millions of yen					
	Chemicals		Transportation Machinery		Power Project & Infrastructure	
	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses
Balance at March 31, 2010	¥ 841	¥ —	¥ 6,733	¥ —	¥ 2,989	¥ —
Goodwill acquired during the year	—	—	—	—	—	—
Impairment losses	—	—	—	—	—	—
Disposal, effect of exchange rate and other	(115)	—	(446)	—	(106)	—
Balance at March 31, 2011	**726**	**—**	**6,287**	**—**	**2,883**	**—**
Goodwill acquired during the year	—	—	1,685	—	6,314	—
Impairment losses	—	—	—	—	—	—
Disposal, effect of exchange rate and other	**(39)**	—	**(292)**	—	**(6,351)**	—
Balance at March 31, 2012	**¥ 687**	**¥ —**	**¥ 7,680**	**¥ —**	**¥ 2,846**	**¥ —**

	Millions of yen					
	Plant & Industrial Machinery		Finance, Logistics & IT Business		Overseas corporate subsidiaries and branches	
	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses
Balance at March 31, 2010	¥ 3,378	¥ —	¥ 11,092	¥ —	¥ 8,689	¥ (258)
Goodwill acquired during the year	—	—	—	—	301	—
Impairment losses	—	—	—	(782)	—	(499)
Disposal, effect of exchange rate and other	(383)	—	(1,958)	782	(973)	66
Balance at March 31, 2011	**2,995**	**—**	**9,134**	**—**	**8,017**	**(691)**
Goodwill acquired during the year	—	—	—	—	—	—
Impairment losses	—	—	—	—	—	(1,452)
Disposal, effect of exchange rate and other	**(136)**	—	**—**	—	**(376)**	69
Balance at March 31, 2012	**¥ 2,859**	**¥ —**	**¥ 9,134**	**¥ —**	**¥ 7,641**	**¥ (2,074)**

	Millions of yen			
	Corporate and Elimination		Total	
	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses
Balance at March 31, 2010	¥ 527	¥ —	¥ 48,410	¥ (258)
Goodwill acquired during the year	—	—	301	—
Impairment losses	—	—	—	(3,348)
Disposal, effect of exchange rate and other	—	—	(4,163)	848
Balance at March 31, 2011	**527**	**—**	**44,548**	**(2,758)**
Goodwill acquired during the year	—	—	**13,654**	**—**
Impairment losses	—	—	—	(1,452)
Disposal, effect of exchange rate and other	**—**	—	**(7,180)**	**69**
Balance at March 31, 2012	**¥ 527**	**¥ —**	**¥ 51,022**	**¥ (4,141)**

Thousands of U.S. dollars

	Food		Lifestyle		Forest Products	
	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses
Balance at March 31, 2011	$ 123,951	$ —	$ 21,317	$ —	$ 25,207	$ (25,207)
Goodwill acquired during the year	68,963	—	—	—	—	—
Impairment losses	—	—	—	—	—	—
Disposal, effect of exchange rate and other	171	—	—	—	—	—
Balance at March 31, 2012	$ 193,085	$ —	$ 21,317	$ —	$ 25,207	$ (25,207)

Thousands of U.S. dollars

	Chemicals		Transportation Machinery		Power Project & Infrastructure	
	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses
Balance at March 31, 2011	$ 8,854	$ —	$ 76,671	$ —	$ 35,159	$ —
Goodwill acquired during the year	—	—	20,549	—	77,000	—
Impairment losses	—	—	—	—	—	—
Disposal, effect of exchange rate and other	(476)	—	(3,562)	—	(77,452)	—
Balance at March 31, 2012	$ 8,378	$ —	$ 93,658	$ —	$ 34,707	$ —

Thousands of U.S. dollars

	Plant & Industrial Machinery		Finance, Logistics & IT Business		Overseas corporate subsidiaries and branches	
	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses
Balance at March 31, 2011	$ 36,524	$ —	$ 111,390	$ —	$ 97,768	$ (8,427)
Goodwill acquired during the year	—	—	—	—	—	—
Impairment losses	—	—	—	—	—	(17,707)
Disposal, effect of exchange rate and other	(1,658)	—	—	—	(4,585)	841
Balance at March 31, 2012	$ 34,866	$ —	$ 111,390	$ —	$ 93,183	$ (25,293)

Thousands of U.S. dollars

	Corporate and Elimination		Total	
	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses
Balance at March 31, 2011	$ 6,427	$ —	$ 543,268	$ (33,634)
Goodwill acquired during the year	—	—	166,512	—
Impairment losses	—	—	—	(17,707)
Disposal, effect of exchange rate and other	—	—	(87,560)	841
Balance at March 31, 2012	$ 6,427	$ —	$ 622,220	$ (50,500)

Note: Effective April 1, 2011, "Real Estate Development" segment was combined into "Corporate and Elimination."

As a result of decreases in the estimated future cash flows due to the worsened business conditions and changes in management strategies, the Companies recognized impairment losses on goodwill of ¥1,452 million ($17,707 thousand) and ¥3,348 million, which were included in loss on property, plant and equipment in the consolidated statements of income, for the years ended March 31, 2012 and 2011, respectively. The fair value of the reporting unit was estimated using the expected present value of future cash flows.

Due to decreases in expected future cash flows, the Company and certain of its subsidiaries recognized impairment losses primarily on their facility, real estate and plant, based on their fair values, in the total amounts of ¥7,428 million ($90,585 thousand) and ¥9,262 million, which were included in loss on property, plant and equipment in the consolidated statements of income, for the years ended March 31, 2012 and 2011, respectively. The fair value was primarily estimated using the discounted cash flow method or third-party appraisals. The segments affected by the impairment losses were primarily Energy of ¥5,768 million ($70,341 thousand) and ¥6,357 million for the years ended March 31, 2012 and 2011, respectively.

8. Asset Retirement Obligations

The Company and certain of its subsidiaries recognize asset retirement obligations. The asset retirement obligations are primarily related to the costs of dismantlement and removal of oil and gas production facilities owned by subsidiaries engaged in oil and gas producing activities. These liabilities are included in long-term debt, less current portion and accrued expenses and other current liabilities on the consolidated balance sheets.

The changes in asset retirement obligations for the years ended March 31, 2012 and 2011 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2012	**2011**	**2012**
Balance at beginning of year	**¥ 25,377**	¥ 21,966	**$ 309,476**
Liabilities incurred	**7,270**	511	**88,659**
Liabilities settled	**(1,813)**	(1,584)	**(22,110)**
Accretion expense	**1,404**	963	**17,122**
Revisions to cost estimate	**(759)**	4,286	**(9,256)**
Other	**(1,196)**	(765)	**(14,586)**
Balance at end of year	**¥ 30,283**	¥ 25,377	**$ 369,305**

Note: "Other" includes foreign exchange rate changes.

9. Pledged Assets

The assets pledged as collateral for the Companies' obligations at March 31, 2012 and 2011 were as follows:

	2012	2011	2012
Cash and cash equivalents, time deposits	¥ **6,868**	¥ 45,495	$ **83,756**
Notes, loans and accounts receivable–trade (current and non-current)	**8,566**	10,386	**104,463**
Inventories	**8,230**	9,246	**100,366**
Securities and other investments and investments in affiliated companies	**292,770**	256,174	**3,570,366**
Property, plant and equipment, and property leased to others, net of accumulated depreciation	**107,940**	321,557	**1,316,342**
Other	**4,547**	1,699	**55,451**
Total	¥ **428,921**	¥ 644,557	$ **5,230,744**

The obligations secured by such collateral were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2012	2011	2012
Short-term loans	¥ **12,217**	¥ 36,646	$ **148,988**
Other current liabilities	**12,667**	11,828	**154,476**
Long-term debt	**93,780**	98,541	**1,143,658**
Guarantees of contracts and other	**15,467**	11,300	**188,622**
Total	¥ **134,131**	¥ 158,315	$ **1,635,744**

In addition to the above, acceptances payable at March 31, 2012 and 2011 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 presence of security, the bank has the right to offset cash deposited with it against any debt or obligations that become due and, in the case of default or certain other specified events, against all debt payable to the bank. To date, no such request has been made to the Companies and no such rights have been exercised.

10. Short-Term Loans and Long-Term Debt

Short-term loans and their weighted average interest rates at March 31, 2012 and 2011 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2012	2011	**2012**
Short-term loans mainly from banks	**¥ 126,459**	¥ 105,275	**$ 1,542,183**
Weighted average interest rates (%)	**1.63%**	1.22%	**1.63%**

Long-term debt at March 31, 2012 and 2011 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	**2011**	**2012**
1.32% notes due 2012	¥ —	¥ 10,000	$ —
1.38% notes due 2012	—	10,000	—
1.28% notes due 2012	**15,000**	15,000	**182,927**
1.56% notes due 2012	**10,000**	10,000	**121,951**
1.50% notes due 2012	—	10,000	—
1.67% notes due 2011	—	20,000	—
1.81% notes due 2012	**10,000**	10,000	**121,951**
1.62% notes due 2012	**10,000**	10,000	**121,951**
1.64% notes due 2013	**10,000**	10,000	**121,951**
1.80% notes due 2014	**10,000**	10,000	**121,951**
1.71% notes due 2012	**10,000**	10,000	**121,951**
1.78% notes due 2013	**10,000**	10,000	**121,951**
1.75% notes due 2013	**10,000**	10,000	**121,951**
1.62% notes due 2013	**10,000**	10,000	**121,951**
1.72% notes due 2014	**15,000**	15,000	**182,927**
1.46% notes due 2014	**20,000**	20,000	**243,902**
1.46% notes due 2015	**20,000**	20,000	**243,902**
2.30% notes due 2022	**5,000**	5,000	**60,976**
1.03% notes due 2013	**20,000**	20,000	**243,902**
1.11% notes due 2015	**10,000**	10,000	**121,951**
2.55% notes due 2025	**10,000**	10,000	**121,951**
0.88% notes due 2015	**15,000**	15,000	**182,927**
0.72% notes due 2014	**30,000**	30,000	**365,854**
0.57% notes due 2015	**10,000**	10,000	**121,951**
0.85% notes due 2017	**10,000**	10,000	**121,951**
1.59% notes due 2020	**10,000**	10,000	**121,951**
2.10% notes due 2025	**10,000**	10,000	**121,951**
0.68% notes due 2016	**10,000**	—	**121,951**
1.50% notes due 2021	**10,000**	—	**121,951**
2.20% notes due 2029	**10,000**	—	**121,951**
0.70% notes due 2016	**30,000**	—	**365,854**
1.29% notes due 2021	**20,000**	—	**243,902**
0.66% notes due 2017	**10,000**	—	**121,951**
0.92% notes due 2019	**10,000**	—	**121,951**
Secured notes due from 2011 to 2012 principally at rates from 0.7% to 1.9%	—	10,004	—
Medium-term notes due to 2012 principally at a rate of 0.5%	**389**	—	**4,744**
Loans from government-owned banks and government agencies:			
Secured, due serially through 2029 principally at rates from 0.7% to 3.4%	**37,632**	39,957	**458,927**
Unsecured, due serially through 2029 principally at rates from 0.0% to 4.9%	**166,245**	105,527	**2,027,378**
Loans principally from banks and insurance companies:			
Secured, due serially through 2025 principally at rates from 0.4% to 3.1%	**66,698**	81,940	**813,390**
Unsecured, due serially through 2024 principally at rates from 0.3% to 7.2%	**1,676,244**	1,555,683	**20,442,000**
Other	**120,497**	118,628	**1,469,480**
	2,457,705	2,251,739	**29,972,012**
ASC 815, *Derivatives and Hedging,* fair value adjustments	**19,276**	18,390	**235,073**
	2,476,981	2,270,129	**30,207,085**
Less: current portion	**208,429**	248,888	**2,541,817**
	¥ 2,268,552	¥ 2,021,241	**$ 27,665,268**

Note: The fair value adjustments above represent adjustments made to the balance of the debt in accordance with ASC 815, Derivatives and Hedging, with respect to changes in the fair value of hedged long-term debt attributable to fluctuations of interest rates during the term of the hedge.

To hedge against exposures related to the payment of interest and the repayment of the principal of certain short-term loans and long-term debt denominated in foreign currencies, the Company and certain of its subsidiaries entered into foreign exchange contracts.

To strengthen its asset-liability management and to hedge against interest rate risk and foreign currency exposures, the Company and certain of its subsidiaries entered into interest rate swap agreements, including interest rate and currency swap agreements, on short-term loans and long-term debt. The floating interest rates are, in general, based upon 6-month or 3-month LIBOR (London Interbank Offered Rate) or 6-month or 3-month TIBOR (Tokyo Interbank Offered Rate). The interest rate swap agreements are to remain in effect through the maturity dates of the short-term loans and long-term debt.

On March 31, 2012, the Company and certain of its subsidiaries had an unused long-term line of credit arrangement of ¥245,000 million ($2,987,805 thousand) and an unused long-term line of credit arrangement of ¥55,000 million ($670,732 thousand). As a result, the Company and certain of its subsidiaries had unused long-term line of credit arrangements of ¥300,000 million ($3,658,537 thousand) at March 31, 2012 in aggregate. Based on such arrangements, the Company classified short-term loans and long-term debt due within 1 year of ¥246,681 million ($3,008,305 thousand) to long-term debt on the consolidated balance sheets at March 31, 2012, as the Company had an intention and ability to refinance when they become due. On March 31, 2011, the Company and certain of its subsidiaries had an unused long-term line of credit arrangement of ¥245,000 million and an unused long-term line of credit arrangement of ¥55,000 million. As a result, the Company and certain of its subsidiaries had unused long-term line of credit arrangements of ¥300,000 million at March 31, 2011 in aggregate. Based on such arrangements, ¥265,973 million of short-term loans and long-term debt due within 1 year were classified to long-term debt on the consolidated balance sheets at March 31, 2011.

In addition to the above, the Company and certain of its subsidiaries had an unused short-term line of credit arrangement of $515 million at March 31, 2012 and March 31, 2011.

Maturities of long-term debt outstanding at March 31, 2012, excluding the effect of the fair value adjustment of ASC 815, *Derivatives and Hedging*, were as follows:

Years ending March 31	*Millions of yen*	*Thousands of U.S. dollars*
2013	¥ 206,816	$ 2,522,146
2014	306,269	3,734,988
2015	579,080	7,061,951
2016	272,077	3,318,012
2017	344,702	4,203,683
Thereafter	748,761	9,131,232

Certain agreements primarily with government-owned financial institutions provide that earlier repayment may be required if, in the judgment of the lenders, the Companies' ability to repay the loans is considered enhanced as a result of higher than expected earnings, issuance of common stock or debentures, or other reasons. No such request has been received for the year ended March 31, 2012.

Certain of the long-term debt agreements stipulate that certain subsidiaries, upon the lenders' request, submit for the lenders' approval on the proposed appropriations of income, including dividend payments, before such appropriations can be submitted to the shareholders. No such request has been received for the year ended March 31, 2012.

11. Employees' Retirement Benefits

The Company and certain of its 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 subsidiaries have lump-sum retirement plans to be paid upon retirement or severance based on the years of service and compensation level.

The reconciliation of beginning and ending balances of the projected benefit obligation and plan assets, and the funded status of the Company's and certain subsidiaries' plans at March 31, 2012 and 2011 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2012	2011	**2012**
Change in projected benefit obligation:			
Projected benefit obligation at beginning of year	**¥ 224,526**	¥ 223,510	**$ 2,738,122**
Service cost	**6,749**	6,481	**82,305**
Interest cost	**6,165**	6,108	**75,183**
Actuarial loss	**9,658**	6,053	**117,781**
Foreign currency exchange rate changes	**(1,420)**	(3,693)	**(17,317)**
Benefits paid	**(11,653)**	(13,255)	**(142,110)**
Acquisition and deconsolidation	**—**	(678)	**—**
Projected benefit obligation at end of year	**234,025**	224,526	**2,853,964**
Change in plan assets:			
Fair value of plan assets at beginning of year	**171,583**	179,562	**2,092,476**
Actual return on plan assets	**5,607**	914	**68,378**
Foreign currency exchange rate changes	**(1,217)**	(3,046)	**(14,841)**
Employees' contributions	**279**	272	**3,402**
Employer's contribution	**7,609**	4,226	**92,793**
Benefits paid	**(10,627)**	(10,131)	**(129,598)**
Acquisition and deconsolidation	**—**	(214)	**—**
Fair value of plan assets at end of year	**173,234**	171,583	**2,112,610**
Funded status	**¥ (60,791)**	¥ (52,943)	**$ (741,354)**

Amounts recognized in the consolidated balance sheets at March 31, 2012 and 2011 consisted of:

	Millions of yen		*Thousands of U.S. dollars*
	2012	2011	**2012**
Prepaid benefit cost	¥ **96**	¥ 468	$ **1,171**
Accrued pension liabilities	**(60,887)**	(53,411)	**(742,525)**
	¥ **(60,791)**	¥ (52,943)	$ **(741,354)**

Amounts recognized in accumulated other comprehensive (income) loss, before income tax, at March 31, 2012 and 2011 consisted of:

	Millions of yen		*Thousands of U.S. dollars*
	2012	2011	**2012**
Prior service credit	¥ **(10,031)**	¥ (11,079)	$ **(122,329)**
Net actuarial loss	**116,653**	111,501	**1,422,597**
	¥ **106,622**	¥ 100,422	$ **1,300,268**

Changes in accumulated other comprehensive (income) loss, before income tax, for the years ended March 31, 2012 and 2011 consisted of:

	Millions of yen		*Thousands of U.S. dollars*
	2012	2011	**2012**
Current year net actuarial (gain) loss	¥ **10,183**	¥ 11,416	$ **124,183**
Amotization of prior service credit	**1,032**	1,018	**12,585**
Amotization of net acutuarial loss	**(5,619)**	(4,733)	**(68,524)**
	¥ **5,596**	¥ 7,701	$ **68,244**

The amounts in accumulated other comprehensive (income) loss, before income tax, expected to be recognized as components of net periodic benefit cost for the year ending March 31, 2013 are as follows:

	Millions of yen	*Thousands of U.S. dollars*
Prior service credit	¥ **(1,576)**	$ **(19,219)**
Net actuarial loss	**6,669**	**81,329**
	¥ **5,093**	$ **62,110**

The accumulated benefit obligation for all defined benefit pension plans were ¥225,644 million ($2,751,756 thousand) and ¥216,007 million at March 31, 2012 and 2011, respectively.

The components of net periodic benefit cost of the Company's and certain subsidiaries' plans for the years ended March 31, 2012 and 2011 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2012	2011	**2012**
Service cost–benefits earned during the year	**¥ 6,749**	¥ 6,481	**$ 82,305**
Interest cost on projected benefit obligation	**6,165**	6,108	**75,183**
Expected return on plan assets	**(6,132)**	(6,277)	**(74,781)**
Amortization of unrecognized prior service credit	**(1,032)**	(1,018)	**(12,585)**
Amortization of unrecognized net actuarial loss	**5,619**	4,733	**68,524**
Employees' contributions	**(279)**	(272)	**(3,402)**
Net periodic benefit cost	**¥ 11,090**	¥ 9,755	**$ 135,244**

The aggregate projected benefit obligation and aggregate fair value of plan assets for pension plans with projected benefit obligations in excess of plan assets were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2012	2011	**2012**
Aggregate projected benefit obligation	**¥ 232,149**	¥ 220,190	**$ 2,831,085**
Aggregate fair value of plan assets	**171,262**	166,779	**2,088,561**

The aggregate accumulated benefit obligation and aggregate fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2012	2011	**2012**
Aggregate accumulated benefit obligation	**¥ 223,982**	¥ 189,727	**$ 2,731,488**
Aggregate fair value of plan assets	**171,262**	143,712	**2,088,561**

The weighted-average assumptions used to determine projected benefit obligations at March 31, 2012 and 2011 were as follows:

	2012	2011
Discount rates	**2.2%**	2.5%
Rates of increases in future compensation levels	**4.9%**	4.9%

The weighted-average assumptions used to determine net periodic benefit cost for the years ended March 31, 2012 and 2011 were as follows:

	2012	2011
Discount rates	**2.5%**	2.5%
Rates of increases in future compensation levels	**4.9%**	5.0%
Expected long-term rates of return on plan assets	**2.7%**	2.7%

The overall expected long-term rates of return on plan assets are calculated based on the historical average returns for certain years adjusted by the components of the current asset portfolio and the target rate of return based on the future investment plan.

In making investment decisions, the main objective is to secure the necessary return over the long term to cover pension and retirement benefit payments. The primary investment policy is to analyze the risk/return characteristics by asset class and to invest in a diversified portfolio taking into consideration of the correlation among asset classes.

The Company sets a policy asset mix 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 their investment professional in charge of managing pension assets.

Plan assets are generally invested 30%, 60% and 10% in equity securities, debt securities and other, respectively.

The investments which are executed by investment managers are outlined as follows:

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

As a result of the introduction of the cash-balance plan, the performance of certain plan assets is matched with the related pension benefits to a certain extent.

For inputs used to measure fair value, see Note 19 to consolidated financial statements.

The fair values of the Companies' pension plan assets at March 31, 2012 by category were as follows:

	Millions of yen			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash equivalents	**¥ 9,712**	**¥ —**	**¥ —**	**¥ 9,712**
Equity securities:				
Japanese companies	**15,397**	**—**	**—**	**15,397**
Foreign companies	**1,894**	**—**	**—**	**1,894**
Pooled funds	**1,774**	**46,499**	**—**	**48,273**
Debt securities:				
Bonds denominated in Japanese yen	**—**	**28,552**	**—**	**28,552**
Bonds denominated in foreign currency	**—**	**3,411**	**—**	**3,411**
Pooled funds	**—**	**51,230**	**—**	**51,230**
Life insurance company general accounts	**—**	**13,044**	**—**	**13,044**
Other assets	**—**	**1,719**	**2**	**1,721**
	¥ 28,777	**¥ 144,455**	**¥ 2**	**¥ 173,234**

	Thousands of U.S. dollars			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash equivalents	**$ 118,439**	**$ —**	**$ —**	**$ 118,439**
Equity securities:				
Japanese companies	**187,768**	**—**	**—**	**187,768**
Foreign companies	**23,098**	**—**	**—**	**23,098**
Pooled funds	**21,634**	**567,061**	**—**	**588,695**
Debt securities:				
Bonds denominated in Japanese yen	**—**	**348,195**	**—**	**348,195**
Bonds denominated in foreign currency	**—**	**41,598**	**—**	**41,598**
Pooled funds	**—**	**624,756**	**—**	**624,756**
Life insurance company general accounts	**—**	**159,073**	**—**	**159,073**
Other assets	**—**	**20,964**	**24**	**20,988**
	$ 350,939	**$ 1,761,647**	**$ 24**	**$ 2,112,610**

Pooled funds of equity securities consist of listed equity securities of which Japanese companies and foreign companies account for 50% and 50%, respectively.

Pooled funds of debt securities consist of bonds denominated in Japanese yen and in foreign currency by 40% and 60%, respectively.

The fair values of the Companies' pension plan assets at March 31, 2011 by category were as follows:

	Millions of yen			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash equivalents	¥ 15,056	¥ —	¥ —	¥ 15,056
Equity securities:				
Japanese companies	11,624	—	—	11,624
Foreign companies	1,990	—	—	1,990
Pooled funds	—	46,898	—	46,898
Debt securities:				
Bonds denominated in Japanese yen	—	31,868	—	31,868
Bonds denominated in foreign currency	—	3,812	—	3,812
Pooled funds	—	44,987	—	44,987
Life insurance company general accounts	—	11,429	—	11,429
Other assets	—	3,915	4	3,919
	¥ 28,670	¥ 142,909	¥ 4	¥ 171,583

Pooled funds of equity securities consist of listed equity securities of which Japanese companies and foreign companies account for 50% and 50%, respectively.

Pooled funds of debt securities consist of bonds denominated in Japanese yen and in foreign currency by 50% and 50%, respectively.

Plan assets categorized into Level 1 consist of primarily listed stocks of Japanese companies, which are measured at quoted prices in active markets without adjustments.

Plan assets categorized into Level 2 consist of primarily government and corporate bonds. These assets are measured based upon quoted prices of identical assets not categorized into Level 1 in markets that are not active or similar assets or liabilities in active markets using observable inputs such as market price in the financial exchange.

Plan assets categorized into Level 3 consist of primarily unlisted stocks and funds for which observable inputs are not available due to lack of similar assets in active markets.

The changes in Level 3 plan assets for the year ended March 31, 2012 were as follows:

	Millions of yen				
	Balance at beginning of year	Purchases, sales, cancels	Net realized gain or loss	Net transfers in and/or(out) of Level 3	Balance at end of year
Other assets	¥ 4	¥ (1)	¥ (1)	¥ —	¥ 2
	¥ 4	¥ (1)	¥ (1)	¥ —	¥ 2

	Thousands of U.S. dollars				
	Balance at beginning of year	Purchases, sales, cancels	Net realized gain or loss	Net transfers in and/or(out) of Level 3	Balance at end of year
Other assets	$ 48	$ (12)	$ (12)	$ —	$ 24
	$ 48	$ (12)	$ (12)	$ —	$ 24

The changes in Level 3 plan assets for the year ended March 31, 2011 were as follows:

	Millions of yen				
	Balance at beginning of year	Purchases, sales, cancels	Net realized gain or loss	Net transfers in and/or(out) of Level 3	Balance at end of year
Equity securities of Japanese companies	¥ 572	¥ —	¥ —	¥ (572)	¥ —
Other assets	21	—	(17)	—	4
	¥ 593	¥ —	¥ (17)	¥ (572)	¥ 4

The benefits expected to be paid in the next ten years are as follows:

Years ending March 31	*Millions of yen*	*Thousands of U.S. dollars*
2013	¥ 11,236	$ 137,024
2014	11,483	140,037
2015	11,459	139,744
2016	11,706	142,756
2017	11,812	144,049
2018 – 2022	59,580	726,585
	¥ 117,276	$ 1,430,195

The amount of contributions expected to be paid to the pension plans during the year ending March 31, 2013 is approximately ¥3,100 million ($37,805 thousand).

12. Income Taxes

The Company files a consolidated income tax return in Japan.

Total income taxes recognized for the years ended March 31, 2012 and 2011 were attributable to the following:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Income before income taxes	¥ **83,949**	¥ 64,539	$ **1,023,769**
Other comprehensive income (loss)	**(3,173)**	(4,880)	**(38,696)**
Total	¥ **80,776**	¥ 59,659	$ **985,073**

Amendments to the Japanese tax regulations were enacted on November 30, 2011. As a result of these amendments, the statutory income tax rate will be reduced from approximately 41% to 38% effective from the year beginning April 1, 2012, and to approximately 36% effective from the year beginning April 1, 2015 and thereafter. The effects of these adoptions were not material for the Companies' financial position at March 31, 2012 and results of operations for the year ended March 31, 2012.

Taxes on income applicable to the Company would normally result in the statutory tax rate of approximately 41% in Japan for the years ended March 31, 2012 and 2011. A reconciliation of the statutory income tax rate to the effective income tax rate expressed as a percentage of income before income taxes for the years ended March 31, 2012 and 2011 were as follows:

	2012	2011
Statutory income tax rate	**41.0 %**	41.0 %
Tax effect of subsidiaries' operations	**1.3 %**	0.2 %
Tax effect of permanent differences	**0.8 %**	0.5 %
Difference in tax rate of foreign subsidiaries	**(2.6)%**	(8.2)%
Tax effect on equity in earnings of affiliated companies and undistributed earnings of subsidiaries	**(8.5)%**	(5.0)%
Other	**0.2 %**	2.6 %
Effective income tax rate	**32.2 %**	31.1 %

Income before income taxes for the years ended March 31, 2012 and 2011 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2012	**2011**	**2012**
Domestic	¥ **72,145**	¥ 39,820	$ **879,817**
Foreign	**188,838**	167,397	**2,302,903**
Total	¥ **260,983**	¥ 207,217	$ **3,182,720**

Provision for income taxes for the years ended March 31, 2012 and 2011 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2012	**2011**	**2012**
Current:			
Domestic	¥ **24,158**	¥ 14,684	$ **294,610**
Foreign	**28,934**	29,489	**352,854**
Deferred:			
Domestic	**17,160**	17,167	**209,268**
Foreign	**13,697**	3,199	**167,037**
Total	¥ **83,949**	¥ 64,539	$ **1,023,769**

Significant components of deferred tax assets and deferred tax liabilities at March 31, 2012 and 2011 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2012	**2011**	**2012**
Deferred tax assets:			
Allowance for doubtful accounts	¥ **15,695**	¥ 19,662	$ **191,402**
Inventories	**3,045**	3,878	**37,134**
Investment securities	**42,427**	43,298	**517,402**
Employees' retirement benefits	**35,759**	37,261	**436,085**
Unrealized profit on intercompany transactions	**18,393**	17,755	**224,305**
Net operating loss carryforwards	**26,937**	26,209	**328,500**
Other	**29,749**	34,442	**362,794**
Total deferred tax assets	**172,005**	182,505	**2,097,622**
Valuation allowance	**(41,902)**	(37,440)	**(511,000)**
Total deferred tax assets - net	**130,103**	145,065	**1,586,622**
Deferred tax liabilities:			
Property, plant and equipment	**38,079**	24,475	**464,378**
Undistributed earnings	**11,376**	16,895	**138,731**
Investment in affiliated companies	**37,264**	30,879	**454,439**
Other	**29,606**	33,924	**361,049**
Total deferred tax liabilities	**116,325**	106,173	**1,418,597**
Net deferred tax assets	¥ **13,778**	¥ 38,892	$ **168,025**

The net changes in the valuation allowance for deferred tax assets were ¥4,462 million ($54,415 thousand) of increases and ¥9,067 million of increases for the years ended March 31, 2012 and 2011, respectively.

At March 31, 2012, certain subsidiaries had net operating loss carryforwards amounting to ¥81,708 million ($996,439 thousand), subject to expiration as follows:

Years ending March 31	*Millions of yen*	*Thousands of U.S. dollars*
2013	¥ 5,042	$ 61,488
2014	1,811	22,085
2015	7,912	96,488
2016	2,899	35,354
2017	2,803	34,183
2018 and thereafter	30,460	371,463
Indefinite period	30,781	375,378
Total	¥ 81,708	$ 996,439

No provision has been made for Japanese income taxes on the undistributed earnings of the Company's domestic subsidiaries earned prior to March 31, 1993 or on part of the undistributed earnings of the Company's foreign subsidiaries with no distribution plan, which amounted to ¥361,647 million ($4,410,329 thousand) and ¥295,463 million at March 31, 2012 and 2011, respectively. The Company intends such earnings to be permanently invested. Determination of the amount of the related unrecognized deferred income tax liability is not practical.

Realization of the Company's net deferred tax assets depends on the Company generating sufficient taxable income or the Company executing certain available tax strategies. Although realization is not assured, management believes it is more likely than not that the net deferred tax assets will be realized.

Unrecognized tax benefits at March 31, 2012 and April 1, 2011 were not material.

Although the Company believes that its estimates and assumptions of unrecognized tax benefits are reasonable, uncertainty regarding the final determination of tax audit settlements and any related litigation could affect the effective tax rate in the future periods. Based on each of the items which the Company is aware of at March 31, 2012, no significant changes to the unrecognized tax benefits are expected within the next 12 months.

Interests and penalties related to income tax are included in other—net in the consolidated statements of income.

Both the interests and the penalties accrued as of March 31, 2012 in the consolidated balance sheets, and the interests and the penalties included in other—net in the consolidated statements of income for the year ended March 31, 2012 are not material.

The Companies file income tax returns in Japan and various foreign tax jurisdictions. In Japan, the income tax examinations of the Companies by the tax authority for years through the year ended March 31, 2010 have been substantially completed. In the United States, the income tax examinations of the Companies by the tax authority for years through the year ended March 31, 2008 have been substantially completed.

13. Equity

The Corporation Law of Japan (the "Law") provides that an amount equal to 10% of the amount to be distributed as distributions of capital surplus (other than 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 common stock account.

The amount of retained earnings available for distributions under the Law is based on the amount recorded on the Company's books maintained in accordance with Japanese accounting practices. The adjustments to conform to accounting principles generally accepted in the United States, reflected in the accompanying consolidated financial statements but not recorded on the books, as explained in Note 1, have no effect on the determination of retained earnings available for the distributions under the Law.

Such distributions can be made at any time by resolution of the shareholders or by resolution of the Board of Directors if certain conditions are met.

The retained earnings available for distributions amounted to ¥135,760 million ($1,655,610 thousand) at March 31, 2012.

14. Other Comprehensive Income (Loss)

The amount of income tax expense or benefit allocated to each component of other comprehensive income (loss) including noncontrolling interests for the years ended March 31, 2012 and 2011 were as flows:

	Millions of yen		
2012	**Before-tax amount**	**Tax (expense) or benefit**	**Net-of-tax amount**
Unrealized gains (losses) on investment securities arising during the period	**¥ (422)**	**¥ 97**	**¥ (325)**
Reclassification adjustments included in net income	**(4,144)**	**2,998**	**(1,146)**
Net unrealized gains (losses) on investment securities	**(4,566)**	**3,095**	**(1,471)**
Currency translation adjustments arising during the period	**(32,826)**	**(3,722)**	**(36,548)**
Reclassification adjustments included in net income	**2,388**	**(1,068)**	**1,320**
Net currency translation adjustments	**(30,438)**	**(4,790)**	**(35,228)**
Unrealized gains (losses) on derivatives arising during the period	**(34,595)**	**50**	**(34,545)**
Reclassification adjustments included in net income	**6,378**	**2,201**	**8,579**
Net unrealized gains (losses) on derivatives	**(28,217)**	**2,251**	**(25,966)**
Pension liability adjustments arising during the period	**(11,300)**	**4,520**	**(6,780)**
Reclassification adjustments included in net income	**4,728**	**(1,903)**	**2,825**
Net pension liability adjustments	**(6,572)**	**2,617**	**(3,955)**
Other comprehensive loss	**¥ (69,793)**	**¥ 3,173**	**¥ (66,620)**

	Millions of yen		
2011	**Before-tax amount**	**Tax (expense) or benefit**	**Net-of-tax amount**
Unrealized gains (losses) on investment securities arising during the period	¥ (21,753)	¥ 8,341	¥ (13,412)
Reclassification adjustments included in net income	1,038	(424)	614
Net unrealized gains (losses) on investment securities	(20,715)	7,917	(12,798)
Currency translation adjustments arising during the period	(67,932)	(4,988)	(72,920)
Reclassification adjustments included in net income	2,855	(838)	2,017
Net currency translation adjustments	(65,077)	(5,826)	(70,903)
Unrealized gains (losses) on derivatives arising during the period	(15,201)	(547)	(15,748)
Reclassification adjustments included in net income	12,342	8	12,350
Net unrealized gains (losses) on derivatives	(2,859)	(539)	(3,398)
Pension liability adjustments arising during the period	(11,980)	4,926	(7,054)
Reclassification adjustments included in net income	3,909	(1,598)	2,311
Net pension liability adjustments	(8,071)	3,328	(4,743)
Other comprehensive loss	¥ (96,722)	¥ 4,880	¥ (91,842)

2012	*Thousands of U.S. dollars* Before-tax amount	Tax (expense) or benefit	Net-of-tax amount
Unrealized gains (losses) on investment securities arising during the period	$ (5,146)	$ 1,183	$ (3,963)
Reclassification adjustments included in net income	(50,537)	36,561	(13,976)
Net unrealized gains (losses) on investment securities	(55,683)	37,744	(17,939)
Currency translation adjustments arising during the period	(400,317)	(45,390)	(445,707)
Reclassification adjustments included in net income	29,122	(13,025)	16,097
Net currency translation adjustments	(371,195)	(58,415)	(429,610)
Unrealized gains (losses) on derivatives arising during the period	(421,890)	610	(421,280)
Reclassification adjustments included in net income	77,780	26,842	104,622
Net unrealized gains (losses) on derivatives	(344,110)	27,452	(316,658)
Pension liability adjustments arising during the period	(137,805)	55,122	(82,683)
Reclassification adjustments included in net income	57,658	(23,207)	34,451
Net pension liability adjustments	(80,147)	31,915	(48,232)
Other comprehensive loss	$ (851,135)	$ 38,696	$ (812,439)

The accumulated balance of each component of accumulated other comprehensive income (loss) for the years ended March 31, 2012 and 2011 were as follows:

	Millions of yen Unrealized gains (losses) on investment securities	Currency translation adjustments	Unrealized gains (losses) on derivatives	Pension liability adjustment	Accumulated other comprehensive income (loss)
Balance at March 31, 2010	¥ 33,808	¥ (204,482)	¥ (42,857)	¥ (56,137)	¥ (269,668)
Change in the period	(12,803)	(68,537)	(3,367)	(4,761)	(89,468)
Balance at March 31, 2011	21,005	(273,019)	(46,224)	(60,898)	(359,136)
Change in the period	(1,495)	(34,623)	(25,062)	(3,944)	(65,124)
Balance at March 31, 2012	¥ 19,510	¥ (307,642)	¥ (71,286)	¥ (64,842)	¥ (424,260)

	Thousands of U.S. dollars Unrealized gains (losses) on investment securities	Currency translation adjustments	Unrealized gains (losses) on derivatives	Pension liability adjustment	Accumulated other comprehensive income (loss)
Balance at March 31, 2011	$ 256,159	$ (3,329,500)	$ (563,707)	$ (742,659)	$ (4,379,707)
Change in the period	(18,232)	(422,232)	(305,634)	(48,097)	(794,195)
Balance at March 31, 2012	$ 237,927	$ (3,751,732)	$ (869,341)	$ (790,756)	$ (5,173,902)

15. Earnings per Share of Common Stock

The computation of basic earnings per share of common stock is based on the weighted average number of shares of common stock outstanding during the year.

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

	Millions of yen		*Thousands of U.S. dollars*
	2012	**2011**	**2012**
Numerator:			
Net income attributable to Marubeni	¥ **172,125**	¥ 136,541	$ **2,099,085**
Denominator:			
Denominator for basic earnings per share–weighted average shares	**1,736,321,938**	1,736,434,298	

	Yen		*U.S. dollars*
	2012	**2011**	**2012**
Earnings per share of common stock:			
Net income attributable to Marubeni	¥ **99.13**	¥ 78.63	$ **1.21**

No diluted earnings per share are disclosed for the years ended March 31, 2012 and 2011 because the Company does not have any dilutive instruments.

16. Segment Information

The Companies' operating segments by which 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 multitude of industries and, in addition, provides the related financing, insurance and other services to these operations on a worldwide basis. The Companies have 10 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.

Lifestyle: This group deals with wide range of customer goods, such as apparel, footwear, household goods and home furnishings, sporting goods, fitness machines and tires. In addition, this group operates various businesses from planning, manufacturing, importing, and wholesaling of products to brand development, consulting services and business investments, and providing a variety of services, both domestically and internationally.

Forest Products: This group manufactures and distributes raw materials for paper production, paper and cardboard, and takes part in afforestation projects and sells housing materials, both domestically and internationally.

Chemicals: This group handles a wide variety of goods ranging from upstream, such as petrochemical, to downstream, such as electronic materials and agrochemicals. Focusing on Middle East, South East Asia, South America and India as well as China, as a priority market, this group is conducting business with a balance between investment and trade, both domestically and internationally.

Energy: This group focuses on products related to energy such as oil and gas. It also takes part in various sorts of businesses which benefit from the development of resources through retail such as gas stations, 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 trade (export, import, wholesale, and retail) in aerospace and defense systems, automotive, construction and agricultural machinery, and other transportation related machinery, and related services such as loans and investments, trade finance, leasing and overseas business support services, both domestically and internationally. Also included in the division are trading, leasing, and charter of various types of cargo vessels and tankers.

Power Projects & Infrastructure: This group develops, invests in, and operates power projects and infrastructure projects, especially power generation (including desalinization, co-generation and wind power projects), while undertaking the procurement and installation of generators, power distribution grids, electrical substations, clean water treatment and waste water treatment as well as making loans and investments to other new technologies and business models in the alternate energy field, both domestically and internationally.

Plant & Industrial Machinery: This group deals with equipment procurement and construction of oil, gas, chemical, environmental, steel, cement, paper and pulp and other industrial plants, infrastructure development such as railway/airport and textile machinery, alternative energy facilities, automobile machinery and other industrial machines; origination and management of projects in domestic and overseas markets. This group also works on environmental projects, including Clean Development Mechanism (CDM) projects.

Finance, Logistics & IT Business: Both domestically and internationally, this group is involved in various financial businesses such as fund management, leasing business and financial product trading, while in the insurance area, it operates an insurance intermediary business. In the logistics area, it operates the forwarding business and the logistics center business, among others. In the communication business area, this group deals with business in wide-ranging areas including data communication network business, system solution business, data center business, mobile terminal sales business and BPO business, as well as export and offshore trading in communications, broadcasting and information systems.

Overseas corporate subsidiaries and 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, 2012 and 2011 were as follows:

Year ended March 31, 2012	Food	Lifestyle	Forest Products	Chemicals
	Millions of yen			
Total volume of trading transactions:				
Outside customers	¥ 1,932,552	¥ 403,638	¥ 506,012	¥ 854,288
Inter-segment	60,040	15,231	18,490	105,439
Total	¥ 1,992,592	¥ 418,869	¥ 524,502	¥ 959,727
Gross trading profit	¥ 99,990	¥ 31,762	¥ 29,746	¥ 26,485
Equity in earnings (losses) of affiliated companies–net	¥ 2,098	¥ 326	¥ (457)	¥ 3,963
Net income (loss) attributable to Marubeni	¥ 13,990	¥ 6,071	¥ 2,003	¥ 7,539
Segment assets	¥ 688,810	¥ 146,404	¥ 357,183	¥ 210,703
Depreciation and amortization	¥ 8,786	¥ 2,359	¥ 8,292	¥ 624
Expenditures for segment assets	¥ 7,120	¥ 539	¥ 5,724	¥ 144

Year ended March 31, 2012	Energy	Metals & Mineral Resources	Transportation Machinery	Power Projects & Infrastructure
	Millions of yen			
Total volume of trading transactions:				
Outside customers	¥ 3,011,701	¥ 889,975	¥ 758,052	¥ 374,412
Inter-segment	18,621	50,494	50,065	404
Total	¥ 3,030,322	¥ 940,469	¥ 808,117	¥ 374,816
Gross trading profit	¥ 58,810	¥ 31,645	¥ 43,059	¥ 37,729
Equity in earnings (losses) of affiliated companies–net	¥ 810	¥ 43,687	¥ 8,262	¥ 20,882
Net income (loss) attributable to Marubeni	¥ 40,882	¥ 49,302	¥ 14,339	¥ 21,384
Segment assets	¥ 717,212	¥ 579,986	¥ 361,133	¥ 535,419
Depreciation and amortization	¥ 27,323	¥ 2,308	¥ 3,971	¥ 4,691
Expenditures for segment assets	¥ 70,508	¥ 4,716	¥ 1,505	¥ 3,018

Year ended March 31, 2012	Plant & Industrial Machinery	Finance, Logistics & IT Business	Overseas corporate subsidiaries and branches	Corporate and Elimination
	Millions of yen			
Total volume of trading transactions:				
Outside customers	¥ 579,759	¥ 178,124	¥ 1,017,726	¥ 78,154
Inter-segment	58,915	10,632	804,391	(1,192,722)
Total	¥ 638,674	¥ 188,756	¥ 1,822,117	¥ (1,114,568)
Gross trading profit	¥ 28,202	¥ 42,545	¥ 104,970	¥ 6,511
Equity in earnings (losses) of affiliated companies–net	¥ 2,849	¥ (337)	¥ 847	¥ (1,402)
Net income (loss) attributable to Marubeni	¥ 6,097	¥ 5,286	¥ 16,113	¥ (10,881)
Segment assets	¥ 270,137	¥ 182,245	¥ 555,857	¥ 524,798
Depreciation and amortization	¥ 1,106	¥ 3,972	¥ 3,640	¥ 5,439
Expenditures for segment assets	¥ 7,098	¥ 3,523	¥ 10,391	¥ 28,605

Year ended March 31, 2012	Consolidated
	Millions of yen
Total volume of trading transactions:	
Outside customers	¥ 10,584,393
Inter-segment	—
Total	¥ 10,584,393
Gross trading profit	¥ 541,454
Equity in earnings (losses) of affiliated companies–net	¥ 81,528
Net income (loss) attributable to Marubeni	¥ 172,125
Segment assets	¥ 5,129,887
Depreciation and amortization	¥ 72,511
Expenditures for segment assets	¥ 142,891

Year ended March 31, 2011	Food	Lifestyle	Forest Products	Chemicals
	Millions of yen			
Total volume of trading transactions:				
Outside customers	¥ 1,728,844	¥ 380,319	¥ 544,839	¥ 698,041
Inter-segment	52,139	16,425	23,111	101,871
Total	¥ 1,780,983	¥ 396,744	¥ 567,950	¥ 799,912
Gross trading profit	¥ 113,379	¥ 30,980	¥ 39,823	¥ 24,130
Equity in earnings (losses) of affiliated companies–net	¥ 3,457	¥ 52	¥ 2,982	¥ 2,959
Net income (loss) attributable to Marubeni	¥ 15,208	¥ 4,990	¥ 7,300	¥ 6,069
Segment assets	¥ 643,775	¥ 132,552	¥ 365,470	¥ 206,427
Depreciation and amortization	¥ 7,622	¥ 2,220	¥ 8,985	¥ 541
Expenditures for segment assets	¥ 15,000	¥ 471	¥ 3,980	¥ 188

Year ended March 31, 2011	Energy	Metals & Mineral Resources	Transportation Machinery	Power Projects & Infrastructure
	Millions of yen			
Total volume of trading transactions:				
Outside customers	¥ 2,459,420	¥ 820,021	¥ 653,239	¥ 262,729
Inter-segment	16,965	48,437	37,177	42
Total	¥ 2,476,385	¥ 868,458	¥ 690,416	¥ 262,771
Gross trading profit	¥ 48,757	¥ 27,675	¥ 42,942	¥ 25,647
Equity in earnings (losses) of affiliated companies–net	¥ 576	¥ 32,614	¥ 3,384	¥ 23,886
Net income (loss) attributable to Marubeni	¥ 28,215	¥ 33,720	¥ 10,744	¥ 17,512
Segment assets	¥ 656,228	¥ 520,762	¥ 268,500	¥ 436,676
Depreciation and amortization	¥ 28,642	¥ 3,440	¥ 3,786	¥ 2,465
Expenditures for segment assets	¥ 38,557	¥ 1,314	¥ 6,058	¥ 1,057

Year ended March 31, 2011	Plant & Industrial Machinery	Finance, Logistics & IT Business	Overseas corporate subsidiaries and branches	Corporate and Elimination
	Millions of yen			
Total volume of trading transactions:				
Outside customers	¥ 266,283	¥ 221,169	¥ 917,658	¥ 67,906
Inter-segment	69,234	9,557	716,916	(1,091,874)
Total	¥ 335,517	¥ 230,726	¥ 1,634,574	¥ (1,023,968)
Gross trading profit	¥ 24,352	¥ 42,273	¥ 97,612	¥ 4,582
Equity in earnings (losses) of affiliated companies–net	¥ 1,724	¥ (534)	¥ 661	¥ (309)
Net income (loss) attributable to Marubeni	¥ 3,162	¥ 3,213	¥ 12,101	¥ (5,693)
Segment assets	¥ 242,764	¥ 186,164	¥ 535,098	¥ 484,673
Depreciation and amortization	¥ 1,073	¥ 3,945	¥ 3,567	¥ 5,856
Expenditures for segment assets	¥ 4,782	¥ 2,903	¥ 3,284	¥ 13,863

Year ended March 31, 2011	Consolidated
	Millions of yen
Total volume of trading transactions:	
Outside customers	¥ 9,020,468
Inter-segment	—
Total	¥ 9,020,468
Gross trading profit	¥ 522,152
Equity in earnings (losses) of affiliated companies–net	¥ 71,452
Net income (loss) attributable to Marubeni	¥ 136,541
Segment assets	¥ 4,679,089
Depreciation and amortization	¥ 72,142
Expenditures for segment assets	¥ 91,457

Year ended March 31, 2012	Food	Lifestyle	Forest Products	Chemicals
	Thousands of U.S. dollars			
Total volume of trading transactions:				
Outside customers	$ 23,567,707	$ 4,922,415	$ 6,170,878	$ 10,418,146
Inter-segment	732,195	185,744	225,488	1,285,842
Total	$ 24,299,902	$ 5,108,159	$ 6,396,366	$ 11,703,988
Gross trading profit	$ 1,219,390	$ 387,341	$ 362,756	$ 322,988
Equity in earnings (losses) of affiliated companies–net	$ 25,585	$ 3,976	$ (5,573)	$ 48,329
Net income (loss) attributable to Marubeni	$ 170,610	$ 74,037	$ 24,427	$ 91,939
Segment assets	$ 8,400,122	$ 1,785,415	$ 4,355,890	$ 2,569,549
Depreciation and amortization	$ 107,146	$ 28,768	$ 101,122	$ 7,610
Expenditures for segment assets	$ 86,829	$ 6,573	$ 69,805	$ 1,756

Year ended March 31, 2012	Energy	Metals & Mineral Resources	Transportation Machinery	Power Projects & Infrastructure
	Thousands of U.S. dollars			
Total volume of trading transactions:				
Outside customers	$ 36,728,061	$ 10,853,354	$ 9,244,536	$ 4,566,000
Inter-segment	227,085	615,780	610,549	4,927
Total	$ 36,955,146	$ 11,469,134	$ 9,855,085	$ 4,570,927
Gross trading profit	$ 717,195	$ 385,915	$ 525,110	$ 460,110
Equity in earnings (losses) of affiliated companies–net	$ 9,878	$ 532,768	$ 100,756	$ 254,659
Net income (loss) attributable to Marubeni	$ 498,561	$ 601,244	$ 174,866	$ 260,780
Segment assets	$ 8,746,488	$ 7,073,000	$ 4,404,061	$ 6,529,500
Depreciation and amortization	$ 333,207	$ 28,146	$ 48,427	$ 57,207
Expenditures for segment assets	$ 859,854	$ 57,512	$ 18,354	$ 36,805

Year ended March 31, 2012	Plant & Industrial Machinery	Finance, Logistics & IT Business	Overseas corporate subsidiaries and branches	Corporate and Elimination
	Thousands of U.S. dollars			
Total volume of trading transactions:				
Outside customers	$ 7,070,232	$ 2,172,244	$ 12,411,293	$ 953,097
Inter-segment	718,475	129,658	9,809,646	(14,545,389)
Total	$ 7,788,707	$ 2,301,902	$ 22,220,939	$ (13,592,292)
Gross trading profit	$ 343,927	$ 518,841	$ 1,280,122	$ 79,403
Equity in earnings (losses) of affiliated companies–net	$ 34,744	$ (4,110)	$ 10,329	$ (17,097)
Net income (loss) attributable to Marubeni	$ 74,354	$ 64,463	$ 196,500	$ (132,696)
Segment assets	$ 3,294,354	$ 2,222,500	$ 6,778,744	$ 6,399,975
Depreciation and amortization	$ 13,488	$ 48,439	$ 44,390	$ 66,330
Expenditures for segment assets	$ 86,561	$ 42,963	$ 126,720	$ 348,841

Year ended March 31, 2012	Consolidated
	Thousands of U.S. dollars
Total volume of trading transactions:	
Outside customers	$ 129,077,963
Inter-segment	—
Total	$ 129,077,963
Gross trading profit	$ 6,603,098
Equity in earnings (losses) of affiliated companies–net	$ 994,244
Net income (loss) attributable to Marubeni	$ 2,099,085
Segment assets	$ 62,559,598
Depreciation and amortization	$ 884,280
Expenditures for segment assets	$ 1,742,573

Notes: (1) Effective April 1, 2011, "Real Estate Development" segment was combined into "Corporate and Elimination". The Companies' operating segment information for the year ended March 31, 2011 was restated to conform to this change.

(2) The total volumes of trading transactions are voluntarily disclosed based on similar accounting practices used in Japanese trading companies.

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

(4) Net income (loss) attributable to Marubeni of "Corporate and Elimination" includes headquarters expenses not allocated to the operating segments, inter-segment eliminations and income (loss) related to Real Estate Business. Segment assets of "Corporate and Elimination" include assets for general corporate purposes that are not allocated to the operating segments, inter-segment eliminations and assets related to Real Estate Business. The assets for general corporate purposes consist of mainly cash and cash equivalents related to financing, marketable securities and fixed assets for general corporate purposes.

Revenues from external customers by country for the years ended March 31, 2012 and 2011 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
Country	**2012**	**2011**	**2012**
Japan	¥ **2,989,182**	¥ 2,692,182	$ **36,453,439**
United States	**730,294**	643,561	**8,906,024**
Singapore	**285,159**	55,745	**3,477,549**
Other	**385,718**	292,361	**4,703,878**
Total	¥ **4,390,353**	¥ 3,683,849	$ **53,540,890**

Note: Revenues from external customers are attributed to countries based on the location of the Companies' operations.

Long-lived assets, including property leased to others, by country as of March 31, 2012 and 2011 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
Country	**2012**	**2011**	**2012**
Japan	¥ **462,701**	¥ 458,704	$ **5,642,695**
United States	**225,976**	172,617	**2,755,805**
Indonesia	**101,789**	106,410	**1,241,329**
Other	**161,890**	158,841	**1,974,269**
Total	¥ **952,356**	¥ 896,572	$ **11,614,098**

Revenues from external customers by product for the years ended March 31, 2012 and 2011 were as follows:

Product	Millions of yen 2012	Millions of yen 2011	Thousands of U.S. dollars 2012
Machinery	¥ **590,936**	¥ 556,034	$ **7,206,537**
Resources	**907,366**	601,141	**11,065,439**
Materials	**972,033**	876,355	**11,854,060**
Consumer Products	**1,920,018**	1,650,319	**23,414,854**
Total	¥ **4,390,353**	¥ 3,683,849	$ **53,540,890**

Notes: (1) Effective April 1, 2011, classification by product as "Machinery," "Energy," "Metals," "Chemicals," "Forest products and general merchandise," "Food," "Textile," and "Development and construction" was reclassified. What was classified in March 31, 2011 as "Machinery" remained as "Machinery," and "Energy" and "Metals" were reclassified to "Resources." Former "Chemicals" and "Forest products" contained in "Forest products and general merchandise" were reclassified to "Materials," and the others were reclassified to "Consumer Products." Revenues from external customers by product for the year ended March 31, 2011 were restated to conform to those reclassifications.

(2) There is no concentration by customer for any years presented.

17. Foreign Currency Transactions

Net foreign currency transaction gains and losses included in other—net amounted to ¥3,407 million ($41,549 thousand) in losses and ¥12,870 million in losses for the years ended March 31, 2012 and 2011, respectively.

18. Financial Instruments

Fair value of financial instruments

The estimated fair value of the financial instruments of the Companies has been determined using available market information or other appropriate valuation methodologies. However, considerable judgment is required in interpreting market data to develop estimates of fair value. Consequently, the estimates are not necessarily indicative of amounts that could be realized or would be paid in a current market exchange.

The following methodologies and assumptions were used by the Companies in estimating the fair value disclosures of the financial instruments:

Cash and cash equivalents, and time deposits: The carrying amounts of the cash and cash equivalents, and time deposits reflected in the consolidated balance sheets approximate their fair value.

Investment securities, securities and other investments: The fair value of investments in debt securities is based on quoted market prices or estimated using discounted cash flow analyses, based on the estimated current rates offered to the issuers for securities with similar terms and remaining maturities.

The fair value of marketable equity securities is based on quoted market prices. The carrying amount of the marketable equity securities reflected in the consolidated balance sheets represents their fair value.

It was not practical to estimate the fair value of the investments other than debt securities and marketable equity securities without incurring excessive costs. The carrying amounts of the portion of the portfolio for which fair value could not be estimated was ¥159,005 million ($1,939,086 thousand) and ¥158,585 million at March 31, 2012 and 2011, respectively, and represented the cost of this portion of the portfolio, which, management believes, has no declines in fair value considered to be other than temporary.

Non-marketable securities included in the above were in the amount of ¥100,240 million ($1,222,439 thousand) and ¥93,555 million, at March 31, 2012 and 2011, respectively. Of those securities that were not evaluated for impairment, because the Company did not identify any events or changes in circumstances that might have had a significant adverse effect on the fair value of those investments, were in the amounts of ¥100,147 million ($1,221,305 thousand) and ¥84,928 million at March 31, 2012 and 2011, respectively. For the carrying amounts and fair value of debt securities and marketable equity securities on the consolidated balance sheets, see Note 4 to consolidated financial statements.

Long-term notes, loans and accounts receivable–trade and long-term receivables to affiliated companies: The fair value of long-term notes, loans and accounts receivable – trade and long-term receivables to affiliated companies is estimated using discounted cash flow analyses, based on the interest rates currently being offered to borrowers for similar long-term notes, loans and accounts receivable – trade with similar credit ratings.

Short-term loans: The carrying amount of the short-term loans reflected in the consolidated balance sheets approximates their fair value.

Long-term debt: The fair value of long-term debt is estimated using discounted cash flow analyses, based on the current borrowing rates for borrowing arrangements with similar terms and remaining maturities.

Interest rate swap agreements: The fair value of interest rate swap agreements is estimated using discounted cash flow analyses, based on the current swap rates for interest rate swap agreements with similar terms and remaining periods.

Foreign exchange contracts: The fair value of foreign exchange contracts is estimated based on the quoted market prices of comparable contracts, adjusted where necessary for maturity differences.

Commodity futures and forward contracts: The fair value of commodity futures and forward contracts is estimated primarily based on the quoted market prices of comparable contracts, adjusted where necessary for maturity differences.

The carrying amounts and fair value of financial instruments at March 31, 2012 and 2011 (amounts in parentheses represent liabilities) were as follows

	Millions of yen			
	2012		**2011**	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Long-term notes, loans and accounts receivable–trade and long-term receivables to affiliated companies (less allowance for doubtful accounts)	**¥ 127,297**	**¥ 127,357**	¥ 95,517	¥ 95,070
Long-term debt (including current portion)	**(2,476,981)**	**(2,485,206)**	(2,270,129)	(2,280,531)
Derivative instruments–assets:				
Interest rate swap agreements	**17,266**	**17,266**	14,660	14,660
Foreign exchange contracts and other	**8,212**	**8,212**	11,300	11,300
Commodity futures and forward contracts and other	**62,623**	**62,623**	105,122	105,122
Derivative instruments–liabilities:				
Interest rate swap agreements	**(3,019)**	**(3,019)**	(4,099)	(4,099)
Foreign exchange contracts and other	**(8,622)**	**(8,622)**	(8,421)	(8,421)
Commodity futures and forward contracts and other	**(60,402)**	**(60,402)**	(99,665)	(99,665)

	Thousands of U.S. dollars	
	2012	
	Carrying amount	**Fair value**
Long-term notes, loans and accounts receivable–trade and long-term receivables to affiliated companies (less allowance for doubtful accounts)	**$ 1,552,402**	**$ 1,553,134**
Long-term debt (including current portion)	**(30,207,085)**	**(30,307,390)**
Derivative instruments–assets:		
Interest rate swap agreements	**210,561**	**210,561**
Foreign exchange contracts and other	**100,146**	**100,146**
Commodity futures and forward contracts and other	**763,695**	**763,695**
Derivative instruments–liabilities:		
Interest rate swap agreements	**(36,817)**	**(36,817)**
Foreign exchange contracts and other	**(105,146)**	**(105,146)**
Commodity futures and forward contracts and other	**(736,610)**	**(736,610)**

19. Fair Value Measurements

In May 2011, the FASB issued Accounting Standards Update ("ASU") 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. The amendments in this update result in common fair value measurement and disclosure requirements in U.S. GAAP and IFRSs. Some of the amendments clarify the Board's intention about the application of existing fair value measurement requirements. Other amendments change a particular principle or requirement. ASU 2011-04 has been effective during interim and annual periods beginning after December 15, 2011, and the Companies adopted ASU 2011-04 since three-month period ended at March 31, 2012. However, this adoption did not affect the Companies' financial position at March 31, 2012 and results of operations for the year ended March 31, 2012 because it requires only enhancement of disclosure.

The Companies measure certain assets and liabilities at fair value. The inputs used in fair value measures are categorized into three levels based upon the observability of inputs in markets.

Level 1: quoted prices in active markets for identical assets or liabilities
Level 2: directly or indirectly observable inputs other than Level 1
Level 3: unobservable inputs

The financial assets and liabilities the Companies measure at fair value on a recurring basis at March 31, 2012 and 2011 were as follows:

	Millions of yen							
	2012				**2011**			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:								
Cash equivalents and time deposits	¥ —	¥ **227,000**	¥ —	¥ **227,000**	¥ —	¥ 152,000	¥ —	¥ 152,000
Short-term investments:								
Equity Securities	**2,437**	**1**	—	2,438	1,618	1	—	1,619
Debt Securities	—	—	—	—	—	—	1,251	1,251
Long-term investments:								
Equity Securities	**147,228**	—	—	147,228	179,645	—	—	179,645
Debt Securities	—	**266**	**23,826**	24,092	—	244	16,454	16,698
Derivative instruments								
Interest rate contracts	—	**17,266**	—	**17,266**	—	14,660	—	14,660
Foreign exchange contracts	—	**8,212**	—	**8,212**	—	11,300	—	11,300
Commodity contracts	**38,961**	**22,327**	**1,335**	**62,623**	37,550	67,498	74	105,122
Liabilities:								
Derivative instruments:								
Interest rate contracts	—	**(3,019)**	—	**(3,019)**	—	(4,099)	—	(4,099)
Foreign exchange contracts	—	**(8,622)**	—	**(8,622)**	—	(8,421)	—	(8,421)
Commodity contracts	**(39,141)**	**(20,046)**	**(1,215)**	**(60,402)**	(45,528)	(54,037)	(66)	(99,631)
Credit contracts	—	—	—	—	—	—	(34)	(34)

	Thousands of U.S. dollars			
	2012			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Cash equivalents and time deposits	$ —	$ **2,768,293**	$ —	$ **2,768,293**
Short-term investments:				
Equity Securities	**29,720**	**12**	—	**29,732**
Debt Securities	—	—	—	—
Long-term investments:				
Equity Securities	**1,795,463**	—	—	**1,795,463**
Debt Securities	—	**3,244**	**290,561**	**293,805**
Derivative instruments				
Interest rate contracts	—	**210,561**	—	**210,561**
Foreign exchange contracts	—	**100,146**	—	**100,146**
Commodity contracts	**475,135**	**272,280**	**16,280**	**763,695**
Liabilities:				
Derivative instruments:				
Interest rate contracts	—	**(36,817)**	—	**(36,817)**
Foreign exchange contracts	—	**(105,146)**	—	**(105,146)**
Commodity contracts	**(477,329)**	**(244,464)**	**(14,817)**	**(736,610)**
Credit contracts	—	—	—	—

Short-term and long-term investments categorized into Level 1 consist of marketable equity securities. Derivative instruments categorized into Level 1 consist of derivatives related to commodity contracts. These assets are measured at quoted prices in active markets without adjustments.

Cash equivalents and time deposits categorized into Level 2 consist of primarily certificates of deposit. Short-term and long-term investments categorized into Level 2 consist of primarily government and corporate bonds. Derivative instruments categorized into Level 2 consist of primarily derivatives related to commodity contracts, forward exchange contracts and interest rate swap agreements. These assets are measured based upon quoted prices of identical assets not categorized into Level 1 in markets that are not active or similar assets or liabilities in active markets. These assets are valued primarily based on a market approach using observable inputs such as commodity price, foreign exchange rate and interest rate.

Short-term and long-term investments categorized into Level 3 consist of primarily government and corporate bonds. Derivative instruments categorized into Level 3 consist of derivatives related to credit risk and commodity contracts. These assets are measured primarily based on a market approach using inputs that are reasonably available or inputs many market participants use with reasonable confidence because observable inputs are not available due to lack of similar assets or liabilities in active markets or inappropriate market price by a decline of liquidity.

The Companies recognize inter-level transfers of financial assets and liabilities at the end of each quarter period.

The changes in Level 3 assets and liabilities measured on a recurring basis for the years ended March 31, 2012 and 2011 (amounts in parentheses represent liabilities) were as follows:

	Millions of yen			
	2012			
	Short-term investments	**Long-term investments**	**Derivative instruments (assets/(liabilities))**	
	Debt securities	**Debt securities**	**Commodity contracts**	**Credit contracts**
Balance at Apirl 1, 2011	**¥ 1,251**	**¥ 16,454**	**¥ 8**	**¥ (34)**
Gain (loss) on income statement	**351**	—	**(2,044)**	**34**
Other comprehensive income (loss)	**(208)**	**438**	**(4)**	—
Purchases	—	—	—	—
Sales	—	—	—	—
Settlements	—	—	**2,170**	—
Redemptions	**(1,394)**	—	—	—
Transfers	—	**6,934**	—	—
Net transfers in and/or (out) of Level 3	—	—	**(10)**	—
Balance at March 31, 2012	**¥ —**	**¥ 23,826**	**¥ 120**	**¥ —**
Gain (loss) in assets and liabilities for the year ended March 31, 2012	**¥ —**	**¥ —**	**¥ 122**	**¥ —**

	Millions of yen			
	2011			
	Short-term investments	**Long-term investments**	**Derivative instruments (assets/(liabilities))**	
	Debt securities	**Debt securities**	**Commodity contracts**	**Credit contracts**
Balance at Apirl 1, 2010	¥ 3,181	¥ 28,273	¥ (928)	¥ (1,270)
Gain (loss) on income statement	(101)	(59)	737	236
Other comprehensive income (loss)	200	(116)	44	—
Purchases	—	—	—	—
Sales	(287)	—	—	—
Settlements	—	—	155	1,000
Redemptions	(3,198)	(10,188)	—	—
Transfers	1,456	(1,456)	—	—
Net transfers in and/or (out) of Level 3	—	—	—	—
Balance at March 31, 2011	¥ 1,251	¥ 16,454	¥ 8	¥ (34)
Gain (loss) in assets and liabilities for the year ended March 31, 2011	¥ —	¥ (59)	¥ 8	¥ 236

	Thousands of U.S. dollars			
	2012			
	Short-term investments	**Long-term investments**	**Derivative instruments (assets/(liabilities))**	
	Debt securities	**Debt securities**	**Commodity contracts**	**Credit contracts**
Balance at Apirl 1, 2011	**$ 15,256**	**$ 200,659**	**$ 98**	**$ (415)**
Gain (loss) on income statement	**4,280**	—	**(24,927)**	**415**
Other comprehensive income (loss)	**(2,537)**	**5,341**	**(49)**	—
Purchases	—	—	—	—
Sales	—	—	—	—
Settlements	—	—	**26,463**	—
Redemptions	**(17,000)**	—	—	—
Transfers	—	**84,561**	—	—
Net transfers in and/or (out) of Level 3	—	—	**(122)**	—
Balance at March 31, 2012	**$ —**	**$ 290,561**	**$ 1,463**	**$ —**
Gain (loss) in assets and liabilities for the year ended March 31, 2012	**$ —**	**$ —**	**$ 1,488**	**$ —**

In the consolidated statements of income, the gain (loss) on income statement of investment securities and derivative instruments are included in impairment loss on investment securities, gain on sales of investment securities, other—net or cost of revenues from trading and other activities.

The assets the Companies measure at fair value on a nonrecurring basis at March 31, 2012 and 2011 were followings:

	Millions of yen			
	2012		2011	
	Level 3	Total	Level 3	Total
Assets:				
Securities and investments in affiliated companies	¥ 22,295	¥ 22,295	¥ 36,094	¥ 36,094
Property leased to others, property, plant and equipment, goodwill and intangible assets	5,908	5,908	3,837	3,837

	Thousands of U.S. dollars	
	2012	
	Level 3	Total
Assets:		
Securities and investments in affiliated companies	$ 271,890	$ 271,890
Property leased to others, property, plant and equipment, goodwill and intangible assets	72,049	72,049

Non-marketable equity securities are stated at cost. Investments in affiliated companies are stated at cost, adjusted for equity in their undistributed earnings or accumulated losses since acquisition. When declines in the value of investments in affiliated companies are other than temporary, the investments are written down to fair value and the impairment losses are recognized as a result of comprehensive examination of the recoverability for the investments based on projected business results and the percentage of decline for net assets against the investment, and other relevant factors. If the Company loses control of its subsidiaries due to the change in the ownership interest, retained interest is remeasured at fair value. As a result, the net write-downs amounted to ¥1,699 million ($20,720 thousand) of gains and ¥4,215 million of losses for the years ended March 31, 2012 and 2011, respectively.

Nonfinancial assets measured at fair value on a nonrecurring basis consist primarily of property leased to others, property, plant and equipment, goodwill and intangible assets. Property leased to others, property, plant and equipment and intangible assets subject to amortization are evaluated for impairment and written down to their fair value if the sum of their expected undiscounted future cash flows is less than the carrying amount of the assets, whenever events or changes in circumstances indicate the carrying value may not be recoverable. The Companies review goodwill and intangible assets with indefinite useful lives for impairment at least annually. These assets are written down to fair value and impairment losses are recognized if they are determined to be impaired. As a result, the write-downs amounted to ¥8,880 million ($108,293 thousand) and ¥12,610 million for the years ended March 31, 2012 and 2011, respectively.

Valuation techniques of fair value measurement are primarily the discounted cash flow method that uses as inputs the future expected cash flows generated from the investees and related assets.

The assets and liabilities which the Companies do not measure at the fair value in the statement of financial position but for which the fair value is disclosed are long-term notes, loans and accounts receivable–trade, long-term receivables to affiliated companies (less allowance for doubtful accounts) and long-term debt (including current portion) for the years ended March 31, 2012 and 2011. These inputs used for the fair value measurements are categorized within level 3. For valuation technique and input information used to measure the fair value of these assets and liabilities, see Note 18 to consolidated financial statements.

20. Derivative Instruments and Hedging Activities

Risk management

The Company and certain of its subsidiaries are exposed to market risks such as foreign exchange, interest rate and commodity price and enter into derivative transactions, including non-derivative financial instruments which are designated as hedging instruments, to hedge the risks. The Company and certain of its subsidiaries also enter into derivative transactions for trading purposes. The Company and certain of its subsidiaries have internal regulations regarding position and loss limits and the actual positions and gains/losses are periodically reported to management. Although the Company and certain of its subsidiaries are exposed to credit risks in the event of nonperformance by the counterparties, such risks are minimized by avoiding concentration of counterparties, selecting counterparties with high credit ratings and maintaining strict credit control. Furthermore, the Company and certain of its subsidiaries generally enter into master netting agreements with each of its counterparties. The master netting agreements provide protection in the event of bankruptcy of the counterparty in certain circumstances and mitigate the credit risk exposure from these transactions.

The Company and certain of its subsidiaries have departments which confirm all derivative transactions and month-end outstanding balances directly with the counterparties separated from the departments which execute derivative transactions. In addition, the Company has a "Risk Management Division," in its Tokyo Head Office. The Risk Management Division independently analyzes various risks and exposures, reports the results of the analysis, and monitors and controls financing activities comprehensively. Furthermore, the Risk Management Division obtains derivative transaction data from the financial subsidiaries and the foreign corporate subsidiaries, reports to management periodically in cooperation with the related departments, and strengthens the Company's unified control over derivative transactions globally.

Management of foreign currency exposures

The Company and certain of its subsidiaries conduct business in various foreign currencies.

The Company and certain of its subsidiaries use derivative instruments such as currency swaps to hedge the exposure to changes in fair value of foreign currency denominated receivables, payables and firm commitments. The Company and certain of its subsidiaries use foreign exchange contracts to hedge foreign currency denominated receivables, payables, firm commitments and forecast transactions to minimize the effect of foreign currency exposures. The Company and certain of its subsidiaries are using foreign exchange contracts as a hedge of a net investment in foreign currency.

Management of interest rate risks

The Company and certain of its subsidiaries enter into interest rate swap agreements primarily to convert the fixed interest rates on the principal of certain assets and liabilities to floating interest rates.

Management of commodity price risks

The Company and certain of its subsidiaries enter into commodity futures, commodity forward contracts, commodity swaps and commodity options primarily to hedge the risks from changes in commodity prices associated with certain inventories, firm commitments and forecast transactions.

Fair value hedging strategy

The Company and certain of its subsidiaries primarily designate, as a fair value hedge, currency swaps to hedge the exposure to changes in fair value of foreign currency denominated receivables, payables and firm commitments, commodity futures and forward contracts to hedge the exposure to the changes in fair value of certain inventories and firm commitments, and interest rate swap agreements to hedge the fixed interest rates on the principal of certain assets and liabilities. Gains and losses related to the ineffective portion of hedging transactions and the portion of hedging instruments excluded from the assessment of hedge effectiveness were not significant for the years ended March 31, 2012 and 2011. Gains and losses related to unqualified firm commitments as a fair value hedge were not significant for the years ended March 31, 2012 and 2011.

The notional amounts for the interest rate swap agreements to convert fixed interest rates to floating interest rates were ¥875,376 million ($10,675,317 thousand) at March 31, 2012. The notional amounts for currency swap agreements related to the fair value hedge of foreign currency denominated receivables, payables and firm commitments were ¥4,283 million ($52,232 thousand) at March 31, 2012. Commodity futures and forward contracts that the Company and certain of its subsidiaries hold primarily as a fair value hedge were soybeans (15,721 thousand tons), aluminum (442 thousand tons) and copper (112 thousand tons) at March 31, 2012.

Cash flow hedging strategy

The Company and certain of its subsidiaries designate, as a cash flow hedge, foreign exchange contracts to hedge the cash flows of foreign currency denominated receivables, payables, firm commitments and forecasted transactions, interest rate swap agreements to hedge future interest payments of certain assets and liabilities, and commodity futures and forward contracts to hedge the cash flows relating to forecasted commodity transactions.

Gains and losses related to the ineffective portion of hedging transactions and the portion of hedging instruments excluded from the assessment of hedge effectiveness were not significant for the years ended March 31, 2012 and 2011. Gains and losses reclassified into earnings from accumulated other comprehensive income as a result of the discontinuance of cash flow hedges because it is probable that the original forecasted transactions would not occur were not significant for the years ended March 31, 2012 and 2011.

The Company and certain of its subsidiaries expect to reclassify ¥5,248 million ($64,000 thousand) of net loss on derivative instruments from accumulated other comprehensive income to earnings during the 12 months ending March 31, 2013, due to actual export and import transactions or receipts and payments of interest.

The maximum length of time over which the Company and certain of its subsidiaries are hedging their exposure to the variability in future cash flows for forecasted transactions, excluding those forecasted transactions related to the payments of variable interest on existing financial instruments, is 297 months.

The notional amounts for the interest rate swap agreements to convert the floating interest rates to fixed interest rates were ¥257,004 million ($3,134,195 thousand) at March 31, 2012.

Commodity futures, forward and swap contracts that the Company and certain of its subsidiaries hold primarily as a cash flow hedges were electricity (24,383 GWh) at March 31, 2012. The notional amounts for foreign exchange contracts that the Company and certain of its subsidiaries hold primarily as a cash flow hedge were ¥222,477 million ($2,713,134 thousand) at March 31, 2012.

Hedge of net investment in foreign operation strategy

The Company primarily designates foreign exchange contracts as a hedge of a net investment in foreign operations. Gains and losses related to the ineffective portion of hedging transactions and the portion of hedging instruments excluded from the assessment of hedge effectiveness were not significant for the years ended March 31, 2012 and 2011.

The amounts of foreign exchange contracts, and short-term loans and long term debt as a hedging instrument for foreign currency exposure of a net investment in foreign operations were ¥257,752 million ($3,143,317 thousand) and ¥137,518 million ($1,677,049 thousand), respectively, at March 31, 2012.

Fair value of derivative instruments

The following were the locations and the amounts of fair value of derivative instrument in the consolidated balance sheets segregated between derivatives designated as hedging instruments and those not designated at March 31, 2012 and 2011.

	Millions of yen			
	2012			
	Asset derivatives		Liability derivatives	
	Balance sheet location	Fair value	Balance sheet location	Fair value
Derivatives designated as hedging instruments:				
Interest rate contracts	Prepaid expenses and other	¥ 1,401	Accrued expenses and other	¥ 97
	Other assets	15,805	Long-term debt	2,854
Foreign exchange contracts	Cash and cash equivalents	33	Short-term loans	8,308
	Time deposits	834	Current portion of long-term debt	616
	Accounts receivable	102	Accrued expenses and other	4,381
	Prepaid expenses and other	4,316	Long-term debt	130,272
	Other assets	1,567	—	—
Commodity contracts	Prepaid expenses and other	33,433	Accrued expenses and other	35,831
	Other assets	1,749	Long-term debt	1,091
Total		¥ 59,240		¥ 183,450
Derivatives not designated as hedging instruments:				
Interest rate contracts	Prepaid expenses and other	¥ 60	Accrued expenses and other	¥ 68
Foreign exchange contracts	Prepaid expenses and other	909	Accrued expenses and other	359
	Other assets	1,621	Long-term debt	2,204
Commodity contracts	Prepaid expenses and other	26,276	Accrued expenses and other	22,660
	Other assets	1,165	Long-term debt	820
Total		¥ 30,031		¥ 26,111
Total derivatives		¥ 89,271		¥ 209,561

	Millions of yen			
	2011			
	Asset derivatives		Liability derivatives	
	Balance sheet location	Fair value	Balance sheet location	Fair value
Derivatives designated as hedging instruments:				
Interest rate contracts	Prepaid expenses and other	¥ 628	Accrued expenses and other	¥ 453
	Other assets	14,032	Long-term debt	3,389
Foreign exchange contracts	Cash and cash equivalents	194	Short-term loans	4,591
	Time deposits	2,689	Current portion of long-term	623
	Accounts receivable	104	Accrued expenses and other	2,485
	Prepaid expenses and other	7,873	Long-term debt	41,597
	Other assets	1,125	—	—
Commodity contracts	Prepaid expenses and other	24,267	Accrued expenses and other	30,668
	Other assets	4,670	Long-term debt	627
Total		¥ 55,582		¥ 84,433
Derivatives not designated as hedging instruments:				
Interest rate contracts	—	¥ —	Accrued expenses and other	¥ 2
	—	—	Long-term debt	255
Foreign exchange contracts	Prepaid expenses and other	1,572	Accrued expenses and other	1,617
	Other assets	935	Long-term debt	945
Commodity contracts	Prepaid expenses and other	72,251	Accrued expenses and other	59,047
	Other assets	3,934	Long-term debt	9,289
Credit contracts	—	—	Accrued expenses and other	34
Total		¥ 78,692		¥ 71,189
Total derivatives		¥ 134,274		¥ 155,622

	Thousands of U.S. dollars			
	2012			
	Asset derivatives		Liability derivatives	
	Balance sheet location	Fair value	Balance sheet location	Fair value
Derivatives designated as hedging instruments:				
Interest rate contracts	Prepaid expenses and other	$ 17,085	Accrued expenses and other	$ 1,183
	Other assets	192,744	Long-term debt	34,805
Foreign exchange contracts	Cash and cash equivalents	402	Short-term loans	101,317
	Time deposits	10,171	Current portion of long-term debt	7,512
	Accounts receivable	1,244	Accrued expenses and other	53,427
	Prepaid expenses and other	52,634	Long-term debt	1,588,683
	Other assets	19,110	—	—
Commodity contracts	Prepaid expenses and other	407,720	Accrued expenses and other	436,963
	Other assets	21,329	Long-term debt	13,305
Total		$ 722,439		$ 2,237,195
Derivatives not designated as hedging instruments:				
Interest rate contracts	Prepaid expenses and other	$ 732	Accrued expenses and other	$ 829
Foreign exchange contracts	Prepaid expenses and other	11,086	Accrued expenses and other	4,378
	Other assets	19,768	Long-term debt	26,878
Commodity contracts	Prepaid expenses and other	320,439	Accrued expenses and other	276,342
	Other assets	14,207	Long-term debt	10,000
Total		$ 366,232		$ 318,427
Total derivatives		$ 1,088,671		$ 2,555,622

Note: Derivatives designated as hedging instruments include non-derivative instruments which are designated as hedging.
Non-derivative instruments are presented at book value translated by the spot rates as of each balance sheet date.

Gains and losses on derivative instruments

The following were the locations and the amounts of gains and losses on derivative instruments in consolidated the statements of income segregated between derivatives designated as hedging instruments and those not designated for the years ended March 31, 2012 and 2011.

	Millions of yen		Thousands of U.S. dollars
	Location of gain (loss) in income on derivative	**Amount of gain (loss) in income on derivative —year ended March 31, 2012**	**Amount of gain (loss) in income on derivative —year ended March 31, 2012**
Derivatives in fair value hedge:			
Interest rate contracts	Interest expense	¥ **3,117**	$ **38,012**
Foreign exchange contracts	Other—net	**(1,408)**	**(17,171)**
Commodity contracts	Cost of revenues from trading and other activities	**(5,528)**	**(67,414)**
Total		¥ **(3,819)**	$ **(46,573)**

Note: Foreign exchange contracts include gain (loss) on non-derivative instruments which are designated as hedging.

	Millions of yen		
	Amount of gain (loss) recognized in OCI on derivative (effective portion) —year ended March 31, 2012	**Location of gain (loss) reclassified from accumulated OCI into income (effective portion)**	**Amount of gain (loss) reclassified from accumulated OCI into income (effective portion) —year ended March 31, 2012**
Derivatives in cash flow hedge:			
Interest rate contracts	¥ **(1,370)**	Interest expense	¥ **(1,604)**
Foreign exchange contracts	**3,244**	Other—net	**6,351**
Commodity contracts	**(923)**	Cost of revenues from trading and other activities	**57**
Total	¥ **951**		¥ **4,804**

	Thousands of U.S. dollars		
	Amount of gain (loss) recognized in OCI on derivative (effective portion) —year ended March 31, 2012	**Location of gain (loss) reclassified from accumulated OCI into income (effective portion)**	**Amount of gain (loss) reclassified from accumulated OCI into income (effective portion) —year ended March 31, 2012**
Derivatives in cash flow hedge:			
Interest rate contracts	$ **(16,707)**	Interest expense	$ **(19,561)**
Foreign exchange contracts	**39,561**	Other—net	**77,451**
Commodity contracts	**(11,256)**	Cost of revenues from trading and other activities	**695**
Total	$ **11,598**		$ **58,585**

	Millions of yen		
	Amount of gain (loss) recognized in OCI on deivative (effective portion) —year ended March 31, 2012	**Location of gain (loss) reclassified from accumulated OCI into income (effective portion)**	**Amount of gain (loss) reclassified from accumulated OCI into income (effective portion) —year ended March 31, 2012**
Derivatives in net investment hedge in foreign currency:			
Foreign exchange contracts	**¥ 3,107**	Gain on sales of investment securities	**¥ 276**
Total	**¥ 3,107**		**¥ 276**

	Thousands of U.S. dollars		
	Amount of gain (loss) recognized in OCI on deivative (effective portion) —year ended March 31, 2012	**Location of gain (loss) reclassified from accumulated OCI into income (effective portion)**	**Amount of gain (loss) reclassified from accumulated OCI into income (effective portion) —year ended March 31, 2012**
Derivatives in net investment hedge in foreign currency:			
Foreign exchange contracts	**$ 37,890**	Gain on sales of investment securities	**$ 3,366**
Total	**$ 37,890**		**$ 3,366**

Note: Foreign exchange contracts include gain (loss) on non-derivative instruments which are designated as hedging.

	Millions of yen		*Thousands of U.S. dollars*
	Location of gain (loss) in income on derivative	**Amount of gain (loss) in income on derivative —year ended March 31, 2012**	**Amount of gain (loss) in income on derivative —year ended March 31, 2012**
Derivatives not designated as hedging instruments:			
Commodity contracts	Cost of revenues from trading and other activities	**¥ 4,356**	**$ 53,122**
Other contracts	Other—net	**401**	**4,890**
Total		**¥ 4,757**	**$ 58,012**

	Location of gain (loss) in income on derivative	Amount of gain (loss) in income on derivative —year ended March 31, 2011
	Millions of yen	
Derivatives in fair value hedge:		
Interest rate contracts	Interest expense	¥ (2,962)
Foreign exchange contracts	Other—net	(890)
Commodity contracts	Cost of revenues from trading and other activities	(20,750)
Total		¥ (24,602)

Note: Foreign exchange contracts include gain (loss) on non-derivative instruments which are designated as hedging.

	Amount of gain (loss) recognized in OCI on derivative (effective portion) —year ended March 31, 2011	Location of gain (loss) reclassified from accumulated OCI into income (effective portion)	Amount of gain (loss) reclassified from accumulated OCI into income (effective portion) —year ended March 31, 2011
		Millions of yen	
Derivatives in cash flow hedge:			
Interest rate contracts	¥ (1,678)	Interest expense	¥ (2,104)
Foreign exchange contracts	976	Other—net	125
Commodity contracts	2,177	Cost of revenues from trading and other activities	1,589
Total	¥ 1,475		¥ (390)

	Amount of gain (loss) recognized in OCI on deivative (effective portion) —year ended March 31, 2011	Location of gain (loss) reclassified from accumulated OCI into income (effective portion)	Amount of gain (loss) reclassified from accumulated OCI into income (effective portion) —year ended March 31, 2011
		Millions of yen	
Derivatives in net investment hedge in foreign currency:			
Foreign exchange contracts	¥ 24,039	Other—net	¥ (1,839)
Total	¥ 24,039		¥ (1,839)

Note: Foreign exchange contracts include gain (loss) on non-derivative instruments which are designated as hedging.

	Location of gain (loss) in income on derivative	Amount of gain (loss) in income on derivative —year ended March 31, 2011
	Millions of yen	
Derivatives not designated as hedging instruments:		
Commodity contracts	Cost of revenues from trading and other activities	¥ (2,858)
Other contracts	Other—net	943
Total		¥ (1,915)

Credit Derivatives

The Company and certain of its subsidiaries enter into credit default swap agreements and use hybrid instruments that have embedded credit derivatives such as Collateralized Loan Obligation as a seller of credit derivatives. The referenced assets in those credit derivatives are mainly corporate bonds or loans. Some of these have fallen below investment grade. However, the Company and certain of its subsidiaries evaluate the credit derivatives at fair value and recognize adjustments in gains and losses. If default occurs in the referenced assets in the future, the Company and certain of its subsidiaries' financial position and results of operations may be affected. However, the influence is believed to be limited to the best of the Company's knowledge.

The maximum potential amount of future payments for the credit derivatives of the Company and certain of its subsidiaries was ¥6,988 million at March 31, 2011. The amount was not applicable at March 31, 2012. The fair value of the credit derivatives was an asset of ¥1,217 million at March 31, 2011. The value was not applicable at March 31, 2012. The Company and certain of its subsidiaries do not have recourse to the general credit of the third parties in the credit derivatives.

21. Concentration of Credit Risk

The Companies operate as a general trading business and their business comprises export, import, domestic and offshore trading in a wide variety of fields including industrial, agricultural and consumer products, and also involve all levels of activities from planning, investment, and research and development through production, distribution and marketing. In addition, the Companies operate in substantially all geographic areas of the world, and their customers are diversified. Accordingly, management of the 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.

22. Leases

Lessor:

The Company and certain of its subsidiaries lease industrial machinery, office equipment, vessels and certain other assets, which are classified as direct financing leases or sales-type leases.

At March 31, 2012 and 2011, net investments, included in notes and accounts receivable – trade and notes, loans and accounts receivable–trade in the consolidated balance sheets, were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2012	**2011**	**2012**
Total future minimum lease payments to be received	**¥ 45,522**	¥ 28,044	**$ 555,146**
Less unearned income	**(4,871)**	(5,345)	**(59,402)**
Net investments in direct financing leases and sales-type leases	**¥ 40,651**	¥ 22,699	**$ 495,744**

The future minimum lease payments to be received as of March 31, 2012 are as follows:

Years ending March 31	*Millions of yen*	*Thousands of U.S. dollars*
2013	¥ 9,668	$ 117,902
2014	8,062	98,317
2015	5,322	64,902
2016	3,210	39,146
2017	18,102	220,756
Thereafter	1,158	14,123
Total	¥ 45,522	$ 555,146

The Company and certain of its subsidiaries also lease property such as office buildings, freight railcars, trailers and certain other assets under operating leases. The cost and accumulated depreciation of the leased property at March 31, 2012 and 2011 were shown on the consolidated balance sheets. The future minimum lease receipts under non-cancelable operating leases as of March 31, 2012 were as follows:

Years ending March 31	*Millions of yen*	*Thousands of U.S. dollars*
2013	¥ 12,172	$ 148,439
2014	11,407	139,110
2015	9,936	121,171
2016	8,520	103,902
2017	7,687	93,744
Thereafter	18,358	223,878
Total	¥ 68,080	$ 830,244

Lessee:

The Company and certain of its subsidiaries lease machinery, vessels, office equipment and certain other assets, which are classified as capital leases. At March 31, 2012, the cost and accumulated depreciation of the leased property, included primarily in property, plant and equipment in the consolidated balance sheet, were ¥21,191 million ($258,427 thousand) and ¥12,786 million ($155,927 thousand), respectively. The future minimum lease payments under capital leases together with capital lease obligations as of March 31, 2012 were as follows:

Years ending March 31	*Millions of yen*	*Thousands of U.S. dollars*
2013	¥ 2,642	$ 32,220
2014	2,762	33,683
2015	2,062	25,146
2016	1,479	18,037
2017	947	11,549
Thereafter	3,205	39,085
Total future minimum lease payments	13,097	159,720
Less amount representing interest	(1,895)	(23,110)
Capital lease obligation	¥ 11,202	$ 136,610

The Company and certain of its subsidiaries also lease office buildings, vessels, machinery and certain other assets under operating leases. Rental expense amounted to ¥21,685 million ($264,451 thousand) and ¥21,858 million for the years ended March 31, 2012 and 2011, respectively. The future minimum lease payments under non-cancelable operating leases as of March 31, 2012 were as follows:

Years ending March 31	*Millions of yen*	*Thousands of U.S. dollars*
2013	¥ 19,469	$ 237,427
2014	12,144	148,098
2015	11,703	142,720
2016	7,870	95,976
2017	6,624	80,780
Thereafter	27,629	336,938
Total	¥ 85,439	$ 1,041,939

The future minimum lease payments to be received under non-cancelable subleases corresponding to the above future minimum lease payments were not material at March 31, 2012.

23. Commitments and Contingent Liabilities

The Company and certain of its 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 subsidiaries generally enter into sales contracts for such purchase contracts with customers. At March 31, 2012, the total amount of the long-term purchase contracts was approximately ¥658,000 million ($8,024,390 thousand), of which deliveries were at various dates through 2022.

The Company and certain of its subsidiaries had commitments to make additional investments or loans in the aggregate amount of approximately ¥291,000 million ($3,548,780 thousand) at March 31, 2012.

The Company and certain of its subsidiaries provide various types of guarantees for the obligations of the affiliated companies and customers in the ordinary course of business. The guarantees are primarily for the monetary indebtedness to the benefit of third parties. Should the guaranteed customers fail to fulfill their obligations, the Company and certain of its subsidiaries would be required to fulfill the obligations under these guarantees.

The outstanding balances of guarantees were ¥249,945 million ($3,048,110 thousand) and ¥213,936 million, including ¥172,566 million ($2,104,463 thousand) and ¥117,186 million to the affiliated companies, at March 31, 2012 and 2011, respectively. The outstanding balances of guarantees represent the maximum potential amount of future payments without consideration of the possibilities of fulfillment of the obligations. Therefore, such amounts bear no relationship to the anticipated losses on these guarantees and indemnifications, and they greatly exceed anticipated losses. Some guarantees are secured by secondary guarantees provided for the Company and certain of its subsidiaries by third parties. The amounts secured by secondary guarantees provided for the Company and certain of its subsidiaries by third parties were ¥21,058 million ($256,805 thousand) and ¥22,456 million, including ¥18,274 million ($222,854 thousand) and ¥20,209 million to the affiliated companies at March 31, 2012 and 2011, respectively. Guarantees with the longest term will expire in 2037. The liabilities recognized for the guarantees were ¥1,212 million ($14,780 thousand) and ¥2,025 million at March 31, 2012 and 2011, 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 possibilities of fulfillment of obligations under the guarantees which would have a material effect in the consolidated financial statements were estimated to be remote at March 31, 2012. A provision for loss on guarantees was recognized for the amount that was considered probable.

The outstanding balance of the export bills of exchange discounted by the negotiating banks were ¥13,358 million ($162,902 thousand) and ¥9,776 million at March 31, 2012 and 2011, respectively. If a customer fails to fulfill its obligation with respects to the bills, the Company and certain of its subsidiaries would be obligated to repurchase the bills based on the agreements with the banks.

The Companies and the affiliated companies conduct business activities on a global scale and are involved in transactions which are subject to the oversight by various types of authorities, both in Japan and abroad. Such business activities are exposed to risk and, from time to time, may involve legal actions, claims or other disputes. Although there were various issues outstanding at March 31, 2012, management is of the opinion that settlement of all such issues outstanding would not have a material effect on the consolidated financial position or results of operations, or cash flows of the Companies.

24. Variable Interest Entities

The Company and certain of its subsidiaries hold variable interests in VIEs, which is defined in ASC 810-10, in the form of investments, loans and others.

In assessing whether the Company and certain of its subsidiaries are the primary beneficiary of a VIE and shall consolidate the VIE, the Companies perform a qualitative analysis whether they have both of the following characteristics:(1) the power to direct the activities of a VIE that most significantly impact the entity's economic performance, and (2) the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

The Company and certain of its subsidiaries hold subordinated investment securities and other interests without voting rights in VIEs, whose operations are fund management and real estate developments, and consolidate them as the primary beneficiary.

The following table presents the carrying amounts and classification of the consolidated VIEs' assets and liabilities on the consolidated balance sheets at March 31, 2012 and 2011. The creditors or beneficial interest holders of the consolidated VIEs do not have recourse to the general credit of the Company or its consolidated subsidiaries.

Assets and liabilities of VIEs on consolidated balance sheet	*Millions of yen* 2012	*Millions of yen* 2011	*Thousands of U.S. dollars* 2012
Assets:			
Cash and cash equivalents	¥ **9,263**	¥ 20,068	$ **112,963**
Securities and other investments	**210**	1,653	**2,561**
Property leased to others—net	**92,875**	49,910	**1,132,622**
Land	**8,795**	20,140	**107,256**
Other	**15,301**	25,393	**186,598**
Total	¥ **126,444**	¥ 117,164	$ **1,542,000**
Liabilities:			
Long-term debt, less current portion	**150**	13,622	**1,829**
Other	**8,969**	34,704	**109,378**
Total	¥ **9,119**	¥ 48,326	$ **111,207**

There were no fluctuations of the VIE's assets caused by changes in conclusions to consolidate VIEs for the years ended March 31, 2012 and 2011.

The Company and certain of its subsidiaries hold variable interest in the VIEs that have not been consolidated by them because they are not the primary beneficiary while they hold investments, loans and others in the VIEs whose operations are financing and leasing.

The total assets of these VIEs were ¥430,230 million ($5,246,707 thousand) and ¥416,304 million at March 31, 2012 and 2011, respectively. The following table presents the carrying amounts and classification of the assets and liabilities that relate to the Companies' variable interests in these VIEs in the consolidated balance sheets at March 31, 2012 and 2011. The following table also presents the amounts of the maximum exposure to loss as a result of the involvement with these VIEs. The maximum exposure represents the amounts of a loss which the Companies could incur from the variability in value of the investments, and does not necessarily represent the anticipated loss to be incurred from the involvement with the VIEs.

	Millions of yen			
	Variable Interests on consolidated balance Sheet	The maximum exposure to loss	Variable Interests on consolidated balance Sheet	The maximum exposure to loss
	2012		**2011**	
Securities and other investments	¥ **4,581**	¥ **4,581**	¥ 4,645	¥ 4,645
Long-term notes, loans and accounts receivable - trade	**12,277**	**12,277**	12,237	12,237
Lease contracts	**—**	**19,736**	—	24,124
Total	¥ **16,858**	¥ **36,594**	¥ 16,882	¥ 41,006

	Thousands of U.S. dollars	
	Variable Interests on consolidated balance Sheet	The maximum exposure to loss
	2012	
Securities and other investments	$ **55,866**	$ **55,866**
Long-term notes, loans and accounts receivable - trade	**149,719**	**149,719**
Lease contracts	**—**	**240,683**
Total	$ **205,585**	$ **446,268**

25. Gains or losses on loss of control of subsidiaries

The Companies recognize gains or losses as changes in the Companies' ownership interests in net income and the difference between carrying amount and fair value of retained noncontrolling investments remeasured is included in net income, if the Companies lose control of subsidiaries. The amount of gains or losses in net income by remeasuring retained noncontrolling investments at its fair value upon losing control of former subsidiaries were ¥2,582 million ($31,488 thousand) of gains and ¥4,114 million of gains for the years ended March 31, 2012 and 2011, respectively. Valuation techniques of fair value measurement are based on various factors, including the sale price of the Companies' former ownership interest and the discounted cash flow method that uses the future expected cash flows generated from the investees and related assets. The amounts of gains or losses in net income as changes in the Companies' ownership interest were ¥5,642 million ($68,805 thousand) of gains and ¥6,795 million of gains for the years ended March 31, 2012 and 2011, respectively, including gains on remeasurement of retained noncontrolling investments, which the Company recognized upon losing control of subsidiaries. Gains or losses recognized by these accounting treatments were presented in gain on sales of investment securities. These sales transactions were not made with the related parties of the Companies. Certain former consolidated subsidiaries became affiliated companies after sales transactions which resulted in loss of control.

26. Subsequent Events

The Companies have evaluated subsequent events through June 22, 2012, which was the date its consolidated financial statements were available to be issued.

On May 18, 2012, the Board of Directors approved the payment of cash dividends to shareholders of record on March 31, 2012 of ¥10 ($0.12) per share of common stock or ¥17,364 million ($211,756 thousand) in the aggregate from the retained earnings payable on June 1, 2012.

The Company has entered into an equity interest purchase agreement (the "Equity Interest Purchase Agreement") to acquire all the equity interests of Gavilon Holdings, LLC ("Gavilon"). Gavilon headquartered in Omaha, Nebraska, owns and operates a US-Based grains, fertilizer, and energy commodities distribution and storage network. The Equity Interest Purchase Agreement was approved by the Board of Directors of the Company on May 29, 2012 and was executed on the same day.

Gavilon, based in Omaha, Nebraska, operates a physical commodities trading and distribution business that deal in grains, fertilizer and energy commodities. With the acquisition of Gavilon, the Company aims to further grow and strengthen the Company`s business.

Overview of the Gavilon

Corporate Name: Gavilon Holdings, LLC

Headquarters: 11 ConAgra Drive, Omaha, NE, United States of America

Representative: Gregory A. Heckman President & CEO

Business Description: Physical commodities trading business that deal in grains, fertilizer and energy

Consolidated Financial Results	*Millions of U.S. dollars*		
	Dec, 2009	Dec, 2010	Dec, 2011
Total assets	$ 3,123.7	$ 5,098.7	$ 6,234.6
Revenues	6,399.4	7,475.9	17,852.2

The name of Counterparties of Quota Purchase

・Ospraie Special Opportunities(Offshore) Ltd.

・The Ospraie Intermediate Fund Ltd.

・The Ospraie Fund L.P.

・Ospraie Special Opportunities L.P.

・General Atlantic GVN Master, L.P.

・Quantum Strategic Partners Ltd. and others.

Change in percentage of equity interests held by the Company as a result of the acquisition

Before the acquisition	0%
Percentage of equity interests to be acquired	100% (Equity purchase price approximately USD 3,600 million)
After the acquisition	100%

The expected equity acquisition price is approximately USD 3,600 million, subject to a purchase price adjustment at closing stipulated by the Equity Interest Purchase Agreement.

Schedule

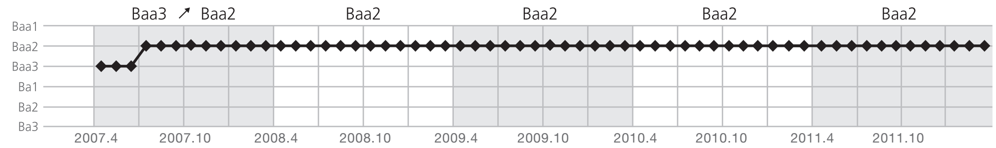
Execution of the Equity Interest Purchase Agreement	May 29, 2012
Closing	September 2012(expected)

The completion of the acquisition is subject to approval from the relevant competition authorities including in the US, as well as fulfillment of all other closing conditions as agreed in the Equity Interest Purchase Agreement.

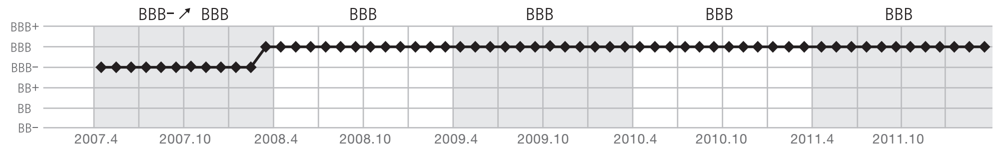
The above information related to Gavilon and the acquisition has been presented herein from the Companies' press release announcing the acquisition on May 29, 2012.

Trends in Credit Ratings

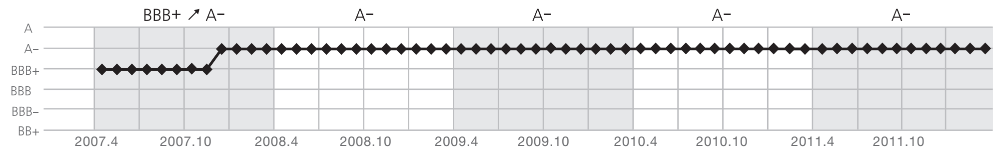
Moody's



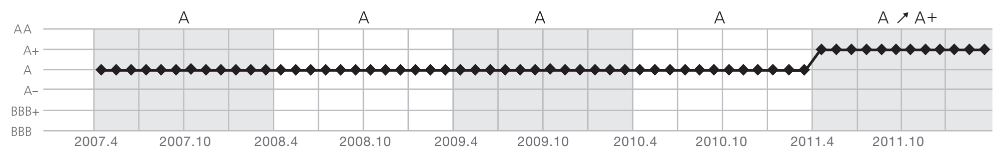
Standard & Poor's (S&P)



Rating and Investment Information, Inc. (R&I)



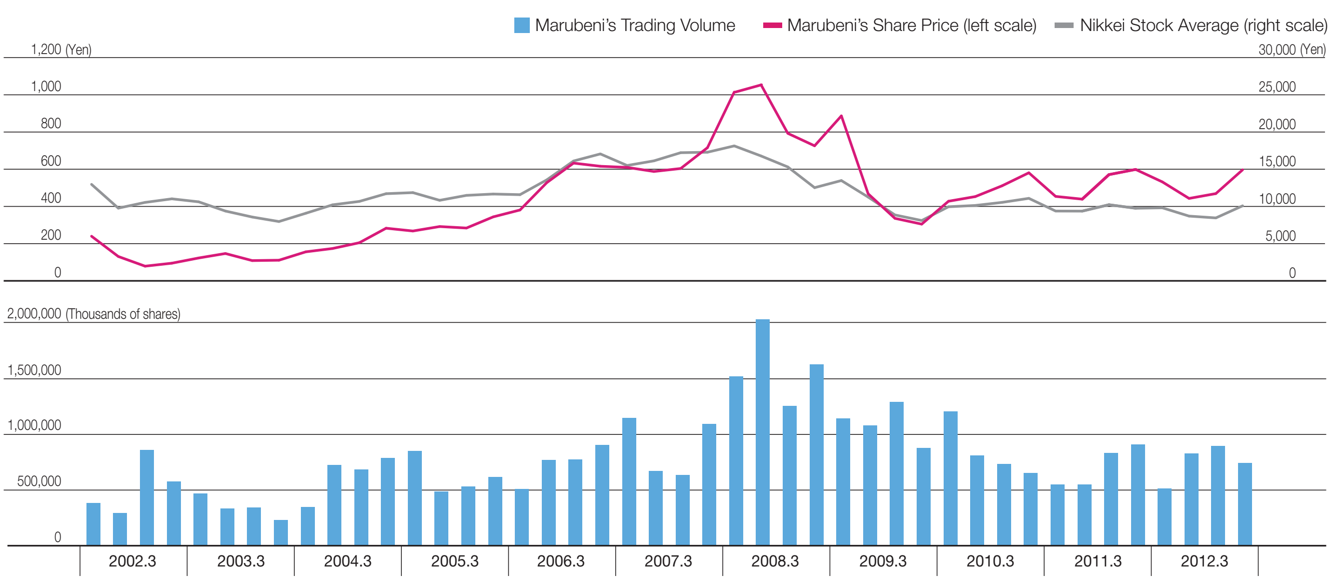
Japan Credit Rating Agency, Ltd. (JCR)



2008.3 **2009.3** **2010.3** **2011.3** **2012.3**

* Japan Credit Rating Agency, Ltd. raised Marubeni's rating by one notch from A to A+ on April 27, 2011.

Share Price and Trading Volume



Chapter 5

Corporate Data

Company Name
Marubeni Corporation

Securities code
8002

Head Office
Marubeni Corporation,
4-2, Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-8088, Japan
Tel: 81-3-3282-2111
E-mail: TOKB191@marubenicorp.com

Number of Domestic Offices*
9

Number of Overseas Branches and Offices and Overseas Corporate Subsidiaries*
55 overseas branches and offices, 33 overseas corporate subsidiaries with 65 offices for a total of 120 offices in 67 countries/areas

Founded
May 1858

Incorporated
December 1, 1949

Paid-in Capital
¥262,685,964,870

Number of Employees
4,074
(Excluding 354 local employees of overseas branches and offices and 1,459 local employees of overseas corporate subsidiaries)

Home Page Address
http://www.marubeni.com
(Investor Relations)
http://www.marubeni.com/ir

Business year
April 1 to March 31 of the following year.

Regular General Meeting of Shareholders
June of each year

Record date for year-end dividend
March 31 of each year

Record date for interim dividend
September 30 of each year

Number of Shares Issued and Outstanding
1,737,940,900

Number of Shareholders
133,247

Share unit
1,000 shares

Stock Listings
Tokyo, Osaka, Nagoya

Transfer Agent of Common Stock
Mizuho Trust & Banking Co., Ltd.

Major Shareholders
Japan Trustee Services Bank, Ltd. (Trust Account)
The Master Trust Bank of Japan, Ltd. (Trust Account)
Sompo Japan Insurance Inc.
Meiji Yasuda Life Insurance Company
Japan Trustee Services Bank, Ltd. (Trust Account 9)
JP Morgan Chase Bank 380055
SSBT OD05 OMNIBUS ACCOUNT—TREATY CLIENTS
Tokio Marine and Nichido Fire Insurance Co., Ltd.
Mizuho Corporate Bank, Ltd.
Nippon Life Insurance Company

(As of March 31, 2012, except * as of April 1, 2012)

Further Information About Marubeni

—Website and reports—

Marubeni discloses information through various means to allow more people to have a deeper understanding of its corporate activities. Through our website and various reports, we provide a wide range of information about our activities and business results, as well as messages from management and feature articles about the latest developments on our frontlines. We hope that you will find this information useful.

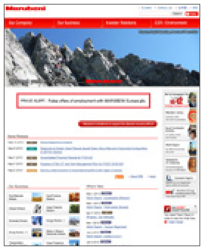
<Website>

Marubeni's website offers a variety of information including IR information, company data, and an overview of the Company's businesses.

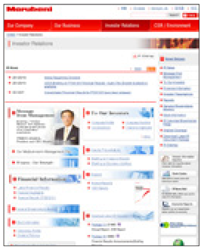
The website can be viewed in Japanese, English, and Chinese.

The Annual Report and various other reports can also be downloaded from the website.

http://www.marubeni.com



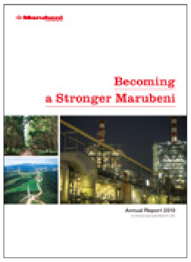
Home Page



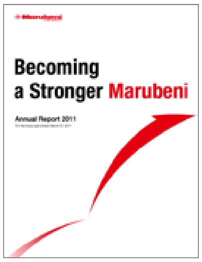
Investor Relations

<Annual Report>

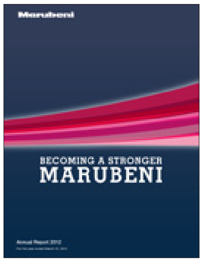
Marubeni's Annual Report is published in Japanese and English. The Annual Report includes a message from the president and CEO describing the Company's business strategies, a review of operations, special features, and the consolidated financial statements.



Annual Report 2010



Annual Report 2011



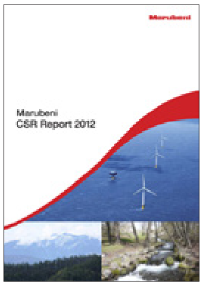
Annual Report 2012

<CSR Report>

The corporate social responsibility (CSR) report is published annually in Japanese and English. The report states Marubeni's basic policies on CSR, and includes examples of the Company's CSR activities.

CSR Report 2010

CSR Report 2011



CSR Report 2012

<Shareholders' Report>

The shareholders' report is published biannually for the benefit of Marubeni's shareholders. It is published only in Japanese.

Sent to all shareholders, the report includes a message from the president and CEO, consolidated financial information, and share data.

Winter 2011
Shareholders' Report

Summer 2012
Shareholders' Report

Global Network

(as of April 1,2012)

Marubeni conducts business in a wide range of fields through a network of 120 offices and 430 operating companies spread throughout 67 countries and regions around the world.

● Overseas corporate subsidiaries
○ Overseas branches and offices

Overseas Locations (55 overseas branches and offices, 33 overseas corporate subsidiaries with 65 offices)

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

Central and South America
Bogota
Buenos Aires
Caracas
Guatemala
Lima
Rio de Janeiro
Salvador
Santiago
São Paulo

Europe
Athens
Bucharest
Budapest
Düsseldorf
Hamburg
London
Madrid
Milan
Paris
Prague
Risley
Warsaw

CIS
Almaty
Astana
Khabarovsk
Kiev
Moscow
St. Petersburg
Tashkent
Vladivostok
Yuzhno-Sakhalinsk

Middle East
Abu Dhabi
Amman
Ankara
Baghdad
Cairo
Doha
Dubai
Istanbul
Kuwait City
Muscat
Riyadh
Tehran

Africa
Accra
Addis Ababa
Algiers
Johannesburg
Lagos
Luanda
Nairobi
Tripoli

Asia
Bangkok
Beijing
Changchun
Chengdu
Chennai
Chittagong
Dalian
Dhaka
Goa
Guangzhou
Hanoi
Ho Chi Minh
Hong Kong
Islamabad
Jakarta
Karachi
Kolkata (Calcutta)
Kuala Lumpur
Kuching
Kunming
Lahore
Manila
Mumbai (Bombay)
Nanjing
Nay Pyi Taw
New Delhi
Phnom Penh
Qingdao
Quang Ngai
Seoul
Shanghai
Sibu
Singapore
Taipei
Tianjin
Ulan Bator
Vientiane
Wuhan
Xiamen
Yangon

Oceania
Auckland
Melbourne
Perth
Sydney

Domestic Locations

Sapporo
Sendai
Tokyo
Shizuoka
Nagoya
Osaka
Fukuyama
Imabari
Fukuoka
Naha

http://www.marubeni.com

VEGETABLE OIL INK

Printed in Japan