

# Briefing on Financial Results for the 2<sup>nd</sup> Quarter of FY2010

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November 1, 2010

Marubeni Corporation



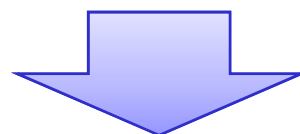
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*2010 Awards for Excellence in Corporate Disclosure  
(The Securities Analysts Association of Japan)  
Trading Industry No.1*

## Summary of Financial Results for the 2<sup>nd</sup> Quarter of FY2010

### Good progress in the 2<sup>nd</sup> Quarter of FY2010 (the first year of SG-12)

- ① Net income for FY2010 1Q-2Q : **68.6 billion yen**  
**(+18.2 billion yen or +36%, year-on-year)**  
 Progress to the yearly prospect ,125.0 billion yen : **55%**
- ② Equity : **773.0 billion yen** (-26.7 billion yen compared with 799.7 billion yen as of March 31, 2010)  
 Net DE ratio : **2.23 times** (+0.1 points compared with 2.13 times as of March 31, 2010)
- ③ Sufficient Risk Buffer = Equity minus Risk Asset : **+172.0 billion yen**



**Considering the uncertain operating environment such as stock markets or exchange rates, yearly prospect of consolidated net income for FY2010 is unchanged at 125.0 billion yen.**

# 1. Business Environment Analysis

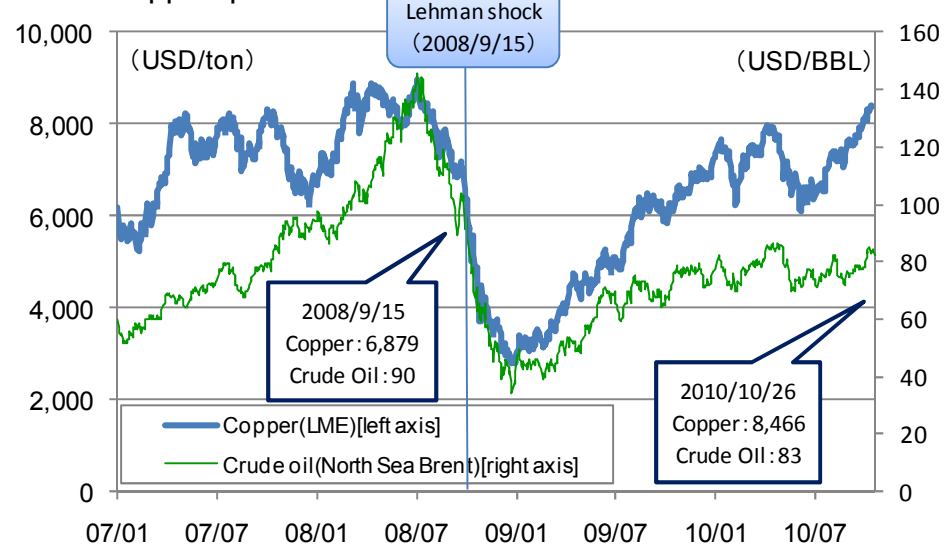
## 2. Earnings Power and Structure

## 3. Balance Sheets & Cash Flows

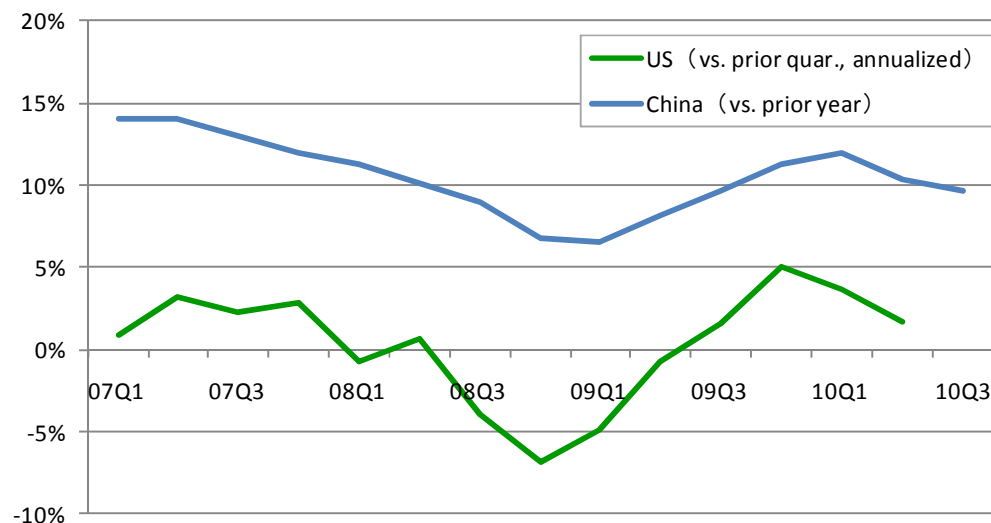
## 4. Stepping Stones to 'Sustainable Growth'

# Business environment for Marubeni

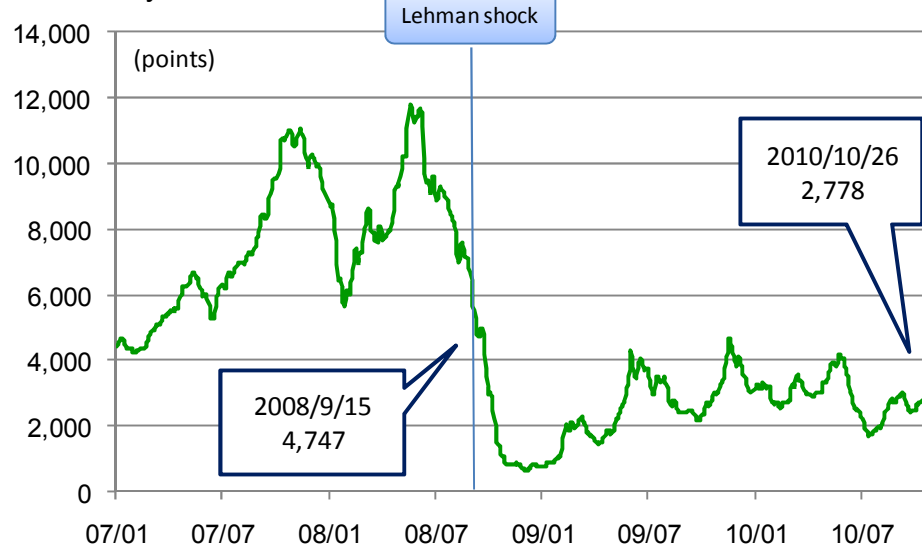
«Oil / Copper price»



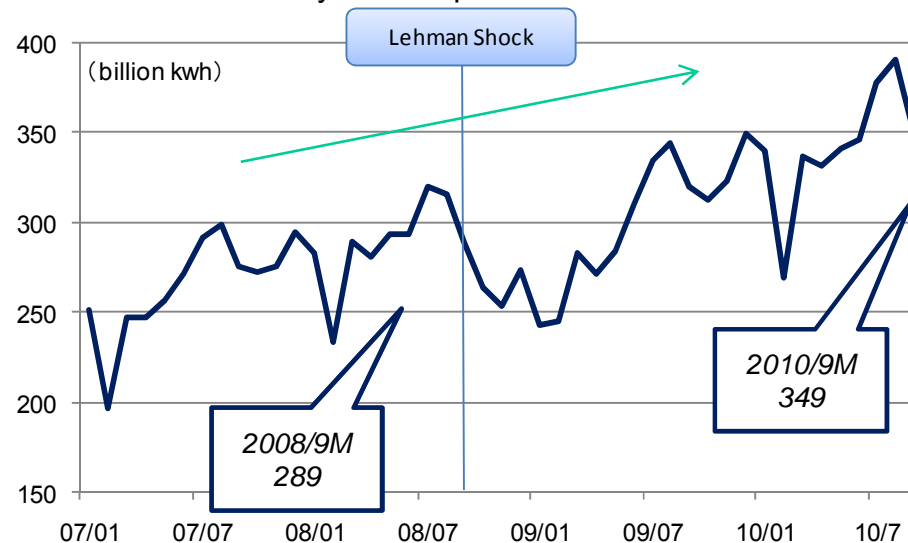
«Real GDP growth of U.S. and China»



«Baltic Dry Index»



«Chinese electricity consumption»



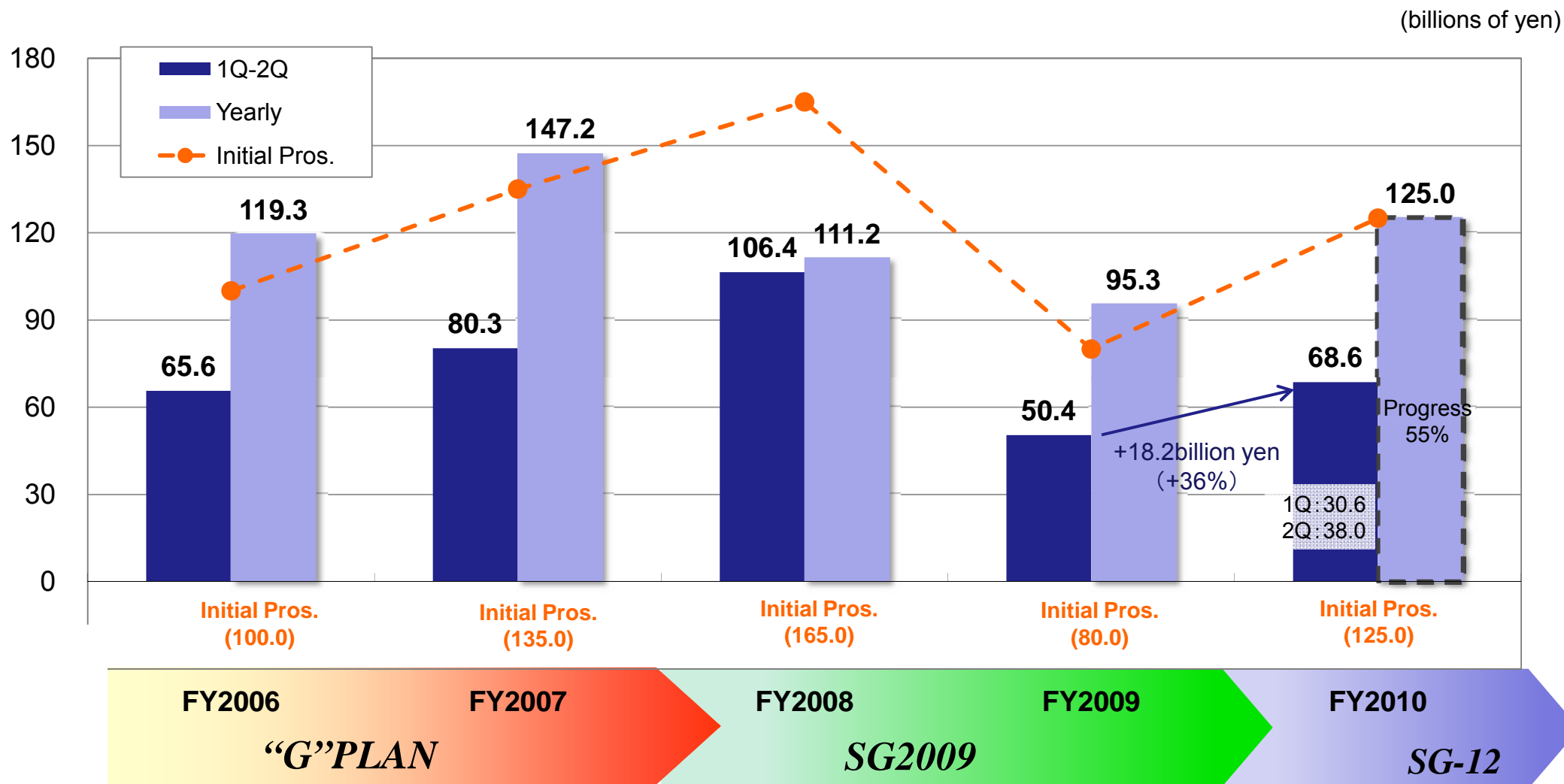
1. Business Environment Analysis

**2. Earnings Power and Structure**

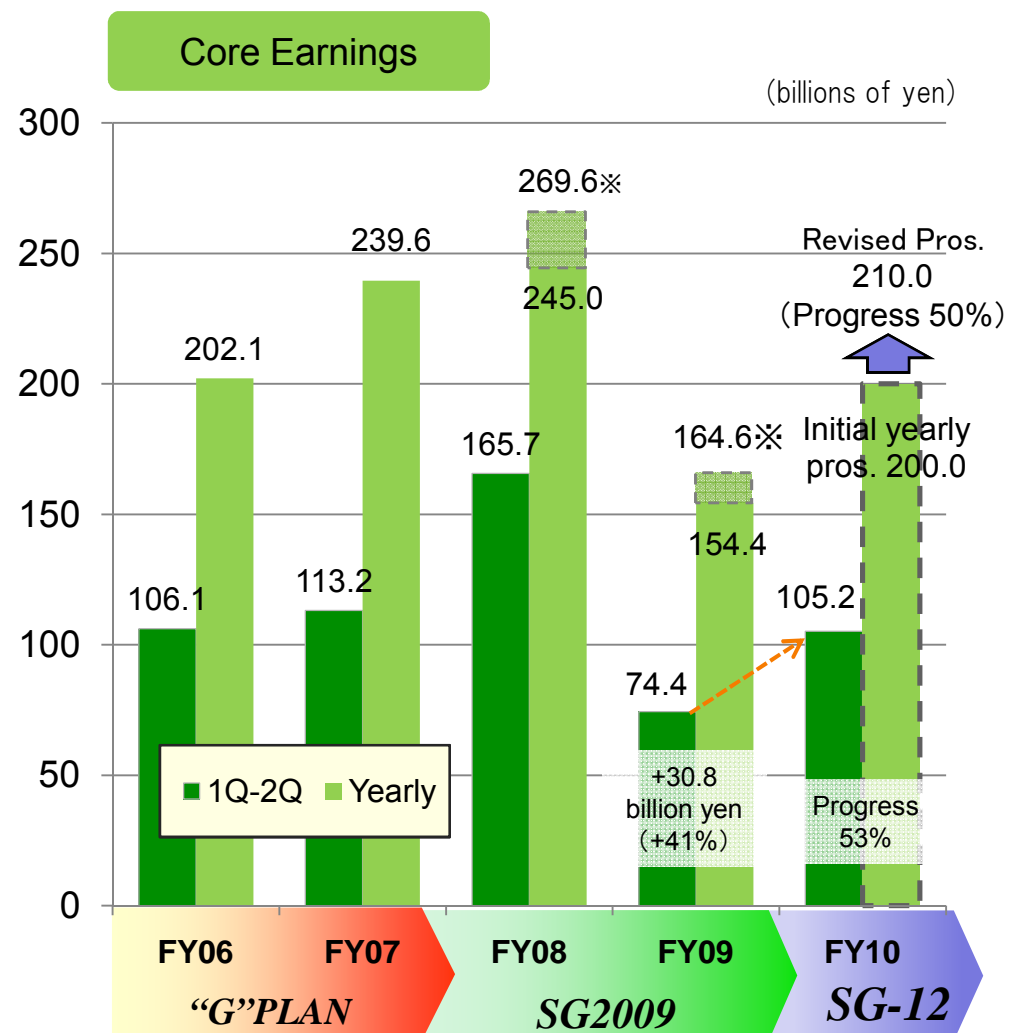
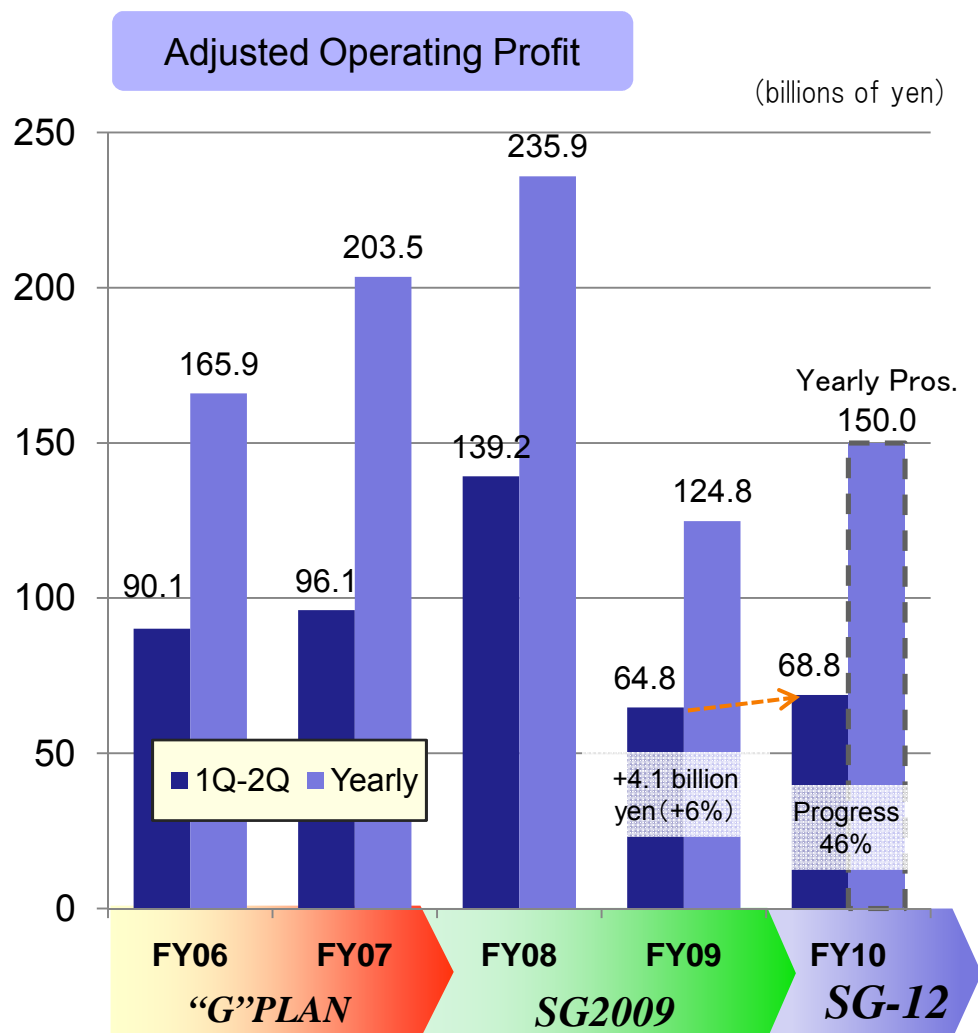
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# Net Income



# Adjusted Operating Profit & Core Earnings



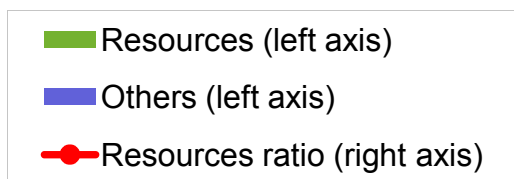
\*excluding one-time loss on Daiei shares. (FY08: -24.6 billion yen, FY09: -10.3)

Adjusted Operating Profit = Gross Trading Profit + SGA expenses (excluding restructuring costs up to FY2006 or prior.)

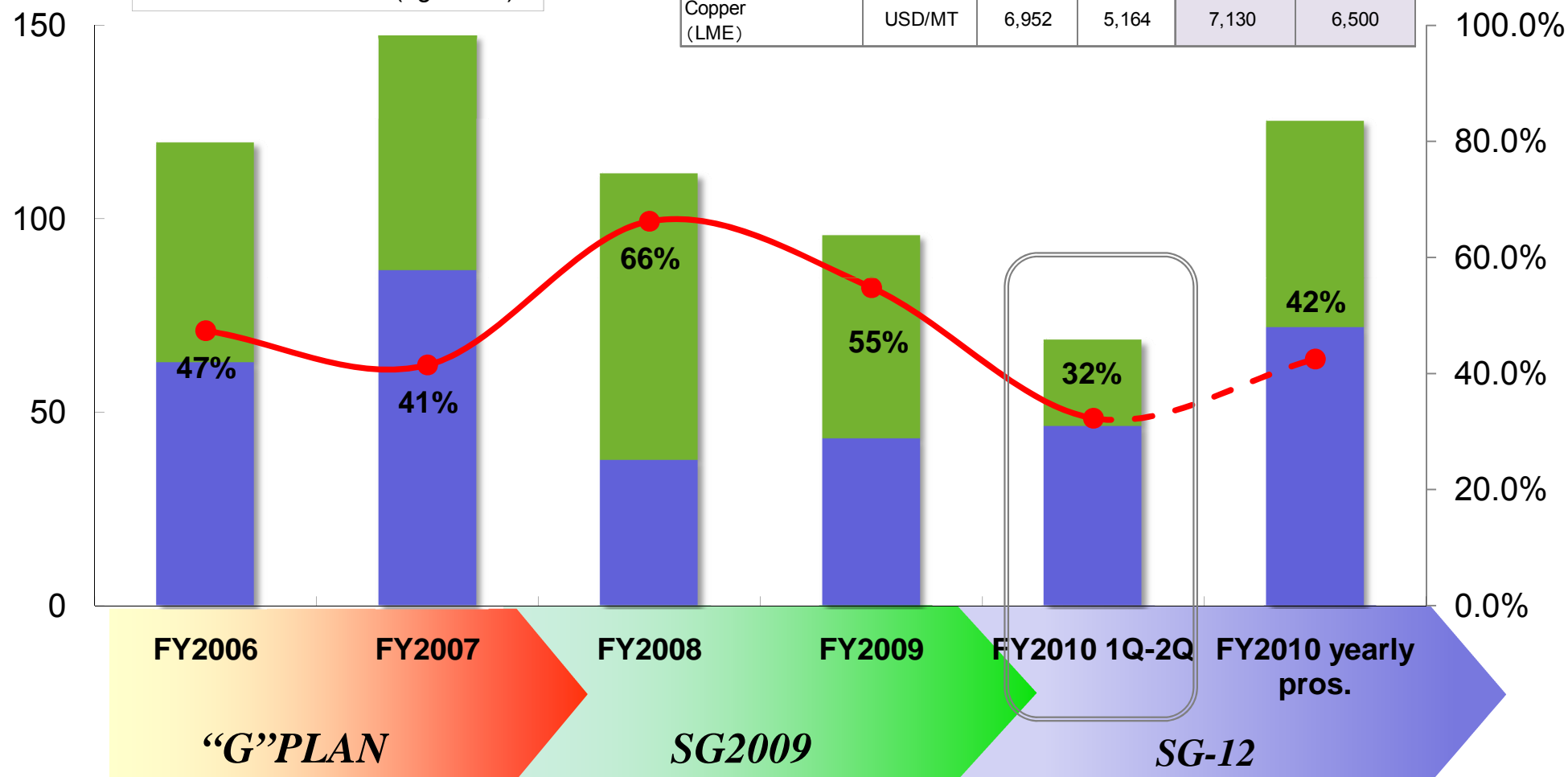
Core Earnings = Adjusted Operating Profit + Interest expense-net + Dividend income + Equity in earnings of affiliated companies

# Resources Ratio in Net Income

(billions of yen)



<Reference> Commodity price	Unit	FY2008	FY2009	FY2010	
		Actual	Actual	1-2Q Actual	Assumption (Yearly)
Oil (North Sea Brent)	USD/Barrel	99	63	78	75
Copper (LME)	USD/MT	6,952	5,164	7,130	6,500

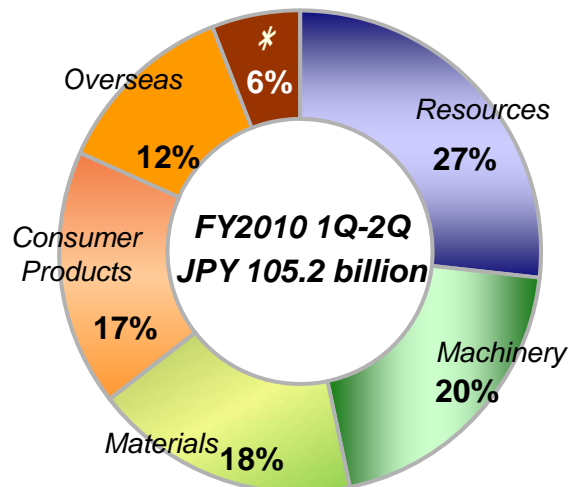




# Earnings Structure & Business Portfolio

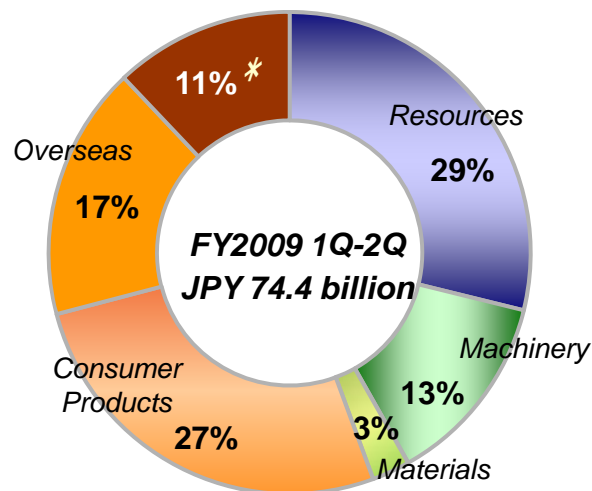
FY2010

### Core earnings



Resources 27% / Non-Resources\*\* 67%

FY2009



Resources 29% / Non-Resources\*\* 59%

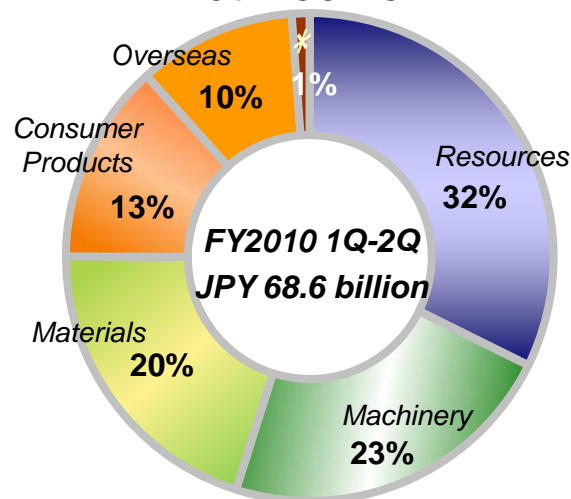
[Category]

①Resources: Energy, Metals & Mineral Resources ②Machinery: Transportation Machinery, Power Projects & Infrastructure, Plant, Ship & Industrial Machinery

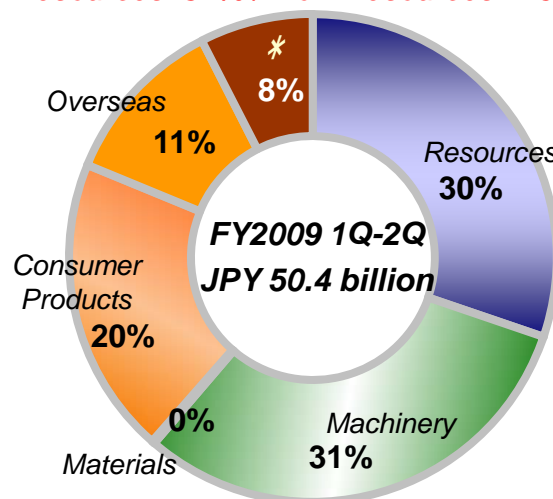
③Materials: Forest Products, Chemicals, Iron & Steel Strategies and Coordination ④Consumer Products: Food, Lifestyle, Real Estate Development, Finance, Logistics & IT Business

\*) Corporate & Eliminations, etc. \*\*) Non-resources represents total of Machinery, Materials, Consumer Products, and Overseas Corporate Subsidiaries.

### Net income

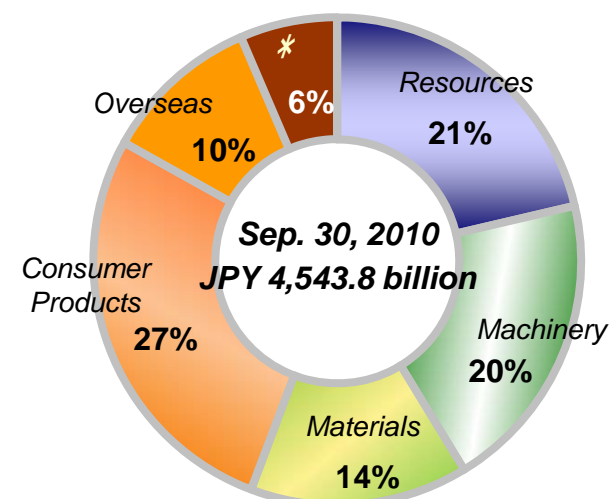


Resources 32% / Non-Resources\*\* 66%

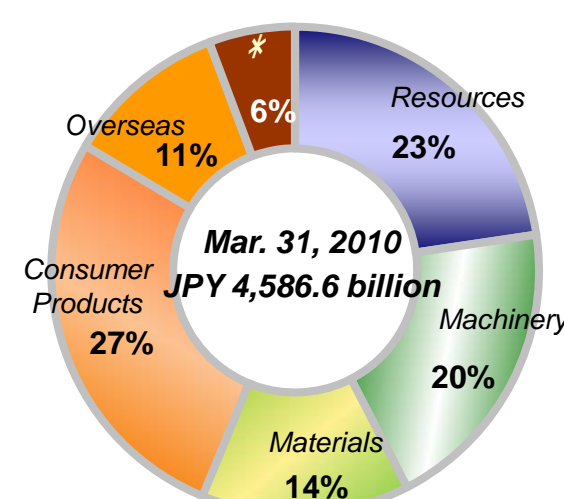


Resources 30% / Non-Resources\*\* 62%

### Total assets



Resources 21% / Non-Resources\*\* 72%



Resources 23% / Non-Resources\*\* 72%

1. Business Environment Analysis

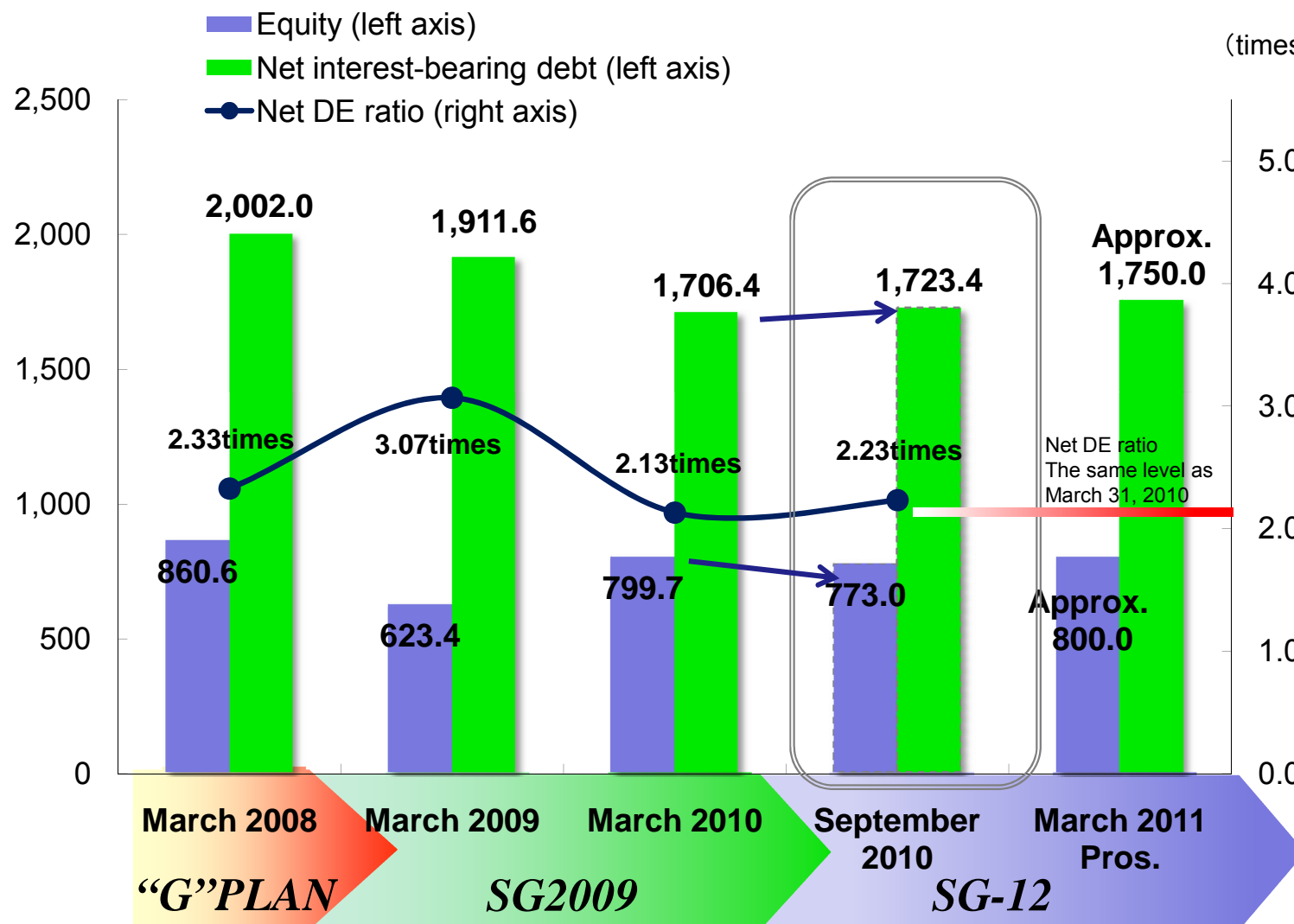
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# Equity and Net D/E Ratio

(billions of yen)



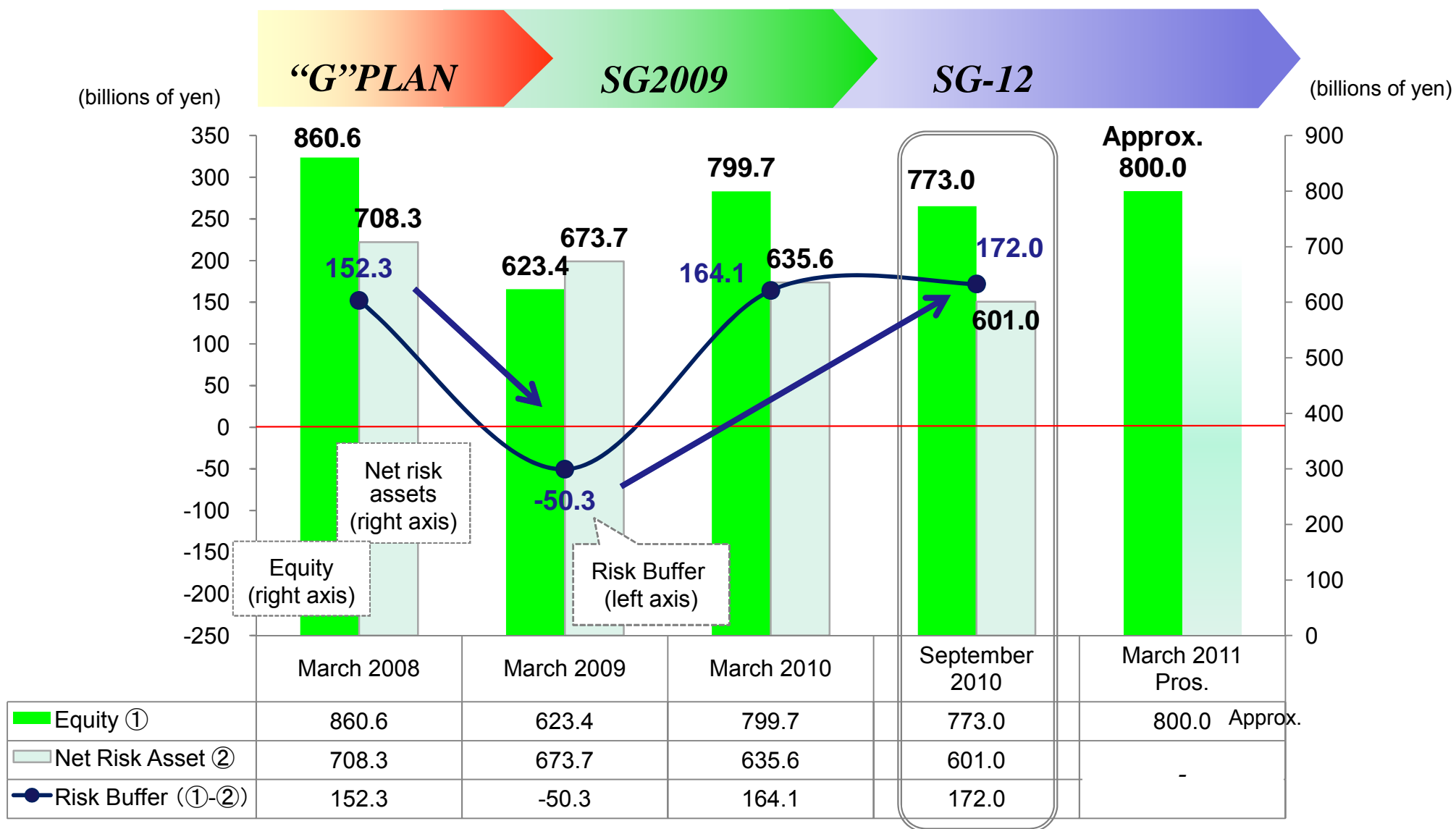
(times)

## «Reasons for changes in Equity»

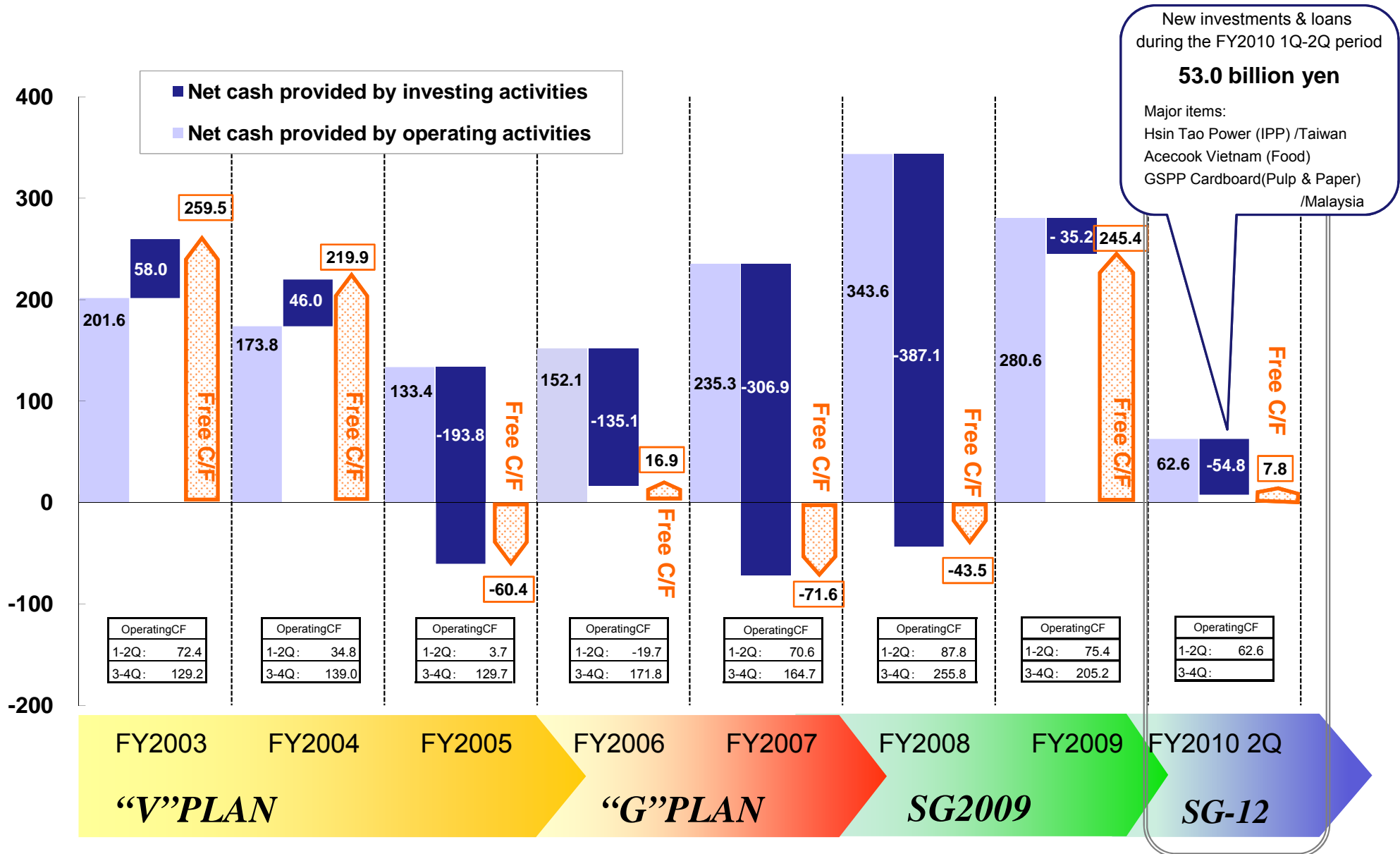
(March-2009 / September-2010 comparison)

- ① Changes in Retained earnings  
⇒ +60.0 billion yen  
(Net income 68.6 billion yen  
- Dividends payable 8.7 billion yen)
- ② Changes in Currency translation adjustments  
⇒ -49.9 billion yen  
(USD/JPY : ¥92⇒¥88  
(※End Dec. 2009 ⇒End Jun. 2010))
- ③ Changes in Unrealized losses on derivatives  
⇒ -18.4 billion yen
- ④ Changes in Unrealized gains on investment securities  
⇒ -26.6 billion yen  
(Nikkei Stock average : ¥11,090⇒¥9,369)

# Equity and Net Risk Assets



# Cash Flows



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### « Copper Projects »

#### Acquisition of mining right of a new copper mine in Chile (Announced in August 2010)

- Minera El Tesoro, which is owned by Marubeni and Antofagasta plc, has agreed to acquire the mining right of a new copper mine (“Mirador”) located in the Sierra Gorda district in Chile’s II Region for US\$350 million. Mirador has oxide resources of 32 million tonnes with approx. 330 thousand tonnes of contained copper.
- Marubeni continues to seek to participate in the development in the Sierra Gorda district, which has estimated mineral resources of over 5 billion tonnes, jointly with Antofagasta plc and expects to contribute to securing the additional copper resources for Japan in the future.



#### < Esperanza copper project >

- On track to start commissioning in Q4 2010.
- Marubeni’s equity metal will increase from 65K tons (current) to approx. 125K tons after 4Q of 2010 when Esperanza starts operation.

(thousands of ton)

Copper		Marubeni’s Equity Metal		
		Beginning of FY2008	Present (FY2010)	FY2011
Los Pelambres Mine	Owned since 1997	30	35	35
El Tesoro Mine	Acquired in FY2008		30	30
Esperanza Mine (under development)	Acquired in FY2008			60
Total		30	65	125

※Los Pelambres Mine has expanded capacity in 2010.

### « Coal Projects »

- Including the two projects below, Marubeni’s equity coal amounted to 5.7 million tons per year.
- Marubeni will expand its business in this field which is one of the SG-12 priority business fields.

Coal		Marubeni’s Equity Coal		
		Beginning of FY2008	Present (FY2010)	after FY2011
Ravensworth Underground Coal Mine	Acquisition of concession		0.6 million ton	Priority Business Field Keep Expanding
Lake Vermont Coal Mine	Start production		1.3 million ton	
Others		2.9 million ton	3.8 million ton	
Total		2.9 million ton	5.7 million ton	

# Major Projects

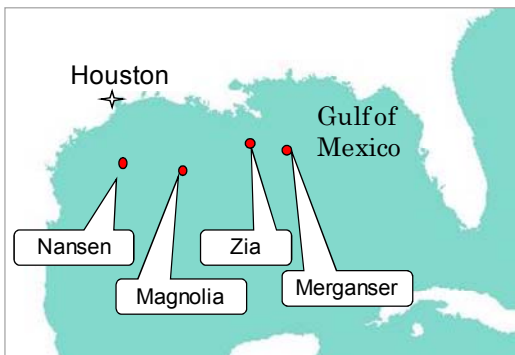
## Oil & Gas

### Acquisition of Working Interests in the Norwegian North Sea Oil & Gas Fields (Announced in September 2010)

- Marubeni concluded an agreement with Norwegian Energy Company ASA (“Noreco”), the Norwegian independent oil and gas company, to acquire Noreco’s working interests in the Oselvar and Enoch oil and gas fields in the Norwegian North Sea. Total investment amount is approx. US\$150 million.
- The Oselvar field is currently under development and production start-up is planned for 2011. The net production including Enoch is anticipated to peak at approx. 3,000 BOEPD.

### Acquisition of Interests in the Gulf of Mexico Oil & Gas Fields from BP (Announced in October 2010)

- Marubeni concluded an agreement with BP Exploration & Production Inc(“BP”), a subsidiary of BP plc, to acquire BP’s working interests in production oil and gas fields in the US Gulf of Mexico for US\$650 million.
- Interest Marubeni acquire are for 4 producing fields – Nansen, Magnolia, Merganser and Zia. Marubeni’s net production from these fields is approx. 15,000 BOEPD.



<Gulf of Mexico>



<Norwegian North Sea>

### Marubeni and Eastern Star Gas Company Agree to Conduct Feasibility Study on Electric-Motor-Driven Mid-Scale LNG Plant(Announced in October 2010)

- Marubeni and Eastern Star Gas Company (“ESG”), an Australian gas and coal seam gas (CSG\*) development company, have signed a MOU about the proposed electric-motor-driven Mid-Scale LNG plant in Newcastle in the state of New South Wales, Australia.
- ESG owns the largest CSG block in New South Wales, and plans to construct an LNG plant and to export LNG from 2014 onward with an initial production capacity of 1 million tons per annum and eventually increasing the capacity to 4 million tons per annum.
- ESG agrees to conduct feasibility study with Marubeni, including the study of Marubeni’s future equity participation in the development of the CSG block and the LNG project.
- Marubeni continues to consider participating in new kinds of LNG projects which include development of small-to medium-sized gas fields and new types of gas such as CSG.

\*CSG :

Methane gas extracted from coal seams ( A kind of unconventional gas). The development of unconventional gas has been dramatically improved because of technology innovation in 1990’s.

<<LNG Projects>>

Project	Main Partner	Equity Share	Annual Production
Qatar LNG	Qatar Petroleum	7.5%	9.6 Mtpa
Equatorial Guinea	Marathon Oil	6.5%	3.4 Mtpa
Peru LNG	Hunt Oil	10.0%	4.45 Mtpa



### « IPP Business »

#### Hsin Tao Power (Taiwan)

**【 Acquired 61.78% shares (21.42%→83.2%)】 (May 2010)**

**【 Agreed to sell 33.2% shares (83.2%→50%)】 (Oct. 2010)**

- Total net power generation capacity ;
  - 7,540MW as of Sep. 2010
  - 7,341MW after sale of shares to Kyushu Electric Power Company Inc. in Nov. 2010.
- Approximately 10% of the aforementioned capacity is under construction and is planned to contribute to the Company's profit in 1-2 years.
- The Company will continuously invest in overseas I(W)PP fields and aim for the consistent growth, increasing stable profit base.

Marubeni's Net Power Generation Capacity

	SG-12 start	Present (Sep. 2010)	after FY2011
Marubeni's Net Power Generation Capacity	7,229MW	7,540MW	Continue to expand as a priority business field



### « EPC Business »

#### Nghi Son (1) Coal Fired Thermal Power Plant (Vietnam) (Announced in June 2010)

- Awarded a contract for construction of Nghi Son (1) Coal Fired Thermal Power Plant from EVN, which is one of the largest Marubeni has constructed in Vietnam (Contract amount ; Approx. 90 billion Japanese Yen).
- Nghi Son (2) project, sited next to Nghi Son (1) project, is now planned for international tender with BOT (Built-Operation-Transfer) method. Marubeni will pursue the award of this project as well.



### « Expanding Business Fields »

#### Development of a large scale offshore backbone power transmission project in the U.S. Mid-Atlantic Region (Announced in June 2010)

- Marubeni, as a leading company in the world electric power market, will look further for potential opportunities in the U.S. electric power transmission and distribution sector.

### Collaboration Agreement with a French Logistics Company (Announced in May 2010)

- Concluded a Collaboration Agreement with Senalia Union, a French logistics company who owns largest silo capacity in Europe and whose silos are the only designated silos of NYSE Euronext Paris (European futures market).
- Marubeni, in cooperation with Senalia, aims to supply grains at competitive prices by establishing throughout procurement and distribution system which includes collecting grains from inland, logistics control, storage and exports.



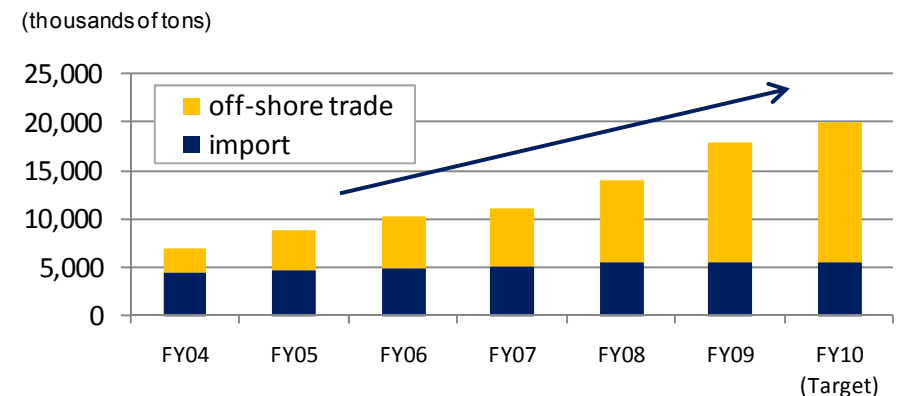
Silo owned by Senalia Union

### Agreement with China's Largest Grain Trading Company (Announced in June 2010)

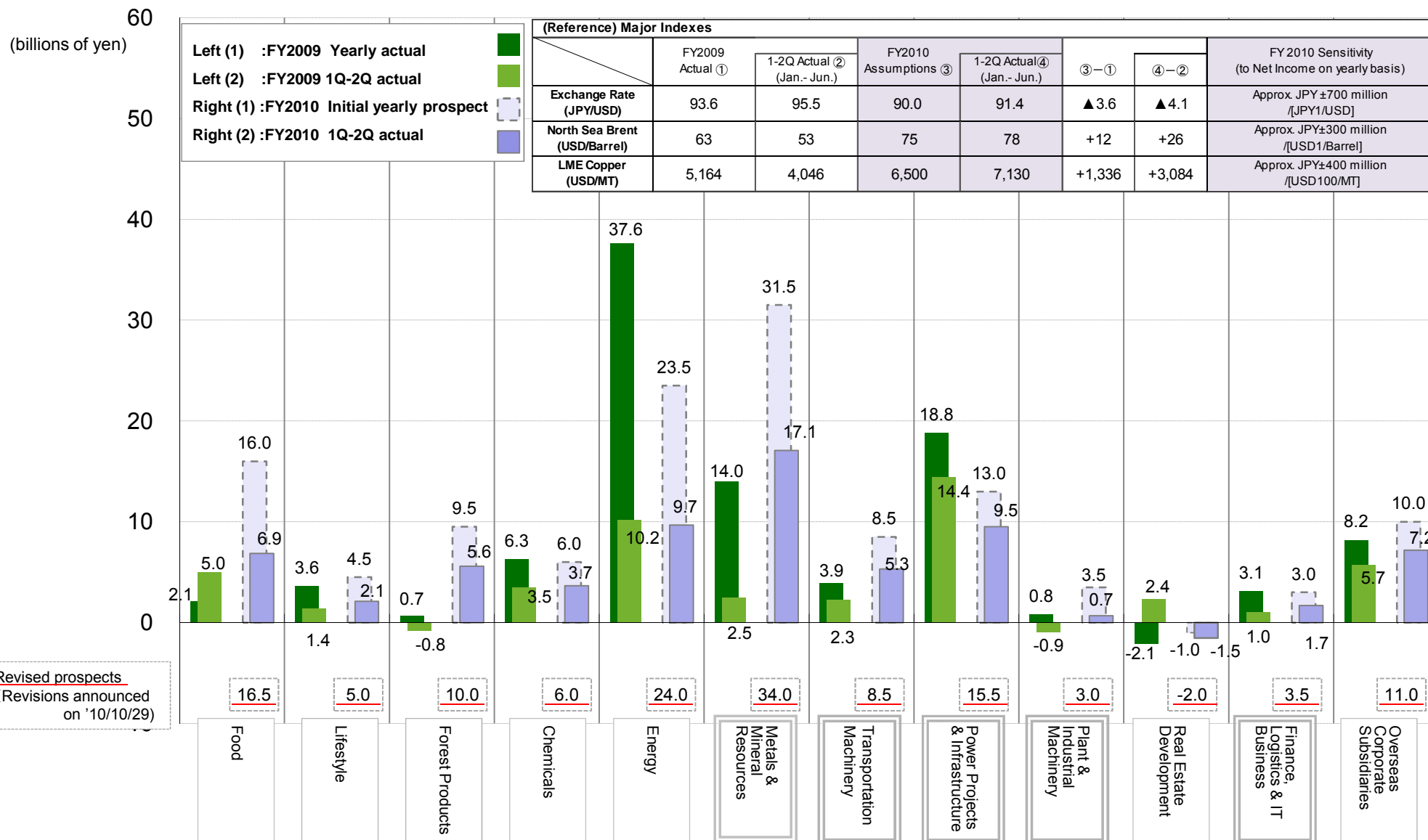
- Agreed to work exclusively with China's largest grain trading company, COFCO Limited concerning export of Chinese milling wheat to Japan and concluded the comprehensive tie-up agreement.
- In supplying China's wheat to Japanese flour industry, we are aiming for stable wheat supply to Japan by combining our marketing and logistics power to Japan and COFCO's wheat origination in China.

### 【Grain Trading】

- Marubeni is a top grain importer among Japanese trading houses with 20% of market share. In addition, it is expanding its trade volume in off-shore grain trade for other countries all over the world, such as Asia, Middle-East, North Africa, and Europe.
- Marubeni is expanding its sales channels, such as a collaboration with SINOGRAIN, China's largest grain reserve operation company for soybean and other grain supply.
- Also, Marubeni increases its trading volume by strengthening procurement function, by means of collaborations with world's leading grain suppliers as AMAGGI in Brazil, and MOLINO CANUELAS in Argentina.
- FY2010Target : **20 million tons** (FY2009 : 18 million tons)



# Reference: Net Income by Segment



Revised prospects  
(Revisions announced on '10/10/29)

Note 1)  FY2009 result is altered according to the new segment organization.

Note 2) Iron & Steel Strategies and Coordination Dept. has been incorporated into Metals & Mineral Resources.

# Major Projects

## Water Projects

### 【Water Projects】

- Marubeni has been working on the water business for 14 years. Now operating / going to operate 6 projects in 4 countries (Chile, Mexico, Peru, China).
- Marubeni will expand its business in this field which is one of the SG-12 priority business fields, and establish its presence as one of the top 10 water suppliers of the world in 2 to 3 years.

### Marubeni Agrees jointly with Innovation Network Corporation of Japan on the Acquisition of Chile's Third Largest Full Service Water Utility(Announced in October 2010)

- Marubeni and INCJ agreed on the purchase of 100% stake of Aguas Nuevas ("AN"), the third largest water and sewage utility in Chile, from Capital Riesgo Global Co., a subsidiary of the Spanish Santander Bank. Marubeni and INCJ will each make 50% investment each .
- Marubeni acquired 100% stake in Aguas Decima in Chile (Oct. 2006) and 29% stake in Consorcio Agua Azul in Peru (July 2009), and AN will be our third acquisition in South American water market.



#### <Aguas Nuevas>

Water treatment capacity : 569,000m<sup>3</sup> /day(water)  
 487,000m<sup>3</sup>/day(sewerage)

Net work : approx. 3,500 km (water)  
 approx. 2,900 km (sewerage)

Population served: 1,200,000 people

Country	Project (Project Company)	Equity Share
Mexico	PEMEX Salina Cruz Water Treatment (Aguasistema Salina Cruz)	50%
China	Chengdu Water Treatment (Chengdu Generale Des Eaux-Marubeni Waterworks)	40%
	China Sewage & Re-use Water Treatment (Anfui Guozhen Environment Protection Science and Technology)	30%
Chile	Valdivia Water & Wastewater Concession (Aguas Decima)	100%
	Aguas Nuevas Water & Wastewater Concession (Aguas Nuevas)	50%
Peru	Chillon River Water Treatment (Consorcio Agua Azul)	29%

- Net population served of the total of 6 projects above and the 2 O&M projects in Qatar is 4.3 million people.
- Marubeni aims to achieve net population served of 10 million people and rank among the world's top 10 in net population served.

This document is an English translation of a statement written initially in Japanese.  
The original in Japanese should be considered the primary version.

- \* Due to changes in accounting standards, from April 2009 the Company began reporting “Equity” instead of “Shareholders’ equity”. Newly reported “Equity” is the total of Marubeni Corp.’s shareholders’ equity (synonymous with the previously reported “Shareholders’ equity”) and “Noncontrolling interests.”  
Figures for “Equity” and the “Net D/E ratio” for March 2008 through March 2009 given in this document have been retroactively adjusted accordingly.
- \* In this document, “Net income” refers to “Net income attributable to Marubeni Corp.”

**DISCLAIMER REGARDING FORWARD-LOOKING STATEMENTS**

THIS DOCUMENT CONTAINS FORWARD-LOOKING STATEMENTS ABOUT THE PERFORMANCE OF MARUBENI AND ITS GROUP COMPANIES, BASED ON MANAGEMENT'S ASSUMPTIONS IN LIGHT OF CURRENT INFORMATION. THE FOLLOWING FACTORS MAY THEREFORE INFLUENCE ACTUAL RESULTS. THESE FACTORS INCLUDE CONSUMER TRENDS IN JAPAN AND IN MAJOR GLOBAL MARKETS, PRIVATE CAPITAL EXPENDITURES, CURRENCY FLUCTUATIONS, NOTABLY AGAINST THE U.S. DOLLAR, MATERIALS PRICES, AND POLITICAL TURMOIL IN CERTAIN COUNTRIES AND REGIONS.