
Summary of Consolidated Financial Results

For FY2006

(April 1, 2006 - March 31, 2007)

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

The original in Japanese should be considered the primary version.

Disclaimer Regarding Forward-Looking Statements

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

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

Marubeni
CORPORATION

(TSE Code: 8002)

Summary of Consolidated Financial Statements for FY2006 (US GAAP basis)

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

(URL <http://www.marubeni.co.jp>)

Code Name:8002

Representative: KATSUMATA Nobuo President and CEO, Member of the Board
Enquiries: HASHIMOTO Takashi General Manager, Media Relations Sec. TEL (03) 3282 - 4803
Expected date of Annual meeting of Shareholders: June 22, 2007 Expected Date of the beginning of delivery of dividends : June 1,2007
Expected filing date of Financial statement report : June 22, 2007
Adoption of US GAAP: Yes

1. Consolidated financial results for FY2006 (April 1, 2006 - March 31, 2007)**(1) Consolidated business results**

| | Total volume of trading transactions | | Operating profit | | Income from continuing operations before income taxes | |
|--------|--------------------------------------|------|-------------------|------|-------------------------------------------------------|------|
| | (millions of yen) | % | (millions of yen) | % | (millions of yen) | % |
| FY2006 | 9,554,943 | 10.0 | 165,020 | 15.2 | 193,815 | 45.7 |
| FY2005 | 8,686,532 | 9.5 | 143,248 | 65.7 | 133,055 | 52.4 |

| | Net income | | Basic EPS | Diluted EPS | ROE | ROA (before income taxes) | Operating profit on sales |
|--------|-------------------|------|-----------|-------------|------|---------------------------|---------------------------|
| | (millions of yen) | % | (yen) | (yen) | % | % | % |
| FY2006 | 119,349 | 61.7 | 72.41 | 68.85 | 16.9 | 4.1 | 1.7 |
| FY2005 | 73,801 | 78.9 | 48.34 | 40.46 | 13.3 | 2.3 | 1.6 |

(Note)

Equity in earnings-net FY2006 44,880 million yen FY2005 31,602 million yen

The ratio of Total volume of trading transactions, Operating profit, Income from continuing operations before income taxes and Net income represents the changes from the previous year.

For Japanese Investors' convenience, Total volume of trading transactions and Operating profit are shown according to Japanese accounting practice. Total volume of trading transactions is the sum of those in which Marubeni and its consolidated subsidiaries ("the Companies") act as principal and those which the Companies act as agent.

As of FY2006, Equity in earnings(losses) of affiliated companies are included within income before income taxes.

Some of the figures for FY2005 have been reclassified accordingly.

(2) Consolidated financial conditions

| | Total asset | Shareholders' equity | Shareholders' equity ratio | Shareholders' equity per share |
|--------|-------------------|----------------------|----------------------------|--------------------------------|
| | (millions of yen) | (millions of yen) | % | (yen) |
| FY2006 | 4,873,304 | 745,454 | 15.3 | 430.04 |
| FY2005 | 4,587,072 | 663,787 | 14.5 | 365.14 |

(Note) In accordance with the US GAAP, Shareholders' equity, Shareholders' equity ratio, and Shareholders' equity per share are stated as was conventionally done.

(3) Consolidated cash flow

| | Cash flow from Operating activities | Cash flow from Investing activities | Cash flow from Financing activities | Cash and cash equivalents at the end of the term |
|--------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------------------|
| | (millions of yen) | (millions of yen) | (millions of yen) | (millions of yen) |
| FY2006 | 152,075 | 135,147 | 24,819 | 414,952 |
| FY2005 | 133,408 | 193,781 | 46,037 | 368,936 |

2. Dividends information

| (Record date) | Dividend per share | | | Total amount of dividend | Payout ratio | Dividend on equity |
|-------------------|--------------------|-------------------|-----------------|--------------------------|----------------|--------------------|
| | Interim dividend | Year end dividend | Yearly dividend | (Yearly) | (Consolidated) | (consolidated) |
| | (yen) | (yen) | (yen) | (millions of yen) | % | % |
| FY2006 | 3.50 | 6.50 | 10.00 | 16,982 | 13.8 | 2.5 |
| FY2005 | 2.00 | 5.00 | 7.00 | 11,023 | 14.5 | 2.3 |
| FY2007 (Prospect) | 6.00 | 6.00 | 12.00 | | 15.4 | |

(Note) Above figures show the dividends regarding common shares. The dividends regarding classified shares which are unlisted are mentioned in page3 "Dividends for classified shares"

Formula of payout ratio is mentioned in page 3 "Formulas for FY2006 consolidated earnings indicators".

Payout ratio including the dividends for preferred stock as well as those for common stock is 14.7% in FY2006, and 17.0% in FY2005.

The year-end dividend on common stock for FY2006 is to be resolved at the board meeting scheduled on May 18, and the payment date shall be June 1, 2007.

3. Consolidated financial prospects for FY2007 (April 1,2007 - March 31, 2008)

| | Total volume of trading transactions | Operating profit | Income from Continuing Operations before income taxes | Net income | Basic EPS |
|--------|--------------------------------------|---------------------|-------------------------------------------------------|---------------------|-----------|
| | (millions of yen) % | (millions of yen) % | (millions of yen) % | (millions of yen) % | (yen) |
| FY2007 | 10,500,000 8.8 | 180,000 7.9 | 215,000 10.9 | 135,000 13.2 | 77.88 |

(Note) Marubeni has forecasted its performance only in yearly basis and interim financial prospects are not announced.

4. Others

(1) Changes in major consolidated subsidiaries and affiliated companies accounted for by equity method

No changes

(2) Changes in accounting principle, procedure or display method

Any changes in accordance with the changes in the accounting system? Yes

Any changes other than ? Yes

(Note) Details are mentioned in page36-38 "2. Matters Concerning Accounting Standards" of "Basis of Consolidated Financial Statements".

(3) Number of outstanding shares

| | | | | |
|--------------------------------------------------------------|------------------------|---------------|----------------------------|------------|
| Number of outstanding shares at the end of the term | FY2006 (Common shares) | 1,734,916,816 | (Class 1 preferred shares) | - |
| (Consolidated basis/ Treasury shares are included) | FY2005 (Common shares) | 1,608,451,165 | (Class 1 preferred shares) | 75,500,000 |
| Number of outstanding treasury shares at the end of the term | FY2006 (Common shares) | 1,483,567 | (Class 1 preferred shares) | - |
| | FY2005 (Common shares) | 1,232,651 | (Class 1 preferred shares) | - |

(Note) The assumptions on calculating EPS(consolidated basis) are stated in page41 "Earnings/Loss per Share of Common Stock "

(Reference) Individual financial statements

1. Individual financial results for FY2006 (April 1,2006 - March 31, 2007)

(1) Individual statements of income

| | Total volume of trading transactions | | Operating profit | | Current profit | | Net income | |
|--------|--------------------------------------|-----|-------------------|-------|-------------------|------|-------------------|-------|
| | (millions of yen) | % | (millions of yen) | % | (millions of yen) | % | (millions of yen) | % |
| FY2006 | 6,285,709 | 1.1 | 20,419 | -11.6 | 95,013 | 55.8 | 45,873 | 205.0 |
| FY2005 | 6,218,091 | 8.9 | 23,092 | 94.6 | 60,994 | 25.9 | 15,039 | 35.2 |

| | EPS | Diluted EPS |
|--------|-------|-------------|
| | (yen) | (yen) |
| FY2006 | 27.60 | 26.46 |
| FY2005 | 9.05 | 8.32 |

(Note) The percentage figures represent the changes from the previous fiscal year.

(2) Individual balance sheet

| | Total asset | Shareholder' Equity | Shareholders' equity ratio | Shareholders' equity per share |
|--------|-------------------|---------------------|----------------------------|--------------------------------|
| | (millions of yen) | (millions of yen) | % | (yen) |
| FY2006 | 3,000,579 | 516,614 | 17.2 | 298.00 |
| FY2005 | 2,733,091 | 511,033 | 18.7 | 270.02 |

(3) Individual financial prospects for FY2007 (April 1,2007 - March 31, 2008)

| | Net income |
|--------|---------------------|
| | (millions of yen) % |
| FY2007 | 50,000 9.0 |

(Note) Since Marubeni has forecasted its performance only in yearly basis, interim financial prospects are not announced.

The above prospects are based upon available information and assumption, at the announcement date, about uncertain factors which would influence upon future businesses. Actual results might be influenced by various factors in the future. Assumptions of the above prospects are mentioned in page 18 "Financial Prospects and preconditions for FY2007".

(Reference) Dividends information regarding classified shares

Dividends for classified shares are as follows.

| (Record date) | Dividend per share | | | Total amount of dividend |
|---------------|--------------------|-------------------|-----------------|--------------------------|
| | Interim dividend | Year end dividend | Yearly dividend | (Yearly) |
| FY2006 | 10.00 (yen) | - (yen) | 10.00 (yen) | 605 (millions of yen) |
| FY2005 | 10.00 | 10.00 | 20.00 | 1,510 |

(Reference) Formulas for FY2006 consolidated earnings indicators

Basic Earning Per Share

$$\frac{\text{Net income} \text{ corresponding amount of dividends for preferred shares resulting from appropriation of profits for FY2006}}{\text{Average number of common shares for the term} \quad 1}$$

Diluted EPS

$$\frac{\text{Net income} \text{ corresponding amount of dividends for preferred shares resulting from appropriation of profits for FY2006} + \text{adjusted net income} \quad 2}{\text{Average number of common shares for the term} \quad 1 + \text{Number of latent shares}}$$

Shareholders' Equity per Share

$$\frac{\text{Term-end shareholders' equity}}{\text{Number of common shares outstanding at term-end} \quad 1}$$

Payout ratio

$$\frac{\text{Dividends for common shares per share}}{\text{Basic Earning Per Share}}$$

Formulas for FY2007 earnings forecast indicators

Forecasted EPS

$$\frac{\text{Forecasted net income}}{\text{Number of common shares outstanding at term-end} \quad 1}$$

Payout ratio

$$\frac{\text{Forecasted dividends for common shares per share}}{\text{Basic Earning Per Share}}$$

- 1) excluding treasury stock and shares held by the subsidiaries and the affiliated companies
- 2) corresponding amount of dividends for preferred shares resulting from appropriation of profits for FY2006

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Financial Results

1. Financial Results

Business Environment

An overview of overseas economies for the period under review reveals that, despite a persisting slowdown of the U.S. economy, the overall global economy remained on a track of high growth as the pace of economic uptrend picked up in Europe and emerging economies continued to expand steadily. Meanwhile, demand for energy and natural resources expanded on a global scale, causing prices of primary commodities including crude oil, steelmaking raw materials and non-ferrous metals to remain at high levels.

In the U.S., housing investments fell off sharply chiefly as a result of the interest rate hikes that had continued until mid-2006, but the economy went no further than decelerating as favorable corporate earnings and wage conditions helped capital expenditures and consumer spending to remain brisk. At the same time, prices remained on a rising track in step with wage increases.

In Europe, recovery of exports, chiefly German exports, had a positive impact on capital expenditures, boosting the dynamism of the local economies. As price increases in Europe remained moderate, the European Central Bank stopped short of taking any more measures than implementing a modest interest rate hike aimed at preventing inflation.

The Asian economies, notable in China and India, continued to expand. In China, while the government upheld a policy to shift the focus of growth from enterprises to households, its economy continued to grow fast, in reality, mainly on the strengths of fixed-asset investments and exports. As China's expanded exports caused its current-account surplus, trade surplus and foreign currency reserves to build up sharply, the government there gradually stepped up the pace of appreciation of the Yuan. In India, the favorable expansion in the service and manufacturing sectors fueled an accelerated growth of the economy. Elsewhere in Asia, economies continued to grow generally in a stable fashion.

In resources-exporting countries including Russia, economies remained strong as exports expanded in the shadow of globally escalated demand for and soaring prices of primary commodities and had a favorable ripple effect on their domestic demand. In Brazil, exports slowed down due to appreciation of the Real, but the economy did expand mildly as monetary easing helped domestic demand to grow.

Turning our eyes to the state of the Japanese economy for the period under review, we observe that business conditions, driven primarily by capital expenditures and exports, remained on the upward trend. Capital expenditures were supported by stable corporate earnings and enhanced appetites for investments, and exports by the expansion of global economy and depreciation of the Yen. While the employment situation also improved in the wake of a favorable economic expansion, consumer spending remained only on a modest recovery track given the slow pace of wage increases.

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As the Japanese economy virtually freed itself from the predicaments of excess supply and its breakaway from the trap of deflation came in sight, the Bank of Japan lifted its zero-interest policy and turned around to raise interest rates in July of 2006. Nonetheless, the margin of the interest rate hike turned out to be generally insignificant, and the still relatively low interest rate levels and the resultant depreciation of the Yen provided an underlying support for the buoyant economy.

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Consolidated Financial Results

The summary of consolidated financial results for FY2006 is as follows:

(billions of yen)

| | FY2007 | FY2006 | Variance | |
|--------------------------------------|---------|---------|----------|-------|
| | | | Amount | % |
| Total volume of trading transactions | 9,554.9 | 8,686.5 | 868.4 | 10.0% |
| Gross trading profit | 531.2 | 502.0 | 29.1 | 5.8% |
| Operating profit | 165.0 | 143.2 | 21.8 | 15.2% |
| Income before income taxes | 193.8 | 133.1 | 60.8 | 45.7% |
| Net income | 119.3 | 73.8 | 45.5 | 61.7% |
| Revenue | 3,658.9 | 3,139.8 | 519.0 | 16.5% |

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

Consolidated total volume of trading transactions increased 10.0% year-on-year to ¥9,554.9 billion. Gross trading profit grew 5.8% year-on-year to ¥531.2 billion. While expenses, notably payroll expenses, rose by ¥15.0 billion year on year, operating profit increased ¥21.8 billion (15.2%), year on year, to ¥165.0 billion primarily as a result of the year-on-year improvement of provision for doubtful accounts by ¥7.7 billion and increased gross trading profit. Income from continuing operations before income taxes increased ¥60.8 billion (45.7% year-on-year) to ¥193.8 billion due to increase of operating profit, and improvement of other-net, mainly in gain (loss) on investment securities and withdrawal losses, in spite of deterioration of interest expense (net of interest income). As a result, net income for the period grew ¥45.5 billion (61.7%) to ¥119.3 billion.

In addition, "Revenue" as defined under U.S. GAAP was ¥3,658.9 billion, or ¥519.0 billion (16.5%) higher than the same period a year previous.

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Total volume of trading transactions, gross trading profit and operating conditions for each operating segment were as follows.

Agri-marine Products transactions increased ¥78.1 billion (7.9%), year on year, as a result of increases in fodder-related transactions and Daiei-related foodstuff and food transactions. Gross trading profit rose ¥ 3.1 billion (4.4%) despite the conversion of a subsidiary into an affiliate, with higher profit in feed stuff and beverages transactions. Net income rose ¥4.3 billion (73.7%), year on year, thanks to increased operating profit in step with gross trading profit, gains on the sale of Daiei shares, and an increased profit on equity in earnings.

Textile transactions increased ¥17.9 billion (5.0%) year-on-year owing to a rise in apparel product transactions. As a result of restructuring, gross trading profit declined ¥1.6 billion (6.1%), and net income decreased ¥0.8 billion (49.4%) year-on-year.

Forest Products and General Merchandise transactions increased ¥61.1 billion (7.6%) year-on-year owing to increase in rubber related transactions and construction materials related transactions. Gross trading profit also rose ¥6.1 billion (12.7%) due to the consolidation of Musi Pulp Project. Net income increased ¥9.2 billion as a result of the increased profit on the Company's equity in earnings in a pulp manufacturing affiliate in North America and a loss incurred during the previous year in connection with the withdrawal from a leisure-related business.

Chemicals transactions rose ¥75.0 billion (9.6%) year-on-year, mainly as a result of petrochemical price hikes. Gross trading profit, notably in the electronic materials category, registered a year-on-year increase of ¥0.4 billion (1.5%). Although operating profit increased in step with gross trading profit, net income declined ¥2.3 billion (62.1%), year on year, due to losses in valuation of electronic materials-related investments.

Energy transactions rose ¥229.3 billion (10.5%) year-on-year due to an increase in petroleum and gas related transactions. Gross trading profit increased ¥14.0 billion (19.6%) reflecting to an increase in the profits mainly from the oil and gas concessions. Net income rose ¥5.0 billion (18.6%), year on year, as a result of an increase in operating profit in step with gross trading profit and an increase in dividends received.

Metals and Mineral Resources transactions increased ¥261.3 billion (35.7%) year-on-year due mainly to an increase in the price of non-ferrous metals. Gross trading profit declined ¥6.2 billion (25.3%), with an absence of a transitory profit posted last year. Although operating profit dropped in step with gross trading profit, net income increased ¥8.8 billion (54.5%), year on year, as a result of

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an increased profit on equity in earnings in copper mining and smelter operations amid copper price hikes and an impairment loss incurred during the previous fiscal year in connection with certain overseas subsidiary operations.

Transportation & Industrial Machinery transactions declined ¥23.6 billion (3.4%), year on year, chiefly due to the Company's partial withdrawal from the automotive-related operations. Despite the increase in the construction machinery and facilities-related machinery categories increased, overall gross trading profit decreased ¥2.6 billion (4.4%), year on year, due to the partial withdrawal from the automotive-related operations. Net income increased ¥2.4 billion (31.4%), year on year, as a result of sale of marketable securities and an increased profit on equity in earnings in construction machinery and farm machinery companies.

Power Projects transactions grew ¥25.7 billion (10.4%), year on year, mainly as a result of increased sales generated by overseas subsidiaries. Gross trading profit increased ¥3.5 billion (14.7%), year on year, thanks to increased sales and income generated by EPC projects abroad. Net income rose ¥0.6 billion (9.8%), year on year, as a result of an increase in operating profit in step with gross trading profit and an increase in profit on equity in earnings.

Plant, Ship & Infrastructure Projects transactions decreased ¥33.2 billion (4.7%) year-on-year due to the decreased transactions of domestic subsidiaries. Gross trading profit, primarily from the cement plant projects in the Middle East and resources-related project in Latin America, increased ¥0.9 billion (5.2%), year on year. While operating profit grew in step with gross trading profit, net income decreased ¥0.9 billion (33.7%), year on year, due to a reduced profit on the equity in earnings in the project in Central America.

Information & Communication transactions decreased ¥3.7 billion (1.6%) year-on-year due to the decrease in the solution related transactions. Gross trading profit increased ¥1.0 billion (3.8%), year on year due to a rise in the transactions of domestic subsidiaries. Net income rose ¥2.1 billion (572.1%), year on year, as a result of an increase in operating profit in step with gross trading profit, a gain on sale of broadcast-related investments, and elimination of the loss incurred during the previous fiscal year on valuation of optical transmission device-related investments.

Development and Construction transactions increased ¥4.4 billion (2.7%) year-on-year due to buoyant sales of domestic condominiums and housing. Gross trading profit rose ¥3.8 billion (13.9%) reflecting the increase in transactions. Net income rose ¥2.1 billion (185.0%), year on year, as a result of an increase in operating profit in step with gross trading profit, elimination of the loss incurred during the previous fiscal year on valuation of property for sale.

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Finance, Logistics & New Business transactions increased ¥20.1 billion (77.9%) year-on-year due to a rise in the transactions of domestic subsidiaries. Gross trading profit rose ¥2.8 billion (40.2%) reflecting the increased volume of transactions. Net income increased ¥0.6 billion (16.1%), year on year, as a result of an increase in operating profit in step with gross trading profit and increased income from fund operations.

Iron & Steel Strategies and Coordination transactions declined ¥0.1 billion (10.1%) from the previous year. Gross trading profit decreased ¥0.1 billion (10.1%). Net income declined ¥2.1 billion (12.5%), year on year, due to a decrease in operating profit in step with gross trading profit and increased corporation income tax paid.

Overseas Corporate Subsidiaries and Branches transactions increased ¥181.7 billion (15.8%) from the previous year due mainly to a rise in the sales of metals and construction machineries in Marubeni America Corporation. Gross trading profit rose ¥4.2 billion (5.3%) reflecting the increased volume of transactions. Despite increased gross trading profit, operating income dropped due to increases in general and administrative expenses. However, net income grew ¥2.8 billion (68.8%), year on year, as a result of an impairment loss on goodwill taken during the previous fiscal year.

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A summary of the consolidated balance sheets at the end of FY2006 is as follows:

(billions of yen)

| | March 31, 2007 | March 31, 2006 | Variance |
|----------------------------------------------|-----------------------|-----------------------|-----------------------|
| Total assets | 4,873.3 | 4,587.1 | 286.2 |
| Shareholders' equity | 745.5 | 663.8 | 81.7 |
| Interest-bearing debt | 2,278.4 | 2,267.0 | 11.4 |
| Net interest-bearing debt (Net D/E ratio) | 1,843.4 2.47 times | 1,876.4 2.83 times | -32.9 -0.36 points |

| | | | |
|------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|
| Net interest-bearing debt after factoring out impact of FAS No.133 (Net D/E ratio) | 1,840.9 2.47 times | 1,880.4 2.83 times | -39.5 -0.36 points |
|------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|

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

Total consolidated assets increased ¥ 286.2 billion from the end of the previous fiscal year to ¥ 4,873.3 billion, largely due to an increase in receivables from affiliated companies and investments in affiliated companies. Gross consolidated interest-bearing debt increased by ¥ 11.4 billion from the end of the previous fiscal year to ¥ 2,278.4 billion. In addition, net interest-bearing debt after deduction of cash and cash equivalent decreased ¥ 32.9 billion from the end of the previous fiscal year to ¥ 1,843.4 billion. With net income added, consolidated shareholders' equity amounted to ¥ 745.5 billion, up ¥ 81.7 million year on year, despite the charge of adjustments in retirement benefit liability against it. As a result, the net debt/equity ratio improved 0.36 points to 2.47x, compared to 2.83x at the end of the previous fiscal year.

Net cash flow from operating activities stood at a positive ¥ 152.1 billion, representing a year-on-year increase of ¥ 18.7 billion. Net cash flow from investing activities amounted to a negative ¥ 135.1 billion as a result of purchases of marketable securities, investment securities and other investment instruments.

Therefore free cash flow for the period was ¥ 16.9 billion.

Net cash earned in financing activities came out to ¥ 24.8 billion. Cash and cash equivalents at the end of the period were ¥ 415.0 billion, ¥ 46.0 billion increased from the end of the previous fiscal year.

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Basic Policy Regarding Earnings Appropriation and Dividends of FY2006 and FY2007

Marubeni recognizes that its important corporate responsibilities lie in paying stable dividends to shareholders in a consistent manner as well as maximizing corporate value and competitiveness by building up and effectively utilizing internal reserves. With regard to dividends, the Company applies a new basic policy to determine dividend aiming for consolidated payout ratio around 15%, based on the principle of linking dividend to the company's business results for each term, in consideration of a clear profit distribution to our shareholders.

As for the frequency of dividend distribution of surplus for each fiscal year, the Company retains its conventional manner to pay dividend twice a year, interim and year-end. As the Company's Articles of Incorporation prescribe, pursuant to the provisions of Article 459, Section 1 of the Companies Act, its Board of Directors is entitled to resolve and distribute surplus, it is our basic policy that payment of each dividend is to be resolved by the Board of Directors.

In accordance with the aforementioned basic policies, annual dividend per share for FY2006 is scheduled to be 10 yen, increased by 3 yen from the previous year. Therefore it is to be resolved at the board meeting scheduled on May 18, 2007, that the year-end dividend on common stock for FY2006 shall be ¥6.5 per share in light of the fact that consolidated net income amounts to ¥119.3 billion, and the payment date shall be June 1, 2007. Thus the total dividend per share paid for FY2006 shall be ¥10.0 inclusive of the interim dividend of ¥3.5, which is an increase by ¥3.0 from FY2005.

With regard to the first series of Class I preferred stock, the interim dividend of ¥10.0 per share has been paid during FY2006. But no year-end dividend is scheduled as all of the preferred stock has been converted to common stock as of March 19, 2007.

Concerning retained earnings, the Company plans to allocate them into investments and loans in the strategic fields, which consequently contribute to shareholders' profit through improvement of future business performance.

With respect to the annual dividend on common stock for Fiscal 2007, we plan to distribute ¥ 12 per share (interim dividend ¥ 6 and year-end dividend ¥ 6).

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Risk Information

Major risks that could have a serious impact on investor decisions associated with the business operations and other activities of Marubeni Corporation and its consolidated subsidiaries are outlined below. The risks discussed, however, are not inclusive of the full range of possible risks faced in the broad range of activities engaged in by Marubeni and its consolidated subsidiaries. Any number of additional risks other than those discussed below could also impact business performance. Furthermore, risks considered to have a low likelihood of materializing have also been disclosed, from the perspective of enduring proactive information disclosure. Forward-looking statements with respect to the risks discussed below reflect the reasonable judgment of the Company's management based on information available as of March 31, 2007.

(1) Risks regarding overall Marubeni Operations

① Impact of the Japanese and global economies on the Marubeni Group

Marubeni (the "Company") and its consolidated subsidiaries (together, the "Group") are a general trading company engaged in a wide range of business activities in Japan and over 70 countries. Since the business activities of the Group encompass a variety of commercial and investment activities throughout a broad spectrum of industries in both in Japan and overseas that include the production and procurement of primary commodities such as resources as well as the manufacture and sale of finished goods, the Group feels the effects from the economies in Japan and the countries in which it does business as well as the global economy as a whole. Any worsening or slowdown in these economies carries the possibility of a negative impact on the operating activities, performance and financial position of the Group.

② Credit risks regarding business partners

The Group extends credit to business partners in various forms such as notes and accounts receivable-trade, advance payments to suppliers, loans, guarantees and other means, and the Group concludes merchandise supply, subcontracting, operational outsourcing, and other types of contracts with business partners, as part of sales activities. The incurrence of credit risk due to the inability of business partners to fulfill their credit obligations or a breach of contract by these business partners could negatively impact business results and financial position of the Group.

To protect against such credit risks, the Group carries out thorough risk management when granting any credit. However, there is no assurance that such measures will completely prevent the occurrence of credit risk. Moreover, in preparation of any possible loss incurred by the

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exteriorization of such credit risks, the Group maintains an allowance for doubtful account based on a prior assessment and estimate of the creditworthiness of business partners, collateral value and other set factors. Nevertheless, actual losses may exceed these established allowances.

③ Investment risk

The Group, both independently and in collaboration with other companies, establishes new companies and purchase existing enterprises in the course of their business operations. Most of these business investments are of minimal liquidity and require sizeable amounts of capital. The Group may be unable to withdraw from such businesses in an optimal manner or timeframe, which could inevitably require the commitment of an additional expenditure of capital.

To address the risk associated with investment activity and other means, when making any new investments, the Group conducts thorough risk management that also includes an a review as to whether such investments are generating good return enough to compensate for their risk. However, a decline in the value of these investments or the necessity of additional expenditures of capital may adversely affect the business results and financial condition of the Group.

④ Concentration of risk exposure

Certain parts of the commercial and investing activities of the Company and its consolidated subsidiaries, including business activities in Indonesia and the Philippines, are conducted with a high degree of concentration in specific investees, markets or regions. Marubeni classifies each country according to differing levels of country risk, establishes trading control criteria for each country, and executes necessary control and management in such a manner as to assure that its overall portfolio will remain proper and prudent. However, if the business performances of such investees turn out to be poor or if the business environment in such markets or regions deteriorates, the business performances and financial positions of the Company and its consolidated subsidiaries may be adversely affected.

⑤ Ability of fund-raising and funding cost

The Group engages in fund-raising with an emphasis on maintaining an optimal mix of funding in line with the requirements of their respective asset portfolios and ensuring liquidity. However, significant disruptions in major domestic and overseas financial markets, shortages of cash flow from operating activities, declining profitability, failure in asset-liability management, or significant downward revisions in the Group's credit ratings by the rating agencies could constrain fund-raising or lead to an increase in funding cost, which may adversely affect the

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business results and financial condition of the Group.

⑥ Market risks

i) Fluctuations in the prices of goods and merchandise

Since the Group handles a variety of merchandise, and enters into commodity futures and forward contracts to mitigate the risk of fluctuations in market conditions for certain merchandise, contracts and anticipated transactions, changes in their respective market conditions may adversely affect the business results and financial condition of the Group.

ii) Fluctuations in foreign currency exchange rates

The Group conducts transactions under a variety of currencies and terms, and enters into forward-exchange contracts and other derivative transactions to mitigate the risk of exchange rate fluctuations associated with transactions, receivables and liabilities denominated in foreign currencies. However, changes in market exchange rates may adversely affect the business results and financial condition of the Group.

iii) Fluctuations in interest rates

The Group raises necessary funds from financial institutions, the issuance of bonds and other means from capital markets. Further, the Group has interest-bearing debt at fixed interest rates or at floating interest rates. While the interest from the majority of the operating assets held by the Group offsets the interest rate risk associated with debt through Asset-Liability Management, the Group utilizes interest rate swaps and other means to mitigate the risk of interest rate fluctuations. However, changes in market interest rates may adversely affect the business results and financial condition of the Group.

iv) Gains and losses on marketable debt and equity securities

To strengthen business relationships and for other purposes, the Group invests in marketable debt securities, marketable equity securities and other types of securities. At the time of purchase, these securities are classified as trading, held-to-maturity, or available-for-sale securities, in accordance with SFAS 115, Accounting for Certain Investments in Debt and Equity Securities, published by the Financial Accounting Standards Board (FASB) of the United States.

Trading and available-for-sale securities held by the Group carry the risk of fluctuations in original value due to changes in the fair value. The posting of impairment losses on these securities at low points in fair value may adversely affect the business results and financial condition of the Group.

Marubeni Corporation

Financial Results

⑦ Losses on fixed assets such as real estate and machinery

The Group owns fixed assets such as real estate and machinery which is sold or leased to third parties or used for the Group's own purposes. Such fixed assets have the potential to cause losses if they experience a decline in value. Although the Group depreciates these fixed assets in conformity with U.S. accounting standards, if they experience a severe drop in value, this may adversely affect the business results and financial condition of the Group.

⑧ Laws and regulations

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

⑨ Significant litigation

In the course of business activities in Japan and overseas, the Group may be party to litigation, disputes and other legal proceedings. When party to such litigation, predicting the outcome is impossible given the inherent uncertainty of these matters. Such litigation may adversely affect the business results and financial condition of the Group.

⑩ Environmental Risk

The Group conducts business activities globally across a broad range of industries. Environmental pollution as a result of these activities could result in a business stoppage, significant expenses to install pollution control facilities, pollution remediation expenses and legal fees in response to litigation by local residents. In addition, the Group's social reputation could be damaged. In order to cope with such environmental risks, an environmental management system was introduced in fiscal 1999, under which environmental impact evaluations are made for each new financing and development project as a means of assessing the potential environmental burden and reducing environmental risks. This notwithstanding, there is a possibility that potential environmental burdens will realize and may adversely affect the business results and financial condition of the Group.

Marubeni Corporation

Financial Results

⑪ Natural Disaster Risk

Earthquakes and other natural disasters could cause damage and loss to the Group's offices and facilities and inhibit the normal business activities of the Group. While every effort has been made to implement appropriate countermeasures such as the preparation of disaster preparedness manuals, earthquake countermeasures and fire prevention drills, as the potential for damages from natural disasters cannot be completely mitigated, such disasters may adversely affect the business results and financial condition of the Group.

⑫ Other risks inherent and related to overall Marubeni operations

Negligence on the part of employees charged with executing business operations, and malfunctions pertaining to computer systems supporting business activities are among the other risks that may adversely affect the business results and financial condition of the Group.

(2) Risk Management

The Group has adopted a circular method for decision-making on individual transactions involving significant extensions of credit or amounts of investment. Once done, decision-making over large new projects is handled by the submission of periodic reports to the Corporate Management Committee in an effort to further strengthen individual risk management.

From the perspective of diversifying overall risk, integrated risk management is carried out by gaining a clear understanding of possible risks (measurable risks) through quantitative analysis of factors such as market risk, credit risk and investment risk as they relate to a particular country, industry or trading partner. A basic risk management policy and internal rules have been established for comprehensive risk management to enable decision-making and monitoring to be carried out appropriately, and the organization, reporting lines, methodology and system infrastructure to implement this policy and system of rules and regulations has been put in place.

On the other hand, for risks that is not readily amenable to quantitative analysis such as compliance risk (risks that cannot be measured), corporate governance has been strengthened and a system of internal controls have been put in place to prevent the occurrence of problems by means of shoring up the system of compliance oversight.

Nevertheless, there is a possibility that the Group's system of risk management may not function adequately to address a diverse number of risks that either presently exist or may arise in the future in relation to the broad range of business activities conducted by the Group, and in that case, the business results and financial condition of the Group may be adversely affected .

Marubeni Corporation

Financial Results

(3) The Medium-term Management Plan

The Group inaugurated its new two-year medium-term management plan, the “G” PLAN in April 2006. The numerical targets of the Plan are to achieve two-year consolidated net income of ¥220 billion, a risk-return of over 10%, a ROA of over 2%, a net debt to equity ratio of 2.0~3.0 times, and total assets of approximately ¥5 trillion. However, these objectives were prepared based on certain assumptions, hypotheses and projections regarding the persistence of certain economic conditions, industry trends, and other concerns. A number of unknown and uncontrollable factors could prevent the completion of these objectives.

(4) Significant Accounting Policies and Estimates

The Company prepares its consolidated financial statements in accordance with accounting principles generally accepted and recognized in the United States. In preparing important accounting policies and these statements, certain accounting estimates and assumptions are utilized as needed when calculating assets and liabilities as of the fiscal year-end, the disclosure of contingent assets and liabilities, and earnings and expenses incurred during the year. In determining accounting estimates and assumptions, the management of the Company makes what it believes to be a reasonable inference based on experience and on a case-by-case basis. Thus, estimates and assumptions made in this way may have an inherent degree of uncertainty, and actual results could differ from those estimates.

The management considers those estimates and assumptions are reasonable, however, in case there are unexpected changes, they could have a material impact on the Company’s consolidated financial statements.

Marubeni Corporation

Financial Results

Financial Prospects and preconditions for FY2007

An outlook of the economic environment for our next period would seem to be such that, as repercussions of the past monetary tightening come out in the open chiefly in the U.S., the world economy will decelerate somewhat but will still maintain a pattern of stable growth.

As the current adjustments in the U.S. housing market are expected to draw to an end as early as the first half of 2007, the economy should then be able to manage a soft-landing and, in the second half of the year, turn around toward an expansionary mode. In Europe, interest rate hikes should remain modest, and business conditions are expected to remain on a stable recovery path. The Asian economies, notably those of China and India, should continue to expand in smooth water.

In Japan, the economy would decelerate during the first half of 2007 in the wake of worldwide economic deceleration. However, the pace of Japanese economic expansion is expected to pick up during the second half-year, after the anticipated soft-landing of the U.S. economy.

Given this economic environment, we are of the view that the Company will continue to perform favorably in each of its business fields, notably in the energy-related segment. Projected financial results for FY2007 are as follows:

<Consolidated financial prospects for FY2007>

(billions of yen)

| | Forecast FY2007 | Result FY2006 |
|----------------------------------------------------------|-----------------|---------------|
| Total volume of trading transactions | 10,500.0 | 9,554.9 |
| Operating profit | 180.0 | 165.0 |
| Income from continuing operations before income taxes | 215.0 | 193.8 |
| Net income | 135.0 | 119.3 |
| EPS (yen) | 77.88 | 72.41 |

<Major assumptions >

Foreign exchange rate: US\$1 = 115yen

JPY TIBOR: 0.800% USD LIBOR: 5.400%

Oil *North Sea Brent: USD55 / Barrel Copper *LME: USD6,000 / MT

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

Marubeni Corporation Business Group

2. Business Group

The major activities of Marubeni's business group are sales and trades of wide range of products and commodities, making the most of our world wide business bases and information network. In addition, we offer various financing and project-organizing services to customers, and also work on diversified businesses like natural resource development and investment in leading-edge technologies.

The Company breaks its operating segments into 13 segments identified by product and service, in addition to overseas corporate subsidiaries and branches.

Below are our products and services, and some of our major group firms by operating segment.

Effective April 1, 2006, the segments of Transportation machinery, Industrial machinery & Information business, and Plant, Power & Infrastructure have been reorganized as Transportation & Industrial Machinery, Power Projects, Plant, Ship & Infrastructure Projects, and Information & Communication. Furthermore, Domestic Branches & Offices have been incorporated into Corporate & elimination due to its significance.

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

Subsidiaries: Marubeni Nisshin Feed Co., Ltd., Pacific Grain Terminal Ltd.
Nacx Nakamura Corporation, Cia. Iguacu de Café Solúvel,
Columbia Grain International

Affiliated companies: Toyo Sugar Refining Co., Ltd., The Nisshin OilliO Group, Ltd.,
Yamaboshiya Co., Ltd., The Daiei, Inc., The Maruetsu, Inc.,
Tobu Store Co., Ltd.

Textile: As a consistent organization handling various textile-related goods from raw materials through finished products, the group purchases and produces raw materials for apparel, designs and sells apparel and living products, and at the same time offers distribution services, both domestically and internationally.

Subsidiaries: Marubeni Fashion Link, Limited, Marubeni Intex Co., Ltd.,
Marubeni Textile Asia Pacific Ltd.

Affiliated companies: Fabricant Co., Ltd., Erawan Textile Co., Ltd.

Forest products and general merchandise: The group sells rubber products, footwear and housing materials, manufactures and distributes paper, cardboard, and raw materials for paper production, and takes part in afforestation projects, both domestically and internationally.

Marubeni Corporation Business Group

Subsidiaries: Marubeni Pulp & Paper Sales Co., Ltd., Koa Kogyo Co., Ltd.,
Marubeni Building Materials Co., Ltd.
Tanjungenim Lestari Pulp & Paper

Affiliated companies: Marusumi Paper Co., Ltd., Daishowa-Marubeni International Ltd.

Chemicals: This group handles a wide variety of goods ranging from upstream, such as basic petrochemicals, to downstream, such as electronic materials and agrochemicals. Focusing on East Asia including China as a priority market, this group is conducting business with a balance between investment and trade. In the petrochemical area, this group is also focusing on Middle East and South Asia.

Subsidiaries: Marubeni Plax Corporation, Marubeni Chemix Corporation

Affiliated companies: Dampier Salt Limited, CMK Electronics (WUXI)

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

Subsidiaries: Marubeni Energy Corporation, Marubeni Liquefied Gas Corporation

Affiliated companies: Shenzhen Sino-Benny LPG Co., Ltd.

Metals and mineral resources: This group produces, processes and sells nonferrous light metals both domestically and internationally, in addition to processing and selling raw materials for production of steel and light metals internationally.

Subsidiaries: Marubeni Metals Corporation, Marubeni Tetsugen Co., Ltd.

Marubeni Aluminium Australia Pty. Ltd., Marubeni Coal Pty. Ltd.

Affiliated companies: Toyo-Memory Technology Sdn. Bhd., Nippon LP Resources

Transportation & Industrial Machinery: This group focuses on domestic and international trade (export import, wholesale, and retail) in aerospace and defense systems, automotive, construction and agricultural machinery, and other transportation related machinery, as well as automobile and paper & pulp manufacturing machinery, alternative energy facilities, and other production machinery; and related services such as loans and investments, trade finance, leasing and overseas business support services.

Subsidiaries: Marubeni Aerospace Corporation,

Marubeni Techno-Systems Corp., Marubeni Aviation Services Ltd.,

Marubeni Auto & Construction Machinery America, Inc.

Affiliated companies: Kubota Europe S.A.

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Power Projects: This group develops, invests in, and operates power projects, especially power generation (including desalinization and co-generation projects), while undertaking the procurement and installation of generators, power distribution grids, and electrical substations. The group also markets and makes loans and investments to domestic power retailing projects, wind power projects, sales of fuel-cell batteries, and other new technologies and business models in the alternate energy field, as well as the export, offshore trade, and investment in communications, broadcasting and information systems in the telecommunications field.

Subsidiaries: Marubeni Power Systems Corporation,
Marubeni Power Development Corporation,
Axia Power Holdings B.V., San Roque Power Corporation

Affiliated companies: Uni-Mar Enerji Yatirimlari A.S.
PPN Power Generating Co., Ltd.

Plant, Ship & Infrastructure Projects: This group deals with equipment procurement and construction of oil, gas, chemical environmental, steel, and other industrial plants, and infrastructure development such as railway/airport, potable water treatment and wastewater treatment; origination and management of projects in domestic and overseas markets. Also included in the division are trading, leasing, and charter of various types of cargo vessels and tankers.

Subsidiaries: Marubeni Tekmatex Corporation, Marubeni Protechs Corporation,
Royal Maritime Corporation

Affiliated companies: Kaji Technology Corporation

Information & Communication: This group focuses on export/import and domestic sales of personal computers and related products, IT related businesses including IP network infrastructure businesses, ASP/ISP businesses, cell phone related businesses, computer systems development, IT solution businesses, cable TV, CS and other broadcasting businesses, and IC tag/RFID business.

Subsidiaries: Marubeni Telecom Co., Ltd. (*1),
Marubeni Information Systems Co., Ltd.,
Marubeni Solutions Corp., Global Access Ltd., VECTANT Ltd.

Affiliated companies: Marubeni Infotec Corporation

Development and Construction: This group mainly develops and sells condominiums, and rents and subleases commercial buildings in Japan, while operating asset/property management business concerning real estate fund and investment trust, and housing development projects in overseas markets.

Subsidiaries: Marubeni Real Estate Co., Ltd., Marubeni Real Estate Sales Co., Ltd.,
Benny Estate Service Co., Ltd.

Marubeni Corporation Business Group

Shanghai House Property Development

Affiliated companies: Tipness Co., Ltd., Koshigaya Community Plaza Co., Ltd.

Finance, Logistics & New Business: Both domestically and internationally, this group is involved in various financial businesses such as investment finance - fund management and fund investment - and financial product trading, while in the logistics area, it operates forwarding business and logistics related consultation, among others. In the insurance area, it operates an insurance intermediary business. In the life care business area, it is engaged in the sales of medical equipment to medical facilities, and it invests in biotechnology-related area and new technology area.

Subsidiaries: Marubeni Logistics Corporation, Marubeni Safenet Co., Ltd.
Marubeni International Finance p.l.c.

Affiliated companies: MG Leasing Corporation,
Eastern Sea Leam Chabang Terminal Co., Ltd.

Iron & Steel Strategies and Coordination: This group is involved in domestic and international manufacture, processing and sales of steel related products such as steel plate, steel pipe, and special steel, operated by its affiliated companies such as Marubeni-Itochu Steel Inc. Also, the group provides its customers with high value-added solution services.

Affiliated companies: Marubeni-Itochu Steel Inc.,
Marubeni Construction Material Lease Co., Ltd.,
Thai Cold Rolled Steel Sheet Public Co., Ltd.

Overseas corporate subsidiaries and branches: Overseas corporate subsidiaries and branches are located throughout the world, and handle various merchandises and perform related activities.

Overseas corporate subsidiaries: Marubeni America Corporation, Marubeni Europe p.l.c.,
Marubeni Hong Kong and South China Ltd.

Subsidiaries: Helena Chemical Company,

Corporate and administration, etc.: This group carries out financial services, group finance, etc.

Subsidiaries: Marubeni Financial Service Corporation,
Marubeni Personnel Management Corporation

(*1) Domestic listed subsidiaries:

Marubeni Telecom Co., Ltd. (Tokyo Stock Exchange Section 2),

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3. Management Policy

(1) Fundamental Management Policy

The Marubeni Group is pursuing its two-year medium term management plan called the “G”PLAN from FY 2006. Under “G”PLAN, the Group is seeking to build a rock-solid “defense” by further strengthening its management systems, while variety of human resources will at the same time proactively and boldly be challenging business domain expansion and seek to establish an aggressive management style of providing more sophisticated and diversified trading company functions to customers, and effecting aggressive investments in priority fields. Thus the Group will realize continuous growth and further progress.

While maintaining a balance between “offense” and “defense” and executing CSR-focused management, the Group will be working to selectively apply management resources in priority fields (through new investment of ¥500~600 billion over two years), to continue thoroughly implementing portfolio management, to strengthen risk management, to promote human resource utilization and education, to enhance CSR and internal controls, and to leverage overall strengths through lateral collaboration (collaboration among divisions, etc.). The quantitative targets are to limit risk assets to within the size of shareholders’ equity, achieve two-year consolidated net income of ¥220 billion, a risk-adjusted return of over 10%, a ROA of over 2%, a net debt/equity ratio of 2 times range, and total assets of approximately ¥5 trillion. By implementing these measures, the Group will aim to become:

- ① a corporate group with “win-win” relationship with customers, providing high quality merchandise, service, and function from the customers’ standpoint ;
- ② a corporate group with social contribution and sustainable growth, taking change of business environment in advance, through-out persistent challenge and innovation;
- ③ a corporate group with a stable revenue base by expanding prime assets and pursuit of efficiency.

※ For details concerning the new “G” PLAN medium-term management plan, please visit the Marubeni home page.

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(2) Progress in the “G” PLAN Mid-Term Management Plan

Progresses made toward the planned targets of the “G” PLAN for FY 2006 are summarized in the following table:

| | Planned targets | Status for the year under review | | Planned targets | Status for the year under review |
|----------------------------|-----------------------------|----------------------------------|---------------------------|----------------------------------------|----------------------------------|
| Consolidated net income | ¥220.0 billion over 2 years | ¥119.3 billion | ROA | 2% or higher | 2.52% |
| Total assets | About ¥5,000 billion | ¥4,873.3 billion | Amount of new investments | Total ¥500 to 600 billion over 2 years | About ¥300 billion |
| Shareholders' equity | ¥820.0 billion | ¥745.5 billion | Risk assets | About ¥750 billion | ¥642.5 billion |
| Consolidated net D/E ratio | 2 times range | 2.47 times | Risk-adjusted return | 10% or higher | 18.6% |

Marubeni Group's consolidated net income for FY 2006 amounted to ¥119.3 billion, recording an increase for fifth consecutive year and an all-time high level for the fourth consecutive year, and reached the ¥100 billion mark for the first time. As a result, the rate of progress toward the planned target of ¥220.0 billion to be attained over the two-year period under the “G” PLAN moved up to 54%, making FY 2006 a highly successful one. At the same time, our initiatives to mobilize about ¥300.0 billion in new investments and loans in the strategic fields such as energy, natural resources, overseas IPP and food distribution, and to advance asset replacements from the perspective of facilitating greater asset efficiency, culminated in improved earnings capability on the strength of enhanced asset efficiency as total assets as of the close of the fiscal year under review stood at ¥4,873.3 billion and ROA rose to 2.52% (by 0.84 points year on year). On the financing front, as a result of declining consolidated net interest-bearing debts and expanding shareholders' equity, consolidated net D/E ratio improved to 2.47 times (by 0.36 points year on year), the Group successfully attained the level of expansion and stability of earnings capability that fell well within the scope of the envisioned targets and maintained a good balance between “offensive” and “defensive” positions.

With respect to various measures that Marubeni is implementing under the “G” PLAN, the Group is moving ahead with a focused deployment of its management resources in strategic fields. For instance, the Group was instrumental in forming a tripartite capital and operating coalition involving Daiei, Inc. by selling to AEON Co. 29.860 million deferred shares (equivalent to approximately 15% of the total share) of Daiei out of a total of 66.489 million deferred shares (equivalent to approximately 34% of the total share) that it had acquired from Industrial Revitalization Corporation of Japan for ¥69.8 billion.

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Meanwhile, the Group has continued with a full commitment to portfolio management, and is now screening business projects and opportunities more stringently by raising the target rate of risk-adjusted return from 8% to 10% with a view to expanding its future earnings further. In addition, the Group continues to hold a firm “defensive” position by bolstering risk management including an overhaul of the investment/loan follow-up system.

Marubeni put its efforts actively into corporate social responsibility (CSR) initiatives in a broad spectrum of fields including environmental protection, social actions and human rights. During FY 2006, the Group sought to heighten its executives’ and employees’ awareness of CSR by having external commentators hold environmental lectures for the employees and continuing with e-learning programs covering environmental and compliance matters. Details of these initiatives are being introduced broadly to our stakeholders via Marubeni’s CSR reports. Since FY 2004, Marubeni had made, and continued to make throughout FY 2006, Group-wide efforts to improve on the area of internal control with a special focus on enhancing and assuring the reliability of its financial reporting.

Elsewhere, Marubeni has established the Internal Coordination Committee as a lateral organization in order to lend further impetus to cross-segment coordination, boost sales and marketing capabilities, and enhance profit-earning opportunities. Furthermore, as a means of fully utilizing and developing human resources, the Group has revised its employee management system with a view to making it possible to treat its employees according to their differing responsibilities and functions, and, from the perspective of helping employees strike a balance between their work and private life, strives to develop and improve easy-to-work office environment by launching new programs such as family-support leave and spouse-transfer-support leave.

As described above, the “G” PLAN has shown brisk progress.

(3) Business Performance by Operating Segment

Specific activities by operating segment for the fiscal year under review are given below.

●Agri-Marine Products

The division is advancing its value-chain strategy encompassing all of the upstream, midstream and downstream operations. In the downstream sector, Marubeni has agreed with AEON and Daiei to form a capital and operating coalition with the aim of enhancing respective corporate value by effectively exploiting each company’s management resources and strengthening mutual business relationships. Also, focusing attention on the grains attracting energy-based demand, the division started up a biodiesel production and distribution joint venture with the Agrenco Group in Brazil in an effort to strengthen Marubeni’s business relationships with farm operators based in local regions for production of quality grains.

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●Textiles

Marubeni is moving ahead with brand expansion in the downstream sector at home. Marubeni Fashion Planning Co. concluded a master license agreement with Mackintosh, a U.K. textile design concern, on the “Mackintosh Philosophy” brand (for men’s clothes and merchandise), and simultaneously concluded a sublicense agreement with Sanyo Shokai Ltd. on the same brand. Under these licensing arrangements, Marubeni aims to expand sales of this brand. In addition, Marubeni concluded a business collaboration agreement with JC Limited, a Japanese licensee of the U.S. underwear brand “Jockey,” with the aim of expanding sales in the Japanese market. Marubeni intends to expand product lineups under this brand beyond the existing underwear categories in order to develop the brand as a comprehensive life-style brand.

●Forest Products & General Merchandise

As the division’s performance remained solid amid the favorable merchandise market conditions, Marubeni invested actively for the purpose of reinforcing its value-chain ranging from raw materials to final products. In the paper and pulp field, the division is striving to bolster its upstream operations further by acquiring forestation and chip businesses in Brazil while simultaneously boosting its downstream operations by investing in a cardboard manufacturer in China and acquiring a paper sales business in the U.S. In the rubber field, the division is also making strategic moves including acquisition of a conveyor belt sales firm in Canada and a tire retail chain in Thailand.

●Chemicals

In the petrochemical field, the division moved ahead with reinforcement of logistics including further buildup of the dedicated tanker fleet for ethylene. In the synthetic resin field, the division went into a business collaboration arrangement for pets’ disposable underpads business. In the field of inorganic chemicals, Marubeni decided to establish a joint venture which is to conduct business feasibility assessment of a chemical-use alumina program in Indonesia. In the field of electronic materials, business transactions, notably for semiconductor-related products, remained robust. Marubeni Chemicals & Plastics (Hong Kong) Ltd., handling a broad range of chemicals except electronic materials, commenced its operations in the Hong Kong/South China region.

●Energy

Marubeni’s energy-resource development businesses including oil/gas production and LNG projects abroad remained buoyant. Operations also remained favorable in the trading/marketing fields such as petrochemical materials including naphtha where Marubeni commands a high market share in its imports into Japan, sale of petroleum products through domestic petroleum terminals and other distribution networks, and sale of LPG where Marubeni boasts the top market share in the Chinese import market. Elsewhere, the Company worked on other new projects, including participation in the refinery operations in Qatar.

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●Metals & Mineral Resources

Although the commodities market entered a correction phase from the latter half of FY 2006 onward, earnings remained robust as the copper prices remained substantially higher throughout FY 2006 than those of FY 2005. The division's favorable performance was attributable, notably, to the commencement of full production at the Los Pelambres copper mine in Chile (supplying 900,000 metric tons of copper concentrate per year), and to continuing favorable performances of the overseas aluminum refinery operations including the Alouette aluminum refinery in Canada, where capacity additions were completed in FY 2005, and of our coal operations in Australia.

●Transportation & Industrial Machinery

In the aerospace and defense fields, Marubeni received orders for jet airliners from Japanese airline companies, delivered large European-made helicopters to the Ministry of Defense, and received the order for fire control systems for sea-launched missiles. In the fields of automobiles and construction/agricultural machinery, exports of automobiles and construction machinery to the Middle East and Asia remained robust. Meanwhile, the Company expanded retail sales of automobiles, auto sales financing operations, and sales of construction/agricultural machinery abroad. In the industrial machinery field, Marubeni received orders for welding/coating systems, engine-fabricating lines and metal molds for automobiles bound for India. Orders were also received for paper/pulp-manufacturing equipment, biomass boilers and private power generators bound for Korea, Vietnam and Japan.

●Power Projects

In the IPP field, Marubeni acquired its power generating business right for 2 million kw covering Mesaieed Industrial City in Qatar, and joined Tokyo Electric Power Co. in acquiring Mirant Asia Pacific, the largest IPP holding company in the Philippines (with total installed capacity of 2.203 million kw on the acquired power-generating assets and interests). In the EPC field, the Company was awarded contract to construct the Bang Pakong Combined Cycle Power Plant (with total installed capacity of 700,000 kw) from the Electricity Generating Authority of Thailand, and the consortium of Marubeni and Dongfang Electric Corp. of China were jointly awarded the contract for a turnkey project to boost generating capacity at a coal-fired thermal power plant (for total installed capacity of 600,000 kw) in Hai Phong, Vietnam.

●Plant, Ship & Infrastructure Projects

In the plant operations, the Company received orders for hot-rolling facilities bound for India, extended a major oil/gas development loan to Petoro de Venezuela S.A., and concluded agreements on emissions trading in Ukraine and China. In the infrastructure business, Marubeni received orders for the underground works for high-voltage cables in Qatar, and installation of underground facilities for the subway systems in Taiwan. Elsewhere, the Company acquired a railroad cargo leasing company in the U.S. and a water-supply company in Chile. Marubeni's ship business remained robust it received large-ticket orders including those

Marubeni Corporation Management Policy

for tankers bound for Taiwan.

●Information & Communication

Marubeni participated in the consortium for construction of the “Location Information System” to be based on radio frequency identification (RFID), and made a successful bid for the project to develop and operate Shimane-Asahi Center for Promotion of Social Reintegration, one of Justice Ministry’s PFI initiatives. The Vectant Group, Marubeni subsidiaries, performed favorably, mirroring strong sales of its IP network services to corporate clients. The Company also commenced import and sale of Windows Vista-compatible laptop computers by ASUSTek Computer Inc., a leading Taiwanese IT equipment manufacturer.

●Development & Construction

In domestic sales of condominiums, units selling particularly well in the Tokyo metropolitan region included those of Mark Zero-One Hikifune, an urban redevelopment project in the Sumida Ward, and Grand Suite Heart Island located in the large-scale development area within the Shinden district of the Adachi Ward. In the Osaka metropolitan region, Grand Suite Koshien-guchi was among the popular properties. In step with the rising land prices in the metropolitan region, REITs and other real estate fund transactions contributed to higher earnings. In China, units of Lu Ming Garden, a newly completed condominium development project meant for local Chinese residents in Shanghai, were offered for sale and gained immediate popularity with homebuyers.

●Finance, Logistics & New Business

In the finance operations, Marubeni made several direct investments by taking advantage of its expertise in fund operation. In the logistics field, a local logistics joint venture in Guangzhou City, China, established jointly with Isewan Terminal Service Co. went into full-scale operation. In the insurance operations, the Company established a joint venture with a Malaysian system developer/operator, and commenced system sales/operation business aimed at insurance companies across Asia. In the field of new business, Marubeni is stepping up its focus on equity participation in nursing businesses and emissions trading.

●Iron & Steel Strategies and Coordination

Out of concern about the decelerating trend of the U.S. economy and excessive steel production in China, overseas market conditions entered a correction phase with steel prices remaining high. Nevertheless, demand for steel products from the energy-related sectors remained strong, and the domestic steel market conditions also remained firm primarily as a result of increased demand from the manufacturing sectors. Meanwhile, Marubeni-Itochu Steel Inc. is generating favorable results in an environment marked by the persistently strong demand for steel products coming mainly from energy and automotive sectors.

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●Domestic Regional Offices and Branches †Note

Nagoya Regional Office has generally performed well with robust sales of machinery and condominiums, and Shizuoka Branch expanded the trading volume of automotive facilities and chemicals. To further bolster Group profitability, Marubeni's domestic branches are constantly exploring new business opportunities that may originate from the characteristics of the regions they operate in, and are seeking to step up business collaboration with Group member companies and clients operating in their respective regions.

●Overseas Subsidiaries and Branches

Among Marubeni's U.S. subsidiaries, Helena Chemical Company, which distributes agrichemicals and fertilizers, continued to perform strongly. In addition, key local subsidiaries in Taiwan, Singapore, China, Thailand and other countries in Asia as well as in Australia demonstrated a generally favorable performance in line with their expanded trading volume in chemicals, metal resources and food.

†Note: Included in "corporate and other" for the purpose of operating segment classification.

Marubeni Corporation
Consolidated Balance Sheets
< Unaudited >

| | <i>Millions of yen</i> | | Variance |
|------------------------------------------------------|--------------------------|------------------|------------------|
| | March 31 2007 | March 31 2006 | |
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | ¥ 414,952 | ¥ 368,936 | ¥ 46,016 |
| Time deposits | 20,010 | 21,674 | -1,664 |
| Investment securities | 26,693 | 20,989 | 5,704 |
| Notes and accounts receivable - trade: | | | |
| Notes receivable | 107,930 | 90,973 | 16,957 |
| Accounts receivable | 1,032,790 | 896,781 | 136,009 |
| Due from affiliated companies | 85,799 | 79,553 | 6,246 |
| Allowance for doubtful accounts | -16,332 | -17,910 | 1,578 |
| Inventories | 420,533 | 395,599 | 24,934 |
| Advance payments to suppliers | 214,067 | 109,330 | 104,737 |
| Deferred income taxes | 43,715 | 32,048 | 11,667 |
| Prepaid expenses and other current assets | 152,435 | 170,644 | -18,209 |
| Total current assets | 2,502,592 | 2,168,617 | 333,975 |
| Investments and long-term receivables: | | | |
| Affiliated companies | 504,501 | 314,261 | 190,240 |
| Securities and other investments | 603,545 | 615,361 | -11,816 |
| Notes, loans and accounts receivable - trade | 121,138 | 214,763 | -93,625 |
| Allowance for doubtful accounts | -51,337 | -81,964 | 30,627 |
| Property leased to others, at cost, less accumulated | 171,115 | 231,747 | -60,632 |
| Total investments and long-term receivables | 1,348,962 | 1,294,168 | 54,794 |
| Net property and equipment | 731,452 | 780,809 | -49,357 |
| Prepaid pension cost | 21,642 | 83,746 | -62,104 |
| Deferred income taxes | 53,088 | 52,364 | 724 |
| Intangible fixed assets | 86,654 | 89,325 | -2,671 |
| Goodwill | 35,794 | 27,936 | 7,858 |
| Other assets | 93,120 | 90,107 | 3,013 |
| Total assets | ¥ 4,873,304 | ¥ 4,587,072 | ¥ 286,232 |

*These financial statements are based on US GAAP.

Marubeni Corporation
Consolidated Balance Sheets (continued)
< Unaudited >

| | <i>Millions of yen</i> | | |
|------------------------------------------------------------------------------------|------------------------|--------------------|------------------|
| | March 31 2007 | March 31 2006 | Variance |
| Liabilities and shareholders' equity | | | |
| Current liabilities: | | | |
| Short-term loans | ¥ 170,423 | ¥ 368,491 | ¥ -198,068 |
| Current portion of long-term debt | 164,485 | 219,650 | -55,165 |
| Notes and accounts payable-trade | | | |
| Notes and acceptances payable | 210,151 | 186,741 | 23,410 |
| Accounts payable | 762,520 | 715,370 | 47,150 |
| Due to affiliated companies | 52,288 | 46,432 | 5,856 |
| Advance payments received from customers | 204,489 | 97,673 | 106,816 |
| Income taxes | 17,219 | 16,220 | 999 |
| Deferred income taxes | 4,632 | 3,310 | 1,322 |
| Accrued expenses and other current liabilities | 294,059 | 307,342 | -13,283 |
| Total current liabilities | <u>1,880,266</u> | <u>1,961,229</u> | <u>-80,963</u> |
| Long-term debt, less current portion | 2,130,137 | 1,879,739 | 250,398 |
| Employees' retirement benefits | 12,075 | 9,129 | 2,946 |
| Deferred income taxes | 29,987 | 26,189 | 3,798 |
| Minority interests in consolidated subsidiaries | 75,385 | 46,999 | 28,386 |
| Shareholders' equity: | | | |
| Paid-in capital | 262,686 | 262,686 | - |
| Additional paid-in capital | 155,905 | 155,903 | 2 |
| Retained earnings (losses) | 298,011 | 193,772 | 104,239 |
| Accumulated other comprehensive loss | | | |
| Net unrealized gains (losses) on investment securities, net of reclassification | 102,899 | 109,035 | -6,136 |
| Currency translation adjustments, net of reclassification | -39,547 | -53,450 | 13,903 |
| Net unrealized losses on derivatives | -6,410 | -2,116 | -4,294 |
| Minimum pension liability adjustment | - | -1,717 | 1,717 |
| Employees' retirement benefits adjustment | -27,603 | - | -27,603 |
| Cost of common stock in treasury | -487 | -326 | -161 |
| Total shareholders' equity | <u>745,454</u> | <u>663,787</u> | <u>81,667</u> |
| Total liabilities and shareholders' equity | <u>¥ 4,873,304</u> | <u>¥ 4,587,072</u> | <u>¥ 286,232</u> |

Marubeni Corporation
Consolidated Statements of Income
< Unaudited >

| | <i>Millions of yen</i> | | | |
|---------------------------------------------------------------------------------|------------------------|-----------------|-----------------|--------------|
| | Year ended March 31 | | | |
| | 2007 | 2006 | Variance | Ratio |
| Revenues: | | | | |
| Revenues from trading and other activities | ¥ 3,467,925 | ¥ 2,949,058 | ¥ 518,867 | 17.6% |
| Commissions on services and trading margins | 190,930 | 190,787 | 143 | 0.1% |
| Total | 3,658,855 | 3,139,845 | 519,010 | 16.5% |
| Cost of revenues from trading and other activities | -3,127,684 | -2,637,821 | -489,863 | 18.6% |
| Gross trading profit | 531,171 | 502,024 | 29,147 | 5.8% |
| Expenses and other: | | | | |
| Selling, general and administrative expenses | -365,291 | -350,261 | -15,030 | 4.3% |
| Provision for doubtful accounts | -860 | -8,515 | 7,655 | -89.9% |
| Interest income | 24,179 | 23,095 | 1,084 | 4.7% |
| Interest expense | -56,908 | -47,212 | -9,696 | 20.5% |
| Dividends received | 20,705 | 12,065 | 8,640 | 71.6% |
| Impairment loss on investment securities | -11,116 | -17,895 | 6,779 | -37.9% |
| Gain (loss) on sales of investment securities | 24,099 | 14,477 | 9,622 | 66.5% |
| Gain (loss) on property and equipment | -18,951 | -21,292 | 2,341 | -11.0% |
| Equity in earnings (losses) of affiliated companies-net | 44,880 | 31,602 | 13,278 | 42.0% |
| Other – net | 1,907 | -5,033 | 6,940 | - |
| Total | -337,356 | -368,969 | 31,613 | -8.6% |
| Income (loss) from continuing operations before income taxes | 193,815 | 133,055 | 60,760 | 45.7% |
| Provision for income taxes | -68,205 | -47,463 | -20,742 | 43.7% |
| Income (loss) from continuing operations | 125,610 | 85,592 | 40,018 | 46.8% |
| Minority interests in consolidated subsidiaries | -6,261 | -5,427 | -834 | 15.4% |
| Net income (loss) from continuing operations | 119,349 | 80,165 | 39,184 | 48.9% |
| Loss from Discontinued Operations (after income tax) | - | -6,364 | 6,364 | - |
| Net Income | ¥ 119,349 | ¥ 73,801 | ¥ 45,548 | 61.7% |
| Dividend for preferred shares | ¥ 605 | ¥ 1,510 | ¥ -905 | -59.9% |
| Net income available for shareholders | 118,744 | 72,291 | 46,453 | 64.3% |
| Basic earnings per share (yen) | 72.41 | 48.34 | 24.07 | 49.8% |
| Diluted earnings per share (yen) | 68.85 | 40.46 | 28.39 | 70.2% |
| Total volume of trading transactions (Based on Japanese accounting practice) | 9,554,943 | 8,686,532 | 868,411 | 10.0% |
| Operating profit (Based on Japanese accounting practice) | 165,020 | 143,248 | 21,772 | 15.2% |

(Note 1) These financial statements are based on US GAAP. (Revenue is presented in accordance with FASB Emerging Issue Task Force (EITF) 99-19.)

(Note 2) Equity in earnings (losses) of affiliated companies is included within income from continuing operations before taxes, starting FY2006.

Some of the figures for FY2005 have been reclassified accordingly.

Marubeni Corporation

Consolidated Statements of Changes in Shareholders' Equity
(Unaudited)

| | Year ended March 31 2007 | <i>Millions of yen</i> Year ended March 31 2006 | Variance |
|------------------------------------------------------------------|-----------------------------|-------------------------------------------------------|----------------|
| Common stock: | | | |
| Balance at beginning of year | 262,686 | 231,789 | 30,897 |
| Issuance of common stock from conversion of convertible bonds | <u>-</u> | <u>30,897</u> | <u>-30,897</u> |
| Balance at end of year | <u>262,686</u> | <u>262,686</u> | <u>0</u> |
| Capital surplus: | | | |
| Balance at beginning of year | 155,903 | 125,436 | 30,467 |
| Gains from disposition of treasury stock | 2 | 22 | -20 |
| Issuance of common stock from Conversion of Convertible bonds | <u>-</u> | <u>30,445</u> | <u>-30,445</u> |
| Balance at end of year | <u>155,905</u> | <u>155,903</u> | <u>2</u> |
| Retained earnings (losses): | | | |
| Balance at beginning of year | 193,772 | 131,195 | 62,577 |
| Net income (loss) | 119,349 | 119,349 | 73,801 |
| Cash dividend – common stock & preferred stock | <u>-15,110</u> | <u>-11,224</u> | <u>-3,886</u> |
| Balance at end of year | <u>298,011</u> | <u>193,772</u> | <u>104,239</u> |
| Accumulated other comprehensive Income(loss): | | | |
| Balance at beginning of year | 51,752 | - 45,126 | 96,878 |
| Net Unrealized (losses) gains on investment securities | <u>-6,136</u> | 62,374 | <u>-68,510</u> |
| Foreign Currency translation adjustments | 13,903 | 36,136 | -22,233 |
| Net unrealized (losses)gains on derivatives | <u>-4,294</u> | <u>-562</u> | <u>-3,732</u> |
| Minimum pension liability adjustment | <u>-834</u> | <u>-1,070</u> | <u>236</u> |
| Other comprehensive income (loss) - net of tax | 2,639 | 2,639 | 96,878 |
| Comprehensive income (loss) | <u>121,988</u> | <u>170,679</u> | <u>-94,239</u> |
| Adjustment for appliance of No.158 FSAS -net of tax | <u>-25,052</u> | <u>-</u> | <u>-25,052</u> |
| Balance at end of year | <u>29,339</u> | <u>51,752</u> | <u>-22,413</u> |
| Cost of common stock in treasury: | | | |
| Balance at beginning of year | -326 | -142 | -184 |
| Treasury stock sold (repurchased) | <u>-161</u> | <u>-184</u> | <u>23</u> |
| Balance at end of year | <u>-487</u> | <u>-326</u> | <u>-161</u> |

*These financial statements are based on US GAAP.

Marubeni Corporation
Consolidated Statements of Cash Flows
(Unaudited)

Millions of yen

| | <i>Year Ended March 31</i> | | Variance |
|--------------------------------------------------------------------------------------------------|----------------------------|------------------|-----------------|
| | 2007 | 2006 | |
| Operating activities | | | |
| Net income (loss) | ¥ 119,349 | ¥ 73,801 | ¥ 45,548 |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | | |
| Depreciation and amortization | 101,145 | 72,684 | 28,461 |
| Provision for doubtful accounts | 860 | 8,515 | - 7,655 |
| Equity in (earnings) losses of affiliated companies- net | - 19,022 | - 15,117 | - 3,905 |
| (Gain) loss on investment securities | - 12,983 | 3,418 | - 16,401 |
| (Gain) loss on property and equipment | 18,951 | 21,292 | - 2,341 |
| Deferred income taxes | 14,295 | 12,810 | 1,485 |
| Loss from Discontinued Operations (after income tax) | - | 6,364 | - 6,364 |
| Changes in operating assets and liabilities: | | | |
| Notes and accounts receivable | - 118,336 | - 45,810 | - 72,526 |
| Inventories | - 24,106 | 452 | - 24,558 |
| Notes, acceptances and accounts payable | 59,308 | 31,670 | 27,638 |
| Other | 12,614 | - 36,671 | 49,285 |
| Net cash provided by operating activities | 152,075 | 133,408 | 18,667 |
| Investing activities | | | |
| Proceeds from sales and redemptions/expenditure for purchase of securities and other investments | - 95,240 | - 30,567 | - 64,673 |
| Proceeds from sales /expenditure for purchases of property and equipment | - 43,546 | - 197,007 | 153,461 |
| Collection of loans receivable and loans made to customers | 3,639 | 33,793 | - 30,154 |
| Net cash provided (used) by investing activities | - 135,147 | - 193,781 | 58,634 |
| Free Cash Flows | 16,928 | - 60,373 | 77,301 |
| Financing activities | | | |
| Net decrease (increase) in short-term loans | - 169,837 | 5,348 | - 175,185 |
| Proceeds from/payment of long-term debt | 214,769 | - 40,250 | 255,019 |
| Cash dividend - common shares and preferred shares | - 15,110 | - 11,224 | - 3,886 |
| (Purchase) sale of treasury stock | - 159 | - 168 | 9 |
| Other | - 4,844 | 257 | - 5,101 |
| Net cash used (provided) in financing activities | 24,819 | - 46,037 | 70,856 |
| Effect of exchange rate changes on cash and cash equivalents | 4,269 | 16,152 | - 11,883 |
| Net increase (decrease) in cash and cash equivalents | 46,016 | - 90,258 | 136,274 |
| Cash and cash equivalents at beginning of period | 368,936 | 459,194 | - 90,258 |
| Cash and cash equivalents at end of period | 414,952 | 368,936 | 46,016 |

(Note 1) These financial statements are based on US GAAP.

(Note 2) As of FY2006, Equity in earnings (losses) of affiliated companies is included within income before income taxes. Some of the figures for FY 2005 have been reclassified accordingly.

Marubeni Corporation

Basis of Consolidated Financial Statements

1. Subsidiaries and affiliated companies accounted for by equity method

(1) Number of subsidiaries and affiliated companies

| | March 31, 2007 | March 31, 2006 | Variance |
|----------------------|----------------|----------------|----------|
| Subsidiaries | 385 | 388 | -3 |
| Affiliated companies | 176 | 167 | 9 |
| Total | 561 | 555 | 6 |

(2) Major Group Firms

Subsidiaries

| | |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Overseas 243 | Marubeni America Corporation Marubeni Europe p.l.c. Axia Power Holdings, B.V. Marubeni International Finance p.l.c. PT Tanjungenim Lestari Pulp & Paper |
| Domestic 142 | Marubeni Building Materials Co., Ltd. Marubeni Real Estate Co., Ltd. Marubeni Telecom Co., Ltd. Marubeni Energy Corporation Marubeni Nisshin Feed Co., Ltd. |

Affiliated companies

| | |
|-----------------|----------------------------------------------------------------------------------------------------------------------|
| Overseas 128 | Daishowa-Marubeni International Ltd. Dampier Salt Limited |
| Domestic 48 | Marubeni-Itochu Steel Inc. The Maruetsu, Inc. Marubeni Construction Material Lease Co., Ltd The Daiei, Inc. |

(3) Changes

Subsidiaries

| | |
|----------------------|----------------------------------------------------------------------------------------------------------------|
| Newly included 35 | Higashi Ginza Printing and Publishing Co., Ltd. Marubeni Energy Alternatives, Inc. Others--- 33companies |
| Excluded | 38 companies |

Affiliated companies

| | |
|----------------------|----------------------------------------------------------------------------------------------------|
| Newly included 23 | The Daiei, Inc. Guangzhou Yishihong International Logistics Co., Ltd. Others--- 21 companies |
| Excluded | 14 companies |

Marubeni Corporation

Basis of Consolidated Financial Statements

2. Matters Concerning Accounting Standards

(1) Standards for the preparation of consolidated financial statements

The consolidated financial statements of the Company are prepared in compliance with accounting standards generally acknowledged as fair and appropriate in the United States.

(2) Cash and cash equivalents

Cash and cash equivalents include time deposits, the original date of maturity of which will fall within three months, as well as securities with a repurchase agreement.

(3) Valuation standards and method of inventory

Inventory is valued based on the moving average method or at either the lower of cost or market value based on the individual method.

(4) Valuation standards and method of securities:

The No. 115 SFAS of the Financial Accounting Standards Board of the United States which is titled the “Accounting for Certain Investments in Debt and Equity Securities” are applied.

Securities to be held to maturity: Amortized cost method

Salable securities:

The market price method based on a market price on a closing date (the total amount of valuation gains or losses is processed through direct entry in capital, and the cost of sales is calculated based on the moving average method.)

(5) Depreciation/amortization method for fixed assets

Depreciation method for tangible fixed assets:

The declining balance method or the straight line method (mainly for buildings) is applied. The depreciable life is generally set at 2 to 50 years.

Amortization method for intangible fixed assets:

The straight line method (however, intangible fixed assets for which a useful life cannot be decided are not amortized, and an asset impairment test is conducted for them at least once a year in compliance with the No. 142 SFAS “Goodwill and Other Intangible Assets.”)

Marubeni Corporation

Basis of Consolidated Financial Statements

Asset impairment of long-term assets:

With respect to long-term assets such as tangible fixed assets and intangible fixed assets to be amortized, when book value cannot be collected, or there is a change in the situation, we investigated asset impairment in compliance with the No. 144 SFAS “Accounting for the Impairment or Disposal of Long-Lived Assets.” If a book value is larger than the estimated amount of future cash flows, we recognized asset impairment for an amount by which the book value exceeds a fair market value.

(6) Standards for setting up reserves

Bad debt reserve:

To prepare for bad debt losses arising from trade account receivables and loans, we booked the expected uncollectible amount for general receivables based on an actual bad debt ratio, and for specified receivables such as receivables and loans likely to become bad debt by examining the possibility of collection individually.

Retirement benefit reserve:

To prepare for retirement benefits for employees, a retirement benefit reserve is booked based on the fair value of the retirement benefit liability and pension assets at the end of this term, in compliance with the No. 87 SFAS “Employer’s Accounting for Pensions” and the No.158 SFAS “Employer’s Accounting for Defined Benefit Pension and Other Postretirement Plans”. Past service liability is amortized using the straight line method based on the average remaining number of years of service of employees.

A portion of net actuarial loss that exceeds a corridor (10% of the retirement benefit liability or the fair market value of pension assets, whichever is larger) is amortized using the straight line method based on the average remaining number of years of service of employees as of the time the loss is incurred.

(7) Consumption tax, etc, is processed on a tax-exclusive basis.

(8) Goodwill

Goodwill is not amortized, and an asset impairment test is conducted for goodwill at least once a year in compliance with the No. 142 SFAS “Goodwill and Other Intangible Assets.”

(9) Discontinued business

Based on the No. 144 SFAS “Accounting for the Impairment or Disposal of Long-Lived Assets.”, the amount of losses incurred by businesses to be discontinued such as businesses

Marubeni Corporation

Basis of Consolidated Financial Statements

to be disposed of or sold is separately indicated, after taking the tax effect into account, as a “Loss on Discontinued Business (after corporation tax, etc.)” in the consolidated income statement.

(10) Change in Accounting Policy

Effective March 31, 2007, the Company and its consolidated subsidiaries adopted the No.158 SFAS “Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans”. As a result, net loss and past service liability for purposes pension actuarial calculation which were previously unrecognized are recognized on the consolidated balance sheet.

(11) Equity in earnings (losses) of affiliated companies

Effective March 31, 2007, equity in earnings (losses) of affiliated companies is included within income from continuing operations before taxes. Accordingly, some of the figures for FY2005 are reclassified in the consolidated income statement.

Segment Information

1. Operating Segments

The Company's operating segments by which management evaluates performance and allocates resources are classified in terms of the nature of the products and services or areas. The segments, by products and services, 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 primarily on a worldwide basis. The Company breaks its operating segments into 13 segments identified by product and service, in addition to its overseas corporate subsidiaries and branches.

The segment information for FY2006 and FY2005 are as shown hereafter.

FY2006 (April 1, 2006-March 31, 2007)

| <i>Millions of yen</i> | | | | | | |
|------------------------------------------------------------|----------------------------|----------------------------------|---------------------------------------|--------------------------------------------|------------------------------|--------------|
| | Agri-marine products | Textile | Forest Products & General merchandise | Chemicals | Energy | |
| Total volume of trading transactions | | | | | | |
| outside customers | 1,046,829 | 373,349 | 825,897 | 817,886 | 2,417,032 | |
| internal transaction | 22,060 | 2,707 | 43,428 | 39,105 | 3,900 | |
| total | 1,068,889 | 376,056 | 869,325 | 856,991 | 2,420,932 | |
| Gross trading profit | 72,406 | 24,760 | 54,211 | 30,043 | 85,490 | |
| Operating profit (loss) | 14,687 | 1,593 | 21,885 | 7,787 | 54,820 | |
| Equity in earnings (losses) of affiliated companies | 2,296 | -2,302 | 1,128 | -167 | 779 | |
| Segment net income (loss) | 10,055 | -2,424 | 9,588 | 1,417 | 31,618 | |
| Segment assets (as of March 31, 2007) | 549,217 | 131,757 | 538,417 | 201,728 | 688,630 | |
| | Metals & Mineral Resources | Transportation & Industrial | Power Projects | Plant, Ship & Infrastructure Projects | Information & Communication | |
| Total volume of trading transactions | | | | | | |
| outside customers | 933,143 | 607,249 | 272,751 | 677,979 | 222,349 | |
| internal transaction | 60,194 | 66,602 | 151 | 640 | 3,159 | |
| total | 993,337 | 673,851 | 272,902 | 678,619 | 225,508 | |
| Gross trading profit | 18,216 | 55,545 | 27,610 | 17,706 | 28,057 | |
| Operating profit (loss) | 10,338 | 13,647 | 11,597 | 2,095 | 1,853 | |
| Equity in earnings (losses) of affiliated companies | 16,478 | 3,166 | 3,913 | 982 | -411 | |
| Segment net income (loss) | 24,933 | 9,984 | 6,353 | 1,694 | 2,453 | |
| Segment assets (as of March 31, 2007) | 279,991 | 310,352 | 391,009 | 342,779 | 116,524 | |
| | Development & Construction | Finance Logistics & New Business | Iron & Steel Products | overseas corporate subsidiaries & branches | corporate & elimination etc. | consolidated |
| Total volume of trading transactions | | | | | | |
| outside customers | 167,202 | 39,704 | 783 | 985,444 | 167,346 | 9,554,943 |
| internal transaction | 469 | 6,142 | 28 | 345,052 | -593,637 | - |
| total | 167,671 | 45,846 | 811 | 1,330,496 | -426,291 | 9,554,943 |
| Gross trading profit | 31,472 | 9,902 | 811 | 84,172 | -9,230 | 531,171 |
| Operating profit (loss) | 15,049 | 708 | -682 | 13,629 | -3,986 | 165,020 |
| Equity in earnings (losses) of affiliated companies | 515 | 692 | 17,775 | 37 | -1 | 44,880 |
| Segment net income (loss) | 3,189 | 4,612 | 14,913 | 6,773 | -5,809 | 119,349 |
| Segment assets (as of March 31, 2007) | 265,617 | 118,501 | 101,606 | 413,443 | 423,733 | 4,873,304 |

FY2005 (April 1, 2005-March 31, 2006)

| <i>Millions of yen</i> | | | | | | |
|------------------------------------------------------------|----------------------------|----------------------------------|---------------------------------------|--------------------------------------------|------------------------------|--------------|
| | Agri-marine products | Textile | Forest Products & General merchandise | Chemicals | Energy | |
| Total volume of trading transactions | | | | | | |
| outside customers | 968,325 | 354,370 | 773,076 | 746,345 | 2,188,478 | |
| internal transaction | 22,485 | 3,817 | 35,133 | 35,671 | 3,194 | |
| total | 990,810 | 358,187 | 808,209 | 782,016 | 2,191,672 | |
| Gross trading profit | 69,323 | 26,366 | 48,109 | 29,605 | 71,478 | |
| Operating profit (loss) | 12,066 | 3,913 | 16,627 | 6,993 | 45,076 | |
| Equity in earnings (losses) of affiliated companies | -9 | -1,874 | -416 | -322 | 722 | |
| Segment net income (loss) | 5,790 | -1,622 | 359 | 3,738 | 26,654 | |
| Segment assets (as of March 31, 2006) | 433,782 | 130,461 | 519,785 | 181,919 | 603,758 | |
| | Metals & Mineral Resources | Transportation & Industrial | Power Projects | Plant, Ship & Infrastructure Projects | Information & Communication | |
| Total volume of trading transactions | | | | | | |
| outside customers | 686,579 | 632,950 | 246,525 | 710,284 | 226,778 | |
| internal transaction | 45,412 | 64,516 | 639 | 1,548 | 2,417 | |
| total | 731,991 | 697,466 | 247,164 | 711,832 | 229,195 | |
| Gross trading profit | 24,392 | 58,129 | 24,080 | 16,835 | 27,020 | |
| Operating profit (loss) | 15,167 | 15,327 | 7,248 | 2,045 | 348 | |
| Equity in earnings (losses) of affiliated companies | 7,610 | 2,297 | 2,343 | 2,343 | -282 | |
| Segment net income (loss) | 16,137 | 7,599 | 5,786 | 2,554 | 365 | |
| Segment assets (as of March 31, 2006) | 265,141 | 289,936 | 405,386 | 274,510 | 115,575 | |
| | Development & Construction | Finance Logistics & New Business | Iron & Steel Products | overseas corporate subsidiaries & branches | corporate & elimination etc. | consolidated |
| Total volume of trading transactions | | | | | | |
| outside customers | 162,838 | 18,667 | 869 | 834,944 | 135,504 | 8,686,532 |
| internal transaction | 447 | 7,101 | 33 | 313,875 | -536,288 | - |
| total | 163,285 | 25,768 | 902 | 1,148,819 | -400,784 | 8,686,532 |
| Gross trading profit | 27,643 | 7,064 | 902 | 79,934 | -8,856 | 502,024 |
| Operating profit (loss) | 11,878 | -134 | 126 | 14,095 | -7,527 | 143,248 |
| Equity in earnings (losses) of affiliated companies | 609 | 871 | 17,761 | 603 | -654 | 31,602 |
| Segment net income (loss) | 1,119 | 3,971 | 17,040 | 4,012 | -19,701 | 73,801 |
| Segment assets (as of March 31, 2006) | 299,669 | 97,031 | 86,075 | 449,213 | 434,831 | 4,587,072 |

(Note 1) Effective April 1, 2006, the figures of each operating segment are shown based on US GAAP. Until then, the figures of each segments were shown according to Japanese accounting practice, and therefore the difference between the two standards for the FY2005 is included in *Corporate & elimination*.

(Note 2) Inter-segment transactions are generally priced in accordance with the prevailing market prices.

(Note 3) Effective April 1, 2006, the segments of *Transportation machinery, Industrial machinery & Information business and Plant, Power & Infrastructure* have been reorganized as *Transportation & Industrial Machinery, Power Projects, Plant, Ship & Infrastructure Projects, and Information & Communication*. Furthermore, *Domestic Branches & Offices* have been incorporated into *Corporate & elimination* due to its significance. Accordingly, the above segment information has been restated.

Segment Information (FY 2006)

FY2006 (April 1, 2006-March 31, 2007)

Millions of yen

| | Japan | North America | Europe | Asia/Oceania | Other | Eliminations | Consolidated |
|---------------------------------------------|-----------|------------------|---------|--------------|---------|--------------|--------------|
| Total volume of trading transactions | | | | | | | |
| Outside customers | 7,127,528 | 1,091,128 | 420,453 | 700,662 | 215,172 | - | 9,554,943 |
| Internal transaction | 1,227,871 | 290,290 | 23,860 | 181,041 | 10,533 | -1,733,595 | - |
| total | 8,355,399 | 1,381,418 | 444,313 | 881,703 | 225,705 | -1,733,595 | 9,554,943 |
| Segment operating profit(loss) | 63,618 | 42,182 | 17,526 | 33,040 | 11,225 | -2,571 | 165,020 |
| Segment assets | 2,089,159 | 496,019 | 227,629 | 507,229 | 140,014 | -204,929 | 3,255,121 |
| Other assets | | | | | | | 1,618,183 |
| Total assets | | | | | | | 4,873,304 |

FY2005 (April 1, 2005-March 31, 2006)

Millions of yen

| | Japan | North America | Europe | Asia/Oceania | Other | Eliminations | Consolidated |
|---------------------------------------------|-----------|------------------|---------|--------------|---------|--------------|--------------|
| Total volume of trading transactions | | | | | | | |
| Outside customers | 6,646,116 | 914,247 | 420,351 | 491,577 | 214,241 | - | 8,686,532 |
| Internal transaction | 1,790,264 | 247,413 | 22,282 | 173,933 | 10,015 | -2,243,907 | - |
| total | 8,436,380 | 1,161,660 | 442,633 | 665,510 | 224,256 | -2,243,907 | 8,686,532 |
| Segment operating profit(loss) | 52,502 | 31,626 | 18,782 | 31,833 | 10,796 | -2,291 | 143,248 |
| Segment assets | 2,048,882 | 536,835 | 205,461 | 443,796 | 98,118 | -171,676 | 3,161,416 |
| Other assets | | | | | | | 1,425,656 |
| Total assets | | | | | | | 4,587,072 |

(Note 1) Countries and regions are categorized by geographical classification.

(Note 2) Major countries or areas that belong to each category:

1. North America ·····USA, Canada
2. Europe ·····UK, Belgium
3. Asia, Oceania ·····Singapore, China
4. Other ·····Central and South America, Africa

(Note 3) Other assets which are not included in the segments are mainly cash and deposit marketable securities, and investment securities.

Internal transactions are generally priced in accordance with the prevailing market prices.

(Note 4) For Japanese investors' convenience, Total volume of trading transactions and Segment operating profit(loss) are shown according to Japanese accounting practice.

Marubeni Corporation
Earnings/Loss per Share of Common Stock

The following table sets forth the computation of basic and diluted earnings/loss per share:

| | <i>Millions of yen</i> | | | |
|----------------------------------------------------------------------------------------------|----------------------------|-------------------------|-------------|----------------------|
| | Year ended March 31 | | | |
| | 2007 | | 2006 | |
| Numerator: | | | | |
| Net income (loss) | ¥ | 119,349 | ¥ | 73,801 |
| Amount which does not belong to ordinary shares – dividend for preferred shares | | -605 | | -1,510 |
| Net income available for common shareholders – Numerator for basic earnings (loss) per share | | 118,744 | | 72,291 |
| Effect of dilutive securities: | | | | |
| Convertible debentures | | - | | 168 |
| Dividend for preferred shares | | 605 | | 1,510 |
| Numerator for diluted earnings (loss) per share | ¥ | 119,349 | ¥ | 73,969 |
| Denominator: | | | | |
| | | <i>Number of shares</i> | | |
| Denominator for basic earnings (loss) per share | | 1,639,894,708 | | 1,495,360,142 |
| Effect of dilutive securities: | | | | |
| Convertible debentures | | - | | 117,229,592 |
| Preferred shares | | 93,675,076 | | 215,714,286 |
| Denominator for diluted earnings per share | | 1,733,569,784 | | 1,828,304,020 |
| <i>Yen</i> | | | | |
| Basic earnings per share | ¥ | 72.41 | ¥ | 48.34 |
| Diluted earnings per share | ¥ | 68.85 | ¥ | 40.46 |

The convertible debenture #8 issued in November 1996 has dilution effect for FY2005, and Class I Preferred Stock issued in December 2003 for FY2006 and FY2005.

Marubeni Corporation Consolidated Companies

1 . Number of consolidated companies

| | | March 31 2007 | Established Bought | Liquidated Divestiture | March 31 2006 | Variance |
|----------------------|----------|------------------|-----------------------|---------------------------|------------------|----------|
| Subsidiaries | Domestic | 142 | 6 | -11 | 147 | -5 |
| | Overseas | 243 | 29 | -27 | 241 | +2 |
| | Total | 385 | 35 | -38 | 388 | -3 |
| Affiliated companies | Domestic | 48 | 3 | -4 | 49 | -1 |
| | Overseas | 128 | 20 | -10 | 118 | +10 |
| | Total | 176 | 23 | -14 | 167 | +9 |
| | Domestic | 190 | 9 | -15 | 196 | -6 |
| | Overseas | 371 | 49 | -37 | 359 | +12 |
| | Total | 561 | 58 | -52 | 555 | +6 |

2 . Major companies that have been newly included during this term:

| <u>Company name</u> | <u>Capital</u> | <u>Marubeni Group's equity portion</u> | <u>Type of business</u> |
|-------------------------------------------------|----------------|------------------------------------------------|----------------------------------------------------------------------------------------------|
| The Daiei, Inc. | JPY 56,517 mil | 29.44% | Retail |
| Higashi Ginza Printing and Publishing Co., Ltd. | JPY 120 mil | 71.63% | Planning, design, production and printing of advertisements catalogs and other printed media |
| Marubeni Rail Transport Inc. | USD 36.88mil | 100.00% | Freight railcar operating lease |
| Marubeni Energy Alternatives, Inc. | USD 36.529mil | 100.00% | Development and investment for new technology and renewable energy business in the U.S. |
| B-QUICK Co., Ltd. | THB 40mil | 90.00% | Sales of car-related items |

3 . Major companies that have been excluded during this term:

| <u>Company name</u> | <u>Reasons of exclusion</u> | <u>Marubeni Group's equity portion</u> | <u>Type of business</u> |
|-----------------------------------------|-----------------------------|------------------------------------------------|-----------------------------------------------------------------|
| Nasu resort Corporation | Sold | 70.00% | Operation of leisure facilities |
| Qatar LNG Investment Co., Ltd. | Liquidated | 50.00% | Investment vehicle for financing |
| Carlisle Leasing International , LLC | Sold | 100.00% | Lease of freezing and refrigerated containers for sea transport |
| Shanghai Asahi Electronic Glass Co.,Ltd | Sold | 25.00% | Produce and distribution of glass bulb for braun tube |
| Nissan Norge A.S. | Liquidated | 100.00% | Wholesale of automobiles |

Profit-making/loss-making consolidated companies

(Unit: billions of yen)

| | | March 31, 2007 | | | March 31, 2006 | | | Variance | | |
|-------------------------|------------------|----------------|----------|-------|----------------|----------|-------|-------------|-------------|-------------|
| | | Domestic | Overseas | Total | Domestic | Overseas | Total | Domestic | Overseas | Total |
| Profit-making companies | No. of companies | 147 | 302 | 449 | 147 | 286 | 433 | 0 | 16 | 16 |
| | Surplus amount | 44.0 | 98.5 | 142.5 | 38.0 | 83.0 | 120.9 | 6.0 | 15.6 | 21.6 |
| Loss-making companies | No. of companies | 43 | 69 | 112 | 49 | 73 | 122 | -6 | -4 | -10 |
| | Deficit amount | -12.8 | -14.0 | -26.8 | -10.6 | -30.9 | -41.5 | -2.2 | 16.9 | 14.7 |
| Total | No. of companies | 190 | 371 | 561 | 196 | 359 | 555 | -6 | 12 | 6 |
| | Net profit/loss | 31.2 | 84.5 | 115.7 | 27.3 | 52.1 | 79.4 | 3.9 | 32.4 | 36.3 |
| Surplus company ratio | | 77.4% | 81.4% | 80.0% | 75.0% | 79.7% | 78.0% | +2.4 points | +1.7 points | +2.0 points |

(Note) Surplus/Deficit amount is based on equity method