Marubeni

ANNUAL REPORT 2014

Year ended March 31, 2014

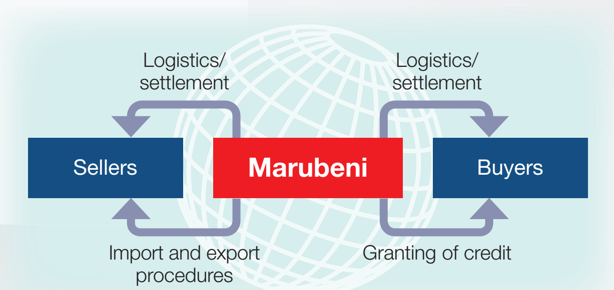
Diversified Business Model

The Marubeni Group's business encompasses an exceptionally wide range of fields, spanning from foodstuffs, textile products, and other fields related to daily life to fields that help form the foundation for society and the economy, including resource and energy development projects and infrastructure businesses. While developing a full line of business that display the dynamism of *Sogo Shosha*, the Group is honing its competitive edge. In addition to the trading operations we have continued to develop since our founding, we are investing in the resource, energy, electricity, and infrastructure fields, while also working in renewable energy and other fields. With this diverse business portfolio, Marubeni will create new value to further contribute to social and economic development.

The Marubeni Group's Business Model

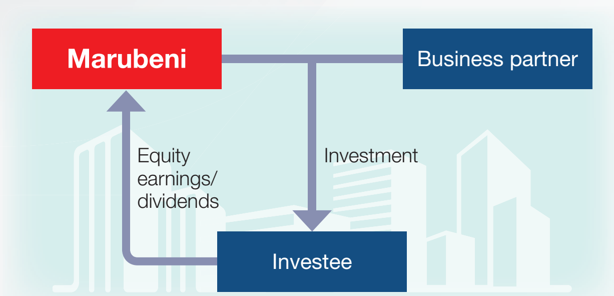
Trading

The Company's trading functions serve to connect producers to consumers and sellers to buyers in order to facilitate the trading of products and services. Our trading operations can be broadly divided into three categories: domestic trading, import and export, and offshore trading. As global trends become more diverse and complicated, the Company will provide the high-value-added services necessary for ensuring smooth global trade, including those related to information collection and analysis, market development, logistics, insurance, and financial risk management.



Business Investment

Marubeni invests in growth-field businesses, and also helps grow these businesses from the development phase by collecting the information they need for commercialization, supporting sales, and providing distribution, logistics, and aiding with financing. Taking advantage of our sophisticated project management functions, we work to improve the value of business investments and advance their growth strategies.



Value Adding

Resource Interest Acquisition

The Marubeni Group aims to help reinforce Japan's industrial base to contribute to its economic prosperity. We are therefore accelerating efforts to secure stable supplies of oil, natural gas, copper, and other resources. Our involvement in resource projects is not limited to financing. Rather, we send executives and technicians to project sites to play an active role in developing projects. While flexibly responding to local business environments, the Company actively participates in the development and operation of projects.

Project Flow

- Exploration/Development
- Production
- Liquefaction
- Transportation
- Sales

Infrastructure Projects

Marubeni's infrastructure business entails providing comprehensive management of all the various functions needed for projects, ranging from the technical capabilities used in constructing facilities to maintenance, operation, financing, and risk management. The Company aims to apply this business model for the construction, maintenance, and operation of power stations, water and sewage treatment facilities, and transportation systems such as railways. Through these efforts, we will contribute to social and economic development around the world.

Project Flow

- Information collection/Project identification
- Feasibility studies
- Bid/Receive order
- Facility construction
- Operation/Maintenance

Open Communications

The Marubeni Group realizes its responsibility as a member of society. It also recognizes the need for its business activities to be advanced with all Group employees acting with a high level of CSR awareness in accordance with the Company Creed that underlies Group management—"Fairness, Innovation and Harmony." Furthermore, Marubeni is always receptive toward the opinions of stakeholders, eager to incorporate these into management. We thereby strive to practice sound management so that the Marubeni Group may be recognized as a good corporate citizen that coexists in harmony with both society and the environment. We believe this is the path to continued growth. We have continued to progress together with stakeholders over the 156 years since our founding, and this tradition will be carried on into the future.

Together with Stakeholders

Customers and Business Partners

Aiming to be a company that enjoys the trust and confidence of customers and business partners, we strive to develop and offer products and services that are useful to society as well as safe. Furthermore, we strive to improve satisfaction and earn trust by responding sincerely to feedback from our customers and business partners.

- Founding of the Company: **May 1858**
- Number of business partners to which the Basic Supply Chain CSR Policy was transmitted: **2,770**
- Number of times the corporate website was accessed: Approx. **1.31** million (monthly average)

Shareholders and Investors

Marubeni is dedicated to meeting shareholders' expectations. We strive thus to enhance our corporate value by responding to changes in the business environment and maintaining stable profitability. In addition, we work to boost corporate value from social and environmental perspectives, and also disclose pertinent information in a fair and timely manner.

- Number of shareholders with voting rights: **143,517** (as of March 31, 2014)
- Percentage of total voting rights exercised at the 89th Ordinary General Meeting of Shareholders (held in June 2013): **74.94**%
- Attendees at the 89th Ordinary General Meeting of Shareholders (held in June 2013): **1,308** (including 10 proxy agents with power of attorney)
- Number of IR meetings with investors: Over **300** (in the year ended March 31, 2014)

Local Communities

We will contribute to the creation of an enriched society as a member of the local communities where we do business. Overseas, we respect local laws, cultures, and customs, and strive to operate our businesses in a way that contributes to local development. Furthermore, we are firmly opposed to antisocial forces and groups that threaten the order and safety of local societies.

- Maintained global network of **117** overseas bases in **64** countries as well as **10** domestic bases, contributed to economic and social development in all regions of operation
- Develops and owns power projects in **22** countries overseas, and its generation capacity stake totals **10,436** MW worldwide, operates wastewater treatment facilities in **4** countries with a total daily treating capacity of **3,306,953** m^3
- Donated aggregate of US$**3.53** million through scholarship funds set up in **7** countries to support the development of young people in emerging countries

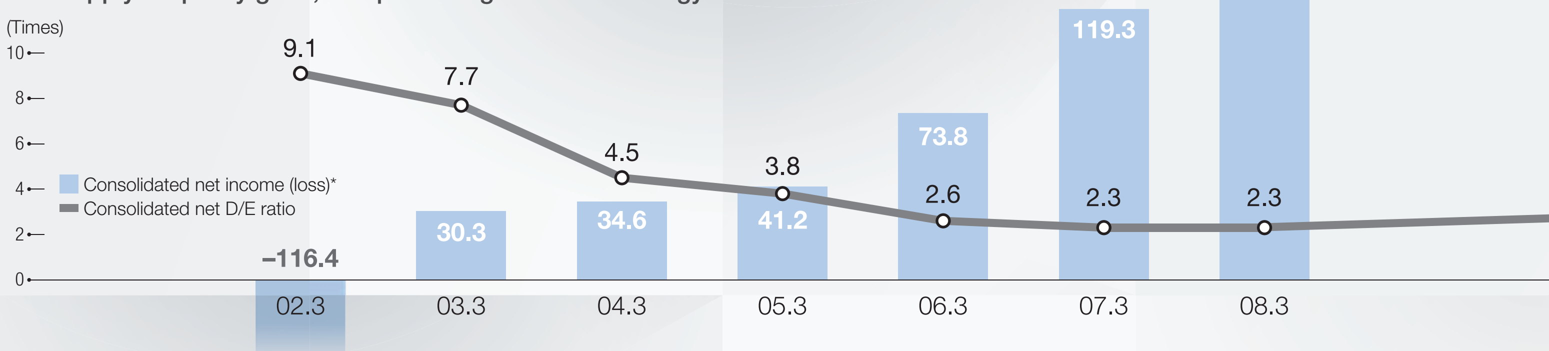
Employees

We respect the individual values and life goals of each and every employee. We also work hard to eliminate all forms of discrimination and foster an atmosphere that is pleasant for all.

- Average service years: **16.8**
- Number of employee trainings in which the management participated to provide advice and exchange opinions: **37** (in the year ended March 31, 2014)
- Number of members of the Marubeni Employee Union: **2,491** (as of March 31, 2014)
- Aggregate total number of Marubeni Group employees volunteering in disaster support and cleanup activities, etc.: **979** (in the year ended March 31, 2014)

Sustainable Growth

The Marubeni Group will expand businesses where it can play a leading role, focusing on business fields where it has competitiveness. In doing so, we aim to achieve a strong earnings structure and build a solid financial base. Furthermore, we hope to contribute to the sustained development of society while also maximizing corporate value. We will expand our businesses that benefit people around the world. These include businesses for developing and providing a stable supply of mineral resources; constructing, maintaining, and operating power generation and water and sewage facilities; providing a stable supply of quality grain; and promoting renewable energy efforts.

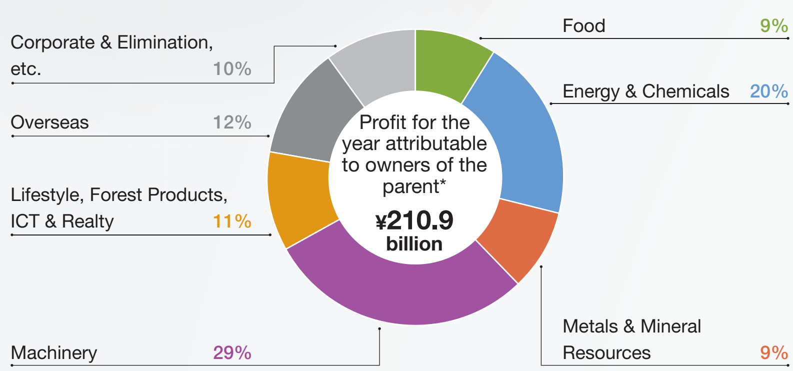


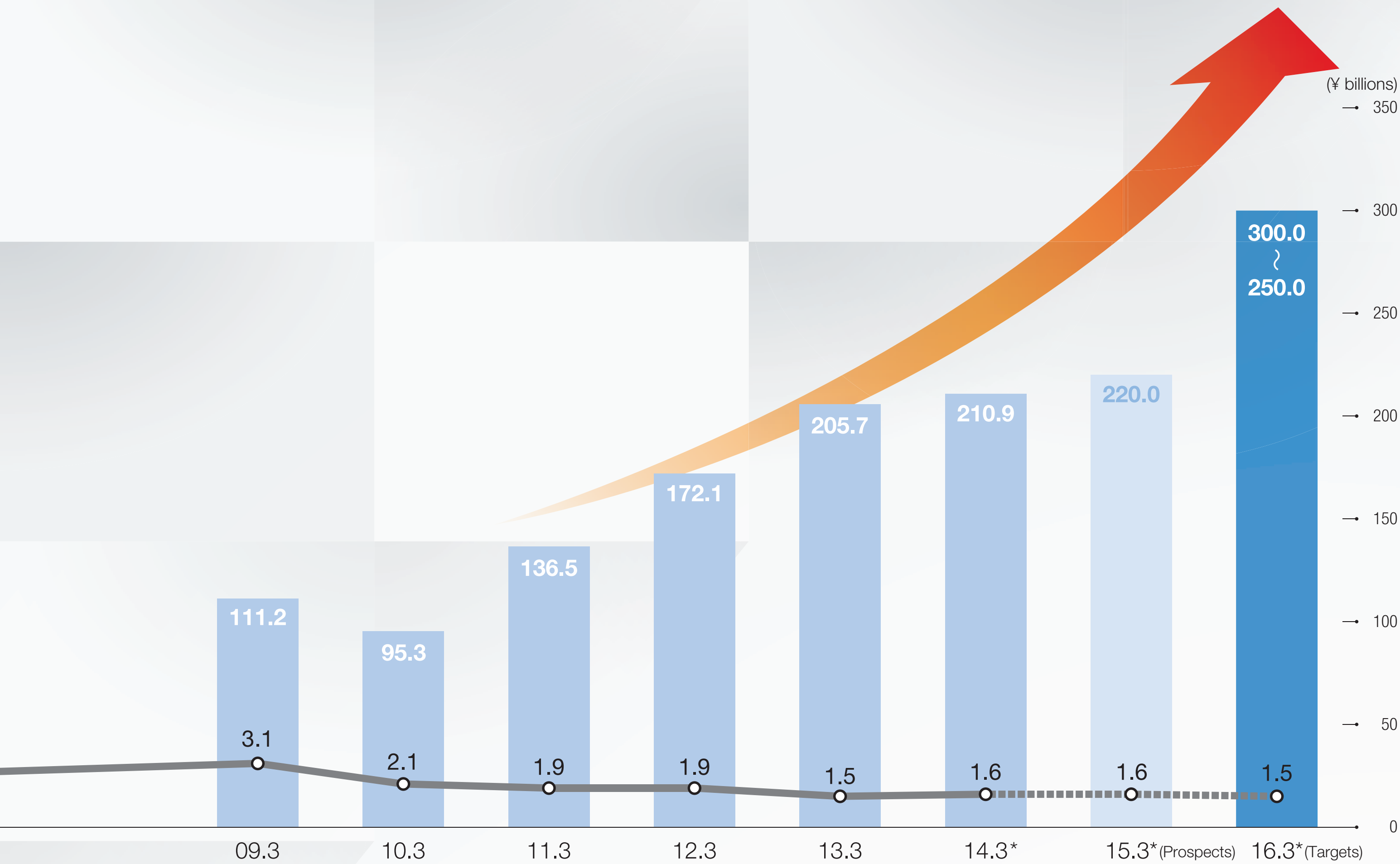
Major quantitative objectives of medium-term management plans	"A" PLAN	"V" PLAN	"G" PLAN
	Consolidated net income: ¥30.0 billion	Consolidated net income: ¥50.0 billion	Consolidated net income: ¥220.0 billion (total for two years)
	Total Marubeni shareholders' equity: ¥300.0 billion	Total Marubeni shareholders' equity: ¥400.0–¥500.0 billion	Total Marubeni shareholders' equity: ¥820.0 billion
	Consolidated net interest-bearing debt: ¥2,650.0 billion	Consolidated net interest-bearing debt: ¥2,000.0 billion	Consolidated net D/E ratio: 2.0 times
		Consolidated net D/E ratio: 4.0–5.0 times	ROA: More than 2%

Optimization of Management Resources

Global Challenge 2015 (GC2015) defines the goal of achieving profit for the year attributable to owners of the parent* in the ¥250.0–¥300.0 billion range. To generate this income, we will build a solid asset portfolio and pursue the optimization of management resources by targeting income of ¥100.0–¥150.0 billion from the natural resources-related businesses and ¥150.0–¥200.0 billion from the non-natural resources-related businesses.

Earnings Structure in the Year Ended March 31, 2014





SG2009

Consolidated net income:	¥190.0 billion (total for two years)
Consolidated total equity:	Over ¥730.0 billion
Consolidated net D/E ratio:	Approx. 2.5 times
ROE:	Approx. 12%
ROA:	Approx. 2%

SG-12

Consolidated net income:	¥200.0 billion
Risk assets:	Within the range of consolidated total equity
Consolidated net D/E ratio:	Approx. 1.8 times
ROE:	Equal to or more than 15% stably

GC2015

Profit for the year attributable to owners of the parent*:	¥250.0–¥300.0 billion
Consolidated net D/E ratio:	Approx. 1.5 times
ROE:	Equal to or more than 15% stably
ROA:	Equal to or more than 4%

* From the year ended March 31, 2014, the Company is preparing its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). For details, please refer to page 95.

New Investment Plan

Under GC2015, the Marubeni Group has earmarked a total of ¥1.1 trillion for new investments over the plan's three-year period. We plan to allocate around 40% of the new investment budget to the natural resources-related group, which operates in the energy and metal and mineral fields. The remaining 60% will go to the non-natural resources group, which is focused on electricity, gas, water and sewage, and other basic infrastructure areas, as well as fields in which demand growth is expected due to growing populations and rising living standards, such as agriculture, ICT, and insurance.

New Investment Plan (Three-Year Total)		Approx. ¥1.1 Trillion (Gross)
Natural Resources-Related Group		Approx. 40%
Non-Natural Resources	Machinery Group	Approx. 60%
	Food, Lifestyle, Forest Products, ICT & Realty Group	

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Editorial Policy

This report presents the Marubeni Group's business strategies, financial information, and non-financial information in an integrated format. The non-financial information includes Marubeni's basic policy on CSR and the various activities undertaken to realize this policy. The report is intended to function as a tool for communicating with our stakeholders and an instrument for gaining trust from the general public.

Disclaimer Regarding Forward-Looking Statements

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

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Inclusion in SRI Indexes (As of July 2014)

The Company has continually been selected for inclusion in globally recognized Socially Responsible Investment (SRI) indexes such as the Dow Jones Sustainability World Index and the FTSE4Good Global Index as well as the Morningstar Socially Responsible Investment Index, a Japanese SRI index. In addition, globally renowned CSR research and rating company RobecoSAM AG has included the Company in its list of sustainable companies.

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

FTSE4Good

MS-SRI

ROBECOSAM Sustainability Award Gold Class 2014

ROBECOSAM Sustainability Award Industry Leader 2014

Financial and Non-Financial Highlights

Consolidated Financial Highlights

Marubeni Corporation Years ended March 31

Five-Year Summary

	U.S. GAAP				IFRS* Millions of yen		Millions of U.S. dollars
	2010.3	2011.3	2012.3	2013.3	2013.3	**2014.3**	**2014.3**
For the year:							
Revenue:							
Sales of goods	¥3,110,736	¥3,514,937	¥4,221,653	¥4,702,281	**¥ 4,733,022**	**¥ 6,853,975**	**$ 66,543**
Commissions on services and trading margins	169,233	168,912	168,700	159,030	**163,026**	**201,725**	**1,958**
Total revenue	3,279,969	3,683,849	4,390,353	4,861,311	**4,896,048**	**7,055,700**	**68,502**
Total volume of trading transactions	7,965,055	9,020,468	10,584,393	10,509,088	**10,674,395**	**13,633,520**	**132,364**
Gross trading profit	491,673	522,152	541,454	528,194	**539,648**	**651,063**	**6,321**
Share of profits of associates and joint ventures	28,864	71,452	81,528	87,790	**83,031**	**99,405**	**965**
Profit for the year attributable to owners of the parent	95,312	136,541	172,125	205,696	**130,143**	**210,945**	**2,048**
Core earnings (Billions of yen)	154.4	223.7	249.6	226.8	**225.5**	**272.5**	**2,646**
At year-end:							
Total assets	¥4,586,572	¥4,679,089	¥5,129,887	¥5,965,086	**¥ 6,115,783**	**¥ 7,255,380**	**$ 70,441**
Net interest-bearing debt	1,706,397	1,615,634	1,755,705	1,785,247	**1,855,941**	**2,491,043**	**24,185**
Total equity	799,746	831,730	915,770	1,188,379	**1,203,008**	**1,533,186**	**14,885**
Equity attributable to owners of the parent	745,297	773,592	852,172	1,131,834	**1,149,369**	**1,385,313**	**13,450**
Amounts per share (¥, US$):							
Basic earnings	¥ 54.89	¥ 78.63	¥ 99.13	¥ 118.48	**¥ 74.96**	**¥ 121.52**	**$ 1.18**
Cash dividends	8.50	12.00	20.00	24.00	**24.00**	**25.00**	**0.24**
Cash flows:							
Net cash provided by operating activities	¥ 280,610	¥ 210,044	¥ 172,599	¥ 295,734	**¥ 240,075**	**¥ 291,188**	**$ 2,827**
Net cash used in investing activities	(35,207)	(128,495)	(273,689)	(210,878)	**(192,825)**	**(706,585)**	**(6,860)**
Free cash flow	245,403	81,549	(101,090)	84,856	**47,250**	**(415,397)**	**(4,033)**
Net cash provided by (used in) financing activities	(254,655)	(17,010)	171,903	129,030	**111,585**	**196,779**	**1,910**
Cash and cash equivalents at end of year	570,789	616,003	677,312	919,475	**865,592**	**665,498**	**6,461**
Ratios:							
ROA (%)	2.05	2.95	3.51	3.71	**2.27**	**3.16**	
ROE (%)	14.52	17.98	21.17	20.74	**12.68**	**16.64**	
Equity attributable to owners of the parent ratio (%)	16.25	16.53	16.61	18.97	**18.79**	**19.09**	
Net D/E ratio (times)	2.13	1.94	1.92	1.50	**1.54**	**1.62**	

* From the year ended March 31, 2014, the Company is preparing its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). For details, please refer to page 95.

Notes:

1. When the Company and its consolidated subsidiaries legally engage in transactions as contracted parties and are deemed to assume obligations principally and bear the overall inventory risk, the Company and its consolidated subsidiaries are regarded as being involved in the transactions as a principle, and revenue is presented in the total amount. In transactions other than the above, the Company and its consolidated subsidiaries are regarded as being engaged in transactions as a broker, and revenue is presented in the net amount.
2. "Total volume of trading transactions" includes all transactions involving the Company and its consolidated subsidiaries regardless of transaction type. It is presented in accordance with Japanese accounting practices for investors' convenience and is not required by IFRS.
3. "Core earnings" is a management indicator that expresses the earning power of the main business of a general trading house. Core earnings is calculated as follows: Gross trading profit + SGA expenses + Interest expense-net + Dividend income + Share of profits of associates and joint ventures
4. U.S. dollar amounts above and elsewhere in this report are converted from yen, for convenience only, at ¥103 to US$1, the prevailing rate as of March 31, 2014.

Non-Financial Highlights

	2010.3	2011.3	2012.3	2013.3	2014.3
Environmental Data[*1]**:**					
CO_2 emissions (tCO_2eq)	8,186	7,345	6,177	5,386	**4,523**
Electricity consumption (MWh)	15,966	15,842	13,483	11,221	**9,554**
Water consumption (m^3)	126,559	128,307	122,385	108,107	**96,105**
Waste generation (tons)	1,339	1,067	773	706	**580**
Paper consumption (thousands of A4 sheets)	41,073	40,876	39,623	39,849	**41,452**
Recycling rate (%)	79.1	79.4	76.7	83.5	**92.4**
Green product procurement rate (%)	82.2	87.2	87.4	84.8	**86.5**
Social Data[*2]**:**					
No. of employees (Consolidated)[*3]	29,604	30,626	32,445	33,566	**39,465**
No. of employees (Non-Consolidated)[*4]	3,951	4,020	4,074	4,166	**4,289**
Of which, domestic	3,264	3,306	3,286	3,336	**3,433**
overseas	687	714	788	830	**856**
Percentage of male and female[*5]	76.7:23.3	76.3:23.7	76.2:23.8	75.5:24.5	**74.7:25.3**
Average age[*5]	41.8	41.9	42.0	41.9	**41.7**
Average service years[*5]	17.2	17.1	17.1	17.0	**16.8**
No. of managerial employees[*5]	2,347	2,316	2,314	2,327	**2,352**
Of which, general managers or above	219	210	225	223	**224**
Employment rate of persons with disabilities (%)[*6]	1.92	2.03	2.19	2.14	**2.09**
Usage of annual paid leave (%)[*7]	40.8	42.4	43.9	44.0	**45.6**
No. of employees who took maternity leave[*7]	15	17	19	24	**28**
No. of employees who took childcare leave[*7]	15	24	16	20	**27**
Of which, male	0	11	4	5	**3**
No. of employees who took nursing care leave[*7]	0	1	1	1	**0**
No. of employees who took volunteer leave[*7]	0	0	175	141	**1**

*1 Data collected from: Tokyo Head Office, Branches (Hokkaido, Nagoya, Osaka, Kyushu, and Shizuoka) (six principal bases)
(Paper consumption figures are for Tokyo Head Office only.)
CO_2 emissions: Emission amounts are calculated based on usage of electricity, city gas, fuel, and steam.
Actual emission coefficients for electricity: Emissions from electricity are calculated using the separate actual emission coefficients for each electric power provider released by the Ministry of the Environment in December of each year. The coefficients were not available for the year ended March 31, 2014, so the coefficients for the previous year were used for the calculation. When the next environment data collection is conducted, figures for the year ended March 31, 2014, will be restated based on the coefficients to be released by the Ministry of the Environment in December 2014.
Emission coefficients for city gas: Until the year ended March 31, 2010, calculated using the coefficients stipulated in the Act on Promotion of Global Warming Countermeasures. From the year ended March 31, 2011, calculated using coefficients published by respective gas companies for the areas in which each of the six principal bases are located.
Emission coefficients for steam: Default coefficients are used from the government-sponsored system for calculating, reporting, and publishing greenhouse gas emissions.
Greenhouse gas data (CO_2 emissions data) is verified by a third-party organization based on ISO 14064-3. Other environmental data is assured by the same third-party organization using the procedure of the principles of AA1000AS and ISAE 3000.
*2 All the indicators of social data for the year ended March 31, 2014, are assured by an external assurance provider based on the international standard ISAE 3000.
*3 As of March 31
*4 Total figures include the number of Marubeni employees assigned to other companies and exclude secondees to Marubeni from other companies (as of March 31).
*5 Figures for Marubeni Corporation (as of March 31).
*6 Figures are the combined total for Marubeni Corporation and the certified special-purpose subsidiary, Marubeni Office Support Corporation (as of March 1).
*7 Figures for Marubeni Corporation. Indicates the total number of people who used leave in the fiscal year, including those who used the leave continuously from the previous fiscal year.

Social data and environmental data have been verified by a third-party organization.
Refer to page 197–199 for the report of the third-party organization.

To All Our Stakeholders

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

Formulated in 1949

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

In April 2013, the Marubeni Group embarked on its next challenge, signified by the launch of the new medium-term management plan Global Challenge 2015 (GC2015). In the first year of GC2015, the year ended March 31, 2014, we successfully achieved profit for the year attributable to owners of the parent* of ¥210.9 billion, simultaneously meeting our target for the year and setting a new record high. In this manner, I feel that the plan got off to a strong start. The current operating environment is a difficult one, though, and continues to warrant vigilance. Even faced with this uncertainty, the Group will unite as one, advancing unfettered to achieve the goals of GC2015.

Marubeni's long history spans more than 150 years dating back to the founding of its predecessor in 1858. Marubeni Co., Ltd., was established on December 1, 1949, and our Company Creed of "Fairness, Innovation and Harmony" has guided us ever since. Acting in accordance with this creed, we contribute to social and economic development as well as to the betterment of people's lives as a responsible member of the international society. We believe that providing higher value to our stakeholders in turn creates value for the Marubeni Group.

No matter what adversity the operating environment presents, we will relish the great challenges presented by difficult operating conditions, working always to maintain a harmonic state of coexistence with the ever-changing world as we boldly take on new challenges to build a Marubeni Group that is more ambitious, stronger, and flexible.

July 2014

Fumiya Kokubu
President and CEO

Marubeni Management Philosophy

(formulated in 2003, revised in 2008)

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

Marubeni Corporate Principles

(formulated in 1998)

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

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

* From the year ended March 31, 2014, the Company is preparing its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). For details, please refer to page 95.

Message from the President

Looking Back on the Year Ended March 31, 2014

In the year ended March 31, 2014, our consolidated operating results under International Financial Reporting Standards (IFRS) were as follows: total volume of trading transactions increased 27.7%, to ¥13,633.5 billion; operating profit rose 22.6%, to ¥157.5 billion; and profit for the year attributable to owners of the parent*1 was up 62.1%, to ¥210.9 billion, exceeding our target of ¥210.0 billion and setting a new record high.

Looking back at the operating environment during the year, the overall trend in the global economy was of gradual recovery as the relatively strong conditions in the United States and Japan outweighed economic concerns in emerging countries. Reflecting unclear conditions in the Middle East, crude oil prices were highly volatile, and we saw increases in both crude oil prices and grain prices during the fourth quarter. Nevertheless, commodity prices were generally low throughout the year.

In Japan, yen depreciation, stock price increases, and improvements in economic conditions resulted in rising consumption levels. These and other benefits of economic stimulus measures continued to drive the ongoing recovery of the domestic economy. The fourth quarter demand rush that preceded the consumption tax hike also contributed to this recovery.

In April 2013, the Company launched its new three-year medium-term management plan, Global Challenge 2015 (GC2015), under the guidance of a new management system, and I feel that the plan got off to a strong start in its first year.

Building a Solid Business Portfolio to Realize Ongoing Improvements in Corporate Value

Advance Toward Goals of GC2015

GC2015 calls for us to leverage Marubeni's strengths and expertise in order to expand businesses in which it can play a leading role, focusing on business fields where it has competitiveness. In doing so, we aim to achieve a strong earnings structure and build a solid financial base while continuing to grow. Specifically, in the year ending March 31, 2016, the final year of GC2015, we are targeting profit for the year attributable to owners of the parent*1 in the range of ¥250.0 billion to ¥300.0 billion, a consolidated net debt–equity ratio of approximately 1.5 times, stable ROE of 15% or more, and ROA of 4% or more.

Marubeni has been taking an ongoing approach toward revising its business portfolio since the turn of the century. As a result, we have succeeded in creating an earnings structure that ensures stable revenues. I believe that our ability to achieve record high revenue, especially considering the

Three Key Measures Under GC2015

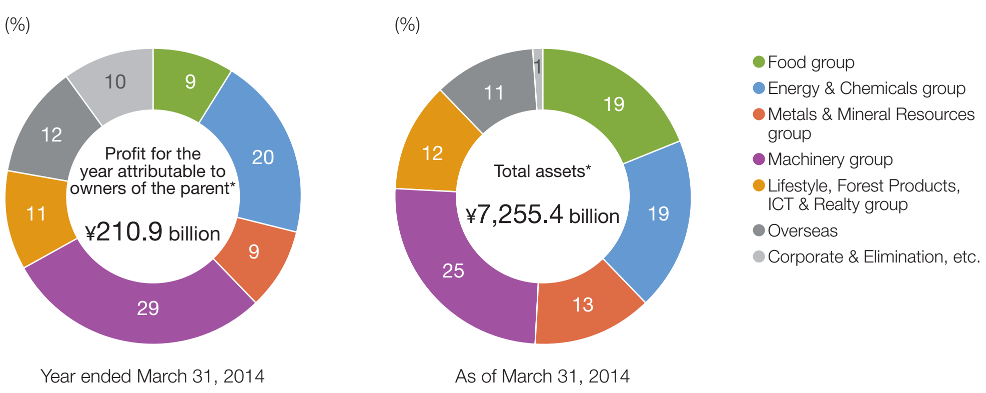
Optimize management resources	Analyze the profitability, efficiency, and growth of each business in each subdivided business field within each division and Portfolio Unit*2 to distribute and reallocate our management resources more efficiently
Strengthen/ expand overseas business	Strengthen and expand our overseas business by increasing the Marubeni Group's presence in countries and regions with expected high medium- to long-term growth
Further top management-led human resources strategy	Strengthen and develop the Marubeni Group's human resources by implementing personnel measures centered around the three pillars of "experience," "assessment and incentives," and "training"

*1 From the year ended March 31, 2014, the Company is preparing its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). For details, please refer to page 95.
*2 Unit of business management linking business divisions and operating companies by business domain.

harsh environment for natural resource businesses, is largely a result of this unceasing attention toward reforming our business portfolio.

To help us pursue the ongoing growth targeted by GC2015, we have defined three key measures, and, to advance these measures more effectively, have set up three strategic committees that I chair: the PM (Portfolio Management) Strategy Committee, the GM (Global Market) Strategy Committee, and the HR (Human Resources) Strategy Committee. Measures are currently being advanced by these committees.

Earnings Structure and Business Portfolio



Progress of the Three Key Measures

In regard to the first key measure—optimize management resources—we aim to build a business portfolio that can generate profit for the year attributable to owners of the parent* in the range of ¥250.0 billion to ¥300.0 billion in any business environment.

Realizing ongoing growth with limited management resources will require an unceasing process of reviewing asset portfolios to optimize management resources. In other words, the profitability of existing businesses must be thoroughly improved, and assets that lack profitability must be replaced. Based on this realization, the PM Strategy Committee evaluated each business area during the year ended March 31, 2014, the first year of GC2015. The committee analyzed the profitability, efficiency, and growth potential of each business field, and, after thorough consideration, determined future policies for management resource allocation. Going forward, we will employ these policies to reallocate monetary and human resources, replace assets, strategically exit businesses, and conduct other ongoing initiatives to optimize management resources.

To strengthen/expand overseas business, the second priority measure, we have designated the Sub-Saharan Africa and Mekong River Basin regions as priority regions in light of their extremely high growth potential over the medium and long term. In the year ended March 31, 2014, the GM Strategy Committee conducted extensive and multifaceted discussions regarding the Company's market strategies and systems for advancing these strategies. In addition, the committee formulated region-specific initiative policies, such as for emerging countries, and examined the potential market impacts of free-trade agreements like the Trans-Pacific Partnership (TPP) as well as other attempts to erase economic borders. As for priority regions, we strengthened our operating systems in Myanmar, a country of special interest within the Mekong River Basin region, by greatly expanding our staff in this country. Furthermore, market strategy committees have been established for other priority regions, such as ASEAN, China, India, South America, CIS, and Sub-Saharan Africa. These committees advanced specific strategies in their respective regions, and were successful at strengthening relationships with prominent local companies by dispatching committee representatives and deepening collaboration between business divisions.

As for the third key measure—further top management-led human resources strategy—we continued to strengthen human resources through an approach that emphasizes "experience," "assessment and incentives," and "training." At the same time, the HR Strategy Committee allocated human resources in an optimal manner that took into account the management resource allocation policies formulated by the other two strategic committees. In the year ended March 31, 2014, we instituted rotation plans geared toward enabling employees to accumulate a diverse range of work experience, developed practical training systems, and enhanced selective training programs designed for fostering future managerial candidates.

Progress in New Investments

As stated, we aim to conduct new investments amounting to approximately ¥1.1 trillion over the three-year period of GC2015. This amount excludes the acquisition of Gavilon Holdings, LLC. Investments will be conducted in accordance with the Company-wide portfolio strategy formulated by the PM Strategy Committee, and will place aggressive asset replacement as its first priority.

Major natural resources-related group investments conducted in the year ended March 31, 2014, included phased invests in the Roy Hill Iron Ore Project in Australia and the Antucoya Copper Mine in Chile. In machinery, we acquired power generation assets in Portugal, commenced participation in a U.S. spar-type floating oil and gas production and processing service platform project, and invested in an aircraft leasing business. In food and lifestyle products, meanwhile, we acquired NEC Mobiling, Ltd., of Japan. Furthermore, the payment of approximately US$2.7 billion for the acquisition of Gavilon Holdings was completed in July 2013.

* From the year ended March 31, 2014, the Company is preparing its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). For details, please refer to page 95.

New investments conducted in the year ended March 31, 2014, amounted to approximately ¥530.0 billion, representing smooth progress toward our conducting investments totaling ¥1.1 trillion on a gross basis.

New Investments

		2014.3 Yearly	Major Projects	GC2015 New Investment Plan
Natural Resources-Related Group		Approx. ¥185.0 billion	• Roy Hill Iron Ore Project (Australia) • Antucoya Copper Mine (Chile)	Approx. 40%
Non-Natural Resources	Machinery Group	Approx. ¥270.0 billion	• Power generation assets (Portugal) • Aircastle (U.S.) • Oita mega-solar power (Japan) • Offshore LNG receiving terminal (Uruguay)	Approx. 60%
	Food, Lifestyle, Forest Products, ICT & Realty Group	Approx. ¥75.0 billion	• NEC Mobiling, Ltd. (Japan) (currently MX Mobiling Co., Ltd.)	
Total		Approx. ¥530.0 billion		3-year total Approx. ¥1.1 trillion (Gross)

Note: In addition to the above, Gavilon Holdings, LLC, was acquired (approximately US$2.7 billion).

Accomplishment of Management Targets

GC2015 has identified four quantitative targets for its final year, the year ending March 31, 2016.

The plan targets profit for the year attributable to owners of the parent* in the range of ¥250.0 billion to ¥300.0 billion for its final year, and ¥210.0 billion for its first, the year ended March 31, 2014, which we accomplished with profit for the year attributable to owners of the parent* of ¥210.9 billion. The final-year target for the consolidated net debt–equity ratio is approximately 1.5 times and the first-year target was approximately 1.7 times, which we also met with a ratio of 1.62 times. The final-year target for ROE of 15% or more stably has already been accomplished with ROE of 16.64%. While we did fall short of the final-year target for ROA of 4% or more, with actual ROA of 3.16%, measures targeting improved asset efficiency will be advanced going forward. Nonetheless, we still got off to a good start, and are now positioned to achieve or even exceed all goals in the plan's final year, and will push forward with measures to accomplish this.

Target Management Indicators

Management Indicator	Target	Performance in the Year Ended March 31, 2014
Profit for the year attributable to owners of the parent*	Year ending March 31, 2016: ¥250.0–¥300.0 billion	¥210.9 billion
Consolidated net debt–equity ratio	As of March 31, 2016: Approx. 1.5 times	1.62 times
ROE	Equal to or more than 15% stably	16.64%
ROA	Equal to or more than 4%	3.16%

To Achieve Sustainable Growth

Creating Value Unique to a General Trading Company

In accordance with the spirit grounded in "Fairness, Innovation and Harmony," the Marubeni Group is proudly committed to contribute to social and economic development and to safeguard the global environment by conducting fair and upright corporate activities. This is the Marubeni Management Philosophy. In addition, all Marubeni employees are expected to act with high ethical standards in accordance with the Marubeni Corporate Principles. Furthermore, we abide by the policies of the CSR & Environment Committee, and are continually advancing initiatives to fulfill our CSR in a wide range of fields.

Companies are also members of society. As such, companies are now widely expected to practice good compliance, help preserve the environment, and contribute to society. The Marubeni Group is, of course, working to these ends. Examples of social contributions include setting up scholarship funds in emerging countries, providing support for social welfare organizations through the Marubeni Foundation, and volunteer activities by employees. To preserve the environment, we are working to decrease the environmental impact of our business activities.

However, the expectations that our stakeholders have for Marubeni as a general trading company extend beyond these activities.

The world of today is faced with countless issues. These range from issues that threaten the sustainable development of humanity, including global climate change and problems surrounding energy, food resources, and water resources, to more societal issues such as human rights

* From the year ended March 31, 2014, the Company is preparing its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). For details, please refer to page 95.

violations and poverty. We have received comments from stakeholders stating that they expect the Marubeni Group to utilize the expertise and abilities it has fostered through its business to help resolve these social issues.

To respond to these expectations, from among the countless issues present, we have identified certain particularly critical social issues, and are addressing these issues with earnest through our business activities. Going forward, we will fulfill our responsibility toward society and the environment through the continuation of CSR activities while simultaneously addressing social issues through our business activities. I am confident that these efforts will not only increase the corporate value of the Marubeni Group but also fuel its growth into the future.
(Please also refer to Marubeni's Sustainability on page 72.)

Enhancement of Corporate Governance

To realize ongoing improvements in corporate value, the Company is creating more robust corporate governance systems. In particular, we are working to achieve more rapid and efficient management decisions and more appropriate supervisory functions.

The Company is developing a diverse range of businesses on a global scale, and this means that management decisions must be made rapidly and efficiently. To realize this type of decision-making, the Board of Directors consists of directors that serve concurrently as executive officers, and are therefore highly knowledgeable with regard to Marubeni's multifaceted business.

To ensure the appropriateness of supervisory functions, we have assigned dedicated staff to the Corporate Auditor Department and are fostering collaboration among the corporate auditors, the Audit Department, the independent auditors, and the corporate auditors of Group companies.

The Company's Board of Directors consists of 12 directors, two of which are outside directors, and the Board of Corporate Auditors consists of five corporate auditors, three of which are outside corporate auditors. Each of the outside directors and corporate auditors has accumulated extensive experience and insight in their respective industries, and discussions at meetings of the Board of Directors and Board of Corporate Auditors are lively, with all officers providing suggestions and advice without being confined by the Company's corporate culture and customs. At the same time, introducing an outside perspective into management will allow for more appropriate restraint and supervisory functions.

Appropriate supervisory and restraint functions are crucial to protecting the interests of shareholders and other stakeholders. This is because, with the diverse range of perspectives and opinions that exist in the world, we need these functions to prevent the Company from heading down the wrong path and meeting with disaster.
(Please also refer to A Message from an Outside Director on page 88.)

Improvement of Corporate Value

In regard to finances, Marubeni is pursuing improved corporate value by enhancing earnings bases while strengthening its financial position to the greatest extent possible. This stance has been highly evaluated by external organizations. For example, the Company was awarded the Grand Prix in the Tokyo Stock Exchange's prestigious FY2013 Corporate Value Improvement Awards.

In working toward management targets, Marubeni employs its unique management indicator Profit After Tax less Risk Asset Cost (PATRAC), which is calculated by deducting risk asset cost from profit for the year attributable to owners of the parent*.

The PATRAC indicator was incorporated into the Company's management systems more than 10 years ago, and is being used as a factor for consideration when making individual investment and withdrawal decisions.

Going forward, this critical indicator will continue to help guide management in the pursuit of ongoing growth and the construction of a robust earnings structure and a solid financial base. (Please refer to Risk Management on page 90 for more information.)

Strengthening of Compliance Systems

As of March 19, 2014, Marubeni Corporation ("Marubeni") has reached a resolution with the U.S. Department of Justice ("DOJ") of criminal charges relating to violations of the U.S. Foreign Corrupt Practices Act ("FCPA") with respect to alleged improper payments to Indonesian government officials for a project to expand the coal-fired power plant at Tarahan, Indonesia, by adding a steam generator and auxiliaries (the "Project"). Marubeni was a member of the consortium that was awarded the contract for the Project in 2004. Marubeni has pleaded guilty to violating and conspiring to violate the FCPA, and this plea was approved by the U.S. federal district court on May 15, 2014.

At Marubeni, we realize that ensuring strict compliance is a top management priority. Based on this recognition, we have been steadily improving compliance systems on an ongoing basis. In 2002, we established the Compliance Committee, which reports directly to me. In addition, we have compiled the Marubeni Group Compliance Manual, which specifies the standards of

* From the year ended March 31, 2014, the Company is preparing its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). For details, please refer to page 95.

behavior that all members of the Marubeni Group are expected to follow, and have introduced a whistle-blowing system. In 2005, we enacted internal rules to prevent bribery and began obtaining written statements from all directors, officers, and employees that they will be adhere to the precepts found in the Compliance Manual. We obtain new statements each year. Furthermore, in May 2014 we established the Compliance Control Department as a dedicated internal organization to further reinforce Group compliance systems and prevent reoccurrence of violations.

The Company realizes the severity of the Tarahan incident and the steps that led up to it. The Marubeni Group aims to continue being a responsible corporate citizen, and has therefore devoted incredible effort to strengthening its compliance systems. Going forward, we will practice strict compliance and encourage all Group employees to act with high ethical standards in their daily work.

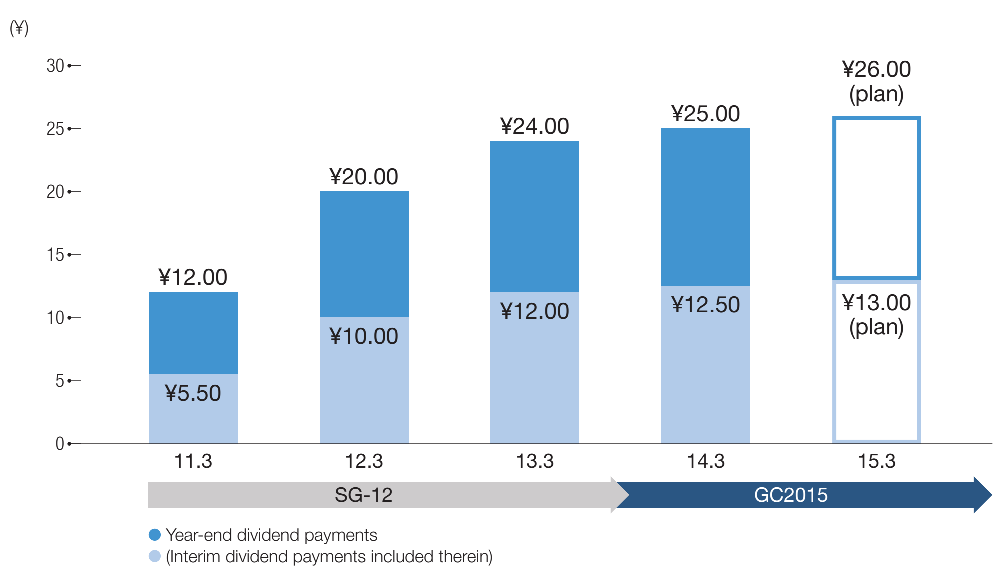
(Please refer to Compliance on page 74 for more information.)

Management's Link with Shareholders

Another important social responsibility for the Company is to be humbly receptive toward feedback from shareholders and other investors. While fair and active disclosure of Company information is a given, we are going a step beyond this to respond to shareholder and investor expectations by working to secure stable revenues in any business environment, and by comprehensively raising corporate value from all perspectives, including social and environmental perspectives.

The Company realizes that internal revenues should not only be employed effectively to maximize corporate value and competitiveness. Rather, we are aware of our important mission of providing shareholders with stable and continuous dividends. In order to clarify our view on shareholder returns, we employ a policy of linking dividend payments to performance from the respective fiscal year, and target a consolidated payout ratio of at least 20%. This will be our ongoing target for the foreseeable future, but we will consider raising the consolidated payout ratio, while keeping the steady progress of GC2015 as our first priority.

Dividend Amount per Share



Marubeni—The Infrastructure for Realizing Dreams

I am constantly encouraging our employees to act with an entrepreneurial spirit, utilizing Marubeni's infrastructure to its full extent to realize their dreams. Marubeni is rich in monetary and information resources, and has developed corporate functions and know-how that are ideal for supporting businesses. We also have a robust network of connections. I think these tangible and intangible assets can serve as infrastructure for employees to use as they boldly pursue their dreams.

As a leader at Marubeni, I want our employees to have big dreams and never falter in my belief that Marubeni must be the type of company that inspires its employees to dream, and enables them to realize these dreams.

As is described by the "Marubeni Spirit" defined in GC2015, I want all Group employees to establish a robust corporate image that will help us to build solid relationships of trust with all manner of stakeholders.

Once again, the world continues to face countless issues, such as those related to energy, resources, and food supplies. Several of these issues can be resolved by general trading companies, and it is our responsibility to do so.

Furthermore, there are still vast unexplored frontiers for the Marubeni Group to pioneer, including regions such as Asia and Sub-Saharan Africa. Our business will spread seeds of prosperity in these regions, forever changing them for the better, while also driving social and economic development in Japan, and we are advancing our business with a strong sense of commitment in recognition of this. As we progress into the future, the Marubeni Group will never cease advancing on its quest to always be a good corporate citizen and a company deemed trustworthy by its stakeholders.

Marubeni

Marubeni Spirit

Possess the willpower to shape the future.

Relish great challenge.

Value a full, free and vigorous debate.

Fight through hardships.

Maintain a formidable sense of fairness.

The Marubeni Spirit summarizes the corporate culture and values of the Marubeni Group and informs the attitudes and actions of its employees.

Members of the Board and Corporate Auditors

Members of the Board

Chairman of the Board

Teruo Asada ①

1972 Joined Marubeni Corporation
2002 Corporate Vice President
2004 Corporate Senior Vice President
2005 Corporate Senior Vice President, Member of the Board
2006 Corporate Executive Vice President
2008 President and CEO
2013 Chairman of the Board

President and CEO

Fumiya Kokubu ②

1975 Joined Marubeni Corporation
2005 Corporate Vice President
2008 Managing Executive Officer, Member of the Board
2010 Senior Managing Executive Officer
2012 Senior Executive Vice President
2013 President and CEO

Senior Executive Vice Presidents

Michihiko Ota ③

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

Mitsuru Akiyoshi ④

1978 Joined Marubeni Corporation
2007 Corporate Vice President
2009 Managing Executive Officer
2010 Managing Executive Officer, Member of the Board
2012 Senior Managing Executive Officer
2014 Senior Executive Vice President

Senior Managing Executive Officer

Shigeru Yamazoe ⑤

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

Managing Executive Officers

Shinji Kawai ⑥

1976 Joined Marubeni Corporation
2006 Corporate Vice President
2009 Managing Executive Officer, Member of the Board

Akira Terakawa ⑨

1981 Joined Marubeni Corporation
2010 Executive Officer
2013 Managing Executive Officer
2014 Managing Executive Officer, Member of the Board

Kazuaki Tanaka ⑦

1980 Joined Marubeni Corporation
2008 Executive Officer
2011 Managing Executive Officer
2013 Managing Executive Officer, Member of the Board

Ichiro Takahara ⑩

2010 Director-General, Small and Medium Enterprise Agency, the Ministry of Economy, Trade and Industry, METI
2011 Director-General, Agency for Natural Resources and Energy, METI (Retired in June 2013)
2013 Appointed Corporate Advisor of Marubeni
2014 Managing Executive Officer, Member of the Board

Yukihiko Matsumura ⑧

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

(From left) Yoshizumi Nezu, Masahiro Enoki, Yukiko Kuroda, Takao Kitabata, Takafumi Sakishima, Takashi Suetsuna, Kyohei Takahashi

Outside Directors

Takao Kitabata (Independent Officer)

2002 Deputy Vice-Minister, the Ministry of Economy, Trade and Industry
2004 Director-General, Economic and Industrial Policy Bureau
2006 Vice-Minister of Economy, Trade and Industry (Retired in 2008)
2010 Appointed Outside Corporate Auditor of Marubeni
2013 Appointed Outside Director of Marubeni, Member of the Board

Yukiko Kuroda (Independent Officer)

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

Corporate Auditors

Corporate Auditors

Takafumi Sakishima

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

Masahiro Enoki

1977 Joined Marubeni Corporation
2007 Executive Officer
2010 Managing Executive Officer
2013 Corporate Auditor

Outside Corporate Auditors

Takashi Suetsuna (Independent Officer)

2004 Deputy Superintendent General, Tokyo Metropolitan Police Department
2005 Chief Chamberlain of the Board of the Crown Prince's Household, Imperial Household Agency
2009 Ambassador Extraordinary and Plenipotentiary of Japan to the Grand Duchy of Luxembourg (Retired in 2012)
2013 Appointed Outside Corporate Auditor of Marubeni

Yoshizumi Nezu (Independent Officer)

1991 Director, Managing Executive Officer, Tobu Railway Co., Ltd.
1993 Director, Senior Managing Executive Officer
1995 Director, Vice President
1999 President, Representative Director
2013 Appointed Outside Corporate Auditor of Marubeni

Kyohei Takahashi (Independent Officer)

2002 Managing Director, Showa Denko K.K.
2004 Senior Managing Director
2005 President
2007 President and Chief Executive Officer (CEO)
2011 Chairman of the Board
2014 Appointed Outside Corporate Auditor of Marubeni

Special Feature:

Value Creator

Initiatives that Create Value for Both Society and Marubeni

Creating Shared Value

Changing Environmental Conditions and Marubeni's Initiatives

In the world of today, the natural environment is being rapidly impacted by climate change as well as a wide variety of other factors. Economic development, for example, brings with it prosperity and convenience, but at the same time can destroy the environment and deplete natural resources. The development of a country's economy can also lead to social issues, such as increased economic and social disparity as well as human rights and labor issues. Climate change, meanwhile, is a phenomenon that can have devastating effects on our business operations through the resulting rises in temperatures and sea levels, ecosystem destruction, and torrential rain and other extreme weather patterns.

Marubeni realizes that the solutions of social and environmental issues also represent business opportunities that society is anxiously waiting for a general trading company to take advantage of. However, in order to continue growing, Marubeni must coexist with society and the environment while also advancing business activities to generate profit. To this end, the Marubeni Group is currently orientating its business activities toward resolving pressing global issues related to energy, social infrastructure, and other matters.

Social and Environmental Issues

- Population growth
- Climate change
- Uneven food distribution
- Social infrastructure development
- Environmental (ecosystem) preservation
- Effective use of resources (metals, energy, water, etc.)

Marubeni's Responses

Growing food demand

- Stable supply of grains and livestock feed

Increased need for natural resources due to population growth and economic development

- Safe production systems for copper mines (Chile)
- Metal resource recycling (Japan)

Environmental preservation and energy saving

- Co-generation systems for industrial plants
- Biomass co-generation systems (Singapore)
- Gas combined cycle and ultra-supercritical pressure coal-fired power plants for emerging countries
- Demand response (Japan)

New business models

- Power consolidation and retailing (U.K., Japan)
- Submarine transmission line project (U.S.)

Renewable energy

- Micro-hydro power (Mibugawa Power Plant)
- Solar power (Japan)
- Geothermal power (Philippines, Costa Rica, Japan)
- Offshore wind farms (U.K., verification testing in Fukushima)
- Promotion of offshore wind power usage

Infrastructure for emerging countries

- Water and sewage treatment facilities (China, Chile, Bangladesh)
- Construction, maintenance, and operation of desalination plants, pumping stations, and pipelines
- Coal mine groundwater purification facilities (Ukraine)
- Industrial complexes equipped with electricity and water infrastructure (Myanmar, Indonesia, Philippines)
- Participation in Maynilad Water Services, Inc., of the Philippines

Transportation infrastructure

- Construction, maintenance, and operation of transportation infrastructure (railway projects in Thailand and Australia)

Employment opportunities

- Rehabilitation projects in Angola (development of sugar plants and textile factories)

Regional support

- Micro funds (micro financing for people of the Philippines through San Roque Hydropower Plant)

Resolving Issues through Our Business

Growing Energy Demand

Liquefied natural gas (LNG) is seen as a source of stable energy and is therefore rising in importance in global energy strategies. It can be found in massive quantities in reserves that are located in a wide range of regions across the globe. Marubeni began developing its LNG operations in 1985, and these operations now connect producing countries with consuming countries through a network that consists of 21 bases in 15 countries. Marubeni's LNG business contributes to the resolution of a number of issues faced by the global society. It does this by creating employment opportunities in producing countries and transmitting technologies to these countries while also training their people. For consuming regions, this business contributes through a long-term, stable supply of energy. Moreover, the LNG business helps fuel industrial and economic development while also preserving the environment.

Refer to page 28

Rising Infrastructure Demand

Electricity consumption is growing on a global scale as populations expand, living standards improve, electric appliance demand rises, and computers and telecommunications equipment become more widespread. This trend will likely continue into the future. At the same time, there is a need to address the issue of water resources, including regional accessibility and the risks that arise from population growth and climate change. Marubeni is tackling these challenges by directly investing in power and water projects in various countries to help provide stable supplies of power and water. Furthermore, after investment is commenced, Marubeni remains a strong presence in the surrounding communities by operating these facilities for periods of 20 to 30 years, thereby contributing to the development of local industries and communities while spurring its own ongoing growth.

Refer to page 34

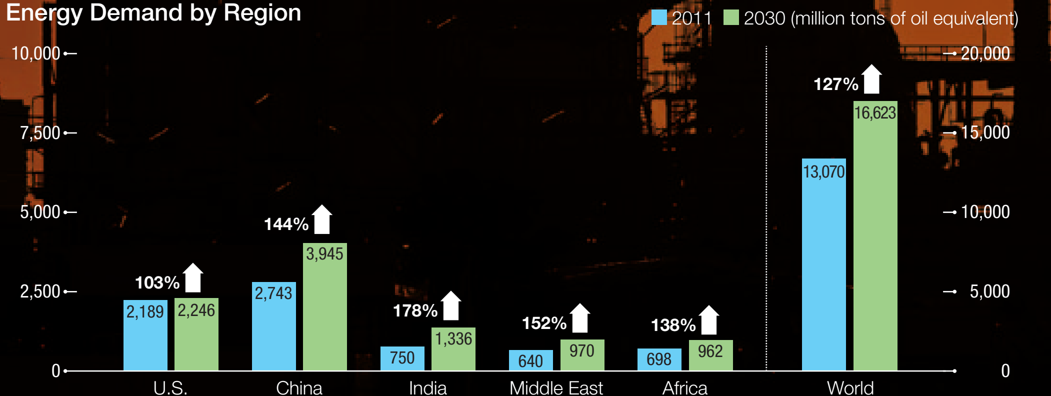
Energy—LNG Business

Energy

Global Energy Trends

Global energy consumption is expected to grow in the coming years, and the demand level forecast for 2030 is 1.27 times of what the level was in 2011. Economic growth is expected to continue in China, India, and other emerging countries, particularly those in Asia, and such growth will drive a further rise in demand for oil, coal, natural gas, and other fossil fuels. Similarly, Japan saw a sharp rise in LNG imports following the halt of operations of nuclear power stations after the 2011 Great East Japan Earthquake, thereby increasing the country's reliance on thermal power generation.

Energy Demand by Region



Source: *World Energy Outlook 2013* (International Energy Agency)

Marubeni's Challenge

One of Marubeni's top goals is to help solve global energy issues. The Company began its energy business in the 1950s with its crude oil and petroleum products business, and in 1985 became the first Japanese company to participate in an LNG project in Qatar. Today, in addition to Qatar we are also participating in LNG projects in Equatorial Guinea, Peru, and Papua New Guinea, and are playing an important role in securing a stable and long-term supply of energy resources for consuming countries. Meanwhile, Marubeni is engaged in the trading and marketing of LNG. The Company is importing LNG to Japan and undertaking offshore trading by utilizing its trade infrastructure, such as LNG vessels, through business offices all over the world.

Looking ahead, Marubeni is committed to responding flexibly to the needs of both suppliers and consumers, such as in Japan and other parts of Asia, to contribute to the energy security and economic growth of all related countries. In Japan, we are coping with changes in the energy supply–demand balance following the 2011 Great East Japan Earthquake, and are working on securing a stable supply of LNG.

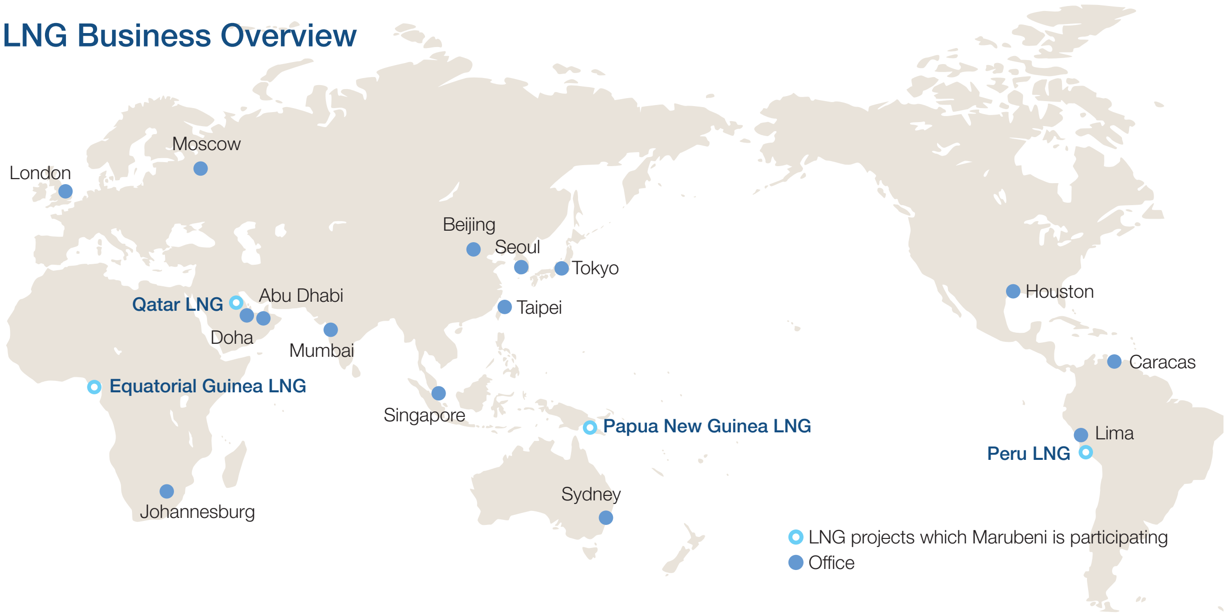
In LNG businesses, Marubeni is engaged in the development and production of LNG projects in Qatar and other regions, and is working to participate in new natural gas projects. Marubeni also promotes the trading and marketing of LNG by utilizing its trade infrastructure, such as LNG vessels, through business offices all over the world.

Center: Toshiaki Hato, General Manager, Natural Gas Dept.-I, Energy Div.-I
Left: Masahiro Kotani, General Manager-Natural Gas/LNG, Marubeni International Petroleum (Singapore) Pte. Ltd.
Right: Koji Onoe, General Manager, Natural Gas Business Sec.-I, Natural Gas Dept.- I, Energy Div.- I

Marubeni's Strengths

The strength of Marubeni's energy businesses can be found in its global operations that are centered on the LNG project in Qatar, the world's leading producer of LNG with an annual production volume of 77 million tons, roughly one-third of global LNG production. After participating in Qatar's first LNG project, we have been working to develop an LNG value chain that encompasses development, production, financing, transportation, and marketing. Through the experience, expertise, technologies, networks, and, of course, gaining reliability by the project partners and customers through the project, we are currently participating in various LNG projects around the world. At the same time, Marubeni has strength in its supply capability by utilizing its trading functions such as logistics and marketing.

LNG Business Overview



LNG—Liquefied Natural Gas

Liquefied natural gas (LNG) is produced by cooling natural gas, predominantly methane, to -162°C. After liquefied, it takes about 1/600th of the volume of its gaseous state, enabling a large volume of gas to be stored and shipped efficiently. Liquefaction of LNG is generally done in gas producing countries, such as Qatar, Australia, and Malaysia. LNG is then transported to consumers like Japan and Korea using specialized carriers. When the LNG has reached its location, it is then regasified, reverting it to its gaseous state. Primarily used for generation purposes and supplied in the form of city gas, LNG provides highly efficient energy, and relatively low CO_2 emissions when burned, meaning that LNG is also a form of clean energy.

LNG Value Chain

Upstream

Production & Liquefaction

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

Midstream

Transportation & LNG Carriers

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

Storage

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

Downstream

Supply to the Market and Consumers

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

Creating Value for Marubeni and Society

Energy demand is expected to grow in conjunction with economic development in emerging countries, and countries worldwide are therefore strategically diversifying their energy supply sources. Also, considering the environmental benefits of LNG, it is almost guaranteed that global gas demand will continue to grow in the coming years. Currently, Marubeni's LNG-related businesses boast a network of 21 bases in 15 countries, including producing countries such as Qatar and Peru as well as consuming countries such as Japan and China. In addition to pursuing ongoing growth in its own businesses, Marubeni believes its LNG businesses can also help resolve social issues faced around the world. In producing countries, our LNG businesses create employment opportunities, help transmit technologies, and foster more capable workers. Meanwhile, in consuming countries we are contributing to the long-term, stable supply of energy while at the same time advancing industrial and economic development and also preserving the environment.

Marubeni's Strategy

LNG demand is expected to grow in the coming years. However, this hike in demand will not only be seen in consuming countries such as China and India, where LNG demand is fostered by population growth and economic development. We also anticipate LNG demand to be seen in traditional oil-producing countries and gas-producing countries, which will require the introduction of LNG in order to meet their robust domestic energy demand growth. At the same time, the number of LNG consumers is constantly increasing, as represented by the shift to power generation that relies more heavily on natural gas-fired power, such as in Brazil, Argentina, and Chile.

In order to meet increasing demand, Marubeni is working to participate in new LNG projects in Russia, North America, and East Africa, in addition to existing projects in Qatar, Equatorial Guinea, Peru, and Papua New Guinea.

At the same time, Marubeni is engaged in expanding its trading functions, such as logistics and marketing, by utilizing intelligence from business offices all over the world. We regard our mission as contributing to the economic development of consuming countries through the expansion of our trading businesses.

Furthermore, we aim to add a new element of value to our LNG businesses by bundling all functions needed for LNG operations. In this endeavor, we will leverage the Transportation Machinery Division's fleet of 14 LNG carriers. We will also utilize the Plant Division's floating storage and regasification units (FSRUs). These floating facilities are positioned offshore of consuming regions, where they receive shipments of LNG transported by carriers from producing regions, conduct regasification on-the-spot, and then pipe the resulting natural gas to the consumer. We also aim to supply LNG to the Chemicals Division, Power Projects & Infrastructure Division, and other divisions so that we will create collective capabilities which can only be realized by a general trading company and that will contribute to Marubeni's sustainable growth.

Infrastructure—Power Generation and Water Businesses

Infrastructure

Power Generation and Water Businesses

Rising populations and improved living standards are driving a steady increase in the demand for electricity throughout the world, subsequently resulting in a rising need for stable power supplies. Water resources, meanwhile, face certain problems, as populations are not always located in areas with easy access to water resources. This situation is further compounded by population growth and climate change, often meaning that people in emerging countries are unable to secure stable supplies of safe drinking water. These factors also create issues for resource-rich countries as water shortages have been known to impede the progress of development projects.

Marubeni's Challenge

Moving quickly to respond to these trends, Marubeni began participating in overseas engineering, procurement, and construction (EPC) projects for generation facilities and transmission lines in the electricity field during the 1960s. In the 1990s, Marubeni utilized its experience in overseas EPC projects to move into the field of overseas independent power producer (IPP) projects. In the early 2000s, the Company started its full-fledged advance into the independent (water) power producer (I(W)PP) sector of the Middle East. In the years that followed, IPP projects grew increasingly more diverse, and Marubeni continued to undertake new business models and develop new technologies to keep pace with the evolution of this field. This led the Company to participate in the electricity wholesale business in the United Kingdom as well as in renewable energy projects worldwide, domestic power producer and supplier (PPS) projects, which involve power companies of a specified scale, and power transmission businesses. Marubeni's operations in the water field can be traced back to the 1990s with its participation in build, operate, and transfer (BOT) projects—projects that are transferred to government control after being started up and operated for a specified period. In the 2000s, the Company began taking part in concessions—projects that entail entrusting all aspects of business operation, including assets and revenue rights, to private operators—in Latin America, China, the Middle East, Australia, and Southeast Asia. Going forward, Marubeni's goal is to be a major player in the global water market, similar to its position in the electricity market. Through its power generation and water businesses, Marubeni aims to become a major global player in the public utility field. For this position, the Company will expand the scope of its business and develop its operations to achieve ongoing growth while also contributing to the social and economic development of the countries and regions in which it operates.

The Power Projects & Infrastructure Division aims to conduct business activities that contribute to economic growth in various countries and regions and to society as a whole. It does this by acting as a global player in the power and water segments of public infrastructure and by providing stable and safe supplies of electricity and water. The division continues to build upon its stable earnings base backed by a diverse portfolio and over 50 years of industry experience, while also taking on challenges in new business domains.

Center: Hirohisa Miyata, Executive Officer, COO, Power Projects & Infrastructure Div.
Right: Yoshiaki Yokota, General Manager, Overseas Power Project Dept.-IV, Power Projects & Infrastructure Div.
Left: Kyoji Terayama, Environment Infrastructure Team-II, Environment Infrastructure Dept., Power Projects & Infrastructure Div.

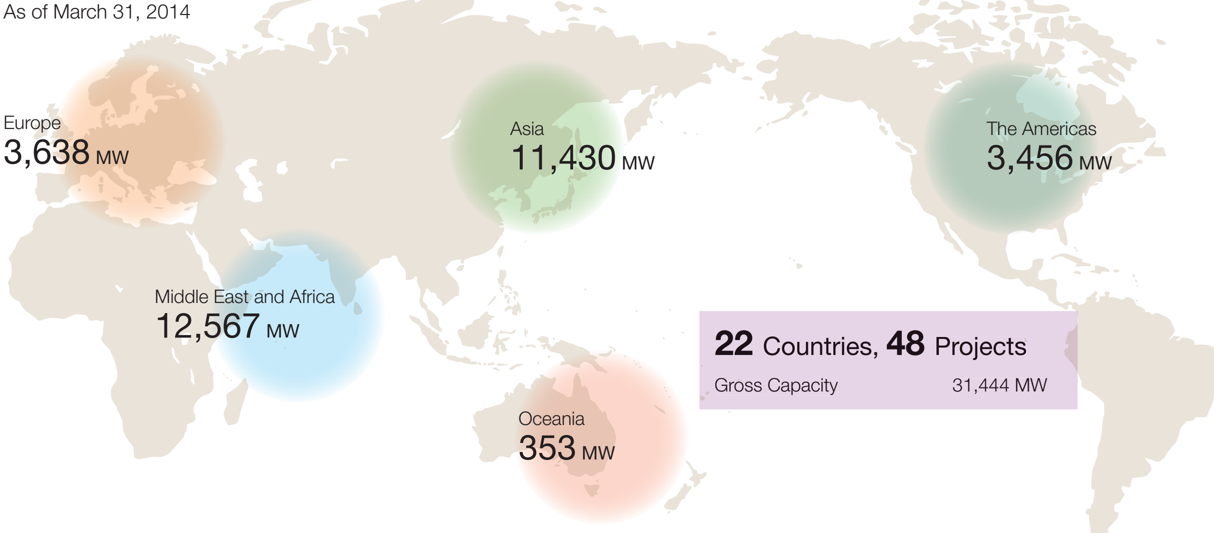
Marubeni's Strengths

In the power generation field, Marubeni's strength lies in the diverse portfolio of IPP projects it has undertaken, which encompasses 48 projects in 22 countries overseas. With this substantial portfolio, Marubeni has grown to become one of Japan's largest power producers, with 10,436 MW net generating capacity worldwide (as of March 31, 2014). Furthermore, as an EPC contractor, it boasts a robust track record backed by a history of more than 50 years in this business. While building this track record, Marubeni has honed its ability to pull complicated projects together for successful execution as well as its expertise in arranging financing. The Company's cost competitiveness has also improved. These strengths have enabled Marubeni to achieve an industry-leading position in the area of power plants.

In the water field, Marubeni currently supplies water to approximately eight million people around the world. It meets their needs by investing in companies that possess desalination and sewage treatment technologies. Marubeni's rich business experience and its supply scale have led it to participate in a wide range of water businesses, including water and sewage projects, desalination projects, and even fully integrated water businesses. By developing this multifaceted portfolio, we are effectively responding to growing water demand.

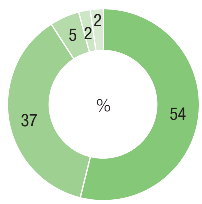
Marubeni's Overseas Power Generation Businesses

As of March 31, 2014



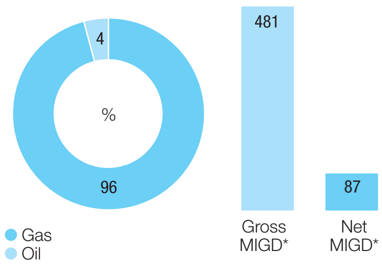
Power Generation Capacity in Japan and Overseas (Net) (As of March 31, 2014)

Asia
Generation capacity: 3,691 MW



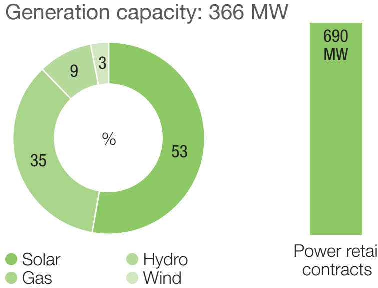
Gas · Coal · Hydro · Geothermal · Others

Middle East and Africa
Generation capacity: 3,391 MW



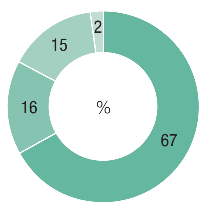
Gas · Oil

Japan
Generation capacity: 366 MW



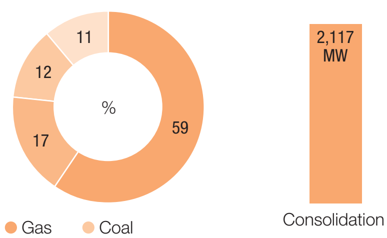
Solar · Gas · Hydro · Wind

The Americas
Generation capacity: 1,557 MW



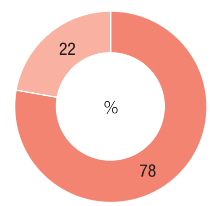
Gas · Oil/Hydro/Wind · Wind · Geothermal

Europe
Generation capacity: 1,187 MW



Gas · Wind · Coal · Wind/Hydro/Solar

Oceania
Generation capacity: 244 MW

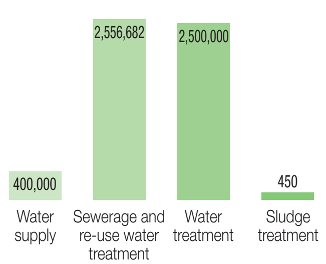


Gas · Wind

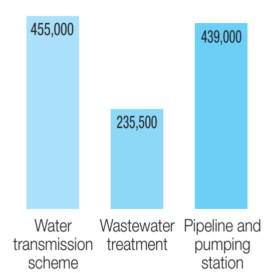
*MIGD: Million Imperial Gallons per Day

Water Business

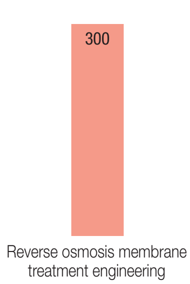
Asia
(m³/day)



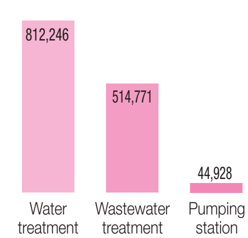
Middle East and Africa
(m³/day)



Oceania
(Number supplied)



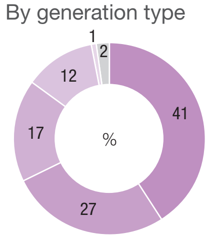
South America
(m³/day)



EPC Contract Records

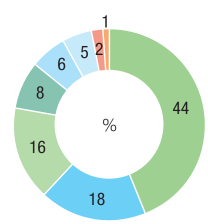
Total 98,436 MW

By generation type



- Conventional Steam Turbine
- Hydropower Turbine
- Combined Cycle
- Simple Cycle Gas Turbine
- Co-Generation
- Renewable (Geo & Wind), Others

By region



- East/ South East Asia
- Latin America
- Southwest Asia
- North America
- Middle East
- Africa
- Oceania
- Europe, Russia

Creating Value for Marubeni and Society

We believe that the most important aspect of our power and water businesses is to provide a supply of power and water that is safe and stable. To accomplish this goal, we invest directly in power and water projects in countries worldwide, and continue to operate these facilities for periods of 20 to 30 years after they are constructed. This approach allows us to provide a stable supply of power and water while also laying roots in the regions, thereby enabling us to coexist with the surrounding communities, contributing to industrial and social development while continuing to grow. One example of our contributions can be seen in the San Roque Hydropower Plant located in the Philippines. A portion of the revenues generated by this facility is allocated to a social contribution fund, which uses these revenues to support schools, foster industries, and develop agricultural land. This project has thus proven to be a win for both the community and our business. In Chile, meanwhile, more than 1,000 employees from our water and sewage operations are contributing to local communities. One initiative advanced in this area is the provision of job training for local residents within our operating area. Moreover, a convoy of water supply trucks was dispatched immediately after an earthquake in April 2014, effectively shortening the amount of time the community had to go without water. Through these committed efforts, Marubeni is creating new value.

Marubeni's Strategy

In our power business, Marubeni is expanding the scale of operations to become a truly global power supplier. Aiming to solidify the foundation for generating stable revenues over the long term, we are developing this business through a multifaceted approach that includes improving the operation and management of existing assets and boosting power generation efficiency. Furthermore, we will address the deregulation of the electricity market by undertaking power generation projects, providing maintenance and inspection services for power plants, and procuring fuel for power production. Our regional strategies place Asia and the Middle East at the center of operations, but also call for the diversification of power generation assets through such means as participation in renewable energy projects in Japan, Europe, and the United States. In the water business, we have continued to accumulate experience in such countries as Qatar, Chile, and the Philippines. We are taking advantage of this experience and the Marubeni Group's technologies to fuel an aggressive advance into markets in Southeast Asia, South America, and Europe. Marubeni will also expand operations in the Middle East, which is one of the world's primary regions for desalination projects. Marubeni aims to instill the know-how from this business throughout the Group. For example, we have developed sewage treatment operations in Chile for approximately 15 years, starting in the 1990s. Over this period, we have continued to raise the percentage of sewage treated in our operating area to nearly 100%. Conversely, the percentage of sewage treated in the area we service in the Philippines is only about 10%. Leveraging the knowledge gained in Chile, we hope to reach 100% by the late 2030s. In both the power and water businesses, close communication with partner countries is crucial. As Marubeni develops its business and solidifies its earnings bases going forward, we will continue to promote harmony and cooperation with the communities in which we operate, and will call upon the lessons of the past in doing so.

Marubeni at a Glance 2014

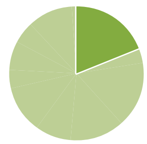
From the year ended March 31, 2014, the Company is preparing its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). For details, please refer to page 95.

Performance in the Year Ended March 31, 2014

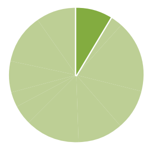
Food Group

Food Materials Division

Food Products Division



Segment assets
18.99%



Profit (loss) for the year attributable to owners of the parent
8.69%

Gross trading profit
¥147.6 billion

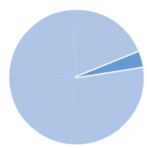
Share of profits (losses) of associates and joint ventures
¥2.8 billion

Profit (loss) for the year attributable to owners of the parent
¥18.3 billion

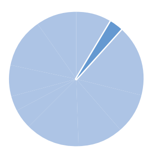
Segment assets
¥1,377.5 billion

Energy & Chemicals Group

Chemicals Division



Segment assets
3.61%



Profit (loss) for the year attributable to owners of the parent
3.04%

Gross trading profit
¥28.4 billion

Share of profits (losses) of associates and joint ventures
¥1.6 billion

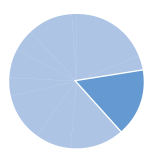
Profit (loss) for the year attributable to owners of the parent
¥6.4 billion

Segment assets
¥261.7 billion

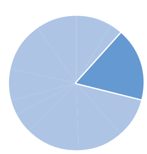
Energy & Chemicals Group

Energy Division-I

Energy Division-II



Segment assets
15.97%



Profit (loss) for the year attributable to owners of the parent
17.29%

Gross trading profit
¥49.8 billion

Share of profits (losses) of associates and joint ventures
¥3.0 billion

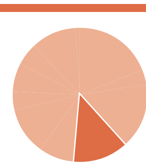
Profit (loss) for the year attributable to owners of the parent
¥36.5 billion

Segment assets
¥1,158.6 billion

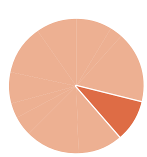
Metals & Mineral Resources Group

Metals & Mineral Resources Division-I

Metals & Mineral Resources Division-II



Segment assets
12.86%



Profit (loss) for the year attributable to owners of the parent
9.63%

Gross trading profit
¥15.6 billion

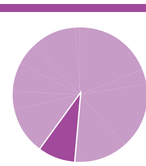
Share of profits (losses) of associates and joint ventures
¥21.1 billion

Profit (loss) for the year attributable to owners of the parent
¥20.3 billion

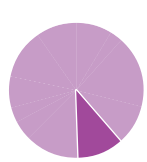
Segment assets
¥933.1 billion

Machinery Group

Transportation Machinery Division



Segment assets
8.66%



Profit (loss) for the year attributable to owners of the parent
11.05%

Gross trading profit
¥66.1 billion

Share of profits (losses) of associates and joint ventures
¥17.9 billion

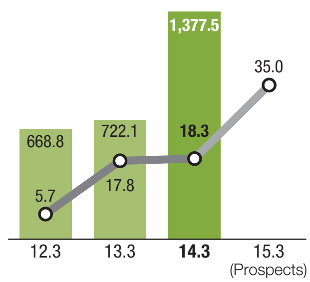
Profit (loss) for the year attributable to owners of the parent
¥23.3 billion

Segment assets
¥628.4 billion

Business Performance Trends

■ Segment assets (¥ billions)
▬ Profit (loss) for the year attributable to owners of the parent (¥ billions)

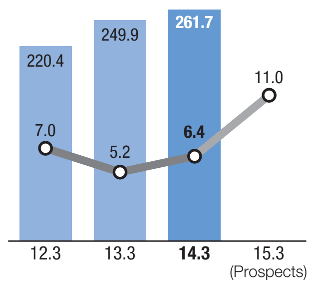
Main Products and Areas | **Relevant Pages**



- Grains and oilseeds (wheat, soybeans, rapeseed, and corn)
- Compound feed
- Fresh and processed meat (beef, pork, and chicken)
- Agricultural products (rice, vegetables, and fruits)
- Consumer-use food products and commercial-use food materials
- Domestic (Japan) distribution business
- Raw ingredients for food, such as flour, sugar, and oils and fats
- Raw materials for beverages such as coffee, tea, and fruit juice
- Marine products and processed seafood

Refer to **page 44–47** Business Divisions

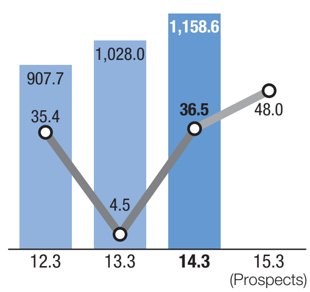
Refer to **page 192** Major Subsidiaries and Associates



- Petrochemicals
- Agricultural chemicals
- Inorganic materials
- Electronic materials
- Specialty chemicals

Refer to **page 48–49** Business Divisions

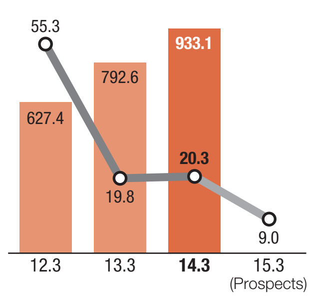
Refer to **page 192** Major Subsidiaries and Associates



- Development and production of LNG
- Oil and gas trading
- Oil and gas sales and distribution
- Alternative energy businesses (solar power, etc.)
- Exploration, development, and production of oil and gas resources
- Exploration, development, and production of uranium resources
- Uranium trading
- Sales of equipment for nuclear power plants and provision of related services

Refer to **page 50–53** Business Divisions

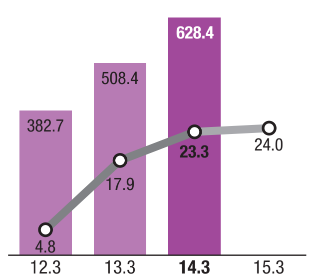
Refer to **page 193** Major Subsidiaries and Associates



- Iron ore mine development
- Coal mine development
- Copper mine development
- Aluminum smelting
- Steel products business
- Iron ore, ferroalloys, and ferrous scraps
- Coking coal and thermal coal
- Copper, aluminum, zinc, and other non-ferrous and light metal ingots
- Non-ferrous and light metal products

Refer to **page 54–57** Business Divisions

Refer to **page 193** Major Subsidiaries and Associates



- Aircraft and engine leasing
- Aerospace products and defense systems
- Sales and financing for automotive products
- Sales of production machinery and machine tools
- Sales of construction machinery and mining machinery
- Sales of agro machinery and parts
- Sales and purchase of newbuilding, second-hand ship, and chartering
- Ship-owning with time charter

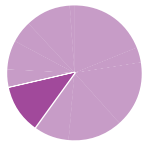
Refer to **page 58–59** Business Divisions

Refer to **page 194** Major Subsidiaries and Associates

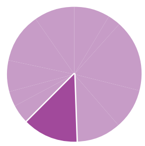
Performance in the Year Ended March 31, 2014

Machinery Group

Power Projects & Infrastructure Division



Segment assets
11.42%



Profit (loss) for the year attributable to owners of the parent
12.91%

Gross trading profit ¥26.6 billion

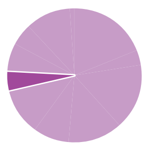
Share of profits (losses) of associates and joint ventures ¥45.7 billion

Profit (loss) for the year attributable to owners of the parent ¥27.2 billion

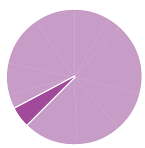
Segment assets ¥828.9 billion

Machinery Group

Plant Division



Segment assets
4.59%



Profit (loss) for the year attributable to owners of the parent
4.88%

Gross trading profit ¥35.4 billion

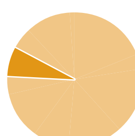
Share of profits (losses) of associates and joint ventures ¥3.2 billion

Profit (loss) for the year attributable to owners of the parent ¥10.3 billion

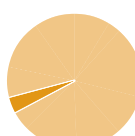
Segment assets ¥333.1 billion

Lifestyle, Forest Products, ICT & Realty Group

Lifestyle & Forest Products Division



Segment assets
6.76%



Profit (loss) for the year attributable to owners of the parent
3.41%

Gross trading profit ¥58.3 billion

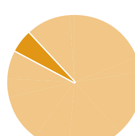
Share of profits (losses) of associates and joint ventures ¥1.6 billion

Profit (loss) for the year attributable to owners of the parent ¥7.2 billion

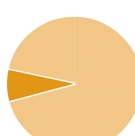
Segment assets ¥490.5 billion

Lifestyle, Forest Products, ICT & Realty Group

ICT, Finance & Insurance, Real Estate Business Division



Segment assets
5.27%



Profit (loss) for the year attributable to owners of the parent
7.47%

Gross trading profit ¥88.1 billion

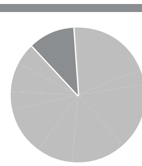
Share of profits (losses) of associates and joint ventures ¥1.7 billion

Profit (loss) for the year attributable to owners of the parent ¥15.7 billion

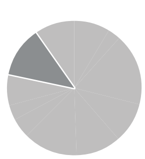
Segment assets ¥382.5 billion

Overseas

Overseas Corporate Subsidiaries and Branches



Segment assets
11.02%



Profit (loss) for the year attributable to owners of the parent
11.98%

Gross trading profit ¥150.5 billion

Share of profits (losses) of associates and joint ventures ¥0.9 billion

Profit (loss) for the year attributable to owners of the parent ¥25.3 billion

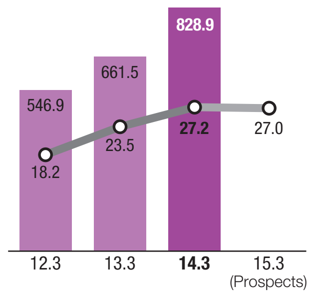
Segment assets ¥799.4 billion

The ratios of segment assets and profit (loss) for the year attributable to owners of the parent include amounts for corporate & elimination, etc. (segment assets: ¥61,745 million, profit (loss) for the year attributable to owners of the parent: ¥20,370 million).

Business Performance Trends

■ Segment assets (¥ billions)
▬ Profit (loss) for the year attributable to owners of the parent (¥ billions)

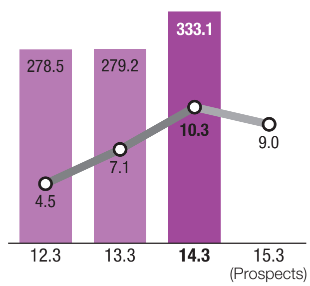
Main Products and Areas | **Relevant Pages**



- Overseas I(W)PP projects
- EPC for overseas power projects
- Operation and maintenance services
- Overseas power wholesales and retailing
- Domestic IPP business
- Domestic Power Producer & Supplier business
- EPC for overseas environmental infrastructure projects
- Overseas water businesses (drinking water, wastewater treatment, desalination, etc.)

Refer to **page 60–61** Business Divisions

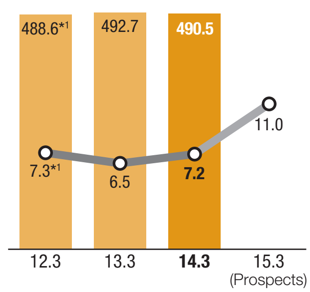
Refer to **page 194** Major Subsidiaries and Associates



- Energy and chemical plants
- Industrial plants for steel, non-ferrous metals, cement, textiles, sugar, and pulp & paper
- Transportation and infrastructure projects
- Environmental and industrial machinery fields

Refer to **page 62–63** Business Divisions

Refer to **page 194** Major Subsidiaries and Associates

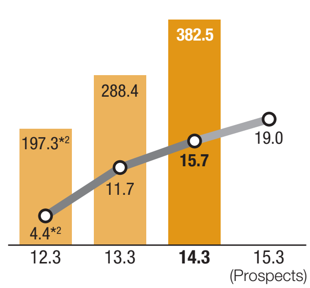


- Apparel and uniforms
- Footwear and household goods
- Raw materials for textiles and industrial materials
- Natural rubber and synthetic rubber, and rubber products
- Fitness and office equipment
- Wood chip, pulp, and used paper
- Paper and paperboard
- Building materials (plywood, cement, etc.)

Refer to **page 64–65** Business Divisions

Refer to **page 195** Major Subsidiaries and Associates

*1 Figures for 2012.3 are the total for the former Lifestyle Division and the former Forest Products Division.

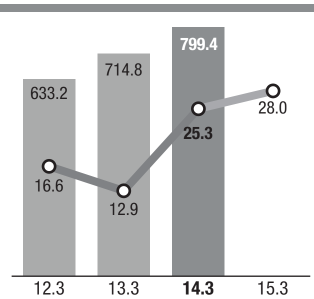


- Systems solutions
- Mobile handset sales agents
- Mobile solutions
- Third-party logistics and international logistics
- Insurance and reinsurance
- Fund, lease, and J-REIT management
- Condominium sales in Japan
- Overseas real estate development

Refer to **page 66–67** Business Divisions

Refer to **page 195** Major Subsidiaries and Associates

*2 Figures for 2012.3 are for the former Finance, Logistics & IT Business Division.



- This group is located around the world, including the Americas, Europe, and Asia, and is engaged in trading of various commodities and related businesses.

Refer to **page 68–71** Overseas Operation

Refer to **page 196** Major Subsidiaries and Associates

Food Materials Division

The Food Materials Division operates a global business in the fields of grain, livestock feed and livestock, and agricultural products, by connecting producing and consuming regions.

The division boasts the leading trade volume in grain among general trading companies. In this field, it has invested in grain collection, distribution, and exportation facilities in producing regions. In consuming regions, the division is developing livestock feed and livestock and grain processing businesses, to ensure that grain demand remains firm in these areas.

Satoshi Wakabayashi
Managing Executive Officer, COO, Food Materials Division

Business Highlights*

(Billions of yen)

	2013.3	2014.3
Gross trading profit	99.4	**147.6**
Share of profits (losses) of associates and joint ventures	1.1	**2.8**
Profit (loss) for the year attributable to owners of the parent	17.8	**18.3**
Segment assets	722.1	**1,377.5**

Performance of Major Subsidiaries and Associates*

(Billions of yen)

	2013.3	2014.3	Percentage of Voting Rights
Columbia Grain, Inc.	2.2	**4.0**	100.00%
Marubeni Nisshin Feed Co., Ltd.	0.8	**0.3**	60.00%
Pacific Grain Terminal Co., Ltd.	0.9	**0.9**	78.40%
WELLFAM FOODS CORPORATION (former Marubeni Chikusan Corporation)	0.1	**0.7**	100.00%

* Figures are in accordance with IFRS.
* Figures are for total of Food Materials Division and Food Products Division.

Division Organization

- Food Administration Dept.
- Grain Dept.-I
- Grain Dept.-II
- Gavilon Dept.
- Food Integration Business Dept.
- Meat Dept.
- Agricultural Products Dept.

1 Gavilon Holdings, LLC, a company whose operations include collection, storage, and export of grains (U.S.)

2 Terlogs Terminal Maritimo Ltda., a harbor terminal operator responsible for grain exports (Brazil)

Operating Environment and Business Strengths

The growing populations and rising income levels in China and emerging countries in the ASEAN region, the Middle East, and Africa, are driving growth in demand for grain and meat in these countries. This trend is also placing increased importance on grain producing regions, such as North America, South America, and Australia. The Food Materials Division's grain business works to fill in the supply and demand gaps between producing and consuming regions. The strength of this business lies in its ability to respond to the diverse range of grain demand seen around the world with an equally diverse range of grain supplies.

The acquisition of U.S. company Gavilon Holdings, LLC, which was completed in July 2013, effectively expanded the division's North American grain procurement network. Moreover, efficient export at grain terminals owned by subsidiary Terlogs Terminal Maritimo Ltda. in Brazil helps the division realize a stable supply of grains. Going forward, the division will work to establish connections with new consuming regions while stepping up its initiatives in producing regions.

Results for the Year Ended March 31, 2014

For the year ended March 31, 2014, the Food Materials Division and the Food Products Division recorded combined gross trading profit of ¥147.6 billion and profit for the year attributable to owners of the parent of ¥18.3 billion.

Gavilon Holdings, which was acquired in July 2013, possesses a network of approximately 140 grain collection bases throughout the United States. The Company is integrating this company's grain collection and sales networks into its own networks to further expand earnings.

At the same time, the division invested in the integrated feed and poultry business of New Hope Liuhe Co., Ltd., of China, a consuming region. Through this investment, the division will work to increase sales of processed foods in China, while also expanding exports to Japan.

Initiatives to Advance GC2015

By fully leveraging Gavilon Holding's ability to procure grains within the United States, the Food Materials Division will accelerate this company's growth within this market and incorporate its strength into the Group's own sales capabilities. In Brazil, a leading grain producer after North America, the division will reinforce its harbor facilities to further solidify its grain collection systems. At the same time, the division is proceeding with the development of systems that incorporate other producers, such as Australia and Russia, to respond to the diversification of global demand.

Moreover, the division sells grain in Japan, which has a long standing as the foremost consumer of grains, through its integrated feed and livestock business, which has a strong track record in the domestic market. This comprehensive business includes procurement of grains from producing regions, operation of grain import silos, manufacturing of compound feed, and raising and sale of livestock. These operations will be further strengthened going forward.

Key Projects for the Division

1 U.S. Grain Dealer Gavilon Holdings

The acquisition of Gavilon Holdings not only strengthened the division's already strong wheat collection systems, it also enabled us to establish corn and soybean collection systems in the United States—the world's largest grain exporter. We now process the full range of assets necessary to collect, store, and export principal grain products. With this newly formed foundation, we will work to maximize the growth of our operations in the U.S. market, and generate earnings in a more efficient and stable manner.

2 Grain Export Terminal Operator Terlogs Terminal Maritimo

Subsidiary Terlogs Terminal Maritimo is a Brazilian harbor terminal operator that plays an important role in exporting soybeans, corn, and other grains out of this country. Due to a tireless focus on efficiency in export operations, the amount of grain moved through this company's terminals in the year ended March 31, 2014, was more than twice normal levels, and Terlogs' Sao Francisco do Sul port, located in Southern Brazil, has become the country's most efficient port. Through this efficient terminal operation, Terlogs is making strong contributions to the division's ability to provide a stable supply of grain while also increasing the cost competitiveness of its grain sales operations.

Food Products Division

The Food Products Division has trade and business operations related to food product distribution and to beverages, marine products, and raw ingredients for food.

The division has developed a network consisting of prominent production sites around the world, through which it sells raw ingredients to food product manufacturers, sells finished food products through affiliated midstream distributors, and forms capital and business alliances with retailers. Through these efforts, the division is strengthening operations across the value chain. Overseas as well, the division is developing food product manufacturing and marine product sales operations to respond to internal demand in overseas markets.

Koji Yamazaki
Executive Officer, COO, Food Products Division

Business Highlights*

(Billions of yen)

	2013.3	2014.3
Gross trading profit	99.4	**147.6**
Share of profits (losses) of associates and joint ventures	1.1	**2.8**
Profit (loss) for the year attributable to owners of the parent	17.8	**18.3**
Segment assets	722.1	**1,377.5**

Division Organization

- Food Administration Dept.
- Food Merchandising Dept.
- Food Products Materials Dept.
- Beverage Dept.
- Seafood Dept.
- West Japan Food Dept.

Performance of Major Subsidiaries and Associates*

(Billions of yen)

	2013.3	2014.3	Percentage of Voting Rights
Yamaboshiya Co., Ltd.	1.4	**1.0**	95.62%

* Figures are in accordance with IFRS.
* Figures are for total of Food Materials Division and Food Products Division.

1 Alaskan marine product processing plant (U.S.)

2 Sotetsu Rosen Co., Ltd., a developer of supermarket chains centered on the Tokyo metropolitan area (Japan)

Operating Environment and Business Strengths

In Japan, Marubeni has invested in retailers with store networks in the Tokyo metropolitan area, a growing market. While advancing the growth strategies of these investees, we will also expand trade between these companies and Marubeni.

Overseas, taking advantage of internal demand in emerging markets will be an important business area in the future, and the division has established a number of companies to be used in capturing this demand. In Vietnam, we operate Acecook Co., Ltd., and instant noodle manufacturer Acecook Vietnam Joint Stock Company. In addition, we are considering expanding instant noodle operations into Myanmar, one of the markets to which we are turning attention. In China, Marubeni has established joint-venture food wholesaler Shanghai Baihong Trading Co., Ltd., together with Shanghai's largest food distributor, the Bailian Group. We are also advancing a joint snack food business with one of China's largest food product manufacturers, the Want Want Group.

Results for the Year Ended March 31, 2014

Since the market in Japan is maturing, the birthrate is declining, and the population is aging, the overall market is contracting. Overseas, however, emerging markets continue to expand in line with economic growth. In this environment, the Food Products Division continued to expand its trading and business operations, both in and outside of Japan.

Domestically, the division has concluded an agreement for a strategic partnership with Japan's largest food distributor, Aeon Co., Ltd. Under this agreement, the Marubeni Group is expanding transactions and collaborative initiatives with the Aeon Group.

Overseas, the Company acquired Eastern Fish Company, a major U.S. marine product seller. This acquisition allowed for the establishment of a sales network in the United States. In addition, Marubeni formed an agreement with Nisshin Foods Inc. to jointly participate in a pasta manufacturing business in Turkey.

Initiatives to Advance GC2015

In Japan, the Food Products Division is stepping up collaboration with prominent food manufacturers and distributors, and expanding trading operations. The division's efforts in the domestic market leverage the base formed by coordination with strategic partner the Aeon Group and investee retailers The Maruetsu, Inc., Tobu Store Co., Ltd., Sotetsu Rosen Co., Ltd., and The Daiei, Inc. From this base, the division is strengthening its consumer-inspired information transmission capabilities while also using the information on overseas production sites gained through Marubeni's international network to refine its ability to provide proposals to domestic food product manufacturers. In this manner, the division will expand transaction volumes of raw food ingredients and finished products.

Overseas, in emerging markets such as China and ASEAN nations, the division will form capital and business alliances with local food product manufacturers with the aim of addressing the growing internal demand in these markets. In the marine products business—an area of strength for the division—the sales channels of recently acquired Eastern Fish will be utilized to expand sales in the United States, a major consumer of marine products.

Key Projects for the Division

1 Acquisition of Eastern Fish

Consisting of North Pacific Seafoods, Inc., a processing and sales site for Alaskan marine products; Benirei Corporation, a marine product sales company in Japan; Dutch marine products wholesaler Welmar Europe B.V.; and recently acquired Eastern Fish of the United States, the Food Products Division is constructing an international marine product sales network. Through this network, we aim to realize the rapid expansion of marine product trading volumes across the globe. Going forward, the division will continue advancing initiatives at production sites to ensure it can continue to secure a stable supply of marine products.

2 Supermarket Operations Centered on the Tokyo Metropolitan Area

The division is dealing and collaborating with Group supermarkets such as The Maruetsu, Tobu Store, and Sotetsu Rosen, which are developing stores mainly in the Tokyo metropolitan area, as well as with its strategic partnership with the Aeon Group. Through such initiatives, the division is progressing with sales space-inspired product development efforts that incorporate consumer needs, while leveraging the Company's global procurement network to ensure a stable supply of raw food ingredients and finished products. By instilling these qualities into our food product business, we aim to further its future development.

Chemicals Division

The Chemicals Division's business is to conduct trading to supply the chemicals that serve as raw, basic materials for a wide variety of fields, including the petrochemical, agriculture and fertilizer, inorganic raw material, electronic material, and specialty chemical fields, while also undertaking businesses related to this trading. The division's strategy is to conduct trading and advance new business investment in these fields, leveraging the synergies to maximize earnings.

Kazunori Fujikawa

Executive Officer, COO, Chemicals Division

Business Highlights*

(Billion of yen)

	2013.3	2014.3
Gross trading profit	26.6	**28.4**
Share of profits (losses) of associates and joint ventures	1.8	**1.6**
Profit (loss) for the year attributable to owners of the parent	5.2	**6.4**
Segment assets	249.9	**261.7**

Performance of Major Subsidiaries and Associates*

(Billions of yen)

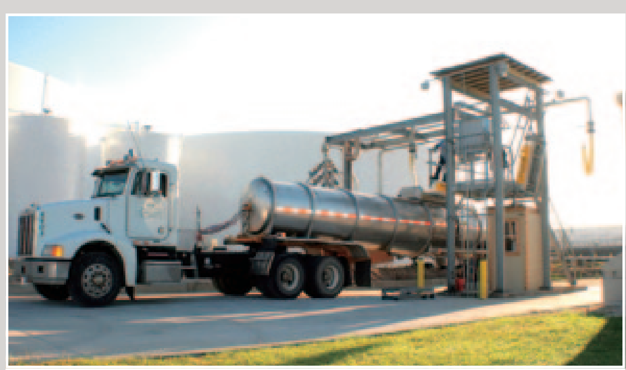
	2013.3	2014.3	Percentage of Voting Rights
Marubeni Plax Corporation	0.3	**0.4**	100.00%
Marubeni Chemix Corporation	0.5	**0.6**	100.00%
Agrovista B.V.	0.8	**0.9**	100.00%
Shen Hua Chemical Industrial Co., Ltd.	0.9	**0.5**	22.56%
TSRC-UBE (Nantong) Chemical Industrial Co., Ltd.	0.2	**0.0**	20.00%

* Figures are in accordance with IFRS.

Division Organization

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

1 Olefin tanker operation



2 Fertilizer storage terminal shipment facility (U.S.)

Operating Environment and Business Strengths

Chemicals play an indispensable role as the raw, basic materials used in a variety of industrial areas. Accordingly, this is a field in which we can expect stable, worldwide demand going forward, particularly in rapidly growing developing countries. One of the Chemicals Division's strengths lies in the provision of chemicals to this wide range of industries around the world, as this brings the division into regular contact with trends in these various industries. Moreover, the Chemicals Division has established a network of operating bases, customers, and business partners that spreads across the globe. Leveraging this network, the division is developing new business in its core areas of trading petrochemicals and raw materials for fertilizers, as well as in the distribution and retail of such agricultural products as fertilizers and agricultural chemicals, and in the production of inorganic raw materials, and in the marketing of electronic materials and specialty chemicals.

Results for the Year Ended March 31, 2014

For the year ended March 31, 2014, the Chemicals Division recorded gross trading profit of ¥28.4 billion and profit for the year attributable to owners of the parent of ¥6.4 billion. The impact of weak demand in China and a stagnating economy in Europe led to a drop in demand that caused earnings to fall, particularly for petrochemical products. Conversely, performance of agricultural material distribution and retail operations proved favorable amidst expanding grain markets in Europe and the United States. Coupled with the earnings contributions from Gavilon Holdings, LLC, of the United States, the acquisition of which was completed in July 2013, this resulted in improved profit from agricultural chemical operations. Electronic materials, meanwhile, benefited from the influences of the feed-in tariff scheme for solar power, which buoyed sales of related products.

Initiatives to Advance GC2015

Chemicals are linked to various business fields, and therefore have the potential to be used in almost any business. Of these various fields, Marubeni's Chemicals Division places emphasis on petrochemicals and agricultural fertilizers, and the division is actively trading and pursuing business investment in these two areas. In petrochemicals, it is progressively increasing transactions through the ongoing expansion of existing product lines and distribution networks while at the same time investing in petrochemical manufacturing ventures. As for agricultural fertilizers, the division has strengthened its fertilizer procurement and sales capabilities by acquiring Gavilon Holdings, effectively poising it to conduct further investment in the fertilizer raw material field and expand its agricultural material sales network outside of the United States and Europe, where a foothold has already been established. Meanwhile, the division will pursue expanded earnings by trading, investing in upstream resources, and developing downstream distribution businesses in areas outside of petrochemicals and agricultural fertilizers, principally in inorganic materials, electronic materials, and specialty chemicals.

Key Projects for the Division

1 Olefin Trading

The Chemicals Division operates a fleet of between 25 and 30 olefin tankers at all times, and continues to maintain a major share in the worldwide market, handling more than 2.5 million tons annually of ethylene, propylene, and other olefins. Moreover, its presence in Asia is dominating. By leveraging this strength and its global network—primarily centered on Asia, but also other regions in Europe and North America—while also providing logistics solutions capabilities to suppliers and users alike, the division will work to expand this business further.

2 Agricultural Material Operations

Advanced by operating companies Helena Chemical Company of the United States and Agrovista B.V. of Europe, the Chemicals Division's agricultural material retail operations are focused on agricultural chemicals and fertilizers. Performance has grown steadily over the years with the expansion of global grain markets. Furthermore, the scale of operations is expanding smoothly, especially after adding the fertilizer operations of Gavilon Holdings following the completion of its acquisition in July 2013. Going forward, the division will utilize its accumulated experience and expertise to expand this business into other new regions and reinforce sales networks.

Energy Division-I

Energy Division-I is securing energy resources through participation in and operation of LNG projects while also conducting trading, sales, and distribution of fuel oil for power generation, petroleum products, and LNG. Furthermore, the division is actively engaging in new businesses, such as its solar power business in Oita, which has one of the largest capacities in Japan. Going forward, the division will continue contributing to the realization of a stable and efficient supply of energy through its involvement in the aforementioned strategic fields.

Harumichi Tanabe
Executive Officer, COO, Energy Division-I

Business Highlights*

(Billions of yen)

	2013.3	2014.3
Gross trading profit	53.6	**49.8**
Share of profits (losses) of associates and joint ventures	(0.9)	**3.0**
Profit (loss) for the year attributable to owners of the parent	4.5	**36.5**
Segment assets	1,028.0	**1,158.6**

Performance of Major Subsidiaries and Associates*

(Billions of yen)

	2013.3	2014.3	Percentage of Voting Rights
MIECO Inc.	0.4	**1.0**	100.00%
Shenzhen Sino-Benny LPG Co., Ltd.	0.0	**0.1**	30.00%

* Figures are in accordance with IFRS.
* Figures are for total of Energy Division-I and Energy Division-II.

Division Organization

- Energy Administration Dept.
- Natural Gas Dept.-I
- Natural Gas Dept.-II
- LPG Dept.
- Energy Trading Dept.
- Industrial Energy Dept.
- Energy Business Development Dept.

1 World-leading Qatar LNG Project (Ras Laffan)

2 Petroleum product receiving and shipping terminal (Marubeni Ennex Corporation) (Japan)

Operating Environment and Business Strengths

Demand for oil and natural gas is rising on a global scale, and this trend is expected to remain strong into the future. In consideration of this trend, Energy Division-I has positioned LNG development and production as its core business, and is participating in projects in Qatar, Equatorial Guinea, Peru, and Papua New Guinea. At the same time, the division is strengthening its trading operations relating to crude oil, petroleum products, LPG, and LNG, and has enhanced its distribution bases, improved risk management functions, and otherwise reinforced business foundations to this end. Going forward, the division will pursue further growth by allocating management resources to the strategic fields mentioned above.

Results for the Year Ended March 31, 2014

In the year ended March 31, 2014, the operation of the LNG projects progressed smoothly, and oil and LNG trading volumes increased. Existing LNG projects in Qatar and Peru operated stably throughout the year. We also signed a Heads of Agreement for sale and purchase of LNG with Russia's Rosneft Oil Company, laying the foundations for future development. In oil and LNG trading, the division increased trading volumes by promoting greater coordination between operating bases in Japan and overseas. Furthermore, March 2014 saw the start of commercial operations at the division's solar power project in Oita.

Initiatives to Advance GC2015

During the year ending March 31, 2015, Energy Division-I will continue to operate existing LNG projects in a stable manner while increasing the competitiveness of its oil and LNG trading operations and undertaking new endeavors. Specifically, focuses in the LNG field will include the ongoing stable operation of existing projects in Qatar and other areas. At the same time, the division will advance development of its LNG project in Papua New Guinea, aiming to begin production in 2014, while also pursuing business expansion in regions such as Russia and Sub-Saharan Africa. As for trading, the division will work to expand LNG trading, particularly in North America and Asia. The expansion of oil trading will also be a priority, and this will be accomplished by continuing to strengthen coordination between bases and enhance trade infrastructure while implementing new initiatives in response to changes in market trends. We realize that developing human resources will be crucial to accomplishing these goals. Accordingly, human resource development has been made a focus and the division is actively promoting young employees, sending such employees overseas, and taking other steps to further their development. Enabling these employees to challenge themselves will help them grow, which in turn will help the division strengthen its sales capabilities.

Key Projects for the Division

1 Qatar LNG Project

Energy Division-I began participating in the Qatar LNG Project in 1985, and this project has been under stable operation since its first shipment in 1997. Over 6 million tons per year of LNG is delivered to 8 major Japanese electric and gas companies under a long-term contract until 2021. Furthermore, this project has concluded short- and medium-term contracts which are tailored to additional demands in Japan according to the market structure shift after the Great East Japan Earthquake. The division will continue to operate this project in a safe and efficient manner in order to help ensure that Japan has a stable supply of energy.

2 Trading, Distribution, and Sales of Oil, LNG, and LPG

The energy resource trading, distribution, and sales operations of Energy Division-I involve import and offshore trade of crude oil, petroleum products, LNG, and LPG on a global scale. In these operations, the division makes use of its trade infrastructure, including distribution bases and shipping vessels, as well as its risk management functions. Under the situation where the operation of nuclear power stations has been suspended in Japan, the division is contributing to supplying fuel oil and LNG for power generation. Going forward, the division will continue to expand the scope of operations at bases in Japan and overseas while promoting increased coordination between these bases to grow its energy resource trading, distribution, and sales operations.

Energy Division-II

Energy Division-II is keenly focused on enhancing its business in two main strategic sectors: the upstream natural resource development sector and the nuclear fuel sector. In the upstream natural resource development sector, we undertake exploration, development, and production operations relating to oil and gas fields and uranium mines primarily in the United States, the United Kingdom, Russia, and Kazakhstan. In the nuclear fuel sector, we are focused on the procurement and sale of uranium, the provision of services related to all processes in the nuclear fuel cycle, and the sale of equipment and other materials for nuclear power stations. We conduct these operations out of bases in Japan and the United States.

Toshifumi Shikamura
Executive Officer, COO, Energy Division-II

Business Highlights*

(Billions of yen)

	2013.3	2014.3
Gross trading profit	53.6	**49.8**
Share of profits (losses) of associates and joint ventures	(0.9)	**3.0**
Profit (loss) for the year attributable to owners of the parent	4.5	**36.5**
Segment assets	1,028.0	**1,158.6**

* Figures are in accordance with IFRS.
* Figures are for total of Energy Division-I and Energy Division-II.

Division Organization

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

1 Oil and gas production in the U.K. North Sea

2 Sakhalin-1 Project, participated in through Sakhalin Oil and Gas Development Co., Ltd. (SODECO) (Russia)

Operating Environment and Business Strengths

In the year ended March 31, 2014, crude oil prices (WTI) remained relatively consistent, generally ranging between US$80 and US$110 per barrel. U.S. natural gas prices (HH), meanwhile, recovered from the historically low levels seen in the year ended March 31, 2013, and the full-year average rose to around US$4 per mmbtu. Amidst the suspended operation of all nuclear power stations in Japan, prices for uranium dropped from the mid-US$40 range per pound, averaging in the upper-US$30 range for the full year. In this environment, the upstream natural resource development efforts of Energy Division-II currently include upstream resource development and production ventures, such as oil, gas, and uranium projects in the U.S. Gulf of Mexico and the U.K. North Sea as well as in Russia and Kazakhstan. In the nuclear fuel sector, the division is conducting sales of uranium while also dealing in equipment for ensuring the safety of nuclear power stations and providing related services.

Results for the Year Ended March 31, 2014

In the year ended March 31, 2014, in the upstream natural resource development sector, Energy Division-II continued to push forward with the exploration, development, and production of resources in the United States, the United Kingdom, Russia, Kazakhstan, and other locations around the world. It also actively sought out new, promising projects. In the nuclear fuel sector, the division maintained its focus on its global uranium procurement and sales operations. At the same time, it accelerated efforts to help improve the safety of power stations in Japan, such as supplying domestic power companies with filter vents for nuclear power stations.

Initiatives to Advance GC2015

The outlook for market trends and the operating environment is expected to remain opaque, considering such as the spike in oil and gas production in the United States, deceleration of the Chinese economy, and resurgence of the European sovereign debt crisis. In the nuclear fuel sector as well, it is unclear when operations will resume at nuclear power stations in Japan. In this environment, we will continue enhancing exploration, development, and production at existing oil and gas fields in the upstream natural resource development sector. In addition, we will work to find new, profitable projects in order to increase our ownership of production and reserves.

In the uranium development field, we will maintain stable operation of our existing uranium mining project in Kazakhstan as well as explore new projects. In the nuclear fuel sector, we will expand our trading volume of uranium by strengthening our relationships with medium- and long-term suppliers while also introducing new trading frameworks. Meanwhile, we will also improve the quality of services for each process of the nuclear fuel cycle, and increase sales of nuclear power-related equipment and materials to enhance the safety of power stations.

Key Projects for the Division

1 Oil and Gas Production (U.S. Gulf of Mexico and U.K. North Sea)

In January 2011, we acquired oil and gas production interests in the U.S. Gulf of Mexico from a subsidiary of British petroleum giant BP p.l.c. These rights were acquired through a U.S. subsidiary of our own. In the U.K. North Sea, we have successfully explored the Cayley, Shaw, and Godwin oil fields since 2008, and are currently developing these sites for commercial production. Energy Division-II positions the United States and the United Kingdom as core regions for its oil and gas E&P business. We will continue to focus on securing interests in promising exploration, development, and production projects.

2 Sakhalin-1 Project (Russian Far East)

The Sakhalin-1 Project is an oil and gas development project located in the northeast coastal area of Sakhalin Island in the Russian Far East. This project is advanced by an international consortium, with Exxon Mobil Corporation assigned as the operator. Crude oil production began at the project's Chayvo field in 2005, followed by the Odoptu field in 2010, and production is scheduled to commence at the Arkutun-Dagi field in late 2014. As a shareholder of the project's Japanese consortium, Sakhalin Oil and Gas Development Co., Ltd. (SODECO), we will continue to support the project in the future.

Metals & Mineral Resources Division-I

In the steel raw materials and products sector, Metals & Mineral Resources Division-I has interests that range from upstream iron and coal mine development to steel products and other midstream and downstream businesses. The division is accumulating quality resource interests and utilizing its rich knowledge and broad network to provide Japan and other countries around the world with a stable supply of the steel raw materials and products needed for building the infrastructure that forms the base for economic development.

Shinichi Kobayashi

Executive Officer, COO, Metals & Mineral Resources Division-I

Business Highlights*

(Billions of yen)

	2013.3	2014.3
Gross trading profit	18.9	**15.6**
Share of profits (losses) of associates and joint ventures	28.6	**21.1**
Profit (loss) for the year attributable to owners of the parent	19.8	**20.3**
Segment assets	792.6	**933.1**

Performance of Major Subsidiaries and Associates*

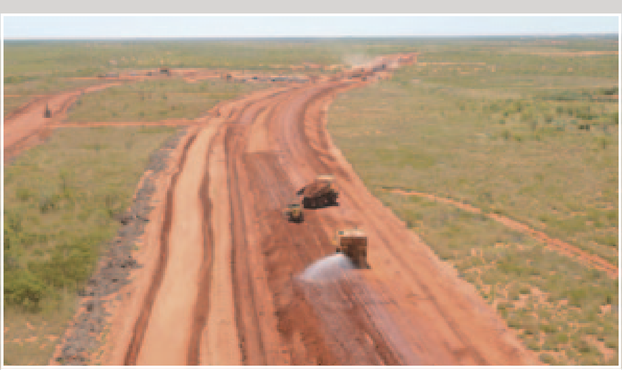
(Billions of yen)

	2013.3	2014.3	Percentage of Voting Rights
Marubeni Coal Pty. Ltd.	7.9	**10.5**	100.00%
Resource Pacific Holdings Pty Limited	(0.7)	**(5.8)**	22.22%
Marubeni-Itochu Steel Inc.	11.0	**13.3**	50.00%

* Figures are in accordance with IFRS.
* Figures are for total of Metals & Mineral Resources Division-I and Metals & Mineral Resources Division-II.

Division Organization

- Metals & Mineral Resources Administration Dept.
- Metals & Mineral Resources Development Dept.
- Iron Ore Dept.
- Coal Dept.
- Iron & Steel Strategies and Coordination Dept.



1 Railroad under construction at the Roy Hill Iron Ore Mine (Australia)

2 Lake Vermont Coal Mine, where high-quality hard coking coal is produced (Australia)

Operating Environment and Business Strengths

Market conditions were sluggish due to economic slowdown in China and other emerging Asian countries, and the resulting operating environment for steel raw materials and products was anything but favorable.

Amidst poor conditions, the division worked to improve the value of its assets. To this end, it stepped up production at the Jellinbah East Coal Mine and the Lake Vermont Coal Mine, both characterized by their high cost competitiveness. At the same time, the division pursued cost reductions and operational procedure improvements at other mines.

The division has accumulated extensive knowledge in all areas of the steel supply chain and possesses a worldwide network that is equally expansive. With these strengths, the division will continue to secure resources for steel raw materials and products while providing a stable supply of these articles, even in this consistently difficult operating environment.

Results for the Year Ended March 31, 2014

In the iron ore business, Metals & Mineral Resources Division-I continues to promote development of the Roy Hill Iron Ore Mine in Australia, as was done in the year ended March 31, 2013, and plans directed toward getting the mine running by 2015 are progressing on schedule. In addition, a project finance contract was signed in March 2014 with regard to this project. In the coal business, meanwhile, the division is seeking to improve the competitiveness of all of its projects through cost reductions and other means.

Furthermore, Marubeni-Itochu Steel Inc., in which the division has a 50% stake, invested in a U.S. oil country tubular goods distributor as well as a major steel processing and automotive parts manufacturer in Italy.

Initiatives to Advance GC2015

In the iron ore business, the division will continue to be a central figure in the Roy Hill Iron Ore Project. Working together with investment partners as well as with Japanese steelmakers, financial institutions, contractors, and various other business partners, the division will advance preparations for commencing production at this mine in 2015.

In the coal business, production will be increased at the Lake Vermont Coal Mine in Australia. At the same time, the division will improve the value of other existing mines through cost reductions and operational procedure improvements while considering the possibility of acquiring new coal mine interests.

Marubeni-Itochu Steel will strengthen collaborative efforts with investments to offer users high-value-added businesses that combine investment and trading.

We believe that medium- to long-term demand will be firm for iron and steel raw materials and products, which are essential to the economic growth of emerging markets, and the division will continue to acquire prime natural resource interests and conduct high-value-added trading to advance GC2015.

Key Projects for the Division

1 Roy Hill Iron Ore Project

The Roy Hill Iron Ore Project, in which we decided to invest in March 2012, involves coordinated development of production and shipping capabilities, including railway and port facilities. Plans call for production and shipping capacity of 55 million tons annually, with Marubeni's share at the start of production amounting to 8,250,000 tons. In the year ended March 31, 2014, Metals & Mineral Resources Division-I increased its stake in this project and closed engineering, procurement, and construction (EPC) contracts, making strong progress toward commencing production at the mine in 2015.

2 Lake Vermont Coal Mine

Metals & Mineral Resources Division-I holds a 33.33% stake in the Lake Vermont Coal Mine through Marubeni Coal Pty. Ltd. This mine is capable of producing high-quality hard coking coal with superior cost performance. Coal prices have been consistently low, prompting the division to implement comprehensive cost-cutting measures. However, the division also chose to expand the production capacity of the Lake Vermont Coal Mine in the year ended March 31, 2013, increasing the mine's capacity from 4 million tons to 8 million tons. We are currently pushing forward with efforts geared toward increasing the production capacity with the aim of having this mine producing at full capacity by 2015.

Metals & Mineral Resources Division-II

The business of Metals & Mineral Resources Division-II spans a wide range of fields, with its upstream operations mainly comprised of mine development and refining and smelting operations for non-ferrous and light metals, while downstream businesses include cathodes, ingots, and related products, as well as electronic materials and metals recycling. Taking a medium- to long-term view, the division will focus on accumulating prime resource interests while also upgrading and expanding its trading activities in pursuit of industry-leading trading volumes.

Mutsumi Ishizuki
Managing Executive Officer, COO, Metals & Mineral Resources Division-II

Business Highlights*

(Billions of yen)

	2013.3	2014.3
Gross trading profit	18.9	**15.6**
Share of profits (losses) of associates and joint ventures	28.6	**21.1**
Profit (loss) for the year attributable to owners of the parent	19.8	**20.3**
Segment assets	792.6	**933.1**

Performance of Major Subsidiaries and Associates*

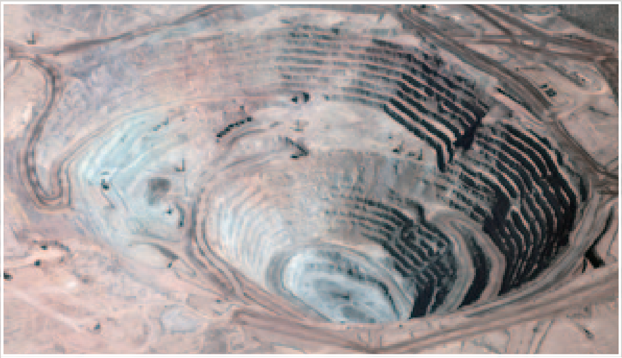
(Billions of yen)

	2013.3	2014.3	Percentage of Voting Rights
Marubeni Aluminium Australia Pty. Ltd.	(5.4)	**2.0**	100.00%
Marubeni Metals & Minerals (Canada), Inc.	1.0	**0.2**	100.00%
Marubeni Los Pelambres Investment B.V.	11.2	**12.0**	100.00%

* Figures are in accordance with IFRS.
* Figures are for total of Metals & Mineral Resources Division-I and Metals & Mineral Resources Division-II.

Division Organization

- Metals & Mineral Resources Administration Dept.
- Metals & Mineral Resources Development Dept.
- Non-Ferrous Metals & Ores Dept.
- Light Metals Dept.
- Metals & Mineral Resources Project Management Dept.



1 Esperanza Copper Mine, achieved the contractual completion of the project financing (Chile)

2 Alouette Aluminum Smelter, the largest aluminum smelter in the Americas (Canada)

Operating Environment and Business Strengths

The operating environment for non-ferrous and light metals is not one for which we can be optimistic. One factor to which this can be attributed is the low prices for metals as a result of the United States tapering of its quantitative easing policy and the deceleration of growth in China and other emerging countries. Other factors include the global rise in mine development costs and higher operating costs as well as decreased output volumes due to the decline in the amount of valuable minerals contained in harvested ore. As for the copper mining and aluminum smelting businesses, Metals & Mineral Resources Division-II has forged strong partnerships with prominent, world-leading resource companies over the years. Working together with these partners, the division is able to focus on heightening the cost competitiveness of projects while continuing stable operation of these projects and advancing forward-looking plans to expand production volumes.

Metals prices are growing more volatile. Faced with these circumstances, the division will provide a timely response to operating environment changes as they occur while also continuing efforts to acquire other prime, competitive metals and minerals resource interests from a medium- to long-term perspective.

Results for the Year Ended March 31, 2014

In the copper business, the division has successfully achieved the contractual completion of the project financing for the Esperanza Copper Mine in Chile, and is now planning to boost production capacity. Meanwhile, production progressed as planned at the El Tesoro and Los Pelambres copper mines. At the same time, development at the Antucoya Copper Mine is moving forward. With project financing being concluded in November 2013, the 2015 goal for production commencement at this mine is within sight. Market conditions are currently stagnant in the aluminum smelting business, but the division is working to strengthen earnings capacity through stringent cost-cutting measures.

Initiatives to Advance GC2015

The division aims to maximize the profitability of the copper mines and aluminum refineries it currently has operating, and will accomplish this by improving operational procedures to increase production volumes and reducing operating costs. Elsewhere, development of the Antucoya Copper Mine, where production is scheduled to start in 2015, is progressing steadily through a joint effort with partner company Antofagasta plc of the United Kingdom. Similarly, general development plans at the Centinela mining district, which contains the Esperanza and El Tesoro copper mines, are also moving forward.

In the field of trading, where the division boasts one of the best transaction volumes in every product category and region, further expansion in trading volumes is being pursued. In this pursuit, the division will strengthen existing procurement and sales networks while striving to provide services that offer higher value and better meet customer needs.

Furthermore, the division will practice integrated management of investment and trading in our non-ferrous and light metal field operations, which span from the upstream areas of the supply chain to the downstream areas. In this manner, the division will provide the raw materials, cathodes, ingots, and related products essential for economic growth to users in Japan and around the world.

Key Projects for the Division

1 Copper Mining Project in Chile

In Chile, Metals & Mineral Resources Division-II operates the Esperanza, El Tesoro, and Los Pelambres copper mines together with partner Antofagasta. The division is also moving ahead with development of the Antucoya Copper Mine, which is scheduled to begin producing in 2015. It will also promote plans for the general development of the Centinela mining district, which include the expansion of the Esperanza Copper Mine. At the same time, the division is considering the acquisition of new, quality copper interests outside of Chile as it aims to accumulate interests equating to 300,000 tons of copper leading up to 2020.

2 Alouette Aluminum Smelter Project

Metals & Mineral Resources Division-II holds a 13.33% interest in the largest aluminum smelter in the Americas, the Alouette Aluminum Smelter, which is located in Canada and operated together with Rio Tinto Alcan Inc., a major player in the aluminum market. This smelter runs on hydropower, which it utilizes with extreme efficiency while continuing to operate with minimal environmental impact. Plans are under way to expand the smelter's capacity in the medium term. Going forward, the division will continue operating this facility together with its partner to provide a stable supply of aluminum ingot, as demand for this resource rises in various fields.

Transportation Machinery Division

The Transportation Machinery Division covers a wide range of industrial sectors including aerospace, defense, automobiles, production machinery, construction machinery, agro machinery, ships, and offshore projects. The division is growing its business based on a two-pronged approach consisting of bolstering profitability in the trade sector, where it has operated for a number of years, and conducting investments in areas that will deliver earnings based on assets held for the long term, which will help generate stable earnings.

Kaoru Iwasa

Senior Managing Executive Officer, COO, Transportation Machinery Division

Business Highlights*

(Billions of yen)

	2013.3	2014.3
Gross trading profit	52.9	**66.1**
Share of profits (losses) of associates and joint ventures	14.0	**17.9**
Profit (loss) for the year attributable to owners of the parent	17.9	**23.3**
Segment assets	508.4	**628.4**

Performance of Major Subsidiaries and Associates*

(Billions of yen)

	2013.3	2014.3	Percentage of Voting Rights
Marubeni Aviation Services Ltd.	1.4	**0.9**	100.00%
Marubeni Auto Investment (UK)	0.4	**0.5**	100.00%
Marubeni Auto Investment (USA) (Westlake Services)	1.5	**2.2**	100.00%
Marubeni-Komatsu Ltd.	0.5	**0.6**	100.00%
Marubeni Maquinarias Mexico, S.A. de C.V.	(0.1)	**0.2**	100.00%

* Figures are in accordance with IFRS.

Division Organization

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

1 Signing ceremony for shipbuilding contracts, charter contracts, and loan agreements held in London (U.K.)

2 Aircraft leasing business of Aircastle Limited (U.S.)

Operating Environment and Business Strengths

Backed by the recovery of the U.S. economy and the growth of emerging markets, passenger demand in the aviation field is expected to increase and market expansion is foreseen in the fields of automobiles, machine tools, construction machinery, and agro machinery. The marine transportation market is also recovering from the unfavorable conditions seen in 2013. The strength of the division lies in its track record and the momentum of investing in new fields which was founded on its existing businesses. Specific past examples include entering into the aircraft and aircraft engine leasing businesses from its sales agent operations and branching out into retail finance and after-market areas from the sales business of automobiles and construction machinery field. In the ship business, the division is erecting a profitable portfolio of its fleet by adding LNG carriers to commercial shipping vessels.

Results for the Year Ended March 31, 2014

In the year ended March 31, 2014, the Transportation Machinery Division focused on investments in assets held for the long term, especially in the areas of steady earnings, adding to its already stable platform. This included investments in a prominent U.S. aircraft lessor and in the ownership and charter of newly built LNG carriers. Other examples are automobile retail finance businesses in the Americas and sales and product support services for construction machinery. These new investments performed well. In addition, favorable results were also recorded in our aircraft engine development investment and the ship-owning with time charter businesses. The division has this year again recorded improved earnings, with gross trading profit reaching ¥66.1 billion and profit for the year attributable to owners of the parent amounting to ¥23.3 billion.

Initiatives to Advance GC2015

The Transportation Machinery Division will enhance its networks to pursue solid sales in existing areas, such as trading, wholesale, retail and parts dealing businesses of automobiles, production machinery, construction machinery, and agro machinery fields. Additionally, the division will develop retail finance and after-sales service businesses, which are expected to gain stable earnings, by employing business models that adapt to the market characteristics of the region of operation. In aerospace and defense systems, the division will add profitable assets to its earnings platform of aircraft and aircraft engine leasing businesses, in addition to its sales agent business, both of which have been performing favorably on the back of solid demand. As the amount of cargo shipped is expected to expand going forward, the division will continue to focus on trading and chartering of commercial shipping vessels and ownership and management of LNG carriers, the division's strategic area. By carrying out these initiatives, the division will strengthen its foundation for advancing GC2015 during the year ending March 31, 2015.

Key Projects for the Division

1 Marubeni's First-Ever Newbuild LNG Carriers

In collaboration with South Korea's SK Shipping Co., Ltd., the division has concluded long-term charter contracts by which two newbuild LNG carriers are to be chartered out to a U.K. subsidiary of the French gas and oil company Total S.A. for a maximum of 30 years.

With a load capacity of 180,000 m^3, the ships will be the largest LNG carriers that are able to pass through the Panama Canal after its planned expansion in 2015. These vessels are to be built by Samsung Heavy Industries Co., Ltd., of South Korea, with the first slated for completion in January 2017 and the second in October 2017.

The LNG carriers will be owned and operated jointly by Marubeni and SK Shipping, and will be used primarily to transport LNG from the United States and Australia to Asia.

2 Investment in Major U.S. Aircraft Lessor Aircastle

In June 2013, the Company acquired 15.25% of the issued stock of major U.S. aircraft lessor Aircastle Limited (listed on the New York Stock Exchange) through an allocation of newly-issued shares. The acquisition price for these shares was approximately US$209 million. Marubeni raised its stake to roughly 20% in February 2014. As a major shareholder, Marubeni will work to increase the profitability of Aircastle's aircraft leasing business. At the same time, the Company will take advantage of this relationship to further strengthen Marubeni's own aircraft-related businesses, which include aircraft engine development investment, sales, parts trading, and leasing of aircraft and engines, and airport ground handling services. In the process, the division hopes to contribute to the invigoration and development of the aviation industry as a whole.

Power Projects & Infrastructure Division

The Power Projects & Infrastructure Division acts as a global player in the power and water segments of public infrastructure, participating in power- and water-related projects, and engaging in I(W)PP projects, EPC projects, operation and maintenance services, and electricity trading. With a strong business foundation and project development and execution capabilities honed over 50 years, the division is able to focus on business activities that contribute to economic growth in various countries and regions, and to society as a whole.

Hirohisa Miyata

Executive Officer, COO, Power Projects & Infrastructure Division

Business Highlights*

(Billions of yen)

	2013.3	2014.3
Gross trading profit	25.4	**26.6**
Share of profits (losses) of associates and joint ventures	30.9	**45.7**
Profit (loss) for the year attributable to owners of the parent	23.5	**27.2**
Segment assets	661.5	**828.9**

* Figures are in accordance with IFRS.

Performance of Major Subsidiaries and Associates*

(Billions of yen)

	2013.3	2014.3	Percentage of Voting Rights
Axia Power Holdings B.V.	9.4	**9.6**	100.00%
Aguas Décima S.A.	0.4	**0.6**	100.00%
Tapal Energy (Private) Ltd.	0.5	**0.8**	40.00%

* Figures are in accordance with IFRS.

Division Organization

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

1 Turbogas combined cycle thermal power plant (Portugal)

2 Pagbilao power plant (Philippines)

Operating Environment and Business Strengths

The Power Projects & Infrastructure Division has refined its project development and execution capabilities through active participation in independent (water) power producer (I(W)PP) projects from the development phase, and through years of executing EPC projects. Leveraging these strengths, the division is reinforcing its earnings base by expanding its I(W)PP asset portfolios and its EPC business and developing opportunities related to operation and maintenance services. The division is also working to develop new power sources in Japan so that it can secure surplus volumes of power and expand its retail power sales business. In the renewable energy field, the division is actively participating in overseas projects and developing renewable energy sources in Japan that can take advantage of this country's feed-in tariff scheme. In the water business field, the division is taking part in concessions—projects that entail entrusting all aspects of business operation, including assets and revenue rights, to private operators—in Chile and the Philippines. The division also participates in water treatment plant build, operate, and transfer (BOT) projects in China and Peru. The division is executing EPC projects and providing operation and maintenance services in Qatar.

Results for the Year Ended March 31, 2014

In the year ended March 31, 2014, profit for the year attributable to owners of the parent increased. This was due to solid income from investments in the overseas power and water projects as well as the acquisition of power generation assets in Portugal, which brought the Company's total stake in generation capacity to more than 10,000 MW. In addition, the division worked to build a stable revenue base through participation in overseas EPC power projects, domestic and overseas renewable energy projects, retail power sales, and the energy consolidation business in the United Kingdom.

Going forward, the division will continue to develop its business to further solidify the stable revenue that has been created through projects related to public power and water utilities and developing and accumulating quality assets in these fields.

Initiatives to Advance GC2015

In the I(W)PP business field, the division is working to build an earnings base that can provide stable, long-term revenues by balancing its portfolio in terms of geographic region and plant type. By developing new projects, acquiring quality assets, and replacing existing assets with those of higher quality, the division will work to increase the power capacity of its I(W)PP assets. In the field of EPC projects, the division will bid on new EPC markets to expand its presence and diversify into related businesses through investments like Seajacks International Ltd., an installation services provider for offshore wind power facilities. The division's goal is to build a broader and more stable earnings platform. Initiatives in the domestic market will include developing thermal power projects, advancing mega-solar and offshore wind power projects in the renewable energy field, and expanding the power producer and supplier (PPS) business.

In the water business field, the division will work to grow its portfolio by using its platform in South America and Asia, and actively expand seawater desalination and mine water treatment projects.

Key Projects for the Division

1 Acquisition of Portuguese Power Assets

In October 2013, this division acquired from France's GDF Suez S.A. a 50% stake in a holding company that manages GDF Suez's power assets in Portugal. The power assets are quite diverse, including natural gas, coal-fired thermal, wind power, hydropower, and solar power plants. This portfolio has a generation capacity of around 3,300 MW, which equates to roughly 17% of Portugal's total power generation capacity. This investment marks Marubeni's full-fledged entry into the European power market. Using this project as a foothold, the division aims to participate in more power development and investment projects in this market.

2 TeaM Energy's Power Projects in the Philippines

The division holds a stake in TeaM Energy Corporation, which owns two power plants, Pagbilao and Sual, and has a minor share in a third, Ilijan. The total generation capacity of these three plants, all located in the Philippines, is 3,204 MW. This company is currently working with Aboitiz Power Corporation, also located in the Philippines, to install additional coal-fired thermal power generation facilities with generation capacity of 400 MW at the Pagbilao Plant. It aims to start commercial operation of the new facilities in the year ending March 31, 2018. Going forward, the division will develop new businesses while working to optimize existing assets.

Plant Division

The Plant Division's business domain has four main segments: energy and chemical plants; industrial plants for steel, non-ferrous metals, cement, textiles, sugar, and pulp & paper; transportation and infrastructure projects; and environmental and industrial machinery fields. In each of these segments, we make full use of our comprehensive functions as a trading company to expand markets and transactions, and to develop new businesses.

Hajime Kawamura
Executive Officer, COO, Plant Division

Business Highlights*

(Billions of yen)

	2013.3	2014.3
Gross trading profit	25.6	**35.4**
Share of profits (losses) of associates and joint ventures	3.3	**3.2**
Profit (loss) for the year attributable to owners of the parent	7.1	**10.3**
Segment assets	279.2	**333.1**

Performance of Major Subsidiaries and Associates*

(Billions of yen)

	2013.3	2014.3	Percentage of Voting Rights
Midwest Railcar Corporation	1.4	**2.1**	100.00%

* Figures are in accordance with IFRS.

Division Organization

- Plant Administration Dept.
- Industrial Plant Dept.
- Plant Engineering Dept.
- Energy & Chemical Projects Dept.
- Marine Projects Dept.
- Transport & Infrastructure Project Dept.
- Transport Project Management Dept.
- Environmental & Industrial Machinery Dept.

1 Artist rendition of completed offshore LNG receiving terminal (provided by GDF Suez S.A.) (Uruguay)

2 Artist rendition of the Purple Line train for Bangkok railways (provided by Japan Transport Engineering Company) (Thailand)

Operating Environment and Business Strengths

The Plant Division faces a rapidly changing operating environment, but we view these changes as opportunities. By utilizing the expertise and networks we have developed in all fields of operation, we anticipate ever-diversifying customer demands and proactively develop and promote new projects and trade businesses.

The division's strengths rest in its accumulated solutions abilities and its integrated functions, which are designed to meet market needs. While always maintaining an up-to-date understanding of the needs of customers and the potential of markets around the world, we will utilize these strengths to develop existing and new businesses in our operating fields, including the energy infrastructure and transportation and infrastructure fields.

Results for the Year Ended March 31, 2014

Economic growth slowed in China and other countries. Nevertheless, the division's activities were successful, supported by robust capital investment demand in certain emerging countries, and the division steadily generated results throughout the year, receiving awards for EPC projects and expanding prime assets while investing and participating in businesses in new fields.

In the plant sector, the division expanded its floating production, storage, and offloading system (FPSO) charter business and began participating in an offshore LNG receiving terminal project in Uruguay. Accomplishments in the transportation and infrastructure sector included undertaking a rail system supply and maintenance service project for urban railways in Thailand as well as advancing development at the Thilawa Special Economic Zone in Myanmar. In the environmental and industrial machinery field, sales of photovoltaic equipment and components, and beverage container manufacturing equipment were strong. In this field, the division is participating in mega-solar power generation projects as well as cogeneration projects.

Initiatives to Advance GC2015

To accomplish the goals of GC2015, the Plant Division continues to boost its earning base by strengthening its core EPC and trade business, while expanding its businesses and investments in the energy and transportation infrastructure field and trading operations in the environmental and industrial machinery field.

In the EPC and trade business, the division will reinforce its marketing and sales expertise especially in emerging countries, for more new project awards and trades both in volume and in product line-up. To develop operations in the energy infrastructure field, the division will strengthen its relationships with strategic partners around the world. It will also step up its initiatives in gas infrastructure projects, both on and offshore. Areas of focus in the transport and infrastructure field include acquiring railway EPC project awards, participating in more railway PPP (Public-Private Partnership) projects, expanding the prime asset portfolio of railcar leasing, and industrial infrastructure business such as industrial estate development and port operation. In the environmental and industrial machinery field, the division continues to aggressively promote environmental project-related businesses, such as production machineries businesses and components for photovoltaic power generation projects, participation in mega-solar projects, and trade of emissions credit.

Key Projects for the Division

1 Offshore LNG Receiving Terminal in Uruguay

Marubeni, as the first Japanese participant into the offshore LNG receiving terminal project, has formed up the joint venture GNLS S.A. in Uruguay with its partner GDF Suez S.A., a major European gas and electricity player, providing LNG receiving, storage and regasification service for a period of 15 years to Gas Sayago S.A., which is a company established by the two Uruguayan governmental bodies, National Administration of Power Generation & Transmission and National Administration of Fuels, Alcohol & Portland Cement.

This project will include the world's largest Floating Storage and Regasification Units (FSRUs), and will also entail the construction and operation of an offshore LNG receiving terminal. Marubeni hopes to use this project as a foothold for developing other offshore LNG receiving terminal operations throughout the world.

2 Rail System Supply and Maintenance Service Project

Together with Toshiba Corporation, Marubeni was awarded the supply of a complete railway system, consisting of rolling stocks, signaling and control systems, power distribution equipment, and telecommunications facilities, for the Purple Line, a new 23-kilometer railway line in Bangkok. In addition, the award calls for the Company to provide 10 years of maintenance service for the railway system through collaboration with Toshiba and East Japan Railway Company.

Capitalizing on this new overseas turnkey rail system project, Marubeni aims to expand exports of infrastructure business packages that include maintenance services.

Lifestyle & Forest Products Division

The Lifestyle & Forest Products Division deals in a wide range of products that includes lifestyle-related goods like apparel, footwear, household goods, and tires, and paper pulp-related products such as wood chips, pulp, paper, and paperboard, as well as plywood, cement, and other building materials. The division will continue to strengthen its earnings base domestically, while also constructing new earnings bases overseas, primarily in emerging markets.

Masakazu Arimune
Executive Officer, COO, Lifestyle & Forest Products Division

Business Highlights*

(Billions of yen)

	2013.3	2014.3
Gross trading profit	57.1	**58.3**
Share of profits (losses) of associates and joint ventures	(0.5)	**1.6**
Profit (loss) for the year attributable to owners of the parent	6.5	**7.2**
Segment assets	492.7	**490.5**

Performance of Major Subsidiaries and Associates*

(Billions of yen)

	2013.3	2014.3	Percentage of Voting Rights
Marubeni Fashion Link, Ltd.	0.9	**0.6**	100.00%
Marubeni Intex Co., Ltd.	0.9	**0.9**	100.00%
Marubeni Pulp & Paper Co., Ltd.	2.0	**2.1**	100.00%
Koa Kogyo Co., Ltd.	0.3	**(0.8)**	79.95%
Marubeni Building Materials Co., Ltd.	0.4	**0.6**	100.00%
Fukuyama Paper Co., Ltd.	0.4	**0.2**	55.00%
WA Plantation Resources Pty Ltd	(0.9)	**0.3**	100.00%
Marusumi Paper Co., Ltd.	0.5	**0.6**	32.16%
Daishowa-Marubeni International Ltd.	(0.3)	**1.8**	50.00%

* Figures are in accordance with IFRS.

Division Organization

- Lifestyle & Forest Products Administration Dept.
- Fashion Apparel Dept.-I
- Fashion Apparel Dept.-II
- Utility Apparel Dept.
- Functional Materials Dept.
- Rubber Dept.
- General Merchandise & Footwear Dept.
- Wood Chip & Pulp Dept.
- Pulp Project & Construction Materials Dept.
- Packing Paper & Board Dept.
- Printing & Information Paper Dept.

1 B-Quik Co., Limited, which is progressively expanding its chain of tire retail stores in Thailand

2 GS Paper & Packaging Sdn Bhd, a Malaysian cardboard raw material manufacturer and processor (Malaysia)

Operating Environment and Business Strengths

In Japan, it can be expected that the birthrate will continue to decline while the population ages. At the same time, consumer needs will likely grow more diverse. Overseas, consumer markets are still expanding in China, and ASEAN nations are also rising in importance as both production sites and consumer markets. For this reason, the Lifestyle & Forest Products Division is looking outside of China for production site locations so that it may strengthen its OEM production infrastructure, which makes it possible to provide a timely, stable, high-volume supply of high-quality, low-cost apparel and footwear. Domestically, the division aims to reinforce another area of strength: its value chains. These include the division's value chain for rubber, which encompasses everything from upstream natural and synthetic rubber to downstream tires, conveyer belts, and other products, as well as its value chain for forest products, which reaches from upstream afforestation, wood chip, and pulp operations through to downstream production of paper and paperboard.

Results for the Year Ended March 31, 2014

For the year ended March 31, 2014, the Lifestyle & Forest Products Division recorded gross trading profit of ¥58.3 billion and profit for the year attributable to owners of the parent of ¥7.2 billion. In the lifestyle sector, the division successfully expanded its share of sales in the apparel and footwear market. This was accomplished by strengthening material and design planning and development proposal capabilities and differentiating the division's lineup with brands such as PRINGLE 1815, LACOSTE, and MERRELL. Also in the lifestyle sector, the division launched tire retail stores and expanded natural rubber plants in Thailand. In the forest products sector, meanwhile, sales of pulp and wood chips were favorable in China and other markets. Furthermore, the division established a cardboard processing company in Myanmar, which will supplement the cardboard production system that currently includes sites in Malaysia and India. These factors led to the recording of the aforementioned results.

Initiatives to Advance GC2015

The Lifestyle & Forest Products Division is pursuing growth strategies centered on strengthening its earnings base domestically while constructing new earnings bases overseas. In regard to apparel, household goods, and footwear, the division will strengthen its planning capabilities together with its production systems in China and ASEAN nations. In this manner, the division will seek to capture a larger scale of the domestic market, a mainstay area of operation. As for rubber, pulp, and wood chips, the division will explore new resource supplies, boost its own production capacities, and enhance its sale bases in pursuit of increased sales from the growing markets of China and ASEAN nations. At the same time, the division will accelerate initiatives addressing demand for paper and paperboard in emerging markets, which will include advancing cardboard operations in ASEAN nations and India and expanding trading in China. To facilitate the abovementioned measures for expanding overseas sales, the division will continue to actively seek strategic alliances with influential partners in local markets while conducting M&A activities.

Key Projects for the Division

1 Tire Retail Business in ASEAN Nations

The Lifestyle & Forest Products Division is developing a tire retail business in ASEAN nations with the aim of increasing overseas sales of tires. For example, B-Quik Co., Limited, a company in which Marubeni holds a stake, is developing a chain of tire retail stores in Thailand. As the motorization trend advances in this country, demand is growing centered on suburban cities. B-Quik is progressively opening new stores, particularly in these cities, and on March 31, 2014, its total number of stores had exceeded 100. Going forward, the division will continue to open new stores in Thailand while also applying the knowledge acquired through these operations to other ASEAN nations.

2 Cardboard Operations in ASEAN Nations and India

Economic and industrial development in emerging countries is driving a rise in cardboard demand in these countries, and the Lifestyle & Forest Products Division has set up cardboard operations in India and several ASEAN nations with the hope of taking advantage of this demand. For example, Marubeni commenced investment in GS Paper & Packaging Sdn Bhd, a Malaysian cardboard raw material manufacturer and processor, during 2010. This company has been showing impressive improvements in performance since. Also, in the year ended March 31, 2013, the Company established Oji JK Packaging Private Limited, a joint-venture cardboard processing company in India, and established a new cardboard processing company in Myanmar. Going forward, the division will continue to explore new cardboard business opportunities centered on ASEAN nations in order to grow these operations into a more solid earnings base.

ICT, Finance & Insurance, Real Estate Business Division

The ICT, Finance & Insurance, Real Estate Business Division develops and provides products and services to meet the needs of its customers—primarily Japanese and international private enterprises, individuals, and public institutions—in the business areas of ICT, logistics, insurance, finance, and real estate. Building on our existing businesses based on years of expertise honed as a trading company, we seek to grow by expanding our business domain to encompass areas peripheral to those businesses.

Hikaru Minami

Managing Executive Officer, COO, ICT, Finance & Insurance, Real Estate Business Division

Business Highlights*

(Billions of yen)

	2013.3	2014.3
Gross trading profit	70.3	**88.1**
Share of profits (losses) of associates and joint ventures	3.9	**1.7**
Profit (loss) for the year attributable to owners of the parent	11.7	**15.7**
Segment assets	288.4	**382.5**

Performance of Major Subsidiaries and Associates*

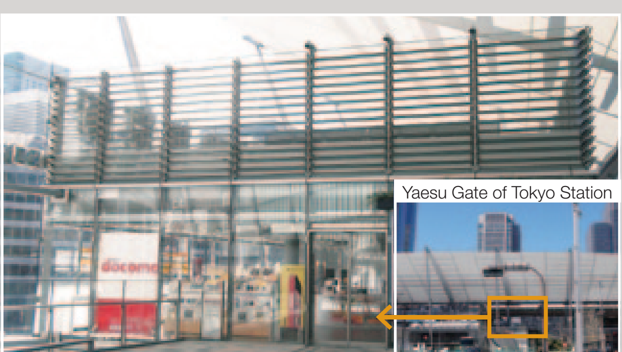
(Billions of yen)

	2013.3	2014.3	Percentage of Voting Rights
Marubeni Information Systems Co., Ltd.	1.4	**1.8**	100.00%
MX Mobiling Co., Ltd.	—	**2.9**	100.00%
Marubeni Safenet Co., Ltd.	0.6	**0.5**	100.00%
Marubeni Logistics Corporation	0.5	**0.7**	100.00%
Shanghai House Property Development Co., Ltd.	0.2	**0.2**	60.00%
Marubeni Community Co., Ltd. (Mitsubishi Jisho Marubeni Residence Services Co., Ltd., from 2014.7)	0.9	**1.0**	28.50%
ARTERIA Networks Corporation (former Marubeni Access Solutions Inc.)	2.0	**1.5**	49.00%

* Figures are in accordance with IFRS.

Division Organization

- ICT, Finance & Insurance, Real Estate Business Administration Dept.
- ICT Service Business Dept.
- Mobile Solutions Business Dept.
- Logistics Business Dept.
- Insurance & Risk Solution Dept.
- Finance & Real Estate Investment Business Dept.
- Real Estate Development Dept.-I
- Real Estate Development Dept.-II
- Housing Engineering & Customer Service Dept.
- Real Estate Management Dept.



1 Tokyo Station Granroof DOCOMO shop (near Yaesu Gate of Tokyo Station) (Japan)

2 GRAND-SUITE Azabudai Hilltop Tower condominium complex in Tokyo (Japan)

Operating Environment and Business Strengths

When considering the employees of its roughly 50 operating companies located throughout the world and other associated Group employees, the ICT, Finance & Insurance, Real Estate Business Division has amassed a force of approximately 9,000 employees. The majority of the division's revenues come from the provision of services that do not entail the sale of goods. Moreover, the provision of such services represents a business model that is resilient to economic fluctuations. As such, the division's operations in the areas of ICT, finance, insurance, and logistics are relatively unaffected by economic change. Leveraging this characteristic, the division aims to develop in a way that will enable its stable earnings to help support the performance of the entire Marubeni Group, even if conditions in its operating environment were to grow exceptionally harsh. To accomplish this, the division is always coordinating with operating companies to develop and provide high-value-added services and real estate by differentiating these commodities in response to customers' various needs.

Results for the Year Ended March 31, 2014

In the year ended March 31, 2014, the ICT, Finance & Insurance, Real Estate Business Division recorded profit for the year attributable to owners of the parent of ¥15.7 billion. The recording of this figure can be attributed to revenue contributions from MX Mobiling Co., Ltd. (previously NEC Mobiling, Ltd.), a mobile handset sales agent operator acquired by the division in the year under review, as well as the solid earnings generated by existing businesses. Also during this year, the division implemented initiatives to lay the foundations for future growth. In the systems solutions field, the division worked to increase the competitiveness of its corporate IT services by establishing Marubeni IT Solutions Inc. through an equity and business alliance with Nomura Research Institute, Ltd. In the real estate field, the division completed construction of two new additions to its line of luxury condominiums: GRAND-SUITE Azabudai Hilltop Tower (total housing units: 166) and GRAND-SUITE Hiroo (total housing units: 108).

Initiatives to Advance GC2015

The ICT, Finance & Insurance, Real Estate Business Division has three main growth strategies: broadening the scope of operations in mobile-related fields, strengthening systems solutions and cloud services businesses, and expanding overseas insurance operations. In its mobile-related operations, which are centered on the newly acquired MX Mobiling, the division aims to lead the industry in terms of both scale and earnings. In the systems solutions field, meanwhile, the division will construct systems for providing one-stop service for the constructing, maintaining, and designing of operational procedures for system usage environments compatible with ever-spreading cloud services. In addition, the division will provide solutions pertaining to peripheral cloud services in its ICT product operations. In regard to overseas insurance operations, the division will work to provide global solutions that are suitable for a general trading company and that combine its insurance agency, captive insurance, and reinsurance functions. By advancing these initiatives and gradually generating results in the fields of logistics, finance, and real estate, the division will pursue its target for consolidated profit for the year attributable to owners of the parent of ¥19.0 billion in the year ending March 31, 2015.

Key Projects for the Division

1 Acquisition of Mobile Handset Sales Agent Operator MX Mobiling

Through a tender offer for common stocks, the division acquired mobile handset sales agent operator MX Mobiling, converting it into a wholly-owned subsidiary. Later, the mobile handset sales operations of Marubeni Telecom Co., Ltd., were integrated into MX Mobiling. This move was done with the aim of broadening the scope of the division's mobile handset sales operations and improving managerial efficiency. Moreover, the integration resulted in MX Mobiling being placed in charge of 425 sales agents throughout Japan with handset sales of over 3 million units. This company is now also an industry leader in DOCOMO handset sales. Going forward, the division will work to further expand the scope of this company's operations.

2 Development of Luxury Condominiums in Japan

The ICT, Finance & Insurance, Real Estate Business Division's condominium operations, now in their 50th year, involve the development of luxury condominiums around the Tokyo metropolitan area under its GRAND-SUITE brand. In March 2014, the division completed construction of GRAND-SUITE Azabudai Hilltop Tower, a 29-floor condominium tower containing 166 housing units that is located amongst several embassies and other international establishments in the Roppongi area of Tokyo's Minato Ward. In addition, GRAND-SUITE Hiroo, which consists of 108 housing units, was completed in Hiroo, a quiet luxury housing district also in Minato Ward, in April 2014.

Overseas Operations

Marubeni has 117 overseas branches, offices, and corporate subsidiaries located in 64 countries and regions around the world as well as 10 business sites in Japan. This global network serves as a crucial piece of infrastructure at the frontline of business for enabling the Marubeni Group to leverage its collective might by gathering, analyzing, and transmitting vital market information related to regional, industry, and business trends.

The medium-term management plan GC2015 has defined Sub-Saharan Africa and the Mekong River Basin as two new "priority" regions. In April 2013, the Company doubled its staff in Myanmar, subsequently doubling its Sub-Saharan Africa staff in April 2014, thereby increasing the capacity for taking advantage of the business opportunities that will accompany market openings and economic development in these regions.

Europe & CIS

Turbogas combined cycle thermal power plant (Portugal)

Characteristics

In the environmentally-advanced countries of Europe, Marubeni participates in offshore wind power and wind turbine installation projects, and has also developed a strong presence in the U.K. power wholesale and retail market. Also in the United Kingdom, we are developing oil and gas fields in the North Sea. Other European operations include sale of transportation machinery and agricultural materials as well as trading of chemicals, food products, tires, and industrial materials within this region. In CIS countries, we are strong in the areas of natural resources, energy, and plants.

Business Overview

We are focusing on business investments together with European companies, both within the region and elsewhere, particularly power and infrastructure projects. Recent developments include investing in an Irish renewable energy project development company, power plant management in Portugal, and expansion of offshore wind power generation operations in the United Kingdom. In CIS countries, we are focusing on the petrochemical, energy, and grain sectors.

Middle East & Africa

Textile factory rehabilitation project (Angola)

Characteristics

LNG and other energy projects as well as power and water projects are plentiful in the Middle East. This region has thus come to account for approximately 20% of the Company's overseas revenues, making it a key piece of our earnings base. Marubeni's presence is particularly strong in Qatar and the United Arab Emirates. In Africa, textile factory projects in Angola and automobile wholesale operations in Ghana are contributing to earnings.

Business Overview

In the Middle East, we will pursue earnings growth by expanding grain, chemical, transportation machinery, and other commodity businesses while simultaneously developing energy, power, and foodstuff projects. In Africa, meanwhile, we are expanding staff to grow operations in a balanced manner, conducting project development, trading, and businesses related primarily to power generation, transportation machinery, and plants. Through these efforts, Marubeni aims to be the No. 1 trading company in Africa.

North & Central America


Grain warehouse operated by Gavilon Holdings, LLC (U.S.)

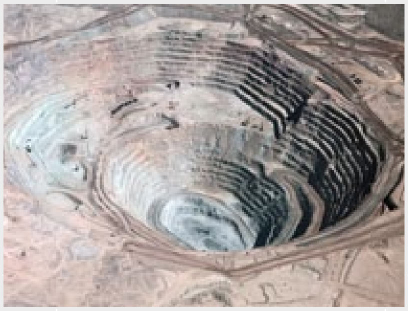
Characteristics

Marubeni has a long history of operating in the United States—one of the world's foremost agricultural producers—over which it has built solid earnings bases through subsidiary Helena Chemical Company's agricultural material business. Further earnings contributions are being made by the grain operations of Gavilon Holdings, LLC, which was acquired in the year ended March 31, 2014. In addition, we are utilizing robust U.S. demand to develop our railcar and aircraft leasing and used automobile consumer finance businesses.

Business Overview

The industrial structure upheaval that followed the shale gas revolution created numerous business opportunities in the North American market, the world's largest consumer market. In this market, Marubeni continues to explore and advance projects in key areas such as agriculture, the energy value chain, and U.S. domestic demand. In the year ended March 31, 2014, we undertook ventures including the acquisition of Gavilon Holdings and an investment in an aircraft lessor as well as approved the acquisition of a major U.S. seafood distributor.

South America


Esperanza Copper Mine (Chile)

Characteristics

The South American continent is rich in agricultural, marine, and other natural resources. In this region, Marubeni has advanced metal and mineral development operations and participated in crude oil and gas projects. The volume of grain Marubeni exports out of Brazil and Argentina is also constantly growing. Furthermore, we are focusing on water, transportation, power generation, and other infrastructure projects.

Business Overview

The Esperanza Copper Mine in Chile continues production as planned, and we have also started up a water treatment operation and maintenance project targeting copper mines. In the plant field, we began participating in an offshore LNG receiving terminal project in Uruguay. Furthermore, in the transportation machinery business we expanded product support operations in Peru and Colombia.

China

Condominium development in Shanghai (China)

Characteristics

Internal demand continues to growth within China. In this market, Marubeni is strengthening its grain trading operations and expanding into the integrated livestock and feed business in the foodstuffs field. At the same time, we are working to take advantage of China's urbanization trend in our long-running residential housing development business, and are thus broadening the scope of these operations to include regional cities in addition to the major cities that were our previous focus.

Business Overview

Marubeni will expand its trading in fields related to China's growing internal demand, including livestock feed, livestock, food products, apparel, and urban development. We also entered the auto finance business to place us closer to consumers. Furthermore, the Company is active in the agriculture, environment, energy-saving, and infrastructure fields, which are going to be crucial to China's future development.

Southwest Asia

Synthetic rubber production company (India)

Characteristics

Marubeni's main markets in Southwest Asia are India, Pakistan, and Bangladesh. Combined, these form a massive market populated by approximately 1.5 billion people. The Company has a long history in this market spanning more than 60 years, over which it has steadily developed both trading and business operations. This region is of strategic importance not only for its own markets but also for its geographical significance as a gateway to the Middle East and Africa.

Business Overview

In this region, Marubeni has developed businesses in commodity trade areas, such as chemicals, energy, metals, and lifestyle products, and has also undertaken infrastructure development, such as power generation, transportation, and water projects conducted on international yen loans. Currently, the Company is working to develop major industrial transportation routes and power projects in Delhi Mumbai Industrial Corridor, India. Other business projects include the production and sales of synthetic rubber and fertilizer as well as independent power producer (IPP) projects.

ASEAN

Thilawa Special Economic Zone development operations (Myanmar)

Characteristics

In the rapidly growing ASEAN region, Marubeni has developed a robust track record in its infrastructure business, an area of strength, and in joint initiatives with prominent corporate groups in each country in this region. Centered on regional management company Marubeni ASEAN Pte. Ltd., we are advancing a comprehensive range of initiatives with consideration paid for the upcoming formation of an ASEAN Economic Community scheduled for 2015.

Business Overview

ASEAN operations are being advanced based on two business models: trading of chemicals, food materials and food products, metals, and other commodities as well as development of electricity, water, transportation, and other infrastructure projects. Contracts concluded in the year ended March 31, 2014, included those for participation in a project related to the Thilawa Special Economic Zone in Myanmar, construction of the Thái Binh 1 Power Plant in Vietnam, and provision of a transportation system and maintenance services for Thailand's Purple Line.

Oceania

Light rail system PPP project in Gold Coast (Australia)

Characteristics

Centered on Australia, which continues to show particularly strong growth for a developed nation, Oceania is rich with mineral, forestry, and agricultural resources. Currently, more than 20 Marubeni Group companies are positioned in this region. The businesses developed by these companies include investment and export related to coal, LNG, iron ore, salt, aluminum, and other resources. These companies also invest in power and other infrastructure projects, and export wheat and meat as well as woodchips and other forest products. In addition, the Group conducts import of construction machinery, agricultural machinery, automobiles, and chemicals in this region.

Business Overview

In mineral resources, we are rapidly advancing the development of excavation, port, and railway facilities at the Roy Hill Iron Ore Project, located in the Pilbara region of Western Australia, with the aim of commencing production in 2015. As for railway PPP (Public-Private Partnership) projects, the light rail system business in Gold Coast, Australia, is up and running, providing a new form of transportation for citizens and tourists alike.

Marubeni's Sustainability

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

Formulated in 1949

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

The Marubeni Group's Stance Toward CSR

The Marubeni Group's CSR

The ability of the Marubeni Group to fulfill its responsibilities as a member of society requires every individual within the Group to adhere to the Company Creed of "Fairness, Innovation and Harmony," and to give CSR considerations high priority as they participate in corporate activities.

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

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

Identification of Priority Issues

Based on our stakeholders' expectations and concerns, and Marubeni's impact on the environment and society, we have identified the following sustainability issues as having high materiality in line with two themes. We aim to address these material issues.

1 The Marubeni Group fulfills its responsibility toward the environmental and social impact of its businesses.

<Material issues>

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

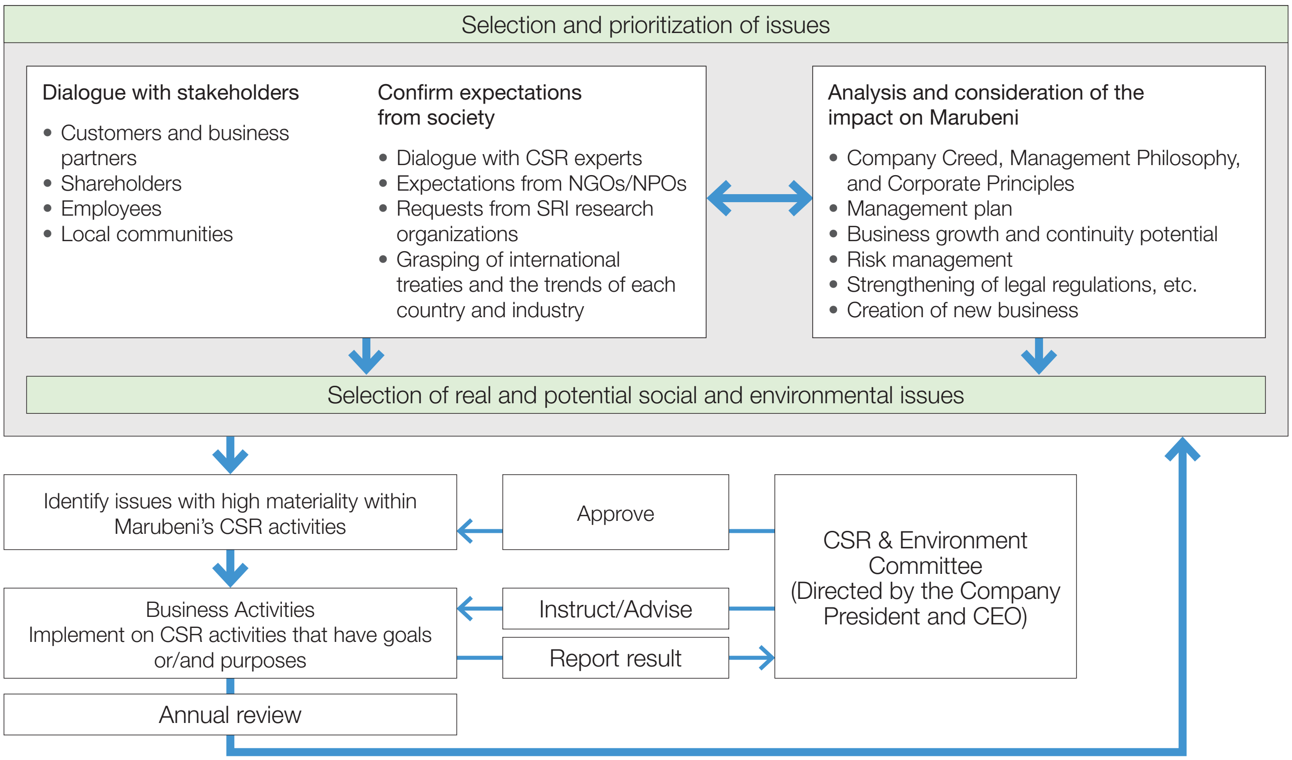
2 The Marubeni Group solves social and environmental issues while strengthening its competitiveness, leading to sustainable growth.

<Material issues>

- Developing business that solves social and environmental issues
- Strengthening supply chain competitiveness
- Contributing toward community development and strengthening our operating base

These material issues will be regularly reviewed.

Identification and Review Process of Material Issues in Our CSR Activities



Participation in Global Initiatives

The Marubeni Group aims to contribute to the development of a more sustainable world, and therefore positions CSR among its most important tasks. To instill a global perspective into the Marubeni Group's CSR activities, we participate in global initiatives, and utilize this perspective as we advance activities.

Participation in the UN Global Compact

Marubeni has declared its support for the UN Global Compact. The Global Compact expects companies to adhere to 10 principles relating to the areas of human rights, labor, environment, and anti-corruption.

Marubeni supports these principles through its CSR activities, incorporating them to further advance these activities.

The UN Global Compact's 10 Principles

Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and
	Principle 2	make sure that they are not complicit in human rights abuses.
Labor	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4	the elimination of all forms of forced and compulsory labor;
	Principle 5	the effective abolition of child labor; and
	Principle 6	the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges;
	Principle 8	undertake initiatives to promote greater environmental responsibility; and
	Principle 9	encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.

THE GLOBAL COMPACT
Network Japan
WE SUPPORT

Compliance

Importance of Compliance

The Marubeni Group believes that compliance goes beyond merely following the letter of the law. In its truest sense, compliance means corporations, as members of society, also living up to the expectations and earning the trust of all stakeholders and fulfilling their social responsibilities. Based on this belief, we conduct our business in a highly ethical manner.

The Marubeni Group's Approach

The Marubeni Group is reinforcing its compliance systems under guidance of the Compliance Committee, which is chaired by the President and CEO. To facilitate these efforts, we have newly established a Compliance Control Department effective as of May 2014, for the purpose of ensuring an even more dedicated and thorough implementation of the compliance program. We have also published the Marubeni Group Compliance Manual. The Company's employees are asked to make a statement to adhere to the code expressed in this manual. In addition, we conduct education and training programs for employees geared toward cultivating compliance awareness. We also have in place an administration system for industry-specific laws, and are otherwise promoting compliance.

Priority Activities

Stringent Application of the Compliance Manual

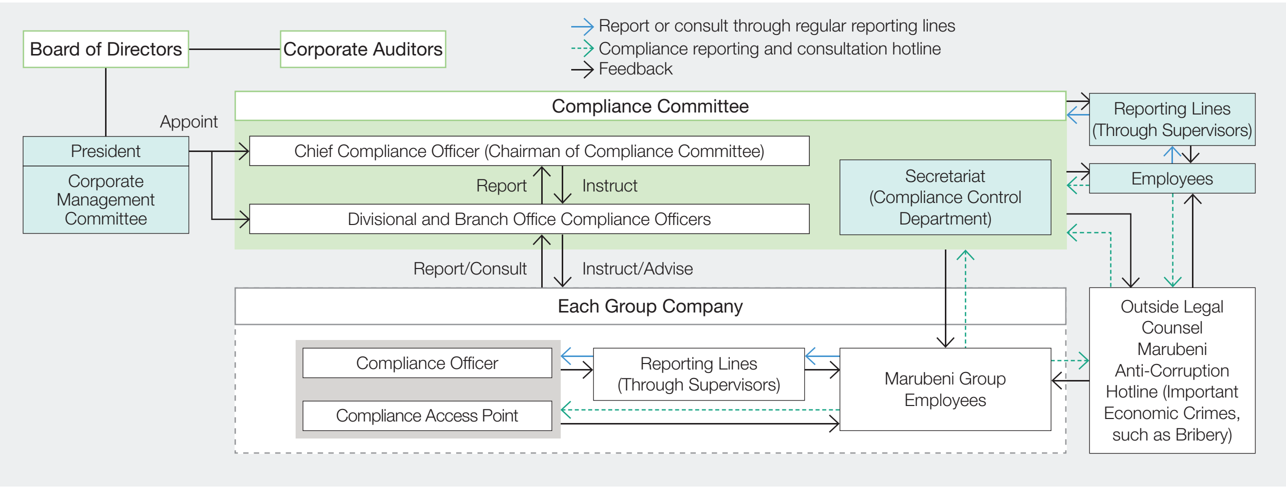
Part of the Marubeni Group's Company Creed is "Fairness." This symbolizes our pledge to always conduct ourselves in a fair and upright manner. We have defined Marubeni's stance on compliance as: "When you are faced with a choice between integrity and profit, choose integrity without hesitation." Based on this stance, Marubeni has compiled the Marubeni Group Compliance Manual, which specifies the standards of behavior that Group employees are expected to follow in all their daily work activities.

Every year, the Company's employees and executives, as well as the presidents of all domestic Marubeni Group companies, make a statement to adhere to the code expressed in this manual. As of May 2014, the Compliance Manual, now in its 11th edition, is available in English as well as Japanese, and can be viewed on the Company's website.

Compliance Education and Training

Aiming to instill compliance awareness in the minds of all Group employees and to guarantee that its business activities are conducted in a highly ethical manner, the Marubeni Group conducts education and training programs throughout its organization in accordance with the Compliance Manual. Specifically, we conduct e-learning programs and group training sessions to teach employees about general compliance topics, anti-bribery precautions, and insider trading prevention. In addition, the Chairman of the Compliance Committee makes periodic visits to Group Companies and overseas offices to provide training and raise awareness of compliance. These and other measures ensure that all individuals in the Company possess the necessary understanding and awareness of compliance issues, and know-how to apply their knowledge. Overseas offices develop their own compliance systems in accordance with the laws, regulatory structures, and business customs of each country in which they operate. These overseas offices formulate and review their compliance plans every year.

Organizational Diagram for the Marubeni Group Compliance System



Review of the Year Ended March 31, 2014

- Marubeni formulated the Compliance Committee activities plan and other activities according to the PDCA process, and conducted investigations prescribed by industry-specific laws, etc.
- Marubeni reviewed the action plans for divisions, branches, and offices for the year ended March 31, 2013, and formulated action plans for the year ended March 31, 2014.
- Marubeni published the 10th edition of the Compliance Manual and collected written statements.
- Marubeni enhanced compliance systems and programs centered on anti-bribery measures (details follow).

4,239 people

Number of employees that took oath to adhere to the code expressed in the Compliance Manual (Non-consolidated)

11,101 people

Number of people that underwent compliance training
(Number of Marubeni Group employees that underwent anti-bribery e-learning program)

The Marubeni Group's Anti-Bribery Measures

As of March 19, 2014, Marubeni Corporation ("Marubeni") has reached a resolution with the U.S. Department of Justice ("DOJ") of criminal charges relating to violations of the U.S. Foreign Corrupt Practices Act ("FCPA") with respect to alleged improper payments to Indonesian government officials for a project to expand the coal-fired power plant at Tarahan, Indonesia, by adding a steam generator and auxiliaries (the "Project"). Marubeni was a member of the consortium that was awarded the contract for the Project in 2004. Marubeni has pleaded guilty to violating and conspiring to violate the FCPA, and this plea was approved by the U.S. federal district court on May 15, 2014.

Since 2002, Marubeni has been improving its compliance program. It has done this by establishing a Compliance Committee under the direct control of the Company President, adopting a comprehensive Compliance Manual setting out high standards of conduct that all members of the Marubeni Group must observe, and establishing a compliance hotline. In 2005, Marubeni enacted internal rules to prevent bribery and, starting from that year, it has annually obtained from all of its directors, officers and employees a written statement that they will adhere to the precepts found in the Compliance Manual. Further, Marubeni has improved its compliance program by discharging its obligations under a January 2012 Deferred Prosecution Agreement which was entered into with the DOJ, relating to an LNG project in Nigeria in which Marubeni was involved during the last half of the 1990s through the early 2000s. That Agreement required Marubeni to retain a corporate compliance consultant for two years to review and enhance its anti-corruption compliance program to ensure that it satisfies standards specified by the DOJ, and to report to the DOJ regarding the results of this review. To improve its anti-corruption compliance program, Marubeni has:

1. Established the Marubeni Group Global Anti-Corruption Policy (available in multiple languages) and collected written statements from Marubeni Group employees that they will adhere to this policy.
2. Conducted a global anti-bribery training program (including multilanguage e-learning programs).
3. Strengthened due diligence procedures for business partners.
4. Established an external, multilanguage whistle-blowing system regarding bribery, money laundering, accounting fraud, and other serious economic crimes (whistle-blowing system is also available to business partners).

This was completed in January 2014, and at the request of the DOJ the related proceeding was dismissed on February 26, 2014.

In response to the Tarahan issues, in May 2014 Marubeni established the Compliance Control Department as a dedicated internal organization to further reinforce Group compliance systems. The Department commits to continue to improve Marubeni's compliance systems and prevent occurrence of corrupt acts by: internal education; reviewing and enforcing the related internal rules; auditing and monitoring; and focusing on preventing bribery and other serious economic crimes.

Supply Chain Management

Importance of Supply Chain Management

In operating a wide range of businesses on a global scale, the Marubeni Group has built up supply chains in many different countries and regions, and the Group procures products and services from various suppliers. Some of these include emerging countries where social issues such as forced labor, child labor, and degradation of the local environment may arise. Given these concerns, the Marubeni Group sees supply chain management as an important issue for continued sound business practice.

The Marubeni Group's Approach

Marubeni has formulated the following Basic Supply Chain CSR Policy, which we transmit to all suppliers, requesting that they understand and cooperate with the enforcement of this policy.

Priority Activities

Transmission of and Requested Adherence to the Basic Supply Chain CSR Policy

Marubeni aims to have all its long-term business partners understand and cooperate with the Basic Supply Chain CSR Policy, and we have been working to disseminate the policy to them.

In addition, Marubeni has formulated measures and procedures to counteract noncompliance with the labor standards set forth in the Basic Supply Chain CSR Policy, and to effect improvements.

Basic Supply Chain CSR Policy

1. Marubeni does not stop at achieving strong CSR results for itself, but also supports the achievement of strong CSR results throughout its supply chain, with the objective of building an environmentally friendly, healthy and sustainable society.
2. Marubeni requests the understanding and cooperation of its business partners in the observance of the Supply Chain CSR Guidelines set forth below, so that Marubeni, together with its business partners, can facilitate highly efficient CSR results.
3. Supply Chain CSR Guidelines

1. Observance of Laws
    - Observe the applicable laws of each relevant country and the various countries affected by the transaction.
2. Respect for Human Rights
    - Respect human rights, without discrimination, physical, verbal, sexual and other forms of harassment or inhumane treatment.
    - No child labor, forced labor, inappropriate wage abatement, or excessive working hours.
    - Respect employees' right to unionize for the purpose of negotiations between labor and management and to bargain collectively.
3. Preservation of the Environment
    - Protect nature.
    - Minimize environmental impact, and prevent pollution.
4. Fair Transactions
    - Conduct fair transactions, and do not inhibit free competition.
    - No bribery or illegal contributions, and prevent corruption.
5. Safety and Health
    - Secure safety and health in the workplace, and maintain a good working environment.
6. Quality Control
    - Maintain the quality and safety of products and services.
7. Disclosure of Information
    - Including the items mentioned above, appropriately disclose company information.

Measures against Noncompliance with Labor Standards under the Basic Supply Chain CSR Policy

1. In the case of identified noncompliance involving our suppliers as to any of the following three items: 1) observance of laws; 2) respect for human rights; and 5) safety and health, as stipulated in relation to labor standards under the Supply Chain CSR Guidelines, the noncompliant supplier will be required to take the following actions as necessary.
    - Conduct fact-finding investigations, and
    - If the noncompliant practice is confirmed to have occurred, report on analysis of the background information and on the measures that were developed and followed.

    Marubeni may visit the offending supplier, depending on the circumstances.
2. If the measures taken for improvement are evaluated as not being sufficiently effective, implementation of additional measures will be requested.
3. In case of a continued inadequate response to the noncompliant situation despite following steps 1 and 2 above, termination of the trading relationship with the offending supplier will be considered.

Review of the Year Ended March 31, 2014

- Marubeni transmitted the Basic Supply Chain CSR Policy to 2,770 companies, including all its long-term business partners as well as its new business partners with which long-term dealings were commenced.
- Marubeni conducted on-site inspections of two suppliers (shoes and textile products) in countries designated as carrying a high risk associated with supply chain labor standards.
- Marubeni conducted e-learning programs that provided essential supply chain-related knowledge. Approximately 3,000 people participated in these programs.

2,770 companies

Number of companies to which the Basic Supply Chain CSR Policy has been transmitted
(In the year ended March 31, 2014)

3,048 people

Number of people that underwent CSR and environmental training
(In the year ended March 31, 2014)

Initiatives for Human Rights

As a global company, Marubeni regards respect for human rights to be an integral aspect of CSR and essential to sound corporate management. In accordance with the spirit of the Compliance Manual, Marubeni is promoting Group-wide initiatives aimed at creating a corporate culture in which human rights are respected.

On-Site Inspections of Suppliers

To confirm the status of compliance with the Basic Supply Chain CSR Policy, Marubeni conducts surveys of its suppliers using on-site inspections and also uses questionnaires to investigate compliance status.

Marubeni conducts on-site inspections of suppliers who are based in countries designated by the FTSE4Good Global Index* as carrying a high risk associated with supply chain labor standards, and who trade in the apparel, agriculture, and other sectors. Marubeni visits such suppliers to interview relevant managers and to inspect manufacturing sites. In this manner, we check on legal compliance systems, labor conditions such as wages and health and safety, environmental protection measures, and other matters.

In the year ended March 31, 2014, on-site inspections were conducted at the sites of two suppliers: one in China and one in Vietnam. These inspections found no violations of the Basic Supply Chain CSR Policy.

* FTSE4Good Global Index: Developed and established by FTSE International Limited, a subsidiary of the London Stock Exchange, this index is one of the most commonly used Socially Responsible Investment (SRI) indexes.

Focus: On-Site Inspections Conducted at Suppliers

In the year ended March 31, 2014, the Company conducted an on-site inspection of Vietnamese knit textile product manufacturer Viva Garment Products Ltd., during which we spoke with this company's compliance manager and inspected its factory.

Response from a Local Supplier

The on-site inspection is similar to our own "self-assessment program," but it's more objective. This is also a good opportunity for us to review our compliance system and quality control system. During inspections and meetings about CSR, we have created more ideas and motivation. We hope that these will strengthen our management, prevent non-compliance, and help to continue to maintain our good business practices.

Tina Le
Admin & Compliance Manager
Viva Garment Products Ltd.

Environmental Protection

Importance of Environmental Protection

As a global enterprise operating a wide range of businesses, the Marubeni Group's business activities impact the global environment in a number of ways. For this reason, the Group believes that conducting its operations in an environmentally friendly manner is one of its responsibilities as a global company.

The Marubeni Group's Approach

Marubeni operates its environmental management system (EMS) in accordance with the Marubeni Group Environmental Policy. Moreover, environmentally friendly practices are being promoted at Group companies. The Company also conducts environmental evaluations before launching infrastructure of other development projects or financing or investing in new businesses.

Priority Activities

EMS Strengthening

Marubeni has introduced an EMS based on ISO 14001 as a tool to assist all employees in addressing environmental issues based on a common understanding. Marubeni obtained ISO 14001 certification in 1998. Since then, overseas corporate subsidiaries and other Marubeni Group companies have obtained certification as needed. As of September 30, 2013, 65 Marubeni Group companies have been certified.

The EMS utilizes a plan–do–check–act (PDCA) cycle to ensure ongoing improvement. The cycle includes planning, implementation and operation, inspection, and management and review of environmental measures.

Environmental Risk Management at Group Companies

Marubeni aims to reduce its environmental footprint. We therefore request the understanding and cooperation of Group companies with regard to environmental preservation activities conducted in accordance with the Marubeni Group Environmental Policy. We also assess Group companies, looking at such factors as whether or not they are certified under ISO 14001 as well as the condition of their emergency response measures and management systems for environmental concerns.

Environmental Performance Reviews of Operating Companies

Marubeni conducts survey-based annual reviews regarding environmental performance issues at Group companies.

This detailed assessment includes identification and status confirmation of elements within our operations that impact the environment, applicable environmental laws and regulations, emergency response measures, and environmental problems. This is another example of Marubeni's efforts to reduce environmental impact throughout the Group.

On-Site Inspections at Group Companies

Marubeni identifies and conducts on-site inspections of subsidiaries that have yet to acquire ISO 14001 certification and that are engaged in activities with a relatively high risk of exerting a significant environmental impact. For these on-site inspections, Marubeni personnel visit the plants and offices of the applicable companies together with auditors from an independent assessment agency. There, they inspect the sites, check systems designed to ensure compliance with environmental requirements, and confirm the companies' environmental risk control status. In the year ended March 31, 2014, a total of 24 operating bases of 14 companies around the world were inspected. No significant environmental issues were identified. Going forward, Marubeni will continue working to enhance environmental management throughout the Group.

Targets to Achieve by the Year Ending March 31, 2021

	Numerical Targets in the Year Ending March 31, 2021	Results in the Year Ended March 31, 2014
1 Energy Usage (electricity and gas) at Tokyo Head Office and Osaka Branch	Reduce energy usage (electricity and gas) by 10.5% compared to the year ended March 31, 2010	44.8% decrease from the year ended March 31, 2010
2 Waste Generation at Tokyo Head Office	Reduce waste generation by 30% compared to the year ended March 31, 2011	30.0% decrease from the year ended March 31, 2011
3 Waste Recycling Rate at Tokyo Head Office	Achieve a waste recycling rate of 90% or more	92.4%
4 Water Consumption at Tokyo Head Office	Reduce water consumption by 3% compared to the year ended March 31, 2011	1.8% decrease from the year ended March 31, 2011
5 Green Product Purchase Rate at Major Offices*	Achieve a green product purchase rate of 85% or more	86.5%

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

Review of the Year Ended March 31, 2014

- Marubeni continued to collect information, hold trainings, and conduct self-inspections to spread awareness on environmental regulations and promote compliance.
- Marubeni strengthened environmental risk management systems at branches and offices by enforcing orders from the Head Office at organizations under the jurisdiction of branches and offices and by deepening understanding of environmental issues among branch and office workers.
- Marubeni conducted on-site inspections of domestic and overseas Group companies with high environmental risks, and provided guidance as needed for improvement.

135 evaluations

Number of environmental evaluations conducted
(In the year ended March 31, 2014)

728 people

Number of people that underwent Training on the Waste Management and Public Cleansing Act
(In the year ended March 31, 2014)

Environmental Evaluations of Development Projects and Financing/Investment

Before launching a development project or financing or investing in a new business, Marubeni assesses the project's conformity with environmental laws and the levels of possible adverse impact on the environment in the event of an accident or some other emergency using the Company's Environmental Evaluation Sheet. The completed evaluation sheet is used as a factor when making the final decision on whether or not the project should be implemented.

Number of Environmental Evaluations in the Year Ended March 31, 2014, by Risk Type

Atmospheric Pollution	51
Water Pollution	67
Soil Pollution	49
Noise/Vibration	59
Offensive Odor	7
Waste Increase	35
Natural Resource Depletion	46
Global Warming	45
Biodiversity	30
Others	7
Total	396

The total is not equal to the aggregate of environmental assessments conducted, 135, as some assessments identified no applicable risks, while others detected more than one risk.

Follow-up evaluations are also conducted for projects considered to have potential environmental risks as a result of the initial assessment. Follow-up is continued until all concerns have been dispelled. In the year ended March 31, 2014, we assessed 135 projects with environmental risks, including projects for natural resource and energy development, food production and transportation, and real estate development.

The table on the left shows the number of projects subject to environmental evaluation, categorized according to risk type.

Environmental Education and Training

Marubeni conducts various environmental training and education programs for its employees to help raise their awareness of relevant issues. In the year ended March 31, 2014, the CSR/Global Environment e-learning Training Program was conducted for all executives and employees, including temporary employees. More than 3,000 people participated in the training program. Marubeni organizes a variety of programs, including environmental training designed for new employees. Other specific programs include: the Environmental Officers e-learning Training Program, the ISO 14001 Internal Environmental Auditors Training Program, and Training on the Waste Management and Public Cleansing Act. In addition, personnel who perform a leading role in the implementation and operation of the EMS must receive ISO Environmental Auditors Training, which is conducted by external training organizations.

Focus

Site Inspections Conducted at Group Companies Yet to Acquire ISO 14001 Certification

In the year ended March 31, 2014, the Company conducted inspections at two Group companies in North America, where environmental regulations are particularly strict. This was the first time for inspections of this nature to be conducted at overseas Group companies. In the inspections, Marubeni representatives visited the companies together with external specialists versed in local environmental regulations. The inspections found that the companies' product and processing materials both contained chemical substances that posed significant risks to the environment. However, these substances were managed appropriately at all sites.


Inspection at All-State Belting, LLC

Contribution to Local Communities

Importance of Contributing to Local Communities

The Marubeni Group's business is supported by its stakeholders around the world. As Marubeni pursues sustainable growth, it is important for the Company to continue contributing to local communities. Based on this belief, we actively conduct social contribution activities.

The Marubeni Group's Approach

Marubeni recognizes the need to take responsibility for creating bonds with society, and contributing, in particular, to the needs of local communities. To this end, we formulated the Basic Policy on Social Contribution Activities in January 2006. In accordance with this policy, the Group conducts volunteer activities based on employee participation and donates money and other items. Through these and other activities, Marubeni aims to build a better relationship with society, based on coexistence, and continue being an organization trusted by all stakeholders.

Priority Activities

Volunteer Activities

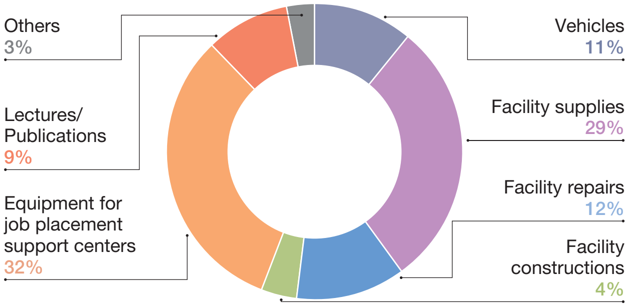
Marubeni cooperates with NGOs and NPOs in planning and running volunteer activities for employee participation. The goal is to encourage employees to participate in volunteer activities and thereby develop an understanding of what social contribution entails and the need for the Group to make ongoing efforts as a good corporate citizen.

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

Mt. Fuji clean-up activities

Providing support in areas affected by the Great East Japan Earthquake—a beach clean-up in the town of Shichigahama in Miyagi Prefecture

Distribution of Donations by Marubeni Foundation in the Year Ended March 31, 2014



Marubeni Foundation

Funded by Marubeni, the Marubeni Foundation was established in 1974 as a private support organization for social welfare activities. In the following year, it started a tradition of providing annual donations of ¥100 million to aid welfare facilities and organizations across Japan, which it has continued. To date, this private foundation has given a total of 2,233 grants totaling ¥3.9 billion in support of a wide range of charity and aid programs.

In the year ended March 31, 2014, the foundation received grant applications from 739 welfare programs, 66 of which were selected to receive funding. The chosen programs mainly related to purchasing of facility supplies, equipment for job placement support centers, and special vehicles for the elderly and persons with disabilities.

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

Funding for the grants includes contributions from Marubeni, provided partially as a means of utilizing earnings, and contributions from the 100 Yen Club, consisting of concerned present and former executives and employees who make fixed monthly donations in multiples of ¥100, with matching contributions by Marubeni.

Review of the Year Ended March 31, 2014

- Based on the Basic Policy on Social Contribution Activities, the Marubeni Group conducted social contribution activities in various areas.
- In activities to support the recovery from the Great East Japan Earthquake, Marubeni dispatched a continual stream of Group employees to the disaster-stricken areas to perform volunteer work.

¥3.9 billion

Aggregate total of grants through the Marubeni Foundation
(As of March 31, 2014)

979 people

Aggregate total number of Marubeni Group employees participating in volunteer activities
(In the year ended March 31, 2014)

Overseas Scholarship Funds

To support the education and development of young people in emerging economies, Marubeni has set up scholarship funds, mainly in the ASEAN region. Specifically, scholarship funds have been established in Brazil as well as in ASEAN nations, such as the Philippines, Vietnam, Indonesia, Cambodia, Laos, and Myanmar. These funds are operated as dictated by the circumstances regarding education in each country.

Marubeni's total overseas scholarship funds to date amount to US$3.53 million in seven countries. Each year, we provide support to meet the local communities' needs, including scholarships for students from elementary through to university level and material assistance such as PCs and stationery.

The Marubeni Collection

The Marubeni Group is assembling a collection of art works consisting of paintings and garments. Paintings have primarily been acquired in the course of Marubeni's painting business. The garment collection includes Edo-period short-sleeved *kosode* kimonos and kimonos created by modern designers collected in order to research costume design. The Marubeni Collection currently consists of approximately 600 paintings and 400 historical garments, all of which are carefully managed by professionals to keep them in pristine condition. These works are oftentimes lent to exhibitions and other events.

Focus

Contributions in the Republic of Angola

After a prolonged period of civil war, the Republic of Angola found itself charged with the urgent task of restoring its devastated industries. Marubeni has been contracted to rehabilitate large-scale textile factories in three cities in Angola. This project will enable the country to domestically produce and distribute fabric for uniforms and shirts, linen materials, and other textile products. After these factories have been completed, they will provide employment opportunities for approximately 3,500 people in Angola. For these factories, we will provide technical advisory services to transfer operation and maintenance technologies.

Luanda textile factory

- **Value for Angola**
  - Restoring Angola's textile industry, which had been devastated by civil war
  - Enabling textile products, previously procured entirely through imports, to be produced domestically
  - Creating local employment opportunities
  - Transferring Japanese technologies to Angola
- **Value for Marubeni**
  - Creating and expanding plant-related business opportunities in Angola
  - Expanding from Angola to create business opportunities in other Sub-Saharan regions

Utilization of Diverse Human Resources

Importance of Utilizing Diverse Human Resources

On a consolidated basis, there are 39,465 people working at the Marubeni Group. On a non-consolidated basis, the number of people working at Marubeni Corporation is 4,289 with 856 of them working overseas and 1,086 of them being women. In this manner, we employ a diverse range of human resources. It is thus of crucial importance that we create a work environment in which each of our employees can fully demonstrate their unique skills and capabilities if we are to pursue sustainable growth.

The Marubeni Group's Approach

The Marubeni Group sees human resources (HR) as its most valuable asset. For this reason, Marubeni has established an HR Strategy Committee, chaired by the President and CEO. This committee enables Marubeni to respond to changes in the management environment and address the diversification of business models while strengthening HR across the Group.

Priority Activities

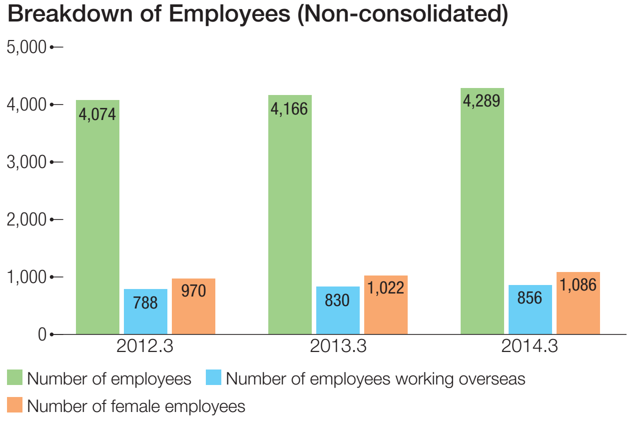
Management-Guided HR Strategies

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

In the area of experience, Marubeni has adopted a strategy of focusing on young career-track employees, and making overseas work experience in their 20s a requirement. Marubeni also provides them with on-the-job experience. In this way, Marubeni hopes to develop a globally oriented and productive workforce with an on-the-job perception. In order to implement this strategy, Marubeni has a program in place that promotes more dynamic job transfer and rotation plans through a system of assessments and incentives.

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

Breakdown of Employees (Non-consolidated)



Utilization and Promotion of Diverse HR

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

Marubeni's basic recruitment policy is to select applicants according to their capability and competence based on a fair recruitment process in which no form of discrimination is tolerated. To ensure that fair recruiting activities are conducted across the entire Marubeni Group, we have prepared the Marubeni Recruiting Manual, and strive to ensure that our policies are thoroughly understood.

To provide opportunities for senior employees, Marubeni has adopted a continued employment system for employees 60 and over in accordance with the revised Elderly Employment Stabilization Act. As of March 31, 2014, 97 employees have been hired under this system.

Furthermore, in order to promote the employment of persons with disabilities, Marubeni established Marubeni Office Support Corporation, which has been certified as a special-purpose subsidiary* by the Minister of Health, Labour and Welfare. As of March 31, 2014, Marubeni Corporation and Marubeni Office Support Corporation had 58 employees with disabilities in total.

* Special-purpose subsidiary: A subsidiary that has been certified by the Minister of Health, Labour and Welfare as satisfying the conditions specified in the Act on Employment Promotion, etc., of Persons with Disabilities. The number of workers with disabilities employed by such a subsidiary may be included in the calculation of the employment rate of disabled persons of the parent company.

Review of the Year Ended March 31, 2014

- With regard to its three-pronged approach to HR that emphasizes practical experience, assessment and incentives, and training, Marubeni focuses particularly on practical experience and training as it works to strengthen HR.
- Marubeni focused efforts on utilizing and promoting a diverse range of HR.

16.8 years

Average service years
(As of March 31, 2014)

18 times

Number of discussions with the Marubeni Employee Union
(In the year ended March 31, 2014)

Further Promotion of Work-Life Balance

Marubeni is promoting initiatives designed to achieve a better work-life balance, as the Company considers this to be an important measure for realizing a stronger Marubeni and sustainable growth. The initiatives are being promoted via two major programs: the Life Event Support Program, which supports employees in their career and personal lives during and after pregnancy, while caring for sick or elderly family members, and during other life events, and the Meri-Hari Work Program, which encourages employees to work less overtime and to use paid leave.

Relationship with the Labor Union

The Marubeni Employee Union was established in 1949. As of March 31, 2014, it has 2,491 members, or about 58% of our employees. In the year ended March 31, 2014, 18 meetings were held, including management–union discussions with the President and other senior management members, and various collective bargaining and committee meetings. In addition, the Company and the labor union actively promote joint activities for the introduction and implementation of systems and measures related to the work environment.

Focus

Empowering a Diverse Range of Employees Around the World

Many of Marubeni's diverse talents play important roles in various fields. The following is a message from a Russian woman whose work at Marubeni (Tokyo) entails aiding infrastructure development in local communities.

Contributions to Local Communities Through Infrastructure Development

I first learned of Marubeni and its global business as a general trading company, when I was studying in Japan. The idea of working on the global stage was highly appealing to me, and it was for this reason that I decided to join the Company.

At present, I am working to develop transportation infrastructure, primarily conducting railway EPC projects (Engineering, Procurement, and Construction) in Latin America and making good use of my Spanish language ability along the way. A specific example would be exporting Japanese-made railcars to Venezuela and Argentina. In Venezuela, we will supply 13 trains consisting of 52 suburban-use railcars to Venezuela's national railway. These trains are anticipated to help improve Venezuela's public transportation system while at the same time alleviating the chronic traffic congestion affecting the suburbs around Caracas. In Argentina, meanwhile, we will refurbish subway railcars used in Japan and supply these cars for use by Buenos Aires City Subway. Refurbishing used railcars means that this transportation infrastructure development project is also environmentally friendly.

I feel great pride in my work knowing that I am taking part in the development of local communities.

Liudmila Vakkhova

Transport & Infrastructure Project Dept., Plant Div.

A Message from the Chairman

Corporate Governance for Raising Corporate Value

Teruo Asada

Chairman of the Board

In accordance with its Company Creed of "Fairness, Innovation and Harmony," the Marubeni Group has declared its commitment to contributing to social and economic development by conducting fair and upright corporate activities. We believe that corporate governance must form the foundation for our efforts to fulfill this mission, and have therefore positioned strengthening governance systems among our most important management priorities.

To enhance the efficacy of corporate governance at Marubeni, we have thoroughly separated supervision and execution functions in management: the roles of chairman and CEO have been separated; an executive officer system has been introduced; and two outside directors have been elected to the Board of Directors in addition to three outside corporate auditors. All of these outside officers are also independent officers. In this way, we have taken measures to enhance the oversight functions of management. Furthermore, we are pursuing greater diversity and have selected a female outside director. Through these and other efforts, we are continually strengthening corporate governance.

With the members I just mentioned, the Board of Directors discusses important management issues, while incorporating the objective opinions of outside officers. In the year ended March 31, 2014, the Board of Directors approved decisions to finance power generation ventures, an aircraft leasing business, a mobile handset sales agent business, and other projects.

In regard to compliance, we have appointed an independent compliance consultant, and have taken other steps to strengthen relevant systems as we continually improve compliance measures.

A final and complete corporate governance system does not exist. Currently, the Companies Act is being revised, and the Japanese Stewardship Code is being established. Developments such as these will surely change the playing field when it comes to corporate governance in Japan, and it can be expected that system reforms like these will also occur in the future. Marubeni will respond to these reforms positively and appropriately, actively adopting effective systems with the aim of creating an even better corporate governance system. We will continue with efforts to improve our corporate value in this way.

Basic Approach to Corporate Governance

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

Furthermore, Marubeni has approved the basic internal control policy by resolution of the Board of Directors, to serve as a system to ensure that directors fulfill their duties in compliance with laws and regulations and the Articles of Incorporation.

Basic Internal Control Policy

Marubeni seeks to steadily increase and maximize corporate value through business activities that are in accordance with our Company Creed and Management Philosophy, and to steadily and continuously build and expand the Group's business foundation. To this end, Marubeni has established internal control systems, which serve as a rational process to ensure improvement of efficiency of business activities, accurate reporting of earnings results to stakeholders, maintenance of compliance with applicable laws and regulations, safeguarding of assets, and appropriateness of corporate activities. The Company regularly reviews this internal control system policy based on its structure and operation status to respond to changes in social conditions and the business environment.

In accordance with the Companies Act and its implementation guidelines, Marubeni has established a basic internal control policy which helps to ensure that all business activities are conducted appropriately. Each year, the Company confirms the content and implementation of this policy, and implements improvements when necessary. With regard to the internal control report system mandated under the Financial Instruments and Exchange Act, the Internal Control Committee conducts evaluations as stipulated in the practical standards. As in the year ended March 31, 2013, we again submitted our internal control report for the year ended March 31, 2014, which concluded that "internal control is effective."

Basic Internal Control Policy (Key Items)

1. System necessary to ensure that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation
2. Systems to preserve and manage information related to the execution of duties by Directors
3. Internal regulations for the risk management of losses and other related systems
4. Systems necessary to ensure the efficient execution of duties by Directors
5. Systems necessary to ensure the appropriateness of operations by the Group
6. Matters concerning employees assisting the duties of Corporate Auditors, and matters concerning the independence of these employees from Directors
7. Systems for Directors and employees to report to Corporate Auditors and other systems for reports to Corporate Auditors
8. Other systems necessary to ensure effective audits by Corporate Auditors

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

http://www.marubeni.com/ir/reports/business_report/data/90_notice_en3.pdf (page 32–33)

Overview of Corporate Governance Systems

Organization	Company with Auditors
Chairman of the Board	Chairman
Directors (outside directors*)	12 (2)
Corporate auditors (outside corporate auditors*)	5 (3)

Year ended March 31, 2014

Major Board and Committee Meetings	Board of Directors	22 times
	Board of Corporate Auditors	11 times
	Corporate Management Committee	36 times
	Committee of Chief Operating Officers	2 times
	Committee of Executive Officers	10 times
Total compensation paid to directors		15/¥886 million
Total compensation paid to corporate auditors		8/¥125 million

* All outside directors and corporate auditors are independent officers as defined by the Tokyo Stock Exchange.

Corporate Governance Structure

Marubeni operates under a corporate audit governance system, adhering closely to the Companies Act, with a control structure designed to facilitate a clearly defined decision-making process, business execution system, and supervisory system. Marubeni has established the structure as shown in the diagram below.

Marubeni conducts a diverse range of businesses globally. Accordingly, Marubeni has established a corporate audit governance model with a Board of Directors mainly comprising internal directors (with appointment of outside directors and collaboration with the Board of Corporate Auditors) in order to ensure rapid and efficient decision-making and appropriate supervisory functions in management. Marubeni has determined that this governance model is functioning effectively as set forth in items (a) and (b) below. Therefore, Marubeni will retain the current governance structure.

(a) Ensuring rapid and efficient decision-making

Marubeni ensures rapid and efficient decision-making by structuring the Board of Directors mainly around directors who serve concurrently as executive officers and are well-versed in the Company's diverse business activities.

(b) Ensuring appropriate supervisory functions

Marubeni ensures appropriate supervisory functions by implementing various measures, including appointing outside directors; assigning dedicated staff to the Corporate Auditor Department; fostering collaboration among the corporate auditors, the Audit Department, the independent auditors, and the corporate auditors of Group companies; and implementing advance briefings on matters referred to the Board of Directors for both outside directors and outside corporate auditors on the same occasions.

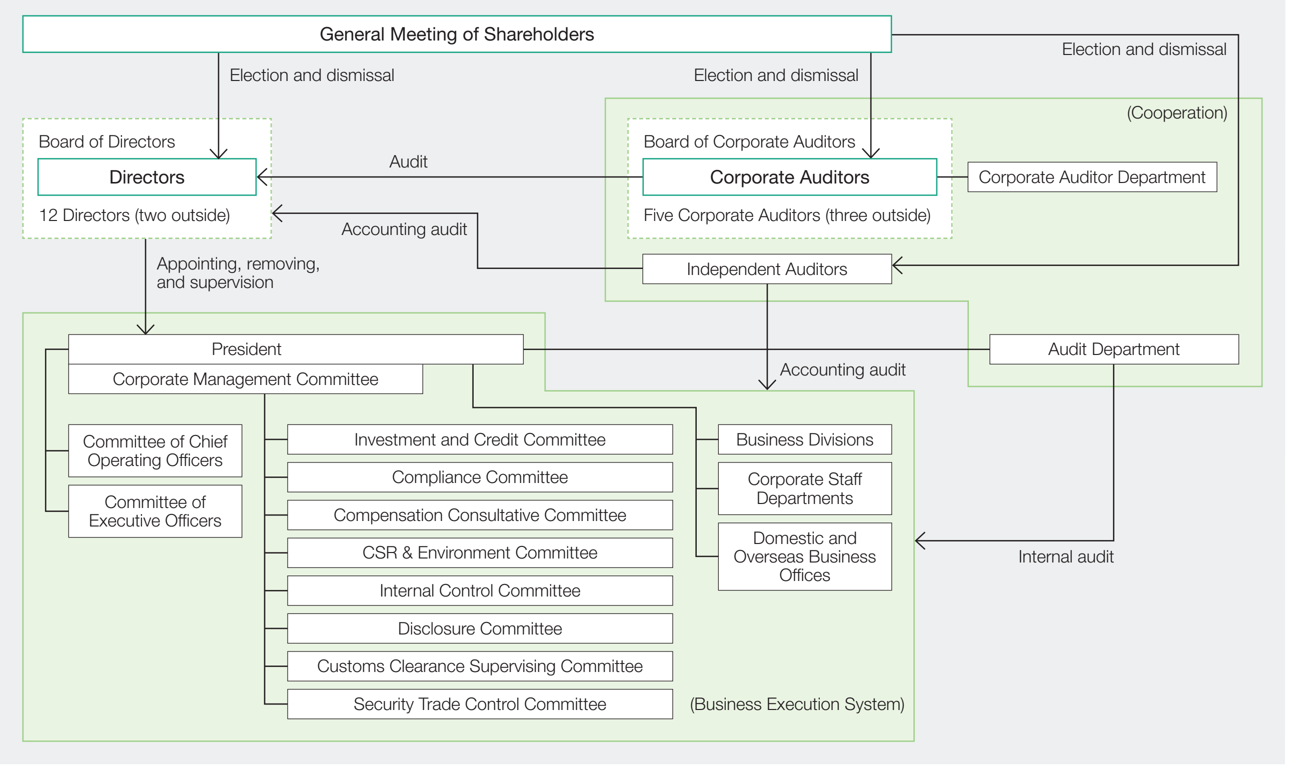
Board of Directors

Our Board of Directors comprises 12 directors (including two outside directors) who deliberate on overall corporate policy and major issues, while monitoring the performance of individual directors. Each director's term of office is one year. This is to flexibly put in place an optimal management structure in response to changes in the business environment, while clarifying management responsibility.

Board of Corporate Auditors

The Board of Corporate Auditors comprises five corporate auditors (including three outside corporate auditors). Marubeni has adopted a corporate audit governance system. Accordingly, the corporate auditors are responsible for overseeing directors in the execution of their duties, by attending important meetings such as the Board of Directors, as well as monitoring business activities and financial conditions in accordance with the auditing policies and plans set by the

Corporate Governance Structure



Board of Corporate Auditors. The corporate auditors have monthly meetings with the independent auditors to exchange information and opinions on auditing plans, progress of auditing activities at Marubeni and Group companies, audit results, key points and considerations on earnings results, and accounting audit trends.

The President also holds regular meetings with the corporate auditors and reports to them on business performance. Other directors, the chief operating officers, and the general managers of the corporate staff departments report to the corporate auditors each year on business performance.

Corporate Management Committee

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

Committee of Chief Operating Officers

The members of the Committee of Chief Operating Officers are the President, the representative directors, the chief operating officers, the regional CEO for North & Central America, the regional CEO for Europe & CIS, the regional CEO for China, the regional CEO for ASEAN, and the regional CEO for Oceania. They discuss matters pertaining to budgeting, account settlement, and financial planning, as well as other issues relating to the execution of business.

Committee of Executive Officers

To clearly separate supervisory and executive functions, and to define authority and responsibility, Marubeni has introduced an executive officer system. Each executive officer is assigned authority to manage the operations of their division and full responsibility for implementing policies, while the relevant advisors to the President, who serve as representative directors, will monitor and support the executive officers. The Committee of Executive Officers comprises 39 executive officers (nine of whom are also directors) and holds monthly meetings, in principle, to announce management policies issued by the President and to discuss financial performance, the results of internal audits, and other issues that affect business execution, and to facilitate the exchange of information between the oversight function and the implementation function. Keeping communication lines open between the directors and executive officers, outside directors also attend these meetings. Executive officers are selected by the Board of Directors and appointed to one-year terms of office.

Committee Roles and Functions

Marubeni has established various committees designed to enhance corporate governance. A brief description of the principal committees and their respective governance roles is given below.

Committee	Role	Meeting Frequency
Investment and Credit Committee	Projects pending approval, such as investments, are discussed and approved by the Investment and Credit Committee prior to appearing on the Corporate Management Committee's agenda.	Held three times a month in principle
Compliance Committee	The Compliance Committee provides support and guidance with regard to practicing compliance and as such develops, maintains, and manages the Group's compliance structure.	Held four times a year and when necessary
Compensation Consultative Committee	Based on advice from the President, the Compensation Consultative Committee deliberates and provides reports on matters related to officer treatment, including compensation, rewards, and sanctions.	Held when necessary
CSR & Environment Committee	The CSR & Environment Committee is responsible for discussing and reporting on the Group's CSR and environmental protection activities as well as the policies for these activities.	Held when necessary
Internal Control Committee	The Internal Control Committee is responsible for developing and monitoring the enforcement of internal control policies based on the Companies Act as well as drafting revisions when necessary. It also establishes, operates, and verifies the effectiveness of internal control systems for financial reports in accordance with the Financial Instruments and Exchange Act, while also drafting internal control reports.	Held when necessary
Disclosure Committee	The Disclosure Committee creates disclosure policies, ensures that internal systems concerning legally mandated and timely disclosure are in place, and decides the importance and appropriateness of the information targeted for legally mandated or timely disclosure.	Held four times a year and when necessary
Customs Clearance Supervising Committee	The Customs Clearance Supervising Committee establishes and maintains systems to ensure that the Group follows appropriate procedures when importing and exporting and also conducts related internal inspections and training.	Held once a year and when necessary
Security Trade Control Committee	The Security Trade Control Committee establishes and maintains security trade control systems, inspects and approves transactions, and conducts internal audit and training concerning security trade controls.	Held once a year and when necessary

Roles and Functions of Outside Directors

Outside directors offer opinions on business management drawn from their broad experience and high-level perspective, and give advice to better implement corporate governance. Marubeni currently has two outside directors; one has served as a Vice-Minister of Economy, Trade and Industry, and the other as the manager of a consulting company.

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

A Message from an Outside Director

Advice for Creating Value and Continuing Growth from a Macroeconomic Perspective

Takao Kitabata

Outside Director

The general trading company business model is indigenous to Japan, and the specifics of this business model can change greatly in response to social trends. As an outside director at Marubeni, it is important for me to give advice that will help guide the Company in responding to these trends to create value and continue growing from a macroeconomic perspective. At the same time, a basic role of mine is to help restrain the Company when necessary, to “put on the brakes,” so to speak.

In the past, I have worked in the Ministry of Economy, Trade and Industry, where I was involved in the energy and trade insurance fields. From this experience, I am able to incorporate global economic trends into the advice I offer, and I therefore see offering this advice as part of my role at Marubeni. Those working at Marubeni are all exceptionally well-versed in the industries they have been placed in charge of. For this reason, I provide input about how businesses will be affected by such trends as global market conditions, growing populations in emerging countries, and the declining and aging of Japan’s population.

General trading companies face constantly changing operating environments, and this means that their corporate governance systems need an extra element of flexibility paired with lightning-fast decision-making. I feel confident in saying that Marubeni’s governance systems are superior in both of these respects. I can also offer praise for the speed exercised in most of the discussions among the Board of Directors.

The Marubeni Group has overcome the risks borne out of countless social changes to realize the strong performance it boasts today. One of Marubeni’s strengths is its earnings structure that is balanced between the natural resource and non-natural resource fields, which I feel is a major factor behind the stability of the Company’s performance. In this rapidly changing social environment, I believe that Marubeni has unmeasurable potential.

Going forward, as we discuss various projects, I will actively offer advice rooted in my experience at the Ministry of Economy, Trade and Industry and other positions and based on the information gained through the networks I have formed through these positions.

Roles and Functions of Outside Corporate Auditors

Outside corporate auditors monitor the directors' execution of duties and draw upon their wealth of professional expertise to offer various recommendations and advice to enhance corporate audits. Marubeni currently has three outside corporate auditors. Two have served as a corporate manager and one as a Deputy Superintendent General of the Tokyo Metropolitan Police Department.

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

Executive Compensation

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

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

Total Compensation Paid to Directors and Corporate Auditors for the Year Ended March 31, 2014

Position	Total Amount of Compensation		Number of Recipients
	Basic Compensation		
Directors (excluding outside directors)	¥862 million	¥862 million	11
Corporate auditors (excluding outside corporate auditors)	¥89 million	¥89 million	3
Outside executives	¥60 million	¥60 million	9
Total	¥1,011 million	¥1,011 million	23

Notes:

1. Rounded to the nearest million.
2. Limits to the amount of executive compensation determined by a resolution of the General Meeting of Shareholders are as follows: "¥110 million to directors monthly (including ¥2.5 million for outside directors)" and "¥12 million to corporate auditors monthly" (both resolutions of the 88th General Meeting of Shareholders held on June 22, 2012).
3. The number of directors (excluding outside directors) receiving payment listed above includes one director that resigned from their position at the conclusion of the 89th General Meeting of Shareholders held on June 21, 2013.
4. The number of corporate auditors (excluding outside corporate auditors) receiving payment listed above includes one corporate auditor that resigned from their position at the conclusion of the 89th General Meeting of Shareholders held on June 21, 2013.
5. The number of outside executives receiving payment above is the total for outside directors and corporate auditors and includes four outside executives that resigned from their positions at the conclusion of the 89th General Meeting of Shareholders held on June 21, 2013.
6. The Company submitted a resolution to abolish its system of retirement bonuses for executives at the conclusion of the 83rd General Meeting of Shareholders held on June 22, 2007, with abolishment accompanied by the decision to close out and pay any remaining retirement bonuses associated with the system. The Company will make these payments to directors and corporate auditors who are eligible under the resolution, paying directors when they have retired both from their directorship and any held post as executive officer, and paying corporate auditors upon their retirement. In the year ended March 31, 2014, retirement bonuses totaling ¥156 million were paid to one director that was one of the directors and corporate auditors who were eligible to receive payments.

Individuals to whom the Total Amount of Compensation Paid Exceeded ¥100 Million

Name	Position	Company Category	Total Amount of Compensation	
			Basic Compensation	
Teruo Asada	Director	Issuing company	¥132 million	¥132 million
Fumiya Kokubu	Director	Issuing company	¥155 million	¥155 million

* In addition to the compensation amounts listed above, retirement bonuses of ¥156 million were paid to one director that resigned from their position.

Internal Control

Marubeni seeks to steadily increase and maximize corporate value through business activities that are in accordance with our Company Creed and Management Philosophy, and to steadily and continuously build and expand the Group's business foundation. To this end, in accordance with the Companies Act and its implementation guidelines, Marubeni has established a basic internal control policy which helps to ensure that all business activities are conducted appropriately. The Company regularly reviews this internal control system policy in response to changes in social conditions, with the aim of ensuring a more appropriate and efficient system.

Risk Management

In the course of its diversified business activities, Marubeni conducts risk management activities which address risk from a variety of perspectives: macro and micro, qualitative and quantitative. Increased volatility in exchange rates, natural resource prices, and other parameters has continued unabated. Under these conditions, the Company is promoting integrated risk management, measuring the maximum level of risk on a consolidated basis and limiting it to within the scope of consolidated total equity. By conducting thorough screening and follow-up for individual projects and further enhancing internal control systems, the Company has established a structure that minimizes losses due to unforeseen events.

Integrated Risk Management

Marubeni operates in a diversified range of industries and regions. Therefore, the Company has established an integrated risk management system which not only focuses on the micro level of the individual risk factors, but also takes a macro view of the various factors that affect the entire Marubeni Group. Integrated risk management takes a broad overview of the assets for the entire Group, gauging risk based on the exposure of these assets to each specific risk factor—industry risk, country risk, credit risk for each client, and so on. These risks form the basis for calculating Value at Risk (VaR), which takes into account dispersion effects and correlations to calculate maximum risk. VaR is used as a primary benchmark for our portfolio management.

Integrated risk management looks at various risk factors in a comprehensive way to enable managers to understand risk as a single monetary value. By using computer simulations that reflect the latest information, Marubeni has made it possible to grasp the degree of risk in more detail than ever before. We calculate PATRAC*1 based on risk assets—a value based on the maximum decline in the value of Group assets as quantified by the Company. PATRAC indicates profit after tax following adjustment for risk, and Marubeni has adopted PATRAC as an important management indicator, using it to screen proposals requiring approval. Each Portfolio Unit*2 constantly takes steps to adjust its portfolio in a flexible manner, seeking to improve PATRAC in order to achieve maximum returns for a given level of risk, enabling Marubeni to achieve steady and balanced earnings growth.

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

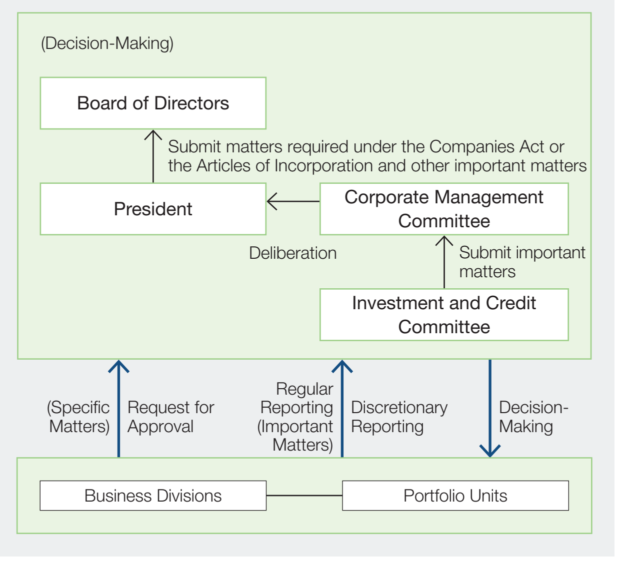
*2 Unit of business management linking business divisions and operating companies by business domain.

Development of Risk Management System

Marubeni manages major business risks using the system shown below.

For important individual proposals, such as those relating to investment or financing, drafts are first circulated and discussed by the Investment and Credit Committee and the Corporate Management Committee before the President makes a decision. The Board of Directors is also involved in decision-making on issues of substantial importance. Following implementation, each business division manages its own risk exposure and, for important cases, periodic status reports are made to the Investment and Credit Committee, Corporate Management Committee, and the Board of Directors. In addition, risk is diversified through portfolio management to reduce the risk to the Company as a whole.

Risk Management System



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11-Year Financial Summary

	IFRS*		U.S. GAAP		
	2014.3	2013.3	2013.3	2012.3	2011.3
For the year:					
Revenue:					
Sales of goods	**¥ 6,853,975**	**¥ 4,733,022**	¥ 4,702,281	¥ 4,221,653	¥3,514,937
Commissions on services and trading margins	**201,725**	**163,026**	159,030	168,700	168,912
Total revenue	**7,055,700**	**4,896,048**	4,861,311	4,390,353	3,683,849
Total volume of trading transactions	**13,633,520**	**10,674,395**	10,509,088	10,584,393	9,020,468
Gross trading profit	**651,063**	**539,648**	528,194	541,454	522,152
Operating profit	**157,462**	**128,423**	122,932	157,315	145,774
Dividend income	**34,917**	**30,151**	30,112	27,351	19,200
Share of profits of associates and joint ventures	**99,405**	**83,031**	87,790	81,528	71,452
Profit for the year attributable to owners of the parent	**210,945**	**130,143**	205,696	172,125	136,541
Core earnings (Billions of yen)	**272.5**	**225.5**	226.8	249.6	223.7
At year-end:					
Total assets	**¥ 7,255,380**	**¥ 6,115,783**	¥ 5,965,086	¥ 5,129,887	¥4,679,089
Net interest-bearing debt	**2,491,043**	**1,855,941**	1,785,247	1,755,705	1,615,634
Total equity	**1,533,186**	**1,203,008**	1,188,379	915,770	831,730
Equity attributable to owners of the parent	**1,385,313**	**1,149,369**	1,131,834	852,172	773,592
Amounts per share (¥, US$):					
Basic earnings	**¥ 121.52**	**¥ 74.96**	¥ 118.48	¥ 99.13	¥ 78.63
Cash dividends	**25.00**	**24.00**	24.00	20.00	12.00
Cash flows:					
Net cash provided by operating activities	**¥ 291,188**	**¥ 240,075**	¥ 295,734	¥ 172,599	¥ 210,044
Net cash used in (provided by) investing activities	**(706,585)**	**(192,825)**	(210,878)	(273,689)	(128,495)
Free cash flow	**(415,397)**	**47,250**	84,856	(101,090)	81,549
Net cash provided by (used in) financing activities	**196,779**	**111,585**	129,030	171,913	(17,010)
Cash and cash equivalents at end of year	**665,498**	**865,592**	919,475	677,312	616,003
Ratios:					
ROA (%)	**3.16**	**2.27**	3.71	3.51	2.95
ROE (%)	**16.64**	**12.68**	20.74	21.17	17.98
Equity attributable to owners of the parent ratio (%)	**19.09**	**18.79**	18.97	16.61	16.53
Net D/E ratio (times)	**1.62**	**1.54**	1.50	1.92	1.94

* From the year ended March 31, 2014, the Company is preparing its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). For details, please refer to page 95.

Notes:

1. When the Company and its consolidated subsidiaries legally engage in transactions as contracted parties and are deemed to assume obligations principally and bear the overall inventory risk, the Company and its consolidated subsidiaries are regarded as being involved in the transactions as a principle, and revenue is presented in the total amount. In transactions other than the above, the Company and its consolidated subsidiaries are regarded as being engaged in transactions as a broker, and revenue is presented in the net amount.
2. "Total volume of trading transactions" includes all transactions involving the Company and its consolidated subsidiaries regardless of transaction type. "Total volume of trading transactions" and "operating profit" are presented in accordance with Japanese accounting practices for investors' convenience and are not required by IFRS.
3. Operating profit = Gross trading profit + SGA expenses + Provision for doubtful accounts
4. Core earnings = Gross trading profit + SGA expenses + Interest expense-net + Dividend income + Share of profits of associates and joint ventures
5. U.S. dollar amounts above and elsewhere in this report are converted from yen, for convenience only, at ¥103 to US$1, the prevailing rate as of March 31, 2014.

							Millions of yen	Millions of U.S. dollars
				U.S. GAAP				IFRS*
	2010.3	2009.3	2008.3	2007.3	2006.3	2005.3	2004.3	2014.3
	¥3,110,736	¥ 3,807,480	¥ 3,958,276	¥3,467,925	¥2,949,058	¥2,874,455	¥2,622,546	**$ 66,543**
	169,233	194,819	207,950	190,930	190,787	161,108	148,674	**1,958**
	3,279,969	4,002,299	4,166,226	3,658,855	3,139,845	3,035,563	2,771,220	**68,502**
	7,965,055	10,462,067	10,631,616	9,554,943	8,686,532	7,936,348	7,902,494	**132,364**
	491,673	644,803	596,916	531,171	502,024	433,395	406,761	**6,321**
	118,926	234,065	200,153	165,020	143,248	86,461	78,624	**1,529**
	23,561	27,719	23,645	20,705	12,065	8,989	7,198	**339**
	28,864	21,973	55,661	44,880	31,602	25,727	—	**965**
	95,312	111,208	147,249	119,349	73,801	41,247	34,565	**2,048**
	154.4	245.0	239.6	202.1	171.3	109.9	80.0	**2,646**
	¥4,586,572	¥ 4,707,309	¥ 5,207,225	¥4,873,304	¥4,587,072	¥4,208,037	¥4,254,194	**$ 70,441**
	1,706,397	1,911,607	2,001,977	1,843,445	1,876,350	1,823,909	1,969,323	**24,185**
	799,746	623,356	860,581	820,839	710,786	483,567	434,581	**14,885**
	745,297	567,118	779,764	745,454	663,787	443,152	392,982	**13,450**
	¥ 54.89	¥ 64.04	¥ 84.93	¥ 72.41	¥ 48.34	¥ 26.61	¥ 22.85	**$ 1.18**
	8.50	10.00	13.00	10.00	7.00	4.00	3.00	**0.24**
	¥ 280,610	¥ 343,618	¥ 235,290	¥ 152,075	¥ 133,408	¥ 173,824	¥ 201,560	**$ 2,827**
	(35,207)	(387,069)	(306,855)	(135,147)	(193,781)	46,043	57,983	**(6,860)**
	245,403	(43,451)	(71,565)	16,928	(60,373)	219,867	259,543	**(4,033)**
	(254,655)	257,608	65,865	24,819	(46,037)	(238,057)	(233,938)	**1,910**
	570,789	573,924	402,281	414,952	368,936	459,194	478,731	**6,461**
	2.05	2.24	2.92	2.52	1.68	0.97	0.81	
	14.52	16.51	19.31	16.94	13.33	9.87	10.59	
	16.25	12.05	14.97	15.30	14.47	10.53	9.24	
	2.13	3.07	2.33	2.25	2.64	3.77	4.53	

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

Overview of Business Results

Business Results

In the year ended March 31, 2014, the global economy as a whole recovered at a moderate pace amid a slowdown in emerging market economies. Meanwhile, the U.S. and Japanese economies continued to recover relatively robustly. During the year, crude oil prices fluctuated widely, partly in response to uncertain conditions in the Middle East. Other commodity prices, however, generally declined in the wake of a slowdown in Chinese growth. Speculation that U.S. quantitative easing was going to be scaled down also weighed on commodity prices. Crude oil and grain prices have risen since the start of 2014, largely due to weather and geopolitical factors.

The U.S. economy continued to recover, underpinned mainly by its household sector. Both home and automobile sales grew briskly, buoyed by stock price increases and recovery in employment. Although the pace of U.S. economic recovery slowed in response to a winter cold wave that dampened economic activity and uncertainty stemming from political gridlock surrounding the federal budget and debt limit, the U.S. economy remained in a recovery trend. In late 2013, the U.S. Federal Reserve began scaling down quantitative easing, but the shift in policy did not disrupt markets much.

In Europe, major economies such as Germany and France continued to improve. While countries faced with reduced budgets, including Greece, Spain, and Italy, continued to suffer from sluggish economic conditions, they showed signs of stabilizing against a backdrop of continued monetary accommodation. On the downside, geopolitical risk escalated in response to Ukrainian unrest.

Asian economies continued to grow, driven chiefly by domestic demand, but their growth slowed overall. In China in particular, consumption and investment spending turned sluggish. In the first half of the fiscal year, India, Indonesia, and certain other countries experienced capital outflows fueled by speculation that U.S. quantitative easing would taper off. The capital outflows triggered currency depreciation and equity market downturns, prompting central bank rate hikes among other policy responses. Additionally, political unrest erupted in Thailand at the end of 2013.

The Japanese economy continued to recover, bolstered by yen depreciation, increased consumption fueled by stock price rises and expectations of economic recovery, and economic stimulus measures, mainly in the form of public works spending. Additionally, a rush in consumer demand ahead of April's consumption tax hike further contributed to economic recovery.

Under the aforementioned business environment, consolidated financial results for the year ended March 31, 2014, are as follows.

The total volume of trading transactions during the year ended March 31, 2014, grew ¥2,959.1 billion (27.7%) year on year, to ¥13,633.5 billion, due primarily to an increase in grain transaction volumes. Gross trading profit increased ¥111.4 billion (20.6%) year on year, to ¥651.1 billion, as a result of the growth in total volume of trading transactions, and operating profit was up ¥29.0 billion (22.6%) year on year, to ¥157.5 billion. Profit for the year attributable to owners of the parent (hereinafter referred to as "net profit") increased ¥80.8 billion (62.1%) year on year, to ¥210.9 billion, due to the rise in operating profit, improvements in the balances of both gains and losses on property, plant and equipment and gains and losses on investment securities, and an increase in share of profits of associates and joint ventures.

Meanwhile, revenue as defined under IFRS amounted to ¥7,055.7 billion, an increase of ¥2,159.7 billion (44.1%) year on year.

Business Results

Millions of yen

	2014.3	2013.3	Change
Total volume of trading transactions	13,633,520	10,674,395	2,959,125
Gross trading profit	651,063	539,648	111,415
Operating profit	157,462	128,423	29,039
Share of profits of associates and joint ventures	99,405	83,031	16,374
Profit for the year attributable to owners of the parent	210,945	130,143	80,802
Revenue	7,055,700	4,896,048	2,159,652

Notes:

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

Adoption of International Financial Reporting Standards

The Company's Consolidated Financial Statements have been prepared in accordance with the IFRSs issued by the International Accounting Standards Board. As the Company meets the requirements of a "Specified Company", pursuant to Article 1-2 of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976, the "Consolidated Financial Statements Ordinance"), it has applied the provisions of Article 93 of said Ordinance.

In conjunction with the adoption of IFRS, the following U.S. GAAP line items have been changed: net income attributable to Marubeni has been changed to profit for the year attributable to owners of the parent, net income attributable to Marubeni per share has been changed to earnings per share attributable to owners of the parent, and total Marubeni shareholders' equity has been changed to equity attributable to owners of the parent.

For more detailed information on financial reporting, please refer to the Company's *Yuho* securities report for the year ended March 31, 2014, which is available on the Company's investor relations website (Japanese only).
http://www.marubeni.co.jp/ir/reports/security_reports

Business Results by Operating Segment

Financial results for each operating segment in the year ended March 31, 2014, were as follows.

Food

Millions of yen

	2014.3	2013.3	Change
Total volume of trading transactions	4,020,145	2,257,179	1,762,966
Gross trading profit	147,585	99,396	48,189
Operating profit	39,464	16,434	23,030
Share of profits of associates and joint ventures	2,763	1,093	1,670
Profit for the year attributable to owners of the parent	18,336	17,844	492

Total volume of trading transactions in the year ended March 31, 2014, increased ¥1,763.0 billion (78.1%) year on year, to ¥4,020.1 billion, bolstered by the consolidation of Gavilon Holdings, LLC, and an increase in grain trading volumes for both the parent company and subsidiaries. Gross trading profit grew ¥48.2 billion (48.5%) year on year, to ¥147.6 billion, reflecting the growth of total volume of trading transactions and improved profitability in grain trading. Operating profit increased ¥23.0 billion (140.1%) year on year, to ¥39.5 billion. However, net profit only reached ¥18.3 billion, up a mere ¥0.5 billion (2.8%) year on year, because of a greater income tax burden.

In food materials, Marubeni converted Gavilon Holdings into a wholly owned subsidiary. Gavilon Holdings operates approximately 140 grain collection bases across the United States. Marubeni and Gavilon Holdings will merge their collection and sales networks to realize further growth in earnings.

In the food products field, Marubeni concluded an agreement to acquire Eastern Fish Company, a major U.S. marine product seller. By expanding sales capabilities and the Group's trading volumes in the United States, Marubeni will leverage economies of scale to strengthen marine product procurement as well as increase sales in such major consumer markets as Japan, the United States, and Europe.

Chemicals

Millions of yen

	2014.3	2013.3	Change
Total volume of trading transactions	1,258,146	1,018,221	239,925
Gross trading profit	28,351	26,595	1,756
Operating profit	4,106	5,033	(927)
Share of profits of associates and joint ventures	1,580	1,754	(174)
Profit for the year attributable to owners of the parent	6,414	5,187	1,227

Total volume of trading transactions in the year ended March 31, 2014, increased ¥239.9 billion (23.6%) year on year, to ¥1,258.1 billion, supported by an increase in transaction volumes for petrochemical and synthetic resin products for the parent company. Yen depreciation was another contributing factor behind this growth. Gross trading profit rose ¥1.8 billion (6.6%) year on year, to ¥28.4 billion, following higher trading volumes for fertilizer materials, LCD panel production equipment, and solar panels. Operating profit decreased ¥0.9 billion (18.4%) year on year, to ¥4.1 billion, due to a rise in expenses. Net profit increased ¥1.2 billion (23.7%) year on year, to ¥6.4 billion, largely due to a lower income tax burden.

In agricultural chemicals, Gavilon Holdings and other operating companies posted strong earnings owing to robust demand for agricultural materials, primarily in North America and Europe. In electronic materials, the feed-in tariff scheme for renewable energy in Japan continued to contribute to solid sales of solar panels. In petrochemicals, despite a general market slump, trading volumes of petrochemical products and vinyl chloride-related products increased year on year, primarily in Asia. In India, the country's first synthetic rubber manufacturing and sales company began operating its plant in November 2013.

Energy

Millions of yen

	2014.3	2013.3	Change
Total volume of trading transactions	3,686,878	3,249,813	437,065
Gross trading profit	49,827	53,631	(3,804)
Operating profit	20,639	26,022	(5,383)
Share of profits (losses) of associates and joint ventures	3,030	(862)	3,892
Profit for the year attributable to owners of the parent	36,464	4,512	31,952

Total volume of trading transactions in the year ended March 31, 2014, increased ¥437.1 billion (13.4%) year on year, to ¥3,686.9 billion, due to the benefits of yen depreciation in the oil trading business. Gross trading profit declined ¥3.8 billion (7.1%) year on year, to ¥49.8 billion, as the profit increase in total volume of trading transactions following higher revenues from the oil trading business was outweighed by a decrease in the oil and gas development business stemming from a drop in production volume. Operating profit dropped ¥5.4 billion (20.7%) year on year, to ¥20.6 billion. Share of profits of associates and joint ventures was ¥3.0 billion, compared with share of losses of associates and joint ventures of ¥0.9 billion in the year ended March 31, 2013. Net profit increased ¥32.0 billion (708.2%) year on year, to ¥36.5 billion, due to the recording of share of profits of associates and joint ventures and the decrease in impairment losses on property, plant and equipment.

In the upstream resource development and LNG field, existing projects performed well, including oil and gas resources development projects in the Gulf of Mexico in the United States and LNG projects in Qatar. The Company also participated in new projects to strengthen its operating foundations. In the trading field, trading volumes rose steadily as the Company leveraged domestic and international trading infrastructure and networks to bolster trading of petroleum products and LNG. In the new energy field, the Oita mega-solar power generation business, one of the largest in Japan with output of 82 MW, began commercial operations.

Metals & Mineral Resources

Millions of yen

	2014.3	2013.3	Change
Total volume of trading transactions	798,727	786,630	12,097
Gross trading profit	15,617	18,898	(3,281)
Operating profit (loss)	(2,915)	3,409	(6,324)
Share of profits of associates and joint ventures	21,068	28,632	(7,564)
Profit for the year attributable to owners of the parent	20,316	19,786	530

Total volume of trading transactions in the year ended March 31, 2014, amounted to ¥798.7 billion, up ¥12.1 billion (1.5%) year on year, reflecting an increase in non-ferrous and light metals transaction volumes. Gross trading profit declined ¥3.3 billion (17.4%) year on year, to ¥15.6 billion, as a result of a drop in coal prices. Operating loss of ¥2.9 billion was recorded, compared with operating profit of ¥3.4 billion in the year ended March 31, 2013. Share of profits of associates and joint ventures declined ¥7.6 billion (26.4%) year on year, to ¥21.1 billion, due chiefly to impairment losses in overseas coal businesses. Net profit increased ¥0.5 billion (2.7%) year on year, to ¥20.3 billion, as a result of an improved balance of gains and losses on property, plant and equipment and a lower income tax burden.

In the year ended March 31, 2014, Marubeni focused on developing and raising the value of existing mining interests. The development of the Roy Hill Iron Ore project in Australia and the Antucoya Copper Mine in Chile progressed smoothly, with both mines scheduled to start commercial production in 2015. The comprehensive development plan for the Centinela district of Chile, which includes currently operating Esperanza Copper Mine and El Tesoro Copper Mine, continued to progress. In addition to accumulating interests in promising projects in upstream fields from a medium- to long-term perspective, Marubeni also strove to expand earnings from both resource development and trading in a wide range of fields stretching to downstream areas.

Transportation Machinery

Millions of yen

	2014.3	2013.3	Change
Total volume of trading transactions	694,340	684,140	10,200
Gross trading profit	66,059	52,912	13,147
Operating profit	14,865	11,198	3,667
Share of profits of associates and joint ventures	17,892	13,972	3,920
Profit for the year attributable to owners of the parent	23,303	17,858	5,445

Total volume of trading transactions in the year ended March 31, 2014, stood at ¥694.3 billion, up ¥10.2 billion (1.5%) year on year, due to an increase in aircraft-related transaction volumes and higher revenues in overseas automotive businesses. Gross trading profit rose ¥13.1 billion (24.8%) year on year, to ¥66.1 billion, as a result of increased income from overseas automotive businesses along with contributions from new investments. Operating profit rose ¥3.7 billion (32.7%) year on year, to ¥14.9 billion. Share of profits of associates and joint ventures increased ¥3.9 billion (28.1%) year on year, to ¥17.9 billion, due to earnings growth in the aircraft leasing business and the automotive retail finance business. Consequently, net profit grew ¥5.4 billion (30.5%) year on year, to ¥23.3 billion.

In the year ended March 31, 2014, Marubeni made investments in areas providing steady returns based on long-term assets, with the aim of enhancing its stable earnings base. These investments included a major U.S. aircraft leasing company and a business of ownership and chartering of newbuild LNG carriers. The Company also made new investments in the automotive retail finance business and the construction machinery sales and product support business in the Americas, while strengthening and expanding sales capabilities in the production machinery and agro machinery fields. As a result of these new investments and the strong performance of aircraft engine development investments and the ship ownership and chartering business, net profit continued to grow year on year.

Power Projects & Infrastructure

Millions of yen

	2014.3	2013.3	Change
Total volume of trading transactions	400,888	382,394	18,494
Gross trading profit	26,644	25,416	1,228
Operating profit (loss)	(3,638)	283	(3,921)
Share of profits of associates and joint ventures	45,659	30,893	14,766
Profit for the year attributable to owners of the parent	27,227	23,536	3,691

Total volume of trading transactions in the year ended March 31, 2014, totaled ¥400.9 billion, an increase of ¥18.5 billion (4.8%) year on year, due to increased revenues from projects targeting South Korea. Gross trading profit increased ¥1.2 billion (4.8%) year on year, to ¥26.6 billion, largely as a result of the increase in total volume of trading transactions and higher profits from the electricity consolidation business in the United Kingdom. Operating loss of ¥3.7 billion was recorded, compared with operating profit of ¥0.3 billion in the year ended March 31, 2013, due to higher development expenses for new projects. Despite extraordinary losses related to overseas projects, net profit increased ¥3.7 billion (15.7%) year on year, to ¥27.2 billion, as a result of an increase in share of profits of associates and joint ventures following the start of new projects.

In the overseas power plant business, power generation capacity increased due to the acquisition of a Portuguese power generation business and investment in a U.S. wind power project, raising the Company's total stake in generation capacity to more than 10,000 MW. In the field of overseas power EPC, Marubeni received an order for construction of a coal-fired power plant in Vietnam. In Japan, Marubeni made investments in a mega-solar power generation plant on the Kisosaki section of reclaimed land that straddles Mie and Aichi prefectures and the Nakasode Clean Power combined cycle gas turbine power generation plant, while participating in the Fukushima floating offshore wind farm demonstration project. In the water business field, Marubeni dispatched personnel to the Philippines to begin full-fledged support for a water and sewage business in metropolitan Manila in which Marubeni commenced investment during the year ended March 31, 2013.

Plant & Industrial Machinery

Millions of yen

	2014.3	2013.3	Change
Total volume of trading transactions	445,971	257,601	188,370
Gross trading profit	35,441	25,559	9,882
Operating profit	11,763	3,814	7,949
Share of profits of associates and joint ventures	3,150	3,298	(148)
Profit for the year attributable to owners of the parent	10,302	7,126	3,176

Total volume of trading transactions in the year ended March 31, 2014, increased ¥188.4 billion (73.1%) year on year, to ¥446.0 billion, following increased transaction volumes for energy and chemical plant projects, primarily in the Middle East and Asia. Gross trading profit rose ¥9.9 billion (38.7%) year on year, to ¥35.4 billion, owing to profit growth in textile plant-related projects. As a result of the increased gross trading profit, operating profit grew ¥7.9 billion (208.4%) year on year, to ¥11.8 billion, and net profit rose ¥3.2 billion (44.6%) year on year, to ¥10.3 billion.

In plants, Marubeni expanded its floating production, storage, and offloading system (FPSO) charter business in Brazil and Ghana, while becoming the first Japanese company to take part in the operation of an offshore LNG receiving terminal in Uruguay. In the traffic and infrastructure project field, Marubeni received an order for supply of railway systems and maintenance for Bangkok's urban rail system in Thailand. The Company also advanced development projects in Myanmar's Thilawa Special Economic Zone.

In the environmental and industrial machinery field, sales of photovoltaic equipment and components as well as beverage machinery were robust. Marubeni also actively advanced the development of mega-solar power generation plants and cogeneration systems for various types of industrial facilities.

Lifestyle & Forest Products

Millions of yen

	2014.3	2013.3	Change
Total volume of trading transactions	959,221	895,392	63,829
Gross trading profit	58,253	57,142	1,111
Operating profit	12,519	12,812	(293)
Share of profits (losses) of associates and joint ventures	1,560	(513)	2,073
Profit for the year attributable to owners of the parent	7,184	6,524	660

Total volume of trading transactions in the year ended March 31, 2014, increased ¥63.8 billion (7.1%) year on year, to ¥959.2 billion, due to increased transaction volumes for rubber products for the parent company and for building and other materials in subsidiaries. Gross trading profit increased ¥1.1 billion (1.9%) year on year, to ¥58.3 billion, due primarily to the rise in total volume of trading transactions, which offset the deteriorated profitability of a domestic paper and paperboard manufacturer and the Musi Pulp project. Share of profits of associates and joint ventures of ¥1.6 billion was recorded, compared to share of losses of associates and joint ventures of ¥0.5 billion in the year ended March 31, 2013. This improvement is owed to the increased performance of an overseas pulp manufacturing and sales company and the withdrawal from non-profitable businesses. Net profit increased ¥0.7 billion (10.1%) year on year, to ¥7.2 billion.

During the year ended March 31, 2014, Marubeni strove to expand its share of domestic clothing and footwear sales by strengthening its planning and proposal-making capabilities for materials and designs, while promoting differentiation through trading of such brands as PRINGLE 1815, LACOSTE, and MERRELL. Overseas, in Thailand the number of B-Quik tire retailers exceeded 100 locations, and continues to grow steadily. In Myanmar, the Company established Oji GS Packaging (Yangon) Co., Ltd., which conducts a cardboard processing business, as part of its efforts to meet demand in the rapidly growing ASEAN region.

ICT, Finance & Insurance, Real Estate Business

Millions of yen

	2014.3	2013.3	Change
Total volume of trading transactions	430,658	308,800	121,858
Gross trading profit	88,098	70,322	17,776
Operating profit	19,645	17,289	2,356
Share of profits of associates and joint ventures	1,678	3,858	(2,180)
Profit for the year attributable to owners of the parent	15,748	11,655	4,093

Total volume of trading transactions in the year ended March 31, 2014, totaled ¥430.7 billion, up ¥121.9 billion (39.5%) year on year, as a result of the consolidation of MX Mobiling Co., Ltd. (previously NEC Mobiling, Ltd.). Gross trading profit grew ¥17.8 billion (25.3%) year on year, to ¥88.1 billion, mainly due to the increase in total volume of trading transactions. Share of profits of associates and joint ventures totaled ¥1.7 billion, down ¥2.2 billion (56.5%) year on year, as a result of the poor performance of ACR Capital Holdings Pte. Ltd. stemming from higher payments of insurance claims related to major natural disasters. Net profit, however, climbed to ¥15.7 billion, an increase of ¥4.1 billion (35.1%) year on year, as a result of an improvement in the balance of gains and losses on investment securities.

Business performance continued to be strong in the year ended March 31, 2014. In the ICT field, MX Mobiling, a mobile handset sales agent operator, was made into a consolidated subsidiary through a tender offer. Marubeni also concluded an equity and business alliance agreement with Nomura Research Institute, Ltd., to boost the competitiveness of its corporate IT services business. In the real estate field, Marubeni teamed with Mitsubishi Jisho Residence Co., Ltd., to become one of the first Japanese companies to enter into a real estate development project in Changchun City, Jilin Province, China.

Overseas Corporate Subsidiaries and Branches

Millions of yen

	2014.3	2013.3	Change
Total volume of trading transactions	2,895,626	2,206,670	688,956
Gross trading profit	150,462	116,896	33,566
Operating profit	42,775	29,345	13,430
Share of profits of associates and joint ventures	924	1,087	(163)
Profit for the year attributable to owners of the parent	25,281	12,894	12,387

Total volume of trading transactions in the year ended March 31, 2014, amounted to ¥2,895.6 billion, an increase of ¥689.0 billion (31.2%) year on year, as a result of higher earnings at Marubeni America Corporation as well as the benefits of yen depreciation. Gross trading profit grew ¥33.6 billion (28.7%) year on year, to ¥150.5 billion, reflecting the benefits of yen depreciation and increased profits at Helena Chemical Company, a subsidiary of Marubeni America Corporation that sells agrichemicals and fertilizer. Operating profit rose ¥13.4 billion (45.8%) year on year, to ¥42.8 billion. Consequently, net profit increased ¥12.4 billion (96.1%) year on year, to ¥25.3 billion.

While there was a slowdown in economic activity in some emerging countries and regions, the overall global economy demonstrated a recovery trend, mainly in developed countries. Coupled with the benefits of yen depreciation, these factors led overseas corporate subsidiaries and branches to record robust earnings.

Performance was strong at Helena Chemical, a subsidiary of Marubeni America Corporation, and both Marubeni Europe plc and Marubeni ASEAN Pte. Ltd. saw increased earnings. In Myanmar, which is positioned as a priority region in the current medium-term management plan, the number of resident employees was doubled to strengthen systems for taking advantage of the business opportunities that will accompany market openings.

Notes:

1. Effective from the year ended March 31, 2014, the Lifestyle and Forest Products segments have been combined to form the Lifestyle & Forest Products segment, and the Finance, Logistics & IT Business segment was combined with the Real Estate Development, which was previously included in Corporate & Elimination, etc., to form the ICT, Finance & Insurance, Real Estate Business segment. Furthermore, a part of the Plant & Industrial Machinery segment has been transferred to the Transportation Machinery segment. Segment information for the year ended March 31, 2013, has been restated to reflect these changes.
2. Inter-segment transactions are generally priced in accordance with the prevailing market prices.

Analysis of Operating Results for the Year Ended March 31, 2014

Profit for the year attributable to owners of the parent in the year ended March 31, 2014, increased ¥80.8 billion year on year, to ¥210.9 billion. In terms of the operating results of consolidated subsidiaries, 355 companies were profitable, compared to 98 unprofitable companies. The percentage of companies achieving profitability was thus 78.4%, up 0.6 of percentage point from 77.8% in the year ended March 31, 2013. Total income from these companies improved ¥70.1 billion year on year.

An analysis of operating results is provided as follows.

Gross Trading Profit

Gross trading profit for the year ended March 31, 2014, was ¥651.1 billion, up ¥111.4 billion year on year. This is mainly attributable to higher profits in the Food segment and from overseas corporate subsidiaries and branches.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased ¥82.4 billion year on year, to ¥493.6 billion. The principal components were personnel expenses, which were up ¥46.5 billion, to ¥260.4 billion, due to increases at both the parent company and subsidiaries, and depreciation and amortization, which increased ¥4.7 billion, to ¥26.0 billion.

Losses on Property, Plant and Equipment

The losses on property, plant and equipment decreased ¥18.8 billion year on year, to ¥41.5 billion. This increase is largely due to losses on valuation related to energy projects.

Other–Net

Other–net equated to a loss of ¥5.9 billion, an increase of ¥2.7 billion year on year. This was mainly attributable to a worse balance of net foreign currency transaction gains and losses.

Interest Income and Interest Expenses

Interest income decreased ¥1.4 billion year on year, to ¥14.6 billion. Interest expenses rose ¥2.5 billion, to ¥36.6 billion.

Dividend Income

Dividend income increased ¥4.8 billion year on year, to ¥34.9 billion. Of this figure, ¥11.0 billion (¥3.4 billion in Japan and ¥7.6 billion from overseas) was received by the parent company. Domestic consolidated subsidiaries received dividends totaling ¥0.2 billion, while overseas consolidated subsidiaries received dividends of ¥23.7 billion.

Gains and Losses on Investment Securities

Gains on investment securities was ¥14.1 billion, compared with losses on investment securities of ¥2.7 billion in the year ended March 31, 2013. This improvement was due to the rebound from the valuation loss on stock of a retail-related company recorded in the year ended March 31, 2013, as well as the recording of gains on sales and mark-to-market valuation gains of stock of affiliates.

Share of Profits and Losses of Associates and Joint Ventures–Net

Share of profits and losses of associates and joint ventures–net equated to profit of ¥99.4 billion, up ¥16.4 billion year on year, owing mainly to an increase in income from operating companies in the Power Projects & Infrastructure, Transportation Machinery, and Energy segments.

Income Tax

Income tax for the year ended March 31, 2014, increased ¥0.3 billion year on year, to ¥23.1 billion.

Liquidity and Funding Sources

Financial Position

Consolidated total assets as of March 31, 2014, were ¥7,255.4 billion, up ¥1,139.6 billion from the end of the previous fiscal year. This increase was mainly attributable to new investments. Consolidated total equity as of March 31, 2014, rose ¥330.2 billion year on year, to ¥1,533.2 billion, due to profit accumulation and the benefits of yen depreciation when translating the asset values of overseas business entities.

Consolidated interest-bearing debt as of March 31, 2014, was ¥3,182.4 billion, up ¥428.7 billion from the previous fiscal year-end.

Consolidated net interest-bearing debt (interest-bearing debt less cash and cash equivalents and time deposits) increased ¥635.1 billion, to ¥2,491.0 billion. As a result, the consolidated net D/E ratio was 1.62 times as March 31, 2014.

Cash Flows

Net cash provided by operating activities was ¥291.2 billion, due primarily to robust operating revenues mainly at overseas subsidiaries. Net cash used in investing activities was ¥706.6 billion. Major cash inflows came from sales of real estate investments and domestic listed securities. These inflows were outweighed by cash outflows, including those for the acquisition of Gavilon Holdings, which engages in trading and distribution operations in the grains and fertilizer fields. Other outflows included the investment in the Roy Hill Iron Ore project in Australia and the acquisition of NEC Mobiling in the mobile solutions business field and the power generation assets in Portugal. These activities resulted in negative free cash flow of ¥415.4 billion for the year ended March 31, 2014. Net cash provided by financing activities amounted to ¥196.8 billion, as a result of borrowings as well as issuance of preferred stocks and corporate bonds to meet funding demands for new investments.

As a result, cash and cash equivalents at March 31, 2014, was ¥665.5 billion, a decrease of ¥200.1 billion from the end of the previous fiscal year.

Fund Procurement

The fundamental policy of Marubeni and its consolidated subsidiaries is to maintain an optimal mix of funding in line with the requirements of its asset portfolio. The goal is to sustain a stable level of liquidity while trimming financing costs. Funding sources included indirect financial procurement from banks and other financial institutions, as well as direct procurement through the issuance of bonds, commercial paper, and other means.

With the aim of maximizing utilization efficiency across the Group, Marubeni is accelerating the shift toward a centralized fund procurement scheme, under which principal consolidated subsidiaries procure funds directly from Marubeni Corporation, domestic and overseas financing subsidiaries and/or overseas corporate subsidiaries. This approach enables Group companies holding surplus funds to reallocate such funds to other Group companies in need of operating funds, allowing for more flexible fund procurement on a Group-wide scale.

Marubeni has established the following programs to procure funds directly from capital markets.

- Registration for the public sale of ordinary bonds in Japan: ¥300.0 billion
- Euro Medium-Term Note Program
  Two-company joint program (Marubeni Corporation and Marubeni Europe plc): US$2.0 billion

To aid in procuring funds from capital markets, Marubeni has acquired credit ratings from Moody's Investors Service, Inc. (Moody's), Standard & Poor's Financial Services LLC (S&P), Rating and Investment Information, Inc. (R&I), and Japan Credit Rating Agency, Ltd. (JCR).

In the year ended March 31, 2014, there were no changes in Marubeni's credit ratings, which consisted of long-term ratings of Baa2 from Moody's, BBB from S&P, A– from R&I, and A+ from JCR. However, on May 30, 2014, R&I upgraded the Company's rating to A.

Liquidity

On a consolidated basis, the liquidity ratio was 125.1% as of March 31, 2014, down from 134.9% as of the end of the previous fiscal year. In terms of liquidity, Marubeni is maintaining a sound financial position. In addition, Marubeni and its consolidated subsidiaries maintain a sufficient level of liquidity, mainly in the form of cash and deposits and established commitment lines.

As of March 31, 2014, cash and cash equivalents and time deposits totaled ¥691.3 billion.

Details regarding commitment lines are as follows:

- ¥300.0 billion from syndicates consisting largely of major Japanese banks (long term)
- US$555 million from syndicates consisting largely of major European and U.S. banks (short term)

In addition to these commitment lines, Marubeni and its consolidated subsidiaries hold highly liquid assets, such as marketable securities. In all, these assets provide sufficient liquidity to cover the Group's funding demand as well as funds linked to market interest rates including the current portion of commercial paper, such as corporate bonds including medium-term notes redeemable within one year, which totaled ¥75.0 billion as of March 31, 2014.

Business Risks

Major risks that could have a serious impact on investor decisions associated with the business operations and other activities of Marubeni Corporation and its consolidated subsidiaries are outlined below. The risks discussed, however, are not inclusive of the full range of possible risks faced in the broad range of activities engaged in by the Group. Any number of additional risks other than those discussed below could also impact business performance. Furthermore, risks considered to have a low likelihood of materializing have also been disclosed, from the perspective of ensuring proactive information disclosure. Forward-looking statements with respect to the risks discussed below reflect the reasonable judgment of the Company's management based on information available as of March 31, 2014.

Impact of Japanese and Global Economies on the Marubeni Group

The Company is a general trading company engaged in a wide range of business activities through bases in Japan and over 60 other countries. Examples include the production and procurement of natural resources and other primary commodities, as well as the manufacture and sale of finished goods and various commercial and investing activities in Japan and overseas in many industrial fields. As a result, the Group is impacted by the economic conditions prevailing in Japan and other countries where it has operations, as well as by the state of the global economy as a whole. Worsening economic conditions on either of these fronts could adversely affect the operating activities, business results, and financial condition of the Group.

Credit Risks Regarding Business Partners

Marubeni and its consolidated subsidiaries extend credit to business partners in the form of accounts receivable, advances, loans, guarantees, and other means. In addition, as a part of its sales activities, the Group concludes merchandise supply, subcontracting, operational outsourcing, and other types of contracts with business partners. The incurrence of credit risk due to the inability of business partners to fulfill their credit obligations or a breach of contract by these business partners could adversely affect the Group's business results and financial condition.

To prevent credit risks from materializing, the Group conducts extensive risk management at the credit screening stage. Nevertheless, the Company is susceptible to a variety of credit risks.

In preparation for the incurrence of possible losses when credit risk becomes apparent, the Group establishes allowances for doubtful accounts based on the estimated amount of the loss, the business partner's creditworthiness, collateral value, and other set factors. In the event of such losses, however, the Company cannot guarantee that actual losses will not exceed these established allowances.

Investment Risk

Marubeni and its consolidated subsidiaries, both independently and in collaboration with other companies, establish new companies and purchase existing enterprises in the course of their business operations. Most of these business investments require sizeable amounts of capital. The Group may be unable to withdraw from such businesses in an optimal manner or time frame, in which case it would be obliged to commit additional capital.

In an effort to prevent the occurrence of risks associated with investments and other activities, the Group conducts extensive risk management, including checking new investments to determine whether expected returns are commensurate with the risks involved. Nevertheless, a decline in the value of these investments or the necessity of additional expenditures of capital could adversely affect the Group's business results and financial condition.

Concentrated Risk Exposure

As part of their commercial and investment activities, Marubeni and its consolidated subsidiaries are concentrated in specific investment targets, markets, and regions, such as business operations in Chile and Indonesia. In the context of the Group's country risk management, the Company classifies countries according to their level of risk, and has established transaction management standards for each country and promotes efforts to ensure optimal portfolio management. Nevertheless, a deteriorating operating environment in these markets or regions could adversely affect the Group's business results and financial condition.

Ability to Procure Funds and Funding Cost

Marubeni and its consolidated subsidiaries engage in fund procurement with an emphasis on maintaining an optimal mix of funding in line with the requirements of their respective asset portfolios and ensuring liquidity. However, significant disruptions in major global capital markets, shortages of cash flows from operating activities, declining profitability, failure in asset-liability management, or a sharp downgrade in the credit rating of the Group by ratings agencies could constrain fund procurement or lead to an increase in funding cost, which could adversely affect the Group's business results and financial condition.

Market Risks

1. Fluctuations in the Price of Goods and Merchandise

Marubeni and its consolidated subsidiaries handle a variety of merchandise. In order to mitigate the risk of fluctuations in market conditions for certain merchandise, contracts, and scheduled contracts, the Group enters into commodity futures and forward contracts. However, changes in respective market conditions could adversely affect the Group's business results and financial condition.

In addition, the Group participates in energy and natural resource exploration and production (E&P) businesses and other manufacturing businesses. Fluctuations in the markets of the products sold through these activities could adversely affect the Group's business results and financial condition.

2. Market Liquidity (Liquidity Risk)

Marubeni and its consolidated subsidiaries hold a variety of assets that are subject to market trading, including financial instruments. Financial market turmoil and other factors can cause the market liquidity of held assets to decline dramatically, a situation that could potentially trigger a precipitous drop in the value of held assets. Such an occurrence could adversely affect the Group's business results and financial condition.

3. Fluctuations in Foreign Currency Exchange Rates

Marubeni and its consolidated subsidiaries conduct transactions in a variety of currencies and under a variety of terms. In order to mitigate the risk of exchange rate fluctuations associated with transactions, receivables, and liabilities denominated in foreign currencies, the Group enters into forward exchange contracts and other derivative transactions. Despite these measures, fluctuations in exchange rates could adversely affect the Group's business results and financial condition.

4. Fluctuations in Interest Rates

Marubeni and its consolidated subsidiaries procure necessary funds from financial institutions, the issuance of bonds, and other means from capital markets. Furthermore, net interest-bearing debt is procured at fixed interest rates and floating interest rates. The interest risk of the majority of the operating assets held by the Group offsets the interest rate risk associated with debt, and through asset-liability management the Group utilizes interest rate swaps and other agreements to mitigate the risk of interest rate fluctuations. Nevertheless, changes in market interest rates could adversely affect the Group's business results and financial condition.

5. Fluctuations in Values of Marketable Securities Subject to Market Volatility

To strengthen business relationships and for other purposes, Marubeni and its consolidated subsidiaries invest in marketable securities that are subject to market volatility. Such securities held by the Group carry the risk of fluctuations in original value due to changes in fair value. Drops in the fair value of these securities could adversely affect the Group's business results and financial condition.

6. Risks Regarding Employees' Retirement Benefits

As the Group holds domestic and foreign stocks and bonds as pension assets, sluggish performance in securities markets could decrease the value of those assets or could require it to accumulate additional pension assets. Such an event could adversely affect the Group's business results and financial condition.

Impairment of Real Estate, Machinery and Equipment, and Other Property, Plant and Equipment

Marubeni and its consolidated subsidiaries hold real estate, machinery and equipment, and other property, plant and equipment for sale and lease to other parties as well as for their own use. A decline in the value of these assets could potentially require the Group to recognize impairment losses. The Group accounts for impairment of property, plant and equipment in accordance with IFRS. Nevertheless, a dramatic decline in asset value could adversely affect the Group's business results and financial condition.

Laws and Regulations

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

Significant Litigation

In the course of business activities in Japan and overseas, Marubeni and its consolidated subsidiaries may be a party to litigation, disputes, and other legal proceedings. When party to such litigation, predicting the outcome is impossible given the inherent uncertainty of these matters. The Company cannot guarantee that such litigation will not adversely affect the Group's business results and financial condition.

Environmental Risk

Marubeni and its consolidated subsidiaries conduct business activities globally across a broad range of industries, and environmental pollution as a result of these activities could result in business stoppage, pollution remediation expenses, and legal fees in response to litigation by local residents. In addition, the Group's social reputation could be damaged. In the year ended March 31, 2000, an environmental management system was introduced to cope with such environmental risks, under which various initiatives have been implemented to assess the potential environmental burden and reduce environmental risk, including environmental impact evaluations for each new financing and development project. In the event, however, that some form of environment impact occurs, it could adversely affect the Group's business results and financial condition.

Natural Disaster Risk

Earthquakes and other natural disasters could cause damage and loss to the Group's offices and facilities and inhibit the normal business activities of Marubeni and its consolidated subsidiaries. While every effort has been made to implement appropriate countermeasures, such as the formulation of business continuity plans, earthquake countermeasures, and fire prevention drills, the potential for damage from natural disasters cannot be completely mitigated. Consequently, there is no guarantee that such disasters will not adversely affect the Group's business results and financial condition.

Risk Relating to Terrorists and Violent Groups

Marubeni and its consolidated subsidiaries conduct business operations globally, and these operations are therefore exposed to risk from unexpected situations relating to terrorists and violent groups, as well as trends in politics and social factors. The materialization of such risks could adversely affect the Group's business results and financial condition.

Other Risks Inherent and Related to Overall Marubeni Operations

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

Consolidated Financial Statements

Marubeni Corporation and Subsidiaries

At March 31, 2014 and
for the year ended March 31, 2014
with Independent Auditors' Report

EY
Building a better working world

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Independent Auditors' Report

The Board of Directors
Marubeni Corporation

We have audited the accompanying consolidated financial statements of Marubeni Corporation and its subsidiaries, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of Marubeni Corporation and its subsidiaries as at March 31, 2014, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

U.S. Dollar Information

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

Ernst & Young ShinNihon LLC

Tokyo, Japan
June 20, 2014

Marubeni Corporation and Subsidiaries
Consolidated Statement of Financial Position

Assets	Millions of yen March 31, 2014	Millions of yen March 31, 2013	Thousands of U.S. dollars (Note 1) March 31, 2014
Current assets:			
Cash and cash equivalents *(Notes 4, 16 and 17)*	**¥665,498**	¥865,592	**$6,461,146**
Time deposits *(Notes 16 and 17)*	**25,824**	32,097	**250,718**
Investment securities *(Note 16)*	**0**	949	**0**
Notes, trade accounts and loans receivable *(Notes 4, 11, 16, 17, 24 and 26)*	**1,414,045**	1,320,305	**13,728,592**
Other current financial assets *(Notes 16, 17 and 24)*	**208,768**	154,069	**2,026,874**
Inventories *(Notes 4, 5 and 17)*	**778,683**	580,002	**7,560,029**
Assets classified as held for sale *(Note 10)*	**26,805**	79,741	**260,243**
Other current assets *(Notes 17 and 24)*	**191,403**	141,631	**1,858,282**
Total current assets	**3,311,026**	3,174,386	**32,145,884**
Non-current assets:			
Investments in associates and joint ventures *(Notes 4, 15, 17 and 26)*	**1,587,968**	1,183,865	**15,417,165**
Other investments *(Notes 16, 17 and 26)*	**466,624**	450,313	**4,530,330**
Notes, trade accounts and loans receivable *(Notes11, 16, 17, 24 and 26)*	**156,618**	132,181	**1,520,563**
Other non-current financial assets *(Notes 16 and 17)*	**94,669**	89,023	**919,117**
Property, plant and equipment *(Notes 4, 6, 11 and 17)*	**1,175,046**	782,112	**11,408,214**
Investment property *(Notes 8, 11 and 17)*	**80,709**	129,052	**783,583**
Intangible assets *(Notes 4, 7 and 17)*	**350,443**	118,789	**3,402,359**
Deferred tax assets *(Note 14)*	**7,474**	27,245	**72,563**
Other non-current assets *(Note 24)*	**24,803**	28,817	**240,805**
Total non-current assets	**3,944,354**	2,941,397	**38,294,699**
Total assets *(Note 21)*	**¥7,255,380**	¥6,115,783	**$70,440,583**

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

Liabilities and equity	Millions of yen March 31, 2014	Millions of yen March 31, 2013	Thousands of U.S. dollars (Note 1) March 31, 2014
Current liabilities:			
Bonds and borrowings *(Notes 4, 16 and 24)*	**¥482,904**	¥482,564	**$4,688,388**
Notes and trade accounts payable *(Notes 4, 16, 24 and 26)*	**1,443,064**	1,233,642	**14,010,330**
Other current financial liabilities *(Notes 16 and 24)*	**390,876**	312,774	**3,794,913**
Income tax payable *(Note 14)*	**18,081**	16,548	**175,544**
Liabilities directly associated with assets classified as held for sale *(Note 10)*	**10,402**	50,970	**100,990**
Other current liabilities *(Notes 9 and 24)*	**300,359**	257,424	**2,916,107**
Total current liabilities	**2,645,686**	2,353,922	**25,686,272**
Non-current liabilities:			
Bonds and borrowings *(Notes 4, 16 and 24)*	**2,699,461**	2,271,066	**26,208,359**
Notes and trade accounts payable *(Notes 16, 24 and 26)*	**19,714**	15,053	**191,398**
Other non-current financial liabilities *(Notes 16 and 24)*	**117,372**	65,735	**1,139,534**
Accrued pension and retirement benefits *(Note 12)*	**69,014**	67,606	**670,039**
Deferred tax liabilities *(Notes 4 and 14)*	**99,148**	69,468	**962,602**
Other non-current liabilities *(Notes 9 and 24)*	**71,799**	69,925	**697,078**
Total non-current liabilities	**3,076,508**	2,558,853	**29,869,010**
Total liabilities	**5,722,194**	4,912,775	**55,555,282**
Equity:			
Issued capital *(Note 22)*	**262,686**	262,686	**2,550,349**
Capital surplus *(Note 22)*	**154,054**	153,874	**1,495,670**
Treasury stock *(Note 22)*	**(1,338)**	(887)	**(12,990)**
Retained earnings *(Notes 22 and 23)*	**701,906**	550,841	**6,814,621**
Other components of equity *(Note 19)*:			
Gains (losses) on financial assets measured at fair value through other comprehensive income *(Notes 16 and 19)*	**120,738**	122,996	**1,172,214**
Foreign currency translation adjustments *(Notes16 and 19)*	**181,721**	113,150	**1,764,282**
Gains (losses) on cash flow hedges *(Notes 16 and 19)*	**(34,454)**	(53,291)	**(334,505)**
Remeasurements of defined benefit plan *(Notes12 and 19)*	**–**	–	**–**
Equity attributable to owners of the parent	**1,385,313**	1,149,369	**13,449,641**
Non-controlling interests *(Note 4)*	**147,873**	53,639	**1,435,660**
Total equity	**1,533,186**	1,203,008	**14,885,301**
Total liabilities and equity	**¥7,255,380**	¥6,115,783	**$70,440,583**

See accompanying notes to consolidated financial statements.

Marubeni Corporation and Subsidiaries
Consolidated Statement of Comprehensive Income

	Millions of yen		*Thousands of U.S. dollars (Note 1)*
	Year ended March 31, 2014	Year ended March 31, 2013	**Year ended March 31, 2014**
Revenue *(Notes 4 and 21)*:			
Sales of goods *(Note 16)*	**¥6,853,975**	¥4,733,022	**$66,543,447**
Commissions on services and trading margins	**201,725**	163,026	**1,958,495**
Total revenue	**7,055,700**	4,896,048	**68,501,942**
Cost of goods sold *(Notes 5, 6, 7 and 16)*	**(6,404,637)**	(4,356,400)	**(62,180,942)**
Gross trading profit *(Note 21)*	**651,063**	539,648	**6,321,000**
Other income (expenses):			
Selling, general and administrative expenses *(Notes 4, 6, 7 and 12)*	**(493,601)**	(411,225)	**(4,792,243)**
Gains (losses) on property, plant and equipment:			
Impairment losses *(Notes 6, 7 and 8)*	**(43,452)**	(61,291)	**(421,864)**
Gains (losses) on sales of property, plant and equipment	**1,956**	1,025	**18,990**
Other-net *(Notes 13 and 16)*	**(5,906)**	(3,183)	**(57,339)**
Total other income (expenses)	**(541,003)**	(474,674)	**(5,252,456)**
Finance income (expenses):			
Interest income *(Note 16)*	**14,565**	15,989	**141,408**
Interest expenses *(Note 16)*	**(36,626)**	(34,169)	**(355,592)**
Dividend income *(Note 16)*	**34,917**	30,151	**339,000**
Gains (losses) on investment securities *(Notes 4, 15 and 16)*	**14,052**	(2,722)	**136,427**
Total finance income (expenses)	**26,908**	9,249	**261,243**
Share of profits of associates and joint ventures *(Notes 15 and 21)*	**99,405**	83,031	**965,097**
Profit before tax	**236,373**	157,254	**2,294,884**
Income tax (expense) *(Note 14)*	**(23,087)**	(22,746)	**(224,146)**
Profit for the year	**¥213,286**	¥134,508	**$2,070,738**
Profit for the year attributable to:			
Owners of the parent *(Note 21)*	**¥210,945**	¥130,143	**$2,048,010**
Non-controlling interests	**2,341**	4,365	**22,728**

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

	Millions of yen		*Thousands of U.S. dollars (Note 1)*
	Year ended March 31, 2014	Year ended March 31, 2013	**Year ended March 31, 2014**
Other comprehensive income *(Note 19)***:**			
Items that will not be reclassified to profit or loss:			
Gains (losses) on financial assets measured at fair value through other comprehensive income *(Notes 16 and 19)*	**¥(17,911)**	¥40,540	**$(173,893)**
Remeasurements of defined benefit plan *(Notes 12 and 19)*	**(2,523)**	(7,314)	**(24,495)**
Changes in other comprehensive income of associates and joint ventures *(Note 15)*	**1,040**	988	**10,097**
Items that will be reclassified to profit or loss:			
Foreign currency translation adjustments *(Notes 16 and 19)*	**64,361**	119,098	**624,864**
Gains (losses) on cash flow hedges *(Notes 16 and 19)*	**639**	3,701	**6,204**
Changes in other comprehensive income of associates and joint ventures *(Note 15)*	**24,319**	4,043	**236,106**
Other comprehensive income, net of tax	**69,925**	161,056	**678,883**
Total comprehensive income for the year	**¥283,211**	¥295,564	**$2,749,621**
Total comprehensive income for the year attributable to:			
Owners of the parent	**¥278,752**	¥288,466	**$2,706,330**
Non-controlling interests	**4,459**	7,098	**43,291**

	Yen		*U.S. dollars (Note 1)*
	Year ended March 31, 2014	Year ended March 31, 2013	**Year ended March 31, 2014**
Basic and diluted earnings per share attributable to owners of the parent *(Note 18)*	**¥121.52**	¥74.96	**$1.18**

	Millions of yen		*Thousands of U.S. dollars (Note 1)*
	Year ended March 31, 2014	Year ended March 31, 2013	**Year ended March 31, 2014**
Total volume of trading transactions *(Notes 21 and 24)*	**¥13,633,520**	¥10,674,395	**$132,364,272**

"Total volume of trading transactions" includes all transactions involving the Company and its consolidated subsidiaries regardless of transaction type. "Total volume of trading transactions" is not required by International Financial Reporting Standards ("IFRSs") but is presented here to provide readers with a better understanding and is as presented in common Japanese accounting practice.

See accompanying notes to consolidated financial statements.

Marubeni Corporation and Subsidiaries
Consolidated Statement of Changes in Equity

	Millions of yen		Thousands of U.S. dollars (Note 1)
	Year ended March 31, 2014	Year ended March 31, 2013	**Year ended March 31, 2014**
Issued capital *(Note 22)*:			
Balance at beginning of year	**¥262,686**	¥262,686	**$2,550,349**
Balance at end of year	**262,686**	262,686	**2,550,349**
Capital surplus *(Note 22)*:			
Balance at beginning of year	**153,874**	157,746	**1,493,922**
Disposal of treasury stock	**0**	–	**0**
Equity transactions with non-controlling interests and others	**180**	(3,872)	**1,748**
Balance at end of year	**154,054**	153,874	**1,495,670**
Treasury stock *(Note 22)*:			
Balance at beginning of year	**(887)**	(788)	**(8,612)**
Purchases and sales of treasury stock	**(451)**	(99)	**(4,378)**
Balance at end of year	**(1,338)**	(887)	**(12,990)**
Retained earnings:			
Balance at beginning of year	**550,841**	437,110	**5,347,971**
Cumulative effect of applying new standards and interpretations *(Note 3)*	**–**	(989)	**–**
Profit for the year attributable to owners of the parent	**210,945**	130,143	**2,048,010**
Transfer from other components of equity *(Note 19)*	**(17,343)**	22,777	**(168,379)**
Dividends to owners of the parent *(Note 23)*	**(42,537)**	(38,200)	**(412,981)**
Balance at end of year	**701,906**	550,841	**6,814,621**
Other components of equity:			
Balance at beginning of year	**182,855**	47,309	**1,775,291**
Gains (losses) on financial assets measured at fair value through other comprehensive income *(Notes 16 and 19)*	**(16,630)**	42,381	**(161,456)**
Foreign currency translation adjustments *(Notes 16 and 19)*	**68,571**	123,538	**665,738**
Gains (losses) on cash flow hedges *(Notes 16 and 19)*	**18,837**	470	**182,884**
Remeasurements of defined benefit plan *(Notes 12 and 19)*	**(2,971)**	(8,066)	**(28,845)**
Transfer to retained earnings *(Note 19)*	**17,343**	(22,777)	**168,379**
Balance at end of year	**268,005**	182,855	**2,601,991**
Equity attributable to owners of the parent	**¥1,385,313**	¥1,149,369	**$13,449,641**

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

	Millions of yen		Thousands of U.S. dollars (Note 1)
	Year ended March 31, 2014	Year ended March 31, 2013	**Year ended March 31, 2014**
Non-controlling interests:			
Balance at beginning of year	**¥53,639**	¥60,075	**$520,768**
Dividends to non-controlling interests	**(3,008)**	(7,110)	**(29,204)**
Equity transactions with non-controlling interests and others *(Note 4)*	**92,783**	(6,424)	**900,806**
Profit for the year attributable to non-controlling interests	**2,341**	4,365	**22,728**
Other components of equity:			
Gains (losses) on financial assets measured at fair value through other comprehensive income *(Notes 16 and 19)*	**115**	(30)	**1,116**
Foreign currency translation adjustments *(Notes 16 and 19)*	**2,005**	2,722	**19,466**
Gains (losses) on cash flow hedges *(Notes 16 and 19)*	**(94)**	112	**(913)**
Remeasurements of defined benefit plan *(Notes 12 and 19)*	**92**	(71)	**893**
Balance at end of year	**147,873**	53,639	**1,435,660**
Total equity	**¥1,533,186**	¥1,203,008	**$14,885,301**

	Millions of yen		Thousands of U.S. dollars (Note 1)
	Year ended March 31, 2014	Year ended March 31, 2013	**Year ended March 31, 2014**
Total comprehensive income for the year attributable to:			
Owners of the parent	**¥278,752**	¥288,466	**$2,706,330**
Non-controlling interests	**4,459**	7,098	**43,291**
Total comprehensive income for the year	**¥283,211**	¥295,564	**$2,749,621**

See accompanying notes to consolidated financial statements.

Marubeni Corporation and Subsidiaries
Consolidated Statement of Cash Flows

	Millions of yen		*Thousands of U.S. dollars (Note 1)*
	Year ended March 31, 2014	Year ended March 31, 2013	**Year ended March 31, 2014**
Operating activities:			
Profit for the year	**¥213,286**	¥134,508	**$2,070,738**
Adjustments to reconcile profit for the year to net cash provided by (used in) operating activities:			
Depreciation and amortisation	**85,855**	77,700	**833,544**
Gains (losses) on property, plant and equipment	**41,496**	60,266	**402,874**
Finance income (expenses)	**(26,908)**	(9,249)	**(261,243)**
Share of profits of associates and joint ventures	**(99,405)**	(83,031)	**(965,097)**
Income tax (expense)	**23,087**	22,746	**224,146**
Changes in notes and accounts receivable	**31,773**	(35,863)	**308,476**
Changes in inventories	**(47,568)**	(33,396)	**(461,825)**
Changes in notes and trade accounts payable	**45,668**	115,923	**443,379**
Other-net	**(10,438)**	(33,025)	**(101,341)**
Interest received	**17,833**	17,758	**173,136**
Interest paid	**(36,927)**	(34,937)	**(358,515)**
Dividends received	**104,530**	98,943	**1,014,854**
Income tax paid	**(51,094)**	(58,268)	**(496,058)**
Net cash provided by operating activities	**291,188**	240,075	**2,827,068**
Investing activities *(Note 20)*:			
Net decrease (increase) in time deposits	**8,245**	29,216	**80,049**
Proceeds from sale of property, plant and equipment	**18,596**	11,321	**180,544**
Proceeds from sale of investment property	**28,743**	5,785	**279,058**
Collection of loans receivable	**36,616**	35,525	**355,495**
Proceeds from sale of subsidiaries, net of cash and cash equivalents disposed of	**12,663**	4,597	**122,942**
Proceeds from sale of other investments	**57,408**	119,808	**557,359**
Purchase of property, plant and equipment	**(198,477)**	(121,062)	**(1,926,961)**
Purchase of investment property	**(348)**	(1,578)	**(3,379)**
Loans provided to customers	**(37,121)**	(41,392)	**(360,398)**
Acquisition of subsidiaries, net of cash and cash equivalents acquired *(Note 4)*	**(315,982)**	(5,095)	**(3,067,787)**
Purchase of other investments	**(316,928)**	(229,950)	**(3,076,971)**
Net cash used in investing activities	**(706,585)**	(192,825)	**(6,860,049)**

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

	Millions of yen		*Thousands of U.S. dollars (Note 1)*
	Year ended March 31, 2014	Year ended March 31, 2013	**Year ended March 31, 2014**
Financing activities *(Note 20)***:**			
Net increase (decrease) in short-term borrowings	**¥(20,761)**	¥(57,508)	**$(201,563)**
Proceeds from long-term bonds and borrowings	**834,038**	698,823	**8,097,456**
Repayments of long-term bonds and borrowings	**(623,876)**	(479,756)	**(6,057,049)**
Dividends paid	**(42,537)**	(38,200)	**(412,981)**
Net cash outflows on purchases and sales of treasury stock	**(451)**	(99)	**(4,379)**
Capital contribution from non-controlling interests *(Note 4)*	**63,549**	154	**616,981**
Other	**(13,183)**	(11,829)	**(127,989)**
Net cash provided by financing activities	**196,779**	111,585	**1,910,476**
Effect of exchange rate changes on cash and cash equivalents	**18,524**	42,850	**179,845**
Net increase (decrease) in cash and cash equivalents	**(200,094)**	201,685	**(1,942,660)**
Cash and cash equivalents at beginning of year	**865,592**	663,907	**8,403,806**
Cash and cash equivalents at end of year	**¥665,498**	¥865,592	**$6,461,146**

See accompanying notes to consolidated financial statements.

Marubeni Corporation and Subsidiaries
Notes to Consolidated Financial Statements

1. Business Overview

Marubeni Corporation (the "Company") is a corporation domiciled in Japan. The Company and its domestic and overseas subsidiaries, which are controlled by the Company mainly through direct or indirect holdings of the majority of voting rights (together the "Companies"), engage in import and export trades of domestic and overseas products and commodities, including domestic and offshore trades in fields which cover extensive types of commodities such as agri-marine products, chemicals, energy, metals, machinery, textile, forest products and general merchandise, paper and pulp, finance, logistics, information industry, development and construction and others. In addition, the Companies offer various services and engage in diversified business such as investments in domestic and foreign businesses, exploration of natural resources and others.

The translation of Japanese yen amounts into U.S. dollar amounts for the year ended March 31, 2014 and at March 31, 2014 is included solely for the convenience of readers outside of Japan and has been made at ¥103 to $1, the exchange rate prevailing on March 31, 2014. The translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at this or any other rate.

2. Basis of Presentation

(1) Statements of Compliance

The Company's Consolidated Financial Statements have been prepared in accordance with the IFRSs issued by the International Accounting Standards Board. As the Company meets the requirements of a "Specified Company", pursuant to Article 1-2 of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976, the "Consolidated Financial Statements Ordinance"), it has applied the provisions of Article 93 of said Ordinance.

(2) Functional Currency and Presentation Currency

The Consolidated Financial Statements of the Company are presented in Japanese yen, the functional currency of the Company, and amounts of less than one million yen are rounded to the nearest million yen.

(3) Use of Estimates and Judgments

Preparation of the Consolidated Financial Statements requires management to make accounting estimates and assumptions, as necessary that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the end of the reporting period as well as the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates and assumptions due to their inherent uncertainty. Accounting estimates and assumptions that could significantly affect the Consolidated Financial Statements are as follows:

- Write-down of inventories (Note 5 "Inventories")
- Impairment of property, plant and equipment, and investment property (Note 6 "Property, plant and equipment", Note 8 "Investment property")
- Impairment of intangible assets (Note 7 "Intangible assets")
- Provisions (Note 9 "Provisions")
- Defined benefit obligation (Note 12 "Employee benefits")
- Recoverability of deferred tax assets (Note 14 "Income taxes")
- Impairment of investments in associates and joint ventures (Note 15 "Associates and joint ventures")
- Valuation of financial instruments (Note 16 "Financial instruments and related disclosures")
- Contingent liabilities (Note 25 "Commitments and contingent liabilities")

Information related to judgments made by the Company that could significantly affect the Consolidated Financial Statements in the process of applying the accounting policies are as follows:

- Scope of subsidiaries, associates and joint ventures (Note 3 "Significant accounting policies")
- Accounting for leases (Notes 11 "Leases")
- Derecognition of financial assets (Note 16 "Financial instruments and related disclosures")

3. Significant Accounting Policies

(1) Basis of Measurement

The Consolidated Financial Statements, as stated in the accounting policies below, have been prepared on an historical cost basis, with the exception of certain current assets, financial instruments, and assets and liabilities relating to the post-employment benefit plan, which are measured at fair value.

(2) Basis of Consolidation

The Consolidated Financial Statements of the Company include the accounts of all domestic and foreign subsidiaries under the control of the Company either through direct or indirect ownership of a majority voting interest or by other means. Intercompany transactions and accounts between the Companies are eliminated. To align the reporting periods of subsidiaries that have a financial year end that is different from the financial year end of the Company (March 31) due to unavoidable reasons such as compliance with the local legal system of the country in which they operate, subsidiaries prepare additional financial statements as of the financial year end date of the Company and similar such adjustments.

(3) Business Combinations

The Companies use the acquisition method of accounting for all business combinations. The acquisition cost is the aggregate of the consideration transferred measured at acquisition date fair value, plus any previously held equity interest in the acquiree remeasured at its acquisition date fair value and any non-controlling interest in the acquiree. The amount of any non-controlling interest is measured as elected for each business combination either at fair value or at the proportionate interest in the identifiable net assets of the acquiree.

Any difference between the fair value and the carrying amount of the equity interest in the acquiree previously held at the time control is obtained is recognised in profit or loss. Further, any other comprehensive income that had been previously recognised in connection with the equity interest in the acquiree is treated in the same way as a disposal of the equity interest. Acquisition costs incurred are recognised in profit or loss.

The Companies perform any necessary classification and designation of identifiable assets acquired and liabilities assumed based, in principle, on the contractual terms, economic conditions, business or accounting policies, and other appropriate conditions that exist on the acquisition date.

(4) Investments in Associates and Joint Ventures

Associates refer to investees over which the Companies have the ability to exercise significant influence through such factors as the ownership of 20% to 50% of the voting interest in the entity and other factors.

A joint venture is a joint arrangement whereby the Companies, as the parties that have joint control of the arrangement, have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Companies account for investments in associates and joint ventures under the equity method. Under the equity method, investments in associates and joint ventures are normally recorded at cost, adjusted for the Companies' share of the change in the net assets of these associates and joint ventures since the acquisition date. Any dividends received from these associates and joint ventures are subtracted from the carrying amount of investments in associates and joint ventures.

The Companies' share of the profit or loss of the associates and joint ventures is included as "Share of profit of associates and joint ventures" in the Consolidated Statement of Comprehensive Income. The Companies' share of any change in other comprehensive income recognised by the associates and joint ventures is recognised in other comprehensive income. Any unrealised profit arising from the transactions between the Companies and the associates and joint ventures is eliminated against the Companies' interest in associates and joint ventures. Certain adjustments are made to achieve unification of the accounting policies of the associates and joint ventures with those of the Companies.

To align the reporting periods of associates and joint ventures accounted for under the equity method that have a financial year end that is different from the financial year end of the Company (March 31) due to unavoidable reasons such as the relationship with other shareholders, the associates and joint ventures prepare additional financial statements as of the financial year end date of the Company and similar such adjustments.

If it is determined, after the initial application of the equity method to investments in associates and joint ventures, that there is objective evidence of impairment based on all available information, the carrying amount of investments in associates and joint ventures is reduced to their recoverable amounts and the difference is recognised in profit or loss as an impairment loss.

The Companies determine, at each reporting date, whether there is an indication that the recognised impairment loss may no longer exist or may have been reduced. If there is such an indication, the Companies estimate the recoverable amount of investments in associates and joint ventures. If the estimated recoverable amount exceeds the carrying amount of the investment, a reversal of impairment losses is recognised in profit or loss to the extent of the increase in the recoverable amount of the investment since the recognition of impairment losses, and is recognised only up to the amount of impairment losses that have been recognised in the past.

If the Companies lose significant influence or joint control over any associates and joint ventures, such investments in associates and joint ventures are measured at fair value. Specifically, the difference between; the fair value of any residual interests plus the proceeds from the partial disposal of interests in associates or joint ventures, and the carrying amount of the investment at the date on which control was lost, is recognised in profit or loss. Any other comprehensive income previously recognised under the equity method is accounted for in the same manner as a disposal of assets or liabilities related to the other comprehensive income of the associates and joint ventures.

(5) Foreign Currency Translation

The Consolidated Financial Statements of the Companies are presented in Japanese yen, the functional currency of the Company. Each entity in the consolidated group determines its functional currency in consideration of, among other factors, the economic environment in which it operates, and it measures the items in its financial statements using its own functional currency.

Assets and liabilities included in the financial statements of foreign operations are translated into Japanese yen at the reporting date rates. Income and expenses are translated at the average rates prevailing for the reporting period. The resulting translation adjustments are recognised in other comprehensive income and the cumulative translation adjustments are recognised in other components of equity.

On disposal of a subsidiary that results in loss of control, all cumulative translation adjustments related to the foreign operation that have been recognised in other components of equity are reclassified to profit or loss. In a partial disposal of a subsidiary that does not result in loss of control, the corresponding share of the cumulative translation adjustment that has been recognised in other components of equity is reclassified to non-controlling interest rather than profit or loss.

On disposal of an associate or joint venture that results in loss of significant influence or loss of joint control, the full amount of the cumulative translation adjustment that has been recognised in other components of equity is reclassified to profit or loss. In a partial disposal of an associate or joint venture that does not result in loss of significant influence or loss of joint control, the corresponding proportionate share of the cumulative translation adjustment that has been recognised in other components of equity is reclassified to profit or loss.

(6) Cash and Cash Equivalents

The Companies include deposits in banks and certificates of deposit with a remaining maturity of 3 months or less at the acquisition date in cash equivalents.

(7) Financial Instruments

(i) Financial assets

Initial recognition and measurement

Financial assets to which IFRS 9 *Financial Instruments* (“IFRS 9”) applies are classified as follows: debt instrument financial assets are classified as either financial assets measured at amortised cost or financial assets measured at fair value through profit or loss (“Financial assets measured at FVTPL”), and equity financial assets are classified as either Financial assets measured at FVTPL or financial assets measured at fair value through other comprehensive income (“Financial assets measured at FVTOCI”). The Companies determine such classifications at initial recognition of the financial assets.

Financial assets measured at FVTPL are measured at fair value at initial recognition and financial assets other than Financial assets measured at FVTPL are measured at fair value plus transaction costs at initial recognition.

For purchases or sales of financial assets under contracts with terms requiring delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned (regular way purchase or sale), the purchase or sale is recognised on the trade date on which the Companies become a party to the contract for the financial asset.

Financial assets of the Companies include cash and cash equivalents, debt instrument financial assets including notes, trade accounts and loans receivable, equity financial assets, and derivative financial assets.

Subsequent measurement

After initial recognition, financial assets are measured according to their category as follows:

Financial assets measured at amortised cost

A debt instrument financial asset is measured at amortised cost if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, a debt instrument financial asset for which these conditions are satisfied is measured at amortised cost calculated using the effective interest method less any impairment losses. Amortisation using the effective interest method is recognised as part of finance income in the Consolidated Statement of Comprehensive Income.

The Companies may, at initial recognition, make an irrevocable election to designate a financial asset that meets the conditions for classification as measured at amortised cost mentioned above as Financial assets measured at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets measured at FVTPL

The Companies classify the following financial assets as Financial assets measured at FVTPL: (i) equity financial assets not designated as Financial assets measured at FVTOCI at initial recognition and (ii) debt instrument financial assets that either do not meet the conditions for classification as measured at amortised cost or those that meet these conditions but are designated as Financial assets measured at FVTPL under an election made by the Companies at initial recognition.

After initial recognition, changes in the fair values of financial assets classified as Financial assets measured at FVTPL, together with the related dividend and interest income, are mainly recognised as part of finance income in the Consolidated Statement of Comprehensive Income.

Financial assets measured at FVTOCI

The Companies make an irrevocable election at initial recognition to (or not to) designate equity financial assets that are not held for trading as Financial assets measured at FVTOCI.

After initial recognition, equity financial assets designated as Financial assets measured at FVTOCI are measured at fair value with any change in fair value recognised in other comprehensive income. The cumulative amount of the change in fair value recognised in other comprehensive income is recognised in other components of equity. However, dividend income arising from equity financial assets designated as Financial assets measured at FVTOCI is recognised as part of finance income (or expenses) in the Consolidated Statement of Comprehensive Income.

Derecognition

The Companies derecognise a financial asset in the following situations:

- When the contractual rights to receive the cash flows of the financial asset are extinguished;
- When the contractual rights to receive the cash flows of the financial asset are transferred or when the Companies retain their contractual rights to receive the cash flows of the financial asset, but assume a contractual obligation to pay those cash flows to one or more of the ultimate payees without significant delay under a pass-through arrangement and substantially all the risks and rewards of ownership are transferred to the transferee; and
- When the contractual rights to receive the cash flows of the financial asset are transferred or when the Companies retain their contractual rights to receive the cash flows of the financial asset, but assume a contractual obligation to pay those cash flows to one or more of the ultimate payees without significant delay under a pass-through arrangement and substantially all the risks and rewards of ownership of the financial asset are neither transferred nor retained, but control over the financial asset is transferred.

Where substantially all the risks and rewards of ownership of the financial asset are neither transferred nor retained and control over the transferred financial asset is retained, the Companies continue to recognise the financial asset to the extent of their continuing involvement.

When Companies continue to recognise the financial asset to the extent of their continuing involvement, any liabilities arising in relation to such continuing involvement are recognised. The continuing involvement in the financial asset and any liabilities arising in relation to such continuing involvement are measured on the basis of the rights and obligations held by the Companies.

Impairment of financial assets measured at amortised cost

The Companies judge that a financial asset measured at amortised cost is impaired only if there is objective evidence of impairment as a result of one or more events that occur after the initial recognition of the asset, and such an event or events have an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence of impairment includes such events as significant financial difficulty of the issuer or obligor and a default or delinquency in interest or principal payments.

The amount of an impairment loss is estimated based on the present value of estimated future cash flows discounted at the financial asset's original effective interest rate or observable market prices of the financial asset. However, if the returns on the financial asset are based on a floating interest rate, the present value of estimated future cash flows is calculated using the effective interest rate at each reporting date.

In addition to the impairment losses recognised in the manner described above, the Companies recognise impairment losses on financial assets based on historical credit loss rates calculated in consideration of past experience, etc. or estimated recoverable amounts after evaluating potential risks associated with the obligors, geographic areas, etc. pertaining to the financial assets.

Impairment losses are recognised in the Consolidated Statement of Financial Position by deducting them directly from the carrying amount of the respective assets in the case of debt securities and by recognising an allowance in the case of financial assets other than debt securities. Impairment losses arising from trade receivables are recognised as part of selling, general and administrative expenses and those arising from other assets are recognised as part of finance income (or expenses) in the Consolidated Statement of Comprehensive Income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. Such a reversal is recognised to the extent that it does not result in the financial asset having a carrying amount that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of reversal of impairment loss is recognised in profit or loss.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities to which IFRS 9 applies, are classified as follows: financial liabilities are classified as financial liabilities measured at amortised cost unless they are financial liabilities measured at fair value through profit or loss (“Financial liabilities measured at FVTPL”). The Companies determine such classifications at the initial recognition of the financial liabilities.

Financial liabilities measured at FVTPL are measured at fair value at initial recognition and financial liabilities classified as financial liabilities measured at amortised cost are measured at fair value less transaction costs at initial recognition.

Financial liabilities of the Companies include corporate bonds and loans payable, notes and trade accounts payable, derivative financial liabilities, etc.

Subsequent measurement

After initial recognition, financial liabilities are measured according to their classification as follows:

Financial liabilities measured at FVTPL

Financial liabilities designated as Financial liabilities measured at FVTPL are measured at fair value.

After initial recognition, changes in the fair values of Financial liabilities measured at FVTPL together with the related interest expense are mainly recognised as part of finance income (or expenses) in the Consolidated Statement of Comprehensive Income. However the amount of changes in the fair value of the financial liabilities that attributable to changes in the credit risk of the entity is recognised as other comprehensive income in the Consolidated Statement of Comprehensive Income.

Financial liabilities measured at amortised cost

Financial liabilities not classified as Financial liabilities measured at FVTPL are measured at amortised cost.

After initial recognition, financial liabilities measured at amortised cost are measured at amortised cost using the effective interest method. Amortisation using the effective interest method is recognised as part of finance income (or expenses) in the Consolidated Statement of Comprehensive Income.

Derecognition

The Companies derecognise a financial liability only when the underlying obligation specified in the contract is performed, discharged, cancelled or expires.

An exchange of financial liabilities with substantially different terms or a substantial modification of the terms of an existing financial liability is accounted for as the derecognition of the original financial liability and the recognition of a new financial liability, and the difference between the carrying amount of these liabilities is recognised as part of finance income (or expenses) in the Consolidated Statement of Comprehensive Income.

Financial guarantee contracts

The Company and certain consolidated subsidiaries, in the normal course of their business, issue various guarantees for obligations owed by associates and general trade partners (“guaranteed parties”). These are issued to third parties to guarantee the repayment, mainly of loans which the guaranteed parties have borrowed from external parties. When a guaranteed party fails to perform its obligations, the Company and certain consolidated subsidiaries are obligated to perform the obligations in accordance with the relevant financial guarantee contract.

Liabilities recognised for such financial guarantee contracts are measured at initial recognition at the present value of the total guarantee premiums to be received by the guarantor over a future period under the financial guarantee contract adjusted for directly attributable transaction costs. After initial recognition, these liabilities are amortised over the financial guarantee period on a systematic basis and the amortised amounts are recognised in profit or loss. However, if the estimated amount required to settle any such current guarantee obligations at the reporting date exceeds the amount initially recognised less cumulative amortisation, the balance of any such liability is recognised at the estimated amount required to settle such current guarantee obligations at the reporting date, and any resulting difference is recognised in profit or loss.

(iii) Offsetting of financial instruments

A financial asset and a financial liability are offset and the net amount is presented in the Consolidated Statement of Financial Position when, and only when, the Companies currently have a legally enforceable right to set off the recognised amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(iv) Fair value of financial instruments

The fair value of financial instruments at the end of each reporting period is measured based on the market price in an active market. If the market in which a financial instrument is traded is not active or no active market exists for the financial instrument, fair value is determined by using an appropriate valuation technique.

(8) Derivatives and hedge accounting

Initial recognition and subsequent measurement

The Companies recognise derivatives as assets or liabilities at fair value. For derivatives designated as qualifying hedging instruments, subsequent changes in fair value are recognised according to the objective and designation of the hedge. Subsequent changes in the fair value of derivatives not designated as qualifying hedging instruments are recognised in profit or loss.

Fair value hedge

If the objective of holding a derivative is to hedge the exposure of changes in the fair value of the hedged item (as a fair value hedge), changes in the fair value of the derivative are recognised in profit or loss and are offset against the changes in the fair value of the hedged assets, liabilities, or firm commitments.

When financial instruments measured at amortised cost are designated as hedged items, after recognising the difference between the carrying amount and the fair value of such hedged items in profit or loss, the adjusted financial instruments are amortised through profit or loss using the recalculated effective interest rate.

The Companies use fair value hedges mainly for hedging the exposure of changes in the fair value of goods or firm commitments to purchase goods and the exposure of changes in the fair value of assets and liabilities with a fixed interest rates arising from changes in interest rates.

Cash flow hedge

Changes in the fair value of derivatives designated as cash flow hedges, which are held to hedge the exposure to variability in cash flows of the hedged items, are recognised in other components of equity until changes in the fair value of the hedged item are recognised in profit or loss. However, the ineffective portion of the changes in the fair value of such derivatives is recognised in profit or loss. The Companies use cash flow hedges for hedging the exposure to variability in cash flows of forecast purchases of goods, sales of goods, etc. arising from changes in prices and exchange rates and the exposure to variability in interest cash flows of a floating rate interest bearing assets and liabilities arising from changes in interest rates.

The amounts that have been recognised in other components of equity relating to such hedging instruments are reclassified to profit or loss when the hedged transaction affects profit or loss. However, if a hedged item is a recognised non-financial asset or non-financial liability, the amounts that have been recognised in other components of equity relating to the hedging instrument are reclassified as adjustments to the initial carrying amount of the non-financial asset or non-financial liability.

If a forecast transaction or firm commitment is no longer expected to occur, the Companies discontinue the hedge accounting. Accordingly, any amounts that had been recognised in other components of equity while the hedge was effective are reclassified to profit or loss when hedge accounting is discontinued. Changes in the fair value of the derivative after hedge accounting is discontinued are recognised in profit or loss prospectively as it is no longer a hedging instrument. However, to the extent that such a previously hedged forecast transaction continues to be expected to occur even if hedge accounting is discontinued, amounts that had been recognised in other components of equity before the discontinuation of hedge accounting remain in other components of equity until the forecast transaction occurs.

Hedges of a net investment in a foreign operation

Where the objective of holding a derivative and other non-derivative hedging instruments, such as loans payable, is to hedge the foreign currency risk of a net investment in a foreign operation (as a hedge of a net investment in a foreign operation), changes in the fair value of the hedging instruments attributable to changes in exchange rates are recognised in other components of equity to the extent that the hedge is effective. Of the changes in the fair values of derivative and other non-derivative hedging instruments which are due to exchange rate movements, the portions related to any ineffectiveness or any parts outside the hedge effectiveness assessment are recognised in profit or loss.

The cumulative amount of changes in the fair value of hedging instruments attributable to changes in exchange rates that have been recognised in other components of equity under a hedge of a net investment in a foreign operation is reclassified to profit or loss when the underlying foreign operation is disposed of.

(9) Inventories

Inventories, which mainly consist of commodities, merchandise, and real estate held for sale, are measured at the lower of cost (mainly specific or moving average cost) and net realisable value. If the net realisable value is lower than cost, the difference is expensed as a write-down and the amount of the write-down is directly deducted from the carrying amount of inventories.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When the cause of a write-down no longer exists, or when there is clear evidence of an increase in net realisable value due to changes in economic conditions, reversals of such write-downs are recognised. The carrying amount after reversal is recognised at the lower of cost or the revised net realisable value, and the amount of the reversal of write-downs is recognised in profit or loss.

Inventories held for generating profits from short-term fluctuations in market prices are measured at fair value less costs to sell, with fluctuations in fair value less costs to sell recognised in profit or loss in the period in which such fluctuations occur.

(10) Property, plant and equipment

Items of property, plant and equipment are recognised initially at acquisition cost including transaction costs. Acquisition cost includes borrowing costs directly attributable to the acquisition, construction, etc. of assets requiring a considerable time period before they can be used as intended. The present value of the estimated costs for the disposal of an item of property, plant and equipment at the end of its useful life is included in the acquisition cost of the item if the recognition criteria for provisions are met, and are recognised as an expense through depreciation over the useful life of the item.

After initial recognition, the Companies apply the cost model to items of property, plant and equipment and measure such assets at acquisition cost less accumulated depreciation and accumulated impairment loss. The depreciable amount of items of property, plant and equipment is allocated over each period for the useful life of each item through depreciation, mainly on a straight-line basis over the useful life of each item (buildings and structures from 2 to 60 years, machinery and equipment from 2 to 45 years), or the units of production method based on reserve estimation. Land is not depreciated. If an item of property, plant and equipment includes one or more significant parts, each significant part is individually depreciated.

The Companies derecognise an item of property, plant and equipment when they have disposed of it or when it is no longer expected to produce any future economic benefits through use or disposal. The difference between the net disposal proceeds of the item and its carrying amount is recognised in profit or loss when the item is derecognised.

The basis of depreciation of property, plant and equipment, such as residual value, useful life, and depreciation method, is reviewed at each reporting date. When there is a change in the basis of depreciation, the depreciation charge is adjusted prospectively as a change in an accounting estimate.

(11) Investment property

Investment property is property held to earn rentals or for capital appreciation or both.

An investment property is recognised initially at acquisition cost including transaction costs.

Acquisition cost includes borrowing costs directly attributable to the acquisition, construction, etc. of assets requiring a considerable time period before they can be used, or sold, as intended. The present value of the estimated cost of disposal of an investment property at the end of the useful life is included in the acquisition cost of the investment property if the recognition criteria for provisions are met, and are expensed through depreciation over the useful life of the investment property.

After initial recognition, the Companies apply the cost model to investment properties and recognise them at acquisition cost less accumulated depreciation and accumulated impairment loss. The depreciable amount of investment properties is allocated as an expense over each period for the useful life of each property through depreciation, mainly on a straight-line basis (buildings and structures from 2 to 60 years). Land is not depreciated.

The Companies derecognise an investment property when they have disposed of it or when it is no longer expected to produce any future economic benefits through use or disposal. The difference between the net disposal proceeds of the property and its carrying amount is recognised in profit or loss when the property is derecognised.

The basis of depreciation of investment properties, such as residual value, useful life, and depreciation method, is reviewed at each reporting date. When there is a change in the basis of depreciation, the depreciation charge is adjusted prospectively as a change in accounting estimate.

(12) Intangible assets

Intangible assets other than goodwill

Intangible assets acquired separately are measured at initial recognition at acquisition cost. The acquisition cost of intangible assets acquired in a business combinations is measured at the acquisition date fair value. After initial recognition, the Companies apply the cost model to intangible assets and measure such assets at acquisition cost less accumulated amortisation and accumulated impairment loss. Internally generated intangible assets are expensed in the period in which they are incurred, unless they satisfy the criteria for capitalisation.

Intangible assets are classified as either intangible assets with finite useful lives or intangible assets with indefinite useful lives.

The amount of intangible assets with finite useful lives subject to amortisation is allocated as an expense over each period for the useful life of each asset (franchises and customer relationships approximately from 3 years to 45 years, software approximately from 2 years to 20 years) through amortisation, mainly on a straight-line basis. The basis of amortisation of these intangible assets, such as useful life and depreciation method, is reviewed at the end of each reporting period. When there is a change in the basis of amortisation, the amortisation charge is adjusted prospectively as a change in accounting estimate.

Intangible assets judged to have indefinite useful lives are not subject to amortisation, and the Companies review, at the end of each reporting period, whether the events or circumstances supporting such a judgment continue to exist. If the judgment that the useful life is indefinite is no longer valid, the intangible asset is reclassified from an intangible asset with an indefinite life to an intangible asset with a finite useful life, with amortisation charges adjusted prospectively as a change in an accounting estimate.

The Companies derecognise an item of intangible assets when they have disposed of it or when it is no longer expected to produce any future economic benefits from its use or disposal. The difference between the net disposal proceeds of an intangible asset arising from its derecognition and its carrying amount is recognised in profit or loss when the asset is derecognised.

Goodwill

Goodwill is recognised as the excess of (a) the aggregate of the consideration transferred measured at acquisition date fair value, the acquirer's previously held equity interest in the acquiree remeasured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree (hereinafter collectively referred to as "the aggregate amount of consideration") over (b) the net of the acquisition date fair values of the identifiable assets acquired and the liabilities assumed. The amount of non-controlling interest is measured for each business combination either at acquisition date fair value or at the acquirer's proportionate interest in the identifiable net assets of the acquiree. If the total amount of consideration is less than the fair value of the identifiable net assets of the acquired subsidiary, the difference is recognised in profit or loss.

After initial recognition, goodwill is not subject to amortisation and is measured at acquisition cost less accumulated impairment loss. For impairment testing purposes, goodwill acquired in a business combination is, on or after the acquisition date, allocated to cash-generating units or groups of cash-generating units that are expected to receive benefits from the business combination.

If an operation within a cash-generating unit or a group of cash-generating units to which goodwill has been allocated is disposed of, the portion of goodwill related to the operation to be disposed of is included in the carrying amount of the operation for the purpose of calculation of the disposal gain or loss. Goodwill is allocated on the basis of the relative percentage of the values of the business to be disposed of and the remaining portion of the cash-generating unit, unless there is a more reasonable method.

(13) Oil, gas and mineral resources mining activities

Costs associated with the exploration, evaluation and development of oil and gas are accounted for based on the successful efforts method. Costs associated with the acquisition of vested mining rights, costs associated with the drilling and construction of exploratory wells and development wells, and related facilities are capitalised; and costs associated with exploratory wells are expensed when it has been demonstrated that the wells have no commercial viability, while other costs associated with exploration and evaluation, including geographical survey costs, are recognised as expenses when incurred. Costs associated with the exploration and evaluation of mineral resources are recognised as an expense as they are incurred until such time as the commercial viability of the mining activities is demonstrated.

Capitalised costs associated with exploration, evaluation and development are recognised as property, plant and equipment (machinery and equipment). Additionally, expenditures associated with the acquisition of rights to explore, etc. are recognised as intangible assets (licenses and operating rights for natural resources), and reclassified as property, plant and equipment (machinery and equipment) when their technical feasibility and economic viability have been demonstrated.

When facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, such carrying amount is written down to its recoverable amount.

(14) Leases

The Companies engage in the business of leasing non-current assets as lessors and lease non-current assets as lessees under finance leases and operating leases.

Whether or not an arrangement is (or contains) a lease is determined at the inception of the lease based on the substance of that arrangement considering whether the performance of that arrangement depends on the use of a specific asset or group of assets, and whether the right to use the asset is transferred under the terms of that arrangement.

Accounting as lessee

For finance leases that transfer substantially all of the risks and rewards incidental to ownership of the asset, an asset and a liability are recognised on the commencement of the lease term in the Consolidated Statement of Financial Position at the lower of the fair value of the leased asset, determined at the inception of the lease, or the present value of the minimum lease payments calculated at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the outstanding liability, and finance charges are calculated so that they are equivalent to a constant interest rate on the balance of the liability. Finance charges are recognised as expenses over the lease term and contingent rents are recognised as expenses in the period in which they are incurred. Leased assets are depreciated over the period of expected use by a method consistent with the depreciation method for other similar assets owned by the lessee. The period of expected use is the useful life of the asset if the transfer of ownership is reasonably certain, or the shorter of the lease term or the useful life of the asset if the transfer of ownership is not reasonably certain.

Lease payments under an operating lease are recognised as expenses on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern by which the user of the asset obtains benefits from use of the asset. Contingent rents are recognised as expenses in the period in which they are incurred.

Accounting as lessor

For finance leases that transfer substantially all the risks and rewards incidental to ownership of the asset, a lease receivable is recognised on the commencement of the lease term at an amount that equals the net investment in the lease at the inception of the lease. Initial direct costs incurred by the lessor are recognised as part of net investment in the lease in principle.

For operating leases, the leased assets are presented in the Consolidated Statement of Financial Position according to the nature of the assets and are depreciated by a method consistent with the depreciation method for other similar assets owned by the lessor. Lease income is recognised on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern by which the user of the asset obtains benefits from use of the asset. Initial direct costs incurred by the lessor are included in the carrying amount of the leased asset and are recognised as expenses over the lease term as corresponding lease income is recognised.

(15) Impairment of non-financial assets other than inventories

Impairment losses

The Companies assess, at the end of each reporting period, whether there is an indication that an asset may be impaired.

Property, plant and equipment, investment property, and intangible assets with finite useful lives:

If there is an indication that an asset may be impaired, the recoverable amount of the asset is estimated.

Intangible assets with indefinite useful lives and goodwill:

If there is an indication that an asset may be impaired, the recoverable amount of the asset is estimated. The Companies also evaluate whether the carrying amount of an asset exceeds its recoverable amount on a regular basis (at least annually), irrespective of whether there is any indication that an asset may be impaired.

The recoverable amount of an asset is the higher of asset's or cash-generating unit's fair value less costs of disposal sell and its value in use. This determination is made for individual assets, unless an individual asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If the recoverable amount of an asset or cash-generating unit is less than its carrying amount, the carrying amount is reduced to the recoverable amount and that reduction is recognised as an impairment loss. The value in use is calculated as the present value of the estimated future cash flows discounted at a discount rate reflecting the time value of money and the current market evaluation of the risks inherent in the asset.

Reversals of impairment losses

The Companies assess, at the end of each reporting period, whether there is an indication that the recognised impairment losses in prior periods for an asset may no longer exist or may have decreased. If there is such an indication, the Companies estimate the recoverable amount of the asset. If the estimated recoverable amount exceeds the carrying amount of the asset, a reversal of impairment losses is recognised to the extent that the carrying amount after the reversal does exceed the carrying amount (after deducting accumulated depreciation or accumulated amortisation) that would have been determined had the impairment losses not been recognised previously. Reversal of impairment losses is recognised in profit or loss.

However, impairment losses recognised in respect of goodwill are not reversed under any circumstances.

(16) Non-current assets held for sale and discontinued operations

The Companies classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use and the following conditions are met:

- It is available for immediate sale in its present condition based solely on usual or customary conditions; and
- Sale is highly probable.

A non-current asset or disposal group classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell.

Depreciation or amortisation is discontinued for a non-current asset or disposal group for the year in which it is classified as held for sale.

(17) Provisions

The Companies recognise a provision when (i) they have a present obligation (legal or constructive) as a result of a past event, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the amount of a provision is measured at the present value of the expenditure expected to be required to settle the obligation, discounted at a discount rate reflecting the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance expenses.

For decommissioning obligations, a provision is recognised for the costs of demolition or removal of the asset, land restoration costs and expenditures incurred as a result of the use of the asset, and is added to the acquisition cost of the asset. Estimated costs and the discount rate applied are reviewed every year and any adjustment to the estimated amount is accounted for as a change in accounting estimate. The effect of changes in estimated costs or the discount rate applied is added to or deducted from the carrying amount of the related asset.

(18) Post-employment benefits

The Company and certain of its consolidated subsidiaries have defined benefit pension plans and lump-sum severance indemnity plans covering substantially all employees. The Companies measure the present value of defined benefit obligations and the post-employment benefit costs based on the projected unit credit method for each plan.

The effect of the remeasurement of a net defined benefit asset or liability is recognised in other comprehensive income and is immediately reclassified from other components of equity to retained earnings. Such remeasurement consists of actuarial gains and losses on the defined benefit obligation and the return on plan assets (excluding the amount of interest income on plan assets). Past service cost is recognised immediately in profit or loss.

A net defined benefit asset or liability is calculated as the present value of the defined benefit obligation less the fair value of the plan assets and is recognised as an asset or liability in the Consolidated Statement of Financial Position.

(19) Treasury stock

If the Companies buy back their own equity instruments (treasury stock), such treasury stock is recognised at acquisition cost and is deducted from equity. No gain or loss is recognised in profit or loss at the time of purchase, sale, issuance or retirement of treasury stock. The difference between the carrying amount and the sale proceeds is recognised in capital surplus.

(20) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Such a fair value is calculated after deducting sales discounts, volume rebates, etc.

The Companies are involved in various forms of transactions including proprietary transactions and agency transactions. In agency transactions, consideration for the transaction is settled directly between the ultimate buyer and the seller, and the Companies receive fees from the buyer, the seller or both. Proprietary transactions, agency transactions, etc. are carried out in the following forms.

Sale of goods

Revenue arising from the sale of goods is recognised when all the following conditions have been satisfied:

- The significant risks and rewards of ownership of the goods have been transferred to the buyer;
- Neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold is retained;

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

In the case of a sale of goods, if the Companies arrange shipping or deliver a bill of lading, warehouse receipt, delivery order, etc., to the buyer, revenue is recognised when the delivery obligations specified in the contract have been performed, such as when said document is delivered or when the inspection of goods is completed, and there are substantially no further obligations to perform, and the receipt of goods by the customer is practically certain.

Rendering of services

When the outcome of the rendering of services can be estimated reliably, revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period.
The Companies judge that the outcome of the rendering of services can be estimated reliably if all the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity;
- The stage of completion of the transaction can be measured reliably at the end of the reporting period; and
- The costs incurred for the transaction or the costs to complete the transaction can be measured reliably.

In the case of rendering of services, revenue is recognised only to the extent of the expenses recognised that are recoverable, unless the outcome of the rendering of services can be estimated reliably. In acting as an agent, the Companies recognise commissions when contracted services are fully rendered to the customers.

Construction contracts

When the outcome of the construction contract can be reliably estimated, the percentage of completion method is applied. Under the percentage of completion method, contract revenue is recognised progressively over several accounting periods as work is performed representing the proportionate completion of the contract. The Companies judge that the outcome of the construction contract can be estimated reliably when all the following conditions are satisfied:

- The total amount of contract revenue can be measured reliably;
- It is probable that the economic benefits associated with the contract will flow to the entity;
- Both the contract costs to complete the contract and the stage of contract completion at the end of the reporting period can be measured reliably; and
- The contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

When the outcome of the construction contract cannot be reliably estimated, contract revenue is recognised to the extent recovery of contract costs incurred is probable.

When it is probable that total contract costs will exceed total contract revenue, the excess amount is recognised immediately as an expense.

Presentation of the total amount of revenue and the net amount of revenue

The Companies are deemed to be performing transactions as a principal when they have exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, and the total amount of transactions is presented as revenue. The Companies are deemed to be performing transactions as an agent when they do not have exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, and the net amount, after deduction of amounts due to third parties from the consideration earned on the transactions, is presented as revenue.

“Total volume of trading transactions” includes all transactions involving the Companies regardless of transaction type. “Total volume of trading transactions” is not required by IFRSs but is presented here to provide readers with a better understanding and is as presented in common Japanese accounting practice.

Interest income

Interest income is recognised when it is probable that economic benefits will flow to the Companies and the amount of revenue can be measured reliably. Interest income is recognised using the effective interest method.

Dividend income

Dividend income is recognised when the shareholder's right to receive the dividends is established.

(21) Income and other taxes

Current tax

Taxes payable (receivable) at the end of each reporting period are measured at an amount expected to be due for payment to, or refunded from, the taxation authorities. In measuring the amount of taxes, the Companies use the statutory tax rate or statutory effective tax rate at the end of each reporting period.

Current tax related to items recognised in other comprehensive income is recognised in other comprehensive income, whereas current tax related to items recognised directly in equity is recognised directly in equity. The Companies recognise the financial statement effects of tax positions when it is more likely than not, based on technical interpretations, that the tax positions will be sustained upon examination by the tax authorities.

Current tax assets and current tax liabilities are offset and if the Companies currently have a legally enforceable right to set off the recognised amounts of the assets and liabilities and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax assets and liabilities are recognised by the Companies based on differences between the carrying amount of assets and liabilities in the Consolidated Financial Statements and their tax basis, and are measured using the enacted tax rates and tax laws which will be in effect when the differences are expected to reverse.

Deferred tax liabilities are recognised with respect to taxable temporary differences other than those arising in the following cases:

- Initial recognition of goodwill;
- Initial recognition of assets or liabilities arising from a transaction that is not a business combination and does not affect accounting profit or taxable profit (loss) at the time of the transaction; and
- Taxable temporary differences associated with investments in subsidiaries, and associates or interests in joint ventures if the parent, investor or party to a joint venture is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences, tax loss carryforwards, and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary difference, etc. can be utilised, except for deferred tax assets arising from the initial recognition of assets or liabilities arising from transactions that are not a business combination and which do not affect accounting profit or taxable profit (loss) at the time of the transaction which are not recognised.

For deductible temporary differences associated with investments in subsidiaries and associates or interests in joint ventures, a deferred tax asset is recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and it is probable that taxable profit will be available against which the temporary difference can be utilised.

The Companies review, at the end of each reporting period, whether it is probable that sufficient taxable profit will be available to realise part or all of the benefit of the deferred tax assets, and reduce the amount of deferred tax assets to the extent that it is no longer probable that such taxable profit will be available. The Companies also review unrecognised deferred tax assets at the end of each reporting period and recognise them to the extent that it has become probable that future taxable profit will be available.

Deferred tax assets and deferred tax liabilities are presented as non-current assets and non-current liabilities, respectively.

Deferred tax related to items recognised in other comprehensive income is recognised in other comprehensive income, whereas deferred tax related to items recognised directly in equity is recognised directly in equity. Deferred tax assets and deferred tax liabilities are offset and presented net if, and only if, the Companies currently have a legally enforceable right to set off current tax assets and current tax liabilities and either of the following two conditions is met:

- The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity; and
- The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on different taxable entities, and those entities intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period.

Consumption taxes

Revenues, cost, and expenses in the Consolidated Statement of Comprehensive Income do not include consumption taxes.

(22) Reclassifications

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

(23) Newly applied standards and interpretations

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

Standards and interpretations	Description
IFRS 13 *Fair Value Measurement*	Consistent definition of fair value, establishment of a framework for fair value measurement, and revised disclosure requirements
IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*	Accounting for stripping costs in the production phase of a surface mine

The above-mentioned standards and interpretations were applied pursuant to their respective transitional provisions; however, they did not have a significant impact on the Consolidated Financial Statements for the financial year. The cumulative effect of applying IFRIC 20 was accounted for as an adjustment to retained earnings.

(24) New standards and interpretations subject to early application

The Companies have early adopted the following standards.

- IFRS 9 *Financial Instruments* (Issued November 2009, amended October 2010 and December 2011)
- IFRS 10 *Consolidated Financial Statements* (Issued May 2011, amended June 2012 and October 2012)
- IAS 32 *Financial Instruments: Presentation* (Issued December 2011)

(25) New standards and interpretations not yet adopted

Major standards and interpretations issued by the date of approval of the Consolidated Financial Statements are as follows.

At March 31, 2014, the Company has not yet adopted the following standards and interpretations. The potential impacts that application of the following standards and interpretations will have on the Consolidated Financial Statement of the Companies are currently being evaluated and can not be estimated at the present time.

Standards and interpretations	Reporting periods on or after which the application are required	Reporting periods for adoption by the Company	Description
IFRS 9 *Financial Instruments (Amended November 2013)*	To be determined	To be determined	Changes in qualifying criteria for hedge accounting
IFRS 15 *Revenue from Contracts with Customers*	January 1, 2017	To be determined	Accounting for and disclosure of revenue recognition
IAS 36 *Impairment of Assets*	January 1, 2014	Financial year ending March 31, 2015	Disclosure of recoverable amounts for non-financial assets
IFRIC 21 *Levies*	January 1, 2014	Financial year ending March 31, 2015	Recognition of liabilities related to levies

4. Business Combinations

For the year ended March 31, 2014, the following individually material business combinations occurred.

・ MX Mobiling Co., Ltd. (Formerly, NEC Mobiling, Ltd.)

On June 19, 2013, the Company acquired 89.5% of common stocks of NEC Mobiling, Ltd. (hereinafter "NM"), a listed company of the Tokyo Stock Exchange, Inc. 1st Section for ¥71,637 million ($695,505 thousand) in cash. Subsequently, on August 15, 2013, NM changed its name to MX Mobiling Co., Ltd.(hereinafter "MXM").

In accordance with the decision of the extraordinary meeting of shareholders and the meeting of class shareholders on August 15, 2013, MXM acquired all shares of common stock through a wholly call condition on September 20, 2013, and issued shares representing a 1/1,071,000th interest in one share of common stock in exchange for each class share subject to the wholly call as consideration. As the shareholders outside the Company's group received fractional shares of less than one, the Company accordingly obtained all of the voting rights of MXM. In accordance with Japanese Law, the Company paid the equivalent to the amount from the sale of the fractional shares to the shareholders outside the Company's group.

MXM conducts the following business:

・ Distributor for mobile network operators (Operation of shops)
・ Sales of mobile phones and related merchandise
・ Diagnostics, repair and maintenance services of mobile phones
・ Sales of mobile phones and solutions for corporate uses

The Company included MXM in the scope of consolidation, and integrated it with the mobile phone sales business of Marubeni Telecom Co., Ltd. (hereinafter "MTC") to MXM on February 1, 2014. Through this acquisition, the Company aims to increase coordination and establish various synergies between MXM and the Company's group, especially with MTC, a peer company of MXM, by sharing experience and knowledge about sales strategies and shop management.

After the acquisition, the Company aims to seek substantial benefits through its management integration by concentrating and sharing its respective economic resources of MXM and MTC, and creating competitive values, especially in the areas of shop management and business for corporate clients, and to pursue synergistic effects through integration.

The fair values of the assets acquired and liabilities assumed at the acquisition date were as follows. The allocation of the purchase price to assets acquired and liabilities assumed had been completed at the end of the financial year.

	Millions of yen	*Thousands of U.S. dollars*
Fair value of the consideration transferred	¥71,637	$695,505
Current assets:	59,449	577,175
Cash and cash equivalents	24,368	236,583
Notes, trade accounts and loans receivable	16,022	155,553
Inventories	6,815	66,165
Other	12,244	118,874
Non-current assets:	45,504	441,787
Property, plant and equipment	3,239	31,447
Intangible assets	36,332	352,738
Other	5,933	57,602
Fair value of the assets acquired	¥104,953	$1,018,962
Current liabilities:	¥(18,510)	$(179,709)
Notes and trade accounts payable	(11,460)	(111,262)
Other	(7,050)	(68,447)
Non-current liabilities:	(19,303)	(187,408)
Deferred tax liabilities	(13,029)	(126,495)
Other	(6,274)	(60,913)
Fair value of the liabilities assumed	¥(37,813)	$(367,117)
Fair value of the assets acquired and liabilities assumed-net	¥67,140	$651,845
Fair value of non-controlling interests	(8,421)	(81,757)
Goodwill	¥12,918	$125,417

The amount of non-controlling interests represents the fair value at the acquisition date calculated based mainly on the market price of NM shares. The goodwill recognised is primarily attributed to the expected synergies from combining the assets and activities of MXM with those of the Company's group.

Pro forma information, assuming that MXM had been included in the Company's Consolidated Financial Statements at the beginning of the year ended March 31, 2014, revenue and profit for the year of MXM recognised since the acquisition date in the Consolidated Statement of Comprehensive Income and acquisition-related costs accompanying this business combination were immaterial.

Gavilon Holdings, LLC

On May 29, 2012, the Company entered into an Equity Interest Purchase Agreement to acquire all of the equity interests of Gavilon Holdings, LLC (Head Office: Omaha, Nebraska, U.S.A., hereinafter "Gavilon"), which engages in the trading and distribution of grains, fertilizers and energy, for approximately $3,600 million. However, on June 9, 2013, the Company entered into an agreement to amend said Equity Interest Purchase Agreement, and as a result, the Company agreed with the current equity interest holder that the Company purchases only the grain and fertilizer businesses excluding the energy business for approximately $2,600 million.

Accordingly, on July 5, 2013 (U.S. Eastern Standard Time), the Company, after adjusting the acquisition price stipulated in the Equity Interest Purchase Agreement, acquired all of the equity interests of Gavilon for $2,702 million. Through this acquisition, the Company aims to further reinforce and expand its grain and fertilizer businesses.

On August 12, 2013, the Company, its subsidiary Gavilon Agriculture Holdings, Co. (Head Office: Omaha, Nebraska, U.S.A., hereinafter "GAH") and Japan Bank for International Cooperation (hereinafter "JBIC") entered into a shareholders' agreement relating to the issuance of preferred shares of GAH. Accordingly, on August 30, 2013, JBIC acquired ¥60,000 million ($582,524 thousand) of convertible preferred shares, which is redeemable by the Company under certain conditions. The preferred shares are recognised as non-controlling interests in the Consolidated Statement of Financial Position.

The fair values of the consideration transferred, the assets acquired and liabilities assumed at the acquisition date were as follows. As the allocation of purchase price to assets acquired and liabilities assumed has not been yet completed, the amounts indicated are preliminary amounts based on information currently available.

	Millions of yen	*Thousands of U.S. dollars*
Fair value of the consideration transferred	¥274,474	$2,664,796
Current assets:	214,691	2,084,379
Cash and cash equivalents	15,127	146,864
Notes, trade accounts and loans receivable	43,995	427,136
Inventories	118,988	1,155,223
Other	36,581	355,156
Non-current assets:	181,622	1,763,320
Property, plant and equipment	83,173	807,505
Intangible assets	48,976	475,495
Investments in associates and joint ventures	46,223	448,767
Other	3,250	31,553
Fair value of the assets acquired	¥396,313	$3,847,699
Current liabilities:	¥(154,925)	$(1,504,126)
Notes and trade accounts payable	(66,037)	(641,136)
Bonds and borrowings	(52,892)	(513,514)
Other	(35,996)	(349,476)
Non-current liabilities:	(87,858)	(852,990)
Bonds and borrowings	(56,926)	(552,680)
Deferred tax liabilities	(24,502)	(237,883)
Other	(6,430)	(62,427)
Fair value of the liabilities assumed	¥(242,783)	$(2,357,116)
Fair value of the assets acquired and liabilities assumed-net	¥153,530	$1,490,583
Non-controlling interests	(1,012)	(9,826)
Goodwill	¥121,956	$1,184,039

The amount of non-controlling interests relate to interests in subsidiaries in the Gavilon group at the acquisition date. Goodwill represents synergies, that cannot be recognised separately, but which are expected to arise from the acquisition. As the Company is currently measuring the synergies available to the Company's group, the allocation of preliminary goodwill arising from this business combination of ¥125,067 million ($1,214,243 thousand) converted at the exchange rate in effect at March 31, 2014 to cash-generating units or groups of cash-generating units has not been yet completed.

Gavilon's revenue and profit recognised since the acquisition date in the Consolidated Statement of Comprehensive Income for the year ended March 31, 2014 were ¥1,178,504 million ($11,441,786 thousand) and ¥7,259 million ($70,476 thousand), respectively.

Gavilon's revenue and profit assuming it had been included in the Company's Consolidated Financial Statements at the beginning of the year were ¥7,456,580 million ($72,393,981 thousand) and ¥215,070 million ($2,088,058 thousand), respectively.

Acquisition-related costs accompanying this business combination of ¥1,354 million ($13,146 thousand) and ¥2,234 million were recognised as expenses in "Selling, general and administrative expenses" in the Consolidated Statement of Comprehensive Income for the years ended March 31, 2014 and 2013, respectively.

Other business combinations in the year ended March 31, 2014 were as follows:

For the year ended March 31, 2014, the Company acquired several companies for total consideration of ¥17,583 million ($170,709 thousand) in cash.

The Company will expand businesses where it is able to play a leading role, focusing on the fields where it has strength, expertise and competitiveness thereby achieving long term growth and a strong profit base.

The fair values of consideration transferred and the equity interests in the acquirees held immediately before the acquisition dates and the assets acquired and liabilities assumed at the acquisition dates were as follows. As the allocation of purchase price to assets acquired and liabilities assumed has not been yet completed, the amounts indicated were preliminary amounts based on information currently available.

	Millions of yen	*Thousands of U.S. dollars*
Fair value of the consideration transferred	¥17,583	$170,709
Fair value of the equity interests before the acquisition date	41,169	399,699

	Millions of yen	*Thousands of U.S. dollars*
Current assets:	¥27,470	$266,699
Cash and cash equivalents	8,839	85,815
Notes, trade accounts and loans receivable	12,375	120,146
Other	6,256	60,738
Non-current assets:	125,998	1,223,282
Property, plant and equipment	94,509	917,563
Intangible assets	23,827	231,330
Other	7,662	74,389
Fair value of the assets acquired	¥153,468	$1,489,981
Current liabilities:	¥(22,892)	$(222,253)
Notes and trade accounts payable	(4,298)	(41,728)
Bonds and borrowings	(11,734)	(113,922)
Other	(6,860)	(66,603)
Non-current liabilities:	(53,240)	(516,893)
Bonds and borrowings	(42,593)	(413,524)
Deferred tax liabilities	(5,766)	(55,981)
Other	(4,881)	(47,388)
Fair value of the liabilities assumed	¥(76,132)	$(739,146)
Fair value of the assets acquired and liabilities assumed-net	¥77,336	$750,835
Fair value of non-controlling interests	(33,682)	(327,010)
Goodwill	¥15,098	$146,583

The amount of non-controlling interests represents the fair value at the acquisition date based on various factors, including future cash flows expected to be generated from the investees. Goodwill represents synergies, that cannot be recognised separately, but which are expected to arise from the acquisition.

These business combinations include those which were achieved in stages. The gain recognised as a result of remeasuring to fair value the equity interests in the acquirees held by the Company before the business combination was ¥6,401 million ($62,146 thousand). Such gains were included in gains (losses) on investment securities.

Pro forma information, assuming these companies had been included in the Company's Consolidated Financial Statements at the beginning of the year ended March 31, 2014, and the revenue and profit of these companies recognised since the acquisition date in Consolidated Statement of Comprehensive Income and acquisition-related costs accompanying these business combinations were immaterial.

There were no significant business combinations for the year ended March 31, 2013.

5. Inventories

Inventories at March 31, 2014 and 2013 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Merchandise/finished goods	**¥696,992**	¥486,534	**$6,766,913**
Real estate held for sale	**56,391**	63,328	**547,485**
Materials/work in progress	**25,300**	30,140	**245,631**
Total	**¥778,683**	¥580,002	**$7,560,029**

The carrying amount of inventories measured at fair value less costs to sell on a recurring basis is based mainly on a market approach using observable inputs such as reasonable price obtained from trading partners and others, and is categorised as Level 2 in the fair value hierarchy, were ¥168,232 million ($1,633,320 thousand) and ¥48,953 million, at March 31, 2014 and 2013, respectively.

During the year ended March 31, 2014, there were no transfers between Level 1 and Level 2.

Inventories recognised as expenses for the years ended March 31, 2014 and 2013 were ¥6,114,700 million ($59,366,019 thousand) and ¥3,945,176 million, respectively. Among those expenses, inventory write-offs of ¥4,186 million ($40,641 thousand) and ¥6,297 million were included in expenses for the years ended March 31, 2014 and 2013, respectively.

6. Property, Plant and Equipment

Changes in cost, accumulated depreciation and impairment losses of property, plant and equipment for the years ended March 31, 2014 and 2013 were as follows:

Cost

	Millions of yen				
	Land	Buildings and structures	Machinery and equipment	Other	Total
April 1, 2012	¥167,811	¥276,709	¥884,283	¥18,967	¥1,347,770
Additions	1,878	6,051	90,319	20,496	118,744
Disposals	(422)	(3,699)	(19,082)	(703)	(23,906)
Disposals of subsidiaries	(4,134)	(4,449)	(3,195)	–	(11,778)
Other	6,551	17,064	118,770	(20,473)	121,912
March 31, 2013	**¥171,684**	**¥291,676**	**¥1,071,095**	**¥18,287**	**¥1,552,742**
Additions	**270**	**8,023**	**216,423**	**47,813**	**272,529**
Disposals	**(28,144)**	**(15,299)**	**(33,235)**	**–**	**(76,678)**
Disposals of subsidiaries	**(1,006)**	**(23,240)**	**(16,373)**	**(1,025)**	**(41,644)**
Other	**6,868**	**72,441**	**209,645**	**(3,666)**	**285,288**
March 31, 2014	**¥149,672**	**¥333,601**	**¥1,447,555**	**¥61,409**	**¥1,992,237**

	Thousands of U.S. dollars				
	Land	Buildings and structures	Machinery and equipment	Other	Total
March 31, 2013	**$1,666,835**	**$2,831,806**	**$10,398,981**	**$177,543**	**$15,075,165**
Additions	**2,621**	**77,893**	**2,101,194**	**464,205**	**2,645,913**
Disposals	**(273,243)**	**(148,534)**	**(322,670)**	**–**	**(744,447)**
Disposals of subsidiaries	**(9,767)**	**(225,631)**	**(158,961)**	**(9,952)**	**(404,311)**
Other	**66,680**	**703,311**	**2,035,388**	**(35,592)**	**2,769,787**
March 31, 2014	**$1,453,126**	**$3,238,845**	**$14,053,932**	**$596,204**	**$19,342,107**

Accumulated depreciation and impairment losses

	Millions of yen				
	Land	Buildings and structures	Machinery and equipment	Other	Total
April 1, 2012	¥(25,979)	¥(155,492)	¥(459,699)	¥(3,723)	¥(644,893)
Depreciation	–	(9,859)	(58,140)	–	(67,999)
Impairment losses	(410)	(191)	(23,644)	–	(24,245)
Disposals	8	3,390	11,764	–	15,162
Disposals of subsidiaries	–	822	570	–	1,392
Other	(2,728)	(3,186)	(47,856)	3,723	(50,047)
March 31, 2013	**¥(29,109)**	**¥(164,516)**	**¥(577,005)**	**¥–**	**¥(770,630)**
Depreciation	**–**	**(11,537)**	**(60,692)**	**–**	**(72,229)**
Impairment losses	**(1,481)**	**(164)**	**(24,242)**	**(217)**	**(26,104)**
Disposals	**24,654**	**11,856**	**22,020**	**–**	**58,530**
Disposals of subsidiaries	**–**	**14,685**	**11,307**	**–**	**25,992**
Other	**(15)**	**(806)**	**(31,925)**	**(4)**	**(32,750)**
March 31, 2014	**¥(5,951)**	**¥(150,482)**	**¥(660,537)**	**¥(221)**	**¥(817,191)**

	Thousands of U.S. dollars				
	Land	Buildings and structures	Machinery and equipment	Other	Total
March 31, 2013	**$(282,612)**	**$(1,597,243)**	**$(5,601,990)**	**$–**	**$(7,481,845)**
Depreciation	**–**	**(112,009)**	**(589,243)**	**–**	**(701,252)**
Impairment losses	**(14,379)**	**(1,592)**	**(235,359)**	**(2,107)**	**(253,437)**
Disposals	**239,359**	**115,107**	**213,786**	**–**	**568,252**
Disposals of subsidiaries	**–**	**142,573**	**109,777**	**–**	**252,350**
Other	**(144)**	**(7,827)**	**(309,952)**	**(38)**	**(317,961)**
March 31, 2014	**$(57,776)**	**$(1,460,991)**	**$(6,412,981)**	**$(2,145)**	**$(7,933,893)**

Carrying amount

	Millions of yen				
	Land	Buildings and structures	Machinery and equipment	Other	Total
March 31, 2013	¥142,575	¥127,160	¥494,090	¥18,287	¥782,112
March 31, 2014	**¥143,721**	**¥183,119**	**¥787,018**	**¥61,188**	**¥1,175,046**

	Thousands of U.S. dollars				
	Land	Buildings and structures	Machinery and equipment	Other	Total
March 31, 2014	**$1,395,350**	**$1,777,854**	**$7,640,951**	**$594,059**	**$11,408,214**

Changes in the cost of “Buildings and structures” for the year ended March 31, 2014 classified as “Other” included ¥57,112 million ($554,485 thousand) of acquisitions arising from business combinations. Changes in the cost of “Machinery and equipment” for the year ended March 31, 2014 classified as “Other” included ¥104,640 million ($1,015,922 thousand) of acquisitions arising from business combinations and ¥78,132 million ($758,563 thousand) of currency translation adjustments. Changes in accumulated depreciation and impairment losses of “Machinery and equipment” for the year ended March 31, 2014 classified as “Other” included ¥(35,548) million ($(345,126) thousand) of currency translation adjustments.

As described in *Note 4* “Business Combinations”, the Company acquired all of the equity interests of Gavilon, and it was included in the scope of consolidation for the year ended March 31, 2014. In conjunction with the Gavilon acquisition, cost of “Property, Plant and Equipment” increased by ¥83,173 million ($807,505 thousand), which mainly included ¥53,377 million ($518,223 thousand) in “Buildings and structures” and ¥19,027 million ($184,728 thousand) in “Machinery and equipment”. These increases were result of acquisitions through business combinations.

Changes in the cost of “Machinery and equipment” for the year ended March 31, 2013 classified as “Other” included ¥107,186 million of currency translation adjustments. Changes in accumulated depreciation and impairment losses of “Machinery and equipment” classified as “Other” included ¥(52,413) million of currency translation adjustments.

For the years ended March 31, 2014 and 2013, the Company and certain of its consolidated subsidiaries recognised impairment losses on facilities, real estate and industrial plants of ¥26,104 million ($253,437 thousand) and ¥24,245 million, respectively, based on the relevant recoverable amounts due to decreases in estimated future cash flows and other factors. There were no significant reversals of impairment losses recognised for the years ended March 31, 2014 and 2013.

In terms of operating segments, major impairment losses were ¥16,451 million ($159,718 thousand) included in the Energy segment and ¥8,031 million ($77,971 thousand) included in the Lifestyle & Forest Products segment for the year ended March 31, 2014; and ¥23,449 million included in the Energy segment for the year ended March 31, 2013.

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

Depreciation of property, plant and equipment is included in “Cost of goods sold” and “Selling, general and administrative expenses” in the Consolidated Statement of Comprehensive Income.

Significant impairment losses recognised for the year ended March 31, 2014 included ¥13,366 million ($129,767 thousand) as a result of the write down of “Machinery and equipment” to its value in use, following downward revisions in estimated future cash flows due to a reconsideration of production plans for oil and gas assets in Texas in the U.S.A.. This impairment loss was reported under the Energy segment. Value in use was calculated using a discount rate that reflected current market assessments of the time value of money and the risks specific to the asset.

Significant impairment losses recognised for the year ended March 31, 2013 included ¥13,680 million as a result of the write down of “Machinery and equipment” to its value in use, following changes in production plans due to a malfunction in the production facilities for oil and gas assets in the U.S. Gulf of Mexico. This impairment loss was reported under the Energy segment. Value in use was calculated using a discount rate that reflected current market assessments of the time value of money and the risks specific to the asset.

7. Intangible Assets

Changes in cost, accumulated amortisation and impairment losses of intangible assets for the years ended March 31, 2014 and 2013 were as follows:

Cost

	Millions of yen					
	Licenses and operating rights in natural resources	Franchises and customer relationships	Software	Goodwill	Other	Total
April 1, 2012	¥90,863	¥32,070	¥23,281	¥67,156	¥13,580	¥226,950
Additions	26	5,260	4,397	1,670	2,168	13,521
Disposals	–	(782)	(2,801)	–	(421)	(4,004)
Other	2,502	5,705	701	(93)	2,466	11,281
March 31, 2013	**¥93,391**	**¥42,253**	**¥25,578**	**¥68,733**	**¥17,793**	**¥247,748**
Additions	**–**	**232**	**3,918**	**–**	**1,030**	**5,180**
Disposals	**(25,462)**	**–**	**(2,575)**	**–**	**(434)**	**(28,471)**
Other	**(286)**	**113,336**	**(1,811)**	**136,350**	**(6,891)**	**240,698**
March 31, 2014	**¥67,643**	**¥155,821**	**¥25,110**	**¥205,083**	**¥11,498**	**¥465,155**

	Thousands of U.S. dollars					
	Licenses and operating rights in natural resources	Franchises and customer relationships	Software	Goodwill	Other	Total
March 31, 2013	**$906,709**	**$410,223**	**$248,330**	**$667,311**	**$172,747**	**$2,405,320**
Additions	**–**	**2,252**	**38,039**	**–**	**10,000**	**50,291**
Disposals	**(247,204)**	**–**	**(25,000)**	**–**	**(4,213)**	**(276,417)**
Other	**(2,777)**	**1,100,350**	**(17,583)**	**1,323,786**	**(66,902)**	**2,336,874**
March 31, 2014	**$656,728**	**$1,512,825**	**$243,786**	**$1,991,097**	**$111,632**	**$4,516,068**

Accumulated amortisation and impairment losses

	Millions of yen					
	Licenses and operating rights in natural resources	Franchises and customer relationships	Software	Goodwill	Other	Total
April 1, 2012	¥(36,474)	¥(13,796)	¥(14,982)	¥(9,481)	¥(4,569)	¥(79,302)
Amortisation expenses	(134)	(2,957)	(3,355)	–	(291)	(6,737)
Impairment losses	(27,520)	(535)	(2)	(5,786)	(2)	(33,845)
Disposals	–	466	2,706	–	278	3,450
Other	(9,804)	(850)	(169)	(1,397)	(305)	(12,525)
March 31, 2013	**¥(73,932)**	**¥(17,672)**	**¥(15,802)**	**¥(16,664)**	**¥(4,889)**	**¥(128,959)**
Amortisation expenses	**(455)**	**(6,624)**	**(3,435)**	**–**	**(600)**	**(11,114)**
Impairment losses	**(4,730)**	**(3,896)**	**(323)**	**(3,189)**	**(1,713)**	**(13,851)**
Disposals	**25,252**	**–**	**2,453**	**–**	**5**	**27,710**
Other	**(8,480)**	**5,073**	**1,530**	**10,037**	**3,342**	**11,502**
March 31, 2014	**¥(62,345)**	**¥(23,119)**	**¥(15,577)**	**¥(9,816)**	**¥(3,855)**	**¥(114,712)**

	Thousands of U.S. dollars					
	Licenses and operating rights in natural resources	Franchises and customer relationships	Software	Goodwill	Other	Total
March 31, 2013	**$(717,786)**	**$(171,573)**	**$(153,417)**	**$(161,786)**	**$(47,467)**	**$(1,252,029)**
Amortisation expenses	**(4,417)**	**(64,311)**	**(33,350)**	**–**	**(5,825)**	**(107,903)**
Impairment losses	**(45,922)**	**(37,825)**	**(3,136)**	**(30,961)**	**(16,632)**	**(134,476)**
Disposals	**245,165**	**–**	**23,816**	**–**	**48**	**269,029**
Other	**(82,331)**	**49,253**	**14,854**	**97,446**	**32,448**	**111,670**
March 31, 2014	**$(605,291)**	**$(224,456)**	**$(151,233)**	**$(95,301)**	**$(37,428)**	**$(1,113,709)**

Carrying amount

	Millions of yen					
	Licenses and operating rights in natural resources	Franchises and customer relationships	Software	Goodwill	Other	Total
March 31, 2013	¥19,459	¥24,581	¥9,776	¥52,069	¥12,904	¥118,789
March 31, 2014	**¥5,298**	**¥132,702**	**¥9,533**	**¥195,267**	**¥7,643**	**¥350,443**

	Thousands of U.S. dollars					
	Licenses and operating rights in natural resources	Franchises and customer relationships	Software	Goodwill	Other	Total
March 31, 2014	**$51,437**	**$1,288,369**	**$92,553**	**$1,895,796**	**$74,204**	**$3,402,359**

Changes in the cost of “Licenses and operating rights in natural resources” for the year ended March 31, 2014 classified as “Other” included ¥10,156 million ($98,602 thousand) of currency translation adjustments and a decrease of ¥(10,442) million ($(101,379) thousand) as a result of a reclassification to property, plant and equipment on demonstration of the technical feasibility and commercial viability of a mine. Changes in the cost of “Franchises and customer relationships” classified as “Other” included ¥110,399 million ($1,071,835 thousand) of acquisitions arising from business combinations with the acquisitions of Gavilon and MXM were ¥48,976 million ($475,495 thousand) and ¥36,021 million ($349,718 thousand), respectively. Changes in the cost of “Goodwill” classified as “Other” included ¥121,956 million ($1,184,039 thousand) and ¥12,918 million ($125,417 thousand) due to acquisitions of Gavilon and MXM, respectively.

Changes in the cost of “Licenses and operating rights in natural resources” for the year ended March 31, 2013 classified as “Other” included ¥11,465 million of currency translation adjustments and a decrease of ¥(9,931) million as a result of a reclassification to property, plant and equipment on demonstration of the technical feasibility and commercial viability of a mine. Changes in the cost of “Franchises and customer relationships” classified as “Other” included ¥4,864 million in currency translation adjustments. Changes in the cost of “Goodwill” classified as “Other” included ¥5,457 million in currency translation adjustments and a decrease of ¥(5,082) million due to the deconsolidation of subsidiaries.

Of the intangible assets stated above, the carrying amount of intangible assets with indefinite useful lives at March 31, 2014 and 2013 were ¥25,110 million ($243,786 thousand) and ¥14,169 million, respectively. Major intangible assets with indefinite useful lives were trademarks, which were included in “Franchises and customer relationships”. As the trademarks with indefinite business terms will basically exist as long as the Company continues to exist, it has been determined that there is no foreseeable limit to the period of inflow of future economic benefits and thus they are classified as intangible assets with indefinite useful lives.

Of the intangible assets stated above, intangible assets with finite useful lives are amortised by the straight-line basis based over their expected useful lives. However, exploration and evaluation assets are not amortised until the technical feasibility and commercial viability of the mine have been demonstrated. When the technical feasibility and commercial viability are demonstrated, an exploration and evaluation asset is reclassified to property, plant and equipment, and amortised using the units-of-production method based on the estimation of proved reserves. Major intangible assets with finite useful lives at March 31, 2014 were customer relationship assets related to trading and distribution business of grains and fertilizers, franchises and customer relationship assets related to mobilephone sales distributor business, and trademarks acquired through the other business combinations for the year ended March 31, 2014, which were included in "Franchises and customer relationships", and their carrying amounts at March 31, 2014 were ¥34,905 million ($338,883 thousand), ¥34,328 million ($333,282 thousand) and ¥22,994 million ($223,243 thousand), respectively. Major intangible assets with finite useful lives at March 31, 2013 were oil and gas exploration and evaluation assets, which were included in "Licenses and operating rights in natural resources", and their carrying amounts were ¥15,555 million. The assets are amortised over 4-31 years on a straight-line basis.

Amortisation of intangible assets is included in "Cost of goods sold" and "Selling, general and administrative expenses" in the Consolidated Statement of Comprehensive Income.

There was no individually significant goodwill or intangible assets with indefinite useful lives allocated to an individual cash-generating unit or a group of cash-generating units.

For the years ended March 31, 2014 and 2013, the Company and certain of its consolidated subsidiaries recognised impairment losses on intangible assets of ¥13,851 million ($134,476 thousand) and ¥33,845 million, respectively, based on the relevant recoverable amounts due to decreases in estimated future cash flows and other factors. There were no significant reversals of impairment losses recognised for the years ended March 31, 2014 and 2013.

In terms of operating segments, major impairment losses were ¥4,730 million ($45,922 thousand) included in the Energy segment, ¥3,332 million ($32,350 thousand) in the Overseas corporate subsidiaries & branches segment and ¥3,042 million ($29,534 thousand) in the Power Projects & Infrastructure segment for the year ended March 31, 2014; and ¥27,520 million included in the Energy segment and ¥4,184 million in the Metals & Mineral Resources segment for the year ended March 31, 2013.

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

There were no individually significant impairment losses for the year ended March 31, 2014.

Significant impairment losses for the year ended March 31, 2013 included impairment losses of ¥20,326 million recognised as a result of the write down of "Licenses and operating rights in natural resources" to the fair value less costs of disposal following a decision to dispose of oil and gas assets located in Colorado and Wyoming in the U.S.A.; and impairment losses of ¥7,194 million recognised as a result of the write down of "Licenses and operating rights in natural resources" to the fair value less costs of disposal due to the revision of production plans following the decrease of the estimated future cash flows relating to oil and gas assets located in Texas in the U.S.A.. The above mentioned impairment losses were reported under the Energy segment.

8. Investment Property

Cost, accumulated depreciation and impairment losses of investment property at March 31, 2014 and 2013 were as follows:

Cost

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Balance at beginning of year	**¥157,770**	¥162,782	**$1,531,748**
Additions	**348**	1,578	**3,379**
Disposals	**(36,982)**	(4,506)	**(359,049)**
Other	**(19,675)**	(2,084)	**(191,019)**
Balance at end of year	**¥101,461**	¥157,770	**$985,059**

Accumulated depreciation and impairment losses

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Balance at beginning of year	**¥(28,718)**	¥(25,632)	**$(278,816)**
Depreciation	**(2,512)**	(2,964)	**(24,389)**
Impairment losses	**(3,497)**	(3,201)	**(33,951)**
Disposals	**6,805**	1,536	**66,068**
Other	**7,170**	1,543	**69,612**
Balance at end of year	**¥(20,752)**	¥(28,718)	**$(201,476)**

Carrying amount and fair value

	Millions of yen	
	Carrying amount	Fair Value
March 31, 2013	¥129,052	¥141,979
March 31, 2014	**¥80,709**	**¥92,654**

	Thousands of U.S. dollars	
	Carrying amount	Fair Value
March 31, 2014	**$783,583**	**$899,553**

Major changes in the cost of investment property for the year ended March 31, 2014 classified as “Other” included the transfer to the assets classified as held for sale.

Major investment properties are located in Japan, and the fair values of such properties are calculated based on evaluations (mainly income approach) by independent licensed real estate appraisers with recent experience in the area in which the properties are located, and those evaluations were based on Level 3 inputs (mainly future cash flows, discount rate and terminal capitalisation rate).

The Company and certain of its consolidated subsidiaries for the years ended March 31, 2014 and 2013 recognised impairment losses on investment property of ¥3,497 million ($33,951 thousand) and ¥3,201 million, respectively, based on the relevant recoverable amounts due to decreases in estimated future cash flows and other factors. There were no significant reversals of impairment losses recognised for the years ended March 31, 2014 and 2013.

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

9. Provisions

Changes in provisions for the year ended March 31, 2014 were as follows:

	Millions of yen			*Thousands of U.S. dollars*		
	Decommissioning Obligations	Other Provisions	Total	Decommissioning Obligations	Other Provisions	Total
Balance at beginning of year	**¥56,163**	**¥13,133**	**¥69,296**	**$545,272**	**$127,505**	**$672,777**
Increase for the year	**2,125**	**10,792**	**12,917**	**20,631**	**104,777**	**125,408**
Decrease for the year	**(5,278)**	**(13,056)**	**(18,334)**	**(51,243)**	**(126,757)**	**(178,000)**
Interest expense	**2,561**	**13**	**2,574**	**24,864**	**126**	**24,990**
Other	**1,456**	**294**	**1,750**	**14,136**	**2,854**	**16,990**
Balance at end of year	**¥57,027**	**¥11,176**	**¥68,203**	**$553,660**	**$108,505**	**$662,165**

“Other” includes changes due to foreign currency fluctuations.

Decommissioning obligations mainly relate to the costs of dismantlement and removal of development facilities for natural resources owned by consolidated subsidiaries engaged in oil and gas producing activities. Generally, costs relating to the dismantlement and removal of facilities are expected to be paid after 10 years or more after the initial recognition of said decommissioning obligations.

Other provisions include provisions for litigation and provisions for onerous contracts.

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

10. Non-current Assets or Disposal Groups Held for Sale

Assets classified as held for sale and liabilities directly associated with assets classified as held for sale in the Consolidated Statement of Financial Position at March 31, 2014 and 2013 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Assets classified as held for sale	**¥26,805**	¥79,741	**$260,243**
Liabilities directly associated with assets classified as held for sale	**10,402**	50,970	**100,990**

The Companies classify non-current assets or disposal groups as held for sale if it is expected to be sold within approximately one year, and it is measured at the lower of its carrying amounts and fair value less costs to sell.

The amounts of newly classified as assets classified as held for sale and liabilities directly associated with assets classified as held for sale at March 31, 2014 included in, by operating segment, the Transportation Machinery, the Finance, Logistics & IT Business segments and the Corporate & Elimination, etc. were ¥26,805 million ($260,243 thousand) and ¥10,402 million ($100,990 thousand), respectively. Such assets and liabilities were mainly comprised of inventories; property, plant and equipment; intangible assets and investment property; and notes and trade accounts payable.

The amounts of the decrease in assets classified as held for sale and liabilities directly associated with assets classified as held for sale at March 31, 2013 were included in, by operating segment, the Food, the Power Projects & Infrastructure and the Overseas corporate subsidiaries & branches segments, as a result of the completion of sales or a change in the plan of sale in the current year were ¥79,741 ($774,184 thousand) million and ¥50,970 million ($494,854 thousand), respectively. Such assets and liabilities were mainly comprised of notes and trade accounts receivable; investments in associates; property, plant and equipment; notes and trade accounts payable and borrowings.

11. Leases

Lessor

The Company and certain of its consolidated subsidiaries lease vessels, automobiles and certain other assets under finance leases. Gross investment in the lease and present value of the total of future minimum lease payments receivable under finance leases at March 31, 2014 and 2013 were as follows:

	Millions of yen				*Thousands of U.S. dollars*	
	March 31, 2014		March 31, 2013		**March 31, 2014**	
	Gross investment in the lease	Present value of minimum lease payments receivable	Gross investment in the lease	Present value of minimum lease payments receivable	Gross investment in the lease	Present value of minimum lease payments receivable
Not later than one year	**¥12,992**	**¥9,866**	¥4,311	¥3,296	**$126,136**	**$95,786**
Later than one year and not later than five years	**38,826**	**32,883**	29,667	26,207	**376,951**	**319,253**
Later than five years	**7,675**	**7,104**	5,877	4,677	**74,515**	**68,971**
Total	**¥59,493**	**¥49,853**	¥39,855	¥34,180	**$577,602**	**$484,010**
Less: Unearned finance income	**8,568**		4,939		**83,185**	
Net investment in the lease	**¥50,925**		¥34,916		**$494,417**	
Less: Present value of unguaranteed residual value	**1,072**		736		**10,407**	
Present value of minimum lease payments receivable	**¥49,853**		¥34,180		**$484,010**	

Contingent rents recognised as income for the years ended March 31, 2014 and 2013 were immaterial.

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

The total of future minimum lease payments receivable under non-cancellable operating leases at March 31, 2014 and 2013 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Not later than one year	**¥19,915**	¥20,517	**$193,350**
Later than one year and not later than five years	**63,400**	52,090	**615,534**
Later than five years	**24,943**	16,772	**242,165**
Total	**¥108,258**	¥89,379	**$1,051,049**

Contingent rents recognised as income for the years ended March 31, 2014 and 2013 were immaterial.

Lessee

The Company and certain of its consolidated subsidiaries lease trailers, machinery, vessels, office equipment and certain other assets under finance leases. At March 31, 2014 and 2013, the net carrying amounts included in property, plant and equipment (Machinery and equipment) in the Consolidated Statement of Financial Position, were ¥18,298 million ($177,650 thousand) and ¥13,412 million, respectively.

The total of future minimum lease payments and the present value under finance leases at March 31, 2014 and 2013 were as follows:

	Millions of yen				*Thousands of U.S. dollars*	
	March 31, 2014		March 31, 2013		**March 31, 2014**	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than one year	**¥8,069**	**¥7,571**	¥7,416	¥7,007	**$78,340**	**$73,505**
Later than one year and not later than five years	**19,842**	**18,760**	9,819	9,050	**192,641**	**182,136**
Later than five years	**3,630**	**3,063**	3,316	2,969	**35,242**	**29,738**
Total	**¥31,541**	**¥29,394**	¥20,551	¥19,026	**$306,223**	**$285,379**
Less: Financial charges	**2,147**		1,525		**20,844**	
Present value of minimum lease payments	**¥29,394**		¥19,026		**$285,379**	

Contingent rents recognised as expenses for the years ended March 31, 2014 and 2013 were immaterial.

The total of future minimum lease payments receivable corresponding to the above total of future minimum lease payments for subleases under finance leases were not significant.

The Company and certain of its consolidated subsidiaries also lease vessels, office buildings, machinery and certain other assets under operating leases. Lease payments amounted to ¥41,991 million ($407,680 thousand) and ¥33,208 million for the years ended March 31, 2014 and 2013, respectively. Payments for services of ¥8,304 million ($80,621 thousand) and ¥8,476 million were included in the lease payments.

The total of future minimum lease payments under non-cancelable operating leases at March 31, 2014 and 2013 were as follows. The total of future minimum lease payments receivable at March 31, 2014 and 2013 had not been offset by the future minimum sublease rentals of ¥38,084 million ($369,748 thousand) and ¥22,333 million, respectively, under non-cancelable subleases.

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Not later than one year	**¥34,281**	¥29,442	**$332,825**
Later than one year and not later than five years	**63,661**	58,581	**618,068**
Later than five years	**61,886**	36,644	**600,835**
Total	**¥159,828**	¥124,667	**$1,551,728**

Future payments for services of ¥12,474 million ($121,107 thousand) and ¥18,855 million at March 31, 2014 and 2013 were included in the total of future minimum lease payments.

Contingent rents recognised as expenses for the years ended March 31, 2014 and 2013 were immaterial.

12. Employee Benefits

(1) Post-employment benefits

The Company and certain of its consolidated subsidiaries have cash balance plans based on the Japanese Defined Benefit Corporate Pension Plan Act and other defined benefit pension plans. These plans cover substantially all employees other than directors. In addition to the pension plans, the Company and certain of its consolidated subsidiaries have lump sum retirement plans to be paid upon retirement or severance based on the years of service and compensation level.

The Company, pursuant to the Japanese Defined Benefit Corporate Pension Plan Act and other laws, has the obligation to make contributions to the Marubeni Corporate Pension Fund (the “Fund”), which pays out pension benefits. The Director of the Fund has the fiduciary duty to comply with laws, the dispositions of the Minister of Health, Labour and Welfare made pursuant to laws, the bylaws of the Fund and the decisions of the Board of Representatives, and to faithfully perform duties for the Fund including the management and operation of the contributions. Additionally, a code of conduct has been articulated, which prohibits the Director of the Fund from entering into asset management agreements for the purpose of benefiting a third party and from acts that constitute conflicts of interest.

The pension plan is operated by the Fund, which is legally independent from the Company. The Board of Representatives comprises an equal number of Representatives elected from the management side (Assigned Representatives) and Representatives elected from the employee side (Mutually Elected Representatives), while the chair of the Board of Representatives (the “Chairman”) is elected from the management side.

Proceedings of the Board of Representatives are decided by a majority vote of the members attending. In the case of a tied vote, the Chairman has the power to decide the vote. However, with regard to particularly important matters, the bylaws provide that the decision be made by a majority that exceeds the above.

The Representatives hold exclusive power to decide important matters including investment policy. The actual management of the assets is conducted by investment managers on the basis of an entrustment contract, and the Representatives are prohibited by law from giving instructions, such as instructions on specific investments.

The Company is required to make contributions to the Fund, and the contributions are reviewed regularly to the extent allowed by law. While it is under obligation to make contributions stipulated by the Fund into the future, the Company, in addition to these contributions, also funds a retirement benefit trust on a voluntary basis.

With regard to the lump sum retirement plan, the Company is under obligation to pay benefits directly to the beneficiaries. Although the Company is not under any legal obligation regarding the funding of this plan, fund assets exist, which have been voluntarily contributed by the Company to the retirement benefit trust.

Changes in the present value of the defined benefit obligation and the fair value of plan assets of the Company and certain of its consolidated subsidiaries for the years ended March 31, 2014 and 2013 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Balance at beginning of year of net defined benefit Liability	**¥67,404**	¥66,437	**$654,408**
Changes in the present value of the defined benefit obligation:			
Balance at beginning of year	**282,345**	247,212	**2,741,214**
Current service cost	**10,251**	8,213	**99,524**
Past service cost	**271**	158	**2,631**
Interest expense	**5,458**	6,384	**52,990**
Remeasurements:			
Actuarial gains (losses) arising from changes in demographic assumptions	**4,346**	(1,958)	**42,194**
Actuarial gains (losses) arising from changes in financial assumptions	**(2,601)**	27,100	**(25,252)**
Other	**750**	64	**7,281**
Effect of changes in foreign exchange rates	**6,229**	7,578	**60,476**
Benefits paid	**(21,636)**	(13,750)	**(210,058)**
Effects of business combinations and divestitures	**6,938**	1,344	**67,359**
Balance at end of year	**¥292,351**	¥282,345	**$2,838,359**
Changes in the fair value of the plan assets:			
Balance at beginning of year	**¥214,941**	¥180,775	**$2,086,806**
Interest income	**4,575**	4,968	**44,417**
Remeasurements:			
Return on plan assets	**8,872**	14,339	**86,136**
Effect of changes in foreign exchange rates	**5,395**	5,743	**52,379**
Employees' contributions	**3,918**	368	**38,039**
Employer's contributions	**3,003**	20,310	**29,155**
Benefits paid	**(19,471)**	(12,346)	**(189,039)**
Effects of business combinations and divestitures	**2,417**	784	**23,466**
Balance at end of year	**223,650**	214,941	**2,171,359**
Balance at end of year of net defined benefit liability	**¥68,701**	¥67,404	**$667,000**

Actuarial assumptions used for the present value calculation of the defined benefit obligations at March 31, 2014 and 2013 were mainly as follows:

	March 31, 2014	March 31, 2013
Discount rate	**1.3%**	1.3%
Rates of salary increase	**4.8%**	4.8%

Sensitivity analyses are conducted at the year end based on reasonably estimable changes in assumptions. Although sensitivity analyses assume that the actuarial assumptions other than those that are subject to the analyses are held constant, in reality, it is possible for the sensitivity analyses to be impacted by other actuarial assumptions.

If, for example, the discount rate rose by 0.5%, and the other assumptions were held constant, the defined benefit plan liability at March 31, 2014 and 2013 would decrease by ¥11,463 million ($111,291 thousand) and ¥11,190 million, respectively. The rate of salary increase is not expected to change.

Fair value of plan assets by class at March 31, 2014 was as follows:

	Millions of yen		
Class of plan assets	With a quoted market price in an active market	Without a quoted market price in an active market	Total
Cash and cash equivalents	**¥15,160**	**¥–**	**¥15,160**
Equity securities:			
Japanese companies	**34,801**	**–**	**34,801**
Pooled funds	**1,398**	**57,735**	**59,133**
Debt securities:			
Bonds denominated in Japanese yen	**–**	**13,372**	**13,372**
Pooled funds	**–**	**80,612**	**80,612**
Life insurance company general accounts	**–**	**14,393**	**14,393**
Other	**1,930**	**4,249**	**6,179**
Total plan assets	**¥53,289**	**¥170,361**	**¥223,650**

	Thousands of U.S. dollars		
Class of plan assets	With a quoted market price in an active market	Without a quoted market price in an active market	Total
Cash and cash equivalents	**$147,184**	**$–**	**$147,184**
Equity securities:			
Japanese companies	**337,874**	**–**	**337,874**
Pooled funds	**13,573**	**560,534**	**574,107**
Debt securities:			
Bonds denominated in Japanese yen	**–**	**129,825**	**129,825**
Pooled funds	**–**	**782,641**	**782,641**
Life insurance company general accounts	**–**	**139,738**	**139,738**
Other	**18,738**	**41,252**	**59,990**
Total plan assets	**$517,369**	**$1,653,990**	**$2,171,359**

Fair value of plan assets by class at March 31, 2013 was as follows:

	Millions of yen		
Class of plan assets	With a quoted market price in an active market	Without a quoted market price in an active market	Total
Cash and cash equivalents	¥66,315	¥–	¥66,315
Equity securities:			
Japanese companies	32,624	–	32,624
Pooled funds	1,100	32,725	33,825
Debt securities:			
Bonds denominated in Japanese yen	–	12,671	12,671
Pooled funds	716	54,813	55,529
Life insurance company general accounts	–	10,732	10,732
Other	1,515	1,730	3,245
Total plan assets	¥102,270	¥112,671	¥214,941

In making investment decisions, the main objective is to secure the necessary return over the long term to cover pension and retirement benefit payments. The primary investment policy is to analyse the risk/return characteristics by asset class and to invest in a diversified portfolio taking into consideration the correlation among asset classes.

The Company sets an asset mix policy with investments in equity securities, debt securities and other assets. Based on this policy, the Company selects multiple investment managers who execute the strategy. When selecting an investment manager, the Company gives consideration to management philosophy and content, investment management policy and investment style, investment control systems including information collection mechanisms and decision-making processes, compliance systems, investment experience and the track record of the investment manager as well as the professionals in charge of managing pension assets.

Plan assets are invested 30%, 60% and 10% in equity securities, debt securities and other, respectively, at March 31, 2014.

The investments executed by investment managers are outlined as follows:

Equity securities are selected mainly from stocks that are listed on securities exchanges. Prior to investing, the Company investigates the business conditions of the investee companies and appropriately diversifies investments by type of industry and other relevant factors. Debt securities are selected mainly from government bonds, public debt instruments and corporate bonds. Prior to investing, the Company investigates the quality of the issuing conditions, including issuers, rating, interest rate and repayment dates, and appropriately diversifies the investments. Pooled funds are selected using strategies consistent with the equity and debt securities described above. For investments in life insurance company general accounts, contracts with insurance companies include a guaranteed interest rate and a return of capital. With respect to foreign investments vehicles, the Company investigates the stability of the underlying governments and economies, the market characteristics, such as settlement systems, and the taxation systems. For each such investment, the Company selects the appropriate investment country and currency.

The performance of certain plan assets by the cash balance plan is matched with the related pension benefits to a certain extent.

Funding of the Marubeni Corporate Pension Fund is conducted by taking into account various factors including limits on deductible expenses under the tax rules, the funding status of plan assets and actuarial calculations. Contributions to plan assets are intended to cover benefits for services to be rendered by employees in the future as well as services already rendered.

In accordance with the Japanese Defined Benefit Corporate Pension Plan Act, the bylaws of the Marubeni Corporate Pension Fund provide for the re-calculation of the contribution amount at five-year intervals with the year end as the base date for the purpose of maintaining balanced finances into the future.

The re-calculation process reviews the basic rates relating to the contribution (the guaranteed rate of return, expected rate of mortality, expected withdrawal rate, expected salary increase, expected new enrollment rate, etc.) and verifies the adequacy of the contribution amount.

Additionally, the Company, in order to ensure sufficient funding of the pension plan, may also contribute marketable equity securities and cash to the retirement benefit trust in the amount of the unfunded portion of the defined benefit obligation.

The amount of contributions expected to be paid to the plan assets for the year ending March 31, 2015 is approximately ¥7,600 million ($73,786 thousand).

The weighted average duration of the defined benefit obligation at March 31, 2014 and 2013 was 14.6 years.

(2) Employee benefit cost

The aggregate amounts of employee benefit cost included under “Selling, general and administrative expenses” in the Consolidated Statement of Comprehensive Income for the years ended March 31, 2014 and 2013 were ¥260,428 million ($2,528,427 thousand) and ¥213,972 million, respectively.

13. Other-net

Net exchange differences recognised in profit or loss classified as “Other-net” in the Consolidated Statement of Comprehensive Income amounted to ¥3,120 million ($30,291 thousand) in profit and ¥5,618 million in profit for the years ended March 31, 2014 and 2013, respectively.

Fines of ¥8,976 million ($87,146 thousand) in loss were included in “Other-net” for the year ended March 31, 2014. Fines represent the loss as a result of resolution with the U.S. Department of Justice regarding violations of the U.S. Foreign Corrupt Practices Act (“FCPA”) in relation to the Indonesia Tarahan Project.

14. Income Taxes

The Company files a consolidated income tax return in Japan.

Total income taxes recognised for the years ended March 31, 2014 and 2013 were attributable to the following:

	Millions of yen		*Thousands of U.S. dollars*
	2014	2013	**2014**
Current tax	**¥14,803**	¥(42,848)	**$143,718**
Deferred tax	**(37,890)**	20,102	**(367,864)**
Total	**¥(23,087)**	¥(22,746)	**$(224,146)**

The Company is mainly subject to income tax, inhabitants tax and enterprise tax, which is recognised as a deductible expense, and the applicable income tax rate calculated on the basis of these taxes for the years ended March 31, 2014 and 2013 was approximately 38%. However, the income tax rates of foreign subsidiaries are calculated on the basis of general local tax rates.

On March 31, 2014, the Act to Partially Revise the Income Tax Act (Act No. 10 of 2014) was promulgated, according to which the Special Corporation Tax for Reconstruction will no longer be imposed from the financial years beginning April 1, 2014 and thereafter. As a result of this amendment, the applicable tax rate will be reduced from approximately 38% to 36% effective the financial year beginning April 1, 2014. The impact of these changes in tax rates on the financial position and results of operation of the Companies was immaterial.

A reconciliation of the applicable tax rate to the effective tax rate expressed as a percentage of profit before tax for the years ended March 31, 2014 and 2013 was as follows:

	2014	2013
Applicable tax rate	**38.0 %**	38.0 %
Tax effect on income and expenses not taxable and deductible for tax Purposes	**1.9 %**	(0.2)%
Difference in tax rate of foreign subsidiaries	**(3.8)%**	(3.0)%
Tax effect on share of profits of associates and joint ventures and retained earnings of subsidiaries	**(23.0)%**	(9.8)%
Reassessment of the recoverability of deferred tax assets	**(4.3)%**	(8.5)%
Other	**1.0 %**	(2.0)%
Effective tax rate	**9.8 %**	14.5 %

Changes in deferred tax assets and deferred tax liabilities for the years ended March 31, 2014 and 2013 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2014	2013	**2014**
Balance at beginning of year (Deferred tax assets-net)	**¥(42,223)**	¥(27,039)	**$(409,932)**
Deferred tax income or expense recognised in profit or loss	**(37,890)**	20,102	**(367,864)**
Deferred tax income or expense recognised in other comprehensive income	**28,975**	(26,145)	**281,311**
Changes in additions and divestitures	**(40,536)**	(9,141)	**(393,554)**
Balance at end of year (Deferred tax assets-net)	**¥(91,674)**	¥(42,223)	**$(890,039)**

Significant components of deferred tax assets and deferred tax liabilities at March 31, 2014 and 2013 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Deferred tax assets:			
Allowance for doubtful accounts	**¥7,213**	¥12,655	**$70,029**
Inventories	**4,023**	1,799	**39,058**
Property, plant and equipment and investment property	**27,512**	41,129	**267,107**
Employees' retirement benefits	**28,882**	38,501	**280,408**
Unrealised profit on intercompany transactions	**7,363**	3,693	**71,485**
Net operating loss carryforwards	**82,451**	34,043	**800,495**
Other	**33,131**	42,834	**321,661**
Total deferred tax assets	**¥190,575**	¥174,654	**$1,850,243**
Deferred tax liabilities:			
Property, plant and equipment and investment property	**¥165,243**	¥104,092	**$1,604,301**
Investment securities and other investments	**25,069**	63,180	**243,388**
Intangible assets (Note 1)	**40,184**	9,021	**390,136**
Undistributed earnings	**36,913**	16,924	**358,379**
Other	**14,840**	23,660	**144,078**
Total deferred tax liabilities	**¥282,249**	¥216,877	**$2,740,282**
Deferred tax assets-net	**¥(91,674)**	¥(42,223)	**$(890,039)**

Note 1 In deferred tax liabilities, "Intangible assets" were included in "Other" at March 31, 2013. However, "Intangible assets" are separately presented because of significance from March 31, 2014. As a result, ¥9,021 million is reclassified to "Intangible assets" from "Other" at March 31, 2013.

Deferred tax assets and deferred tax liabilities in the Consolidated Statement of Financial Position at March 31, 2014 and 2013 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Deferred tax assets	**¥7,474**	¥27,245	**$72,563**
Deferred tax liabilities	**99,148**	69,468	**962,602**
Deferred tax assets-net	**¥(91,674)**	¥(42,223)	**$(890,039)**

The amount of deductible temporary differences and tax loss carryforwards for which deferred tax assets were not recognised at March 31, 2014 and 2013 were ¥527,191 million ($5,118,359 thousand) and ¥522,924 million, respectively. Within these amounts, tax loss carryforwards classified by expiry date at March 31, 2014 and 2013 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
Expiry date	**March 31, 2014**	March 31, 2013	**March 31, 2014**
Not later than one year	**¥2,852**	¥2,982	**$27,689**
Later than one year and not later than five years	**27,164**	20,467	**263,728**
Later than five years	**47,519**	41,879	**461,350**
Infinite carryforward periods	**17,902**	21,866	**173,806**
Total	**¥95,437**	¥87,194	**$926,573**

The aggregate amounts of temporary differences relating to investments in subsidiaries and associates and equity interests in joint ventures for which deferred tax liabilities were not recognised at March 31, 2014 and 2013 were ¥856,580 million ($8,316,311 thousand) and ¥481,964 million, respectively. Determination of the amounts of the related unrecognised deferred tax liabilities is not practical.

15. Associates and Joint Ventures

For the year ended March 31, 2014

The aggregate carrying amount of investments in associates accounted for under the equity method in the Consolidated Statement of Financial Position and the Companies' share of comprehensive income were ¥973,291 million ($9,449,427 thousand) and ¥43,718 million ($424,446 thousand), respectively. The share of comprehensive income consisted of the ¥35,929 million ($348,825 thousand) share of profits for the year and the ¥7,789 million ($75,621 thousand) share of other comprehensive income.

By operating segment, the Metals & Mineral Resources segment recognised an impairment loss of ¥12,264 million ($119,068 thousand) from investments in coal mining projects in Canada. This impairment loss was recognised due to the anticipated decrease in the estimated future cash flows following revisions in the business plan, and the amount of the impairment loss was calculated using the fair value less costs of disposal. The fair value less costs of disposal was calculated based on future cash flows and the current market discount rate that related to the time value of money and the risks specific to the asset, etc. Said impairment loss was included in "Share of profits of associates and joint ventures" in the Consolidated Statement of Comprehensive Income.

The aggregate carrying amount of investments in joint ventures accounted for under the equity method in the Consolidated Statement of Financial Position and the Companies' share of comprehensive income were ¥614,677 million ($5,967,738 thousand) and ¥81,046 million ($786,854 thousand), respectively. The share of comprehensive income consisted of ¥63,476 million ($616,272 thousand) in profit for the year and ¥17,570 million ($170,582 thousand) in other comprehensive income.

The share of losses of associates and joint ventures accounted for under the equity method for which recognition was discontinued amounted to ¥11,437 million ($111,039 thousand) (of which ¥21,160 million ($205,437 thousand) decreases for the current year). This unrecognised share of losses mainly consisted of remeasurement losses on cash flow hedges executed by joint ventures.

Certain associates and joint ventures procure funds through project financing, and impose restrictions on the use of cash deposits.

For the year ended March 31, 2013

The aggregate carrying amount of investments in associates accounted for under the equity method in the Consolidated Statement of Financial Position and the Companies' share of comprehensive income were ¥830,124 million and ¥44,753 million, respectively. The share of comprehensive income consisted of the ¥43,630 million share of profits for the year and the ¥1,123 million share of other comprehensive income.

By operating segment, the Metals & Mineral Resources segment recognised an impairment loss of ¥8,851 million. This impairment loss was recognised due to the anticipated decrease in the estimated future cash flows from investments in certain copper mining projects in Chile following revisions in the business plan, and the amount of the impairment loss was calculated using the recoverable amount measured at value in use based on discounted future cash flows. The value in use was calculated using a discount rate that reflected current market assessments of the time value of money and the risks specific to the asset. Said impairment loss was included in "Share of profits of associates and joint ventures" in the Consolidated Statement of Comprehensive Income. Additionally, by operating segment, the Food segment recognised an impairment loss of ¥8,438 million. This impairment loss was recognised due to the decision to dispose of certain logistics related investments, and the amount of the impairment loss was calculated using the recoverable amount measured at fair value based on market prices at the end of the reporting period and other factors, less costs of disposal. Said impairment loss was included in "Gains (losses) on investment securities" in the Consolidated Statement of Comprehensive Income.

The aggregate carrying amount of investments in joint ventures accounted for under the equity method in the Consolidated Statement of Financial Position and the Companies' share of comprehensive income were ¥353,741 million and ¥43,309 million, respectively. The share of comprehensive income consisted of ¥39,401 million in profit for the year and ¥3,908 million in other comprehensive income.

The share of losses of associates and joint ventures accounted for under the equity method for which recognition was discontinued amounted to ¥32,597 million (of which ¥6,163 million increases for the current year). This unrecognised share of losses mainly consisted of remeasurement losses on cash flow hedges executed by joint ventures.

Certain associates and joint ventures procure funds through project financing, and impose restrictions on the use of cash deposits.

16. Financial Instruments and Related Disclosures

(1) Policy for managing capital

The fundamental policy of the Companies is to maintain an optimal mix of funding in line with the requirements of the asset portfolio. Funding sources include indirect financial procurement firstly from banks and other financial institutions, as well as direct procurement through the issuance of bonds, commercial paper and other means. The Companies utilise such management indicators as net D/E ratio (Note 1) and risk assets (Note 2) and strengthen the financial base to establish a strong earnings structure and a solid financial footing that can withstand changes in the business environment while attaining sustainable growth.

Note 1 Net D/E ratio = Consolidated net interest bearing debt / Total consolidated equity. Consolidated net interest bearing debt is calculated by subtracting cash and cash equivalents, and time deposits from the total bonds and borrowings (current and non-current).

Note 2 The Company defines risk assets as the exposure of its portfolio to the maximum possible loss that could be incurred on a consolidated basis, measured using the Value at Risk method. The Company conducts computer simulations on all group assets including the assets of the consolidated subsidiaries that take into account the risk attributes of each type of exposure such as country risk, industry risk, credit rating of the customers, and scheduled due dates of receivables.

At the group level, management regularly monitors the net D/E ratio, which is targeted at approximately 1.5 times by the end of the year ending March 31, 2016 under the three-year mid-term management plan, "Global Challenge 2015", which commenced April 2013.

The Companies are not subject to any significant capital restrictions (with the exception of general restrictions pursuant to laws such as the Companies Act of Japan).

(2) Policy for managing risks

The Companies conduct business activities in various countries including Japan and are, thus, subject to the effects of interest rate risks, exchange rate risks, credit risks, commodity price risks, liquidity risks and stock price fluctuation risks described below. The Companies evaluate these risks through monitoring on a regular basis.

(i) Management of interest rate risks

The Companies, as a result of procuring loans at floating interest rates, are subject to the effects of changes in future cash flows of financial instruments caused by the fluctuation of market interest rates; while, as a result of procuring loans at fixed interest rates, are subject to the effects of changes in the fair value of financial instruments caused by the fluctuation of market interest rates.

Through asset-liability management, the Companies utilise interest rate swaps and other agreements to mitigate interest rate risks.

Interest rate sensitivity

The following table illustrates the impact of a 1% rise in interest rates on the profit before tax of the Companies at March 31, 2014 and 2013 assuming that all other variables are held constant.

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Effect on profit before tax	**¥(16,626)**	¥(9,993)	**$(161,417)**

(ii) Management of foreign currency risks

The Companies conduct transactions in a variety of currencies and are, thus, subject to the effects of exchange rate fluctuation risks associated with business activities conducted in foreign currencies and with net investments in foreign operations. In order to hedge the risks associated with business activities, i.e., the risk of changes in cash flows of foreign currency denominated receivables, payables, firm commitments and forecast transactions, and the risk of changes in fair value of foreign currency denominated receivables, payables and firm commitments; as well as the exchange rate fluctuation risk of net investments in foreign operations, the Companies utilise forward-exchange contracts, foreign currency denominated bonds and borrowings, currency swaps and other means to mitigate these risks associated with exchange rate fluctuations.

Foreign exchange sensitivity

The following table illustrates the impact of an appreciation of the Japanese yen by ¥1 against the US$ and AU$ on profit before tax and equity of the Companies, assuming that all other variables are held constant at March 31, 2014 and 2013. A depreciation of the Japanese yen by ¥1 against the US$ and AU$, assuming that all other variables are held constant, would result in the opposite impact on the profit before tax and equity of the Companies of the amounts shown in the following table. Currencies other than the US$ and AU$, there are no foreign currencies that pose a significant exchange rate fluctuation risk.

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
<U.S. dollars>			
Effect on profit before tax	**¥300**	¥(273)	**$2,913**
Effect on foreign currency translation adjustments (before tax)	**(6,696)**	(6,199)	**(65,010)**
<Australian dollars>			
Effect on profit before tax	**31**	5	**301**
Effect on foreign currency translation adjustments (before tax)	**(1,055)**	(831)	**(10,243)**

(iii) Management of credit risks

The Companies carry out general trading business, which comprise export, import, domestic and offshore trading in a wide variety of fields including industrial, agricultural and consumer products, and which also involves all levels of activities from planning, investment, and research and development through production, distribution and marketing. In addition, the Companies operate in substantially all geographic areas of the world, and their customers are diversified. Accordingly, management of the Companies believes there is no significant concentration of credit risk among its customers or in its investments. The Companies require collateral to the extent considered necessary.

The carrying amount of the financial assets of the Companies after impairment represent the maximum exposure to credit risk that does not take into account collateral and other credit enhancements.

(iv) Management of commodity price risks

The Companies are subject to the effects of fluctuation risk of oil and gas, coal, aluminum, copper, and agricultural product prices. The Companies match buy and sell orders and use commodity derivatives including commodity futures, commodity forward contracts, commodity swaps and commodity options to mitigate the fluctuation risks of commodity prices. Additionally, certain commodity derivatives are entered into for trading purposes within pre-determined limits and loss limits.

Commodity price sensitivity

The fluctuation risk of commodity prices is substantially diminished through commodity derivatives and other means. Additionally, the impact of changes in the fair value of commodity derivatives for trading purposes is not significant.

(v) Management of liquidity risk

The Companies are subject to the effects of liquidity risk including the dramatic decline in liquidity of held assets due to financial market turmoil. The Companies maintain a sufficient level of liquidity, mainly in the form of cash and deposits, in addition to cash flows from operating activities and the establishment of commitment lines with financial institutions.

The following table illustrates the results of a liquidity analysis conducted on the derivatives of the Companies at March 31, 2014 and 2013. Derivatives that are settled net with other contracts are represented as gross amounts.

	Millions of yen				*Thousands of U.S. dollars*	
	March 31, 2014		March 31, 2013		**March 31, 2014**	
	Not later than one year	More than one year	Not later than one year	More than one year	Not later than one year	More than one year
Revenue						
Interest rate	**¥6,740**	**¥18,305**	¥7,250	¥22,107	**$65,437**	**$177,718**
Foreign currency	**8,940**	**4,628**	17,856	4,640	**86,796**	**44,932**
Commodity	**84,006**	**4,769**	42,831	2,542	**815,592**	**46,301**
Other	**–**	**–**	14	–	**–**	**–**
Expense						
Interest rate	**(190)**	**(5,567)**	(890)	(4,557)	**(1,845)**	**(54,049)**
Foreign currency	**(14,915)**	**(670)**	(9,328)	(2,487)	**(144,806)**	**(6,505)**
Commodity	**(90,036)**	**(3,359)**	(34,885)	(4,565)	**(874,136)**	**(32,612)**
Other	**–**	**–**	(5)	–	**–**	**–**

For the liquidity analysis of non-derivative financial liabilities, see (3) Fair value of financial instruments.

(vi) Management of stock price fluctuation risk

The Companies hold equity instruments (stocks) mainly for the purpose of strengthening relationships with business partners and are, thus, subject to the effects of stock price fluctuations. The Companies regularly review their holding of stocks, and by disposing of stocks that are no longer considered worthwhile holding, mitigate the risk of fluctuations in stock prices.

Sensitivity to stock price fluctuations

In terms of equity instruments (stocks) in active markets, if quoted prices drop 5% across the board at the year end, the negative impact (before tax) on “Gains (losses) on financial assets measured at fair value through other comprehensive income” of the Companies for the years ended March 31, 2014 and 2013 would be ¥(7,089) million ($(68,825) thousand) and ¥(6,331) million, respectively; while the impact on profit or loss would be minimal.

(3) Fair value of financial instruments

(i) Fair value measurement methods

The estimated fair value of the financial instruments of the Companies has been determined using available market information or other appropriate valuation methodologies.

The following methodologies and assumptions were used by the Companies in estimating the fair value disclosures of financial instruments:

Cash and cash equivalents, and time deposits: Cash and cash equivalents, and time deposits were measured at amortised cost, and their carrying amount in the Consolidated Statement of Financial Position approximated fair value due to the relative short-term maturities.

Investment securities and other investments: The fair value of investment securities in active markets is measured on the basis of quoted prices at the year end.

The fair value of equity financial assets in markets that are not active and debt instrument financial assets classified as Financial assets measured at FVTPL is measured on the basis of discounted future cash flows, third-party valuations and other valuation methods.

The fair value of debt instrument financial assets measured at amortised cost is estimated using discounted future cash flows based on the market interest rates at the year end applicable to debt instrument financial assets with identical remaining periods and similar credit ratings.

Notes, trade accounts and loans receivable, and notes and trade accounts payable: The fair value of notes, trade accounts and loans receivable, and notes and trade accounts payable is estimated using discounted future cash flows based mainly on the interest rates at the year end applicable to notes, trade accounts and loans receivable, and notes and trade accounts payable with identical remaining periods and similar credit ratings.

Bonds and borrowings: The fair value of bonds and borrowings is estimated using discounted future cash flows based on the interest rates at the year end applicable to similar loan agreements with identical remaining periods.

Other financial assets and liabilities: Other financial assets and other financial liabilities included derivative assets and derivative liabilities.

The carrying amounts of derivative assets and derivative liabilities reflected in the Consolidated Statement of Financial Position represent fair value.

Non-derivative assets mainly consisted of other receivables from customers, and have been measured at amortised cost, with the exception of Financial assets measured at FVTPL.

Non-derivative liabilities mainly consisted of other payables to customers and payables relating to consideration for notes, trade accounts and loans receivable that have been transferred without satisfying the criteria for derecognition of financial assets, and have been measured at amortised cost.

The carrying amounts of non-derivative assets and non-derivative liabilities measured at amortised cost reflected in the Consolidated Statement of Financial Position approximated fair value.

Interest rate swap agreements: The fair value of interest rate swap agreements is estimated using discounted future cash flows based on the swap rates at the year end applicable to similar interest rate swap agreements with identical remaining periods.

Forward exchange contracts: The fair value of foreign exchange contracts is estimated based on quoted prices at the year end.

Commodity futures and forward contracts: The fair value of commodity futures and forward contracts is estimated based on quoted prices at the year end.

(ii) Notes, trade accounts and loans receivable

The carrying amounts of notes, trade accounts and loans receivable at March 31, 2014 and 2013 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Notes receivable	**¥89,610**	¥95,859	**$870,000**
Trade accounts receivable	**1,400,021**	1,290,049	**13,592,437**
Loans receivable	**117,285**	96,730	**1,138,689**
Allowance for doubtful accounts	**(36,253)**	(30,152)	**(351,971)**
Total	**¥1,570,663**	¥1,452,486	**$15,249,155**

Notes, trade accounts and loans receivable subsequently measured at FVTPL have been classified as such based on the Company's business model and the contractual cash flow characteristics of the financial asset, while all other notes, trade accounts and loans receivable are substantially measured at amortised cost.

Notes, trade accounts and loans receivable measured at FVTPL were ¥72,631 million ($705,155 thousand) and ¥20,049 million at March 31, 2014 and 2013, respectively.

The carrying amounts of notes, trade accounts and loans receivable measured at amortised cost approximated their fair value at March 31, 2014. The fair value of notes, trade accounts and loans receivable measured at amortised cost was ¥1,434,655 million at March 31, 2013.

Notes, trade accounts and loans receivable that were transferred without meeting the criteria for derecognition at March 31, 2014 and 2013 were ¥117,981 million ($1,145,447 thousand) and ¥88,372 million, respectively, and have been included in "Notes, trade accounts and loans receivable" correspondingly the amounts credited from the transfer of ¥81,670 million ($792,913 thousand) and ¥58,064 million, respectively, have been included in "Other current financial liabilities". In terms of these notes, trade accounts, and loans receivable, the Companies have been judged to substantially retain all the risks and rewards of ownership of the transferred assets, as the Companies assume payment obligations in the event of default by the drawer or the obligor.

Additionally, certain notes, trade accounts and loans receivable transferred continue to be recognised as assets to the extent of continuing involvement, due to the Companies assuming partial payment obligations in the event of a default by the obligor or due to the Companies having been determined to retain control over the said notes, trade accounts and loans receivable. At March 31, 2014 and 2013, the carrying amounts prior to transfer of the said notes, trade accounts and loans receivable were ¥702 million ($6,816 thousand) and ¥569 million, respectively, and the carrying amounts of assets continued to be recognised by the Companies due to continuing involvement and the related liabilities in the same amounts were ¥120 million ($1,165 thousand) and ¥107 million, respectively.

Of the amounts above, notes, trade accounts and loans receivable for which the transferee has the right to recourse only for the transferred assets were ¥98,528 million ($956,583 thousand) and ¥72,288 million, and the carrying amount of the related liabilities were ¥62,220 million ($604,078 thousand) and ¥41,980 million at March 31, 2014 and 2013, respectively. These carrying amounts approximate the fair values.

Changes in allowance for doubtful accounts for the years ended March 31, 2014 and 2013 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Balance at beginning of year	**¥30,152**	¥38,969	**$292,738**
Provision for the year	**3,971**	2,975	**38,553**
Charge-offs	**(9,236)**	(12,154)	**(89,670)**
Others	**11,366**	362	**110,350**
Balance at end of year	**¥36,253**	¥30,152	**$351,971**

Impairment of notes, trade accounts and loans receivable is recognised when there is objective evidence of impairment, and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate falls below the carrying amount. Notes, trade accounts and loans receivable for which impairment was recognised at March 31, 2014 and 2013 were ¥34,531 million ($335,252 thousand) and ¥27,570 million, respectively; and their corresponding allowances for doubtful accounts were ¥29,903 million ($290,320 thousand) and ¥22,994 million, respectively. The Companies have determined that the difference between the carrying amounts of the notes, trade accounts and loans receivable and their respective allowances will be recoverable through the collection of collateral and other means.

The Companies, as part of their accounts receivable management policy, consider financing receivables 90 days past due as delinquent and strengthen procedures over collection. Notes, trade accounts and loans receivable that were past due but not impaired at March 31, 2014 and 2013 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Not later than 90 days	**¥75,923**	¥79,015	**$737,116**
Later than 90 days	**18,006**	23,896	**174,816**
Total	**¥93,929**	¥102,911	**$911,932**

(iii) Investment securities and other investments

The carrying amounts of investment securities and other investments at March 31, 2014 and 2013 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Investment securities			
FVTPL	**¥–**	¥–	**$–**
Amortised cost	**0**	949	**0**
Total	**¥0**	¥949	**$0**
Other investments			
FVTPL	**¥11,495**	¥14,452	**$111,602**
FVTOCI	**432,664**	413,942	**4,200,621**
Amortised cost	**22,465**	21,919	**218,107**
Total	**¥466,624**	¥450,313	**$4,530,330**

Debt “Investment securities” and “Other investments” subsequently measured at FVTPL have been classified as such based on the Company’s business model and the contractual cash flow characteristics of the financial asset.

At March 31, 2014 and 2013, “Other investments” measured at FVTPL mainly consisted of investments in funds.

“Investment securities" and “Other investments” measured at amortised cost mainly consisted of government and corporate bonds, and their amortised cost approximated their fair value at March 31, 2014 and 2013.

Equity instruments measured at fair value within “Other investments” held by the Company and certain of its consolidated subsidiaries, included investments made mainly for the purpose of maintaining and strengthening relationships with business partners which have been classified as subsequently measured at FVTOCI. Said financial assets as FVTOCI mainly consisted of common stock and details of their fair values at March 31, 2014 and 2013 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
With quoted prices in active markets	**¥141,776**	¥126,617	**$1,376,466**
Without quoted prices in active markets	**290,888**	287,325	**2,824,155**
Total	**¥432,664**	¥413,942	**$4,200,621**

Major issuers of “Other investments” measured at FVTOCI with quoted prices in active markets at March 31, 2014 and 2013 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
Stocks	**March 31, 2014**	March 31, 2013	**March 31, 2014**
INPEX CORPORATION	**¥12,438**	¥11,612	**$120,757**
YAMAZAKI BAKING CO.,LTD.	**9,979**	10,452	**96,883**
The Dai-ichi Life Insurance Company, Limited	**6,563**	5,534	**63,718**
NISSHIN SEIFUN GROUP INC.	**6,479**	6,643	**62,903**
AEON CO.,LTD.	**6,473**	6,759	**62,845**
ISUZU MOTORS LIMITED	**5,186**	4,853	**50,350**
NIPPON STEEL & SUMITOMO METAL CORPORATION	**3,504**	2,920	**34,019**
Citizen Holdings Co., Ltd.	**3,493**	2,622	**33,913**
The Daiei, Inc.	**3,380**	–	**32,816**
SAPPORO HOLDINGS LIMITED	**3,348**	3,258	**32,505**

"Other investments" measured at FVTOCI that do not have quoted prices in active markets comprised investments in resources, lifestyle, materials, and machinery related businesses. At March 31, 2014 and 2013, investments in resources related businesses were ¥208,330 million ($2,022,621 thousand) and ¥214,280 million, respectively, while investments in other areas were ¥82,558 million ($801,534 thousand) and ¥73,045 million, respectively.

Dividend income recognised on "Other investments" measured at FVTOCI for the year ended March 31, 2014 was ¥34,899 million ($338,825 thousand), of which dividend income on investments held at March 31, 2014 was ¥34,292 million ($332,932 thousand). Dividend income recognised on "Other investments" measured at FVTOCI for the year ended March 31, 2013 was ¥30,145 million, of which dividend income on investments held at March 31, 2013 was ¥27,927 million.

Gains and losses on Financial assets measured at FVTOCI relating to "Other investments" measured at FVTOCI recognised within Equity in the Consolidated Statement of Financial Position that relate to the portion of investments that were derecognised for the year have been reclassified to retained earnings. Amounts of reclassified items (after tax) for the years ended March 31, 2014 and 2013 were ¥14,372 million ($139,534 thousand) (losses) and ¥30,843 million (gains), respectively.

"Other investments" measured at FVTOCI that were disposed of due to revisions of business strategies and other reasons for the years ended March 31, 2014 and 2013 were as follows.

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Fair value at derecognition	**¥9,982**	¥111,919	**$96,913**
Cumulative gains (losses) at Derecognition	**(809)**	45,074	**(7,854)**
Dividend income on the derecognised Investments	**607**	2,218	**5,893**

(iv) Notes and trade accounts payable

The carrying amounts of notes and trade accounts payable at March 31, 2014 and 2013 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Notes payable	**¥256,998**	¥182,565	**$2,495,126**
Trade accounts payable	**1,205,780**	1,066,130	**11,706,602**
Total	**¥1,462,778**	¥1,248,695	**$14,201,728**

Notes and trade accounts payable are measured at amortised cost.

The carrying amounts of notes and trade accounts payable approximated their fair value at March 31, 2014 and 2013.

The future contract due dates of notes and trade accounts payable at March 31, 2014 and 2013 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Not later than one year	**¥1,443,064**	¥1,233,642	**$14,010,330**
Later than one year and not later than five years	**15,411**	10,599	**149,621**
Later than five years	**4,303**	4,454	**41,777**

(v) Bonds and borrowings

The carrying amounts of bonds and borrowings at March 31, 2014 and 2013 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Bonds	**¥440,285**	¥414,513	**$4,274,611**
Borrowings	**2,742,080**	2,339,117	**26,622,136**
Total	**¥3,182,365**	¥2,753,630	**$30,896,747**

Bonds and borrowings are measured at amortised cost.

The fair values of bonds and borrowings at March 31, 2014 and 2013 were ¥3,184,520 million ($30,917,670 thousand) and ¥2,765,266 million, respectively, and were categorised as Level 3.

The future contract due dates of bonds and borrowings at March 31, 2014 and 2013 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Not later than one year	**¥509,156**	¥505,466	**$4,943,262**
Later than one year and not later than five years	**1,737,868**	1,534,288	**16,872,505**
Later than five years	**1,050,653**	804,449	**10,200,515**

Details of bonds and borrowings at March 31, 2014 and 2013 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
1.80% bonds due 2014	**¥10,000**	¥10,000	**$97,087**
1.78% bonds due 2013	**–**	10,000	**–**
1.75% bonds due 2013	**–**	10,000	**–**
1.62% bonds due 2013	**–**	10,000	**–**
1.72% bonds due 2014	**15,000**	15,000	**145,631**
1.46% bonds due 2014	**20,000**	20,000	**194,175**
1.46% bonds due 2015	**20,000**	20,000	**194,175**
2.30% bonds due 2022	**5,000**	5,000	**48,544**
1.03% bonds due 2013	**–**	20,000	**–**
1.11% bonds due 2015	**10,000**	10,000	**97,087**
2.55% bonds due 2025	**10,000**	10,000	**97,087**
0.88% bonds due 2015	**15,000**	15,000	**145,631**
0.72% bonds due 2014	**30,000**	30,000	**291,262**
0.57% bonds due 2015	**10,000**	10,000	**97,087**
0.85% bonds due 2017	**10,000**	10,000	**97,087**
1.59% bonds due 2020	**10,000**	10,000	**97,087**
2.10% bonds due 2025	**10,000**	10,000	**97,087**
0.68% bonds due 2016	**10,000**	10,000	**97,087**
1.50% bonds due 2021	**10,000**	10,000	**97,087**
2.20% bonds due 2029	**10,000**	10,000	**97,087**
0.70% bonds due 2016	**30,000**	30,000	**291,262**
1.29% bonds due 2021	**20,000**	20,000	**194,175**
0.66% bonds due 2017	**10,000**	10,000	**97,087**
0.92% bonds due 2019	**10,000**	10,000	**97,087**
0.52% bonds due 2017	**40,000**	40,000	**388,350**
0.511% bonds due 2017	**10,000**	10,000	**97,087**
0.756% bonds due 2019	**10,000**	10,000	**97,087**
0.491% bonds due 2017	**10,000**	10,000	**97,087**
1.17% bonds due 2022	**10,000**	10,000	**97,087**
0.558% bonds due 2018	**10,000**	–	**97,087**
0.859% bonds due 2020	**10,000**	–	**97,087**
0.451% bonds due 2018	**10,000**	–	**97,087**
1.096% bonds due 2023	**10,000**	–	**97,087**
0.36% bonds due 2018	**20,000**	–	**194,175**
0.619% bonds due 2020	**10,000**	–	**97,087**
3.97% bonds payable in Australian dollars due 2017	**10,471**	–	**101,660**
Short-term borrowings principally at rates from 0.2% to 6.0%	**208,028**	122,986	**2,019,689**
Long-term borrowings due serially through 2029 principally at rates from 0.2% to 7.0%	**2,534,052**	2,216,131	**24,602,447**
(Current portion of long-term borrowings)	**(199,827)**	(306,422)	**(1,940,068)**
Other	**4,814**	9,513	**46,744**
Total	**¥3,182,365**	¥2,753,630	**$30,896,747**

(vi) Finance income (expenses)

Each component of finance income (expenses) for the years ended March 31, 2014 and 2013 was as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Interest income:			
Financial assets measured at amortised cost	**¥14,565**	¥15,907	**$141,408**
Other	–	82	–
Total	**¥14,565**	¥15,989	**$141,408**
Interest expenses:			
Financial liabilities measured at amortised cost	**¥(40,243)**	¥(42,593)	**$(390,709)**
Other	**3,617**	8,424	**35,117**
Total	**¥(36,626)**	¥(34,169)	**$(355,592)**
Dividend income:			
Financial assets measured at FVTPL	**¥18**	¥6	**$175**
Financial assets measured at FVTOCI	**34,899**	30,145	**338,825**
Total	**¥34,917**	¥30,151	**$339,000**
Gains (losses) on investment securities:			
Financial assets measured at amortised cost	**¥(1)**	¥336	**$(10)**
Financial assets measured at FVTPL	**2,370**	736	**23,010**
Other	**11,683**	(3,794)	**113,427**
Total	**¥14,052**	¥(2,722)	**$136,427**

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

"Other" within "Gains (losses) on investment securities" mainly included gains (losses) accompanying the acquisition or loss of control of subsidiaries, and gains (losses) on disposal of investments in associates and joint ventures, and impairment losses on investments in associates. For the years ended March 31, 2014 and 2013, gains (losses) on derecognition of subsidiaries from the scope of consolidation due to disposal and other were ¥3,211 million ($31,175 thousand) (gains) and ¥2,800 million (gains), respectively; of which gains (losses) on measurement at fair value of residual interests in subsidiaries at the date of loss of control was ¥3,180 million ($30,874 thousand) (gains) for the year ended March 31, 2014, while no significant gains (losses) were recognised for the year ended March 31, 2013.

(vii) Fair value measurements

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Companies can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly

Level 3: Unobservable inputs for the assets or liabilities

The financial assets and liabilities measured at fair value by the Companies on a recurring basis at March 31, 2014 and 2013 were as follows:

	Millions of yen								*Thousands of U.S. dollars*			
	March 31, 2014				March 31, 2013				**March 31, 2014**			
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:												
Non-derivative Financial assets measured at FVTPL:												
Notes, trade accounts and loans receivable	**¥–**	**¥72,631**	**¥–**	**¥72,631**	¥–	¥20,049	¥–	¥20,049	**$–**	**$705,155**	**$–**	**$705,155**
Investment securities	**–**	**–**	**–**	**–**	–	–	–	–	**–**	**–**	**–**	**–**
Other Investments (equity)	**–**	**–**	**113**	**113**	–	–	152	152	**–**	**–**	**1,097**	**1,097**
Other Investments (debt)	**–**	**–**	**11,382**	**11,382**	–	–	14,300	14,300	**–**	**–**	**110,505**	**110,505**
Other financial assets	**–**	**–**	**13,834**	**13,834**	–	–	11,732	11,732	**–**	**–**	**134,311**	**134,311**
Non-derivative Financial assets measured at FVTOCI:												
Other Investments	**141,776**	**1,025**	**289,863**	**432,664**	126,617	1,005	286,320	413,942	**1,376,466**	**9,951**	**2,814,204**	**4,200,621**
Derivative instruments:												
Interest rate contracts	**–**	**20,601**	**–**	**20,601**	–	26,787	–	26,787	**–**	**200,010**	**–**	**200,010**
Forward exchange contracts	**–**	**13,550**	**–**	**13,550**	–	22,496	–	22,496	**–**	**131,553**	**–**	**131,553**
Commodity contracts	**1,250**	**48,481**	**663**	**50,394**	11,891	16,198	203	28,292	**12,136**	**470,689**	**6,437**	**489,262**
Other	**–**	**–**	**–**	**–**	14	–	–	14	–	–	–	–
Liabilities:												
Derivative instruments:												
Interest rate contracts	**–**	**(1,701)**	**–**	**(1,701)**	–	(3,372)	–	(3,372)	**–**	**(16,515)**	**–**	**(16,515)**
Forward exchange contracts	**–**	**(15,567)**	**–**	**(15,567)**	–	(11,815)	–	(11,815)	**–**	**(151,136)**	**–**	**(151,136)**
Commodity contracts	**(10,055)**	**(32,733)**	**(152)**	**(42,940)**	(4,717)	(17,445)	(207)	(22,369)	**(97,621)**	**(317,796)**	**(1,476)**	**(416,893)**
Other	**–**	**–**	**–**	**–**	(5)	–	–	(5)	**–**	**–**	**–**	**–**

Other investments categorised as Level 1 mainly consist of marketable equity securities in active markets. Derivative instruments categorised as Level 1 mainly consist of derivatives related to commodity contracts. These assets are measured at quoted prices in active markets without adjustment.

Notes, trade accounts and loans receivable categorised as Level 2 consist of notes and trade accounts receivable that are settled at future market prices; and other investments categorised as Level 2 consist of equity securities traded on markets that are not active. Derivative instruments categorised as Level 2 mainly consist of interest rate swaps, forward exchange contracts and derivatives related to commodity contracts. These assets and liabilities are mainly measured based on quoted prices of identical assets not categorised as Level 1 in markets that are not active or similar assets or liabilities in active markets, and measurement is based mainly on a market approach using observable inputs, such as prices in commodity markets, foreign exchange rates and interest rates.

Other investments categorised as Level 3 mainly consist of equity securities in active markets; and derivative instruments categorised as Level 3 consist of derivatives related to commodity contracts. These assets and liabilities are measured mainly based on an income approach using inputs that are reasonably available or inputs many market participants use with reasonable confidence because observable inputs are not available due to a lack of similar assets or liabilities in active markets or distortive market prices resulting from dramatic liquidity decreases and such like.

Significant unobservable inputs used in the fair value measurement of investments whose fair values are measured on a recurring basis categorised as Level 3 are operating profit growth rates and discount rates. Fair value increases (decreases) as operating profit growth rate rises (declines); and decreases (increases) as the discount rate rises (declines). Operating profit growth rates used in fair value measurement by the Companies range from +0.2% to +15.2%, and discount rates used in fair value measurement range from 1.4% to 13.0%.

The Companies recognise transfers of assets and liabilities between Levels of the fair value hierarchy at the end of each quarterly period.

During the year ended March 31, 2014, there were no transfers between Levels 1 and 2.

Changes in Level 3 assets and liabilities measured at fair value on a recurring basis by the Companies for the years ended March 31, 2014 and 2013 were as follows:

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

	Thousands of U.S. dollars					
	Non-derivative Financial assets measured at FVTPL			Non-derivative Financial assets measured at FVTOCI	Derivative instruments	
March 31, 2014	Investment securities	Other investments	Other financial assets	Other investments	Commodity contracts	Other contracts
Balance at beginning of year	**$–**	**$140,311**	**$113,903**	**$2,779,806**	**$(39)**	**$–**
Gains (losses) in profit or loss	**–**	**23,010**	**25,670**	**–**	**32,039**	**(4,456)**
Gains (losses) in other comprehensive income	**–**	**–**	**–**	**(191,126)**	**–**	**–**
Purchases	**–**	**18,243**	**16,097**	**109,563**	**–**	**–**
Sales/Redemptions	**–**	**(75,680)**	**(31,932)**	**(39,990)**	**–**	**–**
Settlements	**–**	**–**	**–**	**–**	**(10,359)**	**–**
Transfers	**–**	**–**	**–**	**2,262**	**29**	**–**
Effects of acquisition and divestitures	**–**	**–**	**–**	**1,350**	**(16,816)**	**4,456**
Net transfers in and/or (out) of Level 3	**–**	**–**	**–**	**–**	**–**	**–**
Other	**–**	**5,718**	**10,573**	**152,339**	**107**	**–**
Balance at end of year	**$–**	**$111,602**	**$134,311**	**$2,814,204**	**$4,961**	**$–**
Gains (losses) in assets and liabilities held at end of year	**$–**	**$17,796**	**$22,573**	**$–**	**$4,854**	**$–**

	Millions of yen					
	Non-derivative Financial assets measured at FVTPL			Non-derivative Financial assets measured at FVTOCI	Derivative instruments	
March 31, 2013	Investment securities	Other investments	Other financial assets	Other investments	Commodity contracts	Other contracts
Balance at beginning of year	¥–	¥14,483	¥9,150	¥231,542	¥97	¥–
Gains (losses) in profit or loss	–	712	2,017	–	(2,660)	–
Gains (losses) in other comprehensive income	–	–	–	46,990	–	–
Purchases	–	2,801	997	3,482	–	–
Sales/Redemptions	–	(2,323)	(1,841)	(20,599)	–	–
Settlements	–	–	–	–	2,559	–
Transfers	–	(3,954)	–	4,143	–	–
Effects of acquisition and divestitures	–	2,275	–	(30)	–	–
Net transfers in and/or (out) of Level 3	–	–	–	–	–	–
Other	–	458	1,409	20,792	–	–
Balance at end of year	¥–	¥14,452	¥11,732	¥286,320	¥(4)	¥–
Gains (losses) in assets and liabilities held at end of year	¥–	¥872	¥2,017	¥–	¥(4)	¥–

Gains and losses on the above assets and liabilities, gains and losses on other investments are included in “Gains (losses) on investment securities”, gains and losses on other financial assets are included in “Sales of goods” or “Cost of goods sold”, and gains and losses on derivatives are included in “Cost of goods sold” or “Other-net” in the Consolidated Statement of Comprehensive Income.

Additionally, “Other” above mainly consists of “Foreign currency translation adjustments” in the Consolidated Statement of Comprehensive Income.

The relevant division of the Company, upon determining the valuation method of the applicable assets and liabilities, measures the fair value of assets and liabilities categorised as Level 3, according to valuation policies and procedures stipulated by the Company. Additionally, appropriate third-party valuations are obtained, as necessary. The results of fair value measurements are then reviewed by the Corporate Staff Division, which is independent from the division responsible for the fair value measurement.

If the inputs used to measure “Other investments measured at FVTOCI” among the assets categorised as Level 3 were to be changed, the fair value would decreased by ¥24,613 million at March 31, 2013. This difference in fair value was mainly due to changes in commodity prices and the discount rate. At March 31, 2014, there were no significant change of the fair value.

(4) Offsetting financial assets and financial liabilities

At March 31, 2014 and 2013, among the financial assets and financial liabilities recognised with the same counterparty, the financial instruments offset in accordance with the criteria for offsetting financial assets and financial liabilities and the financial instruments not offset as a result of not meeting some or all of the offsetting criteria despite being subject to an enforceable master netting arrangement or similar agreement, were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Gross amounts of recognised financial assets	**¥120,063**	¥73,555	**$1,165,660**
Amounts offset in accordance with the criteria for offsetting of financial assets and liabilities	**(47,114)**	(17,083)	**(457,417)**
Net amount presented in the Consolidated Statement of Financial Position	**72,949**	56,472	**708,243**
Amounts not offset due to not meeting some or all of the offsetting criteria for offsetting financial assets and liabilities despite being subject to an enforceable master netting arrangement or similar agreement	**(55,172)**	(43,472)	**(535,651)**
Net amount	**¥17,777**	¥13,000	**$172,592**

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Gross amounts of recognised financial liabilities	**¥127,006**	¥77,315	**$1,233,067**
Amounts offset in accordance with the criteria for offsetting of financial assets and liabilities	**(47,114)**	(17,083)	**(457,417)**
Net amount presented in the Consolidated Statement of Financial Position	**79,892**	60,232	**775,650**
Amounts not offset due to not meeting some or all of the offsetting criteria for offsetting financial assets and liabilities despite being subject to an enforceable master netting arrangement or similar agreement	**(55,172)**	(43,472)	**(535,650)**
Net amount	**¥24,720**	¥16,760	**$240,000**

Generally, the set-off rights on financial instruments that do not meet some or all of the offsetting criteria for offsetting financial assets and financial liabilities become enforceable only under special circumstances, such as when the counterparty can no longer fulfill its obligations due to bankruptcy and other reasons.

(5) Derivative instruments and hedging activities

Fair value hedges

The Company and certain of its consolidated subsidiaries mainly designate, as fair value hedges, currency swap agreements, which hedge the risk of changes in the fair value of foreign currency denominated receivables and payables, and foreign currency denominated firm commitments; commodity futures and forward contracts, which hedge volatility risk of the fair value of inventories and firm commitments on commodity transactions; and interest rate swaps, which convert fixed interest rates on assets and liabilities to floating interest rates.

For the years ended March 31, 2014 and 2013, gains (losses) on hedging instruments in fair value hedges were net gains of ¥2,933 million ($28,476 thousand) and net losses of ¥(1,760) million, respectively. Gains (losses) on the hedged items more or less corresponded to the gains (losses) on hedging instruments.

For the years ended March 31, 2014 and 2013, there were no significant amounts recognised in profit or loss relating to the ineffective portion of hedges or portions excluded from the assessment of hedge effectiveness. Additionally, there were no significant amounts recognised in profit or loss due to firm commitments becoming ineligible as hedged items.

Cash flow hedges

The Company and certain of its consolidated subsidiaries mainly designate, as cash flow hedges, forward exchange contracts, which hedge the cash flows of foreign currency denominated receivables and payables, foreign currency denominated firm commitments and foreign currency denominated forecast transactions; interest rate swaps, which convert floating interest rates on assets and liabilities to fixed interest rates; and commodity futures and forward contracts, which hedge the cash flows of forecasted transactions on commodity transactions. For the years ended March 31, 2014 and 2013, there were no significant amounts recognised in profit or loss relating to the ineffective portion of hedges or portions excluded from the assessment of hedge effectiveness. Additionally, there were no significant amounts of gains (losses) on cash flow hedges reclassified to profit or loss because the forecast transactions no longer were expected to occur.

For the years ended March 31, 2014 and 2013, amounts recognised as gains (losses) on cash flow hedges (before tax) were net gains of ¥15,167 million ($147,252 thousand) and ¥10,748 million, respectively. For the years ended March 31, 2014 and 2013, gains (losses) on cash flow hedges reclassified into profit or loss were net gains of ¥13,709 million ($133,097 thousand) (including “Interest expenses” of ¥(963) million ($(9,349) thousand), “Other-net” gains of ¥15,034 million ($145,961 thousand) and “Cost of goods sold” of ¥(362)million ($(3,515) thousand)), and net gains of ¥1,923 million (including “Interest expenses” of ¥(1,270) million, “Other-net” gains of ¥2,915 million and “Cost of goods sold” of ¥278 million), respectively.

At March 31, 2014, the period in which cash flows are expected from the hedged items and in which the hedged items are expected to affect profit or loss was from April 2014 to December 2036.

Hedges of net investments in foreign operations

The Company and certain of its consolidated subsidiaries use foreign currency denominated bonds and borrowings, and forward exchange contracts to hedge foreign exchange fluctuation risks of net investments in foreign operations. For the years ended March 31, 2014 and 2013, there were no significant amounts recognised in profit or loss relating to the ineffective portion of hedges.

At March 31, 2014 and 2013, the fair values of financial instruments to which the Company and certain of its consolidated subsidiaries applied hedge accounting by type of hedge were as follows:

	Millions of yen				*Thousands of U.S. dollars*	
	March 31, 2014		March 31, 2013		**March 31, 2014**	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Fair value hedges:						
Interest rate contracts	**¥20,571**	**¥(195)**	¥26,787	¥(87)	**$199,719**	**$(1,893)**
Forward exchange contracts	**71**	**(58)**	6,710	(2,892)	**689**	**(563)**
Commodity contracts	**1,249**	**(5,930)**	12,504	(5,402)	**12,126**	**(57,573)**
Total	**¥21,891**	**¥(6,183)**	¥46,001	¥(8,381)	**$212,534**	**$(60,029)**
Cash flow hedges:						
Interest rate contracts	**¥20**	**¥(1,489)**	¥–	¥(3,285)	**$194**	**$(14,456)**
Forward exchange contracts	**9,275**	**(6,979)**	12,389	(5,052)	**90,049**	**(67,757)**
Commodity contracts	**16**	**(112)**	927	(811)	**155**	**(1,088)**
Total	**¥9,311**	**¥(8,580)**	¥13,316	¥(9,148)	**$90,398**	**$(83,301)**
Hedges of net investments in foreign operations	**¥838**	**¥(566,260)**	¥1,775	¥(354,779)	**$8,136**	**$(5,497,670)**
Total financial instruments to which hedge accounting was applied	**¥32,040**	**¥(581,023)**	¥61,092	¥(372,308)	**$311,068**	**$(5,641,000)**

In addition to the above, the fair values of derivative assets and liabilities to which hedge accounting was not applied at March 31, 2014 and 2013 were ¥52,576 million ($510,447 thousand) and ¥48,278 million ($468,718 thousand), and ¥20,265 million and ¥22,113 million, respectively.

Derivative assets are included in “Other current financial assets” and “Other non-current financial assets” in the Consolidated Statement of Financial Position.

Additionally, at March 31, 2014 and 2013, non-derivative assets in “Other current financial assets” and “Other non-current financial assets” included Financial assets measured at FVTPL in the amounts of ¥13,834 million ($134,311 thousand) and ¥11,732 million, respectively.

Derivative liabilities are included in “Other current financial liabilities” and “Other non-current financial liabilities” in the Consolidated Statement of Financial Position.

17. Pledged Assets

The assets pledged as collateral for the Companies' loans and such like at March 31, 2014 and 2013 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Cash and cash equivalents, and time deposits	**¥27,223**	¥18,556	**$264,301**
Notes, trade accounts and loans receivable (current and non-current)	**86,105**	1,221	**835,971**
Inventories	**164,709**	11,804	**1,599,117**
Investments in associates and joint ventures	**339,761**	298,272	**3,298,650**
Property, plant and equipment, and investment property (after deducting accumulated depreciation)	**188,938**	98,171	**1,834,350**
Other	**137,763**	41,574	**1,337,504**
Total	**¥944,499**	¥469,598	**$9,169,893**

The Companies pledge collateral under conventional conditions in standard borrowing arrangements, etc.

In addition to the above, import bills included in notes payable at March 31, 2014 and 2013 were secured by trust receipts on inventories.

The standard terms provide that the proceeds from the sales of any such collateral be delivered to the respective bank to be applied against outstanding acceptances. However, the Companies have, in general, followed the practice of paying acceptances on their maturity dates. Given the substantial volume of the Companies' transactions, it would not be practical to determine the total amount of inventories and/or proceeds from the sales of such inventories covered by outstanding trust receipts.

As is customary in Japan, security, if requested by a lending bank, must be given and, regardless of the existence of such security, the bank has the right to offset cash deposits against any debt or obligations that become due and, in the case of default or certain other specified events, against all debt payable to the bank. To date, no such request has been made to the Companies and no such rights have been exercised.

18. Earnings per Share

Basic and diluted earnings per share attributable to owners of the parent for the years ended March 31, 2014 and 2013 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Numerator:			
Profit for the year attributable to owners of the parent for the basic and diluted earnings per share	**¥210,945**	¥130,143	**$2,048,010**

	Number of shares	
	March 31, 2014	March 31, 2013
Denominator:		
Weighted average shares for the basic and diluted earnings per share (Treasury shares are excluded)	**1,735,902,213**	1,736,137,894

	Yen		*U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Basic and diluted earnings per share attributable to owners of the parent	**¥121.52**	¥74.96	**$1.18**

19. Other Components of Equity and Other Comprehensive Income

Changes in other components of equity for the years ended March 31, 2014 and 2013 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Gains (losses) on financial assets measured at fair value through other comprehensive income			
Balance at beginning of year	**¥122,996**	¥111,458	**$1,194,136**
Change for the year	**(16,630)**	42,381	**(161,456)**
Transfer to retained earnings	**14,372**	(30,843)	**139,534**
Balance at end of year	**¥120,738**	¥122,996	**$1,172,214**
Foreign currency translation adjustments			
Balance at beginning of year	**¥113,150**	¥(10,388)	**$1,098,544**
Change for the year	**68,571**	123,538	**665,738**
Balance at end of year	**¥181,721**	¥113,150	**$1,764,282**
Gains (losses) on cash flow hedges			
Balance at beginning of year	**¥(53,291)**	¥(53,761)	**$(517,389)**
Change for the year	**18,837**	470	**182,884**
Balance at end of year	**¥(34,454)**	¥(53,291)	**$(334,505)**
Remeasurements of defined benefit plan			
Balance at beginning of year	**¥–**	**¥–**	**$–**
Change for the year	**(2,971)**	(8,066)	**(28,845)**
Transfer to retained earnings	**2,971**	8,066	**28,845**
Balance at end of year	**¥–**	**¥–**	**$–**
Other components of equity			
Balance at beginning of year	**¥182,855**	¥47,309	**$1,775,291**
Change for the year	**67,807**	158,323	**658,321**
Transfer to retained earnings	**17,343**	(22,777)	**168,379**
Balance at end of year	**¥268,005**	¥182,855	**$2,601,991**

Each component of other comprehensive income, including non-controlling interests and related tax effects, for the years ended March 31, 2014 and 2013 were as follows:

	Millions of yen					
	March 31, 2014			March 31, 2013		
	Before tax amount	**Tax (expense) or benefit**	**Net of tax amount**	Before tax amount	Tax (expense) or benefit	Net of tax amount
Gains (losses) on financial assets measured at fair value through other comprehensive income:						
Gains (losses) arising for the year	**¥(5,567)**	**¥(10,948)**	**¥(16,515)**	¥63,154	¥(20,803)	¥42,351
Change for the year	**¥(5,567)**	**¥(10,948)**	**¥(16,515)**	¥63,154	¥(20,803)	¥42,351
Foreign currency translation adjustments:						
Gains (losses) arising for the year	**¥79,897**	**¥(10,768)**	**¥69,129**	¥132,637	¥(7,983)	¥124,654
Reclassification to profit or loss for the year	**1,286**	**161**	**1,447**	1,599	7	1,606
Change for the year	**¥81,183**	**¥(10,607)**	**¥70,576**	¥134,236	¥(7,976)	¥126,260
Gains (losses) on cash flow hedges:						
Gains (losses) arising for the year	**¥25,771**	**¥(4,656)**	**¥21,115**	¥(4,885)	¥(3,324)	¥(8,209)
Reclassification to profit or loss for the year	**(7,911)**	**5,539**	**(2,372)**	7,863	928	8,791
Change for the year	**¥17,860**	**¥883**	**¥18,743**	¥2,978	¥(2,396)	¥582
Remeasurements of defined benefit pension plan:						
Gains (losses) arising for the year	**¥6,554**	**¥(9,433)**	**¥(2,879)**	¥(11,685)	¥3,548	¥(8,137)
Change for the year	**¥6,554**	**¥(9,433)**	**¥(2,879)**	¥(11,685)	¥3,548	¥(8,137)
Other comprehensive income	**¥100,030**	**¥(30,105)**	**¥69,925**	¥188,683	¥(27,627)	¥161,056

	Thousands of U.S. dollars		
	March 31, 2014		
	Before tax amount	**Tax (expense) or benefit**	**Net of tax amount**
Gains (losses) on financial assets measured at fair value through other comprehensive income:			
Gains (losses) arising for the year	**$(54,048)**	**$(106,292)**	**$(160,340)**
Change for the year	**$(54,048)**	**$(106,292)**	**$(160,340)**
Foreign currency translation adjustments:			
Gains (losses) arising for the year	**$775,699**	**$(104,544)**	**$671,155**
Reclassification to profit or loss for the year	**12,485**	**1,564**	**14,049**
Change for the year	**$788,184**	**$(102,980)**	**$685,204**
Gains (losses) on cash flow hedges:			
Gains (losses) arising for the year	**$250,204**	**$(45,204)**	**$205,000**
Reclassification to profit or loss for the year	**(76,806)**	**53,777**	**(23,029)**
Change for the year	**$173,398**	**$8,573**	**$181,971**
Remeasurements of defined benefit plan:			
Gains (losses) arising for the year	**$63,631**	**$(91,583)**	**$(27,952)**
Change for the year	**$63,631**	**$(91,583)**	**$(27,952)**
Other comprehensive income	**$971,165**	**$(292,282)**	**$678,883**

20. Cash Flow Information

Supplemental cash flow information for the years ended March 31, 2014 and 2013 was as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Non-cash investing and financing activities:			
Exchange of assets:			
Fair value of assets received	**¥29,968**	¥2,680	**$290,951**
Carrying amounts of assets surrendered	**26,788**	851	**260,078**
Contribution of securities to employee retirement benefit trusts	–	15,319	–

21. Segment Information

(1) Operating Segments

The Companies' operating segments by which management evaluates performance and allocates resources are classified in terms of the nature of the products and services or the areas. The segments, by product and service, are managed by the divisions of the Head Office. "Overseas corporate subsidiaries and branches" operate in the respective areas and are independent operating units. Each reportable segment purchases, distributes and markets a wide variety of industrial and consumer goods including raw materials and equipment relating to a wide variety of industries and, in addition, provides the related financing, insurance and other services to these operations on a worldwide basis. The Companies have nine segments identified by products and services, in addition to its "Overseas corporate subsidiaries and branches".

These segments are outlined as follows:

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

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

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

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

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

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

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

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

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

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

The Companies' operating segment information for the years ended March 31, 2014 and 2013 was as follows:

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

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

March 31, 2014	ICT, Finance & Insurance, Real Estate Business	Overseas corporate subsidiaries & branches	Corporate & Elimination, etc.	Consolidated
	Millions of yen			
Total volume of trading transactions:				
External customers	¥416,412	¥1,345,209	¥51,498	¥13,633,520
Inter-segment	14,246	1,550,417	(2,008,578)	–
Total	¥430,658	¥2,895,626	¥(1,957,080)	¥13,633,520
Gross trading profit	¥88,098	¥150,462	¥(15,274)	¥651,063
Share of profits (losses) of associates and joint ventures	¥1,678	¥924	¥101	¥99,405
Profit (loss) for the year attributable to owners of the parent	¥15,748	¥25,281	¥20,370	¥210,945
Segment assets	¥382,490	¥799,406	¥61,745	¥7,255,380

March 31, 2014	Food	Chemicals	Energy	Metals & Mineral Resources
	Thousands of U.S. dollars			
Total volume of trading transactions:				
External customers	$37,920,417	$10,908,291	$35,638,039	$6,961,495
Inter-segment	1,110,117	1,306,719	156,893	793,136
Total	$39,030,534	$12,215,010	$35,794,932	$7,754,631
Gross trading profit	$1,432,864	$275,253	$483,757	$151,621
Share of profits (losses) of associates and joint ventures	$26,825	$15,340	$29,417	$204,544
Profit (loss) for the year attributable to owners of the parent	$178,019	$62,272	$354,019	$197,243
Segment assets	$13,374,078	$2,540,709	$11,248,088	$9,059,456

March 31, 2014	Transportation Machinery	Power Projects & Infrastructure	Plant & Industrial Machinery	Lifestyle & Forest Products
	Thousands of U.S. dollars			
Total volume of trading transactions:				
External customers	$6,326,709	$3,891,573	$4,271,689	$8,842,961
Inter-segment	414,456	544	58,126	469,864
Total	$6,741,165	$3,892,117	$4,329,815	$9,312,825
Gross trading profit	$641,350	$258,680	$344,087	$565,563
Share of profits (losses) of associates and joint ventures	$173,709	$443,291	$30,582	$15,146
Profit (loss) for the year attributable to owners of the parent	$226,243	$264,340	$100,019	$69,748
Segment assets	$6,100,670	$8,047,748	$3,233,621	$4,762,029

March 31, 2014	ICT, Finance & Insurance, Real Estate Business	Overseas corporate subsidiaries & branches	Corporate & Elimination, etc.	Consolidated
	Thousands of U.S. dollars			
Total volume of trading transactions:				
External customers	$4,042,835	$13,060,282	$499,981	$132,364,272
Inter-segment	138,311	15,052,592	(19,500,758)	–
Total	$4,181,146	$28,112,874	$(19,000,777)	$132,364,272
Gross trading profit	$855,320	$1,460,796	$(148,291)	$6,321,000
Share of profits (losses) of associates and joint ventures	$16,291	$8,971	$981	$965,097
Profit (loss) for the year attributable to owners of the parent	$152,893	$245,447	$197,767	$2,048,010
Segment assets	$3,713,495	$7,761,223	$599,466	$70,440,583

March 31, 2013	Food	Chemicals	Energy	Metals & Mineral Resources
	Millions of yen			
Total volume of trading transactions:				
External customers	¥2,190,804	¥920,932	¥3,231,702	¥721,260
Inter-segment	66,375	97,289	18,111	65,370
Total	¥2,257,179	¥1,018,221	¥3,249,813	¥786,630
Gross trading profit	¥99,396	¥26,595	¥53,631	¥18,898
Share of profits (losses) of associates and joint ventures	¥1,093	¥1,754	¥(862)	¥28,632
Profit (loss) for the year attributable to owners of the parent	¥17,844	¥5,187	¥4,512	¥19,786
Segment assets	¥722,084	¥249,892	¥1,028,049	¥792,572

March 31, 2013	Transportation Machinery	Power Projects & Infrastructure	Plant & Industrial Machinery	Lifestyle & Forest Products
	Millions of yen			
Total volume of trading transactions:				
External customers	¥614,805	¥382,343	¥250,300	¥862,286
Inter-segment	69,335	51	7,301	33,106
Total	¥684,140	¥382,394	¥257,601	¥895,392
Gross trading profit	¥52,912	¥25,416	¥25,559	¥57,142
Share of profits (losses) of associates and joint ventures	¥13,972	¥30,893	¥3,298	¥(513)
Profit (loss) for the year attributable to owners of the parent	¥17,858	¥23,536	¥7,126	¥6,524
Segment assets	¥508,443	¥661,492	¥279,167	¥492,657

March 31, 2013	ICT, Finance & Insurance, Real Estate Business	Overseas corporate subsidiaries & branches	Corporate & Elimination, etc.	Consolidated
	Millions of yen			
Total volume of trading transactions:				
External customers	¥291,667	¥1,183,718	¥24,578	¥10,674,395
Inter-segment	17,133	1,022,952	(1,397,023)	–
Total	¥308,800	¥2,206,670	¥(1,372,445)	¥10,674,395
Gross trading profit	¥70,322	¥116,896	¥(7,119)	¥539,648
Share of profits (losses) of associates and joint ventures	¥3,858	¥1,087	¥(181)	¥83,031
Profit (loss) for the year attributable to owners of the parent	¥11,655	¥12,894	¥3,221	¥130,143
Segment assets	¥288,404	¥714,808	¥378,215	¥6,115,783

Notes: (1) Effective from the financial year ending March 31, 2014, "Lifestyle" and "Forest Products" have been combined as "Lifestyle & Forest Products" and "Finance, Logistics & IT Business" and "Real Estate Development", which was included in "Corporate & Elimination, etc." have been combined as "ICT, Finance & Insurance, Real Estate Business". Furthermore, a part of "Plant & Industrial Machinery" has been included in "Transportation Machinery". The corresponding information for the year ended March 31, 2013 has been adjusted accordingly.

(2) "Total volume of trading transactions" includes all transactions involving the Companies regardless of transaction type. "Total volume of trading transactions" is not required by IFRSs but is presented here to provide readers with a better understanding and is as presented in common Japanese accounting practice.

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

(4) “Profit (loss) for the year attributable to owners of the parent” of “Corporate & Elimination, etc.” includes head office expenses that are not allocated to the operating segments and inter-segment elimination. “Segment assets” of “Corporate & Elimination, etc.” include assets for general corporate purposes that are not allocated to the operating segments and inter-segment elimination. The assets for general corporate purposes mainly consist of cash and cash equivalents related to financing, other investments and non-current assets for general corporate purposes.

(2) Geographical information

Geographical information is categorised according to the region in which the asset, which is the source of revenue, is located.

Geographical information for the years ended March 31, 2014 and 2013 was as follows:

Revenue from external customers

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Japan	**¥4,269,704**	¥3,514,828	**$41,453,437**
United States	**2,017,502**	826,843	**19,587,398**
Singapore	**264,064**	221,220	**2,563,728**
Other	**504,430**	333,157	**4,897,379**
Total	**¥7,055,700**	¥4,896,048	**$68,501,942**

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

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
United States	**¥716,473**	¥325,544	**$6,956,048**
Japan	**397,342**	405,874	**3,857,689**
United Kingdom	**250,549**	94,312	**2,432,515**
Other	**266,324**	232,979	**2,585,670**
Total	**¥1,630,688**	¥1,058,709	**$15,831,922**

(3) Product information

Product information for the years ended March 31, 2014 and 2013 was as follows:

Revenue from external customers

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Machinery	**¥604,119**	¥584,220	**$5,865,233**
Resources	**1,058,192**	953,275	**10,273,709**
Materials	**1,468,691**	1,204,790	**14,259,136**
Consumer products	**3,924,698**	2,153,763	**38,103,864**
Total	**¥7,055,700**	¥4,896,048	**$68,501,942**

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

(2) There is no concentration of the revenue to a specific customer for the years ended March 31, 2014 and 2013.

22. Issued Capital Stock and Reserves

The number of shares authorised and issued at March 31, 2014 and 2013 were as follows:

	Number of shares	
	March 31, 2014	March 31, 2013
Class of share	**Ordinary shares**	Ordinary shares
Authorised	**4,300,000,000**	4,300,000,000
Issued:		
Balance at beginning of year	**1,737,940,900**	1,737,940,900
Adjustment for the year	**–**	–
Balance at end of year	**1,737,940,900**	1,737,940,900

Notes:(1)Common stock has no par value.
(2)Issued stock is fully paid.

Treasury stock held by the Company and by its subsidiaries or associates at March 31, 2014 and 2013 was as follows:

	March 31, 2014		March 31, 2013		**March 31, 2014**
	Shareholding		*Shareholding*		***Shareholding***
Name	***Number of shares***	***Millions of yen***	*Number of shares*	*Millions of yen*	***Thousands of U.S. dollars***
The Company	**2,346,612**	**¥1,311**	1,723,334	¥860	**$12,728**
Subsidiaries and associates	**189,950**	**27**	189,950	27	**262**
Total	**2,536,562**	**¥1,338**	1,913,284	¥887	**$12,990**

The Companies Act of Japan provides that an amount equal to 10% of the amount to be distributed as distributions of capital surplus (other than capital reserve) and retained earnings (other than legal reserve) be transferred to capital reserve and legal reserve, respectively, until the sum of capital reserve and legal reserve equals 25% of the amount of issued capital.

23. Dividends

Dividends on common stock recognised as distributions to owners for the years ended March 31, 2014 and 2013 were as follows:

	Millions of yen (Yen)		*Thousands of U.S. dollars (U.S. dollars)*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Year-end dividend	**¥20,835**	¥17,364	**$202,282**
(Dividends per share)	**(12)**	(10)	**(0.12)**
Interim dividend	**21,702**	20,836	**210,699**
(Dividends per share)	**(12.5)**	(12)	**(0.12)**

Dividends on common stock which were approved by resolution of the Board of Directors after the year end but which have not been recognised as a distribution to owners for the years ended March 31, 2014 and 2013 were as follows:

	Millions of yen (Yen)		*Thousands of U.S. dollars (U.S. dollars)*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Year-end dividend	**¥21,695**	¥20,835	**$210,631**
(Dividends per share)	**(12.5)**	(12)	**(0.12)**

24. Related Party Transactions

The Consolidated Financial Statements of the Company include following subsidiaries.

For the year ended March 31, 2014

Company name	Main businesses	Area/Country	Holding ratio
MX Mobiling Co., Ltd.	Sale of mobile phone and related products, repair and maintenance services	Tokyo/Japan	100.00%
Yamaboshiya Co., Ltd.	Wholesale of confectionery	Osaka/Japan	95.62%
Marubeni Energy Corporation	Sale of petroleum and petrochemical products, management and leasing of oil terminals and service stations	Tokyo/Japan	66.60%
Marubeni Nisshin Feed Co., Ltd.	Manufacture and sale of feed	Tokyo/Japan	60.00%
Marubeni America Corporation.	Import/export and domestic sale of domestic and overseas merchandise	New York/U.S.A.	100.00%
Axia Power Holdings B.V.	Overseas power assets holding company	Amsterdam/ Netherlands	100.00%
Gavilon Agriculture Holdings, Co.	Investment purpose company for Gavilon Agriculture Investment, Inc.	Nebraska/U.S.A.	100.00%
Marubeni Coal Pty. Ltd.	Investment in coal business in Australia	Brisbane/Australia	100.00%
Marubeni Los Pelambres Investment B.V.	Investment in copper business in Chile	Amsterdam/ Netherlands	100.00%
Marubeni Oil & Gas (USA) Inc.	Exploration, development, production and sales of crude oil and natural gas	Texas/U.S.A.	100.00%

In addition to the above, the financial statements of the other 293 consolidated subsidiaries are included.

For the year ended March 31, 2013

Company name	Main businesses	Area/Country	Holding ratio
Marubeni Access Solutions Inc.	Data communications services and provision of data centre services	Tokyo/Japan	100.00%
Koa Kogyo Co., Ltd.	Manufacture and sale of corrugating medium base paper and liner for cardboard	Shizuoka/Japan	79.95%
Yamaboshiya Co., Ltd.	Wholesale of confectionery	Osaka/Japan	77.58%
Marubeni Energy Corporation	Sale of petroleum and petrochemical products, management and leasing of oil terminals and service stations	Tokyo/Japan	66.60%
Marubeni Nisshin Feed Co., Ltd.	Manufacture and sale of feed	Tokyo/Japan	60.00%
Marubeni America Corporation	Import/export and domestic sale of domestic and overseas merchandise	New York/U.S.A.	100.00%
Axia Power Holdings B.V.	Overseas power assets holding company	Amsterdam/ Netherlands	100.00%
Marubeni Coal Pty. Ltd.	Investment in coal business in Australia	Brisbane/Australia	100.00%
Marubeni Los Pelambres Investment B.V.	Investment in copper business in Chile	Amsterdam/ Netherlands	100.00%
Marubeni Oil & Gas (USA) Inc.	Exploration, development, production and sales of crude oil and natural gas	Texas/U.S.A.	100.00%

In addition to the above, the financial statements of the other 280 consolidated subsidiaries are included.

Total amounts of compensation to members of the board and corporate auditors of the Company for the years ended March 31, 2014 and 2013 were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	March 31, 2014	March 31, 2013	**March 31, 2014**
Basic payments	**¥1,011**	¥1,093	**$9,815**
Retirement allowance	**156**	7	**1,515**
Total	**¥1,167**	¥1,100	**$11,330**

The outstanding balances of receivables from and payables to the primary/major related parties of the Companies at March 31, 2014 and 2013 were as follows:

At March 31, 2014

	Millions of yen		*Thousands of U.S. dollars*	
	Outstanding receivables	Outstanding payables	Outstanding receivables	Outstanding payables
Associates	**¥106,699**	**¥31,547**	**$1,035,913**	**$306,282**
Joint Ventures	**20,569**	**20,321**	**199,699**	**197,291**

At March 31, 2013

	Millions of yen	
	Outstanding receivables	Outstanding payables
Associates	¥119,421	¥33,136
Joint Ventures	3,135	12,862

Total volume of trading transactions and purchases of goods with the main related parties of the Companies for the years ended March 31, 2014 and 2013 were as follows:

For the year ended March 31, 2014

	Millions of yen		*Thousands of U.S. dollars*	
	Purchases	Trading transactions	Purchases	Trading transactions
Associates	**¥110,022**	**¥218,641**	**$1,068,175**	**$2,122,728**
Joint Ventures	**64,260**	**85,022**	**623,883**	**825,456**

For the year ended March 31, 2013

	Millions of yen	
	Purchases	Trading transactions
Associates	¥109,125	¥260,046
Joint Ventures	43,548	19,576

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25. Commitments and Contingent Liabilities

The Company and certain of its consolidated subsidiaries enter into long-term purchase contracts for certain goods and products in metal and machinery industries at either fixed or variable prices. The Company and certain of its consolidated subsidiaries generally enter into sales contracts for such purchase contracts with customers. The total amounts of the long-term purchase contracts were approximately ¥784,000 million ($7,611,650 thousand) and ¥611,000 million at March 31, 2014 and 2013, respectively.

The Company and certain of its consolidated subsidiaries had commitments to make additional investments or loans in the aggregate amounts of approximately ¥325,000 million ($3,155,340 thousand) and ¥379,000 million at March 31, 2014 and 2013, respectively, of which capital expenditures in property, plant and equipment were approximately ¥71,000 million ($689,320 thousand) and approximately ¥81,000 million, respectively, while commitments to joint ventures were approximately ¥124,000 million ($1,203,883 thousand) and approximately ¥140,000 million, respectively.

The Company and certain of its consolidated subsidiaries provide various types of guarantees for the obligations of their associates and customers in the ordinary course of business. The guarantees mainly relate to the repayment of borrowings to third parties. Should the guaranteed associates and customers fail to fulfill their obligations, the Company and certain of its consolidated subsidiaries would be required to fulfill the obligations under these guarantees.

Outstanding guarantees were ¥329,647 million ($3,200,456 thousand) and ¥299,347 million, including ¥194,159 million ($1,885,039 thousand) and ¥203,603 million to associates and joint ventures, at March 31, 2014 and 2013, respectively. Outstanding guarantees (total of guarantee payable) represent the maximum potential amount of future payments under the contracts without any consideration of the likelihood of such obligations being incurred.

Therefore, such amounts do not represent the anticipated losses on these guarantees and indemnifications, and they greatly exceed anticipated losses. Some guarantees are secured by counter guarantees provided for the Company and certain of its consolidated subsidiaries by third parties.

The amounts of counter guarantees provided for the Company and certain of its consolidated subsidiaries by third parties were ¥24,044 million ($233,437 thousand) and ¥22,559 million, including ¥22,516 million ($218,602 thousand) and ¥17,175 million relating to the associates and joint ventures at March 31, 2014 and 2013, respectively.

The liabilities recognised for the guarantees were ¥1,435 million ($13,932 thousand) and ¥1,084 million at March 31, 2014 and 2013, respectively.

The Company manages the risk of fulfillment of obligations under the guarantees by setting the appropriate line of credit and by undertaking provisional measures in accordance with the credit risk rank to which each guaranteed customer belongs. The Company determines the rank of each customer before entering into the guarantee agreements according to the customer's credit risk which is estimated and reviewed based on the customer's financial information.

The likelihood of such obligations being incurred under the guarantees which would have a material effect in the Consolidated Financial Statements were estimated to be remote at March 31, 2014. A provision for loss on guarantees was recognised for the amount that was considered probable.

The Companies conduct business activities on a global scale and are involved in transactions which are subject to the oversight by various types of authorities, both in Japan and abroad. Such business activities are exposed to risk and, from time to time, may involve legal actions, claims or other disputes. Although there were various issues outstanding at March 31, 2014, management is of the opinion that settlement of all such issues outstanding would not have a material effect on the Consolidated Financial Statements of the Company.

26. Structured Entities

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

The Company and certain of its consolidated subsidiaries are involved in structured entities engaged in asset management, financing and leasing, through investments and financing, but do not include such structured entities in their scope of consolidation. Total assets of these unconsolidated structured entities at March 31, 2014 and 2013 were ¥441,094 million ($4,282,466 thousand) and ¥441,718 million, respectively. These structured entities mainly procure funds through bank loans.

Carrying amounts of assets and liabilities recognised in the Consolidated Statement of Financial Position relating to the involvement in these unconsolidated structured entities and maximum exposures to assets, liabilities and lease contracts at March 31, 2014 and 2013 were as follows:

	Millions of yen						*Thousands of U.S. dollars*		
	March 31, 2014			March 31, 2013			**March 31, 2014**		
	Carrying amounts		Maximum	Carrying amounts		Maximum	Carrying amounts		Maximum
Classification	Assets	Liabilities	exposures	Assets	Liabilities	exposures	Assets	Liabilities	exposures
Current notes, trade accounts and loans receivable	**¥1,658**	**¥–**	**¥1,658**	¥1,515	¥–	¥1,515	**$16,097**	**$–**	**$16,097**
Investment in associates and joint ventures	**2,249**	–	**2,249**	1,701	–	1,701	**21,835**	**–**	**21,835**
Other investments	**342**	**–**	**342**	3,043	–	3,043	**3,320**	**–**	**3,320**
Non-current notes, trade accounts and loans receivable	**10,400**	**–**	**10,400**	11,018	–	11,018	**100,971**	**–**	**100,971**
Current notes and trade accounts payable	**–**	**428**	**431**	–	–	–	**–**	**4,156**	**4,185**
Non-current notes and trade accounts payable	–	**9,403**	**9,877**	–	–	–	**–**	**91,291**	**95,893**
Lease contracts	–	**–**	**58,563**	–	–	31,546	**–**	**–**	**568,573**
Total	**¥14,649**	**¥9,831**	**¥83,520**	¥17,277	¥–	¥48,823	**$142,223**	**$95,447**	**$810,874**

Maximum exposures represent the maximum potential amounts of losses precipitated through the decline in the price of assets held and lease contracts. Therefore, such amounts bear no relationship to the anticipated amounts of losses through the involvement in the structured entities.

27. Subsequent Events

The Companies have assessed whether any subsequent events occurred through June 20, 2014, the issuance date of the consolidated financial statements, and there are no subsequent events to be disclosed.

28. Approval of Consolidated Financial Statements

The Consolidated Financial Statements were approved by the Board of Directors on June 20, 2014.

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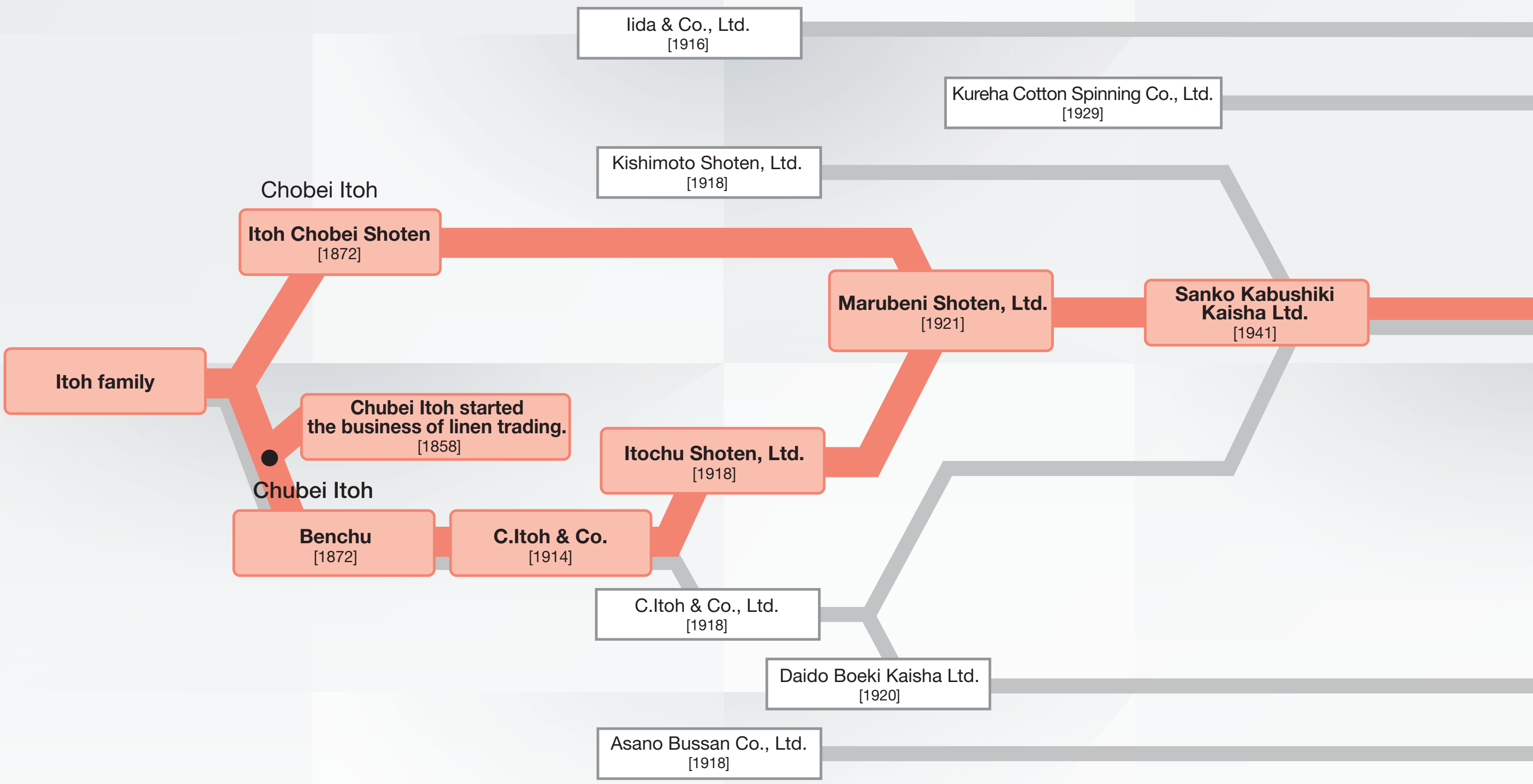
Corporate History



Foundation Era 1858 ▶ 1920

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

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

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

Chubei Itoh opened Benchu in Osaka.

1903 Chubei passed away and his second son, Seiichi, assumed the name Chubei II as the new head of the family.

1908 Chubei Itoh Head Office was established to manage the Itoh family businesses.

1914 Reorganized the former private business into C.Itoh & Co.

1918 Sales divisions of C.Itoh & Co. were divided into two incorporated companies, C.Itoh & Co., Ltd., and Itochu Shoten, Ltd.

1920 The overseas trading division of C.Itoh & Co., Ltd., was spun off to establish Daido Boeki Kaisha Ltd.

Building the Business Base 1921 ▶ 1948

1921 Established Marubeni Shoten, Ltd., from the merger of Itochu Shoten, Ltd., and Itoh Chobei Shoten.

Chobei Itoh IX was appointed as president.

1925 Chobei Itoh IX made a donation to establish the Toyosato Hospital.

1927 Marubeni Shoten, Ltd., launched the Dyed Artworks Society (later the Biten kimono exhibition).

1933 Marubeni Shoten formulated The Five Marubeni Precepts.

1937 Senior Managing Director Tetsujiro Furukawa made a donation to build the Toyosato Elementary School.

1941 Sanko Kabushiki Kaisha Ltd. was established through the merger of C.Itoh & Co., Ltd., and two other companies.

1944 Daiken Company, Ltd., was established through the merger of Daido Boeki Kaisha Ltd., and two other companies.

1948 Daiken Company, Ltd., was designated as being subject to the Law for Elimination of Excessive Concentrations of Economic Power.

Recovering and Rebuilding 1949 ▶ 1963

1949 Marubeni Co., Ltd., was established.

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

1951 First overseas subsidiary was established in New York.

1955 Changed trading name to Marubeni-Iida Co., Ltd., following the merger of Marubeni Co., Ltd., and Iida & Co., Ltd.

1956 Completed Marubeni's first gas station.

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

1960 Started forwarding iron ore mined at Ipoh, Malaysia.

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

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

Chubei Itoh

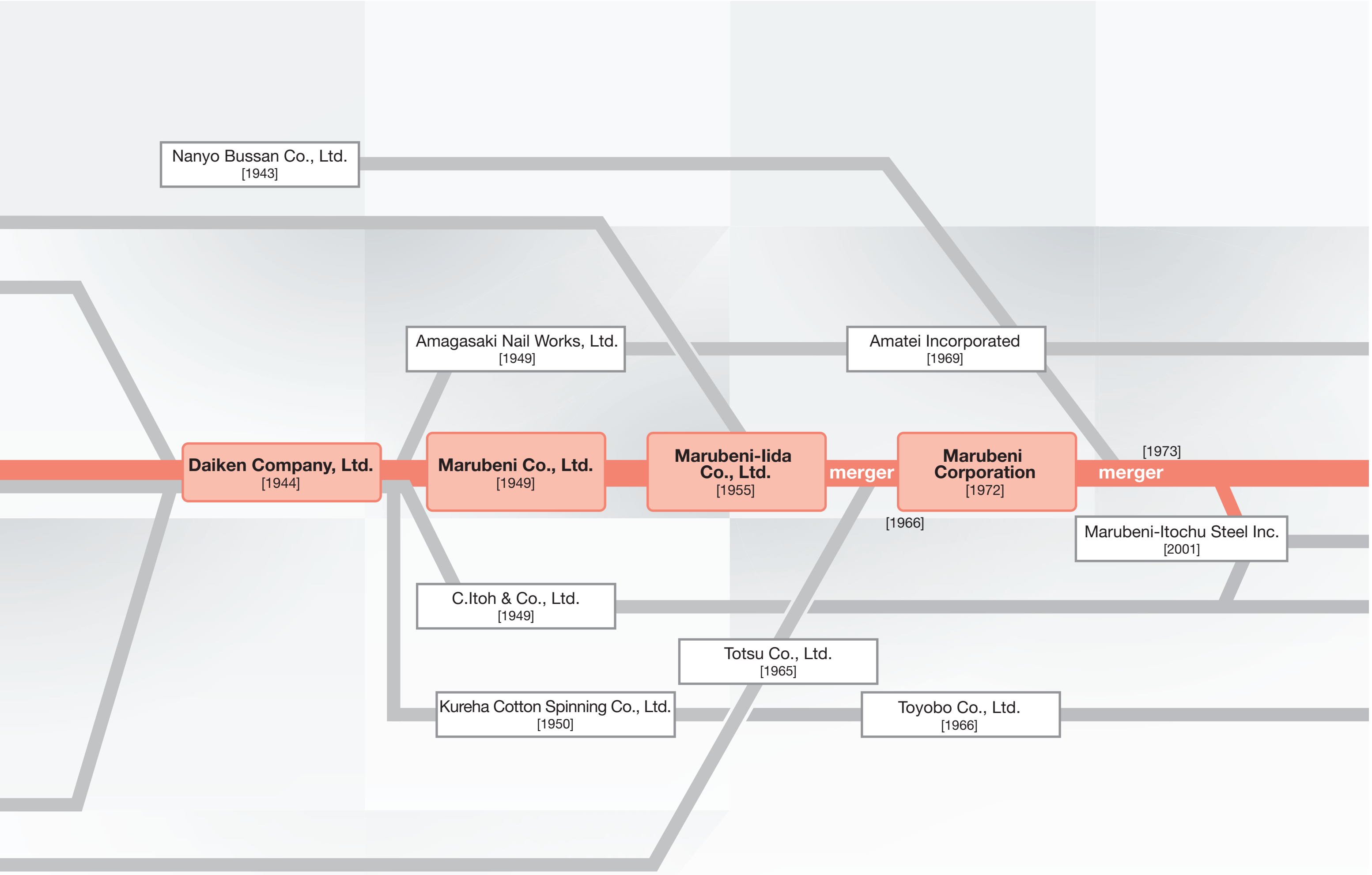
An advertisement for proprietary dyeing method called *Kokonoe* (nine-layer) dyeing

Indian jute arriving at the Port of Dalian in China

Employees at the Cebu Branch, Daido Boeki in 1939

Nissan Datsuns for the U.S. market

Unit No. 1 at Manila Electric Company (Philippines)



Prosperity and Growth 1964 ▸ 1980

1966 Acquired Totsu Co., Ltd.
Received first turnkey contract for sugar plant.

1967 Salt production company Dampier Salt Ltd. was established in Australia.

1969 Joint-venture pulp production company Daishowa-Marubeni International Ltd. was established in Canada.

1972 Changed trading name to Marubeni Corporation.

1973 Merged with Nanyo Bussan Co., Ltd.

1974 Received an order for gas pipelines in Indonesia.
Received approval for establishing Marubeni Foundation, a social welfare corporation.

1976 The Lockheed scandals occurred.
Started information processing services business.

1978 Grain collection, storage, and export company Columbia Grain, Inc., was established in the United States.

A Time of Change 1981 ▸ 1998

1981 Total sales exceeded ¥10 trillion and shareholders' equity exceeded ¥100 billion.

1982 Received an order for large containership from Evergreen Marine Corp. of Taiwan.

1987 Acquired agrochemical sales company Helena Chemical Company in the United States.

1988 Acquired Australian beef cattle rancher Rangers Valley Cattle Station Pty. Ltd.

1994 Started geothermal power generation business at Mahanagdong, Leyte Island, in the Philippines—Marubeni's first electric power supply business.

1997 First shipment from the LNG project in Qatar arrived in Japan.
Acquired interest in Los Pelambres Copper Mine in Chile.

1998 Marubeni Corporate Principles and Marubeni Corporation Code of Conduct were established.

The Spirit of Challenge 1999 ▸ 2013

1999 The Restructuring Plan started.
Started sales of Shanghai townhouses in Sakura Garden.

2001 Medium-term management plan @ction 21 started.
Marubeni-Itochu Steel Inc. was established.
Medium-term management plan @ction 21 was revised and @ction 21 "A" PLAN was announced.
Stock price fell to ¥58 in December.

2003 Medium-term management plan "V" PLAN started.

2006 Medium-term management plan "G" PLAN started.

2008 Achieved record-high consolidated net income for five consecutive years.
Medium-term management plan SG2009 started.

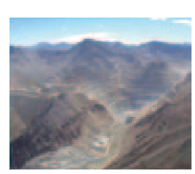
2010 Medium-term management plan SG-12 started.

2013 Medium-term management plan GC2015 started.

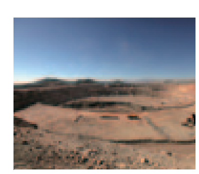

Washer plant owned by Dampier Salt, a salt production company (Australia)


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


LNG Project (Qatar)


Los Pelambres Copper Mine (Chile)


Export terminal of Terlogs Terminal Maritimo Ltda. (Brazil)


Esperanza Copper Mine (Chile)

Adapted from *The History of Marubeni* (published in 2008)

Corporate Management

(As of June 20, 2014)

Chairman of the Board

Teruo Asada

President and CEO, Member of the Board

Fumiya Kokubu

Senior Executive Vice Presidents, Members of the Board

Michihiko Ota
Chief Operating Officer, General Affairs Dept., and Human Resources Dept.; Chairman of Investment and Credit Committee; Chairman of Compensation Consultative Committee

Mitsuru Akiyoshi
CIO; Chief Operating Officer, Information Strategy Dept., Legal Dept., Compliance Control Dept., and Trade Compliance Management Dept.; Advisor to the President for Food Group (Food Materials Div. and Food Products Div.); Senior Operating Officer, Audit Dept.; Chairman of Compliance Committee

Senior Managing Executive Officer, Member of the Board

Shigeru Yamazoe
Advisor to the President for Machinery Group (Transportation Machinery Div., Power Projects & Infrastructure Div., and Plant Div.)

Managing Executive Officers, Members of the Board

Shinji Kawai
Advisor to the President for Metals & Mineral Resources Group (Metals & Mineral Resources Div.-I and Metals & Mineral Resources Div.-II), and Energy & Chemicals Group (Chemicals Div.)

Kazuaki Tanaka
Advisor to the President for Energy & Chemicals Group (Energy Div.-I and Energy Div.-II); Vice Chairman of Investment and Credit Committee

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

Akira Terakawa
Chief Operating Officer, Corporate Planning & Strategy Dept.; Chairman of Internal Control Committee; Vice Chairman of Investment and Credit Committee

Ichiro Takahara
Chief Operating Officer, Global Strategy & Coordination Dept., and Research Institute; Advisor to the President for Lifestyle, Forest Products, ICT & Realty Group (Lifestyle & Forest Products Div. and ICT, Finance & Insurance, Real Estate Business Div.)

Members of the Board

Takao Kitabata

Yukiko Kuroda

Corporate Auditors

Takafumi Sakishima

Masahiro Enoki

Takashi Suetsuna

Yoshizumi Nezu

Kyohei Takahashi

Senior Managing Executive Officer

Kaoru Iwasa
Chief Operating Officer, Transportation Machinery Div.

Managing Executive Officers

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

Keizo Torii
Chairman, Gavilon Agriculture Investment, Inc.

Shoji Kuwayama
Regional CEO for ASEAN; Managing Director, Marubeni ASEAN Pte. Ltd.

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

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

Hikaru Minami
Chief Operating Officer, ICT, Finance & Insurance, Real Estate Business Div.

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

Satoshi Wakabayashi
Chief Operating Officer, Food Materials Div.

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

Executive Officers

Kaoru Kuzume
General Manager, Audit Dept.

Katsuhisa Yabe
General Manager, Nagoya Branch

Yoshiaki Mizumoto
Executive Officer, Gavilon Agriculture Investment, Inc.

Takeo Kobayashi
Chief Operating Officer, Executive Secretariat, and Corporate Communications Dept.; General Manager, Corporate Communications Dept.; Chairman of CSR & Environment Committee

Kazuro Gunji
General Manager, Corporate Accounting Dept.

Hajime Kawamura
Chief Operating Officer, Plant Div.

Kazunori Fujikawa
Chief Operating Officer, Chemicals Div.

Nobuhiro Yabe
General Manager, Corporate Planning & Strategy Dept.

Harumichi Tanabe
Chief Operating Officer, Energy Div.-I

Masakazu Arimune
Chief Operating Officer, Lifestyle & Forest Products Div.

Noriaki Isa
General Manager, Human Resources Dept.

Masashi Hashimoto
General Manager, Osaka Branch

Masataka Kuramoto
Regional CEO for Middle East & Africa

Shinichi Kobayashi
Chief Operating Officer, Metals & Mineral Resources Div.-I

Akihiko Sagara
Senior Operating Officer, Energy Div.-I

Hirohisa Miyata
Chief Operating Officer, Power Projects & Infrastructure Div.

Toshifumi Shikamura
Chief Operating Officer, Energy Div.-II

Koji Yamazaki
Chief Operating Officer, Food Products Div.

Koji Kabumoto
Senior Operating Officer, ICT, Finance & Insurance, Real Estate Business Div.

Toshiaki Ujiie
Senior Operating Officer, Transportation Machinery Div.

Organization

(As of May 26, 2014)

- General Meeting of Shareholders
  - Board of Directors
    - President / Corporate Management Committee
      - Committee of Chief Operating Officers
      - Committee of Executive Officers
  - Corporate Auditors / Board of Corporate Auditors
    - Corporate Auditor Dept.

- Audit Dept.
- Executive Secretariat
- General Affairs Dept.
- Human Resources Dept.
- Corporate Communications Dept.
- Corporate Planning & Strategy Dept.
- Global Strategy & Coordination Dept.
- Information Strategy Dept.
- Corporate Accounting Dept.
- Business Accounting Dept.
- Finance Dept.
- Risk Management Dept.
- Legal Dept.
- Compliance Control Dept.
- Trade Compliance Management Dept.
- Research Institute

- Food Materials Div.
- Food Products Div.
- Chemicals Div.
- Energy Div.-I
- Energy Div.-II
- Metals & Mineral Resources Div.-I
- Metals & Mineral Resources Div.-II
- Transportation Machinery Div.
- Power Projects & Infrastructure Div.
- Plant Div.
- Lifestyle & Forest Products Div.
- ICT, Finance & Insurance, Real Estate Business Div.
- Domestic Branches & Offices
- Overseas Branches & Offices and Overseas Corporate Subsidiaries

Global Network

(As of April 1, 2014)

Overseas Locations (56 Overseas Branches and Offices, 30 Overseas Corporate Subsidiaries with 61 Offices)

North & Central America

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

South America

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

Europe & CIS

Algiers
Almaty
Astana
Athens
Bucharest
Budapest
Casablanca
Düsseldorf
Hamburg
Khabarovsk
Kiev
London
Madrid
Milan
Moscow
Paris
Prague
Risley
St. Petersburg
Tashkent
Vladivostok
Warsaw
Yuzhno-Sakhalinsk

Middle East & Africa

Abu Dhabi
Accra
Addis Ababa
Amman
Ankara
Baghdad
Cairo
Doha
Dubai
Istanbul
Johannesburg
Kuwait City
Lagos
Luanda
Muscat
Nairobi
Riyadh
Tehran
Tripoli

Southwest Asia

Chennai
Chittagong
Dhaka
Goa
Islamabad
Karachi
Kolkata
Lahore
Mumbai
New Delhi

ASEAN

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

China/East Asia

Beijing
Changchun
Chengdu
Dalian
Guangzhou
Hong Kong
Kunming
Nanjing
Qingdao
Seoul
Shanghai
Taipei
Tianjin
Ulan Bator
Wuhan
Xiamen

Oceania

Auckland
Melbourne
Perth
Sydney

Domestic Locations

Sapporo
Sendai
Tokyo
Shizuoka
Nagoya
Osaka
Fukuyama
Hiroshima
Imabari
Fukuoka
Naha

Major Subsidiaries and Associates

(The scope of consolidation of Marubeni Group comprises a total of 453 companies: 303 consolidated subsidiaries and 150 associates accounted for by the equity method as of March 31, 2014. The list is based on data current as of March 31, 2014 with recent data reflected.)

Food Group

Food Materials Division/Food Products Division

		Company Name	Business	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries	Domestic	Benirei	Sale and warehousing of seafood products	Japan	98.76%
		Marubeni Nisshin Feed	Manufacturing and sale of livestock feed	Japan	60.00%
		Nacx Nakamura	Wholesale of frozen foods primarily to mass-retail and convenience stores	Japan	88.83%
		Pacific Grain Terminal	Warehousing, stevedoring, and transportation operations	Japan	78.40%
		Wellfam Foods	Raising, processing, and sale of livestock	Japan	100.00%
		Yamaboshiya	Wholesale of confectionery products to mass-retail and convenience stores	Japan	95.62%
	Overseas	Cia Iguaçu de Café Solúvel	Manufacturing and sale of instant coffee	Brazil	86.38%
		Columbia Grain	Collection, storage, export, and domestic sale of grain produced in North America	U.S.	100.00%
		Gavilon Agriculture Holdings	Investment in Gavilon Agriculture Investment, Inc.	U.S.	100.00%
Associates	Domestic	SFoods	Meat-related wholesale, product, and retail and restaurant businesses	Japan	17.38%
		The Maruetsu	Supermarket	Japan	29.79%
		The Nisshin OilliO Group	Edible oil business, others	Japan	15.72%
		Tobu Store	Supermarket	Japan	31.38%
		Toyo Sugar Refining	Manufacturing and sale of sugar and functional food materials; condominium and building leasing	Japan	39.30%
	Overseas	Acecook Vietnam	Manufacturing and sale of instant noodles and other products	Vietnam	18.30%

Energy & Chemicals Group

Chemicals Division

		Company Name	Business	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries	Domestic	Marubeni Chemix	Sale and foreign trade of organic chemicals and fine chemicals	Japan	100.00%
		Marubeni Plax	Sale and foreign trade of plastic products and resins	Japan	100.00%
	Overseas	Agrovista U.K.	Sales of agrochemicals	U.K.	100.00%
Associates	Domestic	Katakura Chikkarin	Manufacture and sale of fertilizer, sale of livestock feed and materials	Japan	25.56%
		Sun Agro	Manufacture and sale of fertilizer and other products, sale of agrochemicals, golf-related business	Japan	22.78%
	Overseas	CMK Electronics (Wuxi)	Development, manufacture, and sale of printed circuit boards (PCB)	China	20.00%
		Dampier Salt	Production and sale of salt and gypsum	Australia	21.51%
		Shen Hua Chemical Industrial	Production and sale of synthetic rubber (SBR)	China	22.56%

Energy & Chemicals Group

Energy Division-I/Energy Division-II

		Company Name	Business	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries	Domestic	Marubeni Energy	Sale of petroleum products, management and leasing of oil terminals and service stations	Japan	66.60%
	Overseas	Marubeni International Petroleum (Singapore)	Sale of crude oil and all types of petroleum products	Singapore	100.00%
		Marubeni LNG Development	Investment company for participation in LNG project in Peru	Netherlands	100.00%
		Marubeni North Sea	Exploration, development, production, and sale of oil and gas in the North Sea	U.K.	100.00%
		Marubeni Oil & Gas (USA)	Exploration, development, production, and sale of oil and gas in the U.S. Gulf of Mexico	U.S.	100.00%
		MIECO	Sale of all types of petroleum products and natural gas	U.S.	100.00%
Associates	Domestic	ENEOS GLOBE	Import and sale of LPG, and sale of new energy-related equipment	Japan	20.00%
	Overseas	Shenzhen Sino-Benny LPG	Import, storage, production, and sale of LPG	China	30.00%

Metals & Mineral Resources Group

Metals & Mineral Resources Division-I/Metals & Mineral Resources Division-II

		Company Name	Business	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries	Domestic	Marubeni Coal Japan	Investment in operator of Canadian coal mines Marubeni Coal Canada Ltd.	Japan	100.00%
		Marubeni Metals	Sale of non-ferrous and light metals	Japan	100.00%
		Marubeni Tetsugen	Sale of raw materials for steelmaking	Japan	100.00%
	Overseas	Marubeni Aluminium Australia	Refining and sale of aluminum ingots	Australia	100.00%
		Marubeni Coal	Investment in coal production and sale businesses	Australia	100.00%
		Marubeni Los Pelambres Investment	Investment in copper mines in Chile	Netherlands	100.00%
Associates	Domestic	Marubeni Construction Material Lease	Leasing, sale, repair, and processing of steelmaking materials, design, execution, and subcontracting of civil engineering and construction projects	Japan	35.23%
		Marubeni-Itochu Steel	Sale and business management of steel products	Japan	50.00%
	Overseas	Resource Pacific Holdings	Operation and management of Ravensworth Underground coal mine	Australia	22.22%

Machinery Group

Transportation Machinery Division

		Company Name	Business	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries	Domestic	Marubeni Aerospace	Sale, import, export, and leasing of aircraft and related components	Japan	100.00%
		MMSL Japan	Ship management	Japan	100.00%
		Scarlet LNG Transport	Investment, finance, and consulting services for shipping related businesses	Japan	100.00%
	Overseas	Marubeni Auto & Construction Machinery America	Investment in retail sales business of automobiles	U.S.	100.00%
		Marubeni Auto Investment (UK)	Investment in retail sales business of automobiles	U.K.	100.00%
		Marubeni Aviation Holding	Investment in aircraft operating lease business	Netherlands	100.00%
		Marubeni Aviation Services	Investment in engines for civil aircraft	Cayman Islands	100.00%
		Royal Maritime	Ship chartering and trade	Liberia	100.00%
Associates	Overseas	Hitachi Construction Machinery (Australia)	Sales distributor for Hitachi Construction Machinery Co., Ltd.	Australia	20.00%
		MD Aviation Capital	Aircraft operating leases	Singapore	50.00%
		Unipres U.S.A.	Manufacture and sale of pressed components for automobile bodies	U.S.	25.00%

Power Projects & Infrastructure Division

		Company Name	Business	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries	Domestic	Japan Offshore Wind Power	Holding company for the Seajacks International Ltd. in Japan	Japan	100.00%
		Marubeni Power Development	Development and operation of overseas IPP projects	Japan	100.00%
		Marubeni Power Systems	Engineering, procurement, and construction services for overseas power projects	Japan	100.00%
	Overseas	Aguas Décima	Providing full water and wastewater services to the city of Valdivia, region of Los Rios, Chile	Chile	100.00%
		Axia Power Holdings	Overseas power assets holding company	Netherlands	100.00%
Associates	Overseas	Lion Power (2008)	IPP in Singapore	Singapore	42.86%
		Mesaieed Power	IPP in Mesaieed, Qatar	Qatar	30.00%
		PPN Power Generating	IPP in Pillaiperumalnallur, India	India	26.00%
		Southern Cone Water	Holding company of Aguas Nuevas S.A., which provides full water supply and sewerage services in Chile	U.K.	50.00%
		TeaM Energy	Holding company for the Ilijan, Pagbilao, and Sual power plants in the Philippines	Philippines	50.00%
		Uni-Mar Enerji Yatirimlari	IPP in Marmara Ereglisi, Turkey	Turkey	33.33%

Plant Division

		Company Name	Business	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries	Domestic	Marubeni Protechs	Sale of steelmaking and industrial devices, environment-related business and sale of related devices, logistics for factory construction and machinery installation overseas	Japan	100.00%
		Marubeni Techno-Systems	Import, export, and domestic sale of industrial machinery	Japan	100.00%
		Marubeni Tekmatex	Sale of textile machinery and various equipment	Japan	100.00%
	Overseas	Midwest Railcar	Leasing, brokerage, and management of railcars	U.S.	100.00%
Associates	Domestic	Kaji Technology	Manufacture and sale of pressing machines, textile machines, cast products, and industrial machinery	Japan	38.45%
	Overseas	Eastern Sea Laem Chabang Terminal	Container terminal operation	Thailand	25.00%
		Energy Infrastructure Investments	Owning and operating of gas pipelines, power generating facilities, gas processing plants, and interconnectors	Australia	49.90%

		Company Name	Business	Country/Area	Percentage of Voting Rights

Lifestyle, Forest Products, ICT & Realty Group

Lifestyle & Forest Products Division

		Company Name	Business	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries	Domestic	Fukuyama Paper	Manufacture and sale of corrugating medium and core board	Japan	55.00%
		Koa Kogyo	Manufacture and sale of corrugating medium, liner board, and other products	Japan	79.95%
		Marubeni Building Materials	Sale of housing and construction materials	Japan	100.00%
		Marubeni Fashion Link	Planning, production, and sale of textile products	Japan	100.00%
		Marubeni Intex	Sale of industrial materials, lifestyle material-related textile products, and lifestyle goods	Japan	100.00%
		Marubeni Mates	Planning, production, rental, and sale of uniforms, subcontracting of related clerical operations	Japan	100.00%
		Marubeni Pulp & Paper	Sale of all types of paper	Japan	100.00%
	Overseas	Marubeni International Commodities (Singapore)	Sale of natural rubber and related products	Singapore	100.00%
		Marubeni Textile Asia Pacific	Purchase agent of textile products for Japan and other countries	Hong Kong	100.00%
		Tanjungenim Lestari Pulp and Paper	Production and sale of Acacia-based wood pulp	Indonesia	100.00%
Associates	Domestic	Fabricant	Manufacture and sale of Lacoste-brand apparel and other related products	Japan	33.36%
		Marusumi Paper	Manufacture and sale of paper	Japan	32.16%
	Overseas	Daishowa-Marubeni International	Manufacture and sale of pulp	Canada	50.00%
		Paperbox Holdings	Holding company for containerboard operations in Malaysia	Virgin Islands	25.00%

ICT, Finance & Insurance, Real Estate Business Division

		Company Name	Business	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries	Domestic	Japan REIT Advisors	Utilization of investee assets	Japan	95.00%
		Marubeni Information Systems	Introduction, development, and customization of advanced technologies, sale and rental of computer systems, software, and hardware, and data center services	Japan	100.00%
		Marubeni IT Solutions	Planning, development, and sale of information and communications services	Japan	80.00%
		Marubeni Logistics	General international logistics	Japan	100.00%
		Marubeni Real Estate Sales	Real estate sales	Japan	100.00%
		Marubeni Safenet	Insurance agency and lending business	Japan	100.00%
		Marubeni Telecom	Broadband service agency, sales and maintenance of telecommunications equipment and private branch exchange systems	Japan	100.00%
		MX Mobiling	Sale, repair, and maintenance of mobile handsets and related equipment, provision of business-use mobile terminals and related solutions	Japan	100.00%
	Overseas	Shanghai House Property Development	Housing development in Shanghai, China	China	60.00%
Associates	Domestic	ARTERIA Networks	Telecommunications operations, data transmission services, data center operations, and telecommunications equipment installation in accordance with the Telecommunications Business Law	Japan	49.00%
		MG Leasing	General leasing	Japan	45.00%
		Mitsubishi Jisho Marubeni Residence Services	Real estate management	Japan	28.50%
	Overseas	Shanghai Jiaoyun Rihong International Logistics	Freight transport	China	34.00%

Overseas

Overseas Corporate Subsidiaries and Branches

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

Others

		Company Name	Business	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries	Domestic	Marubeni Financial Service	Loan and zero-balance transactions, provision of finance-related support and consulting for the Marubeni Group	Japan	100.00%
		Marubeni Real Estate	Development, leasing, and management of real estate	Japan	100.00%
	Overseas	Marubeni Finance America	Group finance	U.S.	100.00%
		Marubeni Finance Europe	Group finance	U.K.	100.00%
Associates	Domestic	Koshigaya Community Plaza	Commercial facility rental	Japan	42.86%
		TIPNESS	Operation of membership-based sports clubs	Japan	28.57%

Independent Assurance Report

To the President and CEO of Marubeni Corporation

We were engaged by Marubeni Corporation (the "Company") to undertake a limited assurance engagement of the social performance indicators listed below for the period from April 1, 2013 to March 31, 2014 (the "Indicators") disclosed in its Annual Report 2014 (the "Report") for the fiscal year ended March 31, 2014.

- Number of employees at the Company and its consolidated subsidiaries
- Number of employees, Number of employees at domestic sites, Number of employees at overseas sites, Percentage of male and female employees, Average age of employees, Average years of service, Number of management level employees, Number of employees at the level of general managers or above, at the Company
- Employment rate of persons with disabilities at the Company and Marubeni Office Support Corporation
- Acquisition rate of paid annual leave, Number of employees who took maternity leave, Number of male employees who took maternity leave, Number of employees who took nursing care leave, Number of employees who took volunteer leave, at the Company

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board, and the 'Practical Guidelines for the Assurance of Sustainability Information' of the Japanese Association of Assurance Organizations for Sustainability Information. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing with the Company's responsible personnel to obtain an understanding of its policy for the preparation of the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical reviews of the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and also recalculating the Indicators.
- Evaluating the overall statement in which the Indicators are expressed.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustainability Co., Ltd.

KPMG AZSA Sustainability Co., Ltd.
Tokyo, Japan
May 26, 2014

LRQA Assurance Statement

Relating to Marubeni Corporation's environmental indicators within the Annual Report 2014 for the fiscal year 2013

This Assurance Statement has been prepared for Marubeni Corporation in accordance with our contract but is intended for the readers of this Report.

Terms of Engagement

Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by Marubeni Corporation (MARUBENI) to provide independent assurance on its environmental indicators within its Annual Report 2014 for the fiscal year 2013, that is, 01 April 2013 to 31 March 2014 ("the Report") to a limited level of assurance using LRQA's verification procedure and ISO 14064–3:2006 Specification with guidance for validation and verification of greenhouse gas assertions. LRQA's verification procedure is based on current best practice and uses the principles of AA1000AS (2008) - Inclusivity, Materiality, Responsiveness and Reliability of performance data and processes defined in ISAE3000.

Our assurance engagement covered MARUBENI's operations and activities at the six main offices[1] in Japan and specifically the following requirements:

- Confirming that the Report is in accordance with MARUBENI's in-house reporting procedures, and
- Evaluating the accuracy and reliability of the selected environmental indicators within the Report. The environmental indicators are defined as:
  - Electricity consumption and its associated CO_2 emissions
  - City gas consumption and its associated CO_2 emissions
  - Steam consumption and its associated CO_2 emissions
  - Fuel consumption and its associated CO_2 emissions
  - Amount of generated wastes and the amount recycled from each waste stream[2]
  - Water consumption[3]
  - Paper consumption, and
  - Green product procurement rate.

Note 1: The six main offices include the head office in Tokyo, and office branches in Hokkaido, Shizuoka, Nagoya, Osaka and Kyushu.
Note 2: General waste data was not available and excluded for office branches in Osaka, Nagoya, Kyushu and Hokkaido.
Note 3: Water consumption data was not available and excluded for office branches in Nagoya, Kyushu and Shizuoka.

Our assurance engagement excluded all operations and activities of MARUBENI and its associated companies, other than those specified above in Note 1, CO_2 emissions from transportation activities and mobile sources, and the data and information of its suppliers, contractors and any third-parties mentioned in the Annual Report 2014.

LRQA's responsibility is only to MARUBENI. LRQA disclaims any liability or responsibility to others as explained in the end footnote. MARUBENI's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the Report has been approved by, and remains the responsibility of MARUBENI.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that MARUBENI has not:

- Met the requirements above, and
- Disclosed accurate and reliable environmental indicators.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites.

LRQA's Approach

LRQA's assurance engagements are carried out in accordance with LRQA's verification procedure and ISO 14064-3 for greenhouse gas data. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing MARUBENI's approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this through reviewing MARUBENI's stakeholder engagement processes and Annual Report 2013.
- Reviewing MARUBENI's process for identifying and determining material issues to confirm that the right environmental issues were included in their Report. We did this by benchmarking reports written by MARUBENI

- Auditing MARUBENI's data management systems to confirm that there were no significant errors, omissions or mis-statements in the Report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the Report.
- Visiting the Tokyo head office to confirm the data collection processes, record management practices, and to physically check its electricity and gas meters, steam utilizing and monitoring facilities, emergency power generator equipment and fuel oil tank.

Observations

Further observations and findings, made during the assurance engagement, are:

- Stakeholder inclusivity:
  We are not aware of any key stakeholder groups that have been excluded from MARUBENI's stakeholder engagement process.
- Materiality:
  We are not aware of any material issues concerning MARUBENI's environmental indicators that have been excluded from the Report.
- Responsiveness:
  MARUBENI has processes and systems for disclosing its environmental indicators in its Annual Report and corporate website. However, we believe that MARUBENI should consider widening the scope for disclosure and report on its environmental indicators of interest to overseas stakeholders, not just to local ones.
- Reliability:
  MARUBENI has established a well-defined and centralised system to collect and calculate its environmental indicators. MARUBENI also carries out an internal data verification process at the head office to ensure the accuracy of the reported data.

LRQA's Competence and Independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

LRQA is MARUBENI's certification body for ISO 14001 and verifier for the Tokyo Metropolitan Government's Emission Trading Scheme. The verification and certification assessments are the only work undertaken by LRQA for MARUBENI and as such do not compromise our independence or impartiality.

Signed Dated: 14 May 2014

Michiaki Chiba
LRQA Lead Verifier
On behalf of Lloyd's Register Quality Assurance Limited
Queen's Tower A, 10th Floor, 2-3-1, Minatomirai, Nishi-ku, Yokohama 220-6010, Japan

LRQA reference: YKA4004766

Further Information About Marubeni

Through our corporate website and various reports, we provide a wide range of information about our activities and business results, as well as messages from management and feature articles about the latest developments on our frontlines. We hope that you will find this information useful.

Each year Marubeni publishes a CSR Report. This year, we have again integrated it with our Annual Report, and provided more detailed information on our corporate website. The website includes information on our social contribution activities, case studies of our efforts to protect the earth's environment, a report on our supply chain CSR audit, and more.

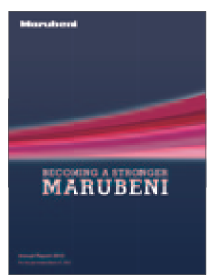
Corporate Website

The website offers a variety of information, company data, and an overview of the Company's businesses. The website can be viewed in Japanese, English, and Chinese. The Annual Report and various other reports can also be downloaded from the website.

http://www.marubeni.com

Annual Report

The Annual Report is published each year in English and Japanese. From the year ended March 31, 2013, we have integrated our Annual Report, which focuses on financial data and progress of our medium-term management plan, and our CSR Report, which explains our fundamental approach to CSR activities, and examples of our initiatives. The report contains a balance of financial and non-financial information, through which we aim to explain Marubeni's business strategies and business trends in a way that is even easier to understand, and to showcase hardworking Group employees on the frontline.



Annual Report 2012

Annual Report 2013

Annual Report 2014

Shareholders' Report

A Japanese version of this report is sent to all shareholders semi-annually. The report includes a message from the President and CEO, consolidated financial information, and the Company's businesses.

Winter 2013
Shareholders' Report

Summer 2014
Shareholders' Report

Corporate Data

(As of March 31, 2014, except * as of April 1, 2014)

Company Name
Marubeni Corporation

Securities Code
8002

Head Office
4-2, Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-8088, Japan
Tel: 81-3-3282-2111
E-mail: TOKB191@marubeni.com

Number of Domestic Branches and Offices*
10

Number of Overseas Branches and Offices and Overseas Corporate Subsidiaries*
56 overseas branches and offices, 30 overseas corporate subsidiaries with 61 offices for a total of 117 offices in 64 countries/areas

Founded
May 1858

Incorporated
December 1, 1949

Paid-in Capital
¥262,685,964,870

Number of Employees
4,289

(Excluding 396 local employees of overseas branches and offices and 1,461 local employees of overseas corporate subsidiaries)

Corporate Website
http://www.marubeni.com

(IR page)
http://www.marubeni.com/ir

(CSR/Environment page)
http://www.marubeni.com/csr

Business Year
April 1 to March 31 of the following year.

Regular General Meeting of Shareholders
June of each year

Stock Information

(As of March 31, 2014)

Number of Shares Issued and Outstanding

1,737,940,900

Number of Shares Authorized

4,300,000,000

Stock Listings

Tokyo, Nagoya

Number of Shareholders

143,517

Share Unit

100 shares*

* The share unit number was changed effective August 1, 2014.

Record Date for Year-end Dividend

March 31 of each year

Record Date for Interim Dividend

September 30 of each year

Transfer Agent of Common Stock

Mizuho Trust & Banking Co., Ltd.

Long-term Credit Rating

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

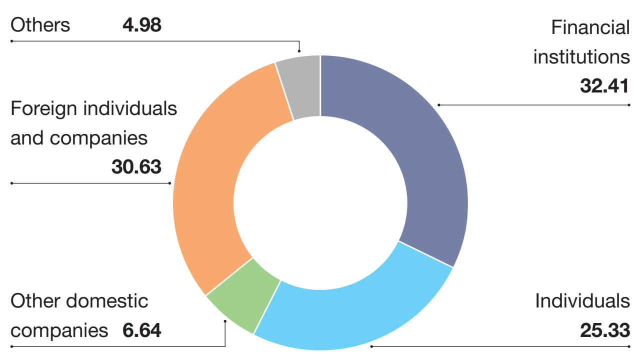
* Rating raised to A on May 30, 2014

Major Shareholders

Name	Number of Shares Held (Thousands)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	73,239	4.21
Japan Trustee Services Bank, Ltd. (Trust Account)	65,290	3.76
Sompo Japan Insurance Inc.	47,694	2.74
Meiji Yasuda Life Insurance Company	41,818	2.41
JP Morgan Chase Bank 380072	38,057	2.19
Mizuho Bank, Ltd.	30,000	1.73
Tokio Marine and Nichido Fire Insurance Co., Ltd	29,916	1.72
Barclays Securities Japan Limited	25,000	1.44
Nippon Life Insurance Company	24,700	1.42
The Dai-ichi Life Insurance Company, Limited	24,475	1.41

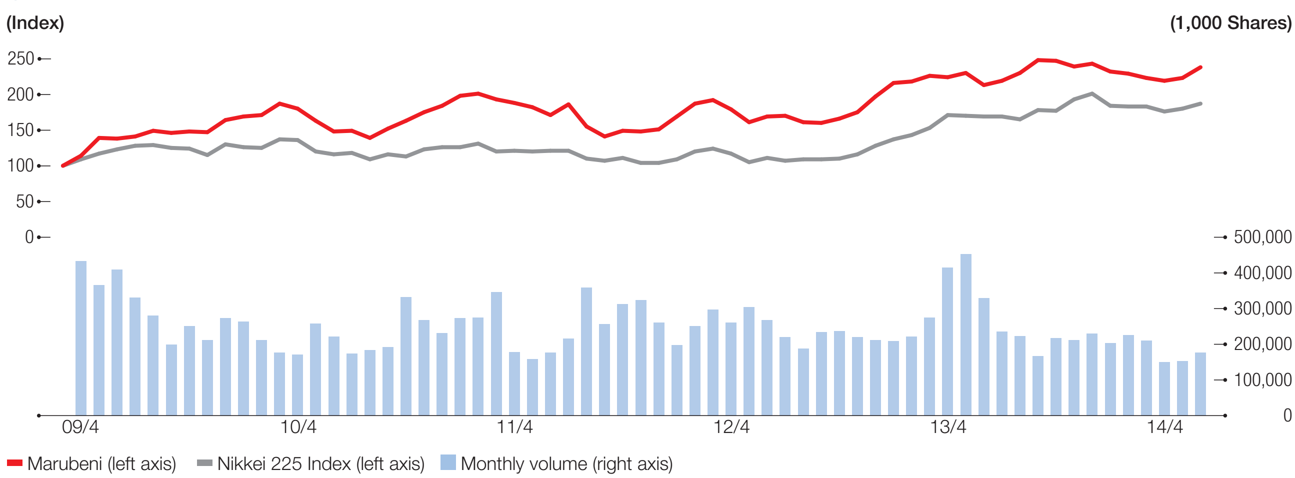
Note: The number of shares held is rounded down to the nearest thousand.
Shareholding ratio is rounded down to the nearest two decimal points.

Distribution of Shares by Type of Shareholder (%)



Note: The sum of each ratio may not be 100%, because each ratio has been rounded down.

Stock Price



Note: Data for April 1, 2009, is indexed to 100.

http://www.marubeni.com

VEGETABLE OIL INK

Printed in Japan