
Summary of Consolidated Financial Results

For FY2005

(April 1, 2005 - March 31, 2006)

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

The original in Japanese should be considered the primary version.

Disclaimer Regarding Forward-Looking Statements

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

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

Marubeni
CORPORATION

(TSE Code: 8002)

Summary of Consolidated Financial Statements for FY2005 (US GAAP basis)Company name : Marubeni Corporation (URL <http://www.marubeni.com>)

Code Number : 8002

Listed : Tokyo, Osaka, Nagoya

Head Office : Tokyo

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Corporate Communications Dept.

Adoption of US GAAP : YES

1. Consolidated financial results for FY2005 (April 1, 2005 - March 31, 2006)**(1) Consolidated business results**

	Total volume of trading transactions		Operating profit		Income before income taxes & equity in earnings	
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
FY2005	8,686,532	9.5	143,248	65.7	101,453	64.7
FY2004	7,936,348	0.4	86,461	8.9	61,590	2.4

	Net income		Earnings per Share	Diluted EPS	Net Income/ Shareholders' Equity	Income before taxes & equity in earnings/ total assets	Income before taxes & equity in earnings/ total volume of trading transactions
	(millions of yen)	(%)					
FY2005	73,801	78.9	48.34	40.46	13.3	2.3	1.2
FY2004	41,247	19.3	26.61	22.31	9.9	1.5	0.8

(Note) [1] Equity in earnings-net FY2005 29,747million yen FY2004 20,672million yen

[2] Average number of outstanding shares for the term (Consolidated basis) FY2005 (Common Stock) 1,495,360,142 Class I preferred shares 75,500,000
FY2004 (Common Stock) 1,493,231,438 Class I preferred shares 75,500,000

[3] Any changes of accounting method? No

[4] The ratio of Total volume of trading transactions, operating profit, Income before income taxes and equity in earnings, and Net income represents the changes from the previous same period.

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

[6] In accordance with SFAS No.144 "Accounting for the Impairment or Disposal of Long-Lived Assets", some of the figures for FY2004 have been reclassified, in relation to operations discontinued during FY2005.

[7] Income before income taxes and equity in earnings represents the one from continuing operations.

(2) Consolidated financial conditions

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' equity per share
	(millions of yen)	(millions of yen)	(%)	(yen)
March 31, 2006	4,587,072	663,787	14.5	365.14
March 31, 2005	4,208,037	443,152	10.5	245.27

(Note) Number of outstanding shares as of end of the term FY2005 (Common Stock) 1,607,218,514 Class I preferred shares 75,500,000
FY2004 (Common Stock) 1,493,166,616 Class I preferred shares 75,500,000**(3) Consolidated cash flow**

	Cash flow from operation activity	Cash flow from investing activity	Cash flow from financing activity	Cash and cash equivalents at the end of the term
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)
March 31, 2006	133,408	-193,781	-46,037	368,936
March 31, 2005	173,824	46,043	-238,057	459,194

(4) Number of consolidated subsidiaries and affiliated companies accounted for by equity method

Subsidiaries 388 Affiliated Company 167

(5) Increase/decrease of consolidated subsidiaries and affiliated companies accounted for by equity method

Subsidiaries (Newly included) 45 (Excluded) 26 Affiliated Company (Newly included) 27 (Excluded) 16

2. Forecast of consolidated financial results for FY2006(April 1,2006-March 31,2007)

(millions of yen)

	Total volume of trading transactions	Net income
For the year ending March 31,2007	9,300,000	100,000

(Reference)Forecasted EPS for the year ending March 31,2007 61.28 (yen)

(Note)The above forecast is based upon available information and assumptions, as of the announcement date,about uncertain factors which would influence upon future businesses.

Actual results might be influenced by various factors in the future.

Assumption of the above forecast are mentioned in page24 .

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For reference:

Formulas for FY2005 consolidated earnings indicators

- Basic Earning Per Share
$$\frac{\text{Net income} - \text{FY2005 corresponding amount of dividends for preferred shares resulting from appropriation of profits}}{\text{Average number of shares of common stock for the term *1}}$$
- Diluted EPS
$$\frac{\text{Net income} - \text{FY2005 corresponding amount of dividends for preferred shares resulting from appropriation of profits} + \text{adjusted net income *2}}{\text{Average number of shares of common stock for the term *1} + \text{Number of latent shares}}$$
- Shareholders' Equity per share
$$\frac{\text{Term-end shareholders' equity} - \text{sum of capital and additional paid-in capital relating to preferred shares} - \text{FY2005 corresponding amount of dividends for preferred shares resulting from appropriation of profits}}{\text{Number of shares of common stock outstanding at term-end *1}}$$

Formulas for FY2006 earnings forecast indicators

- Forecasted EPS
$$\frac{\text{Forecasted net income} - \text{forecasted total preferred share dividends}}{\text{Number of shares of common stock outstanding at term-end *1}}$$
- *1) Excluding treasury stock and shares held by the subsidiaries and the affiliated companies
- *2) Amount of interest paid during the term in relation to convertible bonds less assumed amount of equivalent tax imposed on that amount + FY2005 corresponding amount of dividends for preferred shares resulting from appropriation of profits

Marubeni Corporation

Business Group

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

The Company breaks its operating segments into 12 segments identified by product and service, in addition to its domestic branches and offices, and overseas corporate subsidiaries and branches.

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

Effective April 1, 2005, the segments of Transportation & Industrial machinery, Utility & Infrastructure, Plant & Ship and Telecom & Information have been reorganized as Transportation machinery, Industrial machinery & Information business, and Plant, Power & Infrastructure. Furthermore, Iron & Steel products, which was formerly included in Corporate & Elimination, has been indicated as an independent operating segment from FY2005

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

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

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

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

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

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

Forest products and general merchandise: Besides selling rubber products, footwear and housing materials, the group operates leisure facilities, manufactures and sells raw materials for paper production, paper and cardboard, and takes part in afforestation projects both domestically and internationally.

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

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

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

Subsidiaries: Marubeni Plax Corporation, Marubeni Chemix Corporation

Affiliated companies: Dampier Salt Limited, CMK Electronics (WUXI),
Shanghai Asahi Electronic Glass Co., Ltd.

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

Subsidiaries: Marubeni Energy Corporation, Marubeni Liquefied Gas Corporation

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

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

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

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

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

Transportation Machinery: This group focuses on domestic and international trade (export import, wholesale, and retail) in aerospace and defense systems, automotive, construction agricultural machinery, and sea transport vessels and other transportation related machinery; and related services such as loans and investments, trade finance, leasing and overseas business support services

Subsidiaries: Marubeni Aerospace Corporation, Koyo Line Ltd.,

Marubeni Auto & Construction Machinery America, Inc.

Royal Maritime Corporation

Affiliated companies: Kubota Europe S.A.

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Industrial Machinery & Information Business: This group focuses on domestic and overseas export/import and domestic sales of production equipment, environmental and industrial equipment, textile machinery, personal computers and related products. The division also operates IT related businesses including IP network infrastructure businesses, overseas communication plant, national ID related business, cell phone related businesses, cable TV, BS/CS and other broadcasting businesses, IC tag/RFID business, and ASP/ISP businesses.

Subsidiaries: Marubeni Telecom Co., Ltd. (*1),
Marubeni Information Systems Co., Ltd.,
Marubeni Tekmatex Corporation, Marubeni Solutions Corporation,
Marubeni Techno-Systems Corporation, Global Access Ltd.

Affiliated companies: Marubeni Infotec Corporation

Plant, Power & Infrastructure Projects: This group deals with origination and management of projects related to power plants, water and wastewater projects in domestic and overseas markets; delivery and subcontracting of construction works related to infrastructure development such as power plant, railway/airport, potable water treatment and wastewater treatment. Also included in the division are oil, gas, chemical and metal resource development, environmental, steel production and other industrial plant-related equipment trading and total coordination activities, including project development, implementation and administration.

Subsidiaries: Marubeni Power Systems Corporation,
Marubeni Power Development Corporation,
Marubeni Protechs Corporation,
Axia Power Holdings, San Roque Power

Affiliated companies: Kaji Technology Corporation, Uni-Mar Enerji Yatirimlari A.S.

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

Subsidiaries: Marubeni Real Estate Co., Ltd., Marubeni Real Estate Sales Co., Ltd.,
Benny Estate Service Co., Ltd.
Shanghai House Property Development

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

Finance and logistics business: Both domestically and internationally, this group is involved in various financial businesses such as investment finance - fund management and fund investment - and financial product trading, while in the logistics area, it operates forwarding business and logistics related

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consultation, and invests in logistics infrastructure. In the insurance area, it operates insurance intermediary business.

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

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

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

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

Domestic branches and offices: Domestic branches and offices are located throughout Japan, and handle various merchandise and carry out related activities.

Subsidiaries: IMT Corporation

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

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

Subsidiaries: Helena Chemical Company,
Carlisle Leasing International LLC

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

Subsidiaries: Marubeni Finance Corporation
Marubeni Management Resources Corp.

(*1) Domestic listed subsidiaries:

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

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Management Policy

1. Fundamental Management Policy

Marubeni has been promoting its three-year medium term management plan called the “V”PLAN since fiscal 2003. Through a strengthening of portfolio management and an emphasis on thorough risk-return management, the Company has worked to strengthen its earnings base and improve its financial position in order to achieve the stated targets for fiscal 2005 of consolidated net income of ¥50 billion, consolidated net interest-bearing debt of under ¥2 trillion, and a net debt/equity ratio of less than 5.0x. As discussed in the following section (2) “Progress in the “V” PLAN Medium Term Management Plan”, all of the numerical targets as originally outlined in the Plan have been achieved in the fiscal year under review which represents the final year of the “V” PLAN.

Based on the recognition that Marubeni’s corporate activities are interlinked with the interests of various stakeholders in terms of economic, environmental and social impact they may have, the Company seeks to secure stable and sustainable corporate base by endeavoring to serve the interest of its customers including business partners, shareholders, employees and local communities and thereby gaining their trust as well as by implementing environment conscious management.

Qualitatively, by continuing to promote corporate governance, strengthening CSR and (further) enhancing its internal controls as well as strengthening its compliance system, Marubeni is working to ensure management transparency and maximize corporate value.

For fiscal year under review, the Company sought to raise the level of Corporate Social Responsibility (CSR) awareness among employees and directors by conducting e-learning training sessions regarding the environment and compliance. In addition, an additional contribution of over ¥300 million was provided to the Marubeni Foundation, which has provided ¥100 million a year in funding support for social welfare organizations continuously for past 31 years. In terms of internal controls, two outside directors were elected in the fiscal year in order to strengthen corporate governance, and the Group has been focusing on “ensuring the credibility of financial reporting” since the previous fiscal year, and a two-year preparatory period for documentation of operations and evaluation was completed.

2. Progress in the “V”PLAN” Medium-Term Management Plan

Firstly, in addition to consolidated net income for the period under review reaching ¥73.8 billion in recording the third consecutive year of historical highs and greatly exceeding Plan targets, net interest-bearing debt at the end of the period was ¥1,876.4billion reflecting new investment in priority

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fields on the one hand and a further asset replacement on the other, and the target of “under ¥2 trillion” was maintained while earnings power was expanded. As a result of the expanded shareholders’ equity due to the build-up of consolidated net income and a conversion of convertible bonds into shares and other factors amidst declining consolidated net interest-bearing debt, the debt/equity ratio at the end of the period improved to 2.83x and was significantly above the Plan’s target.

3. “G’ PLAN” New Medium-Term Management Plan

As previously explained, all of the numerical targets of the “V”PLAN were significantly exceeded. Going forward, following the establishment of a “solid footing” in both earning base and financial structure through the achievement of the Plan, the Group will implement a new two-year medium-term management plan called “G” PLAN(※) in order to further accelerate breakthrough growth.

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

While maintaining a balance between “offense” and “defense” and executing CSR-focused management, the Group will be working to selectively apply management resources in priority fields (through new investment of ¥500~600 billion over two years), to continue thoroughly implementing portfolio management, to strengthen risk management, to promote human resource utilization and education, to enhance CSR and internal controls, and to leverage overall strengths through lateral collaboration (collaboration between divisions, etc.). The quantitative targets are to limit risk assets to within the size of shareholders’ equity, achieve two-year consolidated net income of ¥220 billion, a risk-return of over 10%, a ROA of over 2%, a net debt/equity ratio of 2.0~3.0x, and total assets of approximately ¥5 trillion. By implementing these measures, the Group will aim to become

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

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

4. Business Performance by Operating Segment

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

● Agri-Marine Products

The division is being strengthened throughout the value chain, from upstream, midstream and downstream. Upstream, as a measure to ensure producer supply, a general agreement on trading of soybeans and other grains has been signed with the international grain trader Agrenco Group and Marubeni has invested in port services company Terlogs Terminal Maritimo Ltda, (Brazil) which is a member of the Agrenco Group to expand producer supply of high quality grain. Mid-stream, the Company has initiated a capital tie-up and business agreement with Hasegawa & Co., Ltd., the sixth-ranked confectionary wholesaler, in order to strengthen Marubeni’s confectionary distribution base. Downstream, the Company is participating in Daiei Inc. as a business sponsor and is making a firm-wide effort to revitalize the company.

● Textiles

Domestically, a base was established in Fukui for the first time in five years, where value-added apparel and non-apparel products are being developed in this producing area for consumer markets such as Tokyo. Overseas, Marubeni entered the domestic apparel sales business in China through a joint venture that was established with local apparel company Shanghai Morishima Textile Co., Ltd. in Shanghai. In addition, a joint venture with the Qingdao Jifa Group Co., Ltd. was formed in Shandong for knitted cloth and product production, and through the establishment of a production base for knitted underwear, the Company will be promoting further expansion in exports to Japan.

● Forest Products & General Merchandise

In the pulp and paper sector, the transfer of high basic material costs to product prices is finally emerging, as domestic paper manufacturers have successively announced price hikes in paper for printing and IT use, and pulp and chip prices are also on the rise. Production at the Musi Pulp Project that was acquired last October trended favorably. In addition, a fitness machine sales company was acquired in order to strengthen the nursing-care and prevention sector, where high growth is expected. Tire sales were also firm supported by increasing global demand.

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●Chemicals

In the petroleum products business, olefin and synthetic fiber raw materials saw increasing revenues as their selling prices rose reflecting the rise in raw material naphtha prices that remained high throughout the year. While the vinyl chloride business was affected by increased production in China, demand remained firm, and the business as a whole was buoyant. Electronic materials related revenues increased on expanded transactions with the Beijing Orient Electronics Group, an IT major in China in which Marubeni has an investment, and generally favorable electronic materials transactions.

●Energy

Energy development businesses such as the oil and gas production businesses and the LNG projects in the U.K., U.S., India and Qatar continued to show strength. Moreover, Marubeni is working to further expand its revenue base in this area through new projects such as additional oil and gas concessions acquired in the Gulf of Mexico in the U.S. and participation in an LNG project in Equatorial Guinea. Oil trading operations based in Japan and the U.S. and the LPG import and sales business in China also saw good growth.

●Metals & Mineral Resources

Given the historically high price rises in natural resources, revenues improved. In particular, the Los Pelambres copper mine in Chile is operating at full capacity and production continued to increase at Hail Creek coal mine in Australia, while the completion of a capacity expansion at the Aluminerie Alouette aluminum smelter in Canada made a significant contribution. In the electronic materials field, the joint venture established in Shenzhen China with Toyo Kohan Co., Ltd. and Shenzhen Kaifa Magnetic Recording Co., Ltd. for the production of glass substrates for hard disk drives began full-scale mass production from November of last year.

●Transportation Machinery

In the aircraft sector, Marubeni delivered its first European-made large helicopter to the Defense Ministry, and investment in large aircraft engines continued to expand favorably. In automobiles, the number of units handled in Europe and the U.S. expanded to 87,000, while strong exports of large construction equipment to mainly the Middle East and Asia regions were recorded in the construction equipment sector. In addition, Marubeni acquired an automobile distributor, and invested in a construction equipment sales/finance company as well as an agricultural equipment sales company. In the shipping area, sales were firm with 40 ships sold and contracts concluded for 50 more.

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●Industrial Machinery & Information Business

Orders for industrial machinery were favorable supported by demand for biomass boiler generating equipment for domestic paper manufacturers, textile machines for export to China and Asia, and precision machine tools for the U.S. In information technology, Marubeni made its first sales of UHF frequency IC tag systems to Yodobashi Camera Co., Ltd. which is the first major domestic retailer to introduce it, and received an order for backup fingerprint identification system and radio communication equipment for overseas. The Vectant Group subsidiary also became profitable for the year under review.

●Plant, Power & Infrastructure Projects

In the overseas power generation field, Marubeni won a concession to develop a cogeneration and desalination plant on a BOT basis to supply water, steam and power for a 25 year period from Sumitomo Chemical Co., Ltd. and the Saudi Arabian Oil Company for one of the world's largest integrated oil refining and petrochemical complex. In the infrastructure sector, orders were received for a monorail project from Dubai and an airport railway project from Taiwan, and efforts were made to strengthen the water business with an agreement to acquire Berlinwasser International AG of Germany. In the plant area, orders were received for a pipeline from Indonesia and a cement plant from Saudi Arabia, while a large scale emission rights business is being pursued through a Freon recovery and decomposition project in China.

●Development & Construction

In the domestic condominium sector, sales of city type tower condominiums such as “Grand Suite Nihonbashi Ningyocho” and “Grand Suite Yoyogi” in central Tokyo, as well “The Umeda Tower” and “Renaissa Namba Tower” condominiums in the Kinki region were strong. Overseas, marketing of single units began for “Quilin Garden”, which is the third phase of a single unit housing development for Chinese in Shanghai city. In addition, income from real estate transactions with J-REITs and real estate funds continued to contribute to revenues.

●Finance & Logistics Business

In the finance area, Marubeni was able to exit from several corporate investments with MBI funds and synergy funds. In addition, the Company invested in Kanebo Ltd. through an MBI fund in an effort to improve corporate value. In the logistics field, a joint venture distribution company was established with Isewan Terminal Service Co.,Ltd in Guangzhou China and preparations to begin marketing are underway. In the insurance area, the Company and Marubeni Safenet Co., Ltd. worked to expand its marketing base through among others the acquisition of insurance sales rights to Tokyo Stock Exchange first section listed company groups

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●Iron & Steel Strategies and Coordination

In steel products while market inventories and steel product prices began to consolidate from the spring of 2005 onward, global demand for steel products was still strong, and the market began to stabilize from the second half of the fiscal year under review. Marubeni-Itochu Steel, Inc. recorded good results supported by active business development efforts, mainly in the domestic Japanese, China, Southeast Asia and U.S. markets.

●Business Incubation ※Note

Marubeni is promoting new businesses and business opportunities across many areas including bio and new technologies through investments in and tie-ups with many domestic and foreign companies, including start-up ventures.

In the emissions rights business, Marubeni has established, through collaboration with the respective marketing divisions, the number one position in the volume of emission rights handled among trading companies at a total volume of 10 million tons.

●Domestic Regional Offices and Branches

The Nagoya regional office saw favorable sales of machinery and condominiums, while the Hokkaido regional office saw growth in sales of residential property and raw concrete and the Shizuoka regional office saw growth in chemical product transactions. In order to improve profitability, each domestic branch is promoting tie-ups with the Group's subsidiaries and is working to expand transactions with major regional companies.

●Overseas Subsidiaries and Branches

Among our U.S. subsidiaries, the Helena Chemical Company (which sells agrichemicals and fertilizers) saw expanding revenues, while foodstuff and chemical product transactions were favorable. In addition, the Singapore, Thailand and Hong Kong/South China companies and other major Asian local companies as well as the Australian company recorded growth in transactions of chemical products and metal resources, and business performance as a whole was favorable.

※Note: Included in "corporate and other" for the purpose of operating segment classification in page 2 and 3 of this report.

5. Philosophy and Policy Regarding a Lowering of the Minimum Stock Trading Unit

While Marubeni is aware that a lowering of the minimum stock trading unit will promote further

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Management Policy

investor participation in the market, raise liquidity for the stock and is an effective means of achieving more appropriate stock price formation, the Company currently believes that its stock is sufficiently liquid. It will however continue to comprehensively study the issue from the perspective of market demands, stock price level and the cost of lowering the minimum stock trading unit.

6. Basic Policy Regarding Earnings Appropriation

Marubeni recognizes that its important corporate responsibilities lie in paying stable dividends to shareholders in a consistent manner as well as maximizing corporate value and competitiveness by building up and effectively utilizing internal reserves. With regard to dividends, the Company's basic policy is to determine dividend payments by comprehensively taking account of business performance, dividend payout and internal reserve requirements while ensuring a solid and sustainable management base.

For the fiscal year under review, which was the final year of the three-year medium term management plan, 'V' PLAN, the Company originally intended to pay an annual dividend on common shares of ¥6 per share (including an interim dividend of ¥2 and a year-end dividend of ¥4). However, in light of the Group's consolidated net income for the year amounting to ¥73.8 billion, which far exceeded the Group's initial projection, the Company has decided to increase the annual dividend to ¥7 per share (including an interim dividend of ¥2 and a year-end dividend of ¥5) to distribute part of the earnings increase to shareholders. With regard to the preferred dividend on the First Series Type 1 Preferred Stock, the Company intends to pay an annual dividend of ¥20 yen (including an interim dividend of ¥10 and a year-end dividend of ¥10), as was originally indicated.

For fiscal 2006 which is the first year of the new medium term management plan, "'G' PLAN", the Group has set out a target of achieving consolidated net income of ¥ 100 billion. From the perspective of ensuring a stable flow of dividend payments, the Company intends to leave an annual dividend on common shares for fiscal 2006 unchanged from fiscal 2005 at ¥7 yen per share (including an interim dividend of ¥3.5 and a year-end dividend of ¥3.5).

With regard to the preferred dividend on the First Series Type 1 Preferred Stock, the Company intends to pay an annual dividend of ¥20 (including an interim dividend of ¥10 and year-end dividend of ¥10).

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Financial Results and Conditions

1. Financial Results

Business Environment

In terms of overseas economies for the period under review, following the tightening of monetary policy in the U.S., the global economy somewhat decelerated and settled in a moderate growth path. However, as high growth in the Chinese and Asian economies continued, global demand for energy and basic resources consistently expanded, and sharp rises in prices of primary goods such as crude oil, iron ore and non-ferrous metals continued.

In the U.S., rate hikes aimed at preventing inflation were effective in slowing domestic demand, stabilizing the trend in both the economy and prices. While the current account deficit continued to expand, the Homeland Investment Act (HIA), a provision of the American Jobs Creation Act (AJCA) of 2004 resulted in a repatriation of overseas earnings during the year by U.S. corporations, which led to a slightly stronger U.S. dollar.

In Europe, the economic recovery continued, driven by exports and capital expenditures, and the pace of recovery firmed from the middle of 2005.

In Asia, economic expansion continued centering on China and India. China continued to record high growth supported by strong growth in exports and investment in fixed assets. In addition, as China's foreign currency reserves continued to grow amid increasing demands from developed countries centering on the U.S. that China reform its foreign exchange policy, the Chinese government moved to slightly revalue the Yuan's exchange rate in July 2005, and the Yuan continued to slowly appreciate thereafter. India also recorded high growth driven by strong personal consumption, capital expenditures and exports. Continued mild economic growth was also seen in Hong Kong, Taiwan, South Korea and the ASEAN nations.

Russia and other basic material exporting countries saw sharp rises in exports, which benefited from expanding global demand for primary commodities and sharply rising prices, which fed over into domestic demand and supported strong economic expansion. In Brazil, however, economic activity faltered due to the impact of monetary tightening.

Looking at Japan's economy for the period, a strong expansion continued supported by balanced

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growth in personal consumption, capital expenditures and exports. Personal consumption was supported by a mild increase in wages and improved consumer confidence, while capital expenditures were supported by a growth in renewal demand and a recovery in corporate willingness to invest, while exports were supported by the continued stable expansion in the global economy and a weak yen. Reflecting the strong economic recovery, the stock market was supported overseas fund inflows, and the Nikkei 225 index appreciated nearly 50% in fiscal 2005.

The background of the recovery in corporate and investor confidence toward increased investment as well as the weak yen was the Bank of Japan's indicated intention to maintain historically low policy rates over the long term by maintaining its quantitative easing policy. In the second half of the fiscal year, as the excess supply problem for Japan's economy began to be alleviated and the possibility of an emergence from deflation increased, the Bank of Japan abandoned this policy that had been in place since March 2001 in March 2006, while it has judged the inflationary pressures will be constrained and move to a policy of zero interest rates.

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Consolidated Financial Results

The summary of consolidated financial results for FY2005 is as follows:

(billions of yen)

	FY2005	FY2004	Variance	
			Amount	%
Total volume of trading transactions	8,686.5	7,936.3	750.2	9.5%
Gross trading profit	502.0	433.4	68.6	15.8%
Operating profit	143.2	86.5	56.8	65.7%
Income before income taxes	101.5	61.6	39.9	64.7%
Net income	73.8	41.2	32.6	78.9%
Revenue	3,139.8	3,035.6	104.3	3.4%

(Note) For Japanese investors' convenience, Total volume of trading transactions and Operating profit are shown according to Japanese accounting practice. Income before income taxes means income from continuing operations before taxes & equity in earnings. In accordance with SFAS No.144 "Accounting for the Impairment or Disposal of Long-Lived Assets", some of the figures for FY2004 have been reclassified, in relation to operations discontinued during FY2005.

Consolidated total volume of trading transactions increased 9.5% year-on-year to ¥ 8,686.5 billion. Gross trading profit grew 15.8% year-on-year to ¥502.0 billion. Operating profit grew ¥56.8 billion (+65.7% year-on-year) to ¥143.2 billion, supported by the increase in gross trading profit. Income from continuing operations before income taxes and equity in earnings increased ¥39.9 billion (+64.7% year-on-year) to ¥101.5 billion due to increase of operating profit and improvement of other-net, in spite of deterioration of gain/loss on investment securities, and property and equipment.

Net equity in the earnings of affiliated companies improved ¥9.1 billion (+43.9%) to ¥29.7 billion. As a result, net income for the period including loss from discontinued operations (¥ -6.4 billion) grew ¥32.6 billion (+78.9%) to ¥73.8 billion. In addition, "Revenue" as defined under U.S. GAAP was ¥3,139.8 billion, or ¥104.3billion (3.4%) higher than the same period a year previous.

Marubeni Corporation

Financial Results and Conditions

2. Financial Condition

Consolidated Financial Conditions

A summary of the consolidated balance sheets for FY2005 is as follows:

(billions of yen)

	March 31, 2006	March 31, 2005	Variance
Total assets	4,587.1	4,208.0	379.0
Shareholders' equity	663.8	443.2	220.6
Interest-bearing debt	2,267.0	2,286.4	-19.4
Net interest-bearing debt (Net D/E ratio)	1,876.4 2.83 times	1,823.9 4.12 times	52.4 -1.29 points

Net interest-bearing debt after factoring out impact of FAS No. 133 (Net D/E ratio)	1,880.4 2.83 times	1,805.2 4.07 times	75.2 -1.24 points
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Net interest-bearing debt is calculated as cash and cash equivalents subtracted from interest-bearing debt (sum of long-term and short-term debts (including commercial papers) and bonds (including convertible bonds)).

Total consolidated assets increased ¥ 379.0 billion from the end of the previous fiscal year to ¥ 4,587.1 billion, largely due to an increase in fixed assets. Gross consolidated interest-bearing debt declined by ¥19.4 billion from the end of the previous fiscal year to ¥2,267.0 billion. In addition, net interest-bearing debt after deduction of cash and cash equivalent increased ¥52.4 billion from the end of the previous fiscal year to ¥1,876.4 billion.

Consolidated shareholders' equity was ¥220.6 billion higher than the end of the previous fiscal year at ¥663.8 billion, reflecting the increase in net income for the period as well as higher net unrealized gains on investment securities. As a result, the net debt/equity ratio improved 1.29 points to 2.83x, compared to 4.12x at the end of the previous fiscal year.

Regarding the Cash Flow, net cash provided by operating activities declined by ¥ 40.4 billion from the previous fiscal year to ¥133.4 billion. Net cash used for investing activities was ¥ 193.8 billion negative, reflecting the purchase of fixed assets.

Therefore free cash flow for the period was negative ¥ 60.4 billion.

Net cash used in financing activities came out to ¥46.0 billion. Cash and cash equivalents at the end of the period were ¥368.9 billion, ¥90.3 billion lower than at the end of the previous fiscal year.

Marubeni Corporation

Financial Results and Conditions

3. Risk Information

(1) Risks regarding overall Marubeni operations

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

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

② Credit risks regarding business partners

The Group extends credit to business partners in various forms such as notes and accounts receivable-trade, advance payments to suppliers, loans, guarantees and other means. The incurrence of credit risk due to the inability of business partners to fulfill their credit obligations could negatively impact business results and financial position.

To protect against such credit risks, the Group carries out thorough risk management when granting any credit. However, there is no assurance that such measures will completely prevent the occurrence of credit risk. Moreover, in preparation of any possible loss incurred by the exteriorization of such credit risks, the Group maintains an allowance for doubtful account based on a prior assessment and estimate of the creditworthiness of business partners, collateral value and other set factors. Nevertheless, this, in and of itself, does not provide any guarantee that actual losses will not exceed these established allowances.

③ Risk of breach of contract by business partners

As part of sales activities, the Group concludes merchandise supply, subcontracting, operational outsourcing, and other types of contracts with business partners. A breach of contract by these business partners could adversely affect the Company’s business results and financial condition.

Marubeni Corporation

Financial Results and Conditions

④ Investment risk

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

To address the risk associated with investment activity and other means, when making any new investments, the Group conducts thorough risk management that also includes an a review as to whether such investments are generating good return enough to compensate for their risk. However, there is no assurance that such examinations will be able to prevent the presence of risk.

⑤ Concentration of risk exposure

As part of commercial and investment activities, the Group is concentrated in specific investment areas, markets and regions, such as plant-related business, real-estate business in Japan, and sales activities in Indonesia and the Philippines. As a result, lackluster performance by these investment targets, or a deteriorating operating environment in these markets or regions, could adversely affect the business results and financial condition of the Group.

⑥ Ability of fund-raising and funding cost

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

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Financial Results and Conditions

⑦ Fluctuations in the price of goods and merchandise

Since the Group handles a variety of merchandise, changes in their respective market conditions can adversely affect business performance. To mitigate the risk of fluctuations in market conditions for certain merchandise, contracts and anticipated transactions, the Group enters into commodity futures and forward contracts. However, it cannot be guaranteed that these hedge transactions will completely cover its exposure in these areas.

⑧ Losses on fixed assets such as real estate and machinery

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

⑨ Fluctuations in foreign currency exchange rates

The Group conducts transactions under a variety of currencies and terms, which exposes Marubeni's operating results to fluctuations in currency exchange rates. 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. However, the Company cannot guarantee that these hedge transactions will completely cover its exposure in these areas.

⑩ Fluctuations in interest rates

The Group raises necessary funds from financial institutions, the issuance of bonds and other means from capital markets. Further, the Group has interest-bearing debt at fixed interest rates or at variable interest rates. While the interest risk of the majority of the operating assets held by the Group offsets the interest rate risk associated with debt, changes in market interest rates could adversely affect the Company's earnings. Through Asset-Liability Management, the Group utilizes interest rate swaps and other means to mitigate the risk of interest rate fluctuations. However, the Company cannot guarantee that these hedge transactions will completely cover its exposure in this area.

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Financial Results and Conditions

⑪ Gains and losses on marketable debt and equity securities

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

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

⑫ Laws and regulations

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

⑬ Significant litigation

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

⑭ Environmental Risk

The Company 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 a business stoppage, significant expenses to install pollution control

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facilities, pollution remediation expenses and legal fees in response to litigation by local residents. In addition, the Group's social reputation could be damaged. An environmental management system was introduced in fiscal 1999 to cope with such environmental risks, under which environmental impact evaluations are made for each new financing and development project as a means of assessing the potential environmental burden and reducing environmental risk. This notwithstanding, there is no guarantee that potential environmental burdens can be completely avoided.

⑮ Natural Disaster Risk

Earthquakes and other natural disasters could cause damage and loss to the Group's offices and facilities and inhibit the normal business activities of the Company and its subsidiaries. While every effort has been made to implement appropriate countermeasures such as the preparation of disaster preparedness manuals, earthquake countermeasures and fire prevention drills, as the potential for damages from natural disasters cannot be completely mitigated, there is no guarantee that such disasters will not have a material negative impact on the Group's earnings.

⑯ Other risks inherent and related to overall Marubeni operations

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

(2) Risk Management

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

From the perspective of diversifying overall risk, integrated risk management is carried out by gaining a clear understanding of possible risk (measurable risk) through quantitative analysis of factors such as market risk, credit risk and investment risk as they relate to a particular country, industry or trading partner. A basic risk management policy

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and internal rules have been established for comprehensive risk management to enable decision-making and monitoring to be carried out appropriately, and the organization, reporting lines, methodology and system infrastructure to implement this policy and system of rules and regulations has been put in place.

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

Nevertheless, there is no assurance that all risks can be managed because of the existence of the possibility that the Group's system of risk management may not function adequately to address a diverse number of risks that either presently exist or may arise in the future in relation to the broad range of business activities conducted by the Group.

(3) The Medium-term Management Plan

Following the completion of the prior management plan, "V" PLAN and the accomplishment of a "solid footing" in terms of earnings base and financial position, the Company and its consolidated subsidiaries' inaugurated the Group's two-year new medium-term management plan, the "G" PLAN in April 2006. in order to further accelerate breakthrough growth. The numerical targets of the Plan are to achieve two-year consolidated net income of ¥220 billion, a risk-return of over 10%, a ROA of over 2%, a net debt/equity ratio of 2.0~3.0x, and total assets of approximately ¥5 trillion. However, these objectives were prepared based on certain assumptions, hypotheses and projections regarding the persistence of certain economic conditions, industry trends, and other concerns. A number of unknown and uncontrollable factors could prevent the completion of these objectives.

(4) Uncertainty Regarding Financial Condition and Changes in Operating Results

In the past, the following were among the factors that have caused the performance and financial condition of the Group to fluctuate: gains and losses on the sale of real estate and devaluation losses pertaining to real estate; realized gains and losses and devaluation losses associated with marketable and investment securities; allowances for doubtful account; and losses stemming from the realignment of Marubeni Group companies. To improve its financial position, the Group has taken steps to shrink total assets and net interest-bearing debt, reduce or establish allowances for underperforming and unprofitable

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assets, pare down expenses, shift management resources to high growth fields, and minimize exposure from high-risk assets. While the Group is confident that substantial progress has been made in enhancing their financial position, the Company cannot guarantee that greater losses will not be posted in the future.

(5) Significant Accounting Policies and Estimates

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

Management considers those estimates and assumptions are reasonable, however, in case there are unexpected changes, they will have a material impact on the Company's consolidated financial statements.

4. Financial Prospects for the Fiscal Year Ending March 31, 2007

Financial prospects for the year ending March 31, 2007, is as follows:

(billions of yen)

	Forecast FY2006	Result FY2005
Total volume of trading transactions	9,300	8,686.5
Net income	100	73.8

Major assumptions:

Foreign exchange rate: US\$1 = 115yen

JPY TIBOR: 0.2% USD LIBOR: 5.0%

Marubeni Corporation
Consolidated Statements of Income
(Year Ended March 31, 2006 and 2005)

	<i>Millions of yen</i>			
	<i>Year ended</i>		Variance	Ratio
	March 31			
	2006	2005		
Revenues:				
Revenues from trading and other activities	¥ 2,949,058	¥ 2,874,455	¥ 74,603	2.6%
Commissions on services and trading margins	190,787	161,108	29,679	18.4%
Total	3,139,845	3,035,563	104,282	3.4%
Cost of revenues from trading and other activities	-2,637,821	-2,602,168	-35,653	1.4%
Gross trading profit	502,024	433,395	68,629	15.8%
Expenses and other:				
Selling, general and administrative expenses	-350,261	-339,183	-11,078	3.3%
Loss from transfer of the substitutional portion of Japanese Welfare Pension Fund	-	-1,453	1,453	-
Provision for doubtful accounts	-8,515	-6,298	-2,217	35.2%
Interest income	23,095	23,445	-350	-1.5%
Interest expense	-47,212	-43,244	-3,968	9.2%
Dividends received	12,065	8,989	3,076	34.2%
Impairment loss on investment securities	-17,895	-7,438	-10,457	140.6%
Gain (loss) on sales of investment securities	14,477	36,147	-21,670	-59.9%
Gain (loss) on property and equipment	-21,292	-6,288	-15,004	238.6%
Other – net	-5,033	-36,482	31,449	-
Total	-400,571	-371,805	-28,766	7.7%
Income (loss) from continuing operations before income taxes and equity in earnings (losses) of affiliated companies	101,453	61,590	39,863	64.7%
Provision for income taxes	-45,608	-36,725	-8,883	24.2%
Income (loss) from continuing operations before equity in earnings (losses) of affiliated companies	55,845	24,865	30,980	124.6%
Minority interests in consolidated subsidiaries	-5,427	-1,440	-3,987	276.9%
Equity in earnings (losses) of affiliated companies-net (after income tax effects)	29,747	20,672	9,075	43.9%
Net income (loss) from continuing operations	80,165	44,097	36,068	81.8%
Loss from Discontinued Operations (after income tax)	-6,364	-2,850	-3,514	123.3%
Net Income	¥ 73,801	¥ 41,247	¥ 32,554	78.9%
Dividend for preferred shares	1,510	1,510	-	-
Net income available for shareholders	72,291	39,737	32,554	81.9%
Basic earnings per share (yen)	48.34	26.61	21.73	81.7%
Diluted earnings per share (yen)	40.46	22.31	18.15	81.4%
Total volume of trading transactions (Based on Japanese accounting practice)	8,686,532	7,936,348	750,184	9.5%
Operating profit (Based on Japanese accounting practice)	143,248	86,461	56,787	65.7%

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

(Note 2) Loss from transfer of the substitutional portion of Japanese Welfare Pension Fund for FY2004 is the net amount of the settlement loss on the transfer of the benefit obligation related to the substitutional portion of -14,858 million yen (including the extinguishment of the obligation for anticipated future salary increases of 1,064 million yen), and the subsidy of 13,405 million yen, which is a difference between the obligation settled and the assets transferred to the government

(Note 3) In accordance with SFAS No.144 "Accounting for the Impairment or Disposal of Long-Lived Assets", some of the figures for the FY2004 have been reclassified, in relation to operations discontinued during FY2005

Marubeni Corporation
Consolidated Balance Sheets

	<i>Millions of yen</i>		
	March 31 2006	March 31 2005	Variance
Assets			
Current assets:			
Cash and cash equivalents	¥ 368,936	¥ 459,194	¥ -90,258
Time deposits	21,674	3,256	18,418
Investment securities	20,989	32,946	-11,957
Notes and accounts receivable - trade:			
Notes receivable	90,973	101,298	-10,325
Accounts receivable	896,781	783,001	113,780
Due from affiliated companies	79,553	94,453	-14,900
Allowance for doubtful accounts	-17,910	-24,620	6,710
Inventories	395,599	376,480	19,119
Advance payments to suppliers	109,330	83,529	25,801
Deferred income taxes	32,048	43,483	-11,435
Prepaid expenses and other current assets	170,644	140,332	30,312
Total current assets	<u>2,168,617</u>	<u>2,093,352</u>	<u>75,265</u>
Investments and long-term receivables:			
Affiliated companies	314,261	325,380	-11,119
Securities and other investments	615,361	483,928	131,433
Notes, loans and accounts receivable - trade	214,763	270,792	-56,029
Allowance for doubtful accounts	-81,964	-84,696	2,732
Property leased to others, at cost, less accumulated depreciation	231,747	248,338	-16,591
Total investments and long-term receivables	<u>1,294,168</u>	<u>1,243,742</u>	<u>50,426</u>
Net property and equipment	780,809	532,306	248,503
Prepaid pension cost	83,746	84,709	-963
Deferred income taxes	52,364	89,284	-36,920
Intangible fixed assets	89,325	35,548	53,777
Goodwill	27,936	27,509	427
Other assets	90,107	101,587	-11,480
Total assets	<u>¥ 4,587,072</u>	<u>¥ 4,208,037</u>	<u>¥ 379,035</u>

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

Marubeni Corporation

Consolidated Balance Sheets (continued)

	<i>Millions of yen</i>		
	March 31	March 31	Variance
	2006	2005	
Liabilities and shareholders' equity			
Current liabilities:			
Short-term loans	¥ 368,491	¥ 344,597	¥ 23,894
Current portion of long-term debt	219,650	314,501	-94,851
Notes and accounts payable-trade			
Notes and acceptances payable	186,741	207,663	-20,922
Accounts payable	715,370	650,387	64,983
Due to affiliated companies	46,432	44,817	1,615
Advance payments received from customers	97,673	80,502	17,171
Income taxes	16,220	13,541	2,679
Deferred income taxes	3,310	3,849	-539
Accrued expenses and other current liabilities	307,342	222,721	84,621
Total current liabilities	<u>1,961,229</u>	<u>1,882,578</u>	<u>78,651</u>
Long-term debt, less current portion	1,879,739	1,813,722	66,017
Employees' retirement benefits	9,129	9,319	-190
Deferred income taxes	26,189	18,851	7,338
Minority interests in consolidated subsidiaries	46,999	40,415	6,584
Shareholders' equity:			
Paid-in capital	262,686	231,789	30,897
Additional paid-in capital	155,903	125,436	30,467
Retained earnings (losses)	193,772	131,195	62,577
Accumulated other comprehensive loss			
Net unrealized gains (losses) on investment securities, net of reclassification	109,035	46,661	62,374
Currency translation adjustments, net of reclassification	-53,450	-89,586	36,136
Net unrealized losses on derivatives	-2,116	-1,554	-562
Minimum pension liability adjustment	-1,717	-647	-1,070
Cost of common stock in treasury	-326	-142	-184
Total shareholders' equity	<u>663,787</u>	<u>443,152</u>	<u>220,635</u>
Total liabilities and shareholders' equity	<u>¥ 4,587,072</u>	<u>¥ 4,208,037</u>	<u>¥ 379,035</u>

Marubeni Corporation
Consolidated Statements of Changes in Shareholders' Equity

	March 31 2006	<i>Millions of yen</i> March 31		2005	Variance	
Common stock:						
Balance at beginning of year	231,789			231,789		-
Issuance of common stock from conversion of convertible bonds	<u>30,897</u>			<u>-</u>		<u>30,897</u>
Balance at end of year	<u>262,686</u>			<u>231,789</u>		<u>30,897</u>
Capital surplus:						
Balance at beginning of year	125,436			125,430		6
Gains from disposition of treasury stock	22			6		16
Issuance of common stock from Conversion of Convertible bonds	<u>30,445</u>			<u>-</u>		<u>30,445</u>
Balance at end of year	<u>155,903</u>			<u>125,436</u>		<u>30,467</u>
Retained earnings (losses):						
Balance at beginning of year	131,195			94,870		36,325
Net income (loss)	73,801	73,801		41,247	41,247	32,554
Cash dividend	<u>-11,224</u>			<u>-4,922</u>		<u>-6,302</u>
Balance at end of year	<u>193,772</u>			<u>131,195</u>		<u>62,577</u>
Accumulated other comprehensive Income(loss):						
Balance at beginning of year	-45,126			- 59,025		13,899
Net Unrealized (losses) gains on investment securities		62,374			11,734	50,640
Foreign Currency translation adjustments		36,136			- 1,659	37,795
Net unrealized (losses)gains on derivatives		-562			3,859	-4,421
Minimum pension liability adjustment		<u>-1,070</u>			<u>- 35</u>	<u>-1,035</u>
Other comprehensive income (loss), net of tax	96,878	<u>96,878</u>		13,899	<u>13,899</u>	82,979
Comprehensive income (loss)		<u>170,679</u>			<u>55,146</u>	<u>115,533</u>
Balance at end of year	<u>51,752</u>			<u>- 45,126</u>		<u>96,878</u>
Cost of common stock in treasury:						
Balance at beginning of year	-142			- 82		-60
Treasury stock sold (repurchased)	<u>-184</u>			<u>- 60</u>		<u>-124</u>
Balance at end of year	<u>-326</u>			<u>- 142</u>		<u>-184</u>

*These financial statements are based on US GAAP.

Marubeni Corporation
Consolidated Statements of Cash Flows

Millions of yen

	Year ended March 31		
	2006	2005	Variance
Operating activities			
Net income (loss)	73,801	41,247	32,554
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	72,684	64,358	8,326
Provision for doubtful accounts	8,515	6,298	2,217
Equity in (earnings) losses of affiliated companies- net	-13,262	-13,049	-213
(Gain) loss on investment securities	3,418	-28,709	32,127
(Gain) loss on property and equipment	21,292	6,288	15,004
Deferred income taxes	10,955	9,393	1,562
Loss from Discontinued Operations (after income tax)	6,364	2,850	3,514
Changes in operating assets and liabilities:			
Notes and accounts receivable	-45,810	-4,080	-41,730
Inventories	452	17,561	-17,109
Notes, acceptances and accounts payable	31,670	33,201	-1,531
Other	-36,671	38,466	-75,137
Net cash provided by operating activities	133,408	173,824	-40,416
Investing activities			
Proceeds from sales and redemptions/expenditure for purchase of securities and other investments	-30,567	27,250	-57,817
Proceeds from sales /expenditure for purchases of property and equipment	-197,007	-44,475	-152,532
Collection of loans receivable and loans made to customers	33,793	63,268	-29,475
Net cash provided (used) by investing activities	-193,781	46,043	-239,824
Free Cash Flows	-60,373	219,867	-280,240
Financing activities			
Net decrease (increase) in short-term loans	5,348	-119,698	125,046
Proceeds from/payment of long-term debt	-40,250	-110,252	70,002
Cash dividend	-11,224	-4,922	-6,302
(Purchase) sale of treasury stock	-168	-54	-114
Other	257	-3,131	3,388
Net cash used (provided) in financing activities	-46,037	-238,057	192,020
Effect of exchange rate changes on cash and cash equivalents	16,152	-1,347	17,499
Net increase (decrease) in cash and cash equivalents	-90,258	-19,537	-70,721
Cash and cash equivalents at beginning of period	459,194	478,731	-19,537
Cash and cash equivalents at end of period	368,936	459,194	-90,258

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

(Note 2) Some of the figures for FY2004 have been reclassified, in relation to operations discontinued during FY2005.

(Note 3) Some of the figures for FY2004 have been restated due to the change of display method from gross base to net base.

Marubeni Corporation
Notes to Consolidated Financial Statements

Basis of Consolidated Financial Statements

1. Subsidiaries and affiliated companies accounted for by equity method

(1) Number of subsidiaries and affiliated companies

	March 31, 2006	March 31, 2005	Variance
Subsidiaries	388	369	19
Affiliated companies	167	156	11
Total	555	525	30

(2) Major Group Firms

Subsidiaries

Overseas 241	Marubeni America Corporation Marubeni Europe p.l.c. Axia Power Holdings, B.V. Marubeni International Finance p.l.c. PT Tanjungenim Lestari Pulp & Paper
Domestic 147	Marubeni Real Estate Co., Ltd. Marubeni Pulp & Paper Sales Co., Ltd. Marubeni Telecom Co., Ltd. Marubeni Energy Corporation Marubeni Nisshin Feed Co., Ltd.

Affiliated companies

Overseas 118	Shanghai Asahi Electronic Glass Co., Ltd. Uni-Mar Energi Yatirimlari A.S. Daishowa-Marubeni International Ltd.
Domestic 49	Marubeni-Itochu Steel Inc. The Maruetsu, Inc. Marubeni Construction Material Lease Co., Ltd Marubeni Infotec Corporation

(3) Changes

Subsidiaries

Newly included 45	Marubeni Retail Investment Corporation Marubeni Power Development Co. Marubeni Offshore Production(USA) Inc Others--- 42companies
Excluded	26 companies

Affiliated companies

Newly included 27	Tobu Store Co., Ltd. Gamgwon Wind Power Co., Ltd. Others--- 25 companies
Excluded	16 companies

Marubeni Corporation
Notes to Consolidated Financial Statements

2. Matters Concerning Accounting Standards

(1) Standards for the preparation of consolidated financial statements

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

(2) Cash and cash equivalents

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

(3) Valuation method and standards of inventory

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

(4) Valuation method and standards of securities:

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

Securities to be held to maturity: Amortized cost method

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

(5) Depreciation/amortization method for fixed assets

Depreciation method for tangible fixed assets:

The declining balance method or the straight line method (mainly for buildings) is applied.

The depreciable life is generally set at 2 to 50 years.

Amortization method for intangible fixed assets:

The straight line method (however, intangible fixed assets for which a useful life cannot be decided are not amortized, and an asset impairment test is conducted for them at least once

a year in compliance with the No. 142 SFAS “Goodwill and Other Intangible Assets.”)

Asset impairment of long-term assets:

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

(6) Standards for setting up reserves

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

Retirement benefit reserve: To prepare for retirement benefits for employees, a retirement benefit reserve is booked based on the fair value of the retirement benefit liability and pension assets at the end of this term in compliance with the No. 87 SFAS “Employer’s Accounting for Pensions.” The amount by which retirement benefit reserve is lower than the difference between cumulative benefit liability (the liability obtained by deducting the amount of future salary increase from the retirement benefit liability) and the fair market value of pension assets is additionally booked as the minimum pension liability adjustment.

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

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

(8) Goodwill

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

(9) Discontinued business

Based on the No. 144 SFAS “Accounting for the Impairment or Disposal of Long-Lived Assets.”, the amount of losses incurred by businesses to be discontinued such as businesses to be disposed of or sold is separately indicated, after taking the tax effect into account, as a “Loss on Discontinued Business (after corporation tax, etc.)” in the consolidated income statement. In addition, for the businesses that are to be discontinued in FY2005, some of the figures for FY2004 are reclassified in the consolidated income statement and consolidated cash flow statement.

Marubeni Corporation
Notes to Consolidated Financial Statements (continued)

Earnings/Loss per Share of Common Stock

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

	<i>Millions of yen</i>			
	Year ended March 31			
	2006		2005	
Numerator:				
Net income (loss)	¥	73,801	¥	41,247
Amount which does not belong to ordinary shares – dividend for preferred shares		- 1,510		-1,510
<hr/>				
Net income available for common shareholders – Numerator for basic earnings (loss) per share		72,291		39,737
Effect of dilutive securities:				
Convertible debentures		168		323
Dividend for preferred shares		1,510		1,510
<hr/>				
Numerator for diluted earnings (loss) per share	¥	73,969	¥	41,570
<hr/>				
Denominator:				
<i>Number of shares</i>				
<hr/>				
Denominator for basic earnings (loss) per share		1,495,360,142		1,493,231,438
Effect of dilutive securities:				
Convertible debentures		117,229,592		119,666,048
Preferred shares		215,714,286		250,000,000
<hr/>				
Denominator for diluted earnings per share		1,828,304,020		1,862,897,486
<hr/>				
<i>Yen</i>				
<hr/>				
Basic earnings per share	¥	48.34	¥	26.61
<hr/>				
Diluted earnings per share	¥	40.46	¥	22.31
<hr/>				

Dividend for Class I Preferred Shares issued in December 2003 is excluded from Net income for FY2004, and FY2005.

The convertible debenture #8 issued in November 1996 has dilution effect for FY2004 and FY2005, and Class I Preferred Stock issued in December 2003, in like wise.

Marubeni Corporation
Notes to Consolidated Financial Statements (continued)

Segment Information

1. Operating Segments

The Company's operating segments by which management evaluates performance and allocates resources are classified in terms of the nature of the products and services or areas. The segments, by products and services, are managed by the divisions of the Head Office. Domestic branches and offices, and overseas corporate subsidiaries and branches operate in the respective areas and are independent operating units. Each reportable segment purchases, distributes and markets a wide variety of industrial and consumer goods including raw materials and equipment relating to a multitude of industries and, in addition, provides the related financing, insurance and other services to these operations primarily on a worldwide basis. The Company breaks its operating segments into 12 segments identified by product and service, in addition to its domestic branches and offices, and overseas corporate subsidiaries and branches.

Segment Information (FY 2005)

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

Millions of yen						
	Agri-marine products	Textile	Forest Products & General merchandise	Chemicals	Energy	
· Total volume of trading transactions						
Outside customers	968,325	354,370	773,076	746,345	2,188,478	
Internal transaction	22,485	3,817	35,133	35,671	3,194	
total	990,810	358,187	808,209	782,016	2,191,672	
Gross trading profit	69,323	26,366	48,109	29,605	71,478	
Operating profit (loss)	12,066	3,913	16,627	6,993	45,076	
Segment net income (loss)	5,790	-1,622	359	3,738	26,654	
Segment assets (as of March 31,2006)	433,782	130,461	519,785	181,919	603,758	
	Metals & Mineral Resources	Transportation Machinery	Industrial Machinery & Information Business	Plant, Power & Infrastructure Projects	Development & Construction	
· Total volume of trading transactions						
Outside customers	686,579	764,411	375,148	676,935	162,838	
Internal transaction	45,412	52,729	15,816	575	447	
total	731,991	817,140	390,964	677,510	163,285	
Gross trading profit	24,392	56,214	39,144	30,680	27,643	
Operating profit (loss)	15,167	18,204	1,546	5,218	11,878	
Segment net income (loss)	16,137	9,939	888	5,477	1,119	
Segment assets (as of March 31,2006)	265,141	310,599	191,990	582,783	299,669	
	Finance & Logistics Business	Iron & Steel Products	domestic branches & offices	overseas corporate subsidiaries & branches	corporate & elimination etc.	consolidated
· Total volume of trading transactions						
Outside customers	18,667	869	133,168	834,944	2,379	8,686,532
Internal transaction	7,101	33	16,191	313,875	-552,479	-
total	25,768	902	149,359	1,148,819	-550,100	8,686,532
Gross trading profit	7,064	902	5,328	79,934	-14,158	502,024
Operating profit (loss)	-134	126	828	14,095	-8,355	143,248
Segment net income (loss)	3,971	17,040	653	4,012	-20,354	73,801
Segment assets (as of March 31,2006)	97,031	86,075	56,516	449,213	378,350	4,587,072

◆ FY2004 (April 1, 2004-March 31, 2005)

Millions of yen						
	Agri-marine products	Textile	Forest Products & General merchandise	Chemicals	Energy	
· Total volume of trading transactions						
Outside customers	961,434	352,094	752,093	638,752	1,772,710	
Internal transaction	18,421	3,217	40,284	28,721	1,241	
total	979,855	355,311	792,377	667,473	1,773,951	
Gross trading profit	71,312	25,174	46,612	26,857	42,132	
Operating profit (loss)	9,515	5,154	13,857	5,095	23,648	
Segment net income (loss)	1,169	2,612	7,520	4,513	15,888	
Segment assets (as of March 31,2006)	398,517	119,807	317,678	167,157	390,939	
	Metals & Mineral Resources	Transportation Machinery	Industrial Machinery & Information Business	Plant, Power & Infrastructure Projects	Development & Construction	
· Total volume of trading transactions						
Outside customers	579,913	658,535	446,512	665,947	196,330	
Internal transaction	29,361	41,404	8,975	514	514	
total	609,274	699,939	455,487	666,461	196,844	
Gross trading profit	15,709	51,673	36,714	28,313	27,530	
Operating profit (loss)	7,965	14,479	-3,297	-505	9,121	
Segment net income (loss)	9,813	9,185	-14,827	-12,027	-11,362	
Segment assets (as of March 31,2006)	195,110	290,782	228,563	643,435	317,692	
	Finance & Logistics Business	Iron & Steel Products	domestic branches & offices	overseas corporate subsidiaries & branches	corporate & elimination etc.	consolidated
· Total volume of trading transactions						
Outside customers	16,951	1,152	126,492	768,864	-1,431	7,936,348
Internal transaction	4,362	35	15,500	301,348	-493,897	-
total	21,313	1,187	141,992	1,070,212	-495,328	7,936,348
Gross trading profit	5,785	1,187	4,898	76,517	-27,018	433,395
Operating profit (loss)	-518	537	1,210	13,392	-13,192	86,461
Segment net income (loss)	4,047	11,534	-493	6,187	7,488	41,247
Segment assets (as of March 31,2006)	128,760	64,368	52,844	435,506	456,879	4,208,037

(Note 1) The profit and loss by segment are booked in accordance with the accounting principles generally accepted in Japan. The differences in accounting principles generally accepted in Japan and those in the United States of America are included in Corporate and elimination. The consolidated Total volume of trading transactions and operating profit (loss) are presented in accordance with Japanese accounting customs and practice for Japanese investors' convenience.

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

(Note 3) Effective April 1, 2005, the segments of Transportation & Industrial machinery, Utility & Infrastructure, Plant & Ship and Telecom & Information have been reorganized as Transportation machinery, Industrial machinery & Information business, and Plant, Power & Infrastructure. Furthermore, Iron & Steel products, which was formerly included in Corporate & Elimination, has been indicated as an independent operating segment from FY2005 due to significance of its business. Accordingly, the above segment information has been restated.

(Note 4) In accordance with SFAS No.144, some of the total consolidated figures for the previous fiscal year have been reclassified. Reclassifications to "loss in relation to discontinued operations (after accounting for tax effect)" are included in "corporate and eliminations".

Marubeni Corporation
Notes to Consolidated Financial Statements (continued)

Segment Information (continued)

(Note 3) **Total volume of trading transactions, gross trading profit** and operating conditions for each operating segment were as follows.

Agri-marine Products transactions rose ¥11.0 billion (1.1%) from the previous year centering on sugar as a foodstuff. Gross trading profit declined ¥2.0 billion (2.8%) due partly to the conversion of subsidiaries into affiliated companies.

Textile transactions increased ¥2.9 billion (0.8%) from the previous year owing to a rise in apparel product transactions and the inclusion of new subsidiaries in consolidation. Gross trading profit rose ¥1.2 billion (4.7%) reflecting an increase in profits owing to apparel products and the consolidation of new subsidiaries, as well as the effect of the depreciation of the yen in the export of raw materials.

Forest Products and General Merchandise transactions increased ¥15.8 billion (2.0%) from the previous year owing to the MUSI Pulp Project. Gross trading profit also rose ¥1.5 billion (3.2%) due to the MUSI Pulp Project despite a decline because of the withdrawal from the leisure business.

Chemicals transactions rose ¥114.5 billion (17.2%) from the previous year reflecting a rise in transactions of basic chemical products, electronic materials and synthetic resin. Gross trading profit increased ¥2.7 billion (10.2%) reflecting the increased transactions.

Energy transactions rose ¥417.7 billion (23.5%) from the previous year due to an increase in petroleum-related transactions. Gross trading profit increased ¥29.3 billion (69.7%) reflecting to an increase in the profits from the petroleum-related transactions and concessions in natural resource fields.

Metals and Mineral Resources transactions increased ¥122.7 billion (20.1%) from the previous year due mainly to an increase in the price of coal, iron ore and copper. Gross trading profit rose ¥8.7 billion (55.3%), reflecting the increased transactions.

Transportation Machinery transactions rose ¥117.2 billion (16.7%) from the previous year owing to an increase in transactions related to vessels, construction & agricultural machineries and automobiles. Gross trading profit increased ¥4.5 billion (8.8%) due to the transactions related to automobiles, vessels, construction & agricultural machineries and civilian aircraft.

Marubeni Corporation
Notes to Consolidated Financial Statements (continued)

Segment Information (continued)

Industrial Machinery & Information Business transactions declined ¥64.5 billion (14.2%) from the previous year reflecting the change in computer companies into affiliated companies through mergers. However, gross trading profit rose ¥2.4 billion (6.6%) because an increase in the profits from information related companies offset the effect of a decline in volume of transactions.

Plant, Power & Infrastructure Project transactions increased ¥11.0 billion (1.7%) from the previous year due mainly to a rise in transactions of electric power companies. Gross trading profit rose ¥2.4 billion (8.4%) reflecting the increased volume of transactions.

Development and Construction transactions decreased ¥33.6 billion (17.0%) from the previous year due to a decline in real estate funds transactions and the sale of domestic subsidiaries. Gross trading profit rose ¥0.1 billion (0.4%) because of a decline in profits due to the sale of domestic subsidiaries, despite an increase in profit from domestic condominium and real estate funds businesses.

Finance and Logistics Business transactions rose ¥4.5 billion (20.9%) from the previous year due to an increase in logistics-related transactions. Gross trading profit rose ¥1.3 billion (22.1%) reflecting the increased volume of transactions.

Iron & Steel Strategies and Coordination transactions declined ¥0.3 billion (24.0%) from the previous year. Gross trading profit decreased ¥0.3 billion (24.0%). Marubeni-Itochu Steel Inc. achieved favorable results owing to success in aggressive business development centering in Japan, China, Southeast Asia and the United States.

Domestic Branches and Offices transactions rose ¥7.4 billion (5.2%) from the previous year reflecting to an increase in the sale of machines and energy transactions despite a decline in total volume of transactions that was caused by the transfer of the commercial rights to trade raw materials for steel to an affiliated company. Gross trading profit increased ¥0.4 billion (8.8%) due to brisk transactions of condominiums.

Overseas Corporate Subsidiaries and Branches transactions increased ¥78.6 billion (7.3%) from the previous year due mainly to a rise in the sales of automobiles, construction machineries and agricultural chemicals businesses in the United States. Gross trading profit rose ¥3.4 billion (4.5%) mainly because of an increase in profits from agricultural chemicals-related business in the United States.

Segment Information (FY 2005)

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

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

◆ FY2004 (April 1, 2004-March 31, 2005)

	Japan	North America	Europe	Asia/Oceania	Other	Eliminations	Consolidated
• Total volume of trading transactions							
Outside customers	6,090,331	810,843	378,437	466,151	190,586	-	7,936,348
Internal transaction	1,668,780	214,253	28,588	179,746	5,221	-2,096,588	-
total	7,759,111	1,025,096	407,025	645,897	195,807	-2,096,588	7,936,348
Segment operating profit(loss)	34,727	13,796	12,085	17,099	9,701	-947	86,461
Segment assets	1,972,332	332,063	207,351	302,498	70,021	-126,738	2,757,527
Other assets							1,450,510
Total assets							4,208,037

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

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

1. North AmericaUSA, Canada
2. EuropeUK, Belgium
3. Asia, OceaniaSingapore, China
4. OtherCentral and South America, Africa

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

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

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

(Note 5) In accordance with SFAS144, some of the figures for FY2004 have been reclassified, in relation to operations discontinued during FY2005.

(Note 6) Subsidiaries companies of Bermuda registry, formally included in Other, have been indicated in category of Japan from FY2005 due to significance of its business.

Accordingly, the above segment information has been reclassified.

Marubeni Corporation

Notes to Consolidated Financial Statements

Marketable Securities and Debt Securities

Available-for-sale securities (millions of yen)

	March 31, 2006				March 31, 2005			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Current:								
Debt securities	579	-	-	579	701	183	-2	882
Total	579	-	-	579	701	183	-2	882
Non-current:								
Debt securities	29,060	216	-37	29,239	22,720	501	-9	23,212
Marketable equity securities	153,508	167,980	-1,350	320,138	140,249	74,516	-7,155	207,610
Total	182,568	168,196	-1,387	349,377	162,969	75,017	-7,164	230,822

*The fair value of available-for-sale securities reflected in the balance sheets are based on quoted market prices.

The unrealized gains and losses, net of taxes are added to Accumulated other comprehensive income (loss) in shareholders' equity.

*Debt securities consist mostly of corporate bonds.

Held-to-maturity securities (millions of yen)

	March 31, 2006				March 31, 2005			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Current:								
Debt securities	6,000	4	-	6,004	28,067	191	-120	28,138
Total	6,000	4	-	6,004	28,067	191	-120	28,138
Non-current:								
Debt securities	9,236	797	-	10,033	14,300	816	-	15,116
Total	9,236	797	-	10,033	14,300	816	-	15,116

(Note 1) The held-to-maturity securities are stated in the balance sheets at amortized cost, adjusted by method of depreciation.

(Note 2) Debt securities consist mostly of corporate bonds.

In addition to the above stated securities, 14,410 million yen and 3,997 million yen of marketable securities for sale are held at March 31, 2006 and at March 31, 2005, respectively.

The net unrealized loss of -76 million yen for FY2005 and loss of -8 million yen for FY2004 have respectively been included in the income statements.

* The Company will disclose the notes regarding "Employees' retirement benefits", "Transactions with affiliated persons" and "tax effect accounting" in due course.

Marubeni Corporation Consolidated Companies

1. Number of consolidated companies

		March 31 2006	Established Bought	Liquidated Divestiture	March 31 2005	Variance
Subsidiaries	Domestic	147	25	-9	131	+16
	Overseas	241	20	-17	238	+3
	Total	388	45	-26	369	+19
Affiliated companies	Domestic	49	13	-11	47	+2
	Overseas	118	14	-5	109	+9
	Total	167	27	-16	156	+11
	Domestic	196	38	-20	178	+18
	Overseas	359	34	-22	347	+12
	Total	555	72	-42	525	+30

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

<u>Company name</u>	<u>Capital</u>	<u>Marubeni Group's equity portion</u>	<u>Type of business</u>
Marubeni Retail Investment Corporation	JPY 200 mil	100.00%	control over stock
Marubeni Power Development Co.	JPY 10 mil	100.00%	Development and Operation of overseas power business
Tobu Store Co., Ltd.	JPY 9,022 mil	29.73%	Retailer
Marubeni Offshore Production (USA) Inc.	USD 1,000	100.00%	Investment of oil and gas development in the Gulf of Mexico
Shanghai Marubeni Paper Sales Co., Ltd.	RMB 40 mil	70.00%	Trading of Paper and Paperboard
Gangwon Wind Power Co., Ltd.	KRW 37,862 mil	30.00%	Wind-power generation industry

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

<u>Company name</u>	<u>Reasons of exclusion</u>	<u>Marubeni Group's equity portion</u>	<u>Type of business</u>
Nexion Corporation	Sold (*)	96.43%	Video transmission service, broadband media service
Japan Cablenet Holdings Limited	Sold	23.00%	Management of CATV operators
OM2 Network Co., Ltd.	Sold	19.09%	Meat retailer
Ain Pharmaciez Inc.	Partly sold	15.66%	Dispensing pharmacies, retail stores for health & beauty pro
Marubeni Auto Direkes GmbH	Liquidation	100.00%	Automobile retailer in Germany
Nexion Media Inc.	Sold (*)	96.43%	introduce a service to the picture transmission

Note: (*) Decrease in equity portion due to allocation of new shares to third party.

Profit-making/loss-making consolidated companies

(Unit: billions of yen)

		March 31, 2006			March 31, 2005			Variance		
		Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
Profit-making companies	No. of companies	147	286	433	139	283	422	8	3	11
	Surplus amount	380	830	1,209	287	640	927	93	189	282
Loss-making companies	No. of companies	49	73	122	39	64	103	10	9	19
	Deficit amount	-106	-309	-415	-239	-216	-455	133	-93	40
Total	No. of companies	196	359	555	178	347	525	18	12	30
	Net profit/loss	273	521	794	48	424	472	226	97	322
Surplus company ratio		75.0%	79.7%	78.0%	78.1%	81.6%	80.4%	-3.1 points	-1.9 points	-2.4 points

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