

Financial Results for the 1st Quarter of FY2008 (US GAAP Basis)

(Unit: billions of yen)

Operating Results	FY2008 1Q Results	FY2007 1Q Results	FY07/08 Variance		Yearly Prospects FY2008	
			Variance	Variance in Percentage		
Total volume of trading transactions (*1)	¥ 2,751.3	¥ 2,399.6	¥ 351.7	15%	¥ 11,300.0	24%
Gross trading profit	156.4	133.5	22.8	17%	650.0	24%
Selling, general and administrative expenses	-95.8	-89.6	-6.2	-	-425.0	23%
Provision for doubtful accounts	-0.1	-0.2	0.1	-	-5.0	1%
Operating profit (*1)	60.5	43.7	16.8	38%	220.0	27%
Interest expense, net of interest income	-10.8	-10.5	-0.3	-	-45.0	24%
Dividends	7.7	7.5	0.2	-	20.0	39%
Gain (loss) on investment securities	0.6	8.5	-7.9	-	10.0	56%
Gain (loss) on property and equipment	0.7	0.4	0.3	-		
Other-net	4.3	3.6	0.6	-		
Equity in earnings (losses) of affiliated companies	18.3	13.7	4.6	-	65.0	28%
Income (loss) from continuing operations before income taxes	81.3	67.0	14.3	21%	270.0	30%
Provision (benefit) for income taxes	-26.9	-21.4	-5.5	-	-95.0	28%
Minority interests in consolidated subsidiaries	-3.6	-1.4	-2.2	-	-10.0	36%
Net income (loss)	50.8	44.1	6.7	15%	165.0	31%

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

Revenue (*2)	1,135.3	954.7	180.6	19%
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(*2) Revenue is presented in accordance with FASB Emerging Issue Task Force (EITF) 99-19.

Adjusted operating profit (*3)	60.5	43.9	16.7	38%	225.0	27%
Core earnings (*4)	75.8	54.6	21.2	39%	265.0	29%

(*3) Adjusted operating profit = Gross trading profit + SGA expenses

(*4) Core earnings = Adjusted operating profit + Interest expense-net + Dividend income + Equity in earnings of affiliated companies

Financial Condition	June 30, 2008	March 31, 2008	Variance
Total assets	5,264.6	5,207.2	57.4
(Current assets)	(2,705.5)	(2,607.9)	(97.6)
(Fixed assets)	(2,559.1)	(2,599.3)	(-40.2)
Shareholders' equity	772.9	779.8	-6.9
Interest-bearing debt	2,447.9	2,442.3	5.6
Net interest bearing debt	2,061.3	2,002.0	59.3
D/E ratio (*5)	2.67 x	2.57 x	+0.10 points

(*5) D/E ratio is calculated based on net interest-bearing debt

Cash Flow	FY2008 1Q	Increase/Decrease in the Surplus/Deficit of Consolidated Companies			
		FY2008 1Q	FY2007 1Q	Variance	
Cash flow from operating activities	-5.8	No. of profit making companies	314	310	4
Cash flow from investing activities	-74.0	Surplus amount	57.4	40.7	16.7
Free Cash Flows	-79.8	No. of loss making companies	134	121	13
Cash flow from financing activities	63.2	Deficit amount	-6.4	-3.8	-2.6
Effect of exchange rate changes	-15.0	No. of companies, total	448	431	17
Changes in cash and cash equivalents	-31.6	Net Income (loss)	51.0	36.9	14.1
		Ratio of profit making companies	70.1%	71.9%	-1.8 points

Major Financial Indicators and Yearly Prospects

Major Financial Indicators	Assumptions for FY2008 yearly prospects		
	FY2008 1Q	FY2007 1Q	Variance
1) Foreign Exchange Rate (YEN/USD)	104.55	120.79	(Yen up by 16.24 yen)
2) JPY TIBOR(%)	0.841	0.670	(up by 0.171 points)
USD LIBOR(%)	2.752	5.358	(down by 2.606 points)
3) Oil (USD/Barrel) *North Sea Brent	96	58	(up by USD 38/Barrel)
Copper (USD/MT) *LME	7,763	5,941	(up by USD 1,822/MT)

(note) Figures for North Sea Brent oil and LME copper are the average of the actual prices for the three months of January to March.

The forecast and prospects on this document are 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.

Outline of Financial Results for the 1st Quarter of FY2008

Highlights of FY2008 1Q Financial Results

- Net income for the period increased 6.7 billion yen (15%) year-on-year to 50.8 billion yen, which renewed our quarterly record. Actual result reached 31% of the yearly prospect. The first quarter of the "SG2009" started favorably.
- Gross trading profit increased 22.8 billion yen (17%) year-on-year to 156.4 billion yen. Income before income taxes amounted 81.3 billion yen, increased by 14.3 billion yen or 21% year-on-year.
- Adjusted operating profit increased 16.7 billion yen (38%) year-on-year to 60.5 billion yen. Core earnings rose 21.2 billion yen (39%) year-on-year to 75.8 billion yen.
- Total assets amounted 5,264.6 billion yen, increasing 57.4 billion yen compared with that on March 31, 2008. That was due to increase of operating receivables and inventory assets. Shareholders' equity decreased 6.9 billion yen from the end of the previous fiscal year to 772.9 billion yen due to deterioration in net unrealized losses on foreign currency exchanges, in spite of buildup of net income for the period.
- Net interest-bearing debt at the end of the quarter increased 59.3 billion yen to 2,061.3 billion yen. The D/E ratio was 2.67x.

- 4) **Provision for doubtful accounts ... -0.1 billion yen**
No major change from the same period of the previous year.
- 5) **Interest expense, net of interest income ... -10.8 billion yen**
This item increased 0.3 billion yen year-on-year.
- 6) **Dividends ... 7.7 billion yen**
This item increased 0.2 billion yen year-on-year.
- 7) **Gain (Loss) on investment securities ... 0.6 billion yen**
• Gain (Loss) on sales of investment securities 5.5 billion yen (-3.4 billion yen year-on-year)
• Valuation loss on investment securities -4.8 billion yen (-4.5 billion yen year-on-year)
This item deteriorated with 7.9 billion yen decrease year-on-year, due to appraisal loss on foreign shares or loss on fund management operation, along with the rebound from gains on sales of overseas business posted in the previous year.
- 8) **Gain (Loss) on property and equipment ... 0.7 billion yen**
• Gain on sale of property and equipment 0.7 billion yen (+0.1 billion yen year-on-year)
• Loss on sale /Valuation loss of property and equipment -0.0 billion yen (+0.1 billion yen year-on-year)
The net gain/loss improved by 0.3 billion yen compared with the same period of the previous year.
- 9) **Other-net ... 4.3 billion yen**
This item rose 0.6 billion yen year-on-year.
- 10) **Equity in earnings (losses) of affiliated companies ... 18.3 billion yen**
This item increased 4.6 billion yen year-on-year. Major factors are as follows:

Main Items

- 1) **Total volume of trading transactions ... 2,751.3 billion yen**
Total volume of trading transactions increased 351.7 billion yen over the same period of the previous fiscal year. (The impact of higher yen was 155.0 billion yen negative.) By segment, major growth was recorded in Energy (+198.6), Food (+101.8). (unit: billions of yen)
- 2) **Gross trading profit ... 156.4 billion yen**
Year-on-year growth was 22.8 billion yen. See below chart for segmental figures.
- 3) **Selling, general and administrative expenses ... -95.8 billion yen**
Year-on-year increase was 6.2 billion yen, due mainly to personnel expenses.

Marubeni-Itochu Steel Inc.	4.7 billion yen (+1.5 billion yen year-on-year)
Los Pelambres copper business	3.0 billion yen (+0.3 billion yen year-on-year)
Ship related operations	1.7 billion yen (+1.7 billion yen year-on-year)

(Unit: billions of yen)

Operating Segments	Gross trading profit			Net income (loss)			Main reasons for increase/decrease
	FY08 1Q	FY07 1Q	Variance	FY08 1Q	FY07 1Q	Variance	
Food	26.4	18.5	7.9	3.0	4.4	-1.4	Gross trading profit increased due to earnings from food distribution group firm which became a subsidiary in the second quarter last year. Also, volume increase in grain trading pushed up the profit. Net income, however, decreased due to appraisal losses on foreign shares and a rebound from gains on sales of marketable securities posted in the previous year.
Lifestyle	7.7	8.4	-0.7	0.9	0.7	0.2	Gross trading profit declined due to shrinkage of profit in apparel products and materials. Net profit for the period increased because of cost cutting, notwithstanding.
Forest Products	11.3	10.8	0.5	2.5	2.5	-	Gross trading profit rose due to earning increase in pulp and woodchip business. Segmental net income remained at the same level as the previous year between increase of gross trading profit and deterioration in equity in earnings from overseas pulp manufacturing business.
Chemicals	9.6	7.7	1.9	2.5	1.2	1.3	Both gross trading profit and net income increased due to profit rise in inorganic, agricultural and basic chemicals.
Energy	20.8	22.5	-1.7	10.9	10.0	0.9	Gross trading profit decreased due to profit decline in petrochemical business and an effect of an affiliated LPG importer converted from a subsidiary. Net income increased due to reduced interest payment along with more equity in earnings from overseas LNG project.
Metals & Mineral Resources	7.8	4.9	2.9	6.0	4.5	1.6	Both gross trading profit and net income for this segment rose due to higher prices in steel materials and also due to improvement of profit margin in light metal transactions.
Transportation Machinery	11.7	13.6	-1.9	3.3	7.1	-3.8	Sales of overseas automobile-related business caused shrinkage of gross trading profit. In addition, gain on marketable shares and improvement of tax payment posted last year caused net income decrease for this period.
Power Projects & Infrastructure	11.8	6.5	5.3	6.4	3.1	3.2	Gross trading profit increased with contribution from Caribbean vertically integrated power project, which was consolidated as a subsidiary in the second quarter last year. On top of that, improvement in tax expense pushed up the segmental net income.
Plant, Ship & Industrial Machinery	5.7	6.2	-0.5	3.8	1.6	2.2	Gross trading profit decreased due to decline in plant business. However, net income increased because of equity in earnings from ship-related business.
Real Estate Development	13.5	8.2	5.4	4.2	1.8	2.4	Both gross trading profit and net income increased from profit rise on large-scaled apartment development and sales of real estate for institutional investors.
FT, LT, IT & Innovative Business	11.7	8.3	3.4	0.4	1.3	-0.9	Gross trading profit increased owing to a PC wholesale subsidiary and other domestic subsidiaries. However, net income dropped due to loss on fund management.
Iron & Steel Strategies and Coordination	0.3	0.2	0.1	5.0	3.1	1.9	Net income for the period increased due to increase in equity in earnings of Marubeni-Itochu Steel Inc.
Overseas corporate subsidiaries & branches	20.5	19.7	0.8	1.4	0.7	0.7	Gross trading profit increased and pushed up net income mainly in Marubeni America.
Corporate & elimination	-2.6	-2.0	-0.6	0.7	2.2	-1.5	
Consolidated	156.4	133.5	22.8	50.8	44.1	6.7	

(Note) In April 2008, Marubeni made some changes in its business segmentation.

"Textile" and "Forest Products & General Merchandise" were reorganized into "Lifestyle" and "Forest Products".

"Transportation & Industrial Machinery", "Power Project" and "Plant, Ship & Infrastructure" were reorganized into "Transportation Machinery", "Power Projects & Infrastructure" and "Plant, Ship & Industrial Machinery".

"Information & Communication" and "Finance, Logistics & New Business" were integrated into "FT, LT, IT & Innovative Business".

"Domestic Branches and Offices" which used to be included in "Corporate & Elimination" was distributed into each product segment.

Segmental information for FY2007 has been altered accordingly.