

* This document is an English translation of materials originally prepared in Japanese.
The Japanese original shall be considered the primary version.

Consolidated Financial Results for the 1st Quarter of FYE 3/2017 (IFRS Basis)

(Unit: Billions of yen)

Operating Results	FYE3/2017 Q1 Results	FYE3/2016 Q1 Results	Variance	Variance in Percentage	Prospects for FYE 3/2017	
					(announced on May 10, 2016)	Progress in percentage
Total volume of trading transactions (*1)	¥ 2,791.7	¥ 3,342.3	-550.6	-16%	¥ 12,500.0	22%
Gross trading profit	158.6	186.4	-27.8	-15%	655.0	24%
Selling, general and administrative expenses	(125.8)	(133.3)	+7.4	-	(550.0)	-
Provision for doubtful accounts	(1.0)	(1.7)	+0.7	-	(5.0)	-
Operating profit (*1)	31.8	51.4	-19.7	-38%	100.0	32%
Interest expense, net of interest income	(4.5)	(4.3)	-0.2	-	(30.0)	-
Dividend income	3.6	5.0	-1.4	-	15.0	-
Gain (loss) on investment securities	(0.3)	8.8	-9.0	-	(10.0)	-
Gain (loss) on property, plant and equipment	2.4	(3.0)	+5.4	-	(10.0)	-
Other-net	6.6	(2.1)	+8.7	-		
Share of profits of associates and joint ventures	24.7	30.4	-5.7	-	115.0	-
Profit before tax	64.2	86.1	-21.9	-25%	190.0	34%
Tax expense	(14.7)	(13.4)	-1.3	-	(55.0)	-
Profit for the period	49.5	72.7	-23.2	-32%	135.0	37%
Profit attributable to owners of the parent	48.4	71.0	-22.6	-32%	130.0	37%
Profit attributable to non-controlling interests	1.1	1.7	-0.6	-	5.0	-
Revenue	1,870.6	2,021.6	-150.9	-7%		
Adjusted operating profit (*2)	32.8	53.1	-20.3	-38%	105.0	31%
Core earnings (*3)	56.5	84.2	-27.7	-33%	205.0	28%

(*1) Total volume of trading transactions includes all transactions involving the Company and its consolidated subsidiaries regardless of transaction type.

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

(*3) Core earnings = Adjusted operating profit + Interest expense-net + Dividend income + Share of profits of associates and joint ventures

(Unit: Billions of yen, unless otherwise stated)

Financial Position	June 30, 2016	March 31, 2016	Variance	Main reasons for increase/decrease	Prospects for March 31, 2017 (announced on May 10, 2016)
Total assets	6,631.1	7,117.7	-486.6	Total assets Decreased mainly in inventories and investments accounted by equity-method.	-
Current assets	2,954.0	3,162.6	-208.6		-
Non-current assets	3,677.1	3,955.1	-278.0		-
Total equity	1,288.8	1,415.2	-126.4	Total equity Decreased in foreign currency translation adjustments led by Japanese yen appreciation.	approx. 1,500.0
Equity attributable to owners of the parent	1,197.0	1,317.1	-120.0		-
Net interest-bearing debt	2,615.4	2,762.5	-147.1	Net interest-bearing debt Decreased mainly by Japanese yen appreciation.	approx. 2,600.0
Net D/E ratio (*4)	2.03 times	1.95 times	+0.08 points		less than 1.7 times

(*4) Net D/E ratio = Net interest-bearing debt / Total equity

(Unit: Billions of yen)

Cash Flow	FYE 3/2017 Q1	FYE 3/2016 Q1	Major Financial Indicators	FYE3/2017 Q1	FYE 3/2016 Q1	Variance	Assumptions for FYE 3/2017
Cash flow from operating activities	36.3	129.0	Foreign Exchange Rate (YEN/USD) Apr.-Jun. avg. End Jun.	108.14	121.36	Yen appreciation by 13.22 yen (11%)	113
Cash flow from investing activities	(17.6)	(35.2)	JPY TIBOR(%) Apr.-Jun. avg.	0.070	0.171	down by 0.101% points (59%)	0.2
Free Cash Flow	18.6	93.9	USD LIBOR(%) Apr.-Jun. avg.	0.643	0.280	up by 0.363% points (130%)	0.7
Cash flow from financing activities	(72.8)	(47.8)	Oil (USD/Barrel) WTI Apr.-Jun. avg.	46	58	down by USD 12/barrel (21%)	44
Effect of exchange rate changes	(17.2)	4.9	Copper (USD/MT) LME Apr.-Jun. avg.	4,729	6,043	down by USD 1,314/MT (22%)	5,300
Changes in cash and cash equivalents	(71.4)	51.0					

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 FYE3/2017

Outlines

○ Profit attributable to owners of the parent for Q1 FYE3/2017 amounted to 48.4 billion yen, with 22.6 billion yen or 32% year-on-year decrease.
The progress to FYE3/2017 yearly prospect of 130.0 billion yen is 37%.

Main Items

1) Total volume of trading transactions ... 2,791.7 billion yen (-550.6 billion yen year on year)

Sales prices in oil trading business declined.
Japanese yen appreciation resulted in a decrease of approximately 210.0 billion yen.
Major decreases: in Energy & Metals / -241.2 billion yen

2) Gross trading profit ... 158.6 billion yen (-27.8 billion yen year on year)

Japanese yen appreciation resulted in a decrease of approximately 11.0 billion yen.
Please see the chart below for the details.

3) Selling, general, and administrative expenses ... -125.8 billion yen (+7.4 billion yen year on year)

Japanese yen appreciation resulted in a decrease of approximately 8.0 billion yen.

4) Interest expense, net of interest income ... -4.5 billion yen (-0.2 billion yen year on year)

• Interest expense -8.2 billion yen (+0.8 billion yen year on year)
• Interest income 3.7 billion yen (-1.0 billion yen year on year)

5) Dividend income ... 3.6 billion yen (-1.4 billion yen year on year)

Decreased in energy businesses.

6) Gains (losses) on investment securities ... -0.3 billion yen (-9.0 billion yen year on year)

Decreased by a nonrecurrence of a year-earlier gain on the sale of an equity stake of associates.

7) Gains (losses) on property, plant and equipment ... 2.4 billion yen (+5.4 billion yen year on year)

• Gains (losses) on sales of property, plant and equipment 2.4 billion yen (+3.7 billion yen year on year)
• Losses on fair value of property, plant and equipment - billion yen (+18 billion yen year on year)

8) Other Gains (losses) ... 6.6 billion yen (+8.7 billion yen year on year)

Gain on the sale of an automotive sector business in North America.
Improved by a nonrecurrence of a year-earlier loss on an Uruguayan LNG receiving terminal project.

9) Share of profits of associates and joint ventures ... 24.7 billion yen (-5.7 billion yen year on year)

Major items:
Overseas IPP businesses 8.7 billion yen (-1.3 billion yen year on year)
Marubeni-Itochu Steel Inc. 2.1 billion yen (-0.4 billion yen year on year)
Copper business in Chile -0.9 billion yen (-2.8 billion yen year on year)

*(Reference) Consolidated Net Profit of Major Subsidiaries

Gavilon (Food:85% Chemical Products:15%): 0.4 billion yen (-0.5 billion yen year on year)
Helena Chemical (Helena business: 85% Chemical Products: 15%): 10.8 billion yen (-1.8 billion yen year on year)

(Unit: Billions of yen)

Operating Segment	Gross trading profit			Profit attributable to owners of the parent			Main reasons for increase/decrease
	FYE3/17 Q1	FYE3/16 Q1	Variance	FYE3/17 Q1	FYE3/16 Q1	Variance	
Food & Consumer Products	67.5	71.0	-3.5	14.9	20.7	-5.7	(Food) • Profit decrease of Gavilon. (Lifestyle/ ICT, Logistics & Healthcare/ Insurance, Finance & Real Estate Business) • Nonrecurrence of a year-earlier gain on the sale of an equity stake in a ICT related associate.
Food (Grain & Food Products)	36.4	38.0	-1.6	8.9	9.4	-0.5	
Lifestyle/ ICT, Logistics & Healthcare/ Insurance, Finance & Real Estate Business	31.2	33.2	-2.1	6.0	11.2	-5.2	
Chemical & Forest Products	56.2	63.1	-6.9	13.6	17.0	-3.3	(Helena Business) • Profit decrease in Helena Chemical due to Japanese yen appreciation. (Chemical Products/ Forest Products) • Margin deterioration in the woodchip and pulp businesses.
Helena Business	39.5	44.6	-5.1	8.9	10.6	-1.6	
Chemical Products/ Forest Products	16.7	18.5	-1.8	4.7	6.4	-1.7	
Energy & Metals	(1.0)	11.7	-12.8	(5.0)	11.0	-16.1	(Energy) • Margin deterioration in LNG fields. • Reduced profit influenced by lower oil and gas prices in these resource development fields. (Metals & Mineral Resources) • Reduced profit from an equity-method investment in a Chilean copper project. • A reactionary decrease by a return on corporate income tax of a nonrecurrence of a year-earlier impairment loss of a Canadian coal business.
Energy	(2.5)	9.1	-11.6	(5.8)	3.9	-9.7	
Steel Products	0.0	0.0	-0.0	2.0	2.7	-0.7	
Metals & Mineral Resources	1.4	2.7	-1.2	(1.3)	4.4	-5.7	
Power Projects & Plant	14.2	15.6	-1.4	13.5	9.1	+4.4	(Power Projects) • A reactionary loss from the recognition of a year-earlier gains on the sale of shares in overseas IPP business. (Energy & Environment Infrastructure/ Plant) • Nonrecurrence of a year-earlier loss on a Uruguayan LNG receiving terminal project.
Power Projects	11.1	7.4	+3.7	9.3	11.5	-2.2	
Energy & Environment Infrastructure/ Plant	3.1	8.3	-5.2	4.2	(2.3)	+6.6	
Transportation & Industrial Machinery	22.3	24.8	-2.5	14.0	7.8	+6.2	• Recognition of a gain on the sale of an automotive sector business in North America.
Aerospace & Ship/ Automotive & Leasing/ Construction & Industrial Machinery							
Corporate & Elimination, etc.	(0.5)	0.2	-0.7	(2.7)	5.5	-8.1	• Increased expense of income tax (adjustments for annual income tax rate expected for the full financial year).
Consolidated	158.6	186.4	-27.8	48.4	71.0	-22.6	
Resources Total				(7.1)	8.3	(15.4)	
Non-resources Total				55.5	62.7	(7.2)	
Non-resource Ratio				-	88%	-	

Marubeni divided all overseas corporate subsidiaries under the operating segments that are effective as of the fiscal year ending March 31, 2017. In conjunction with this revision, operating segment information for the year-earlier has been reclassified.