

Financial Highlights

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

May 9, 2017  
Marubeni Corporation

Consolidated Financial Results for FYE 3/2017 and Yearly Forecasts for FYE 3/2018 (IFRS Basis)

(Unit: Billions of yen)

Operating Results	FYE 3/2017 Results	FYE 3/2016 Results	Variance	Variance in Percentage	Forecasts for FYE 3/2018	
						Variance from FYE 3/2017
Total volume of trading transactions (*1)	¥ 11,134.2	¥ 12,208.0	-1,073.8	-9%		
<b>Gross trading profit</b>	<b>613.9</b>	<b>670.1</b>	<b>-56.2</b>	<b>-8%</b>	<b>670.0</b>	<b>+56.1</b>
Selling, general and administrative expenses	(518.1)	(553.3)	+35.3	-	(550.0)	-
Provision for doubtful accounts	(4.2)	(12.5)	+8.3	-	(5.0)	-
<b>Operating profit (*1)</b>	<b>91.6</b>	<b>104.2</b>	<b>-12.6</b>	<b>-12%</b>	<b>115.0</b>	<b>+23.4</b>
Interest expense, net of interest income	(17.1)	(19.0)	+1.9	-	(25.0)	-
Dividend income	17.5	18.6	-1.0	-	15.0	-
Gain (loss) on investment securities	11.0	74.3	-63.3	-		
Gain (loss) on property, plant and equipment	(63.4)	(103.3)	+39.9	-	(5.0)	-
Other-net	45.9	(16.0)	+62.0	-		
Share of profits of associates and joint ventures	114.7	31.8	+82.9	-	125.0	-
<b>Profit before tax</b>	<b>200.3</b>	<b>90.6</b>	<b>+109.7</b>	<b>121%</b>	<b>225.0</b>	<b>+24.7</b>
Tax expense	(44.5)	(23.0)	-21.5	-	(50.0)	-
<b>Profit for the year</b>	<b>155.8</b>	<b>67.5</b>	<b>+88.3</b>	<b>131%</b>	<b>175.0</b>	<b>+19.2</b>
<b>Profit attributable to owners of the parent</b>	<b>155.4</b>	<b>62.3</b>	<b>+93.1</b>	<b>150%</b>	<b>170.0</b>	<b>+14.7</b>
Profit attributable to non-controlling interests	0.4	5.3	-4.8	-	5.0	-
<b>Revenue</b>	<b>7,128.8</b>	<b>7,300.3</b>	<b>-171.5</b>	<b>-2%</b>		
<b>Adjusted operating profit (*2)</b>	<b>95.8</b>	<b>116.7</b>	<b>-21.0</b>	<b>-18%</b>	<b>120.0</b>	<b>+24.2</b>
<b>Core earnings (*3)</b>	<b>210.9</b>	<b>148.1</b>	<b>+62.8</b>	<b>42%</b>	<b>235.0</b>	<b>+24.1</b>

(\*1) Total volume of trading transactions includes all transactions involving the Company and its consolidated subsidiaries regardless of transaction type. Total volume of trading transactions and operating profit are presented in accordance with Japanese accounting practice for investors' convenience and are not required by IFRS.

(\*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	March 31, 2017	March 31, 2016	Variance	Main reason for increase/decrease	Forecasts for March 31, 2018
<b>Total assets</b>	6,896.7	7,117.7	-221.0		-
Current assets	3,164.5	3,162.6	+1.9		-
Non-current assets	3,732.2	3,955.1	-222.9	Total assets Decreased mainly in property, plant and equipment.	-
<b>Total equity</b>	1,742.8	1,415.2	+327.6	Total equity Increased due to accumulating profit and financing through perpetual subordinated loans.	approx. 1,850.0
Equity attributable to owners of the parent	1,683.7	1,317.1	+366.7	Net interest-bearing debt Improved free cash flow and repayment of interest-bearing debt due to the financing through perpetual subordinated loans.	-
Net interest-bearing debt	2,099.9	2,762.5	-662.5		approx. 2,000.0
<b>Net DE ratio (*4)</b>	1.20 times	1.95 times	-0.75 points		approx. 1.1 times

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

(Unit: Billions of yen)

Cash Flows	FYE 3/2017	FYE 3/2016	Major Financial Indicators	FYE 3/2017	FYE 3/2016	Variance	Assumptions for FYE 3/2018
Cash flow from operating activities	324.3	359.1	Foreign Exchange Rate (YEN/USD) Apr.-Mar. avg. End Mar.	108.38	120.14	Yen appreciation by 11.76 yen (10%)	110
Cash flow from investing activities	46.5	(174.6)	JPY TIBOR(%) Apr.-Mar. avg.	112.19	112.68	Yen appreciation by 0.49 yen (0%)	
<b>Free Cash Flow</b>	<b>370.8</b>	<b>184.5</b>	USD LIBOR(%) Apr.-Mar. avg.	0.061	0.160	down by 0.099 % points (62%)	0.1
Cash flow from financing activities	(258.1)	(36.3)	Oil (USD/Barrel) WTI Apr.-Mar. avg.	0.855	0.406	up by 0.449 % points (111%)	1.4
Effect of exchange rate changes	(8.5)	(16.5)	Copper (USD/MT) LME Apr.-Mar. avg.	48	45	up by USD 3/barrel (6%)	50
Changes in cash and cash equivalents	104.1	131.7		5,152	5,211	down by USD 59/MT (1%)	5,700

Outline of Yearly Forecasts for FYE 3/2018

◎ The forecast for yearly profit attributable to owners of the parent is set to be at 170.0 billion yen.  
◎ Reflecting our targeted dividend payout ratio of 25% or more, yearly dividend for FYE 3/2018 is projected to be 25 yen per share, including interim dividend of 12.5 yen per share, according to the yearly forecast for profit attributable to owners of the parent of 170.0 billion yen.

The forecasts 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 FYE 3/2017

Outlines	6) Gains (losses) on investment securities ... 11.0 billion yen (-63.3 billion yen year on year)
<p>○ Profit attributable to owners of the parent for FYE 3/2017 was 155.4 billion yen (+93.1 billion yen year on year).</p> <p>○ Yearly dividend for FYE 3/2017 has been revised to an estimate of 23 yen per share from the dividend of 21 yen per share announced on February 6, 2017, as the yearly profit attributable to owners of the parent was 155.4 billion yen.</p> <p><b>Main Items</b></p> <p>1) <b>Total volume of trading transactions ... 11,134.2 billion yen (-1,073.8 billion yen year on year)</b> Japanese yen appreciation resulted in a decrease of approximately 710.0 billion yen. Major decrease: Food &amp; Consumer Products -445.2 billion yen Energy &amp; Metals -345.2 billion yen</p> <p>2) <b>Gross trading profit ... 613.9 billion yen (-56.2 billion yen year on year)</b> Japanese yen appreciation resulted in a decrease of approximately -36.0 billion yen. Acquisition and exclusion of subsidiaries resulted in a decrease of approximately -22.0 billion yen.</p> <p>3) <b>Operating profit ... 91.6 billion yen (-12.6 billion yen year on year)</b> Improvement of the provision for doubtful accounts of 8.3 billion yen. Japanese yen appreciation, as well as acquisition and exclusion of subsidiaries resulted in a decrease of approximately -11.0 billion yen. Aside from the above stated, although there was an improvement in Metals &amp; Mineral Resources, decreased in areas such as woodchip &amp; pulp, housing development and oil &amp; LNG trading.</p> <p>4) <b>Interest expense, net of interest income ... -17.1 billion yen (+1.9 billion yen year on year)</b> - Interest expense -33.3 billion yen (+0.3 billion yen year on year) - Interest income 16.2 billion yen (+1.6 billion yen year on year)</p> <p>5) <b>Dividend income ... 17.5 billion yen (-1.0 billion yen year on year)</b> Decreased in energy businesses.</p>	<p>Recognition of gains on sale of investment securities of an associate company in ICT related business. Year-on-year reactionary losses from valuation gains on equity interests in Chinese sewage treatment and North American freight railcar leasing businesses of a year earlier.</p> <p>7) <b>Gains (losses) on property, plant and equipment ... -63.4 billion yen (+39.9 billion yen year on year)</b> Recognition of impairment losses on oil &amp; gas development businesses. Improved year on year due to non-recurrence (-110.3 billion yen) of a year-earlier impairment loss in oil &amp; gas development business. - Gains on sales of property, plant and equipment 5.9 billion yen (-5.5 billion yen year on year) - Losses on fair value of property, plant and equipment -69.2 billion yen (+45.4 billion yen year on year)</p> <p>8) <b>Other-net ... 45.9 billion yen (+62.0 billion yen year on year)</b> Gains from sales of solar power business and automotive sector business in North America. In addition to above, a reactionary improvement from a year-earlier loss on withdrawal from a Uruguayan LNG receiving terminal project.</p> <p>9) <b>Share of profits of associates and joint ventures ... 114.7 billion yen (+82.9 billion yen year on year)</b> A reactionary improvement from year-earlier impairment losses of copper business in Chile (-35.9 billion yen) and iron ore business in Australia (-20.2 billion yen). Major items: - Overseas IPP businesses 40.9 billion yen (-10.3 billion yen year on year) - JELLINBAH GROUP 9.5 billion yen (+6.8 billion yen year on year) (Coal business in Australia) - Marubeni-Itochu Steel Inc. 7.6 billion yen (+1.0 billion yen year on year) - Copper business in Chile 4.7 billion yen (+51.0 billion yen year on year)</p> <p><b>*(Reference) Consolidated Net Profit of Major Subsidiaries</b> - Gavilon (Food: 85%, Agri-Input Business: 15%) 11.3 billion yen (+5.9 billion yen year on year) - Helena (Agri-Input Business 100%) 20.1 billion yen (+0.6 billion yen year on year)</p>

(Unit: Billions of yen)

Operating Segment (*5)	Gross trading profit			Profit attributable to owners of the parent			Main reasons for increase/decrease
	FYE 3/17	FYE 3/16	Variance	FYE 3/17	FYE 3/16	Variance	
<b>Food &amp; Consumer Products</b>	<b>282.6</b>	<b>305.7</b>	<b>-23.1</b>	<b>61.3</b>	<b>58.2</b>	<b>+3.0</b>	(Food) - Increased profit in Gavilon. (Lifestyle/ ICT, Logistics & Healthcare/ Insurance, Finance & Real Estate Businesses) - Recognition of gains on sale of investment securities of an associate company in ICT related business.
Food (Grain & Food Products)	147.0	167.4	-20.4	31.2	28.4	+2.8	
Lifestyle/ ICT, Logistics & Healthcare/ Insurance, Finance & Real Estate Business	135.9	140.0	-4.1	30.0	29.9	+0.2	
<b>Chemical &amp; Forest Products</b>	<b>175.8</b>	<b>197.3</b>	<b>-21.4</b>	<b>28.7</b>	<b>33.3</b>	<b>-4.6</b>	(Agri-Input Business) - Increased profit in Helena Chemical. (Chemical Products/ Forest Products) - Margin deterioration in the woodchip and pulp businesses.
Agri-Input Business	124.3	137.0	-12.7	21.2	20.0	+1.2	
Chemical Products/ Forest Products	51.6	60.3	-8.7	7.5	13.2	-5.8	
<b>Energy &amp; Metals</b>	<b>26.2</b>	<b>19.4</b>	<b>+6.7</b>	<b>(6.2)</b>	<b>(142.4)</b>	<b>+136.2</b>	(Energy) - Reduced impairment loss on the oil & gas projects year on year. - Gains from sales of solar power businesses. (Metals & Mineral Resources) - Increased profit in Australian coal business mainly due to an increase in coal price. - A reactionary improvement from a year-earlier impairment losses of copper business in Chile and iron ore business in Australia.
Energy	7.2	12.2	-5.0	(24.6)	(84.9)	+60.4	
Steel Products	0.2	0.2	-0.0	7.5	6.9	+0.6	
Metals & Mineral Resources	18.9	7.2	+11.7	10.8	(64.3)	+75.2	
<b>Power Projects &amp; Plant</b>	<b>45.3</b>	<b>54.1</b>	<b>-8.8</b>	<b>56.5</b>	<b>72.2</b>	<b>-15.7</b>	(Power Projects) - Reduced profit from an equity-method investment in an overseas IPP business. - Gains from sales of solar power businesses. (Energy & Environment Infrastructure/ Plant) - A reactionary loss from a year-earlier impairment losses (valuation gains on equity interests in Chinese sewage treatment and North American freight railcar leasing businesses and loss from a withdrawal of a Uruguayan LNG receiving terminal project).
Power Projects	30.9	29.4	+1.5	40.2	40.7	-0.5	
Energy & Environment Infrastructure/ Plant	14.4	24.7	-10.3	16.4	31.5	-15.2	
<b>Transportation &amp; Industrial Machinery</b>	<b>93.3</b>	<b>98.9</b>	<b>-5.6</b>	<b>28.6</b>	<b>24.2</b>	<b>+4.4</b>	- Recognition of a gain on the sale of an automotive sector business in North America. - Increased profit in Aircraft-related business and Ship business. - Recognition of an impairment loss of an automotive sector business in North America.
Aerospace & Ship/ Automotive & Leasing/ Construction & Industrial Machinery							
<b>Corporate &amp; Elimination, etc.</b>	<b>(9.3)</b>	<b>(5.2)</b>	<b>-4.0</b>	<b>(13.5)</b>	<b>16.8</b>	<b>-30.3</b>	- Increased expense of income tax.
<b>Consolidated</b>	<b>613.9</b>	<b>670.1</b>	<b>-56.2</b>	<b>155.4</b>	<b>62.3</b>	<b>+93.1</b>	
<b>Resources Total</b>				<b>(13.8)</b>	<b>(149.3)</b>	<b>+135.5</b>	
<b>Non-resources Total</b>				<b>169.1</b>	<b>211.5</b>	<b>-42.4</b>	

(\*5) Indicated numbers have eliminated the transactions within the operating segment.

\* Marubeni divided all overseas corporate subsidiaries under the operating segments that are effective as of the fiscal year ending March 31, 2017. Chemical & Forest Products segment has been reorganized within the group, renaming "Helena Business" into "Agri-Input Business" and integrating parts of "Chemical Products" into "Agri-Input Business". In conjunction with this revision, operating segment information for the year-earlier has been reclassified.