

* 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 2nd Quarter of FYE3/2018 and Yearly Forecasts for FYE3/2018 (IFRS Basis)

November 2, 2017
Marubeni Corporation

Operating Results	FYE3/2018			FYE3/2017	Variance	Variance in Percentage	Forecasts for FYE3/2018	
	Q1	Q2	Q1-Q2 Results	Q1-Q2 Results				Progress in Percentage
Revenue	¥ 1,922.9	¥ 1,855.2	¥ 3,778.1	¥ 3,453.6	+324.5	9%		
Gross trading profit	159.3	153.3	312.6	294.8	+17.9	6%	670.0	47%
Selling, general and administrative expenses	(127.2)	(130.8)	(258.0)	(247.3)	-10.7	-	(550.0)	-
Provision for doubtful accounts	(1.0)	(0.9)	(1.9)	(2.1)	+0.2	-	(5.0)	-
Operating profit (*1)	31.1	21.7	52.7	45.4	+7.4	16%	115.0	46%
Interest expense, net of interest income	(4.3)	(4.9)	(9.2)	(8.0)	-1.1	-	(25.0)	-
Dividend income	5.9	3.5	9.4	7.6	+1.8	-	15.0	-
Gain (loss) on investment securities	0.5	2.6	3.1	0.8	+2.4	-	} (5.0)	-
Gain (loss) on property, plant and equipment	2.0	(0.1)	1.9	2.3	-0.4	-		-
Other-net	4.1	2.0	6.1	16.9	-10.8	-		-
Share of profits of associates and joint ventures	30.1	41.2	71.4	50.8	+20.6	-	125.0	-
Profit before tax	69.4	66.1	135.5	115.6	+19.8	17%	225.0	60%
Tax expense	(14.7)	(13.5)	(28.1)	(33.2)	+5.0	-	(50.0)	-
Profit for the period	54.7	52.6	107.3	82.5	+24.8	30%	175.0	61%
Profit attributable to owners of the parent	53.8	50.8	104.6	80.5	+24.1	30%	170.0	62%
Profit attributable to non-controlling interests	1.0	1.8	2.7	2.0	+0.8	-	5.0	-
Adjusted operating profit (*2)	32.1	22.5	54.6	47.5	+7.1	15%	120.0	46%

(*1) Operating profit is presented in accordance with Japanese accounting practice for investors' convenience and is not required by IFRS.

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

Financial Position	September 30, 2017	March 31, 2017	Variance	Forecasts for March 31, 2018
Total assets	6,866.6	6,896.7	-30.2	-
Current assets	3,011.8	3,164.5	-152.7	-
Non-current assets	3,854.8	3,732.2	+122.6	-
Total equity	1,865.3	1,742.8	+122.6	approx. 1,850.0
Equity attributable to owners of the parent	1,800.0	1,683.7	+116.2	-
Net interest-bearing debt	2,206.0	2,099.9	+106.1	approx. 2,000.0
Net D/E ratio (*3)	1.18 times	1.20 times	-0.02 points	approx. 1.1 times

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

Cash Flow	FYE3/2018		Major Financial Indicators	FYE3/2018 Q1-Q2	FYE3/2017 Q1-Q2	Variance (Variance in Percentage)	Assumptions for FYE3/18 Q3-Q4
	Q1-Q2	Q1-Q2					
Cash flow from operating activities	47.6	83.4	Foreign Exchange Rate (YEN/USD) Apr.-Sep. avg. End Sep.	111.06	105.29	Yen depreciation by 5.77 yen (5%)	110
Cash flow from investing activities	(101.5)	(64.6)		112.73	101.12	Yen depreciation by 11.61 yen (11%)	
Free Cash Flow	(53.9)	18.8	JPY TIBOR(%) Apr.-Sep. avg.	0.057	0.065	down by 0.008 points (12%)	0.10
Cash flow from financing activities	(81.3)	189.6	USD LIBOR(%) Apr.-Sep. avg.	1.262	0.716	up by 0.546 points (76%)	1.45
Effect of exchange rate changes	2.6	(19.7)	Oil (USD/Barrel) WTI Apr.-Sep. avg.	48	45	up by USD 3/barrel (6%)	51
Changes in cash and cash equivalents	(132.5)	188.7	Copper (USD/MT) LME Apr.-Sep. avg.	6,013	4,751	up by USD 1,263/MT (27%)	6,800

Outline of Yearly Forecast for FYE3/2018

© The prospect 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 FYE3/2018 is projected to be 25 yen per share, according to the yearly forecast for profit attributable to owners of the parent of 170.0 billion yen. (As for the interim dividend, it has been resolved at 12.5 yen per share.)

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 FYE3/2018 Q1-Q2

Outlines

- Profit attributable to owners of the parent for Q1-Q2 FYE3/2018 amounted to 104.6 billion yen, with 24.1 billion yen or 30% year-on-year increase. The progress to FYE3/2018 yearly forecast of 170.0 billion yen is 62%.
- Total equity amounted to 1,865.3 billion yen with 122.6 billion yen increase from the end of the previous fiscal year. Net interest-bearing debt amounted to 2,206.0 billion yen with 106.1 billion yen increase from the end of the previous fiscal year. As a result, Net D/E ratio improved to 1.18 points with 0.02 points down from the end of the previous fiscal year. (Improved 0.07 points from the end of the previous fiscal quarter.)
- Free cash flow amounted to an expenditure of -53.9 billion yen due to an increase in capital expenditure in overseas businesses and such.

Main Items

- Revenue ... 3,778.1 billion yen (+324.5 billion yen year on year)**
Increased profit mainly for Food & Consumer Products and Chemical & Forest Products segments. Japanese yen depreciation resulted in an increase of approximately +111.0 billion yen.
 - Gross trading profit ... 312.6 billion yen (+17.9 billion yen year on year)**
Please see the chart below.
Japanese yen depreciation resulted in an increase of approximately +8.0 billion yen.
 - Selling, general, and administrative expenses ... -258.0 billion yen (-10.7 billion yen year on year)**
Increased mainly due to personnel expenses.
Japanese yen depreciation resulted in an increase of approximately -6.0 billion yen.
 - Interest expense, net of interest income ... -9.2 billion yen (-1.1 billion yen year on year)**
*Interest expense -16.4 billion yen (-1.2 billion yen year on year)
*Interest income 7.3 billion yen (+0.1 billion yen year on year)
 - Dividend income ... 9.4 billion yen (+1.8 billion yen year on year)**
Increased in energy businesses.
- Gains (losses) on investment securities ... 3.1 billion yen (+2.4 billion yen year on year)**
Gains on sales of shares of affiliated companies and such.
 - Gains (losses) on property, plant and equipment ... 1.9 billion yen (-0.4 billion yen year on year)**
Gains on sales of property, plant and equipment 1.9 billion yen (-0.4 billion yen year on year)
 - Other-net ... 6.1 billion yen (-10.8 billion yen year on year)**
Reduced profit from a year-on-year reactionary loss from the sale of an automotive sector business in North America of a year earlier.
 - Share of profits of associates and joint ventures ... 71.4 billion yen (+20.6 billion yen year on year)**
Major items:
 - Overseas IPP businesses 20.1 billion yen (-1.6 billion yen year on year)
 - Copper business in Chile 9.8 billion yen (+12.2 billion yen year on year)
 - JELLINBAH GROUP 6.4 billion yen (+5.0 billion yen year on year)
 - (Coal business in Australia)
 - Marubeni-Itochu Steel Inc. 4.0 billion yen (+0.4 billion yen year on year)
- *(Reference) Consolidated Net Profit of Major Subsidiaries**
- Gavilon 2.1 billion yen (-0.5 billion yen year on year)
 - Grain business (Grain:100%); Fertilizer business (Agri-Input Business: 100%): -0.4 billion yen (-1.7 billion yen year on year)
 - Helena Chemical (Agri-Input Business: 100%): 11.2 billion yen (+1.2 billion yen year on year)

Operating Segments (*4)	Gross trading profit			Profit attributable to owners of the parent			Main reasons for increase/decrease	Profit attributable to owners of the parent		
	FYE3/2018 Q1-Q2	FYE3/2017 Q1-Q2	Variance	FYE3/2018 Q1-Q2	FYE3/2017 Q1-Q2	Variance		Revised Yearly Forecasts	Initial Yearly Forecasts	Variance
Food & Consumer Products	129.3	133.6	-4.3	22.2	29.5	-7.2	(Food) *Reduced profit from margin deterioration in the soybean sales to China, and such. (Lifestyle/ ICT, Logistics & Healthcare/ Insurance, Finance & Real Estate Business) *Reduced profit in real estate development business and such.	57.0	57.0	-
Food (Grain & Food Products)	64.3	69.8	-5.6	12.0	14.8	-2.9		29.0	31.0	-2.0
Lifestyle/ ICT, Logistics & Healthcare/ Insurance, Finance & Real Estate Business	65.2	63.9	+1.3	10.3	14.6	-4.4		28.0	26.0	+2.0
Chemical & Forest Products	96.4	90.4	+6.0	16.7	16.6	+0.1	(Agri-Input Business) *Increased profit in Helena Chemical by yen depreciation and margin improvement. *Worsening of Gavilon's fertilizer business due to sluggish market conditions and such. (Chemical Products/ Forest Products) *Reduced profit from a decrease in handled volume of the petrochemical and plastics and such. *Improvement in woodchip and pulp businesses due to an improvement in the market condition of pulp.	31.0	35.0	-4.0
Agri-Input Business	70.3	64.0	+6.3	11.8	11.6	+0.2		19.0	22.0	-3.0
Chemical Products/ Forest Products	26.1	26.4	-0.3	5.0	5.1	-0.1		12.0	13.0	-1.0
Energy & Metals	18.7	0.9	+17.9	21.0	(11.6)	+32.6	(Energy) *Margin improvement in LNG fields. (Metals & Mineral Resources) *Increased profit in Australian coal business mainly by an increase in coal price. *An improvement from a share of profits of associates and joint ventures in copper business in Chile, mainly by an increase in copper price.	36.0	30.0	+6.0
Energy	6.2	(2.8)	+9.0	(1.1)	(11.8)	+10.7		(2.0)	(7.0)	+5.0
Steel Products	0.1	0.1	+0.0	3.7	3.5	+0.2		8.0	8.0	-
Metals & Mineral Resources	12.4	3.6	+8.8	18.4	(3.3)	+21.7		30.0	29.0	+1.0
Power Projects & Plant	19.8	28.6	-8.8	24.7	29.1	-4.3	(Power Business) *Reduced profit from a year-earlier reactionary loss of an equity-method investment in an overseas IPP business.	52.5	51.5	+1.0
Power Business	13.8	21.1	-7.4	18.3	22.3	-4.0		41.0	40.0	+1.0
Plant	6.1	7.5	-1.5	6.4	6.8	-0.4		11.5	11.5	-
Transportation & Industrial Machinery	52.7	43.7	+8.9	20.0	18.4	+1.6	*Increased profit in aerospace, construction and industrial machinery related businesses.	33.0	29.0	+4.0
Aerospace & Ship/ Automotive & Leasing/ Construction & Industrial Machinery										
Other	(4.3)	(2.5)	-1.8	(0.1)	(1.5)	+1.4	*Improvement in expense of income tax (adjustments for annual income tax rate expected for the full financial year) and such.	(39.5)	(32.5)	-7.0
Consolidated	312.6	294.8	+17.9	104.6	80.5	+24.1		170.0	170.0	-
Resources Total				17.3	(15.1)	+32.4		28.0	22.0	+6.0
Non-resources Total				87.3	95.6	-8.3		142.0	148.0	-6.0
Non-resources Ratio				84%	-	-		84%	87%	-4%

(*4) Indicated numbers have eliminated the transactions within the operating segments.

* As of April 1, 2017, Power Business & Plant segment which has been renamed from Power Projects & Plant has been reorganized within the group, integrating "Energy & Environmental Infrastructure" and "Plant" into "Plant" division. In addition, parts of Food & Consumer Products segment have been incorporated into Chemical & Forest Products, and parts of Other have been incorporated into Food & Consumer Products. In October 2016, Chemical & Forest Products segment was reorganized, and "Helena Business" was renamed to "Agri-Input Business". To integrate agri-input business, parts of "Chemical Products" division has been transferred to "Agri-Input Business" division. With the mentioned revisions, while Gavilon's net profit was formerly distributed to 85% Food & Consumer Products and 15% Chemical & Forest Products, fertilizer segment of Gavilon has also been transferred Chemical & Forest Products (Agri-Input Business Div.) from FYE 3/2018 (Grain segment of Gavilon belongs to Food & Consumer Products (Grain Div.)). In conjunction with these revisions, operating segment information for the year-earlier has been reclassified.