

Consolidated Financial Results for the 3rd Quarter of Fiscal Year Ending March 31, 2019



Marubeni

(TSE Code: 8002)

February 7, 2019

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1. Key Factors of Q1-Q3 FYE 3/2019

	Q1-Q3 FYE 3/2018	Q1-Q3 FYE 3/2019	Variance	FYE 3/2019 Yearly Forecast (as of Feb. 7, 2019)	FYE 3/2019 Yearly Forecast (as of Nov. 2, 2018)
Net Profit	164.8 billion yen	219.6 billion yen (progress 95%)	+54.8 billion yen (+33%)	230.0 billion yen	230.0 billion yen
Adjusted Net Profit*	168.0 billion yen	190.0 billion yen (progress 81%)	+22.0 billion yen (+13%)	235.0 billion yen	235.0 billion yen
Free Cash Flow after Dividend	-28.4 billion yen	+8.3 billion yen	+36.7 billion yen	Approx. +160.0 billion yen	Approx. +120.0 billion yen

	March 31, 2018	December 31, 2018	Variance	FYE 3/2019 Yearly Forecast (as of Feb. 7, 2019)	FYE 3/2019 Yearly Forecast (as of Nov. 2, 2018)
Net DE Ratio	1.04 times	0.99 times	Improved 0.05 points	Approx. 0.9 times	Approx. 0.9 times

* Adjusted net profit = net profit excluding one-time items, shown in an approximate figure. Please refer to P8 for one-time items.

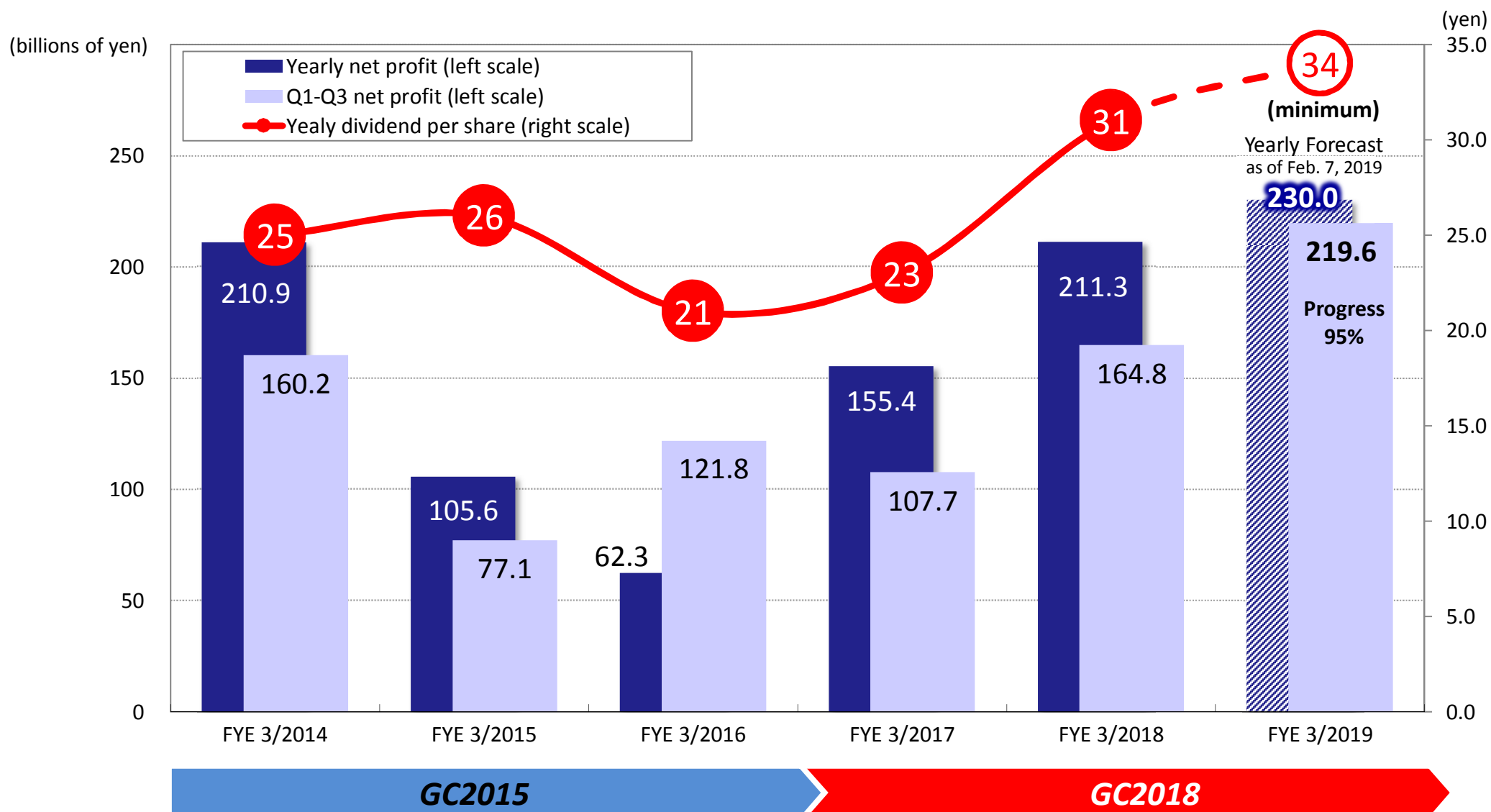
<Key Factors of Earnings Results>

- **Net profit increased +54.8 billion yen or +33% year on year to 219.6 billion yen, a record high for a Q1-Q3 period**
 - ✓ Adjusted net profit amounted 190.0 billion yen, also a record high for a Q1-Q3 period.
 - ✓ The net profit increase of 54.8 billion yen is accounted for an increase in adjusted net profit (approx.+22.0 billion yen: increased notably in *Forest Products* and *Transportation & Industrial Machinery* in Non-Resources, in *Energy* in Resources) and for an improvement in one-time items (approx. +32.0 billion yen: non-recurrence of accounting effects of the year-earlier US tax reform and improvements in *Consumer Products* and *Power Business & Plant*)
- **Net DE ratio: 0.99 times (improved 0.05 points from the previous fiscal year-end)**

<Yearly Forecast for FYE 3/2019>

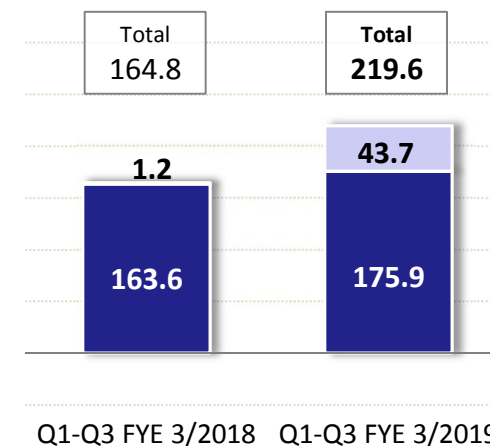
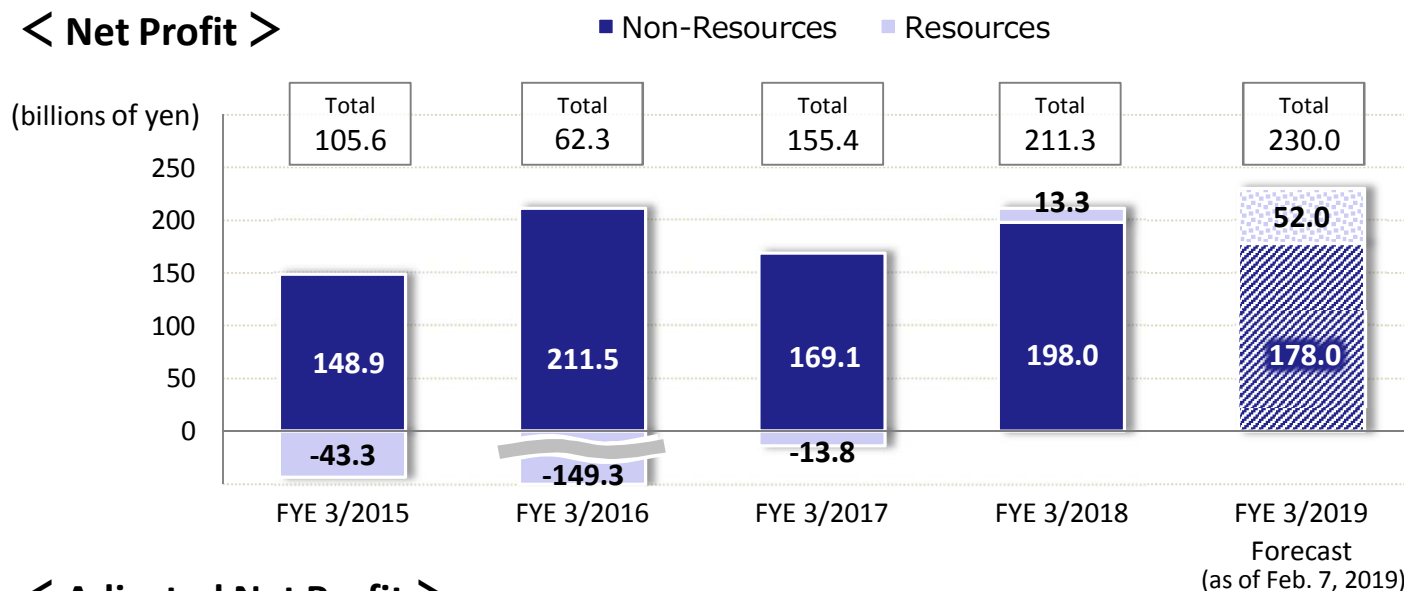
- **Forecasts for net profit and dividend remain unchanged as asset value for a part of existing projects may be re-measured at the fiscal year-end based on the operating environment**
- **Forecast for free cash flow after dividend has been revised upward (approx. +120.0 billion yen → approx. +160.0 billion yen)**

2. Net Profit and Yearly Dividend

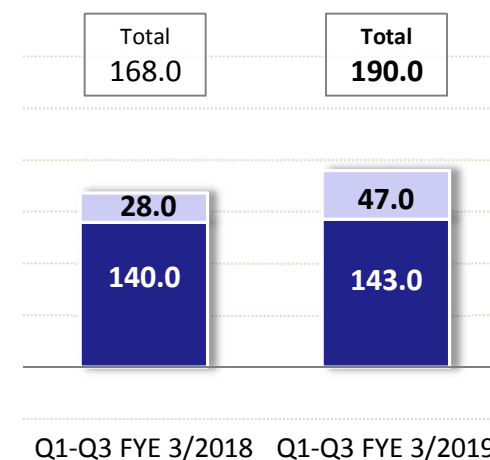
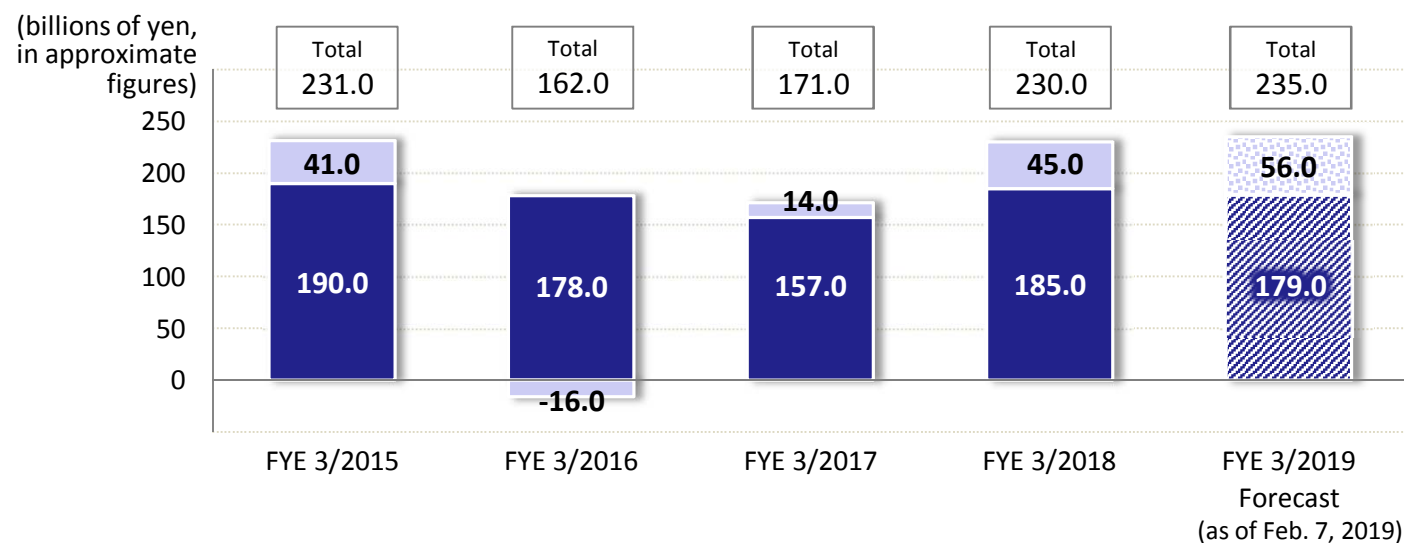


3. Earnings Structure (Net Profit / Adjusted Net Profit)

< Net Profit >



< Adjusted Net Profit >

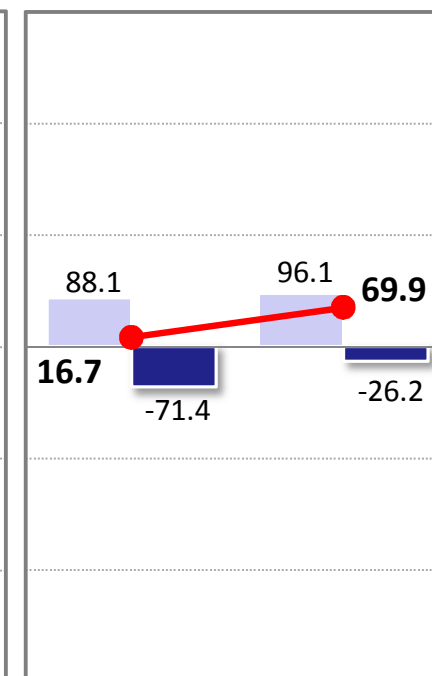
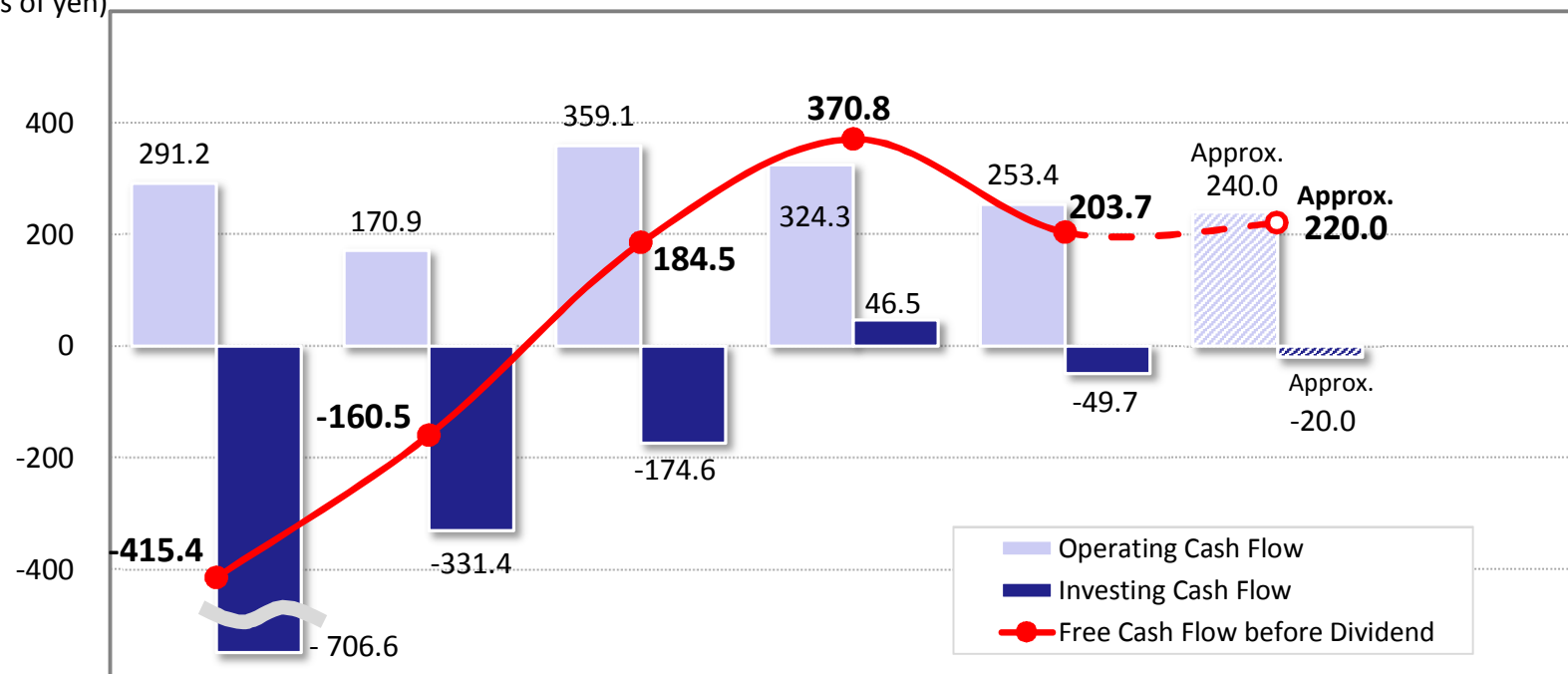


* Business field: Resources=Energy & Metals Group excluding Steel Products sub-segment / Non-Resources=Other than Resources

* Adjusted net profit = net profit excluding one-time items, shown in an approximate figure. Please refer to P8 for one-time items.

4. Cash Flows

(billions of yen)



	FYE 3/2014	FYE 3/2015	FYE 3/2016	FYE 3/2017	FYE 3/2018	FYE 3/2019 Forecast (as of Feb 7, 2019)	FYE 3/2019 Forecast (as of Nov 2, 2018)
Operating Cash Flow	291.2	170.9	359.1	324.3	253.4	approx. 240.0	approx. 230.0
Adjusted Operating Cash Flow*1	280.4	319.7	270.2	264.2	324.0	approx. 340.0	approx. 330.0
Increase/Decrease in Working Capital and Others	10.8	-148.7	88.9	60.0	-70.5	approx. -100.0	approx. -100.0
Investing Cash Flow	-706.6	-331.4	-174.6	46.5	-49.7	approx. -20.0	approx. -50.0
New Investments*2	-730.0	-340.0	-230.0	-110.0	-110.0	approx. -70.0	approx. -100.0
CAPEX and others*2,3	-140.0	-210.0	-190.0	-140.0	-100.0	approx. -100.0	approx. -100.0
Divestment*2	160.0	220.0	250.0	300.0	160.0	approx. 150.0	approx. 150.0
Free Cash Flow before Dividend	-415.4	-160.5	184.5	370.8	203.7	approx. 220.0	approx. 180.0
Free Cash Flow after Dividend	-457.9	-204.7	143.8	336.1	158.6	approx. 160.0	approx. 120.0

	FYE 3/2018 Q1-Q3	FYE 3/2019 Q1-Q3
Operating Cash Flow	88.1	96.1
Adjusted Operating Cash Flow*1	241.9	276.2
Increase/Decrease in Working Capital and Others	-153.8	-180.1
Investing Cash Flow	-71.4	-26.2
New Investments*2	-70.0	-40.0
CAPEX and others*2,3	-85.0	-70.0
Divestment*2	85.0	85.0
Free Cash Flow before Dividend	16.7	69.9
Free Cash Flow after Dividend	-28.4	8.3

GC2015

GC2018

*1 Adjusted operating cash flow: Operating cash flow excluding net increase/decrease in working capital and others

*2 Figures for new investments, CAPEX etc. and divestment and others are rounded.

*3 CAPEX and others: Additional capital spending to maintain/improve business values of existing projects and others

5. New Investments and Divestment

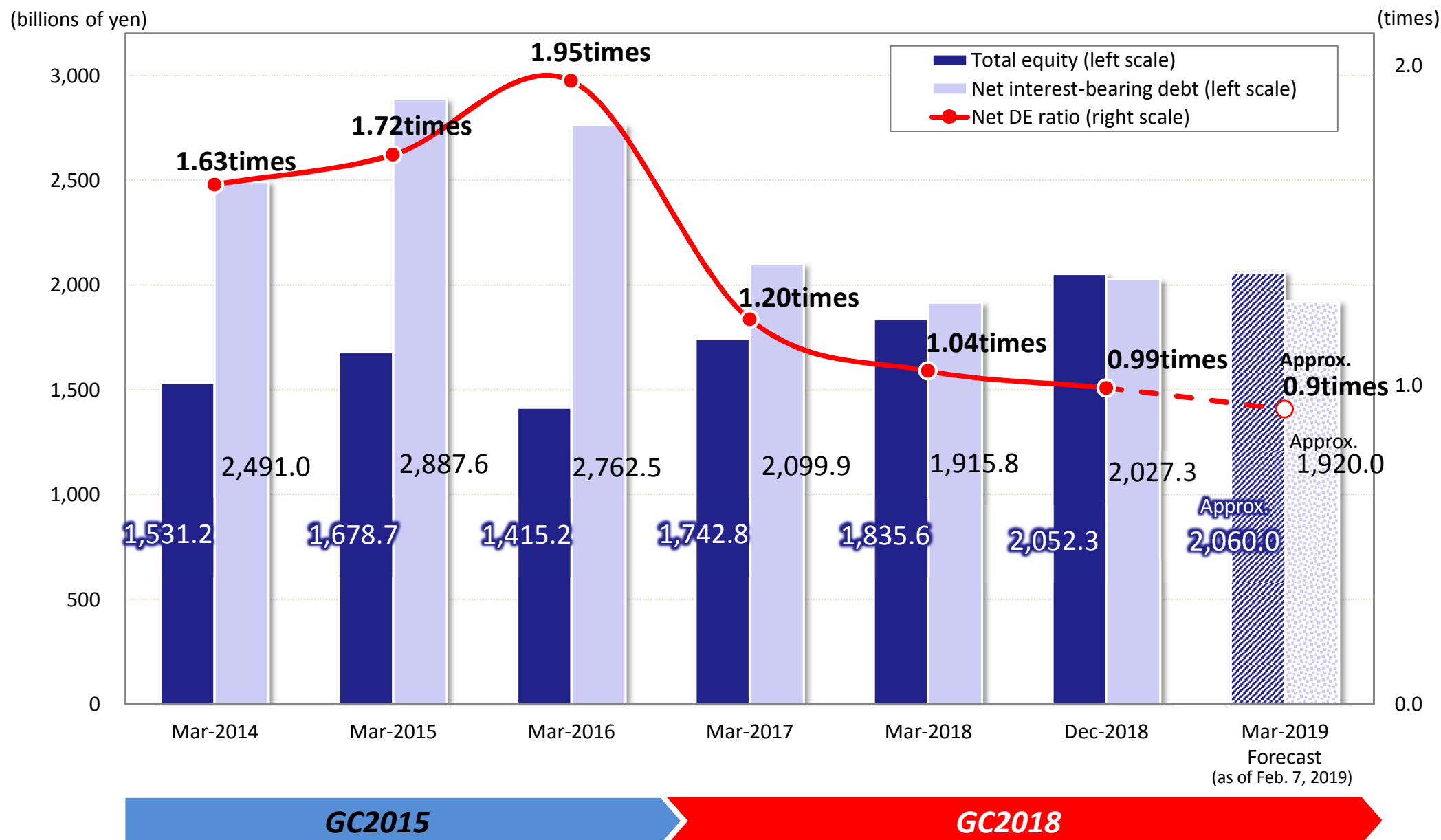
(billions of yen, in approximate figures)

	FYE 3/2017	FYE 3/2018	FYE 3/2019 Q1-Q3	FYE 3/2019 Major Projects	GC2018 Total
New Investments	-110.0	-110.0	-40.0		-260.0
Distribution Businesses	-25.0	-45.0	-22.5	<ul style="list-style-type: none"> • Gas distribution business (GasValpo/Chile) • Overseas housing development (Jiaxing City, Zhejiang Province, China) 	-90.0
Finance Businesses	-15.0	-20.0	-2.5		-40.0
Stable Earnings-Type Businesses	-70.0	-40.0	-15.0	<ul style="list-style-type: none"> • FPSO charter project (Brazil) • Domestic power generation business 	-125.0
Natural Resource Investments	-0.0	-5.0	-0.0		-5.0
GC2018 Total (Revised Plan)	-400.0 ~ -500.0 Strictly evaluate new investments in strong strategic terms mainly in non-natural resources				
CAPEX and others*	-140.0	-100.0	-70.0	<ul style="list-style-type: none"> • Agri-Input related business (Helena/USA) • Oil & Gas Interests (Gulf of Mexico/USA, North Sea/UK) 	-315.0
Divestment	+300.0	+160.0	+85.0	<ul style="list-style-type: none"> • Domestic and overseas power generation business • Pulp related business (DMI/Canada, GSPP/Malaysia) • Domestic retail business (Tobu Store) 	+545.0

* Additional capital spending to maintain/improve business values of existing projects, etc.

* The figures for GC2018 total may not accord with the sum of yearly figures due to round-off errors.

6. Net DE Ratio



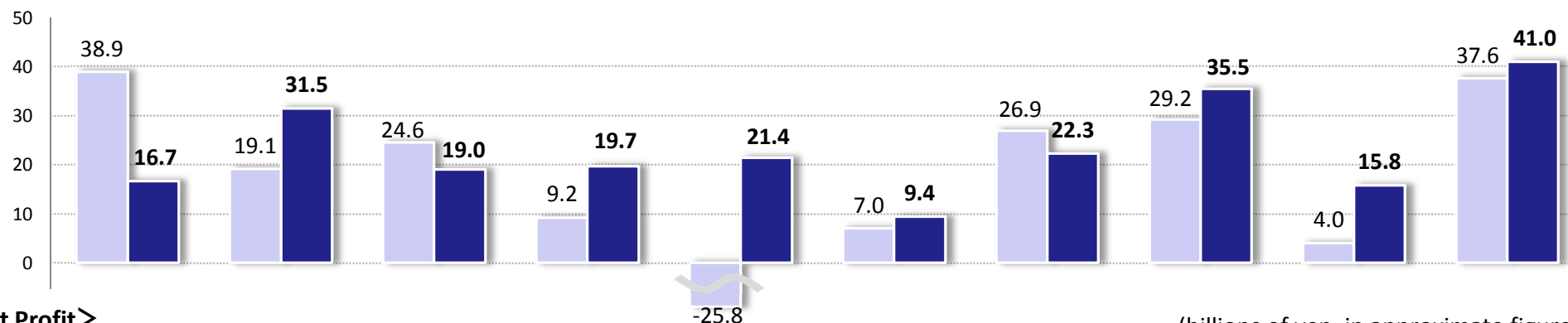
7. Net Profit and Adjusted Net Profit by Sub-segment

<Net Profit>

Forecast for FYE 3/2019

	Q1-Q3 FYE 3/2018	Q1-Q3 FYE 3/2019								
As of Feb. 7, 2019	22.0	37.0	23.0	25.0	26.0	12.0	26.0	42.0	15.0	50.0
As of Nov 2, 2018	25.0	23.0	24.0	24.0	22.0	12.0	31.0	45.0	14.0	48.0

(billions of yen)

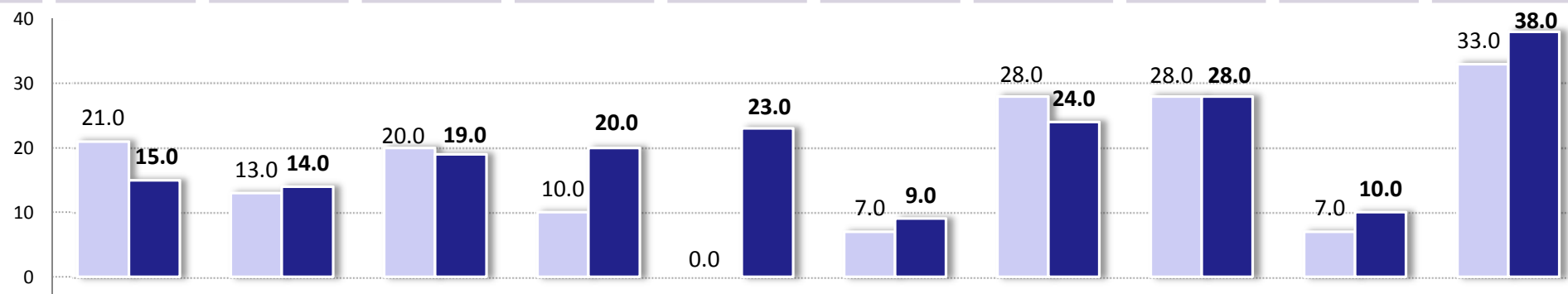


<Adjusted Net Profit>

Forecast for FYE 3/2019

	Q1-Q3 FYE 3/2018	Q1-Q3 FYE 3/2019								
As of Feb. 7, 2019	20.0	23.0	23.0	25.0	27.0	12.0	29.0	31.0	12.0	45.0
As of Nov 2, 2018	24.0	22.0	24.0	25.0	23.0	12.0	29.0	33.0	11.0	44.0

(billions of yen, in approximate figures)



Grain, Food Products	Lifestyle, ICT, Logistics & Healthcare, Insurance, Finance & Real Estate Business	Agri-Input Business	Chemical Products, Forest Products	Energy	Steel Products	Metals & Mineral Resources	Power Business	Plant	Aerospace & Ship, Automotive & Leasing, Construction & Industrial Machinery
Food	Consumer Products	Chemical & Forest Products	Energy & Metals	Power Business & Plant	Transportation & Industrial Machinery				

* Due to the organizational changes as of April 1, 2018, the figures for FYE 3/2018 are altered and restated.

8. One-time Items by Sub-segment

(billions of yen, in approximate figures)

Sub-segment	Q1-Q3 FYE 3/2018	Q1-Q3 FYE 3/2019	Q1-Q3 FYE 3/2019 Main Items
Grain, Food Products	17.0	2.0	· Gain on sale of domestic retail business (Tobu Store)
Lifestyle, ICT, Logistics & Healthcare, Insurance, Finance & Real Estate Business	6.0	17.0	· Valuation gain on consolidation of ARTERIA Networks as a subsidiary
Agri-Input Business	5.0	0.0	
Chemical Products, Forest Products	-0.0	-0.0	
Energy	-26.0	-2.0	· Impairment loss on Oil & Gas interests (Gulf of Mexico, USA)
Steel Products	0.0	0.0	
Metals & Mineral Resources	-0.0	-2.0	· Impairment loss on metals related business · Gain on sale of facilities concerning copper business
Power Business	1.0	7.0	· Gains on domestic and overseas power generation business related · Impairment loss on overseas power generation assets
Plant	-3.0	6.0	· Reversal of the provision for loss on an overseas infrastructure business
Aerospace & Ship, Automotive & Leasing, Construction & Industrial Machinery	5.0	3.0	· Gain on sale of domestic power generation business · Aircraft related business
Other	-6.0	-3.0	· Tax adjustment regarding one time items
Consolidated	-3.0	29.0	

* Sum of the one-time items for sub-segments may not accord with the figure for *Consolidated* due to round-off errors.

9. Financial Indicators and Commodity Volumes/Prices

Financial Indicator/Commodity Price		FYE 3/2018		FYE 3/2019				Sensitivity to *4 Yearly Net Profit
		Q1-Q3	Yearly (actual)	Q1-Q3	Variance	Yearly Assumption as of Feb. 7, 2019	Yearly Assumption as of Nov. 2, 2018	
Oil	WTI (USD/bbl)	51	54	66	+ 15	63	68	approx. JPY±0.5 bil /[USD1/bbl] *5
Copper	LME (USD/ton) *1	6,164	6,363	6,459	+ 295	6,300	6,400	approx. JPY±0.9 bil /[USD100/ton]
Interest Rate	JPY TIBOR 3mo (%)	0.060	0.062	0.069	up by 0.009 %-points	0.1	0.1	
	USD LIBOR 3mo (%)	1.328	1.478	2.434	up by 1.106 %-points	2.5	2.5	
Currency	Term Average (yen)	111.70	110.85	111.14	JPY appreciation by 0.56 yen	110	110	approx. JPY±1.2 bil /[JPY1/USD]
	Term-end (yen)	-	Mar. 31, 2018 106.24	Dec. 31, 2018 111.00	JPY depreciation by 4.76 yen	Mar. 31, 2019 110	Mar. 31, 2019 110	

Commodity Volume		FYE 3/2017	FYE 3/2018	FYE 3/2019
		Yearly (actual)	Yearly (actual)	Yearly Forecast/Plan as of May 8, 2018
Oil, Gas	Equity Production Volume (K boe/day)	23	28	27
	Upper: [Oil & Gas Interests] *2 Lower: [Total] *3	28	33	32
Copper	Equity Sales Volume (K ton)	120	121	
Coking Coal	Equity Sales Volume (K ton)	6,070	6,170	

*1 Average of March-to-November for 'Q1-Q3', average of March-to-February for 'Yearly'.

*2 Total of *Oil & Gas Interests* at Gulf of Mexico (USA), North Sea (UK), Indian Sea

*3 Total of equity volume based on production sharing contracts on the consolidated basis, including above *Oil & Gas Interests*.

*4 Sensitivity to the yearly forecast announced on May 8, 2018.

*5 Sensitivity in *Oil & Gas Interests*

Notes)

FYE: Fiscal Year Ending/Ended

“Profit attributable to owners of the parent” is described as “Net profit”.

From the FYE 3/2019, "Food & Consumer Products" has been divided into “Food” and “Consumer Products”. Parts of “Lifestyle” division of “Consumer Products” and “Plant” division of "Power Business & Plant” have been incorporated into “Construction & Industrial Machinery” division of the “Transportation & Industrial Machinery”. In addition, parts of “Agri-Input Business” division has been incorporated into “Chemical Products” division. In conjunction with these revisions, operating segment information for the year-earlier has been reclassified.

From the Q3 of FYE 3/2019, the elements of adjusted operating cash flow have been altered. The figures for the past fiscal years have been revised accordingly.