Financial Highlights

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

August 5, 2015
Marubeni Corporation

Consolidated Financial Results for the 1st Quarter of FY2016/3 (IFRS Basis)

(Unit: Billions of yen)

Operating Results	FY2016/3 Q1 Results	FY2015/3 Q1 Results	Variance	Variance in Percentage	Prospects for FY2016/3	Progress in percentage
Total volume of trading transactions (*1)	¥ 3,342.3	¥ 3,694.7	-352.4	-10%	¥ 14,000.0	24%
Gross trading profit	186.4	178.5	+7.8	4%	720.0	26%
Selling, general and administrative expenses	(133.3)	(125.3)	-7.9	-	(565.0)	-
Provision for doubtful accounts	(1.7)	(0.8)	-0.8	-	(5.0)	-
Operating profit (*1)	51.4	52.4	-0.9	-2%	150.0	34%
Interest expense, net of interest income	(4.3)	(5.8)	+1.5	-	(25.0)	-
Dividend income	5.0	8.3	-3.4	-	15.0	-
Gain (loss) on investment securities	8.8	0.7	+8.1	-		
Gain (loss) on property, plant and equipment	(3.0)	(0.0)	-3.0	-	(10.0)	-
Other-net	(2.1)	0.1	-2.2	-		
Share of profits of associates and joint ventures	30.4	33.5	-3.1	-	120.0	-
Profit before tax	86.1	89.2	-3.0	-3%	250.0	34%
Tax expense	(13.4)	(18.3)	+4.9	-	(60.0)	-
Profit for the year	72.7	70.8	+1.9	3%	190.0	38%
Profit attributable to owners of the parent	71.0	69.1	+1.9	3%	180.0	39%
Profit attributable to non-controlling interests	1.7	1.7	-0.1	-	10.0	-
Revenue	2,021.6	2,156.7	-135.2	-6%		
Adjusted operating profit (*2)	53.1	53.2	-0.1	-0%	155.0	34%
Core earnings (*3)	84.2	89.2	-5.0	-6%	265.0	32%

(*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	June 30, 2015	March 31, 2015	Variance	Main reasons for increase/decrease	Prospects for March 31, 2016
Total assets	7,828.3	7,673.1	+155.2	**Total assets** Decreased in ***Inventories,*** whereas increased in ***Notes, trade accounts and loans receivable*** and ***Other current financial assets.*** **Total equity** Increased due to retained earnings accretion and an increase in foreign currency translation adjustments led by Japanese yen depreciation. **Net interest-bearing debt** Remained at the same level as an increase in cash and cash equivalents offset an increase in interest-bearing debt caused by Japanese yen depreciation.	-
Current assets	3,349.6	3,260.7	+88.9		-
Non-current assets	4,478.7	4,412.4	+66.3		-
Total equity	1,780.7	1,678.7	+102.0		approx. 1,800.0
Equity attributable to owners of the parent	1,619.1	1,518.5	+100.6		-
Net interest-bearing debt	2,899.2	2,887.6	+11.6		approx. 2,900.0
Net D/E ratio (*4)	1.63 times	1.72 times	-0.09 points		approx. 1.6 times

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

(Unit: Billions of yen)

Cash Flow	FY2016/3 Q1	FY2015/3 Q1
Cash flow from operating activities	129.0	(59.6)
Cash flow from investing activities	(35.2)	(155.7)
Free Cash Flow	**93.9**	**(215.3)**
Cash flow from financing activities	(47.8)	(89.0)
Effect of exchange rate changes	4.9	(3.3)
Changes in cash and cash equivalents	51.0	(307.6)

Major Financial Indicators		FY2016/3 Q1	FY2015/3 Q1	Variance	Assumptions for FY2016/3
Foreign Exchange Rate (YEN/USD)	Apr.-Jun. avg.	121.36	102.16	Yen depreciation by19.20 yen (19%)	118
	End Jun.	122.45	101.36	Yen depreciation by 21.09 yen (21%)	
JPY TIBOR(%)	Apr.-Jun. avg.	0.171	0.211	down by 0.040 % points (19%)	0.2
USD LIBOR(%)	Apr.-Jun. avg.	0.280	0.228	up by 0.052% points (23%)	0.6
Oil (USD/Barrel) WTI	Apr.-Jun. avg.	58	103	down by USD 45/barrel (44%)	55
Copper (USD/MT) LME	Apr.-Jun. avg.	6,043	6,787	down by USD 744/MT (11%)	6,000

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 FY2016/3

Highlights of FY2016/3 Q1 Financial Results

○ **Profit attributable to owners of the parent for FY2016/3 Q1 amounted to 71.0 billion yen, with 1.9 billion yen or 3% year-on-year increase, recording an all-time high for a three-month period.**
The progress to FY2016/3 yearly prospect of 180.0 billion yen is 39%.

Main Items

1) **Total volume of trading transactions ... 3,342.3 billion yen (-352.4 billion yen year on year)**
Sales prices in oil trading business declined.
Japanese yen depreciation resulted in an increase of approximately 300.0 billion yen.
Major decreases: in Energy & Metals / -323.4 billion yen

2) **Gross trading profit ... 186.4 billion yen (+7.8 billion yen year on year)**
Japanese yen depreciation resulted in an increase of approximately 12.0 billion yen.
Please see the chart below for the details.

3) **Selling, general, and administrative expenses ... -133.3 billion yen (-7.9 billion yen year on year)**
Personnel expenses mainly increased.
Japanese yen depreciation resulted in an increase of approximately 8.0 billion yen.

4) **Interest expense, net of interest income ... -4.3 billion yen (+1.5 billion yen year on year)**
・Interest expense -9.0 billion yen (+0.9 billion yen year on year)
・Interest income 4.7 billion yen (+0.6 billion yen year on year)

5) **Dividend income ... 5.0 billion yen (-3.4 billion yen year on year)**
Decreased in energy businesses.

6) **Gains on investment securities ... 8.8 billion yen (+8.1 billion yen year on year)**
Gains on sale of the stocks of associates were recognized.

7) **Gains (losses) on property, plant and equipment ... -3.0 billion yen (-3.0 billion yen year on year)**
・Losses on sales of property, plant and equipment -1.3 billion yen (-1.9 billion yen year on year)
・Losses on fair value of property, plant and equipment -1.8 billion yen (-1.2 billion yen year on year)

8) **Share of profits of associates and joint ventures ... 30.4 billion yen (-3.1 billion yen year on year)**
Major items:
Overseas IPP businesses 9.9 billion yen (-4.0 billion yen year on year)
Marubeni-Itochu Steel Inc. 2.4 billion yen (-1.3 billion yen year on year)
Copper business in Chile 1.9 billion yen (-2.4 billion yen year on year)

***(Reference) Consolidated Net Profit of Major Subsidiaries**
Gavilon 0.9 billion yen (-0.5 billion yen year on year)
Helena Chemical 12.7 billion yen (+0.4 billion yen year on year)

(Unit: billions of yen)

Operating Segment	Gross trading profit FY16/3 Q1	Gross trading profit FY15/3 Q1	Gross trading profit Variance	Profit attributable to owners of the parent FY16/3 Q1	Profit attributable to owners of the parent FY15/3 Q1	Profit attributable to owners of the parent Variance	Main reasons for increase/decrease
Food & Consumer Products	**69.2**	**72.4**	**-3.3**	**18.4**	**14.5**	**+3.9**	・Profit decreased due to a deterioration in the earnings of Gavilon. ・Gains on sale of investment securities of an associate company in ICT related business were recognized. ・Share of profits of associates and joint ventures increased in fund-related business. ・Share of profits of associates and joint ventures increased in overseas real estate development business.
Food (Grain & Food Products)	36.8	41.0	-4.2	8.1	9.1	-1.0	
Lifestyle, ICT & Logistics, Insurance & Real Estate Business	32.3	31.4	+0.9	10.3	5.4	+4.9	
Chemical & Forest Products	**61.7**	**54.3**	**+7.4**	**15.7**	**14.0**	**+1.7**	・Profit increased in Helena Chemical due to Japanese yen depreciation. ・Profit increased due to improved margins in petrochemical products. ・Profit increased in vinyl chloride alkali related products due to increases in trading volume and profitability improvement.
Helena Business	44.6	38.7	+5.9	10.5	10.4	+0.2	
Chemical Products, Forest Products	17.1	15.6	+1.5	5.2	3.6	+1.6	
Energy & Metals	**11.4**	**13.1**	**-1.7**	**5.9**	**13.2**	**-7.4**	・Profit decreased due to price declines in oil and gas development fields. ・Share of profits of associates and joint ventures decreased in steel products business. ・Share of profits of associates and joint ventures declined in copper business in Chile.
Energy	9.0	9.5	-0.5	3.0	8.2	-5.2	
Steel Products	0.0	0.0	-0.0	2.6	3.7	-1.1	
Metals & Mineral Resources	2.3	3.5	-1.2	0.3	1.4	-1.1	
Power Projects & Plant	**15.6**	**14.2**	**+1.4**	**7.1**	**11.4**	**-4.3**	・Gains on sale of shares in overseas IPP business were recognized. ・Share of profits of associates and joint ventures in overseas IPP business declined due to non-recurrence of one-time profits recognized a year earlier. ・Profit increased in a freight railcar leasing business in US due to increased transaction volumes. ・Disposition of a loss was recognized in energy and chemical plant businesses.
Power Projects	7.4	7.0	+0.4	10.2	9.8	+0.4	
Energy & Environment Infrastructure, Plant	8.2	7.1	+1.1	(3.1)	1.6	-4.7	
Transportation & Industrial Machinery Aerospace & Ship, Automotive & Leasing, Construction & Industrial Machinery	**24.6**	**20.2**	**+4.4**	**7.2**	**6.8**	**+0.4**	・Profit increased in automotive retail finance business in North America. ・Profit increased in construction machinery sales businesses.
Corporate & Elimination, etc.	**3.9**	**4.3**	**-0.4**	**16.6**	**9.1**	**+7.5**	・Improvement in SGA expenses and interest-net along with tax relief.
Part of Overseas Corporate Subsidiaries and Branches	8.7	6.6	+2.1	2.6	1.1	+1.5	
Consolidated	**186.4**	**178.5**	**+7.8**	**71.0**	**69.1**	**+1.9**	

* Marubeni reorganized the 10 operating segments, namely the "Food", "Chemicals", "Energy", "Metals & Mineral Resources", "Transportation Machinery", "Power Projects & Infrastructure", "Plant", "Lifestyle & Forest Products", "ICT, Finance & Insurance, Real Estate Business", and "Overseas Corporate Subsidiaries and Branches" into five segments, specifically the "Food & Consumer Products", "Chemical & Forest Products", "Energy & Metals", "Power Projects & Plant", and "Transportation & Industrial Machinery" groups effective as of the fiscal year ending March 31, 2016. Moreover, some "Overseas Corporate Subsidiaries and Branches" have been incorporated into "Corporate & Elimination." In conjunction with this revision, operating segment information for the three-month period ended June 30, 2014 has been reclassified.