

* 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 FYE3/2017 and Yearly Prospects for FYE3/2017 (IFRS Basis)

(Unit: Billions of yen)

Operating Results	FYE3/2017			FYE3/2016	Variance	Variance in Percentage	Prospects for FYE3/2017		
	Q1	Q2	Q1-Q2 Results				Q1-Q2 Results	Revised Prospects	Progress in Percentage
Total volume of trading transactions (*1)	¥ 2,791.7	¥ 2,545.5	¥ 5,337.2	¥ 6,524.2	-1,187.0	-18%	¥ 11,500.0	46%	¥ 12,500.0
Gross trading profit	158.6	136.2	294.8	346.1	-51.3	-15%	615.0	48%	655.0
Selling, general and administrative expenses	(125.8)	(121.5)	(247.3)	(266.6)	+19.3	-	(520.0)	-	(550.0)
Provision for doubtful accounts	(1.0)	(1.1)	(2.1)	(4.9)	+2.8	-	(5.0)	-	(5.0)
Operating profit (*1)	31.8	13.6	45.4	74.6	-29.2	-39%	90.0	50%	100.0
Interest expense, net of interest income	(4.5)	(3.5)	(8.0)	(8.7)	+0.7	-	(20.0)	-	(30.0)
Dividend income	3.6	4.0	7.6	10.5	-2.9	-	15.0	-	15.0
Gain (loss) on investment securities	(0.3)	1.0	0.8	8.5	-7.7	-	0.0	-	(10.0)
Gain (loss) on property, plant and equipment	2.4	(0.1)	2.3	(18.1)	+20.4	-	0.0	-	(10.0)
Other-net	6.6	10.3	16.9	(3.7)	+20.6	-	105.0	-	115.0
Share of profits of associates and joint ventures	24.7	26.1	50.8	54.4	-3.6	-	190.0	61%	190.0
Profit before tax	64.2	51.4	115.6	117.4	-1.8	-2%	190.0	61%	190.0
Tax expense	(14.7)	(18.4)	(33.2)	(13.3)	-19.9	-	(55.0)	-	(55.0)
Profit for the period	49.5	33.0	82.5	104.1	-21.7	-21%	135.0	61%	135.0
Profit attributable to owners of the parent	48.4	32.1	80.5	101.2	-20.7	-20%	130.0	62%	130.0
Profit attributable to non-controlling interests	1.1	0.9	2.0	2.9	-1.0	-	5.0	-	5.0
Revenue	1,870.6	1,583.0	3,453.6	3,875.2	-421.6	-11%			
Adjusted operating profit (*2)	32.8	14.7	47.5	79.5	-32.0	-40%	95.0	50%	105.0
Core earnings (*3)	56.5	41.3	97.8	135.7	-37.9	-28%	195.0	50%	205.0

(*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	September 30, 2016	March 31, 2016	Variance	Main reasons for increase/decrease	Prospects for March 31, 2017
Total assets	6,662.2	7,117.7	-455.4	Total assets Although increased in cash and cash equivalent, decreased in inventories and trade receivables, as well as investments accounted by equity-method.	-
Current assets	3,006.7	3,162.6	-155.9		-
Non-current assets	3,655.5	3,955.1	-299.6		-
Total equity	1,530.5	1,415.2	+115.3	Total equity Although decreased in foreign currency translation adjustments led by Japanese yen appreciation, increased due to the financing through perpetual subordinated loans.	approx. 1,550.0
Equity attributable to owners of the parent	1,440.6	1,317.1	+123.6	Net interest-bearing debt Decreased by Japanese yen appreciation. Cash and cash equivalent increased due to the financing through perpetual subordinated loans.	-
Net interest-bearing debt	2,346.1	2,762.5	-416.4		approx. 2,150.0
Net D/E ratio (*4)	1.53 times	1.95 times	-0.42 points		approx. 1.4 times

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

Cash Flow	FYE3/2017		Major Financial Indicators	FYE3/2016		Variance (Variance in Percentage)	Assumptions for FYE3/17 Q3-Q4
	Q1-Q2	Q1-Q2		Q1-Q2	Q1-Q2		
Cash flow from operating activities	83.4	137.0	Foreign Exchange Rate (YEN/USD) Apr.-Sep. avg. End Sep.	105.29	121.80	Yen appreciation by 16.51 yen (14%)	100
Cash flow from investing activities	(64.6)	(91.7)	JPY TIBOR(%) Apr.-Sep. avg.	101.12	119.96	Yen appreciation by 18.84 yen (16%)	
Free Cash Flow	18.8	45.4	USD LIBOR(%) Apr.-Sep. avg.	0.065	0.171	down by 0.106 points (62%)	0.1
Cash flow from financing activities	189.6	33.1	Oil (USD/Barrel) WTI Apr.-Sep. avg.	0.716	0.297	up by 0.419 points (141%)	0.9
Effect of exchange rate changes	(19.7)	(5.6)	Copper (USD/MT) LME Apr.-Sep. avg.	45	52	down by USD 7/barrel (13%)	49
Changes in cash and cash equivalents	188.7	72.8		4,751	5,639	down by USD 888/MT (16%)	4,800

Outline of Yearly Prospect for FYE3/2017

© The prospect for yearly profit attributable to owners of the parent is set to be at 130.0 billion yen.
© Reflecting our targeted dividend payout ratio of 25% or more, yearly dividend for FYE3/2017 is projected to be 19 yen per share, according to the yearly prospect for profit attributable to owners of the parent of 130.0 billion yen. (As for the interim dividend, it has been resolved at 9.5 yen per share.)

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 FYE3/2017 Q1-Q2

Outlines

○ Profit attributable to owners of the parent for FYE3/2017 Q1-Q2 amounted to 80.5 billion yen, a decrease of -20.7 billion yen or -20% year on year.
The progress in percentage to the yearly prospect for FYE3/2017 of 130.0 billion yen is 62%.

Main Items

1) Total volume of trading transactions ... 5,337.2 billion yen (-1,187.0 billion yen year on year)

Sales quantity and prices in areas such as oil trading business both declined.
Japanese yen appreciation resulted in a decrease of approximately 490.0 billion yen.
Major decrease: in Energy & Metals -475.8 billion yen

2) Gross trading profit ... 294.8 billion yen (-51.3 billion yen year on year)

Japanese yen appreciation resulted in a decrease of approximately 23.0 billion yen.
Please see the chart below for the details.

3) Selling, general, and administrative expenses ... -247.3 billion yen (+19.3 billion yen year on year)

Japanese yen appreciation resulted in a decrease of approximately 20.0 billion yen.

4) Interest expense, net of interest income ... -8.0 billion yen (+0.7 billion yen year on year)

• Interest expense -15.2 billion yen (+1.5 billion yen year on year)
• Interest income 7.2 billion yen (-0.9 billion yen year on year)

5) Dividend income ... 7.6 billion yen (-2.9 billion yen year on year)

Decreased in energy businesses.

6) Gains (losses) on investment securities ... 0.8 billion yen (-7.7 billion yen year on year)

A reactionary loss from a gain of a year earlier sale of shares of associates.

7) Gains (losses) on property, plant and equipment ... 2.3 billion yen (+20.4 billion yen year on year)

Improvement from a year earlier impairment loss in oil & gas development businesses.
• Gains on sales of property, plant and equipment 2.3 billion yen (-2.4 billion yen year on year)
• Losses on fair value of property, plant and equipment - (+22.8 billion yen year on year)

8) Other-net ... 16.9 billion yen (+20.6 billion yen year on year)

Gain on the sale of an automotive sector business in North America.
A reactionary improvement from a loss of a year-earlier withdrawal of an Uruguayan LNG receiving terminal project.

9) Share of profits of associates and joint ventures ... 50.8 billion yen (-3.6 billion yen year on year)

Major items:
• Overseas IPP businesses 21.7 billion yen (-1.5 billion yen year on year)
• Marubeni-Itochu Steel Inc. 3.6 billion yen (-0.9 billion yen year on year)
• Copper business in Chile -2.4 billion yen (-1.5 billion yen year on year)

*(Reference) Consolidated Net Profit of Major Subsidiaries

• Gavilon (Food:85% Agri-Input Business:15%): 3.9 billion yen (+0.4 billion yen year on year)
• Helena Chemical (100% Agri-Input Business): 9.9 billion yen (-2.6 billion yen year on year)

(Unit: Billions of yen)

Operating Segments (*5)	Gross trading profit			Profit attributable to owners of the parent			Main reasons for increase/decrease	Profit attributable to owners of the parent		
	FYE3/2017 Q1-Q2	FYE3/2016 Q1-Q2	Variance	FYE3/2017 Q1-Q2	FYE3/2016 Q1-Q2	Variance		Revised Yearly Prospect	Initial Yearly Prospect	Variance
Food & Consumer Products	136.1	147.9	-11.8	30.1	34.3	-4.2	(Food) • Reduced profit due to margin deterioration of grain trade. (Lifestyle/ ICT, Logistics & Healthcare/ Insurance, Finance & Real Estate Business) • A reactionary loss from a nonrecurrence of a year-earlier gain on the sale of an equity stake in an ICT related associate.	55.0	57.0	-2.0
Food (Grain & Food Products)	72.5	81.5	-9.1	15.6	17.4	-1.9		29.0	31.0	-2.0
Lifestyle/ ICT, Logistics & Healthcare/ Insurance, Finance & Real Estate Business	63.8	67.3	-3.5	14.5	16.9	-2.3		26.0	26.0	-
Chemical & Forest Products	87.8	103.3	-15.5	15.8	21.4	-5.5	(Agri-Input Business) • Reduced profit in Helena Chemical due to Japanese yen appreciation. (Chemical Products/ Forest Products) • Margin deterioration in the woodchip and pulp businesses.	27.0	33.0	-6.0
Agri-Input Business	61.4	72.1	-10.7	10.8	14.0	-3.3		18.0	22.0	-4.0
Chemical Products/ Forest Products	26.4	31.2	-4.8	5.1	7.4	-2.3		9.0	11.0	-2.0
Energy & Metals	0.9	14.8	-14.0	(11.6)	(2.6)	-9.0	(Energy) • Although a reactionary gain from a nonrecurrence of a year-earlier loss on the oil and gas projects was recognized, reduced profit due to margin deterioration in LNG fields, and 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. • Decreased by nonrecurring tax benefit related to the impairment loss on the Canadian coal business in the prior period.	(9.0)	(13.0)	4.0
Energy	(2.8)	10.8	-13.6	(11.8)	(9.3)	-2.5		(21.0)	(21.0)	-
Steel Products	0.1	0.1	-0.0	3.5	4.6	-1.1		8.0	8.0	-
Metals & Mineral Resources	3.6	4.0	-0.4	(3.3)	2.1	-5.3		4.0	0.0	+4.0
Power Projects & Plant	28.6	30.9	-2.3	29.1	16.7	+12.4	(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) • A reactionary improvement from a loss of a year-earlier withdrawal of an Uruguayan LNG receiving terminal project.	50.0	50.0	-
Power Projects	21.1	15.5	+5.7	22.3	23.6	-1.3		37.0	37.0	-
Energy & Environment Infrastructure/ Plant	7.5	15.5	-8.0	6.8	(6.9)	+13.7		13.0	13.0	-
Transportation & Industrial Machinery	43.7	50.7	-7.0	18.4	14.2	+4.2	• Recognition of a gain on the sale of an automotive sector business in North America.	30.0	30.0	-
Aerospace & Ship/ Automotive & Leasing/ Construction & Industrial Machinery										
Corporate & Elimination, etc.	(2.3)	(1.5)	-0.8	(1.3)	17.3	-18.5	• Increased expense of income tax (adjustments for annual income tax rate expected for the full financial year).	(23.0)	(27.0)	+4.0
Consolidated	294.8	346.1	-51.3	80.5	101.2	-20.7		130.0	130.0	-
Resources Total				(15.1)	(7.3)	-7.9		(17.0)	(21.0)	+4.0
Non-resources Total				95.6	108.5	-12.8		147.0	151.0	-4.0

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

* 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.