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**Summary of Consolidated Financial Results**  
**For the Three-month Period Ended June 30, 2019**  
**(IFRS basis)**

(April 1, 2019 – June 30, 2019)

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

**Marubeni**

( TSE Code: 8002 )

**Summary of Consolidated Financial Statements for the Three-Month Period Ended June 30, 2019 (IFRS basis)**

Company name: Marubeni Corporation  
Listed: Tokyo, Nagoya

(URL <https://www.marubeni.com/en/>)

Code number: 8002

Representative: KAKINOKI Masumi President and CEO, Member of the Board  
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Expected filing date of quarterly financial statement report: August 13, 2019 TEL (03) 3282 - 4803  
Expected date of the beginning of delivery of dividends: -  
Supplementary explanations of quarterly business results: Prepared  
IR meeting on financial results: To be held (for institutional investors and analysts)

**1. Consolidated financial results for the three-month period ended June 30, 2019 (April 1, 2019 - June 30, 2019)**

(Remarks)

Figures are rounded to the nearest million.  
%: change from the previous fiscal year

**(1) Consolidated business results**

	Revenue		Operating profit		Profit before tax		Profit for the period		Profit attributable to owners of the parent		Comprehensive income for the period	
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
Three months ended June 30, 2019	1,907,646	(12.1)	55,378	(6.9)	82,540	(25.7)	67,735	(23.9)	65,166	(24.9)	(30,538)	-
2018	2,169,303	12.8	59,457	91.3	111,108	60.1	88,966	62.6	86,828	61.5	161,297	143.7

	Earnings per share (basic)		Earnings per share (diluted)	
	(yen)	(yen)	(yen)	(yen)
Three months ended June 30, 2019	36.98	36.94	36.94	36.94
2018	49.46	49.43	49.43	49.43

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

"Operating profit" is the sum of "Gross trading profit", "Selling, general and administrative expenses" and "Provision for doubtful accounts".

2. "Basic and diluted earnings per share" are based on "Profit attributable to owners of the parent" excluding the amount not attributable to ordinary shareholders.

**(2) Consolidated financial conditions**

	Total assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent ratio
	(millions of yen)	(millions of yen)	(millions of yen)	(%)
June 30, 2019	6,755,891	1,997,998	1,910,684	28.3
March 31, 2019	6,809,077	2,071,726	1,977,741	29.0

**2. Dividends information**

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
	(yen)	(yen)	(yen)	(yen)	(yen)
Year ended March 31, 2019	-	17.00	-	17.00	34.00
Year ending March 31, 2020	-				
Year ending March 31, 2020 (Forecast)		17.50	-	17.50	35.00

(Note) Changes from the latest announced forecasts: None

**3. Consolidated earnings forecast for FYE 3/2020 (April 1, 2019 - March 31, 2020)**

(Remarks)

%: change from the previous fiscal year

	Profit attributable to owners of the parent		Earnings per share (basic)
	(millions of yen)	(%)	(yen)
Yearly	240,000	3.9	135.91

(Note) Changes from the latest announced forecasts: None

\* "Earnings per share (basic)" is based on "Profit attributable to owners of the parent" excluding the amount not attributable to ordinary shareholders.

**\*Note**

- (1) Changes in principal subsidiaries during the period : Yes  
Excluded: Gavilon Holdings, LLC
- (2) Changes in accounting principles and accounting estimates
- ① Changes in accounting principles required by IFRS : Yes
- ② Changes other than ① : None
- ③ Changes in accounting estimate : None
- (Note) Please refer to p.15 "2. Consolidated Financial Statements and Notes, (6) Changes in Accounting Principles" for details.

(3) Number of issued shares (Common shares)

① Number of issued shares at the end of the term	June 30, 2019	1,737,940,900
(Treasury stock is included)	March 31, 2019	1,737,940,900
② Number of treasury stock at the end of the term	June 30, 2019	2,588,639
	March 31, 2019	2,590,013
③ Average number of outstanding shares during the term	Three months ended June 30, 2019	1,735,351,574
	Three months ended June 30, 2018	1,735,356,035

<The Summary of Consolidated Financial Statements for the Three-Month Period Ended June 30, 2019 (IFRS basis) is not subject to quarterly review.>

<Descriptions relating to the proper use of financial forecasts and other special notes>

(Notes to the description about future, other)

The descriptions about future such as the above forecasts are based upon available information and assumptions, as of the time of the announcement date, about uncertain factors which would influence future businesses. Actual results might be influenced by various factors in the future.

(How to access supplementary explanations on business results and the details of briefing on business results)

Supplementary explanations on business results will be made available on the Company's website on Friday, August 2, 2019.

The Company is scheduled to hold an IR meeting on financial results for institutional investors and analysts on Friday, August 2, 2019, and to post the audio file of the meeting together with the materials used at the briefing on the Company's website at the earliest possible time.

## **【Table of Contents of Attached Materials】**

1. Qualitative Information on Consolidated Financial Results for the Three-month Period under Review	2
(1) Qualitative Information on Consolidated Business Results	2
(2) Qualitative Information on Consolidated Financial Conditions	7
(3) Qualitative Information on Forecast of Consolidated Financial Results	8
2. Consolidated Financial Statements and Notes	9
(1) Consolidated Statements of Financial Position	9
(2) Consolidated Statements of Comprehensive Income	11
(3) Consolidated Statements of Changes in Equity	12
(4) Consolidated Statements of Cash Flows	14
(5) Notes Related to Going Concern Assumptions	15
(6) Changes in Accounting Principles	15
(7) Segment Information	18

# Marubeni Corporation

## Consolidated Financial Results

### **1. Qualitative Information on Consolidated Financial Results for the Three-month Period under Review**

#### **(1) Qualitative Information on Consolidated Business Results**

In the three-month period ended June 30, 2019, a slowdown in developed economies and the Chinese economy was compounded by mounting concerns about the global economic outlook in response to continued U.S.-China trade tensions and prolongation of Brexit negotiations between the UK and EU. As a result, central banks across much of the world, most notably in the U.S., shifted to an easing bias. Crude oil and other commodity price movements varied among commodities in response to supply-side factors, the U.S.-China trade tensions, and escalation of geopolitical risk, mainly in the Middle East.

The U.S. economy continued to expand at a moderate pace against a backdrop of a solid employment environment. However, economic sentiment in both the household and corporate sectors worsened in the face of an increasingly murky economic outlook clouded by continued U.S.-China trade tensions, among other factors. With inflationary pressures well contained, the Federal Reserve shifted its monetary policy to an easing bias in response.

The European economy's slowdown generally intensified, mainly in Germany. The ECB maintained an accommodative monetary policy stance and signaled it is prepared to ease further amid continued uncertainty stemming from fraught Brexit negotiations and ascendant populism.

Emerging market economies generally continued to grow, but their growth was dampened by the U.S.-China trade conflict and other headwinds, resulting in a sharper slowdown in China and lower growth rates in other emerging market economies also.

In Japan, personal consumption remained in a mild growth trend amid continued improvement in employment. However, inflationary pressures remained weak and export growth stalled in response to the global economic slowdown.

# Marubeni Corporation

## Consolidated Financial Results

Under the aforementioned business environment, consolidated operating results for the three-month period ended June 30, 2019 are as follows:

(millions of yen)

	Three-month period ended June 30,		Variance
	2018	2019	
Revenue	2,169,303	1,907,646	(261,657)
Gross trading profit	194,180	192,254	(1,926)
Operating profit	59,457	55,378	(4,079)
Share of profits (losses) of associates and joint ventures	37,241	38,787	1,546
Profit attributable to owners of the parent	86,828	65,166	(21,662)

(Note 1)

Figures are rounded to the nearest million yen unless otherwise stated.

(Note 2)

“Operating profit” is presented in accordance with Japanese accounting practice for investors’ convenience and is not required by IFRS. “Operating profit” is the sum of “Gross trading profit” and “Selling, general and administrative expenses” including “Provision for doubtful accounts”.

### **Revenue**

Revenue was down 261.7 billion yen (12.1%) year on year to 1,907.6 billion yen. By operating segment, profits decreased mainly in *Food, Agri Business* and *Chemicals*.

### **Gross trading profit**

Gross trading profit decreased 1.9 billion yen (1.0%) from the year-earlier period to 192.3 billion yen. By operating segment, profits decreased mainly in *Chemicals, Agri Business* and *Power Business*.

### **Operating profit**

Operating profit decreased 4.1 billion yen (6.9%) from the year-earlier period to 55.4 billion yen.

### **Share of profits of associates and joint ventures**

Share of profits of associates and joint ventures increased 1.5 billion yen (4.2%) from the year-earlier period to 38.8 billion yen. By operating segment, profits increased mainly in *Metals & Mineral Resources*.

# Marubeni Corporation

## Consolidated Financial Results

### **Profit attributable to owners of the parent**

Profit attributable to owners of the parent for the three-month period ended June 30, 2019 (also referred to as *net profit* for the period under review) decreased 21.7 billion yen (24.9%) to 65.2 billion yen relative to the year-earlier period. As of the end of the three-month period under review, Marubeni achieved 27.2% of 240.0 billion yen, the yearly forecast for the fiscal year ending March 31, 2020.

Results for each operating segment for the three-month period ended June 30, 2019 are as follows:

### **Lifestyle**

Gross trading profit decreased 0.3 billion yen (5.7%) year on year to 4.9 billion yen, largely in response to reduced sales of apparel and consumer goods. Net profit was down 0.9 billion yen (72.4%) year on year to 0.3 billion yen.

### **ICT & Real Estate Business**

Gross trading profit increased 4.6 billion yen (20.9%) year on year to 26.9 billion yen, as a result of a newly consolidated subsidiary that was previously an equity-method associate in the ICT business. Net profit increased 0.3 billion yen (9.4%) year on year to 3.6 billion yen.

### **Forest Products**

Gross trading profit decreased 0.2 billion yen (2.1%) year on year to 9.3 billion yen, due to the profit decline in the pulp business as a result of worsened market prices. Net profit decreased 2.4 billion yen (48.5%) year on year to 2.6 billion yen, largely as a result of deconsolidation of an equity-method associate in the pulp business and such.

### **Food**

Gross trading profit decreased 0.3 billion yen (1.3%) year on year to 24.6 billion yen, as a result of decrease in overseas grain business' earnings caused largely by exchange rate movements. Net profit increased 4.7 billion yen (125.6%) year on year to 8.5 billion yen, due to recognition of a gain on the sale of shares in an associate in the domestic retailing business and such.

### **Agri Business**

Gross trading profit decreased 2.6 billion yen (4.3%) year on year to 58.3 billion yen, as a result of U.S.-China trade tensions and adverse weather in the U.S. Net profit decreased 1.4 billion yen (8.6%) year on year to 15.2 billion yen.

# Marubeni Corporation

## Consolidated Financial Results

### **Chemicals**

Gross trading profit decreased 2.9 billion yen (26.8%) year on year to 7.8 billion yen, largely as a result of declined margins and such in the petrochemical business. Net profit decreased 1.7 billion yen (51.5%) year on year to 1.6 billion yen.

### **Power Business**

Gross trading profit decreased 1.7 billion yen (21.4%) year on year to 6.3 billion yen, as a result of lower profits in overseas EPC projects and such. Net profit decreased 11.9 billion yen (69.7%) year on year to 5.2 billion yen, as a result of non-recurrence of a gain recognized in the year-earlier period on the sale of a domestic power generating business and such.

### **Energy**

Gross trading profit increased 0.6 billion yen (5.5%) year on year to 12.3 billion yen, as a result of growth in trading volume and improvement in margins in the LNG related business and such. Net profit decreased 8.8 billion yen ( - %) year on year to negative 5.0 billion yen, due to the impairment loss in the oil and gas development business.

### **Metals & Mineral Resources**

Gross trading profit decreased 0.8 billion yen (7.7%) year on year to 9.3 billion yen, as a result of lower margins in the non-ferrous and light metal business. Net profit increased 4.5 billion yen (34.5%) year on year to 17.6 billion yen, because of increase in the share of profits of associates and joint ventures in the Australian iron ore business.

### **Plant**

Gross trading profit decreased 0.7 billion yen (17.0%) year on year to 3.4 billion yen, as a result of decrease in profit of overseas plant project and such. Net profit decreased 1.1 billion yen (26.8%) year on year to 2.9 billion yen, because of decrease in the share of profits of associates and joint ventures in overseas infrastructure businesses.

### **Aerospace & Ship**

Gross trading profit increased 1.5 billion yen (33.5%) year on year to 5.8 billion yen, as a result of increase in aerospace and ship-related businesses' earnings. Net profit increased 0.2 billion yen (6.4%) year on year to 3.1 billion yen.



# Marubeni Corporation

## Consolidated Financial Results

### **Finance & Leasing Business**

Gross trading profit increased 0.6 billion yen (24.9%) year on year to 3.0 billion yen, as a result of increase in earnings from private equity fund-related business. Net profit increased 0.9 billion yen (19.9%) year on year to 5.7 billion yen.

### **Construction, Auto & Industrial Machinery**

Gross trading profit increased 0.5 billion yen (2.2%) year on year to 22.0 billion yen, as a result of sales growth in tire, rubber materials, production system and other businesses. Net profit decreased 1.0 billion yen (13.9%) year on year to 6.3 billion yen, as a result of non-recurrence of a gain recognized in the year-earlier period on the sale of a domestic power generating business and such.

(Note 1)

From the FYE 3/2020, "Food", "Consumer Products", "Chemical & Forest Products", "Energy & Metals", "Power Business & Plant" and "Transportation & Industrial Machinery" have been reclassified into "Lifestyle", "ICT & Real Estate Business", "Forest Products", "Food", "Agri Business", "Chemicals", "Power Business", "Energy", "Metals & Mineral Resources", "Plant", "Aerospace & Ship", "Finance & Leasing Business", "Construction, Auto & Industrial Machinery" and "Next Generation Business Development" divisions. In conjunction with these organizational changes, operating segment information for the year-earlier period has been reclassified.

(Note 2)

Inter-segment transactions are generally priced in accordance with the prevailing market prices.

# Marubeni Corporation

## Consolidated Financial Results

### (2) Qualitative Information on Consolidated Financial Conditions

#### ① Conditions of Assets, Liabilities and Equity

(billions of yen)

	March 31, 2019	June 30, 2019	Variance
Total assets	6,809.1	6,755.9	(53.2)
Total equity	2,071.7	1,998.0	(73.7)
Net interest-bearing debt	1,858.8	1,900.3	41.4
Net D/E ratio (times)	0.90	0.95	+0.05 points

(Note 1)

*Figures are rounded to the nearest hundred million yen unless otherwise stated.*

(Note 2)

*Net interest-bearing debt is calculated as cash and cash equivalents and time deposits subtracted from the sum of corporate bonds and current and noncurrent borrowings.*

**Total assets** decreased 53.2 billion yen from the end of the previous fiscal year to 6,755.9 billion yen, due to a decrease in inventories which offset the increase in property, plant and equipment caused by the adoption of new accounting policy. **Net interest-bearing debt** increased 41.4 billion yen from the end of the previous fiscal year to 1,900.3 billion yen, due to the impact on dividend payment and such, which offset the decrease caused by the foreign exchange rate. **Total equity** decreased 73.7 billion yen from the end of the previous fiscal year to 1,998.0 billion yen due to a decreased currency translation adjustments for foreign operations caused by Japanese yen appreciation which offset an increase in retained earnings from accumulating net profit. Consequently, **Net D/E ratio** stood at 0.95 times.

#### ② Cash Flows

Cash and cash equivalents at the end of the fiscal year under review were 525.1 billion yen, an increase of 15.8 billion yen from the end of the previous fiscal year.

(Operating activities)

Net cash provided by operating activities was 13.5 billion yen due to operating revenue, dividend income and such, despite an increase in working capital and such.

# Marubeni Corporation

## Consolidated Financial Results

(Investing activities)

Net cash used in investing activities was 29.2 billion yen due to the outflow of a capital expenditure in overseas businesses despite the inflow from sale of investment securities.

As a result of the above-mentioned activities, free cash flow for the fiscal year under review was an outflow of 15.7 billion yen.

(Financing activities)

Net cash used in financing activities amounted to an inflow of 36.9 billion yen as results of procurement of corporate bonds and long-term borrowings.

### **(3) Qualitative Information on Forecasts of Consolidated Financial Results**

The earnings forecasts (net profit of 240.0 billion yen) for the fiscal year ending March 31, 2020 are unchanged from the initial projections announced on May 9, 2019.

(Notes to the description about future, other)

The descriptions about future such as the above forecasts are based upon available information and assumptions, as of the time of the announcement date, about uncertain factors which would influence future businesses. Actual results might be influenced by various factors in the future.

# Marubeni Corporation

## Consolidated Financial Statements

### 2. Consolidated Financial Statements and Notes

#### (1) Consolidated Statements of Financial Position

	<i>Millions of yen</i>		
	March 31 2019	June 30 2019	Variance
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	509,288	525,118	15,830
Time deposits	250	235	(15)
Investment securities	151	192	41
Trade and loan receivables	1,289,196	1,276,591	(12,605)
Other current financial assets	182,208	197,646	15,438
Inventories	900,472	753,524	(146,948)
Assets held-for-sale	35,438	39,555	4,117
Other current assets	241,546	241,854	308
Total current assets	3,158,549	3,034,715	(123,834)
<b>Non-current assets:</b>			
Investments in associates and joint ventures	1,732,712	1,683,589	(49,123)
Other investments	292,752	258,371	(34,381)
Trade and loan receivables	132,328	127,782	(4,546)
Other non-current financial assets	79,511	80,614	1,103
Property, plant and equipment	926,092	1,097,544	171,452
Intangible assets	379,941	371,924	(8,017)
Deferred tax assets	45,806	43,967	(1,839)
Other non-current assets	61,386	57,385	(4,001)
Total non-current assets	3,650,528	3,721,176	70,648
<b>Total assets</b>	6,809,077	6,755,891	(53,186)

# Marubeni Corporation

## Consolidated Financial Statements

	<i>Millions of yen</i>		
	March 31	June 30	
	2019	2019	Variance
<b>Liabilities and Equity</b>			
<b>Current liabilities:</b>			
Bonds and borrowings	478,387	571,753	93,366
Trade and other payables	1,273,196	1,113,004	(160,192)
Other current financial liabilities	275,217	317,910	42,693
Income tax payable	17,778	13,380	(4,398)
Liabilities directly associated with assets held-for-sale	359	3,093	2,734
Other current liabilities	421,489	342,411	(79,078)
Total current liabilities	2,466,426	2,361,551	(104,875)
<b>Non-current liabilities:</b>			
Bond and borrowings	1,889,990	1,853,876	(36,114)
Trade and other payables	11,566	9,531	(2,035)
Other non-current financial liabilities	74,404	249,684	175,280
Accrued pension and retirement benefits	89,764	90,125	361
Deferred tax liabilities	107,783	101,451	(6,332)
Other non-current liabilities	97,418	91,675	(5,743)
Total non-current liabilities	2,270,925	2,396,342	125,417
Total liabilities	4,737,351	4,757,893	20,542
<b>Equity:</b>			
Issued capital	262,686	262,686	—
Capital surplus	139,898	141,520	1,622
Other equity instruments	243,589	243,589	—
Treasury stock	(1,384)	(1,383)	1
Retained earnings	1,163,472	1,189,576	26,104
Other components of equity:			
Gains (losses) on financial assets measured at fair value through other comprehensive income	71,912	49,166	(22,746)
Foreign currency translation adjustments	131,178	69,684	(61,494)
Gains (losses) on cash flow hedges	(33,610)	(44,154)	(10,544)
Equity attributable to owners of the parent	1,977,741	1,910,684	(67,057)
Non-controlling interests	93,985	87,314	(6,671)
Total equity	2,071,726	1,997,998	(73,728)
<b>Total liabilities and equity</b>	6,809,077	6,755,891	(53,186)

# Marubeni Corporation

## Consolidated Financial Statements

### (2) Consolidated Statements of Comprehensive Income

	<i>Millions of yen</i>			
	Three-month period ended June 30,			
	2018	2019	Variance	Ratio (%)
<b>Revenue:</b>				
Sale of goods	2,123,853	1,860,228	(263,625)	(12.4)
Commissions on services and trading margins	45,450	47,418	1,968	4.3
<b>Total revenue</b>	<b>2,169,303</b>	<b>1,907,646</b>	<b>(261,657)</b>	<b>(12.1)</b>
Cost of goods sold	(1,975,123)	(1,715,392)	259,731	(13.2)
Gross trading profit	194,180	192,254	(1,926)	(1.0)
<b>Other income (expenses) :</b>				
Selling, general and administrative expenses	(131,639)	(136,052)	(4,413)	3.4
Provision for doubtful accounts	(3,084)	(824)	2,260	(73.3)
Gains (losses) on property, plant and equipment				
Impairment losses on property, plant and equipment	—	(11,830)	(11,830)	—
Gains (losses) on sales of property, plant and equipment	74	7	(67)	(90.5)
Other – net	10,085	1,206	(8,879)	(88.0)
<b>Total other income (expenses)</b>	<b>(124,564)</b>	<b>(147,493)</b>	<b>(22,929)</b>	<b>18.4</b>
<b>Finance income (expenses):</b>				
Interest income	4,319	4,395	76	1.8
Interest expense	(10,726)	(13,610)	(2,884)	26.9
Dividend income	6,332	5,390	(942)	(14.9)
Gains (losses) on investment securities	4,326	2,817	(1,509)	(34.9)
<b>Total finance income (expenses)</b>	<b>4,251</b>	<b>(1,008)</b>	<b>(5,259)</b>	<b>—</b>
<b>Share of profits of associates and joint ventures</b>	<b>37,241</b>	<b>38,787</b>	<b>1,546</b>	<b>4.2</b>
<b>Profit for the period before tax</b>	<b>111,108</b>	<b>82,540</b>	<b>(28,568)</b>	<b>(25.7)</b>
<b>Provision for income tax</b>	<b>(22,142)</b>	<b>(14,805)</b>	<b>7,337</b>	<b>(33.1)</b>
<b>Profit for the period</b>	<b>88,966</b>	<b>67,735</b>	<b>(21,231)</b>	<b>(23.9)</b>
<b>Profit for the period attributable to:</b>				
Owners of the parent	86,828	65,166	(21,662)	(24.9)
Non-controlling interests	2,138	2,569	431	20.2
<b>Other comprehensive income:</b>				
Items that will not be reclassified to profit and loss for the period				
Gains (losses) on financial assets measured at fair value through other comprehensive income	17,324	(24,759)	(42,083)	—
Remeasurements of defined benefit pension plan	188	(520)	(708)	—
Changes in other comprehensive income of associates and joint ventures	(762)	(345)	417	(54.7)
Items that will be reclassified to profit and loss for the period				
Foreign currency translation adjustments	46,417	(60,263)	(106,680)	—
Gains (losses) on cash flow hedges	(444)	(1,857)	(1,413)	318.2
Changes in other comprehensive income of associates and joint ventures	9,608	(10,529)	(20,137)	—
Other comprehensive income, net of tax	72,331	(98,273)	(170,604)	—
<b>Total comprehensive income for the period</b>	<b>161,297</b>	<b>(30,538)</b>	<b>(191,835)</b>	<b>—</b>
<b>Attributable to:</b>				
Owners of the parent	158,535	(32,550)	(191,085)	—
Non-controlling interests	2,762	2,012	(750)	(27.2)

# Marubeni Corporation

## Consolidated Financial Statements

### (3) Consolidated Statements of Changes in Equity

◆ *The Three-month Period Ended June 30, 2018 (April 1, 2018 - June 30, 2018)*

(Millions of yen)

	Equity attributable to owners of the parent						
	Issued capital	Capital surplus	Other equity instruments	Treasury stock	Retained earnings	Other components of equity	
						Gains (losses) on financial assets measured at fair value through other comprehensive income	Foreign currency translation adjustments
Balance at beginning of period	262,686	135,295	243,589	(1,379)	1,014,709	82,596	76,253
Cumulative effects of new accounting policy adopted					(1,117)		
Profit for the period					86,828		
Other comprehensive income						16,673	48,343
Purchases and sales of treasury stock				(0)			
Dividends payment					(32,107)		
Equity transactions with non-controlling interests and others		652					
Transfer to retained earnings					82	11	
Transfer to non-financial assets and others							
Balance at end of period	262,686	135,947	243,589	(1,379)	1,068,395	99,280	124,596

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Equity attributable to owners of the parent		
	Gains (losses) on cash flow hedges	Remeasurements of defined benefit pension plan	Other components of equity total			
Balance at beginning of period	(42,274)	—	116,575	1,771,475	64,162	1,835,637
Cumulative effects of new accounting policy adopted				(1,117)		(1,117)
Profit for the period				86,828	2,138	88,966
Other comprehensive income	6,598	93	71,707	71,707	624	72,331
Purchases and sales of treasury stock				(0)		(0)
Dividends payment				(32,107)	(5,119)	(37,226)
Equity transactions with non-controlling interests and others				652	11	663
Transfer to retained earnings		(93)	(82)	—		—
Transfer to non-financial assets and others	161		161	161		161
Balance at end of period	(35,515)	—	188,361	1,897,599	61,816	1,959,415

# Marubeni Corporation

## Consolidated Financial Statements

◆ *The Three-month Period Ended June 30, 2019 (April 1, 2019 - June 30, 2019)*

(Millions of yen)

	Equity attributable to owners of the parent						
	Issued capital	Capital surplus	Other equity instruments	Treasury stock	Retained earnings	Other components of equity	
						Gains (losses) on financial assets measured at fair value through other comprehensive income	Foreign currency translation adjustments
Balance at beginning of period	262,686	139,898	243,589	(1,384)	1,163,472	71,912	131,178
Cumulative effects of new accounting policy adopted					(6,674)		
Profit for the period					65,166		
Other comprehensive income						(25,349)	(61,494)
Purchases and sales of treasury stock		0		1			
Dividends payment					(29,504)		
Equity transactions with non-controlling interests and others		1,622			7		
Transfer to retained earnings					(2,891)	2,603	
Transfer to non-financial assets and others							
Balance at end of period	262,686	141,520	243,589	(1,383)	1,189,576	49,166	69,684

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Equity attributable to owners of the parent		
	Gains (losses) on cash flow hedges	Remeasurements of defined benefit pension plan	Other components of equity total			
Balance at beginning of period	(33,610)	—	169,480	1,977,741	93,985	2,071,726
Cumulative effects of new accounting policy adopted				(6,674)		(6,674)
Profit for the period				65,166	2,569	67,735
Other comprehensive income	(10,585)	(288)	(97,716)	(97,716)	(557)	(98,273)
Purchases and sales of treasury stock				1		1
Dividends payment				(29,504)	(4,894)	(34,398)
Equity transactions with non-controlling interests and others				1,629	(3,789)	(2,160)
Transfer to retained earnings		288	2,891	—		—
Transfer to non-financial assets and others	41		41	41		41
Balance at end of period	(44,154)	—	74,696	1,910,684	87,314	1,997,998



# Marubeni Corporation

## Consolidated Financial Statements

### (4) Consolidated Statements of Cash Flows

	<i>Millions of yen</i>		
	Three-month period ended June 30,		Variance
	2018	2019	
<b>Operating activities</b>			
Profit for the period	88,966	67,735	(21,231)
Adjustments to reconcile profit for the year to net cash provided by (used in) operating activities:			
Depreciation and amortisation	27,221	39,743	12,522
Losses (Gains) on property, plant and equipment	(74)	11,823	11,897
Finance expenses (income)	(4,251)	1,008	5,259
Share of profits of associates and joint ventures	(37,241)	(38,787)	(1,546)
Income taxes	22,142	14,805	(7,337)
Changes in notes accounts receivable	(94,681)	13,277	107,958
Changes in inventories	84,993	127,312	42,319
Changes in notes and trade accounts payable	(99,217)	(145,538)	(46,321)
Other-net	(7,642)	(77,306)	(69,664)
Interest received	3,280	3,687	407
Interest paid	(9,219)	(13,956)	(4,737)
Dividends received	34,828	33,172	(1,656)
Income taxes paid	(20,310)	(23,433)	(3,123)
<b>Net cash provided by/ used in operating activities</b>	<b>(11,205)</b>	<b>13,542</b>	<b>24,747</b>
<b>Investing activities</b>			
Net decrease (increase) in time deposits	(15)	11	26
Proceeds from sale of property, plant and equipment	623	1,823	1,200
Proceeds from sale of investment property	108	—	(108)
Collection of loans receivable	6,227	3,171	(3,056)
Proceeds from sale of subsidiaries, net of cash and cash equivalents disposed of	118	112	(6)
Proceeds from sale of investments in associates and joint ventures, and other investments	35,069	18,838	(16,231)
Purchase of property, plant and equipment	(16,815)	(24,960)	(8,145)
Purchase of investment property	(16)	(12)	4
Loans provided to customers	(13,349)	(7,363)	5,986
Acquisition of subsidiaries, net of cash and cash equivalents acquired	—	(5,374)	(5,374)
Purchase of investments in associates and joint ventures, and other investments	(7,295)	(15,450)	(8,155)
<b>Net cash provided by/used in investing activities</b>	<b>4,655</b>	<b>(29,204)</b>	<b>(33,859)</b>
<b>Financing activities</b>			
Net increase (decrease) in short-term borrowings	(4,816)	77,155	81,971
Proceeds from long-term bonds and borrowings	126,381	81,264	(45,117)
Repayments of long-term bonds and borrowings	(181,088)	(82,525)	98,563
Dividends paid to owners of the parent	(32,107)	(29,504)	2,603
Net cash outflows on purchases and sales of treasury stock	(3)	(1)	2
Capital contribution from non-controlling interests	2	67	65
Acquisition of equity portion of subsidiary from non-controlling interests	(7)	(5,062)	(5,055)
Other	(3,305)	(4,507)	(1,202)
<b>Net cash provided by/used in financing activities</b>	<b>(94,943)</b>	<b>36,887</b>	<b>131,830</b>
Effect of exchange rate changes on cash and cash equivalents	3,736	(5,395)	(9,131)
Net increase (decrease) in cash and cash equivalents	(97,757)	15,830	113,587
Cash and cash equivalents at beginning of period	625,834	509,288	(116,546)
Cash and cash equivalents at end of period	528,077	525,118	(2,959)

# Marubeni Corporation

## Consolidated Financial Results

### (5) Notes Related to Going Concern Assumptions

None

### (6) Changes in Accounting Principles

Except for the changes disclosed below, significant accounting policies applied to the consolidated financial statements herein are identical to the accounting policies applied to consolidated financial statements for the previous fiscal year.

#### Newly Adopted Standards and Interpretive Guidance

The Company and its consolidated subsidiaries have adopted the following accounting standards effective from the first quarter of the current fiscal year.

Standard and Interpretive Guidance	Summary
IFRS 16 <i>Leases</i>	Revisions concerning lease accounting

Application of IFRS 16 *Leases* has two main effects on the consolidated financial statements. First, for all leases, a right-of-use asset representing the right to use the underlying asset and a lease liability representing the obligation to pay lease payments are newly recognized in the Consolidated Statement of Financial Position as a general rule. Second, depreciation charges on right-of-use assets and finance costs on lease liabilities are recognized in the Consolidated Statement of Comprehensive Income for all leases as a general rule. Application of IFRS 16 resulted in a 235,170 million yen increase in the sum of “property, plant and equipment”, “intangible assets”, and “trade and loan receivables” and 237,958 million yen increase in other financial liabilities (current and non-current) at the date of initial application. Application of IFRS 16 did not have a significant effect on the Consolidated Statement of Comprehensive Income.

The difference between the lease liabilities recognized at IFRS 16’s initial application date and the discounted value of total minimum lease payments under non-cancelable operating leases that was disclosed at the end of the previous fiscal year is mainly attributable to revision of lease durations. Lease liabilities are measured at the present value of remaining lease payments at the date of initial application, discounted using the lessee’s incremental borrowing rate at the same date.

# Marubeni Corporation

## Consolidated Financial Results

As the cumulative effect of application of IFRS 16 and interpretive guidance pertaining thereto, retained earnings at the date of initial application decreased by 6,674 million yen.

Significant accounting policies related to the above standards and interpretive guidance are as follows.

### IFRS 16 *Leases*

Whether a contract is, or contains, a lease, the Companies assess, at inception date of the lease, whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Accounting as lessee

At the commencement date of the lease, a lessee recognizes a right-of-use asset that represents lessee's right to use an underlying asset and a lease liability that represents the obligation to pay lease payments. The right-of-use asset is measured at cost and the cost comprise the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, any initial direct costs and an estimate of costs to be incurred in restoring the underlying asset to the condition. The lessee depreciates the right-of-use asset over the lease term in principle. Lease term is determined during the periods covered by an option to extend the lease and periods covered by an option to terminate the lease within the non-cancellable period, if the lessee is reasonably certain to exercise that option.

A lessee measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee uses the lessee's incremental borrowing rate. Lessee's incremental borrowing rate shall be determined by the length of the lease period, credibility of the lessee, and collateral, guarantee or the nature of the underlying asset. Interest on the lease liability is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

As a lessee, the Company recognizes lease payments associated with leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern of its benefit as lessee.

# Marubeni Corporation

## Consolidated Financial Results

### Accounting as lessor

For finance leases that transfers substantially all the risks and rewards incidental to ownership of an underlying asset, at the commencement date of the lease, a lessor derecognises the underlying asset subject to the lease, and recognises assets held under a finance lease and present them as a lease receivable at an amount equal to the net investment in the lease. Initial direct costs are included in the initial measurement of the net investment in the lease in principle.

For operating leases in which the Company is the lessor, the Company presents the leases' underlying assets in its Consolidated Statement of Financial Position according to the nature of the underlying asset. Its depreciation policy for operating leases' underlying assets is consistent with its depreciation policy for similar assets. A lessor recognises the lease income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. It adds initial direct costs incurred in obtaining a lease contract to the carrying amount of the underlying asset and recognizes those costs as an expense over the lease term on the same basis as the lease income.

### Restated Comparative Information

Where the method of presentation of the consolidated financial statements or notes to the consolidated financial statements has changed, comparative information is restated accordingly.

# Marubeni Corporation

## Consolidated Financial Results

### (7) Segment Information

<Operating Segment>

◆ The Three-Month Period June 30, 2018 (April 1, 2018 - June 30, 2018)

Millions of yen

	Lifestyle	ICT & Real Estate Business	Forest Products	Food	Agri Business	Chemicals	Power Business	Energy
Revenue	52,916	40,842	67,931	577,970	933,837	169,078	35,803	92,421
Gross trading profit (loss)	5,199	22,265	9,467	24,967	60,971	10,706	7,995	11,619
Operating profit (loss)	762	3,608	4,602	6,566	25,119	5,222	(2,365)	3,899
Share of profits (losses) of associates and joint ventures	411	720	807	1,617	457	442		72
Profit (loss) attributable to owners of the parent	1,194	3,334	4,965	3,772	16,638	3,266	17,032	3,756
Segment assets (as of March 31, 2019)	122,188	447,106	266,855	762,628	1,233,343	351,427	712,176	787,524

  

	Metals & Mineral Resources	Plant	Aerospace & Ship	Finance & Leasing Business	Construction, Auto & Industrial Machinery	Next Generation Business Development	Other	Consolidated
Revenue	103,826	15,842	16,908	5,803	82,538	1	(26,413)	2,169,303
Gross trading profit (loss)	10,087	4,129	4,361	2,433	21,480	0	(1,499)	194,180
Operating profit (loss)	5,766	(610)	1,516	189	5,488	(357)	52	59,457
Share of profits (losses) of associates and joint ventures	9,179	5,369	1,222	5,436	3,729	3	104	37,241
Profit (loss) attributable to owners of the parent	13,089	3,963	2,923	4,728	7,349	(376)	1,195	86,828
Segment assets (as of March 31, 2019)	853,100	343,588	245,707	250,097	340,728	643	91,967	6,809,077

◆ The Three-Month Period June 30, 2019 (April 1, 2019 - June 30, 2019)

Millions of yen

	Lifestyle	ICT & Real Estate Business	Forest Products	Food	Agri Business	Chemicals	Power Business	Energy
Revenue	35,666	47,367	70,017	467,683	859,463	106,937	33,978	115,977
Gross trading profit (loss)	4,904	26,912	9,269	24,647	58,334	7,840	6,282	12,263
Operating profit (loss)	335	4,671	4,382	7,148	22,655	2,175	(2,140)	3,847
Share of profits (losses) of associates and joint ventures	161	499	(1)	1,946	501	253	8,160	231
Profit (loss) attributable to owners of the parent	330	3,649	2,556	8,508	15,208	1,584	5,165	(5,026)
Segment assets (as of June 30, 2019)	114,578	479,901	266,206	715,018	1,215,766	332,586	708,685	728,958

  

	Metals & Mineral Resources	Plant	Aerospace & Ship	Finance & Leasing Business	Construction, Auto & Industrial Machinery	Next Generation Business Development	Other	Consolidated
Revenue	92,387	5,867	18,365	6,429	79,092	0	(31,582)	1,907,646
Gross trading profit (loss)	9,315	3,429	5,823	3,040	21,963	1	(1,768)	192,254
Operating profit (loss)	4,674	(466)	2,890	385	5,506	(769)	85	55,378
Share of profits (losses) of associates and joint ventures	14,710	4,405	1,017	5,449	1,457	1	(2)	38,787
Profit (loss) attributable to owners of the parent	17,611	2,899	3,111	5,667	6,329	(615)	(1,810)	65,166
Segment assets (as of June 30, 2019)	824,248	323,887	291,991	254,247	347,704	516	151,600	6,755,891

(Note 1) From the FYE 3/2020, "Food", "Consumer Products", "Chemical & Forest Products", "Energy & Metals", "Power Business & Plant" and "Transportation & Industrial Machinery" have been reclassified into "Lifestyle", "ICT & Real Estate Business", "Forest Products", "Food", "Agri Business", "Chemicals", "Power Business", "Energy", "Metals & Mineral Resources", "Plant", "Aerospace & Ship", "Finance & Leasing Business", "Construction, Auto & Industrial Machinery" and "Next Generation Business Development" divisions.

(Note 2) In conjunction with these revisions, operating segment information for the year-earlier period and FYE 3/2019 has been reclassified.

(Note 3) "Operating profit (loss)" is presented in accordance with Japanese accounting practice for investors' convenience and is not required by IFRS. "Operating profit (loss)" is the sum of "Gross trading profit" and "Selling, general and administrative expenses" including "Provision for doubtful accounts".

(Note 4) Inter-segment transactions are generally priced in accordance with the prevailing market prices.

(Note 5) "Other" includes headquarters expenses that are not allocated to the operating segments and inter segment elimination, cash and cash equivalents related to financing held for general corporate purposes that are not allocated to the operating segments.