Financial Highlights

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

May 8, 2015
Marubeni Corporation

Consolidated Financial Results for FY2015/3 and Yearly Prospects for FY2016/3 (IFRS Basis)

(Unit: Billions of yen)

Operating Results	FY2015/3 Results	FY2014/3 Results	Variance	Variance in Percentage	Prospects for FY2016/3	Variance from FY2015/3
Total volume of trading transactions (*1)	¥ 13,925.3	¥ 13,633.5	+291.8	2%	¥ 14,000.0	+74.7
Gross trading profit	707.3	651.1	+56.3	9%	720.0	+12.7
Selling, general and administrative expenses	(540.5)	(490.8)	-49.6	-	(565.0)	-
Provision for doubtful accounts	(6.2)	(2.8)	-3.4	-	(5.0)	-
Operating profit (*1)	160.7	157.5	+3.2	2%	150.0	-10.7
Interest expense, net of interest income	(24.6)	(22.1)	-2.5	-	(25.0)	-
Dividend income	35.0	34.9	+0.0	-	15.0	-
Gain (loss) on investment securities	0.7	14.1	-13.4	-		
Gain (loss) on property, plant and equipment	(144.9)	(41.5)	-103.4	-	(10.0)	-
Other-net	7.8	(5.9)	+13.7	-		
Share of profits of associates and joint ventures	89.9	99.4	-9.5	-	120.0	-
Profit before tax	124.6	236.4	-111.8	-47%	250.0	+125.4
Tax expense	(11.9)	(23.1)	+11.2	-	(60.0)	-
Profit for the year	112.7	213.3	-100.6	-47%	190.0	+77.3
Profit attributable to owners of the parent	105.6	210.9	-105.3	-50%	180.0	+74.4
Profit attributable to non-controlling interests	7.1	2.3	+4.8	-	10.0	-
Revenue	7,834.3	7,055.7	+778.6	11%		
Adjusted operating profit (*2)	166.8	160.2	+6.6	4%	155.0	-11.8
Core earnings (*3)	267.1	272.5	-5.3	-2%	265.0	-2.1

(*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	March 31, 2015	March 31, 2014 (*5)	Variance	Prospects for March 31, 2016
Total assets	7,673.1	7,256.1	+417.0	-
Current assets	3,260.7	3,311.0	-50.4	-
Non-current assets	4,412.4	3,945.1	+467.3	-
Total equity	1,678.7	1,531.2	+147.5	approx. 1,800.0
Interest-bearing debt	3,369.0	3,182.4	+186.7	-
Net interest-bearing debt	2,887.6	2,491.0	+396.6	approx. 2,900.0
Net D/E ratio (*4)	1.72 times	1.63 times	+0.09 points	approx. 1.6 times

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

(*5) Those figures have been restated according to the application of new accounting standards.

(Unit: Billions of yen)

Cash Flow	FY2015/3	FY2014/3
Cash flow from operating activities	170.9	291.2
Cash flow from investing activities	(331.4)	(706.6)
Free Cash Flow	**(160.5)**	**(415.4)**
Cash flow from financing activities	(70.7)	196.8
Effect of exchange rate changes	34.8	18.5
Changes in cash and cash equivalents	(196.4)	(200.1)

Major Financial Indicators		FY2015/3	FY2014/3	Variance	Assumptions for FY2016/3
Foreign Exchange Rate (YEN/USD)	Apr.-Mar. avg.	109.93	100.24	Yen depreciation by 9.69 yen (10%)	118
	End Mar.	120.17	102.92	Yen depreciation by 17.25 yen (17%)	
JPY TIBOR(%)	Apr.-Mar. avg.	0.196	0.225	down by 0.029 % points (13%)	0.2
USD LIBOR(%)	Apr.-Mar. avg.	0.240	0.253	down by 0.013 % points (5%)	0.6
Oil (USD/Barrel) WTI	Apr.-Mar. avg.	81	99	down by USD 18/barrel (18%)	55
Copper (USD/MT) LME	Apr.-Mar. avg.	6,558	7,103	down by USD 545/MT (8%)	6,000

Increase/Decrease in the Surplus/Deficit of Consolidated Companies	FY2015/3	Domestic	Overseas	FY2014/3	Domestic	Overseas	Variance	Domestic	Overseas
No. of profit making companies	337	115	222	355	123	232	-18	-8	-10
Surplus amount (Billions of yen)	256.7	68.2	188.5	268.4	78.2	190.2	-11.7	-10.0	-1.7
No. of loss making companies	115	43	72	98	39	59	+17	+4	+13
Deficit amount (Billions of yen)	(146.5)	(18.5)	(127.9)	(67.2)	(19.1)	(48.2)	-79.3	+0.5	-79.8
No. of companies, total	452	158	294	453	162	291	-1	-4	+3
Net income (loss) (Billions of yen)	110.2	49.7	60.5	201.2	59.1	142.0	-91.0	-9.4	-81.5
Percentage of profit making companies	74.6%	72.8%	75.5%	78.4%	75.9%	79.7%	-3.8%	-3.1%	-4.2%

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 FY2015/3

Highlights of FY2015/3 Financial Results

○ **Profit attributable to owners of the parent for FY2015/3 amounted to 105.6 billion yen, with -105.3 billion yen or -50% year-on-year decline due to one-time losses mainly comprised of impairment losses on property, plant and equipment.**

○ **Total equity increased 147.5 billion yen to 1,678.7 billion yen, compared with the end of the previous fiscal year. This is mainly due to incremental foreign currency translation adjustments led by Japanese yen depreciation.**

○ **Net interest-bearing debt amounted to 2,887.6 billion yen, an increase of 396.6 billion yen compared with the previous fiscal year end due to new investments. Net D/E ratio increased 0.09 points to 1.72 times compared with the previous year end.**

○ **Albeit the yearly net profit result of 105.6 billion yen, yearly dividend for FY2015/3 is projected to be 26 yen per share as announced on January 26, 2015.**
(Interim: resolved to be 13 yen per share and paid out already, Year-end: projected to be 13 yen.)

Main Items

1) **Total volume of trading transactions ... 13,925.3 billion yen**
Increased 291.8 billion yen year on year, as a result of growth in grain trading volume sufficient to offset a reduction in oil trading revenues caused by decreased sales prices.
Japanese yen depreciation resulted in an increase of approximately 650.0 billion yen.
Increased mainly in; Food / +705.4 billion yen
Decreased mainly in; Energy / -438.6 billion yen

2) **Gross trading profit ... 707.3 billion yen**
Increased 56.3 billion yen year on year.
Japanese yen depreciation resulted in an increase of approximately 26.0 billion yen.
Please see the chart below for the details.

3) **Selling, general, and administrative expenses ... -540.5 billion yen**
Increased 49.6 billion yen year on year, mainly for personnel expenses.
Japanese yen depreciation resulted in an increase of approximately 18.0 billion yen.

4) **Provision for doubtful accounts ... -6.2 billion yen**
Deteriorated by 3.4 billion yen year on year, as a result of a provision for a large doubtful account.

5) **Interest expense, net of interest income ... -24.6 billion yen**
Deteriorated by 2.5 billion yen year on year.
・Interest expense -39.1 billion yen (-2.5 billion yen year on year)
・Interest income 14.5 billion yen (-0.0 billion yen year on year)

6) **Dividend income ... 35.0 billion yen**
Remained at the same level year on year, mainly in Energy.

7) **Gains on investment securities ... 0.7 billion yen**
Decreased 13.4 billion yen year on year, mainly due to recognition of impairment losses on investment in the Canadian coal business, etc.

8) **Gains (losses) on property, plant and equipment ... -144.9 billion yen**
Deteriorated by 103.4 billion yen due to impairment losses on resource concessions and on goodwill of Gavilon.
・Losses on fair value of property, plant and equipment -152.8 billion yen (-109.4 billion yen year on year)
・Gains on sales of property, plant and equipment 8.0 billion yen (+6.0 billion yen year on year)

9) **Other-net ... 7.8 billion yen**
Improved 13.7 billion yen year on year, mainly due to valuation gain on the consolidation of grain export facilities in the U.S.

10) **Share of profits of associates and joint ventures ... 89.9 billion yen**
Decreased 9.5 billion yen year on year.

(reference)

Overseas IPP businesses	39.2 billion yen	(+3.4 billion yen year on year)
Marubeni-Itochu Steel Inc.	12.8 billion yen	(-0.5 billion yen year on year)
Copper business in Chile	-2.7 billion yen	(-20.8 billion yen year on year)

(Unit: billions of yen)

Operating Segments	Gross trading profit FY14/3	FY13/3	Variance	Profit attributable to owners of the parent FY14/3	FY13/3	Variance	Main reasons for increase/decrease
Food	172.3	147.6	+24.7	11.1	18.3	-7.3	Gross trading profit grew according to increase in grain transactions. Net profit declined due to recognition of impairment loss on goodwill of Gavilon, despite a valuation gain on the consolidation of U.S. grain export facilities.
Chemicals	36.3	28.4	+7.9	4.5	6.4	-1.9	Gross trading profit increased due mainly to the improvement in margins on petrochemical products and vinyl chloride alkali-related products. Net profit decreased conversely, as a result of impairment loss on Gavilon for the segment's equity stake.
Energy	40.0	49.8	-9.8	(17.3)	36.5	-53.7	Gross trading profit decreased due to a drop in oil and gas prices. Net profit deteriorated accordingly and also due to recognition of impairment losses on property, plant and equipment.
Metals & Mineral Resources	20.3	15.6	+4.7	(12.1)	20.3	-32.5	Gross trading profit grew as a result of increased transactions in the aluminum-related business. However, net profit deteriorated due to non-recurrence of a gain a year earlier on negative goodwill, recognition of impairment loss on overseas copper and coal operations and recognition of expected loss in accordance with the decision on the sale of a coal project in Canada.
Transportation Machinery	78.1	66.1	+12.0	25.6	23.3	+2.3	Gross trading profit grew due to new consolidation of the automotive retail finance business and increase in new shipbuilding transactions. In addition to this, increase in share of profit of associates and joint ventures in the aircraft-leasing business pushed up net profit.
Power Projects & Infrastructure	29.2	26.6	+2.6	31.1	27.2	+3.9	Gross trading profit increased reflecting a profit increment in the power consolidation business in the U.K. Net profit grew as a result of sale of existing projects and non-recurrence of one-time loss on an overseas project booked in the previous year.
Plant & Industrial Machinery	31.5	35.4	-3.9	(8.8)	10.3	-19.1	Gross trading profit decreased due to lower turnover of environmental and industrial machinery projects. Share of profits of associates and joint ventures deteriorated due chiefly to recognition of impairment loss on energy and chemical plant operations. In addition, there were losses associated with overseas infrastructure construction projects, and net profit deteriorated accordingly.
Lifestyle & Forest Products	57.8	58.3	-0.5	5.6	7.2	-1.6	Despite increases in profits from tire and belt transactions in the rubber field along with profits from chip and pulp-related transactions, gross trading profit fell due to deterioration in margins in the Musi Pulp business. Net profit decreased due to a higher income tax payment.
ICT, Finance & Insurance, Real Estate Business	92.7	88.1	+4.6	23.1	15.7	+7.4	Gross trading profit increased due to a profit contribution from a domestic cell-phone retail subsidiary. Net gains on investment securities increased as well. As a result, net profit grew.
Overseas corporate subsidiaries & branches	170.6	150.5	+20.2	29.6	25.3	+4.3	Both gross trading profit and net profit increased mainly due to the earnings growth in Marubeni America Corporation and Japanese yen depreciation.
Corporate & elimination	(21.4)	(15.3)	-6.2	13.2	20.4	-7.2	Net profit declined due to a higher income tax payment.
Consolidated	707.3	651.1	+56.3	105.6	210.9	-105.3	

Outline of Yearly Prospect for FY2016/3

◎ The prospect for yearly net profit is set to be at 180.0 billion yen.
◎ Reflecting our targeted dividend payout ratio of '20% or more', yearly dividend for FY2016/3 is projected to be 21 yen per share, including interim dividend of 10.5 yen per share, according to the yearly prospect for net profit of 180.0 billion yen.

* "Profit attributable to owners of the parent" is described as "net profit".