
Summary of Consolidated Financial Results
For the Six-month Period Ended September 30, 2018
(IFRS basis)

(April 1, 2018 – September 30, 2018)

**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 Six-month Period Ended September 30, 2018 (IFRS basis)

Company name: Marubeni Corporation
Listed: Tokyo, Nagoya

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

Code number: 8002

Representative: KOKUBU Fumiya President and CEO, Member of the Board
Inquiries: TACHIBANA Masato General Manager, Media Relations Sec.
Expected filing date of quarterly financial statement report: November 9, 2018
Expected date of the beginning of delivery of dividends: December 3, 2018
Supplementary explanations of quarterly business results: Prepared
IR meeting on financial results: To be held (for institutional investors and analysts)

TEL (03) 3282 - 4803

1. Consolidated financial results for the six-month period ended September 30, 2018 (April 1, 2018 - September 30, 2018)

(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)	(%)
Six months ended September 30,												
2018	4,097,473	8.5	98,831	87.4	193,967	43.2	156,177	45.5	151,976	45.3	285,767	88.1
2017	3,778,104	9.4	52,725	16.2	135,450	17.1	107,308	30.1	104,591	29.9	151,942	-

	Earnings per share (basic)		Earnings per share (diluted)	
	(yen)	(yen)	(yen)	(yen)
Six months ended September 30,				
2018	86.42	86.36		
2017	59.11	59.09		

(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)	(%)
September 30, 2018	6,989,588	2,079,736	2,019,077	28.9
March 31, 2018	6,877,117	1,835,637	1,771,475	25.8

2. Dividends information

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
	(yen)	(yen)	(yen)	(yen)	(yen)
Year ended March 31, 2018	-	12.50	-	18.50	31.00
Year ending March 31, 2019	-	17.00	-	-	-
Year ending March 31, 2019 (Forecast)	-	-	-	17.00	34.00

(Note) Changes from the latest announced forecasts: None

3. Consolidated earnings forecast for FYE 3/2019 (April 1, 2018 - March 31, 2019)

(Remarks)

#: change from the previous fiscal year

	Profit attributable to owners of the parent		Earnings per share (basic)
	(millions of yen)	(%)	(yen)
Yearly	230,000	8.9	130.10

(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 : None

(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.14 "2. Consolidated Financial Statements and Notes, (6) Changes to Accounting Principles" for details.

(3) Number of issued shares (Common shares)

① Number of issued shares at the end of the term	September 30, 2018	1,737,940,900
(Treasury stock is included)	March 31, 2018	1,737,940,900

② Number of treasury stock at the end of the term	September 30, 2018	2,586,367
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	March 31, 2018	2,584,319
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③ Average number of outstanding shares during the term	Six months ended September 30, 2018	1,735,355,523
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	Six months ended September 30, 2017	1,735,358,911
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<The Summary of Consolidated Financial Statements for the Six-Month Period Ended September 30, 2018 (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, November 2, 2018.

The Company is scheduled to hold an IR meeting on financial results for institutional investors and analysts on Tuesday, November 6, 2018, and to post the audio file of the meeting together with the materials used at the meeting 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 Six-month Period under Review	2
(1) Qualitative Information on Consolidated Business Results	2
(2) Qualitative Information on Consolidated Financial Conditions	6
(3) Qualitative Information on Forecast of Consolidated Financial Results	7
(4) Others	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	13
(5) Notes Related to Going Concern Assumptions	14
(6) Changes to Accounting Principles	14
(7) Segment Information	17

Marubeni Corporation

Financial Results

1. Qualitative Information on Consolidated Financial Results for the Six-month Period under Review

(1) Qualitative Information on Consolidated Business Results

In the six-month period ended September 30, 2018, the global economy generally maintained a stable growth trajectory amid continued stable expansion in developed economies, most notably the U.S., and a continued growth in emerging market economies such as China. On the downside, trade frictions in response to U.S. policy and changes in the Middle East situation increasingly cast a pall of uncertainty over the entire global economy. Meanwhile, crude oil and other commodity prices fluctuated with respect to each commodity in response to supply-side factors and the effects of trade frictions, mainly between the U.S. and China.

The U.S. economic expansion continued against a backdrop of a solid employment environment and tax reform's stimulus effects. The Federal Reserve continued to raise its policy rate and reduce its asset holdings amid mild inflation.

The European economy generally continued to grow steadily. Although forward visibility was clouded by political turmoil in Italy and an impasse in Brexit negotiations, the European Central Bank has maintained its resolve to scale down its asset purchases toward cessation of its quantitative easing program by year-end.

Among emerging market economies, some countries such as China and India continued to expand while others, mainly countries with current-account deficits and/or large external debts like Argentina and Turkey, have seen their currencies depreciate sharply in the wake of capital flight precipitated by U.S. rate hikes. Additionally, escalation of the trade dispute between the U.S. and China was another headwind for emerging market economies.

The Japanese economy continued to benefit from stable growth in both domestic and external demand amid continued improvement in employment, though inflationary pressures remained weak and a series of natural disaster dampened economic activity in some areas.

Under the aforementioned business environment, consolidated business results for the six-month period ended September 30, 2018 are as follows:

Marubeni Corporation

Financial Results

(millions of yen)

	Six-month period ended September 30,		Variance
	2018	2017	
Revenue	4,097,473	3,778,104	319,369
Gross trading profit	366,208	312,633	53,575
Operating profit	98,831	52,725	46,106
Share of profits of associates and joint ventures	75,037	71,350	3,687
Profit attributable to owners of the parent	151,976	104,591	47,385

(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 up 319.4 billion yen (8.5%) year on year to 4,097.5 billion yen, due mainly to an increase in *Food*.

Gross trading profit

Gross trading profit increased 53.6 billion yen (17.1%) from the year-earlier period to 366.2 billion yen. By operating segment, profits increased mainly in *Energy & Metals* and *Chemical & Forest Products*.

Operating profit

Operating profit increased 46.1 billion yen (87.4%) from the year-earlier period to 98.8 billion yen.

Share of profits of associates and joint ventures

Share of profits of associates and joint ventures increased 3.7 billion yen (5.2%) from the year-earlier period to 75.0 billion yen. By operating segment, profits increased mainly in *Transportation & Industrial Machinery*.

Profit attributable to owners of the parent

Profit attributable to owners of the parent for the six-month period ended September 30, 2018 (also referred to as **net profit** for the six-month period under review) increased 47.4 billion yen (45.3%) to 152.0 billion yen relative to the year-earlier period. As of the end of the six-month period under review, Marubeni achieved 66.1% of 230.0 billion yen, the yearly forecast for the fiscal year ending March 31, 2019.

Marubeni Corporation

Financial Results

Results for each operating segment for the six-month period ended September 30, 2018 are as follows:

Food

Gross trading profit decreased 0.4 billion yen (0.7%) year on year to 63.8 billion yen, largely as result of deterioration in grain trading margins due to weakness in Southeast Asian grain prices. Net profit decreased 5.5 billion yen (45.5%) year on year to 6.5 billion yen, largely because of deterioration in foreign-exchange profit and loss and growth in interest expense in the wake of rising US interest rates.

Consumer Products

Gross trading profit increased 1.1 billion yen (2.0%) year on year to 57.1 billion yen, boosted by growth in domestic real estate sales. Net profit likewise increased, up 0.8 billion yen (9.8%) year on year to 9.1 billion yen, largely by virtue of growth in profits from equity-method investments.

Chemical & Forest Products

Gross trading profit increased 21.0 billion yen (21.7%) year on year to 117.4 billion yen, largely as a result of profit growth in the pulp business by virtue of higher market prices and growth in Helena's sales. Net profit increased 13.8 billion yen (82.3%) year on year to 30.5 billion yen.

Energy & Metals

Gross trading profit increased 26.8 billion yen (143.3%) year on year to 45.5 billion yen in response to several factors, including improved margins in the oil trading business and a combination of higher prices and trading volume growth in the E&P business. Net profit grew 13.0 billion yen (61.8%) year on year to 33.9 billion yen.

Power Business & Plant

Gross trading profit grew 7.6 billion yen (40.3%) year on year to 26.6 billion yen, driven largely by growth in profits on overseas plant projects. Net profit increased by 17.4 billion yen (70.7%) year on year to 42.0 billion yen, as a result of the above mentioned growth and owing to a gain on the sale of a domestic power generating business.

Transportation & Industrial Machinery

Gross trading profit declined 2.1 billion yen (3.4%) year on year to 60.5 billion yen, largely as a result of deconsolidation of a former consolidated subsidiary, now an equity-method associate, in an automotive business. Net profit increased 6.2 billion yen (28.0%) year on year to 28.3 billion yen, boosted by a gain on the sale of a domestic power generating business and growth in profits from equity-method investments in ship and automotive businesses.

Marubeni Corporation

Financial Results

(Note 1)

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

(Note 2)

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

Marubeni Corporation

Financial Results

(2) Qualitative Information on Consolidated Financial Conditions

① Conditions of Assets, Liabilities and Equity

	(billions of yen)		
	September 30, 2018	March 31, 2018	Variance
Total assets	6,989.6	6,877.1	112.5
Total equity	2,079.7	1,835.6	244.1
Net interest-bearing debt	2,075.4	1,915.8	159.6
Net D/E ratio (times)	1.00	1.04	-0.04 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 increased 112.5 billion yen from the end of the previous fiscal year to 6,989.6 billion yen. **Net interest-bearing debt** increased 159.6 billion yen from the end of the previous fiscal year to 2,075.4 billion yen.

Total equity increased 244.1 billion yen from the end of the previous fiscal year to 2,079.7 billion yen. Consequently, **Net D/E ratio** stood at 1.00 times.

② Cash Flows

Cash and cash equivalents at the end of the period under review were 497.7 billion yen, a decrease of 128.2 billion yen from the end of the previous fiscal year.

(Cash flows from operating activities)

Net cash used in operating activities was 2.7 billion yen due to an increase in working capital and such.

(Cash flows from investing activities)

Net cash used in investing activities was 26.4 billion yen due to the outflow of a capital expenditure in overseas businesses despite the inflow from sales of business and investment securities.

Marubeni Corporation

Financial Results

As a result of the above-mentioned activities, free cash flow (the sum of net cash used in operating and investing activities) for the six-month period under review was negative 29.1 billion yen.

(Cash flows from financing activities)

Net cash used in financing activities amounted to an outflow of 106.6 billion yen as results of redemption of corporate bonds, repayment of long-term borrowings and dividend payment.

(3) Qualitative Information on Forecast of Consolidated Financial Results

The earnings forecasts for the fiscal year ending March 31, 2019 are unchanged from the initial projections announced on May 8, 2018. Accordingly, the yearly dividend forecast for the fiscal year ending March 31, 2019 of 34 yen per share (set as the minimum) is unchanged. The interim dividend has been resolved at 17 yen per share.

<Notes to the description about future, other>

The description about future, such as forecasts of financial results, is based upon available information and assumption, at the announcement date. Actual results might be influenced by various factors in the future.

Marubeni Corporation

Financial Results

(4) Others

Further to the information provided in section “4. Other Information” of the Summary of Consolidated Financial Results For the Fiscal Year Ended March 31, 2017, please be advised of the following update to the current status of the two law suits “Gunung Sugih Case” and “South Jakarta Case” (“Two Current Cases”) involving Marubeni Corporation (“Marubeni” or “we” or “us”) brought before the Indonesian courts by “Sugar Group”, an Indonesian corporate group.

The claims presented in the Two Current Cases are substantially the same as claims previously filed before the Indonesian courts by Sugar Group companies in 2006 (“Prior Cases”). Initially, the decisions of the Indonesian lower courts in the Prior Cases were partially in favor of the Sugar Group companies. However, the Supreme Court of Indonesia reversed those lower court decisions on appeal in 2010, rejecting all of the Sugar Group companies’ claims in the Prior Cases in favor of the defendants, including Marubeni. Nevertheless, the Supreme Court of Indonesia issued contradictory rulings in the Two Current Cases in 2017, finding Marubeni and other defendants liable for substantially the same claims that the Supreme Court of Indonesia had previously rejected in the Prior Cases.

In response to the contradictory rulings in the Two Current Cases, Marubeni filed applications for Judicial Review pursuant to Indonesian Supreme Court legislation on October 24, 2017 for the South Jakarta Case, and on February 6, 2018 for the Gunung Sugih Case, respectively. With respect to Marubeni’s application for Judicial Review of the Gunung Sugih Case (“Gunung Sugih Judicial Review Application”), a notice was uploaded onto the website of the Supreme Court of Indonesia stating that on October 8, 2018 the Supreme Court of Indonesia decided that the Gunung Sugih Judicial Review Application was not acceptable. However, the website of the Supreme Court of Indonesia states that this notice is not an official record. We have not yet received the official decision of the Supreme Court of Indonesia, and an explanation for the reason of decision has not been uploaded onto the website of the Supreme Court of Indonesia. We will disclose a summary of the Supreme Court of Indonesia’s decision on the Gunung Sugih Judicial Review Application once the official decision is issued to us. We also intend to analyze the details of the official decision upon its release and consider what appropriate measures to take in response, including further possible legal actions.

We do not currently have information which causes us to change our view that the Judicial Review applications in the Two Current Cases will probably be ultimately successful. Therefore, as at the end of the second quarter (namely September 30, 2018) of our fiscal year ending March 31, 2019, we do not recognize any provision against a litigation loss with respect to the Two Current Cases.

Marubeni Corporation

Consolidated Financial Statements

2. Consolidated Financial Statements and Notes

(1) Consolidated Statements of Financial Position

	<i>Millions of yen</i>		
	September 30 2018	March 31 2018	Variance
Assets			
Current assets:			
Cash and cash equivalents	497,661	625,834	(128,173)
Time deposits	782	1,046	(264)
Investment securities	124	0	124
Trade and loan receivables	1,418,679	1,315,336	103,343
Other current financial assets	218,384	213,941	4,443
Inventories	793,089	835,021	(41,932)
Assets held-for-sale	97,852	61,452	36,400
Other current assets	220,389	226,141	(5,752)
Total current assets	3,246,960	3,278,771	(31,811)
Non-current assets:			
Investments in associates and joint ventures	1,843,779	1,764,169	79,610
Other investments	337,758	322,628	15,130
Trade and loan receivables	138,059	138,715	(656)
Other non-current financial assets	88,970	72,492	16,478
Property, plant and equipment	927,905	905,479	22,426
Intangible assets	302,502	293,583	8,919
Deferred tax assets	45,886	45,233	653
Other non-current assets	57,769	56,047	1,722
Total non-current assets	3,742,628	3,598,346	144,282
Total assets	6,989,588	6,877,117	112,471

Marubeni Corporation

Consolidated Financial Statements

	<i>Millions of yen</i>		
	September 30 2018	March 31 2018	Variance
Liabilities and Equity			
Current liabilities:			
Bonds and borrowings	675,201	611,756	63,445
Trade and other payables	1,229,322	1,374,022	(144,700)
Other current financial liabilities	375,062	370,103	4,959
Income tax payable	16,092	17,858	(1,766)
Other current liabilities	336,033	387,975	(51,942)
Total current liabilities	2,631,710	2,761,714	(130,004)
Non-current liabilities:			
Bond and borrowings	1,898,683	1,930,948	(32,265)
Trade and other payables	14,499	16,713	(2,214)
Other non-current financial liabilities	74,279	66,316	7,963
Accrued pension and retirement benefits	79,491	79,099	392
Deferred tax liabilities	118,875	95,944	22,931
Other non-current liabilities	92,315	90,746	1,569
Total non-current liabilities	2,278,142	2,279,766	(1,624)
Total liabilities	4,909,852	5,041,480	(131,628)
Equity:			
Issued capital	262,686	262,686	—
Capital surplus	137,809	135,295	2,514
Other equity instruments	243,589	243,589	—
Treasury stock	(1,380)	(1,379)	(1)
Retained earnings	1,131,279	1,014,709	116,570
Other components of equity:			
Gains (losses) on financial assets measured at fair value through other comprehensive income	103,541	82,596	20,945
Foreign currency translation adjustments	172,435	76,253	96,182
Gains (losses) on cash flow hedges	(30,882)	(42,274)	11,392
Equity attributable to owners of the parent	2,019,077	1,771,475	247,602
Non-controlling interests	60,659	64,162	(3,503)
Total equity	2,079,736	1,835,637	244,099
Total liabilities and equity	6,989,588	6,877,117	112,471

Marubeni Corporation

Consolidated Financial Statements

(2) Consolidated Statements of Comprehensive Income

	<i>Millions of yen</i>			
	Six-month period ended September 30,			
	2018	2017	Variance	Ratio (%)
Revenue:				
Sale of goods	3,997,258	3,699,401	297,857	8.1
Commissions on services and trading margins	100,215	78,703	21,512	27.3
Total revenue	4,097,473	3,778,104	319,369	8.5
Cost of goods sold	(3,731,265)	(3,465,471)	(265,794)	7.7
Gross trading profit	366,208	312,633	53,575	17.1
Other income (expenses) :				
Selling, general and administrative expenses	(267,377)	(259,908)	(7,469)	2.9
Gains (losses) on property, plant and equipment				
Impairment losses on property, plant and equipment	(201)	(7)	(194)	-
Gains (losses) on sales of property, plant and equipment	47	1,926	(1,879)	(97.6)
Other – net	10,642	6,060	4,582	75.6
Total other income (expenses)	(256,889)	(251,929)	(4,960)	2.0
Finance income (expenses):				
Interest income	8,020	7,286	734	10.1
Interest expense	(22,199)	(16,437)	(5,762)	35.1
Dividend income	17,636	9,412	8,224	87.4
Gains (losses) on investment securities	6,154	3,135	3,019	96.3
Total finance income (expenses)	9,611	3,396	6,215	183.0
Share of profits of associates and joint ventures	75,037	71,350	3,687	5.2
Profit for the period before tax	193,967	135,450	58,517	43.2
Provision for income tax	(37,790)	(28,142)	(9,648)	34.3
Profit for the period	156,177	107,308	48,869	45.5
Profit for the period attributable to:				
Owners of the parent	151,976	104,591	47,385	45.3
Non-controlling interests	4,201	2,717	1,484	54.6
Other comprehensive income:				
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	19,354	11,726	7,628	65.1
Remeasurements of defined benefit pension plan	1,701	4,703	(3,002)	(63.8)
Changes in other comprehensive income of associates and joint ventures	(339)	2,899	(3,238)	-
Items that will be reclassified to profit and loss for the period				
Foreign currency translation adjustments	93,875	22,079	71,796	325.2
Gains (losses) on cash flow hedges	1,843	1,216	627	51.6
Changes in other comprehensive income of associates and joint ventures	13,156	2,011	11,145	554.2
Other comprehensive income, net of tax	129,590	44,634	84,956	190.3
Total comprehensive income for the period	285,767	151,942	133,825	88.1
Attributable to:				
Owners of the parent	280,449	147,920	132,529	89.6
Non-controlling interests	5,318	4,022	1,296	32.2

Marubeni Corporation

Consolidated Financial Statements

(3) Consolidated Statements of Changes in Equity

	<i>Millions of yen</i>	
	Six-month period ended September 30,	
	2018	2017
Issued capital:		
Balance at beginning of period	262,686	262,686
Balance at end of period	262,686	262,686
Capital surplus:		
Balance at beginning of period	135,295	142,881
Capital and other transactions with non-controlling interests	2,514	(5,933)
Balance at end of period	137,809	136,948
Other equity instruments:		
Balance at beginning of period	243,589	243,589
Balance at end of period	243,589	243,589
Treasury stock:		
Balance at beginning of period	(1,379)	(1,374)
Purchases and sales of treasury stock	(1)	(0)
Balance at end of period	(1,380)	(1,374)
Retained earnings:		
Balance at beginning of period	1,014,709	856,647
Cumulative effect of applying a new accounting policy	(1,117)	-
Profit for the period attributable to owners of the parent	151,976	104,591
Transfer from other components of equity	(212)	4,451
Dividends to owners of the parent	(32,107)	(23,430)
Distribution to owners of other equity instruments	(1,970)	(2,008)
Balance at end of period	1,131,279	940,251
Other components of equity:		
Balance at beginning of period	116,575	179,294
Gains (losses) on financial assets measured at fair value through other comprehensive income	18,797	14,564
Foreign currency translation adjustments	96,182	22,375
Gains (losses) on cash flow hedges	11,558	1,768
Remeasurements of defined benefit pension plan	1,936	4,622
Transfer to retained earnings	212	(4,451)
Transfer to non-financial assets and others	(166)	(322)
Balance at end of period	245,094	217,850
Equity attributable to owners of the parent	2,019,077	1,799,950
Non-controlling interests:		
Balance at beginning of period	64,162	59,035
Dividends to non-controlling interests	(5,942)	(3,280)
Equity transactions with non-controlling interests and others	(2,879)	5,588
Profit for the period attributable to non-controlling interests	4,201	2,717
Other components of equity:		
Gains (losses) on financial assets measured at fair value through other comprehensive income	(13)	119
Foreign currency translation adjustments	1,133	1,142
Gains (losses) on cash flow hedges	1	21
Remeasurements of defined benefit pension plan	(4)	23
Balance at end of period	60,659	65,365
Total equity	2,079,736	1,865,315
Attributable to:		
Owners of the parent	280,449	147,920
Non-controlling interests	5,318	4,022
Total comprehensive income for the period	285,767	151,942

Marubeni Corporation

Consolidated Financial Statements

(4) Consolidated Statements of Cash Flows

	<i>Millions of yen</i>		
	Six-month period ended September 30,		Variance
	2018	2017	
Operating activities			
Profit for the period	156,177	107,308	48,869
Adjustments to reconcile profit for the period to net cash provided by (used in) operating activities:			
Depreciation and amortisation	55,009	59,400	(4,391)
Losses (Gains) on property, plant and equipment	154	(1,919)	2,073
Finance expenses (income)	(9,611)	(3,396)	(6,215)
Share of profits of associates and joint ventures	(75,037)	(71,350)	(3,687)
Income taxes	37,790	28,142	9,648
Changes in notes accounts receivable	(45,265)	3,222	(48,487)
Changes in inventories	78,540	54,014	24,526
Changes in notes and trade accounts payable	(177,232)	(71,196)	(106,036)
Other-net	(58,910)	(93,833)	34,923
Interest received	5,037	5,470	(433)
Interest paid	(19,749)	(16,469)	(3,280)
Dividends received	71,911	65,027	6,884
Income taxes paid	(21,534)	(16,805)	(4,729)
Net cash provided by/used in operating activities	(2,720)	47,615	(50,335)
Investing activities			
Net decrease (increase) in time deposits	273	(1)	274
Proceeds from sale of property, plant and equipment	1,297	5,211	(3,914)
Proceeds from sale of investment property	292	150	142
Collection of loans receivable	8,847	9,992	(1,145)
Proceeds from sale of subsidiaries, net of cash and cash equivalents disposed of	211	8,968	(8,757)
Proceeds from sale of investments in associates and joint ventures, and other investments	53,749	18,916	34,833
Purchase of property, plant and equipment	(39,076)	(64,957)	25,881
Purchase of investment property	(29)	(374)	345
Loans provided to customers	(22,645)	(21,382)	(1,263)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(125)	(22,179)	22,054
Purchase of investments in associates and joint ventures, and other investments	(29,183)	(35,816)	6,633
Net cash used in investing activities	(26,389)	(101,472)	75,083
Financing activities			
Net increase (decrease) in short-term borrowings	45,066	136,049	(90,983)
Proceeds from long-term bonds and borrowings	133,096	82,995	50,101
Repayments of long-term bonds and borrowings	(240,879)	(271,404)	30,525
Dividends paid to owners of the parent	(32,107)	(23,430)	(8,677)
Net cash outflows on purchases and sales of treasury stock	(5)	(7)	2
Capital contribution from non-controlling interests	2	-	2
Acquisition of equity portion of subsidiary from non-controlling interests	(3,837)	(218)	(3,619)
Distribution to owners of other equity instruments	(1,970)	(2,008)	38
Other	(5,940)	(3,288)	(2,652)
Net cash used in financing activities	(106,574)	(81,311)	(25,263)
Effect of exchange rate changes on cash and cash equivalents	7,510	2,630	4,880
Net increase (decrease) in cash and cash equivalents	(128,173)	(132,538)	4,365
Cash and cash equivalents at beginning of period	625,834	704,972	(79,138)
Cash and cash equivalents at end of period	497,661	572,434	(74,773)

Marubeni Corporation

Financial Results

(5) Notes Related to Going Concern Assumptions

None

(6) Changes to 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 9 Financial Instruments (revised July 2014)	Revisions concerning impairment accounting and classification and measurement of financial assets
IFRS 15 Revenue from Contracts with Customers	Accounting treatment and disclosure concerning revenue recognition

Adoption of the above standards and interpretive guidance did not have a material impact on the consolidated financial statements herein. The Company and its consolidated subsidiaries have recognized the cumulative effect of the above standards and interpretive guidance's adoption as an adjustment to retained earnings at the date of initial application.

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

IFRS 9 Financial Instruments (revised July 2014)

- Classification and Measurement of Financial Assets

The Company and its consolidated subsidiaries measure debt instrument financial assets at fair value through other comprehensive income if both of the following conditions are met. ("Debt instrument financial assets measured at FVTOCI")

- The asset is held within a business model whose objective is both to hold assets in order to collect contractual cash flows and sell financial assets; and

Marubeni Corporation

Financial Results

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, a debt instrument financial asset for which these conditions are satisfied is measured at fair value with any change in fair value recognised in other comprehensive income. The cumulative amount of the change in fair value recognised in other comprehensive income is recognised in other components of equity. However, interest arising from Debt instrument financial assets measured at FVTOCI is recognised as part of finance income (or expenses) in the Consolidated Statement of Comprehensive Income. When Debt instrument financial assets measured at FVTOCI are derecognised of, the cumulative change in other comprehensive income shall be reclassified to profit or loss.

The Company and its consolidated subsidiaries may, at initial recognition, make an irrevocable election to designate a debt instrument financial asset that meets the conditions for classification as measured at fair value through other comprehensive income mentioned above as debt-instrument financial assets measured at fair value through profit or loss (“Debt instrument financial assets measured at FVTPL”), if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

- Impairment Accounting

The Company and its consolidated subsidiaries recognize impairment losses on expected credit losses for financial assets classified as debt instrument financial assets measured at amortized cost and Debt instrument financial assets measured at FVTOCI, etc.

If, at each reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company and its consolidated subsidiaries measure the allowance for doubtful accounts at an amount equal to the expected credit losses that result from default events possible within the 12 months after each reporting date. At each reporting date, the Company and its consolidated subsidiaries measure the allowance for doubtful accounts at an amount equal to the expected credit losses that result from all possible default events over the expected life of the financial instrument. (“lifetime expected credit losses”) if the credit risk on the financial instrument has increased significantly since initial recognition. However, the Company and its consolidated subsidiaries always measure the allowance for doubtful accounts at an amount equal to lifetime expected credit losses for accounts receivable, etc.

Marubeni Corporation

Financial Results

IFRS 15 Revenue from Contracts with Customers

With the exception of interest, dividend and other income recognized in accord with IFRS 9, Financial Instruments, the Company and its consolidated subsidiaries recognize revenue based on the following five-step approach if it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Step 1: Identify the contract with customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

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 Statements

(7) Segment Information

<Operating Segment>

◆ *The Six-Month Period Ended September 30, 2018 (April 1, 2018 - September 30, 2018)*

Millions of yen				
	Food	Consumer Products	Chemical & Forest Products	Energy & Metals
Revenue	2,203,244	197,551	961,589	407,678
Gross trading profit (loss)	63,804	57,130	117,412	45,531
Operating profit (loss)	12,933	8,951	40,449	20,329
Share of profits (losses) of associates and joint ventures	3,742	3,164	3,268	17,735
Profit (loss) attributable to owners of the parent	6,518	9,088	30,497	33,921
Segment assets (as of September 30, 2018)	1,459,752	439,485	1,149,867	1,721,344

	Power Business & Plant	Transportation & Industrial Machinery	Other	Consolidated
Revenue	116,996	213,715	(3,300)	4,097,473
Gross trading profit (loss)	26,620	60,478	(4,767)	366,208
Operating profit (loss)	(1,076)	17,726	(481)	98,831
Share of profits (losses) of associates and joint ventures	29,065	17,805	258	75,037
Profit (loss) attributable to owners of the parent	42,029	28,275	1,648	151,976
Segment assets (as of September 30, 2018)	1,225,963	818,532	174,645	6,989,588

◆ *The Six-Month Period Ended September 30, 2017 (April 1, 2017 - September 30, 2017)*

Millions of yen				
	Food	Consumer Products	Chemical & Forest Products	Energy & Metals
Revenue	1,901,153	188,345	1,024,752	327,752
Gross trading profit (loss)	64,250	56,018	96,443	18,716
Operating profit (loss)	13,904	8,459	24,443	(5,425)
Share of profits (losses) of associates and joint ventures	4,063	1,697	985	20,425
Profit (loss) attributable to owners of the parent	11,970	8,277	16,726	20,969
Segment assets (as of March 31, 2018)	1,437,817	451,816	1,180,020	1,613,397

	Power Business & Plant	Transportation & Industrial Machinery	Other	Consolidated
Revenue	99,579	241,315	(4,792)	3,778,104
Gross trading profit (loss)	18,978	62,615	(4,387)	312,633
Operating profit (loss)	(4,312)	15,094	562	52,725
Share of profits (losses) of associates and joint ventures	30,781	12,911	488	71,350
Profit (loss) attributable to owners of the parent	24,616	22,095	(62)	104,591
Segment assets (as of March 31, 2018)	1,111,024	784,248	298,795	6,877,117

(Note 1) From the FYE 3/2019, "Food & Consumer Products" has been divided into "Food" and "Consumer Products". Parts of "Consumer Products" and "Power Business & Plant" have been incorporated into "Transportation & Industrial Machinery".

(Note 2) In conjunction with these revisions, operating segment information for the year-earlier and FYE 3/2018 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.