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**Summary of Consolidated Financial Results**  
**For the Three-month Period Ended June 30, 2018**  
**(IFRS basis)**

(April 1, 2018 – June 30, 2018)

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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, 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: August 13, 2018  
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)

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**1. Consolidated financial results for the three-month period ended June 30, 2018 (April 1, 2018 - June 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)	(%)
Three months ended June 30, 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
2017	1,922,863	2.8	31,074	(2.1)	69,392	8.0	54,729	10.6	53,762	11.1	66,188	-

	Earnings per share attributable to owners of the parent (basic)		Earnings per share attributable to owners of the parent (diluted)	
	(yen)	(yen)	(yen)	(yen)
Three months ended June 30, 2018	49.46	49.43		
2017	30.40	30.39		

(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 attributable to owners of the parent" 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, 2018	6,970,237	1,959,415	1,897,599	27.2
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
Year ended March 31, 2018	(yen) -	(yen) 12.50	(yen) -	(yen) 18.50	(yen) 31.00
Year ending March 31, 2019	-				
Year ending March 31, 2019 (Forecast)		17.00	-	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 attributable to owners of the parent (basic)
	(millions of yen)	(%)	(yen)
Yearly	230,000	8.9	130.10

(Note) Changes from the latest announced forecasts: None

\* "Earnings per share attributable to owners of the parent (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.12 "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  
(Treasury stock is included)

June 30, 2018 1,737,940,900

March 31, 2018 1,737,940,900

② Number of treasury stock at the end of the term

June 30, 2018 2,585,411

March 31, 2018 2,584,319

③ Average number of outstanding shares during the term

Three months ended June 30, 2018 1,735,356,035

Three months ended June 30, 2017 1,735,356,641

<The Summary of Consolidated Financial Statements for the Three-Month Period Ended June 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 Thursday, August 2, 2018.

The Company is scheduled to hold an IR meeting on financial results for institutional investors and analysts on Friday, August 3, 2018, 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.

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# Marubeni Corporation

## 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, 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 pickup in 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 were volatile 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.

With the European economy generally continuing to grow steadily, the European Central Bank decided to end its quantitative easing program by year-end. Politically, however, unstable conditions have emerged in certain major countries, with new governments rising to power in Italy and Spain and discord erupting within Germany's ruling coalition.

Among emerging market economies, some countries such as China and India continued to regain growth momentum while others, mainly current-account deficit countries like Argentina and Turkey, have seen their currencies depreciate in the wake of capital flight precipitated by U.S. rate hikes.

The Japanese economy continued to grow stably, driven chiefly by external demand, though inflationary pressures remained weak even as employment continued to improve.

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

	Three-month period ended June 30,		Variance
	2018	2017	
Revenue	2,169,303	1,922,863	246,440
Gross trading profit	194,180	159,299	34,881
Operating profit	59,457	31,074	28,383
Share of profits of associates and joint ventures	37,241	30,128	7,113
Profit attributable to owners of the parent	86,828	53,762	33,066

(millions of yen)

# Marubeni Corporation

## Financial Results

(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 246.4 billion yen (12.8%) year on year to 2,169.3 billion yen, due mainly to an increase in *Food*.

### **Gross trading profit**

Gross trading profit increased 34.9 billion yen (21.9%) from the year-earlier period to 194.2 billion yen. By operating segment, profits increased mainly in *Energy & Metals* and *Chemical & Forest Products*.

### **Operating profit**

Operating profit increased 28.4 billion yen (91.3%) from the year-earlier period to 59.5 billion yen.

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

Share of profits of associates and joint ventures increased 7.1 billion yen (23.6%) from the year-earlier period to 37.2 billion yen. By operating segment, profits increased mainly in *Energy & Metals* and *Transportation & Industrial Machinery*.

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

Profit attributable to owners of the parent for the three-month period ended June 30, 2018 (also referred to as **net profit** for the three-month period under review) increased 33.1 billion yen (61.5%) to 86.8 billion yen relative to the year-earlier period. As of the end of the three-month period under review, Marubeni achieved 37.8% of 230.0 billion yen, the yearly forecast for the fiscal year ending March 31, 2019.

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

### **Food**

Gross trading profit increased 4.6 billion yen (15.2%) year on year to 35.2 billion yen, largely as result of growth in Gavilon’s trading volume. Net profit decreased 1.9 billion yen (31.6%) year on year to 4.1 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.

# Marubeni Corporation

## Financial Results

### **Consumer Products**

Gross trading profit increased 0.6 billion yen (2.4%) year on year to 27.6 billion yen, boosted by growth in domestic real estate sales. Net profit likewise increased, up 1.5 billion yen (54.5%) year on year to 4.2 billion yen, largely by virtue of growth in profits from equity-method investments.

### **Chemical & Forest Products**

Gross trading profit was up 13.7 billion yen (23.7%) year on year to 71.2 billion yen, largely as a result of growth in Helena's sales. Net profit increased 11.0 billion yen (80.8%) year on year to 24.7 billion yen.

### **Energy & Metals**

Gross trading profit increased 14.5 billion yen (210.9%) year on year to 21.3 billion yen in response to several factors, including improved margins in the oil trading business and a combination of higher commodity prices and trading volume growth in the oil and gas development business and Australian coal business. Net profit grew 9.5 billion yen (131.9%) year on year to 16.7 billion yen, as a result of the above mentioned factors in addition to growth in profits from equity-method investments in the steel products and Australian coal businesses.

### **Power Business & Plant**

Gross trading profit grew 3.2 billion yen (36.1%) year on year to 12.1 billion yen, driven largely by growth in profits on overseas plant projects. Net profit increased by 11.8 billion yen (124.5%) year on year to 21.4 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 2.7 billion yen (8.7%) year on year to 28.0 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 3.3 billion yen (28.6%) year on year to 14.7 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.

*(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)		
	June 30, 2018	March 31, 2018	Variance
Total assets	6,970.2	6,877.1	93.1
Total equity	1,959.4	1,835.6	123.8
Net interest-bearing debt	2,049.3	1,915.8	133.4
Net D/E ratio (times)	1.05	1.04	+0.01 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 93.1 billion yen from the end of the previous fiscal year to 6,970.2 billion yen.

**Net interest-bearing debt** increased 133.4 billion yen from the end of the previous fiscal year to 2,049.3 billion yen.

**Total equity** increased 123.8 billion yen from the end of the previous fiscal year to 1,959.4 billion yen. Consequently, **Net D/E ratio** stood at 1.05 times.

#### ② Cash Flows

Cash and cash equivalents at the end of the period under review were 528.1 billion yen, a decrease of 97.8 billion yen from the end of the previous fiscal year.

(Cash flows from operating activities)

Net cash used in operating activities was 11.2 billion yen due to an increase in working capital and such.

(Cash flows from investing activities)

Net cash provided by investing activities was 4.7 billion yen due to the inflow from sales of business and investment securities which offset an outflow of a capital expenditure in overseas businesses.



# Marubeni Corporation

## Financial Results

As a result of the above-mentioned activities, free cash flow (the sum of net cash used in operating activities and net cash provided by investing activities) for the three-month period under review was negative 6.6 billion yen.

(Cash flows from financing activities)

Net cash used in financing activities amounted to an outflow of 94.9 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.

*<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  
Consolidated Financial Statements

**2. Consolidated Financial Statements and Notes**

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

	<i>Millions of yen</i>		
	June 30 2018	March 31 2018	Variance
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	528,077	625,834	(97,757)
Time deposits	1,066	1,046	20
Investment securities	0	0	0
Trade and loan receivables	1,443,504	1,315,336	128,168
Other current financial assets	269,160	213,941	55,219
Inventories	770,187	835,021	(64,834)
Assets held-for-sale	81,978	61,452	20,526
Other current assets	215,725	226,141	(10,416)
Total current assets	3,309,697	3,278,771	30,926
<b>Non-current assets:</b>			
Investments in associates and joint ventures	1,785,476	1,764,169	21,307
Other investments	350,149	322,628	27,521
Trade and loan receivables	130,273	138,715	(8,442)
Other non-current financial assets	84,767	72,492	12,275
Property, plant and equipment	910,545	905,479	5,066
Intangible assets	297,711	293,583	4,128
Deferred tax assets	46,309	45,233	1,076
Other non-current assets	55,310	56,047	(737)
Total non-current assets	3,660,540	3,598,346	62,194
<b>Total assets</b>	6,970,237	6,877,117	93,120

# Marubeni Corporation

## Consolidated Financial Statements

	<i>Millions of yen</i>		
	June 30	March 31	
	2018	2018	Variance
<b>Liabilities and Equity</b>			
<b>Current liabilities:</b>			
Bonds and borrowings	634,912	611,756	23,156
Trade and other payables	1,295,670	1,374,022	(78,352)
Other current financial liabilities	402,079	370,103	31,976
Income tax payable	17,305	17,858	(553)
Other current liabilities	363,316	387,975	(24,659)
Total current liabilities	2,713,282	2,761,714	(48,432)
<b>Non-current liabilities:</b>			
Bond and borrowings	1,943,487	1,930,948	12,539
Trade and other payables	14,859	16,713	(1,854)
Other non-current financial liabilities	72,094	66,316	5,778
Accrued pension and retirement benefits	80,583	79,099	1,484
Deferred tax liabilities	96,457	95,944	513
Other non-current liabilities	90,060	90,746	(686)
Total non-current liabilities	2,297,540	2,279,766	17,774
Total liabilities	5,010,822	5,041,480	(30,658)
<b>Equity:</b>			
Issued capital	262,686	262,686	—
Capital surplus	135,947	135,295	652
Other equity instruments	243,589	243,589	—
Treasury stock	(1,379)	(1,379)	(0)
Retained earnings	1,068,395	1,014,709	53,686
Other components of equity:			
Gains (losses) on financial assets measured at fair value through other comprehensive income	99,280	82,596	16,684
Foreign currency translation adjustments	124,596	76,253	48,343
Gains (losses) on cash flow hedges	(35,515)	(42,274)	6,759
Remeasurements of defined benefit pension plan	—	—	—
Equity attributable to owners of the parent	1,897,599	1,771,475	126,124
Non-controlling interests	61,816	64,162	(2,346)
Total equity	1,959,415	1,835,637	123,778
<b>Total liabilities and equity</b>	6,970,237	6,877,117	93,120

# Marubeni Corporation

## Consolidated Financial Statements

### (2) Consolidated Statements of Comprehensive Income

	<i>Millions of yen</i>			
	Three-month period ended June 30,			
	2018	2017	Variance	Ratio (%)
<b>Revenue:</b>				
Sale of goods	2,123,853	1,884,437	239,416	12.7
Commissions on services and trading margins	45,450	38,426	7,024	18.3
<b>Total revenue</b>	<b>2,169,303</b>	<b>1,922,863</b>	<b>246,440</b>	<b>12.8</b>
Cost of goods sold	(1,975,123)	(1,763,564)	(211,559)	12.0
Gross trading profit	194,180	159,299	34,881	21.9
<b>Other income (expenses) :</b>				
Selling, general and administrative expenses	(134,723)	(128,225)	(6,498)	5.1
Gains (losses) on property, plant and equipment				
Gains (losses) on sales of property, plant and equipment	74	2,022	(1,948)	(96.3)
Other – net	10,085	4,055	6,030	148.7
<b>Total other income (expenses)</b>	<b>(124,564)</b>	<b>(122,148)</b>	<b>(2,416)</b>	<b>2.0</b>
<b>Finance income (expenses):</b>				
Interest income	4,319	3,612	707	19.6
Interest expense	(10,726)	(7,872)	(2,854)	36.3
Dividend income	6,332	5,867	465	7.9
Gains (losses) on investment securities	4,326	506	3,820	754.9
<b>Total finance income (expenses)</b>	<b>4,251</b>	<b>2,113</b>	<b>2,138</b>	<b>101.2</b>
<b>Share of profits of associates and joint ventures</b>	<b>37,241</b>	<b>30,128</b>	<b>7,113</b>	<b>23.6</b>
<b>Profit for the period before tax</b>	<b>111,108</b>	<b>69,392</b>	<b>41,716</b>	<b>60.1</b>
<b>Provision for income tax</b>	<b>(22,142)</b>	<b>(14,663)</b>	<b>(7,479)</b>	<b>51.0</b>
<b>Profit for the period</b>	<b>88,966</b>	<b>54,729</b>	<b>34,237</b>	<b>62.6</b>
<b>Profit for the period attributable to:</b>				
Owners of the parent	86,828	53,762	33,066	61.5
Non-controlling interests	2,138	967	1,171	121.1
<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	5,522	11,802	213.7
Remeasurements of defined benefit pension plan	188	2,576	(2,388)	(92.7)
Changes in other comprehensive income of associates and joint ventures	(762)	691	(1,453)	—
Items that will be reclassified to profit and loss for the period				
Foreign currency translation adjustments	46,417	1,304	45,113	—
Gains (losses) on cash flow hedges	(444)	1,499	(1,943)	—
Changes in other comprehensive income of associates and joint ventures	9,608	(133)	9,741	—
Other comprehensive income, net of tax	72,331	11,459	60,872	531.2
Total comprehensive income for the period	161,297	66,188	95,109	143.7
<b>Attributable to:</b>				
Owners of the parent	158,535	64,502	94,033	145.8
Non-controlling interests	2,762	1,686	1,076	63.8

# Marubeni Corporation

## Consolidated Financial Statements

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

	<i>Millions of yen</i>	
	Three-month period ended June 30,	
	2018	2017
<b>Issued capital:</b>		
Balance at beginning of period	262,686	262,686
Balance at end of period	262,686	262,686
<b>Capital surplus:</b>		
Balance at beginning of period	135,295	142,881
Capital and other transactions with non-controlling interests	652	(5,776)
Balance at end of period	135,947	137,105
<b>Other equity instruments:</b>		
Balance at beginning of period	243,589	243,589
Balance at end of period	243,589	243,589
<b>Treasury stock:</b>		
Balance at beginning of period	(1,379)	(1,374)
Purchases and sales of treasury stock	(0)	1
Balance at end of period	(1,379)	(1,373)
<b>Retained earnings:</b>		
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	86,828	53,762
Transfer from other components of equity	82	2,836
Dividends to owners of the parent	(32,107)	(23,430)
Balance at end of period	1,068,395	889,815
<b>Other components of equity:</b>		
Balance at beginning of period	116,575	179,294
Gains (losses) on financial assets measured at fair value through other comprehensive income	16,673	6,187
Foreign currency translation adjustments	48,343	1,330
Gains (losses) on cash flow hedges	6,598	693
Remeasurements of defined benefit pension plan	93	2,530
Transfer to retained earnings	(82)	(2,836)
Transfer to non-financial assets and others	161	(129)
Balance at end of period	188,361	187,069
<b>Equity attributable to owners of the parent</b>	<b>1,897,599</b>	<b>1,718,891</b>
<b>Non-controlling interests:</b>		
Balance at beginning of period	64,162	59,035
Dividends to non-controlling interests	(5,119)	(2,959)
Equity transactions with non-controlling interests and others	11	5,517
Profit for the period attributable to non-controlling interests	2,138	967
Other components of equity:		
Gains (losses) on financial assets measured at fair value through other comprehensive income	(15)	67
Foreign currency translation adjustments	630	651
Gains (losses) on cash flow hedges	10	(4)
Remeasurements of defined benefit pension plan	(1)	5
Balance at end of period	61,816	63,279
<b>Total equity</b>	<b>1,959,415</b>	<b>1,782,170</b>
<b>Attributable to:</b>		
Owners of the parent	158,535	64,502
Non-controlling interests	2,762	1,686
<b>Total comprehensive income for the period</b>	<b>161,297</b>	<b>66,188</b>

# Marubeni Corporation

## Consolidated Financial Statements

### (4) Consolidated Statements of Cash Flows

	<i>Millions of yen</i>		
	Three-month period ended June 30,		Variance
	2018	2017	
<b>Operating activities</b>			
Profit for the period	88,966	54,729	34,237
Adjustments to reconcile profit for the period to net cash provided by (used in) operating activities:			
Depreciation and amortisation	27,221	27,422	(201)
Losses (Gains) on property, plant and equipment	(74)	(2,022)	1,948
Finance expenses (income)	(4,251)	(2,113)	(2,138)
Share of profits of associates and joint ventures	(37,241)	(30,128)	(7,113)
Income taxes	22,142	14,663	7,479
Changes in notes and accounts receivable	(94,681)	(18,083)	(76,598)
Changes in inventories	84,993	60,877	24,116
Changes in notes and accounts payable	(99,217)	(60,248)	(38,969)
Other-net	(7,642)	(67,803)	60,161
Interest received	3,280	2,613	667
Interest paid	(9,219)	(7,991)	(1,228)
Dividends received	34,828	38,014	(3,186)
Income taxes paid	(20,310)	(18,146)	(2,164)
<b>Net cash provided by/ used in operating activities</b>	<b>(11,205)</b>	<b>(8,216)</b>	<b>(2,989)</b>
<b>Investing activities</b>			
Net decrease (increase) in time deposits	(15)	121	(136)
Proceeds from sale of property, plant and equipment	623	4,145	(3,522)
Proceeds from sale of investment property	108	150	(42)
Collection of loans receivable	6,227	2,535	3,692
Proceeds from sale of subsidiaries, net of cash and cash equivalents disposed of	118	7,572	(7,454)
Proceeds from sale of investments in associates and joint ventures, and other investments	35,069	6,651	28,418
Purchase of property, plant and equipment	(16,815)	(31,060)	14,245
Purchase of investment property	(16)	(313)	297
Loans provided to customers	(13,349)	(13,583)	234
Acquisition of subsidiaries, net of cash and cash equivalents acquired	—	(8,582)	8,582
Purchase of investments in associates and joint ventures, and other investments	(7,295)	(9,206)	1,911
<b>Net cash provided by/used in investing activities</b>	<b>4,655</b>	<b>(41,570)</b>	<b>46,225</b>
<b>Financing activities</b>			
Net increase (decrease) in short-term borrowings	(4,816)	151,275	(156,091)
Proceeds from long-term bonds and borrowings	126,381	27,754	98,627
Repayments of long-term bonds and borrowings	(181,088)	(121,185)	(59,903)
Dividends paid to owners of the parent	(32,107)	(23,430)	(8,677)
Net cash outflows on purchases and sales of treasury stock	(3)	(4)	1
Capital contribution from non-controlling interests	2	—	2
Acquisition of equity portion of subsidiary from non-controlling interests	(7)	(217)	210
Other	(3,305)	(2,523)	(782)
<b>Net cash provided by/ used in financing activities</b>	<b>(94,943)</b>	<b>31,670</b>	<b>(126,613)</b>
Effect of exchange rate changes on cash and cash equivalents	3,736	491	3,245
Net increase (decrease) in cash and cash equivalents	(97,757)	(17,625)	(80,132)
Cash and cash equivalents at beginning of period	625,834	704,972	(79,138)
Cash and cash equivalents at end of period	528,077	687,347	(159,270)

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### (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

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- 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.



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### 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.

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## Consolidated Financial Statements

### (7) Segment Information

<Operating Segment>

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

Millions of yen				
	Food	Consumer Products	Chemical & Forest Products	Energy & Metals
Revenue	1,149,625	93,913	574,834	195,862
Gross trading profit (loss)	35,231	27,628	71,231	21,302
Operating profit (loss)	9,818	4,139	31,966	9,369
Share of profits (losses) of associates and joint ventures	1,957	1,113	1,366	9,251
Profit (loss) attributable to owners of the parent	4,121	4,214	24,676	16,671
Segment assets (as of June 30, 2018)	1,519,734	437,908	1,158,232	1,682,474

  

	Power Business & Plant	Transportation & Industrial Machinery	Other	Consolidated
Revenue	51,641	104,999	(1,571)	2,169,303
Gross trading profit (loss)	12,139	28,042	(1,393)	194,180
Operating profit (loss)	(3,035)	7,295	(95)	59,457
Share of profits (losses) of associates and joint ventures	13,418	10,032	104	37,241
Profit (loss) attributable to owners of the parent	21,360	14,738	1,048	86,828
Segment assets (as of June 30, 2018)	1,163,652	798,039	210,198	6,970,237

◆ *The Three-Month Period Ended June 30, 2017 (April 1, 2017 - June 30, 2017)*

Millions of yen				
	Food	Consumer Products	Chemical & Forest Products	Energy & Metals
Revenue	934,936	87,558	584,339	153,583
Gross trading profit (loss)	30,590	26,989	57,561	6,852
Operating profit (loss)	6,170	3,478	21,213	(5,067)
Share of profits (losses) of associates and joint ventures	2,214	942	452	6,600
Profit (loss) attributable to owners of the parent	6,022	2,728	13,646	7,188
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	47,075	118,453	(3,081)	1,922,863
Gross trading profit (loss)	8,918	30,724	(2,335)	159,299
Operating profit (loss)	(2,262)	7,321	221	31,074
Share of profits (losses) of associates and joint ventures	13,282	6,293	345	30,128
Profit (loss) attributable to owners of the parent	9,515	11,456	3,207	53,762
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.