
Summary of Consolidated Financial Results
For the Fiscal Year Ended March 31, 2019
(IFRS basis)

(April 1, 2018 – March 31, 2019)

**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 Fiscal Year Ended March 31, 2019 (IFRS basis)

Company name: Marubeni Corporation (URL <https://www.marubeni.com/en/>) Code number: 8002
 Listed: Tokyo, Nagoya
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 Expected date of annual meeting of shareholders : June 21, 2019
 Expected filing date of annual financial statement report : June 21, 2019
 Expected date of the beginning of delivery of dividends: June 3, 2019
 Supplementary explanations of yearly business results: Prepared
 IR meeting on financial results: To be held (for institutional investors and analysts)

1. Consolidated financial results for FYE 3/2019 (April 1, 2018 - March 31, 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 year		Profit attributable to owners of the parent		Comprehensive income for the year	
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
FYE 3/2019	7,401,256	(1.8)	173,009	46.6	288,819	13.3	239,284	10.5	230,891	9.3	279,563	85.1
FYE 3/2018	7,540,337	5.8	118,054	28.9	255,004	27.3	216,575	39.0	211,259	36.0	151,006	(1.0)

	Earnings per share (basic)		Earnings per share (diluted)		Profit ratio to equity attributable to owners of the parent		Profit before tax ratio to total assets	
	(yen)	(%)	(yen)	(%)	(%)	(%)	(%)	(%)
FYE 3/2019	130.74		130.62		13.9		4.2	
FYE 3/2018	119.43		119.37		14.0		3.7	

(Reference) Share of profits of associates and joint ventures
 FYE 3/2019 85,278 million yen
 FYE 3/2018 148,503 million yen

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

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

3. "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.

4. "Profit ratio to equity attributable to owners of the parent" is based on "Equity attributable to owners of the parent" and "Profit attributable to owners of the parent", respectively excluding the amounts not attributable to ordinary shareholders.

(2) Consolidated financial position

	Total assets		Total equity		Equity attributable to owners of the parent		Equity attributable to owners of the parent ratio		Equity per share attributable to owners of the parent	
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(%)	(%)	(yen)	(%)
March 31, 2019	6,809,077		2,071,726		1,977,741		29.0		998.47	
March 31, 2018	6,877,117		1,835,637		1,771,475		25.8		879.86	

(Note) "Equity per share attributable to owners of the parent" is based on "Equity attributable to owners of the parent" excluding the amount not attributable to ordinary shareholders.

(3) Consolidated cash flows

	Operating activities		Investing activities		Financing activities		Cash and cash equivalents at the end of year	
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
FYE 3/2019	284,895		22,528		(427,420)		509,288	
FYE 3/2018	253,423		(49,742)		(269,507)		625,834	

2. Dividends information

	Yearly dividends per share					Total amount of cash dividends per annum	Dividend payout ratio (Consolidated)	Dividend on equity attributable to owners of the parent (Consolidated)
	1st Quarter-end	2nd Quarter-end	3rd Quarter-end	4th Quarter-end	Annual			
	(yen)	(yen)	(yen)	(yen)	(yen)	(millions of yen)	(%)	(%)
FYE 3/2018	-	12.50	-	18.50	31.00	53,802	26.0	3.6
FYE 3/2019	-	17.00	-	17.00	34.00	59,008	26.0	3.6
FYE 3/2020 (forecast)	-	17.50	-	17.50	35.00		25.8	

(Note) "Dividend on equity attributable to owners of the parent (Consolidated)" is based on "Equity attributable to owners of the parent" excluding amounts not attributable to ordinary shareholders.

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

(Note) "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.

***Notes**

- (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.15 "3. 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 (Treasury stock is included)	March 31, 2019	1,737,940,900
	March 31, 2018	1,737,940,900
② Number of treasury stock at the end of the term	March 31, 2019	2,590,013
	March 31, 2018	2,584,319
③ Average number of outstanding shares during the term	Year ended March 31, 2019	1,735,354,008
	Year ended March 31, 2018	1,735,359,061

(Reference) Overview of non-consolidated business results

Non-consolidated financial results for FYE 3/2019 (April 1, 2018 - March 31, 2019)

(Remarks)

(1) Non-consolidated business results

%: change from the previous fiscal year

	Total volume of trading transactions		Operating profit		Ordinary profit		Net profit for the year	
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
FYE 3/2019	5,500,313	(4.2)	(41,922)	-	141,248	157.2	119,302	77.1
FYE 3/2018	5,742,601	6.2	(53,306)	-	54,914	29.1	67,369	6.0

	Net profit for the year per share	Net profit for the year per share (diluted)
	(yen)	(yen)
FYE 3/2019	68.74	68.68
FYE 3/2018	38.82	38.80

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	(millions of yen)	(millions of yen)	(%)	(yen)
FYE 3/2019	3,392,806	677,638	19.9	389.87
FYE 3/2018	3,664,028	622,759	17.0	358.52

(Reference) Total equity FYE 3/2019 676,636 million yen
 FYE 3/2018 622,231 million yen

(Note) "Partial Amendments to Accounting Standard for Tax Effect Accounting" (The Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018) and related guidance have been applied from FYE3/2019. As a result of retrospective application, numerical data for FYE 3/2018 has been adjusted.

※The Summary of Consolidated Financial Statements is not subject to the auditing procedure.

※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 materially by various factors in the future.

For cautionary notes concerning assumptions made in the earnings forecast and use of the earnings forecast, please refer to "1. (5) Outlook for FYE 3/2020" on page 7.

(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, May 9, 2019.

The Company is scheduled to hold an IR meeting on financial results for institutional investors and analysts on Tuesday, May 14, 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. Business Review	2
(1) Business Environment	2
(2) Operating Results	3
(3) Financial Position	6
(4) Cash Flows	6
(5) Outlook for FYE 3/2020	7
2. Basic Rationale behind Choice of Accounting Standards	8
3. 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
(8) Earnings per Share	19
(9) Material Subsequent Events	19

Marubeni Corporation

Consolidated Financial Results

1. Business Review

(1) Business Environment

In the fiscal year ended March 31, 2019, 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. However, the global economic outlook turned increasingly murky in late 2018 in the wake of financial market volatility, a slowdown in the Chinese economy and economic sluggishness in Europe against a backdrop of U.S.-China trade frictions compounded by a recognition that international financial conditions were tightening. In response, the pace of monetary tightening was revised, mainly in the U.S. 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. From October, however, U.S. equity markets turned downward in response to tighter financial conditions and trade frictions. From December into January, economic uncertainty was exacerbated by several factors, including financial market volatility and a partial government shutdown. In response, the Federal Reserve revised the pace of its monetary tightening.

The European economy also went through periods of heightened uncertainty due to fraught Brexit negotiations and consternation over Italy's fiscal policy, but it generally maintained a stable growth trajectory in the first half of the fiscal year. In late 2018, however, the ECB announced it would discontinue quantitative easing but keep its policy rate at an accommodative level amid a distinct deceleration in economic growth.

Emerging market economies generally continued to expand, though their growth was restrained by tighter international financial conditions and trade frictions, among other factors. Several emerging market currencies, most notably the Turkish lira and Argentine peso, depreciated precipitously in summer 2018. In the second half of the year, the Chinese economy slowed markedly, largely as a result of the U.S.-China trade conflict.

The Japanese economy continued to benefit from stable growth in both domestic and external demand amid continued improvement in employment, though inflationary pressures

Marubeni Corporation

Consolidated Financial Results

remained weak and a series of natural disaster in some areas dampened economic activity. Additionally, exports weakened from mid-2018 in response to tighter international financial conditions, trade frictions and global economic deceleration. The Japanese equity market continued to sell off into year-end and financial market volatility persisted into early January, but further deterioration in markets was averted by the Federal Reserve's policy pivot.

(2) Operating Results

Under the aforementioned business environment, consolidated operating results for the fiscal year ended March 31, 2019 are as follows:

(millions of yen)

	Fiscal year ended March 31,		Variance
	2018	2019	
Revenue	7,540,337	7,401,256	(139,081)
Gross trading profit	677,237	729,675	52,438
Operating profit	118,054	173,009	54,955
Share of profits of associates and joint ventures	148,503	85,278	(63,225)
Profit attributable to owners of the parent	211,259	230,891	19,632

(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 139.1 billion yen (1.8%) year on year to 7,401.3 billion yen, due mainly to decreases in *Chemical & Forest Products* and *Transportation & Industrial Machinery*.

Gross trading profit

Gross trading profit increased 52.4 billion yen (7.7%) from the year-earlier period to 729.7 billion yen. By operating segment, profits increased mainly at *Energy & Metals* and *Chemical & Forest Products*.

Operating profit

Operating profit increased 55.0 billion yen (46.6%) from the year-earlier period to 173.0 billion yen.

Marubeni Corporation

Consolidated Financial Results

Share of profits of associates and joint ventures

Share of profits of associates and joint ventures decreased 63.2 billion yen (42.6%) from the year-earlier period to 85.3 billion yen. By operating segment, profits decreased mainly in *Power Business & Plant* and *Food*.

Profit attributable to owners of the parent

Profit attributable to owners of the parent for the fiscal year ended March 31, 2019 (also referred to as *net profit* for the year under review) increased 19.6 billion yen (9.3%) to 230.9 billion yen relative to the year-earlier period.

Results for each operating segment for the fiscal year ended March 31, 2019 are as follows:

Food

Gross trading profit increased 3.8 billion yen (2.8%) year on year to 139.0 billion yen, driven mainly by consolidation of a U.S. beef processing/sales subsidiary acquired in the previous fiscal year. Net profit for the year was down 45.4 billion yen (- %) year on year to 3.1 billion yen, due to an impairment loss from equity-method investment of grain exporting business in North America along with the fact that profit in the year-earlier period was boosted by U.S. tax reform.

Consumer Products

Gross trading profit increased 6.3 billion yen (5.4%) year on year to 123.6 billion yen, as a result of newly consolidation of a subsidiary that was previously an equity-method associate in the ICT business. Despite non-recurrence of a year-earlier gain on the sale of equity-method associate in the ICT business, net profit for the year increased 10.3 billion yen (38.2%) year on year to 37.3 billion yen, largely because of a valuation gain on a newly consolidated subsidiary that was previously an equity-method associate in the ICT business.

Chemical & Forest Products

Gross trading profit increased 23.1 billion yen (11.4%) year on year to 226.4 billion yen, boosted largely by profit growth in the pulp business due to higher market prices and improved margins in the containerboard business. Net profit for the year increased 9.7 billion yen (23.1%) year on year to 51.5 billion yen.

Marubeni Corporation

Consolidated Financial Results

Energy & Metals

Gross trading profit increased 28.4 billion yen (49.0%) year on year to 86.4 billion yen, largely as a result of production volume growth and higher price in the oil and gas development business and improved margins in the oil and gas trading business. Net profit for the year increased 45.9 billion yen (209.3%) year on year to 67.9 billion yen, largely due to increases in gross trading profit and share of profits of associates and joint ventures, as well as non-recurrence of a year-earlier decrease in income tax expense due to U.S. tax reform, which offset the impairment loss of assets on oil and gas development business and metal related business.

Power Business & Plant

Gross trading profit increased 5.6 billion yen (14.2%) year on year to 45.5 billion yen, largely by virtue of growth in profits from overseas plant business and the UK electricity wholesaling/retailing business. Net profit for the year decreased 8.1 billion yen (20.9%) year on year to 30.8 billion yen, largely as a result of impairment loss in investment of power generating business in Singapore which offset gains on the sale of a domestic power generating business coupled with non-recurrence of provision loss from overseas infrastructure projects of a year-earlier period.

Transportation & Industrial Machinery

Gross trading profit decreased 12.7 billion yen (9.6%) year on year to 118.8 billion yen, largely as a result of deconsolidation of a former consolidated subsidiary, now an equity-method associate, in an automotive business. Net profit for the year increased 11.0 billion yen (26.8%) year on year to 52.0 billion yen, boosted largely by a gain on the sale of a domestic power generation business and growth in profits from equity-method investments in automotive and ship-related businesses, as well as non-recurrence of a year-earlier loss from a North American automotive business.

(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

Consolidated Financial Results

(3) Financial Position

(billions of yen)

	March 31, 2018	March 31, 2019	Variance
Total assets	6,877.1	6,809.1	(68.0)
Total equity	1,835.6	2,071.7	236.1
Net interest-bearing debt	1,915.8	1,858.8	(57.0)
Net D/E ratio (times)	1.04	0.90	-0.14 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 68.0 billion yen from the end of the previous fiscal year to 6,809.1 billion yen, due to a decrease in cash and cash equivalent which offset the increase from consolidation of a former equity method associate, now a consolidated subsidiary, increase in inventories. **Net interest-bearing debt** decreased 57.0 billion yen from the end of the previous fiscal year to 1,858.8 billion yen, due to the positive free cash flow which offset the impact on dividend payment, consolidation of a former equity method associate, now a consolidated subsidiary and foreign exchange rate.

Total equity increased 236.1 billion yen from the end of the previous fiscal year to 2,071.7 billion yen. Consequently, **Net D/E ratio** stood at 0.90 times.

(4) Cash Flows

Cash and cash equivalents at the end of the fiscal year under review were 509.3 billion yen, a decrease of 116.5 billion yen from the end of the previous fiscal year.

(Operating activities)

Net cash provided by operating activities was 284.9 billion yen due to operating revenue, dividend income and such, despite an increase in working capital and such.

(Investing activities)

Net cash provided by investing activities was 22.5 billion yen due to the inflow from sales of business and investment securities, despite the outflow of a capital expenditure in overseas businesses.

Marubeni Corporation

Consolidated Financial Results

As a result of the above-mentioned activities, free cash flow for the fiscal year under review was positive 307.4 billion yen.

(Financing activities)

Net cash used in financing activities amounted to an outflow of 427.4 billion yen as results of redemption of corporate bonds, repayment of long-term borrowings and dividend payment.

(5) Outlook for FYE 3/2020

With the global economy expected to slow in the fiscal year ending March 2020, the risk of economic headwinds intensifying in response to catalysts such as U.S.-China trade tensions, European political turmoil and deterioration in certain emerging market economies needs to be closely monitored.

In the U.S., personal consumption should hold firm but the economy will likely slow as tax cuts' stimulus effects fade. Europe's ongoing economic slowdown will likely continue amid domestic demand weakness partly caused by political turmoil and sluggishness in external demand due to the global economic slowdown. However, both the U.S. and Europe will likely be able to avert a severe slowdown by virtue of cautious monetary policy stewardship.

Among emerging market economies, China's economy is expected to continue to slow under the weight of financial regulation and U.S.-China trade frictions, but the Chinese government is expected to shore up the economy with fiscal stimulus. Other emerging market economies should no longer be restrained by tightening financial conditions but they will likely decelerate mildly in the wake of slower growth in developed countries and China.

Commodity prices will likely be generally stable, but downside risks to global economic growth and geopolitical risks have the potential to trigger commodity price volatility.

In Japan, the adverse economic impacts of a consumption tax hike scheduled to take effect in October 2019 are expected to be mitigated by fiscal stimulus measures, but with external demand likely to stagnate amid the global economic slowdown, the Japanese economy is expected to slow.

Marubeni Corporation

Consolidated Financial Results

The forecasts of consolidated earnings for the fiscal year ending March 31, 2020 are as listed in the following.

<Consolidated Earnings Forecasts>

	Profit attributable to owners of the parent (millions of yen)	Earnings per share attributable to owners of the parent (basic) (yen)
Forecasts for FYE 3/2020	240,000	135.91
Results for FYE 3/2019	230,891	130.74

<Assumptions for major indexes for FYE 3/2020>

Foreign exchange rate:	USD 1 = JPY 110,
JPY TIBOR:	0.1%,
USD LIBOR:	2.6%,
Oil (WTI):	USD 57 / Barrel,
Copper (LME):	USD6,550 / MT

The Company adopts the basic policy to maintain targeted dividend payout ratio of '25% or more' of consolidated net profit reflecting the principle of linking dividends to the Company's business results for each fiscal year and to announce the minimum dividend for each fiscal year at the beginning of the fiscal year. Reflecting our basic policy, dividend for FYE 3/2020 is forecasted to be a minimum of 35 yen per share, including the interim dividend of 17.50 yen per share, according to the yearly forecast for profit attributable to owners of the parent of 240.0 billion yen.

<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, about uncertain factors which would influence upon future businesses. Actual results might be influenced materially by various factors in the future.

2 . Basic Rationale behind Choice of Accounting Standards

The Marubeni Group has adopted IFRS to enhance its financial reporting's international comparability and user-friendliness in capital markets.

Marubeni Corporation

Consolidated Financial Statements

3. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

	<i>Millions of yen</i>		
	March 31		
	2018	2019	Variance
Assets			
Current assets:			
Cash and cash equivalents	625,834	509,288	(116,546)
Time deposits	1,046	250	(796)
Investment securities	0	151	151
Trade and loan receivables	1,315,336	1,289,196	(26,140)
Other current financial assets	213,941	182,208	(31,733)
Inventories	835,021	900,472	65,451
Assets held-for-sale	61,452	35,438	(26,014)
Other current assets	226,141	241,546	15,405
Total current assets	3,278,771	3,158,549	(120,222)
Non-current assets:			
Investments in associates and joint ventures	1,764,169	1,732,712	(31,457)
Other investments	322,628	292,752	(29,876)
Trade and loan receivables	138,715	132,328	(6,387)
Other non-current financial assets	72,492	79,511	7,019
Property, plant and equipment	905,479	926,092	20,613
Intangible assets	293,583	379,941	86,358
Deferred tax assets	45,233	45,806	573
Other non-current assets	56,047	61,386	5,339
Total non-current assets	3,598,346	3,650,528	52,182
Total assets	6,877,117	6,809,077	(68,040)

Marubeni Corporation

Consolidated Financial Statements

	<i>Millions of yen</i>		
	March 31		
	2018	2019	Variance
Liabilities and Equity			
Current liabilities:			
Bonds and borrowings	611,756	478,387	(133,369)
Trade and other payables	1,374,022	1,273,196	(100,826)
Other current financial liabilities	370,103	275,217	(94,886)
Income tax payable	17,858	17,778	(80)
Liabilities directly associated with assets held-for-sale	—	359	359
Other current liabilities	387,975	421,489	33,514
Total current liabilities	2,761,714	2,466,426	(295,288)
Non-current liabilities:			
Bond and borrowings	1,930,948	1,889,990	(40,958)
Trade and other payables	16,713	11,566	(5,147)
Other non-current financial liabilities	66,316	74,404	8,088
Accrued pension and retirement benefits	79,099	89,764	10,665
Deferred tax liabilities	95,944	107,783	11,839
Other non-current liabilities	90,746	97,418	6,672
Total non-current liabilities	2,279,766	2,270,925	(8,841)
Total liabilities	5,041,480	4,737,351	(304,129)
Equity:			
Issued capital	262,686	262,686	—
Capital surplus	135,295	139,898	4,603
Other equity instruments	243,589	243,589	—
Treasury stock	(1,379)	(1,384)	(5)
Retained earnings	1,014,709	1,163,472	148,763
Other components of equity:			
Gains (losses) on financial assets measured at fair value through other comprehensive income	82,596	71,912	(10,684)
Foreign currency translation adjustments	76,253	131,178	54,925
Gains (losses) on cash flow hedges	(42,274)	(33,610)	8,664
Equity attributable to owners of the parent	1,771,475	1,977,741	206,266
Non-controlling interests	64,162	93,985	29,823
Total equity	1,835,637	2,071,726	236,089
Total liabilities and equity	6,877,117	6,809,077	(68,040)

Marubeni Corporation

Consolidated Financial Statements

(2) Consolidated Statements of Comprehensive Income

Millions of yen

	Fiscal year ended March 31,		Variance	Ratio (%)
	2018	2019		
Revenue:				
Sale of goods	7,361,808	7,197,705	(164,103)	(2.2)
Commissions on services and trading margins	178,529	203,551	25,022	14.0
Total revenue	7,540,337	7,401,256	(139,081)	(1.8)
Cost of goods sold	(6,863,100)	(6,671,581)	191,519	(2.8)
Gross trading profit	677,237	729,675	52,438	7.7
Other income (expenses) :				
Selling, general and administrative expenses	(559,183)	(556,666)	2,517	(0.5)
Gains (losses) on property, plant and equipment				
Impairment losses on property, plant and equipment	(5,197)	(17,803)	(12,606)	242.6
Gains (losses) on sales of property, plant and equipment	3,728	2,597	(1,131)	(30.3)
Other – net	(35,063)	10,742	45,805	–
Total other income (expenses)	(595,715)	(561,130)	34,585	(5.8)
Finance income (expenses):				
Interest income	13,526	15,950	2,424	17.9
Interest expense	(34,948)	(46,807)	(11,859)	33.9
Dividend income	21,254	37,336	16,082	75.7
Gains (losses) on investment securities	25,147	28,517	3,370	13.4
Total finance income (expenses)	24,979	34,996	10,017	40.1
Share of profits of associates and joint ventures	148,503	85,278	(63,225)	(42.6)
Profit for the year before tax	255,004	288,819	33,815	13.3
Provision for income tax	(38,429)	(49,535)	(11,106)	28.9
Profit for the year	216,575	239,284	22,709	10.5
Profit for the year attributable to:				
Owners of the parent	211,259	230,891	19,632	9.3
Non-controlling interests	5,316	8,393	3,077	57.9
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	18,191	(12,485)	(30,676)	–
Remeasurements of defined benefit pension plan	3,916	(7,301)	(11,217)	–
Changes in other comprehensive income of associates and joint ventures		(5,659)	(5,659)	–
Items that will be reclassified to profit and loss for the period				
Foreign currency translation adjustments	(86,554)	47,308	133,862	–
Gains (losses) on cash flow hedges	(2,779)	4,777	7,556	–
Changes in other comprehensive income of associates and joint ventures	(413)	13,639	14,052	–
Other comprehensive income, net of tax	(65,569)	40,279	105,848	–
Total comprehensive income for the period	151,006	279,563	128,557	85.1
Attributable to:				
Owners of the parent	145,671	270,904	125,233	86.0
Non-controlling interests	5,335	8,659	3,324	62.3

Marubeni Corporation

Consolidated Financial Results

(3) Consolidated Statements of Changes in Equity

◆ The Fiscal Year Ended March 31, 2018 (April 1, 2017 - March 31, 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 year	262,686	142,881	243,589	(1,374)	856,647	54,606	165,310
Profit for the year					211,259		
Other comprehensive income						20,397	(89,057)
Purchases and sales of treasury stock		1		(5)			
Dividends payment					(45,124)		
Equity transactions with non-controlling interests and others		(7,587)					
Distribution to owners of other equity instruments					(4,010)		
Transfer to retained earnings					(4,063)	7,593	
Transfer to non-financial assets and others							
Balance at end of year	262,686	135,295	243,589	(1,379)	1,014,709	82,596	76,253

	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 year	(40,622)	—	179,294	1,683,723	59,035	1,742,758
Profit for the year				211,259	5,316	216,575
Other comprehensive income	(458)	3,530	(65,588)	(65,588)	19	(65,569)
Purchases and sales of treasury stock				(4)		(4)
Dividends payment				(45,124)	(5,802)	(50,926)
Equity transactions with non-controlling interests and others				(7,587)	5,594	(1,993)
Distribution to owners of other equity instruments				(4,010)		(4,010)
Transfer to retained earnings		(3,530)	4,063	—		—
Transfer to non-financial assets and others	(1,194)		(1,194)	(1,194)		(1,194)
Balance at end of year	(42,274)	—	116,575	1,771,475	64,162	1,835,637

Marubeni Corporation

Consolidated Financial Results

◆ The Fiscal Year Ended March 31, 2019 (April 1, 2018 - March 31, 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 year	262,686	135,295	243,589	(1,379)	1,014,709	82,596	76,253
Cumulative effects of new accounting policy					(1,117)		
Profit for the year					230,891		
Other comprehensive income						(17,594)	54,925
Purchases and sales of treasury stock				(5)			
Dividends payment					(61,611)		
Equity transactions with non-controlling interests and others		4,603			(748)		
Distribution to owners of other equity instruments					(4,035)		
Transfer to retained earnings					(14,617)	6,910	
Transfer to non-financial assets and others							
Balance at end of year	262,686	139,898	243,589	(1,384)	1,163,472	71,912	131,178

	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 year	(42,274)	—	116,575	1,771,475	64,162	1,835,637
Cumulative effects of new accounting policy				(1,117)		(1,117)
Profit for the year				230,891	8,393	239,284
Other comprehensive income	10,389	(7,707)	40,013	40,013	266	40,279
Purchases and sales of treasury stock				(5)		(5)
Dividends payment				(61,611)	(7,350)	(68,961)
Equity transactions with non-controlling interests and others				3,855	28,514	32,369
Distribution to owners of other equity instruments				(4,035)		(4,035)
Transfer to retained earnings		7,707	14,617	—		—
Transfer to non-financial assets and others	(1,725)		(1,725)	(1,725)		(1,725)
Balance at end of year	(33,610)	0	169,480	1,977,741	93,985	2,071,726

Marubeni Corporation

Consolidated Financial Statements

(4) Consolidated Statements of Cash Flows

	<i>Millions of yen</i>		
	Fiscal year ended March 31, 2018	2019	Variance
Operating activities			
Profit for the year	216,575	239,284	22,709
Adjustments to reconcile profit for the year to net cash provided by (used in) operating activities:			
Depreciation and amortisation	120,331	113,541	(6,790)
Losses (Gains) on property, plant and equipment	1,469	15,206	13,737
Finance expenses (income)	(24,979)	(34,996)	(10,017)
Share of profits of associates and joint ventures	(148,503)	(85,278)	63,225
Income taxes	38,429	49,535	11,106
Changes in notes accounts receivable	(135,801)	65,190	200,991
Changes in inventories	(102,626)	(42,777)	59,849
Changes in notes and trade accounts payable	158,159	(127,896)	(286,055)
Other-net	56,719	14,096	(42,623)
Interest received	9,607	11,414	1,807
Interest paid	(35,069)	(44,202)	(9,133)
Dividends received	126,086	152,765	26,679
Income taxes paid	(26,974)	(40,987)	(14,013)
Net cash provided by/ used in operating activities	253,423	284,895	31,472
Investing activities			
Net decrease (increase) in time deposits	171	803	632
Proceeds from sale of property, plant and equipment	15,647	5,968	(9,679)
Proceeds from sale of investment property	246	544	298
Collection of loans receivable	31,658	33,061	1,403
Proceeds from sale of subsidiaries, net of cash and cash equivalents disposed of	51,722	12,022	(39,700)
Proceeds from sale of investments in associates and joint ventures, and other investments	63,366	123,279	59,913
Purchase of property, plant and equipment	(103,176)	(93,221)	9,955
Purchase of investment property	(406)	(69)	337
Loans provided to customers	(11,488)	(14,872)	(3,384)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(22,990)	7,172	30,162
Purchase of investments in associates and joint ventures, and other investments	(74,492)	(52,159)	22,333
Net cash provided by/used in investing activities	(49,742)	22,528	72,270
Financing activities			
Net increase (decrease) in short-term borrowings	41,733	(163,088)	(204,821)
Proceeds from long-term bonds and borrowings	229,867	254,166	24,299
Repayments of long-term bonds and borrowings	(487,202)	(436,146)	51,056
Dividends paid to owners of the parent	(45,124)	(61,611)	(16,487)
Net cash outflows on purchases and sales of treasury stock	(15)	(9)	6
Capital contribution from non-controlling interests	2,420	79	(2,341)
Acquisition of equity portion of subsidiary from non-controlling interests	(1,375)	(9,425)	(8,050)
Distribution to owners of other equity instruments	(4,010)	(4,035)	(25)
Other	(5,801)	(7,351)	(1,550)
Net cash provided by/used in financing activities	(269,507)	(427,420)	(157,913)
Effect of exchange rate changes on cash and cash equivalents	(13,312)	3,451	16,763
Net increase (decrease) in cash and cash equivalents	(79,138)	(116,546)	(37,408)
Cash and cash equivalents at beginning of year	704,972	625,834	(79,138)
Cash and cash equivalents at end of year	625,834	509,288	(116,546)

Marubeni Corporation

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 fiscal year ended March 31, 2019.

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")

Marubeni Corporation

Financial Results

- 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
- 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

Marubeni Corporation

Financial Results

the allowance for doubtful accounts at an amount equal to lifetime expected credit losses for accounts receivable, etc.

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 Results

(7) Segment Information

<Operating Segment>

◆ *The Fiscal Year Ended March 31, 2018 (April 1, 2017 - March 31, 2018)*

	<i>Millions of yen</i>			
	Food	Consumer Products	Chemical & Forest Products	Energy & Metals
Revenue	3,983,575	401,974	1,753,440	705,528
Gross trading profit (loss)	135,181	117,343	203,219	58,016
Operating profit (loss)	28,697	20,634	48,979	7,214
Share of profits (losses) of associates and joint ventures	8,472	5,742	3,801	38,582
Profit (loss) attributable to owners of the parent	42,321	27,029	41,868	21,936
Segment assets	1,437,817	451,816	1,180,020	1,613,397
	Power Business & Plant	Transportation & Industrial Machinery	Other	Consolidated
Revenue	211,292	491,777	(7,249)	7,540,337
Gross trading profit (loss)	39,871	131,487	(7,880)	677,237
Operating profit (loss)	(15,826)	32,163	(3,807)	118,054
Share of profits (losses) of associates and joint ventures	64,989	26,705	212	148,503
Profit (loss) attributable to owners of the parent	38,900	41,031	(1,826)	211,259
Segment assets	1,111,024	784,248	298,795	6,877,117

◆ *The Fiscal Year Ended March 31, 2019 (April 1, 2018 - March 31, 2019)*

	<i>Millions of yen</i>			
	Food	Consumer Products	Chemical & Forest Products	Energy & Metals
Revenue	3,987,255	346,522	1,674,204	789,083
Gross trading profit (loss)	139,023	123,640	226,357	86,419
Operating profit (loss)	37,606	23,041	66,828	32,776
Share of profits (losses) of associates and joint ventures	(24,669)	7,624	4,595	41,970
Profit (loss) attributable to owners of the parent	(3,069)	37,341	51,540	67,855
Segment assets	1,378,571	578,017	1,218,202	1,634,844
	Power Business & Plant	Transportation & Industrial Machinery	Other	Consolidated
Revenue	195,586	417,484	(8,878)	7,401,256
Gross trading profit (loss)	45,519	118,823	(10,106)	729,675
Operating profit (loss)	(13,792)	30,972	(4,422)	173,009
Share of profits (losses) of associates and joint ventures	22,142	33,675	(59)	85,278
Profit (loss) attributable to owners of the parent	30,758	52,022	(5,556)	230,891
Segment assets	1,078,380	804,755	116,308	6,809,077

(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 the above revisions, operating segment information for 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.

Marubeni Corporation

Consolidated Financial Statements

(8) Earnings per Share

The following table sets forth the calculation of basic and diluted earnings per share attributable to owners of the parent:

	Year ended March 31,	
	2018	2019
Numerator (millions of yen):		
Profit for the year attributable to owners of the parent	211,259	230,891
Adjustment amount used for calculation of earnings per share attributable to owners of the parent (basic)		
Amount not attributable to owners of the parent	4,000	4,015
Profit for the year used for calculation of earnings per share attributable to owners of the parent (basic)	207,259	226,876
Adjustment amount used for calculation of earnings per share attributable to owners of the parent (diluted)		
Adjustment concerning stock acquisition rights	(1)	(1)
Profit for the year used for the calculation of earnings per share attributable to owners of the parent (diluted)	207,258	226,875
Denominator (number of shares):		
Weighted average number of ordinary shares used for the calculation of earnings per share attributable to owners of the parent (basic)	1,735,359,061	1,735,354,008
Effect of dilution		
Adjustment concerning stock acquisition rights	849,138	1,503,080
Weighted average number of ordinary shares used for the calculation of earnings per share attributable owners of the parent (diluted)	1,736,208,198	1,736,857,088

yen

Basic earnings per share attributable to owners of the parent	119.43	130.74
Diluted earnings per share attributable to owners of the parent	119.37	130.62

(9) Material Subsequent Events

① Issuance of bond

We have issued the following bond:

<2nd unsecured Bonds in US Dollars>

- ① Total amount U.S.\$500,000,000
- ② Coupon 3.56%
- ③ Issue price 100%
- ④ Closing date 2019/4/26
- ⑤ Maturity date 2024/4/26
- ⑥ Redemption Method Bullet redemption
- ⑦ Use of proceeds To be used for general corporate purpose

Marubeni Corporation

Consolidated Financial Statements

② New lawsuit

Sugar Group denied the validity of the finances provided for “Sugar Group” by Marubeni Corporation (“Marubeni” or “we” or “us”) and accompanying security interests which were confirmed by the Supreme Court of Indonesia on March 17, 2011*. In response, we filed a lawsuit against Sugar Group with Central Jakarta District Court, Indonesia, on April 26, 2017 to seek damages of approximately 16 billion US Dollars to, among others, the reputation of Marubeni caused by Sugar Group’s torts (“This Case”).

In response to our claim in This Case, on April 30, 2019 Sugar Group filed a counterclaim against Marubeni through the court procedure of This Case to seek damages of 7.75 billion US Dollars in the aggregate on the ground that Marubeni’s filing This Case itself allegedly constitutes our tort against Sugar Group companies (“Counterclaim”).

Marubeni will seek our claim in due course to obtain the judgment by the competent Indonesian court in Marubeni’s favor to admit our claim and to dismiss the Counterclaim by Sugar Group through the court procedure of This Case.

(*) Marubeni provided the finances for PT. Indolampung Perkasa and PT. Sweet Indolampung which belong to Sugar Group, an Indonesian corporate group, and required to repay such finances. However, Sugar Group (PT. Indolampung Perkasa, PT. Sweet Indolampung, PT. Gula Putih Mataram, PT. Indolampung Distillery and PT. Garuda Pancaarta) filed a lawsuit against dozens of defendants, including Marubeni as a creditor, alleging the invalidity of the finances provided by Marubeni and accompanying security interests and seeking damages. On appeal, the Supreme Court of Indonesia ruled in favor of the defendants, including Marubeni, rejecting all of the Sugar Group’s claims.