

Financial Highlights

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

Consolidated Financial Results for the 3rd Quarter of FYE3/2018 and Yearly Forecasts for FYE3/2018 (IFRS Basis)

(Unit: Billions of yen)

Operating Results	FYE3/2018Q			FYE3/2017 Q1-Q3 Results	Variance		Forecasts for FYE3/2018		
	Q1-Q2	Q3	1-Q3 Results		Variance	Variance in Percentage	Revised Forecasts	Progress in Percentage	Forecasts announced on Nov. 2, 2017
Revenue	¥ 3,778.1	¥ 1,973.7	¥ 5,751.8	¥ 5,210.2	+541.6	10%			
Gross trading profit	312.6	187.7	500.3	461.9	+38.4	8%	675.0	74%	670.0
Selling, general and administrative expenses	(258.0)	(142.2)	(400.2)	(376.3)	-23.9	-	(550.0)	-	(550.0)
Provision for doubtful accounts	(1.9)	(2.5)	(4.3)	(2.3)	-2.0	-	(5.0)	-	(5.0)
Operating profit (*1)	52.7	43.0	95.7	83.3	+12.5	15%	120.0	80%	115.0
Interest expense, net of interest income	(9.2)	(6.7)	(15.8)	(12.5)	-3.4	-	(25.0)	-	(25.0)
Dividend income	9.4	4.7	14.1	12.2	+1.9	-	20.0	-	15.0
Gain (loss) on investment securities	3.1	7.8	11.0	1.9	+9.1	-	}	}	(5.0)
Gain (loss) on property, plant and equipment	1.9	1.7	3.6	(43.0)	+46.6	-			
Other-net	6.1	(19.7)	(13.6)	20.3	-33.9	-	145.0	-	125.0
Share of profits of associates and joint ventures	71.4	42.0	113.4	87.2	+26.1	-			
Profit before tax	135.5	72.9	208.3	149.4	+58.9	39%	250.0	83%	225.0
Tax expense	(28.1)	(11.0)	(39.1)	(39.1)	-0.1	-	(45.0)	-	(50.0)
Profit for the period	107.3	61.9	169.2	110.3	+58.9	53%	205.0	83%	175.0
Profit attributable to owners of the parent	104.6	60.2	164.8	107.7	+57.1	53%	200.0	82%	170.0
Profit attributable to non-controlling interests	2.7	1.7	4.4	2.6	+1.8	-	5.0	-	5.0
Adjusted operating profit (*2)	54.6	45.5	100.1	85.6	+14.5	17%	125.0	80%	120.0

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

(*2) Adjusted operating profit = Gross trading profit + SGA expenses

(Unit: Billions of yen, unless otherwise stated)

Financial Position	December 31, 2017	March 31, 2017	Variance	Forecasts for March 31, 2018
Total assets	7,129.1	6,896.7	+232.3	-
Current assets	3,271.0	3,164.5	+106.6	-
Non-current assets	3,858.0	3,732.2	+125.8	-
Total equity	1,937.1	1,742.8	+194.4	approx. 1,900.0
Equity attributable to owners of the parent	1,870.3	1,683.7	+186.5	-
Net interest-bearing debt	2,183.7	2,099.9	+83.7	approx. 2,050.0
Net D/E ratio (*3)	1.13 times	1.20 times	-0.07 points	approx. 1.1 times

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

(Unit: Billions of yen)

Cash Flow	FYE3/2018 Q1-Q3	FYE3/2017 Q1-Q3	Major Financial Indicators	FYE3/2018 Q1-Q3	FYE3/2017 Q1-Q3	Variance (Variance in Percentage)	Assumptions for FYE3/18 Q4
Cash flow from operating activities	88.1	201.7	Foreign Exchange Rate (YEN/USD) Apr.-Dec. avg. End Dec.	111.70	106.64	Yen depreciation by 5.06 yen (5%)	110
Cash flow from investing activities	(71.4)	(81.8)	JPY TIBOR(%) Apr.-Dec. avg.	0.060	0.062	down by 0.002 points (3%)	0.1
Free Cash Flow	16.7	119.9	USD LIBOR(%) Apr.-Dec. avg.	1.328	0.783	up by 0.545 points (70%)	1.7
Cash flow from financing activities	(157.7)	99.8	Oil (USD/Barrel) WTI Apr.-Dec. avg.	51	47	up by USD 4/barrel (8%)	60
Effect of exchange rate changes	3.2	6.0	Copper (USD/MT) LME Apr.-Dec. avg.	6,278	4,924	up by USD 1,354/MT (27%)	7,200
Changes in cash and cash equivalents	(137.9)	225.6					

Outline of Yearly Forecast for FYE3/2018

© The forecast for yearly profit attributable to owners of the parent has been revised to 200.0 billion yen from the forecast announced on November 2, 2017 of 170.0 billion yen.
© Reflecting our targeted dividend payout ratio of 25% or more, yearly dividend for FYE3/2018 has been revised to be 29 yen per share from the projection of 25 yen announced on November 2, 2017, according to the yearly forecast for profit attributable to owners of the parent of 200.0 billion yen. (As for the interim dividend, it has been paid at 12.5 yen per share. Year-end dividend is projected to be 16.5 yen per share.)

Outline of Financial Results for FYE3/2018 Q1-Q3

Outlines

- **Profit attributable to owners of the parent for Q1-Q3 FYE3/2018 amounted to a record high of 164.8 billion yen, with 57.1 billion yen or 53% year-on-year increase.** The forecast for yearly profit attributable to owners of the parent has been revised to 200.0 billion yen from the forecast announced on November 2, 2017 of 170.0 billion yen.
- **Total equity amounted to 1,937.1 billion yen with 194.4 billion yen increase from the end of the previous fiscal year. Net interest-bearing debt amounted to 2,183.7 billion yen with 83.7 billion yen increase from the end of the previous fiscal year. As a result, Net D/E ratio improved to 1.13 times with 0.07 points down from the end of the previous fiscal year. (Improved 0.05 points from the end of the previous fiscal quarter.)**
- **Free cash flow was positive 16.7 billion yen.**

Main Items

- Revenue ... 5,751.8 billion yen (+541.6 billion yen year on year)**
Increased profit mainly for Food & Consumer Products and Chemical & Forest Products segments.
Japanese yen depreciation resulted in an increase of approximately +150.0 billion yen.
- Gross trading profit ... 500.3 billion yen (+38.4 billion yen year on year)**
Please see the chart below.
Japanese yen depreciation resulted in an increase of approximately +12.0 billion yen.
- Selling, general and administrative expenses ... -400.2 billion yen (-23.9 billion yen year on year)**
Increased mainly due to personnel expenses.
Japanese yen depreciation resulted in an increase of approximately -9.0 billion yen.

- Other-net ... -13.6 billion yen (-33.9 billion yen year on year)**
Losses associated with overseas infrastructure businesses and such.
In addition to above, reduced profit from a year-on-year reactionary loss from the sale of an automotive sector business in North America of a year earlier.
- Share of profits of associates and joint ventures ... 113.4 billion yen (+26.1 billion yen year on year)**
Major items:
 - Overseas IPP businesses 34.1 billion yen (+1.0 billion yen year on year)
 - Copper business in Chile 11.9 billion yen (+9.8 billion yen year on year)
 - JELLINBAH GROUP 10.0 billion yen (+4.3 billion yen year on year)
 - (Coal business in Australia)
 - Marubeni-Itochu Steel Inc. 7.4 billion yen (+2.5 billion yen year on year)
 *Share of profits of associates and joint ventures affected by the U.S. tax reform is approximately +3.0 billion yen.

- Interest expense, net of interest income ... -15.8 billion yen (-3.4 billion yen year on year)**
Interest expense -25.9 billion yen (-2.7 billion yen year on year)
Interest income 10.0 billion yen (+0.7 billion yen year on year)

- Corporate income tax ... -39.1 billion yen (-0.1 billion yen year on year)**
Effect of U.S. tax reform is approximately +3.0 billion yen.

***(Reference) Consolidated Net Profit of Major Subsidiaries**

- Gavilon
 - Grain business (Grain:100%): 15.2 billion yen(*) (+9.7 billion yen year on year)
 - Fertilizer business (Agri-Input Business: 100%): 1.4 billion yen(*) (-0.6 billion yen year on year)
 - Helena Chemical (Agri-Input Business: 100%): 23.1 billion yen(*) (+4.9 billion yen year on year)
- (*) Effect of U.S. tax reform
Gavilon Grain business (+9.5 billion yen), Gavilon Fertilizer business (+0.9 billion yen), Helena Chemical (+4.3 billion yen)

(Unit: Billions of yen)

Operating Segments (*4)	Gross trading profit			Profit attributable to owners of the parent			Main reasons for increase/decrease	Profit attributable to owners of the parent		
	FYE3/2018 Q1-Q3	FYE3/2017 Q1-Q3	Variance	FYE3/2018 Q1-Q3	FYE3/2017 Q1-Q3	Variance		Revised Yearly Forecasts	Forecasts announced on Nov. 2, 2017	Variance
Food & Consumer Products	204.7	207.7	-3.0	61.1	45.4	+15.8	(Food) •Effect of U.S. tax reform is approximately +18.0 billion yen. •Reduced profit from margin deterioration in the soybean sales to China, and such. (Lifestyle/ ICT, Logistics & Healthcare/ Insurance, Finance & Real Estate Business) •Recognition of gains on sale of investment securities of an associate company in ICT related business.	75.0	57.0	+18.0
Food (Grain & Food Products)	104.5	109.5	-5.1	38.9	24.2	+14.7		44.0	29.0	+15.0
Lifestyle/ ICT, Logistics & Healthcare/ Insurance, Finance & Real Estate Business	100.5	98.5	+2.0	22.3	21.2	+1.1		31.0	28.0	+3.0
Chemical & Forest Products	153.4	140.2	+13.3	33.8	27.0	+6.9	(Agri-Input Business) •Effect of U.S. tax reform is approximately +5.0 billion yen. (Chemical Products/ Forest Products) •Improvement in woodchip and pulp businesses due to an improvement in the market condition of pulp.	40.0	31.0	+9.0
Agri-Input Business	111.9	102.0	+9.9	25.6	20.1	+5.5		27.0	19.0	+8.0
Chemical Products/ Forest Products	41.5	38.2	+3.3	8.2	6.9	+1.3		13.0	12.0	+1.0
Energy & Metals	38.0	12.2	+25.7	8.2	(28.4)	+36.6	(Energy) •Reactionary improvement from a year-earlier impairment loss on oil and gas development business. •Margin improvement in oil trading and LNG fields. •Effect of U.S. tax reform is approximately -25.0 billion yen. (Metals & Mineral Resources) •Increased profit in Australian coal business mainly by an increase in coal price. •Increased profit in Chilean copper business mainly by an increase in copper price.	15.0	36.0	-21.0
Energy	15.5	(0.2)	+15.7	(25.8)	(37.6)	+11.9		(30.0)	(2.0)	-28.0
Steel Products	0.1	0.1	+0.0	7.0	5.0	+2.0		9.0	8.0	+1.0
Metals & Mineral Resources	22.3	12.3	+10.0	26.9	4.2	+22.7		36.0	30.0	+6.0
Power Projects & Plant	30.2	39.5	-9.4	33.6	43.8	-10.2	(Power Business) •Reduced profit mainly from profit decrease of overseas EPC businesses and such. (Plant) •Losses associated with overseas infrastructure businesses. •Effect of U.S. tax reform is approximately +4.0 billion yen.	44.0	52.5	-8.5
Power Business	19.9	28.0	-8.1	29.2	33.8	-4.6		41.0	41.0	-
Plant	10.3	11.6	-1.3	4.4	10.0	-5.5		3.0	11.5	-8.5
Transportation & Industrial Machinery	79.8	67.7	+12.1	34.0	30.6	+3.4	•Effect of U.S. tax reform is approximately +4.0 billion yen. •Increased profit in aerospace related businesses. •Reduced profit from a year-on-year reactionary loss from the sale of an automotive sector business in North America of a year earlier	41.0	33.0	+8.0
Aerospace & Ship/ Automotive & Leasing Construction & Industrial Machinery										
Other	(5.8)	(5.4)	-0.4	(6.0)	(10.6)	+4.6	•Improvement in expense of income tax (adjustments for annual income tax rate expected for the full financial year) and such.	(15.0)	(39.5)	+24.5
Consolidated	500.3	461.9	+38.4	164.8	107.7	+57.1		200.0	170.0	+30.0
Resources Total				1.2	(33.4)	+34.6		6.0	28.0	-22.0
Non-resources Total				163.6	141.1	+22.5		194.0	142.0	+52.0
Non-resources Ratio				99%				97%	84%	+13%

(*4) Indicated numbers have eliminated the transactions within the operating segments.

* As of April 1, 2017, Power Business & Plant segment which has been renamed from Power Projects & Plant has been reorganized within the group, integrating "Energy & Environmental Infrastructure" and "Plant" into "Plant" division. In addition, parts of Food & Consumer Products segment have been incorporated into Chemical & Forest Products, and parts of Other have been incorporated into Food & Consumer Products. In October 2016, Chemical & Forest Products segment was reorganized, and "Helena Business" was renamed to "Agri-Input Business". To integrate agri-input business, parts of "Chemical Products" division has been transferred to "Agri-Input Business" division. With the mentioned revisions, while Gavilon's net profit was formerly distributed to 85% Food & Consumer Products and 15% Chemical & Forest Products, fertilizer segment of Gavilon has also been transferred Chemical & Forest Products (Agri-Input Business Div.) from FYE 3/2018 (Grain segment of Gavilon belongs to Food & Consumer Products (Grain Div.)). In conjunction with these revisions, operating segment information for the year-earlier has been reclassified.

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