
Summary of Consolidated Financial Results
For the Fiscal Year Ended March 31, 2016
(IFRS basis)

(April 1, 2015 – March 31, 2016)

**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, 2016 (IFRS basis)

Company name: Marubeni Corporation (URL: <http://www.marubeni.com>) Code number: 8002
 Listed: Tokyo, Nagoya
 Representative: KOKUBU Fumiya President and CEO, Member of the Board
 Inquiries: HANADA Kazuo General Manager, Media Relations Sec. TEL (03) 3282 - 4805
 Expected date of Annual meeting of shareholders: June 24, 2016
 Expected filing date of annual financial statement report: June 24, 2016
 Expected date of the beginning of delivery of dividends: June 3, 2016
 Supplementary explanations of yearly business results: Prepared
 Briefing on yearly business results: To be held (for institutional investors and analysts)

1. Consolidated financial results for FYE 3/2016 (April 1, 2015 - March 31, 2016)

(Remarks)

Figures are rounded to the nearest million.
 %: change from the previous fiscal year

(1) Consolidated business results

	Total volume of trading transactions		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 3/2016	12,207,957	(12.3)	104,231	(35.1)	90,559	(27.3)	67,528	(40.1)	62,264	(41.0)	-144,042	-
FYE 3/2015	13,925,339	2.1	160,688	2.0	124,614	(47.3)	112,729	(47.1)	105,604	(49.9)	211,172	(25.4)

	Earnings per share attributable to owners of the parent (basic)	Earnings per share attributable to owners of the parent (diluted)	Profit ratio to equity attributable to owners of the parent	Profit before tax ratio to total assets	Operating profit ratio to total trading transactions
	(yen)	(yen)	(%)	(%)	(%)
FYE 3/2016	35.88	35.88	4.4	1.2	0.9
FYE 3/2015	60.85	60.85	7.3	1.7	1.2

(Reference) Share of profits of associates and joint ventures FYE 3/2016 31,824 million yen
 FYE 3/2015 89,919 million yen

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

2. "Total volume of trading transactions" includes all transactions involving the Company and its consolidated subsidiaries regardless of transaction type.

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

4. "Basic and diluted earnings per share attributable to owners of the parent" are based on "profit attributable to owners of the parent".

(2) Consolidated financial conditions

	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, 2016	7,117,686	1,415,202	1,317,052	18.5	758.95
March 31, 2015	7,673,064	1,678,713	1,518,515	19.8	875.04

(3) Consolidated cash flow

	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 3/2016	359,132	(174,596)	(36,268)	600,840
FYE 3/2015	170,943	(331,411)	(70,705)	469,106

2. Dividends information

	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	2nd Quarter	3rd Quarter	4th Quarter	Annual			
	(yen)	(yen)	(yen)	(yen)	(yen)	(millions of yen)	(%)	(%)
FYE 3/2015	-	13.00	-	13.00	26.00	45,124	42.7	3.1
FYE 3/2016	-	10.50	-	10.50	21.00	36,447	58.5	2.6
FYE 3/2017 (prospects)	-	9.50	-	9.50	19.00	-	25.4	-

(Remarks)

3. Prospects of consolidated financial results for FYE 3/2017 (April 1, 2016-March 31, 2017)

%: change from the previous fiscal year

	Total volume of trading transactions		Operating profit		Profit before tax		Profit for the year		Profit attributable to owners of the parent		Earnings per share attributable to owners of the parent (basic)
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(yen)
Six months period	-	-	-	-	-	-	-	-	-	-	-
Yearly	12,500,000	2.4	100,000	(4.1)	190,000	109.8	135,000	99.9	130,000	108.8	74.91

(Note) The Company manages its operating performance on a full-year basis, and hence does not make earnings forecasts for six-month periods.

***Note**

(1) Changes in principal subsidiaries during the period	: Yes	
Excluded companies:	: 1 (Gavilon Agriculture Holdings)	
Note: For more details, please refer to page 23, "5. Other Information (1) Changes in Principal Subsidiaries during the Fiscal Year under Review (Changes in Specified Subsidiary)"		
(2) Changes in accounting principles and accounting estimates		
① Changes in accounting principles required by IFRS	: None	
② Changes other than ①	: None	
③ Changes in accounting estimate	: None	
(3) Number of issued shares (Common shares)		
① Number of issued shares at the end of the term	March 31, 2016	1,737,940,900
(Treasury stock is included)	March 31, 2015	1,737,940,900
② Number of treasury stock at the end of the term	March 31, 2016	2,580,195
	March 31, 2015	2,567,510
③ Average number of outstanding shares during the term	Year ended March 31, 2016	1,735,368,048
	Year ended March 31, 2015	1,735,387,247

<Indication concerning implementation status of auditing procedure>

These Consolidated Financial Results for FYE 3/2016 are not subject to the auditing procedure pursuant to the Financial Instruments and Exchange Law. At the time of disclosing these Consolidated Financial Results for FYE 3/2016, the auditing procedure for financial statements pursuant to the Financial Instruments and Exchange Law has not been completed.

<Descriptions relating to the proper use of financial prospects and other special notes>

(Notes to the description about future, other)

The descriptions about future such as the above prospects 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.

For cautionary notes concerning assumptions made in the earnings forecast and use of the earnings forecast, please refer to "1. (4) Qualitative Information on Forecast of Consolidated Financial Results" on page 8.

(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 Tuesday, May 10, 2016.

The Company is scheduled to hold a briefing on business results for institutional investors and analysts on Thursday, May 12, 2016, and to post the audio file of the briefing together with the materials used at the briefing on the Company's website at the earliest possible time.

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1. Financial Results

(1) Business Environment

In the fiscal year ended March 31, 2016, the global economy as a whole recovered at a moderate pace. While advanced economies generally continued to recover, emerging economies, most notably China, slowed en masse, due to the financial turmoil of China, which started in the summer of 2015. The fiscal year was also marked by financial market volatility, including a global equity market selloff. Commodity prices were generally depressed. Crude oil prices declined before rebounding somewhat into fiscal year-end.

The U.S. economy continued to recover despite weakness in capital investment. Its recovery was underpinned by household consumption amid a robust employment environment. Although the Federal Reserve Board raised its policy rate in December 2015, for US economy was at its recovery, no major financial market volatility ensued.

The European economy picked up in the wake of continued recovery in Germany, the U.K. and other major economies. European financial markets, however, were temporarily roiled by the Greek debt crisis.

The Asian economy as a whole recovered tepidly as the Chinese economy slowed further in response to softness in consumption, investment and exports. ASEAN economies also remained beset by weakness in both domestic and foreign demand.

Emerging market economies elsewhere, particularly those that are net exporters of resources, performed poorly, with their currencies depreciating under the weight of commodity price weakness and U.S. monetary tightening.

The Japanese economy performed sluggishly overall as consumption slowed in response to anemic wage growth.

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(2) Analysis of Consolidated Financial Results

Under the aforementioned business environment, consolidated financial results for the fiscal year ended March 31, 2016 are as follows:

(millions of yen)

	Fiscal year ended March 31,		Variance
	2016	2015	
Total volume of trading transactions	12,207,957	13,925,339	(1,717,382)
Gross trading profit	670,086	707,318	(37,232)
Operating profit	104,231	160,688	(56,457)
Share of profits of associates and joint ventures	31,824	89,919	(58,095)
Profit attributable to owners of the parent	62,264	105,604	(43,340)
Revenue	7,300,299	7,834,295	(533,996)

(Note 1)

Figures are rounded to the nearest million yen unless otherwise stated.

(Note 2)

“Total volume of transactions” and “Operating profit” are presented in accordance with Japanese accounting practice for investors’ convenience and are not required by IFRS. “Total volume of trading transactions” includes all transactions involving the Company and its consolidated subsidiaries regardless of transaction type. “Operating profit” is the sum of “Gross trading profit” and “Selling, general and administrative expenses” including “Provision for doubtful accounts”.

Total volume of trading transactions

Total volume of trading transactions for the fiscal year ended March 31, 2016 decreased 1,717.4 billion yen (12.3%) from the year-earlier period to 12,208.0 billion yen, due to sales price declines in petroleum trading businesses.

Meanwhile, “**Revenue**” as defined under IFRS was 7,300.3 billion yen, a decline of 534.0 billion yen (6.8%) from the year-earlier period.

Gross trading profit

Gross trading profit decreased 37.2 billion yen (5.3%) from the year-earlier period to 670.1 billion yen. By operating segment, profits decreased mainly at *Energy & Metals*.

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Operating profit

Operating profit decreased 56.5 billion yen (35.1%) from the year-earlier period to 104.2 billion yen due to decrease in gross trading profit and increase in selling, general and administrative expenses led by the weaker Japanese yen.

Share of profits of associates and joint ventures

Share of profits of associates and joint ventures decreased 58.1 billion yen (64.6%) from the year-earlier period to 31.8 billion yen, due mainly to the impairment losses on one of the copper mines in Chile and the iron ore business in Australia.

Profit attributable to owners of the parent

Profit attributable to owners of the parent for the fiscal year ended March 31, 2016 (also referred to as *net profit* for the year under review) amounted to 62.3 billion yen, a decrease of 43.3 billion yen (41.0%) year on year, as we recognized impairment losses caused by the downturn in resource-related commodity prices.

Financial results for each operating segment for the fiscal year ended March 31, 2016 are as follows:

Food & Consumer Products

Despite profit growth in food businesses, gross trading profit decreased 5.6 billion yen (1.8%) year on year to 301.0 billion yen, largely as result of deterioration in Gavilon's earnings environment in the North American grain consolidation business. Net profit, by contrast, increased 9.8 billion yen (21.4%) year on year to 55.8 billion yen. The net profit growth was the net effect of non-recurrence of a year-earlier goodwill impairment loss booked by Gavilon and year-earlier valuation gains on consolidation of U.S. grain export facilities.

Chemical & Forest Products

Gross trading profit increased 14.5 billion yen (8.2%) year on year to 190.8 billion yen. Its growth was largely attributable to improved margins on woodchips/pulp and growth in Helena Chemical's yen-equivalent earnings due to yen depreciation. Net profit likewise grew, rising 12.2 billion yen (64.9%) year on year to 31.0 billion yen, boosted by improved margins in the petrochemical, inorganic and agricultural chemical businesses coupled with non-recurrence of Gavilon's year-earlier loss.

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Energy & Metals

Gross trading profit decreased 45.1 billion yen (72.6%) year on year to 17.0 billion yen, largely because of lower oil and gas prices. Despite non-recurrence of a year-earlier loss on securities holdings stemming from an impairment loss on a Canadian coal project, net loss worsened 113.3 billion yen (-%) year on year to 144.0 billion yen, mainly as a result of larger impairment losses on oil and gas development projects, a Chilean copper project, and an Australian iron ore project.

Power Projects & Plant

Gross trading profit declined 3.0 billion yen (5.3%) year on year to 53.9 billion yen, largely reflecting decreased trading volume in the industrial plant business. Net profit grew 43.8 billion yen (193.8%) year on year to 66.4 billion yen, driven by valuation gains on equity interests in Chinese wastewater treatment and North American freight railcar leasing businesses and growth in equity-method investees' earnings in the overseas IPP business, the combination of which was sufficient to offset a loss on discontinuation of Uruguayan LNG receiving terminal operations and accrual of provisions against losses on other overseas plant projects.

Transportation & Industrial Machinery

Gross trading profit increased 4.1 billion yen (4.4%) year on year to 98.4 billion yen by virtue of sales growth in ship- and aircraft-related businesses. Net profit, however, was down 6.1 billion yen (20.4%) year on year to 23.8 billion yen as a result of reduced earnings from equity-method investees in ship-related businesses.

(Note 1)

Marubeni reorganized the 10 operating segments, namely the "Food", "Chemicals", "Energy", "Metals & Mineral Resources", "Transportation Machinery", "Power Projects & Infrastructure", "Plant", "Lifestyle & Forest Products", "ICT, Finance & Insurance, Real Estate Business", and "Overseas Corporate Subsidiaries and Branches" into five segments, specifically the "Food & Consumer Products", "Chemical & Forest Products", "Energy & Metals", "Power Projects & Plant", and "Transportation & Industrial Machinery" effective as of the fiscal year ended March 31, 2016.

(Note 2)

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

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(3) Qualitative Information on Consolidated Financial Conditions

① Conditions of Assets, Liabilities and Equity

(billions of yen)

	March 31, 2016	March 31, 2015	Variance
Total assets	7,117.7	7,673.1	(555.4)
Total equity	1,415.2	1,678.7	(263.5)
Net interest-bearing debt	2,762.5	2,887.6	(125.2)
Net D/E ratio (times)	1.95	1.72	+0.23 points

(Note)

1. Figures are rounded to the nearest hundred million yen unless otherwise stated.
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.

Despite an increase in *cash and cash equivalents*, **total assets** at the end of March 31, 2016 was at 7,117.7 billion yen, a 555.4 billion yen decrease from the previous fiscal year end. The decrease was chiefly attributable to decline in *investments in associates and joint ventures, property, plant and equipment and inventories*. **Net interest-bearing debt** decreased 125.2 billion yen from the end of the previous fiscal year to 2,762.5 billion yen. **Total equity** decreased 263.5 billion yen to 1,415.2 billion yen most notably as a result of reductions in *foreign currency translation adjustments* caused by the stronger Japanese yen.

Consequently, the net D/E ratio was 1.95 times.

② Cash Flows

Cash and cash equivalents at the end of the fiscal year under review were 600.8 billion yen, an increase of 131.7 billion yen from the end of the previous fiscal year.

(Operating activities)

Net cash provided by operating activities was 359.1 billion yen, due to an improvement in working capital.

(Investing activities)

Net cash used in investing activities was 174.6 billion yen, the aggregate of a cash inflow from sales of investment securities and the capital expenditure in overseas businesses.

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As a result of the above-mentioned activities, free cash flow (the sum of net cash provided by operating activities and net cash used in investing activities) for the fiscal year under review was positive 184.5 billion yen.

(Financing activities)

Net cash used in financing activities amounted to an outflow of 36.3 billion yen, due mainly to purchase of preferred stocks.

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(4) Qualitative Information on Forecast of Consolidated Financial Results

Taking an outlook of the economic climate for the fiscal year ending March 31, 2017, advanced economies will remain on a recovery path, underpinned by robust domestic demand in the U.S. On the other hand, emerging economies are stagnating, due to the recent slowdown and receding expectations for mid- to long-term growth of the Chinese economy. The global economy as a whole is likely to stage a moderate recovery, but the outlook for the Chinese economy and resource price trends, etc. require attention. Commodity markets are forecast to pick up as a whole, albeit remaining at a low level, as the easing supply and demand balance is expected to start tightening gradually.

In Japan, personal consumption is expected to increase toward the end of this fiscal year, driven by a last-minute jump in demand prior to the planned consumption tax hike.

The forecasts of consolidated financial results for the fiscal year ending March 31, 2017 are as listed in the following.

<Consolidated Financial Results Forecast>

	Total volume of trading transactions (millions of yen)	Operating profit (millions of yen)	Profit before tax (millions of yen)	Profit attributable to owners of the parent (millions of yen)	Earnings per share attributable to owners of the parent (basic) (yen)
Forecast for FYE 3/2017	12,500,000	100,000	190,000	130,000	74.91
Results for FYE 3/2016	12,207,957	104,231	90,559	62,264	35.88

<Assumptions for major indexes for FYE 3/2017>

Foreign exchange rate:	USD1 = JPY113,
JPY TIBOR:	0.2%,
USD LIBOR:	0.7%,
Oil (WTI):	USD44 / Barrel,
Copper (LME):	USD5,300 / MT

<Notes to the description about future, other >

The description about future, such as prospects 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 by various factors in the future.

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(5) Basic Policy on Profit Distribution and Dividends for the Fiscal Year ended March 31, 2016 and the Fiscal Year ending March 31, 2017

Marubeni works to implement and maximize corporate value by effectively utilizing internal reserves and building up strong financial base, as well as strengthening existing businesses and advancing on new investing strategies.

The Company applies a basic policy to determine dividends based on the principle of linking dividends to the Company's business results for each term, in order to further clarify its stance on redistribution of profits to our shareholders. The actual dividend is to be determined basically aiming for a consolidated payout ratio of 25% or more, which is to be applied from the fiscal year ending March 31, 2017.

As for the frequency of distributing dividends from surplus each fiscal year, the Company will maintain its usual policy of paying dividends twice a year: interim and year-end dividends. As the Company's Articles of Incorporation prescribe, pursuant to the provisions of Article 459, Section 1 of the Companies Act, that its Board of Directors is entitled to resolve and distribute surplus, it is our basic policy that payment of each dividend is to be resolved by the Board of Directors.

Marubeni expects the annual dividend per share for the fiscal year ended March 31, 2016 to be 21 yen (interim dividend: 10.5 yen/already paid, year-end dividend: 10.5 yen) as announced in 'Notice Regarding Revision of Consolidated Financial Results Forecast' dated April 18, 2016, notwithstanding the fact that net profit for the fiscal year ended March 31, 2016 amounted to 62.3 billion yen.

The year-end dividend is to be resolved at the Board of Directors' meeting scheduled on May 13, 2016, and the commencement date of payment shall be June 3.

With respect to the annual dividend per share for the fiscal year ending March 31, 2017, Marubeni plans to distribute 19 yen per share (interim dividend: 9.50 yen, year-end dividend: 9.50 yen) as profit attributable to owners of the parent for the period is forecast to be 130.0 billion yen.

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(6) Business Risks

Major risks that could have a serious impact on investor decisions associated with the business operations and other activities of Marubeni Corporation and its consolidated subsidiaries are outlined below. The risks discussed, however, are not inclusive of the full range of possible risks faced in the broad range of activities engaged in by the Group. Any number of additional risks other than those discussed below could also impact business performance. Furthermore, risks considered to have a low likelihood of materializing have also been disclosed, from the perspective of ensuring proactive information disclosure. Forward-looking statements with respect to the risks discussed below reflect the reasonable judgment of the Company's management based on information available as of March 31, 2016.

① Risks Regarding to Overall Operating Activities

1) Impact of Japanese and Global Economies on the Marubeni Group

The Company is a general trading company engaged in a wide range of business activities through bases in Japan and over 60 other countries. Examples include the production and procurement of natural resources and other primary commodities, as well as the manufacture and sale of finished goods and various commercial and investing activities in Japan and overseas in many industrial fields. As a result, the Group is impacted by the economic conditions prevailing in Japan and other countries where it has operations, as well as by the state of the global economy as a whole. Worsening economic conditions on either of these fronts could adversely affect the operating activities, business results, and financial condition of the Group.

2) Credit Risks Regarding Business Partners

Marubeni and its consolidated subsidiaries extend credit to business partners in the form of accounts receivable, advances, loans, guarantees, and other means. In addition, as a part of its sales activities, the Group concludes merchandise supply, subcontracting, operational outsourcing, and other types of contracts with business partners. The incurrence of credit risk due to the inability of business partners to fulfill their credit obligations or a breach of contract by these business partners could adversely affect the Group's business results and financial condition. To prevent credit risks from materializing, the Group conducts extensive risk management at the credit screening stage. Nevertheless, the Company is susceptible to a variety of credit risks. In preparation for the incurrence of possible losses when credit risk becomes apparent, the Group establishes allowances for doubtful accounts based on the estimated amount of the loss, the business partner's creditworthiness, collateral value, and other set factors. In the event of such losses, however, the

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Company cannot guarantee that actual losses will not exceed these established allowances.

3) Investment Risk

Marubeni and its consolidated subsidiaries, both independently and in collaboration with other companies, establish new companies and purchase existing enterprises in the course of their business operations. Most of these business investments require sizeable amounts of capital. The Group may be unable to withdraw from such businesses in an optimal manner or time frame, in which case it would be obliged to commit additional capital. In an effort to prevent the occurrence of risks associated with investments and other activities, the Group conducts extensive risk management, including checking new investments to determine whether expected returns are commensurate with the risks involved. Nevertheless, a decline in the value of these investments or the necessity of additional expenditures of capital could adversely affect the Group's business results and financial condition.

4) Concentrated Risk Exposure

As part of their commercial and investment activities, Marubeni and its consolidated subsidiaries are concentrated in specific investment targets, markets, and regions. In the context of the Group's country risk management, the Company classifies countries according to their level of risk, and has established transaction management standards and promotes efforts to ensure optimal portfolio and risk-return management. Nevertheless, a deteriorating operating environment in these markets or regions could adversely affect the Group's business results and financial condition.

5) Ability to Procure Funds and Funding Cost

Marubeni and its consolidated subsidiaries engage in fund procurement with an emphasis on maintaining an optimal mix of funding in line with the requirements of their respective asset portfolios and ensuring liquidity. However, significant disruptions in major global capital markets, shortages of cash flows from operating activities, declining profitability, failure in asset-liability management, or a sharp downgrade in the credit rating of the Group by ratings agencies could constrain fund procurement or lead to an increase in funding cost, which could adversely affect the Group's business results and financial condition.

6) Market Risks

i. Fluctuations in the Price of Goods and Merchandise

Marubeni and its consolidated subsidiaries handle a variety of merchandise. In order to mitigate the risk of fluctuations in market conditions for certain merchandise, contracts, and scheduled contracts, the Group enters into commodity futures and forward contracts. However, changes in respective market conditions could adversely affect the Group's business results and financial condition. In

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addition, the Group participates in energy and natural resource exploration and production (E&P) businesses and other manufacturing businesses. Fluctuations in the markets of the products sold through these activities could adversely affect the Group's business results and financial condition.

ii. Market Liquidity (Liquidity Risk)

Marubeni and its consolidated subsidiaries hold a variety of assets that are subject to market trading, including financial instruments. Financial market turmoil and other factors can cause the market liquidity of held assets to decline dramatically, a situation that could potentially trigger a precipitous drop in the value of held assets. Such an occurrence could adversely affect the Group's business results and financial condition.

iii. Fluctuations in Foreign Currency Exchange Rates

Marubeni and its consolidated subsidiaries conduct transactions in a variety of currencies and under a variety of terms. In order to mitigate the risk of exchange rate fluctuations associated with transactions, receivables, and liabilities denominated in foreign currencies, the Group enters into forward exchange contracts and other derivative transactions. Despite these measures, fluctuations in exchange rates could adversely affect the Group's business results and financial condition.

iv. Fluctuations in Interest Rates

Marubeni and its consolidated subsidiaries procure necessary business funds through borrowings from financial institutions, the issuance of corporate bonds, and other methods of procuring from capital markets. A large portion of floating rate liabilities is proportionate to operating assets that can counteract adverse impacts of interest rate fluctuations. However, interest rate fluctuation risks cannot be completely eliminated, and a certain degree of exposure remains. Among the liabilities procured for interest insensitive assets, such as investment securities and property, plant and equipment, the portion at procured floating rates is categorized as unhedged through the asset-liability management practices of Marubeni and its consolidated subsidiaries. Monitoring market movements in interest rates, the Group utilizes interest rate swaps and other measures to mitigate the risk of interest rate fluctuations.

There is no guarantee that the Group will be able to completely avoid interest rate risk, even after having implemented those management measures. Therefore, changes in market interest rates could adversely affect the Group's business results and financial condition.

v. Fluctuations in Values of Marketable Securities Subject to Market Volatility

To strengthen business relationships and for other purposes, Marubeni and its consolidated subsidiaries invest in marketable securities that are subject to market volatility. Such securities held by the Group carry the risk of fluctuations in original value due to changes in fair value. Drops in the

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fair value of these securities could adversely affect the Group's business results and financial condition.

vi. Risks Regarding Employees' Retirement Benefits

As the Group holds domestic and foreign stocks and bonds as pension assets, sluggish performance in securities markets could decrease the value of those assets or could require it to accumulate additional pension assets. Such an event could adversely affect the Group's business results and financial condition.

7) Impairment of Real Estate, Machinery and Equipment, and Other Property, Plant and Equipment

Marubeni and its consolidated subsidiaries hold real estate, machinery and equipment, and other property, plant and equipment for sale and lease to other parties as well as for their own use. A decline in the value of these assets could potentially require the Group to recognize impairment losses. The Group accounts for impairment of property, plant and equipment in accordance with IFRS. Nevertheless, a dramatic decline in asset value could adversely affect the Group's business results and financial condition.

8) Laws and Regulations

In the course of operations, Marubeni and its consolidated subsidiaries are subject to a broad range of laws and regulations both in Japan and other applicable countries. Changes in or unanticipated interpretations of these laws and regulations could increase the obligations pertaining to legal and regulatory compliance placed on the Group. Accordingly, changes or altered interpretations of laws and regulations may result in punitive measures, including the interruption of operations, lower the Company's credibility, or cause the occurrence of other circumstances that could adversely affect the Group's business results and financial condition.

9) Significant Litigation

In the course of business activities in Japan and overseas, Marubeni and its consolidated subsidiaries may be a party to litigation, disputes, and other legal proceedings. When party to such litigation, predicting the outcome is impossible given the inherent uncertainty of these matters. The Company cannot guarantee that such litigation will not adversely affect the Group's business results and financial condition.

10) Environmental Risk

Marubeni and its consolidated subsidiaries conduct business activities globally across a broad range of industries, and environmental pollution as a result of these activities could result in business

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stoppage, pollution remediation expenses, and legal fees in response to litigation by local residents. In addition, the Group's social reputation could be damaged. In the year ended March 31, 2000, an environmental management system was introduced to cope with such environmental risks, under which various initiatives have been implemented to assess the potential environmental burden and reduce environmental risk, including environmental impact evaluations for each new financing and development project. In the event, however, that some form of environment impact occurs, it could adversely affect the Group's business results and financial condition.

11) Natural Disaster Risk

Earthquakes and other natural disasters could cause damage and loss to the Group's offices and facilities and inhibit the normal business activities of Marubeni and its consolidated subsidiaries. While every effort has been made to implement appropriate countermeasures, such as the formulation of business continuity plans, earthquake countermeasures, and fire prevention drills, the potential for damage from natural disasters cannot be completely mitigated. Consequently, there is no guarantee that such disasters will not adversely affect the Group's business results and financial condition.

12) Risk Relating to Terrorists and Violent Groups

Marubeni and its consolidated subsidiaries conduct business operations globally, and these operations are therefore exposed to risk from unexpected situations relating to terrorists and violent groups, as well as trends in politics and social factors. The materialization of such risks could adversely affect the Group's business results and financial condition.

13) Other Risks Inherent and Related to Overall Marubeni Operations

Negligence on the part of employees charged with executing business operations, and malfunctions pertaining to computer systems supporting business activities, are among other risks, the materialization of which could adversely affect the Group's business results and financial condition.

② Risk Management

Marubeni and its consolidated subsidiaries make decisions on certain matters (e.g., investments, credit extension) through a bottom-up consensus-building process. For the most important of such matters (e.g., new businesses), Marubeni and its consolidated subsidiaries are committed to avoiding risks by upgrading their risk management. Initiatives to strengthen risk management include establishment of a follow-up procedure that mandates periodic reporting to the Corporate Management Committee to continually monitor progress and expeditiously rectify any problems.

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Additionally, from the standpoint of Group-wide risk diversification, Marubeni conducts integrated risk management to ascertain quantifiable (measurable) risks such as market risk, credit risk and investment risk vis-à-vis specific countries, sectors and customers. To do so, Marubeni has instituted basic risk management policies and internal risk management regulations and established organizations, controls, procedures, systems and infrastructure to ensure compliance with such policies and regulations, thereby enabling appropriate decision-making and monitoring.

For unquantifiable (non-measurable) risks such as compliance risk, Marubeni has implemented risk prevention measures in the form of improved corporate governance, internal control systems, and an upgraded compliance regime.

However, Marubeni and its consolidated subsidiaries' risk-management framework may not be capable of fully neutralizing all of the various risks that could arise in their wide-ranging business activities today or in the future. In such an event, Marubeni and its consolidated subsidiaries' earnings performance and/or financial condition could be adversely affected.

③ Mid-Term Management Plan

Marubeni and its consolidated subsidiaries initiated a three-year management plan entitled Global Challenge 2018 in April 2016. The quantitative targets of the plan include; consolidated net profit of ¥250.0 billion (non-natural resources ¥230.0 billion or more) for fiscal year ending March 31, 2019, Positive free cash flow after dividends, ROE of 10% or more, Net D/E ratio of approximately 1.3 times, and Consolidated dividend payout ratio of 25% or more.

These targets were set based on certain economic conditions, industry trends and other various premises, assumptions and outlooks that were deemed to be reasonable at the time the targets were set. Therefore, these targets may not be achieved due to changes in the business environment or various other factors.

④ Risks Posed by Material Accounting Policies and Estimates

Marubeni prepares its consolidated financial statements in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. In preparing its consolidated financial statements, Marubeni uses accounting estimates and assumptions to the extent necessary to measure its assets and liabilities as of the last day of the reporting period, disclose contingent assets and liabilities and measure revenues and expenses during the reporting period. These accounting estimates and assumptions are inherently uncertain and may differ from actual outcomes.

Marubeni's management considers its estimates to be reasonable, but in the event of changes

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that exceed management's assumptions, Marubeni's consolidated financial statements could be materially affected.

Marubeni Corporation Business Group

2. Business Group

Marubeni and its consolidated subsidiaries conduct diversified business activities such as importing and exporting (including offshore trading), and domestic business transactions, as well as making domestic and overseas business investment and resource development in broad-ranging fields of Food & Consumer Products, Chemical & Forest Products, Energy & Metals, Power Projects & Plants, Transportation & Industrial Machineries, and other businesses, through its worldwide network.

The scope of consolidation of the Marubeni Group comprises a total of 448 companies: 299 consolidated subsidiaries and 149 associates accounted for by the equity method. (*1)(*2)

Marubeni reorganized the 10 operating segments, namely the “Food”, “Chemicals”, “Energy”, “Metals & Mineral Resources”, “Transportation Machinery”, “Power Projects & Infrastructure”, “Plant”, “Lifestyle & Forest Products”, “ICT, Finance & Insurance, Real Estate Business”, and “Overseas Corporate Subsidiaries and Branches” into 5 segments, specifically the “Food & Consumer Products”, “Chemical & Forest Products”, “Energy & Metals”, “Power Projects & Plant”, and “Transportation & Industrial Machinery” effective as of the fiscal year ended March 31, 2016. Moreover, some “Overseas Corporate Subsidiaries and Branches” have been incorporated unto “Corporate & Elimination, etc.” in conjunction with this revision, operating segment information for the fiscal year ended March 31, 2015 has been reclassified. Major businesses and services along with major group companies are listed below.

Food & Consumer Products:

Both domestically and internationally, the Foods sector produces and distributes all sorts of foods such as fodder, soy beans, grain, sugar, processed food and beverages, raw materials, foodstuffs for commercial use, and agricultural and marine products. The lifestyle sector includes clothing, footwear, sundry goods, sporting goods, fitness machines and tires, and operates various businesses from planning, manufacturing, importing, and wholesaling of products to brand development, consulting services and business investment. Communication sector is involved in the system integration business, the data communication network business, the mobile devices sales business. The logistics sector operates forwarding business and logistics centers, and the insurance sector operates an insurance brokerage business, a reinsurance business and other related businesses. The finance sector operates asset and property managements, fund operations and other businesses, while the real estate development sector deals with condominium development and other broad range businesses to provide various services.

Subsidiaries:

WELLFAM FOODS CORPORATION,	Japan REIT Advisors Co., Ltd.,
Marubeni Nisshin Feed Co., Ltd.,	Pacific Grain Terminal Co., Ltd.,
Marubeni Intex Co., Ltd.,	Marubeni Information Systems Co., Ltd.,

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Marubeni Fashion Link, Ltd.,
Yamaboshiya Co., Ltd.,
Columbia Grain, Inc.,

Marubeni Logistics Corporation (*3),
MX Mobiling Co., Ltd.,
Gavilon Agriculture Investment (*4)

Associated companies:

ARTERIA Networks Holdings (*5),
Tobu Store Co., Ltd., SFoods Inc.,

Aeon Market Investment Co., Ltd. (*6),
Nacx Nakamura Co. Ltd. (*7)

Chemical & Forest Products:

Both domestically and internationally, Chemical sector handles a wide variety of goods ranging from upstream, such as basic petrochemicals, to downstream, such as electronic materials, specialty chemicals, agrochemicals and fertilizers. Focusing on China, Americas, Middle East, South East Asia and India, as a priority market, this sector is conducting business with a balance between investment and trade. For the agriculture material sales operation in the US, which acts as the platform of our agriculture related business, we have made Helena Business independent from the main sector, as a newly established sector, in order to further increase the earnings profit of Helena Chemical Company. The Forest Products sector manufactures and distributes raw materials for paper production, paper and cardboard, and takes part in afforestation projects and sells housing materials.

Subsidiaries:

Koa Kogyo Co., Ltd.,
Marubeni Chemix Corporation,
Marubeni Plax Corporation,
P.T. Tanjungenim Lestari Pulp and Paper

Marubeni Pulp & Paper Sales Co., Ltd.,
Marubeni Building Materials Co., Ltd.,
Helena Chemical Company,

Associated companies:

Katakura & Co-op Agri Co. Ltd. (*8),
Daishowa-Marubeni International Ltd.
Shen Hua Chemical Industrial Co., Ltd.

Marusumi Paper Co., Ltd.,
Dampier Salt Ltd.,

Energy & Metal:

Both domestically and internationally, Energy sector, which focuses on products related to energy such as oil, gas and etc., takes part in various sorts of businesses which benefit from the development of resources through retail such as gas stations. The Metals and Mineral Resources is engaged in the development business for raw materials for production of steel and iron and nonferrous light metals. Also, this sector processes and sells nonferrous light metals, and is engaged in trading of raw materials for iron and steel and nonferrous light metals, as well as producing, processing and selling steel products in general including steel plates, steel pipes, and special steels.

Subsidiaries:

Marubeni Energy Corporation,

Marubeni Tetsugen Co., Ltd.,

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Marubeni Metals Corporation, Marubeni Coal,
Marubeni Los Pelambres Investment B.V., Marubeni Metals & Minerals (Canada),
Marubeni Oil & Gas Inc. (USA)

Associated companies:

Marubeni-Itochu Steel Inc., Marubeni Construction Material Lease Co., Ltd.,
ENEOS Globe Corporation,

Power Projects & Plants:

Both domestically and internationally, this sector develops, invests in, operates and manages a variety of power projects including power generating, distributing and transforming operations, energy related infrastructure operations, desalination and water treatment operations, traffic and infra-system operations and various fields of industrial plants. In addition, this sector also delivers and contracts works of related equipments.

Subsidiaries:

Japan Offshore Wind Power Co., Ltd. (*9), Marubeni Power Retail Co.
Marubeni Tekmatex Corporation, Marubeni Power Development Co.,
Marubeni Power Systems Corporation, Marubeni Protechs Corporation,
Aguas Decima S.A., Axia Power Holdings B.V.,

Associated companies:

Eastern Sea Laem Chabang Terminal Co., Ltd., Energy Infrastructure Investments Pty Ltd.,
Lion Power (2008) Pte. Ltd., Mesaieed Power,
Marubeni Rail Transport (*10), Southern Cone Water (*11),
TeaM Energy Corporation

Transportation & Industrial Machinery:

Both domestically and internationally, this group focuses on domestic and international trade (export and import) in aerospace and defense systems, automotive, construction, agricultural machinery and other transportation-related machinery; loans and investments in wide-ranging fields such as wholesale, retail, retail finance, leasing business, product development and services related to such transportation machinery; and trading, possessing and chartering various cargo vessels, tankers and LNG carriers.

Subsidiaries:

Scarlet LNG Transport, Marubeni Aerospace Corporation,
MAC Trailer Leasing, MAI Holding (*12)
Marubeni Auto Investment (UK), Marubeni Aviation Holding (*13),
Marubeni Komatsu, MMSL

Associated companies:

Hitachi Construction Machinery (Australia) Pty. Ltd.,

Marubeni Corporation Business Group

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Corporate and Administration, etc.:

This group carries out finance & financial services and group finance, etc.

Subsidiaries:

Marubeni Financial Service Corporation, Marubeni Finance America,
Marubeni Finance Europe

***Notes:**

1. The number of consolidated subsidiaries and associates accounted for by the equity method only includes companies for which Marubeni directly performs consolidation accounting and excludes associates (381 companies) for which consolidated accounting is performed by consolidated subsidiaries.
2. Associates include joint ventures (jointly controlled entities) and joint operations.
3. Marubeni Logistics Co., which merged with Logi Partners, started operation as Marubeni Logistics Corporation in April 2015.
4. Gavilon Agriculture Investment has been held by Marubeni Corporation, and has absorbed and merged Gavilon Agriculture Holdings in March 2016.
5. ARTERIA Networks Corporation is held by ARTERIA Networks Holdings.
6. Aeon Market Investment Co., Ltd. is the holding company for United Supermarket Holdings Inc. which operates super market business in the Greater Tokyo Area.
7. Nacx Nakamura Co., Ltd., was a subsidiary of Marubeni Corporation, and has been associated company since partial sale of shares in March 2016.
8. Katakura Chikkarin Co., Ltd., has merged with Co-op Chemical Co., Ltd., and has changed its trade name to Katakura & Co-op Agri Corporation as of October 2015.
9. Japan Offshore Wind Power Co., Ltd. is the holding company for the major U.K. offshore wind installation company, Seajacks International Limited.
10. Marubeni Rail Transport is a holding company of Midwest Railcar Corporation, a North America based company of freight railcar leasing business.
11. Southern Cone Water is the holding company for Aguas Nuevas, Chile's full-service water utility.
12. MAI holding is the holding company for by Westlake Service, a U.S. based automotive sales financing company.
13. Marubeni Aviation Holding is the holding company for Aircastle Limited, a U.S. based company of aircraft operating lease business.

Marubeni Corporation Management Policy

3. Management Policy

(1) Basic Management Policy

Marubeni and its group companies (the Group) launched the three year mid-term management plan called “Global Challenge 2018” in April 2016 that specifies what the Group aims to be in 2020 as well as its new management policies. Under the “Global Challenge 2018”, the Group will work to optimize and expand its existing businesses while strategically promoting new businesses that have the potential to become the core of the Group’s future. In this way, the Group will realize sustained growth.

(2) Mid to Long-term Management Strategies and Issues to be Addressed

The Group implemented the three year mid-term management plan called “Global Challenge 2015” in April 2013. In the “Global Challenge 2015,” the Group set three key measures of “Optimize Management Resources”, “Strengthen/Expand Overseas Business”, and “Further Top-Management Led Human Resources Strategy” to achieve the sustained growth and the maximization of corporate value.

Meanwhile, the Group has made new investments of approximately 230.0 billion yen during the fiscal year ended March 31, 2016. Major items of the investments include energy concession businesses both in the U.S. and the U.K., an offshore wind power generation business in the U.K., solar power generation businesses in Japan, etc.

Each managing index of the financial result for the fiscal year ended March 31, 2016 had significant profit loss and deterioration, such as the resulting of 62.3 billion yen profit attributable to owners of the parent from an initial estimation of 180.0 billion yen, caused by the large sum of impairment losses.

	Initial target for the fiscal year ended March 31, 2016 (announced on May 8, 2015)	Actual results for the fiscal year ended March 31, 2016
Profit attributable to owners of the parent	180.0 billion yen for FYE 3/2016	62.3 billion yen
Consolidated net D/E ratio	Approx. 1.6 times at FYE 3/2016	1.95 times
ROE	approx. 11%	4.39%
ROA	approx. 2.3%	0.84%

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Under the new Mid-Term Management Plan “Global Challenge 2018,” all officers and employees of Marubeni will make an all-out effort to achieve the expansion of consolidated net profit attributable to owners of the parent, PATRAC and operating cash flow in the long term and further bolster the balance sheet.

Based on The Road to 2020, the new Mid-Term Management Plan “Global Challenge 2018” sets out five management policies: “Business and Investment Policy,” “Cash Flow Management,” “Portfolio Policy,” “Reinforcement of Global Strategy,” and “Marubeni Group’s Human Resources Strategy.” The outline of each policy is as follows.

Business and Investment Policy

Based on the foundation of long-term earnings expansion in each country and region of operations, the Group will promote businesses and investments strategically to respond to the differing operating environment and business characteristics of each business model.

Cash Flow Management

The Group is to increase available funds for growth investments by maximizing operating cash flow. While working to maximize corporate value through the further generation of profits and cash from new business investments, the Group aims to reinvest cash generated from businesses that are not expecting significant growth into next-generation growth businesses.

Portfolio Policy

While looking to maintain a balance in our portfolio of growth businesses, stable earnings businesses and higher volatility/higher upside businesses, the Group will construct a portfolio that can grow earnings over the long term and secure a consolidated income attributable to owners of the parent of 300.0 billion yen even in a severe business environment. By strengthening the earnings power of existing businesses each business will be able to reliably achieve their growth targets and increase the value of the business as well. At the same time, the Group will exit non-core businesses to improve the quality of assets.

Reinforcement of Global Strategy

The Group views the advanced countries centered on the U.S., and ASEAN, with its growing middle-class, as key markets and is also actively pursuing opportunities in the sub-Saharan region in order to lay the groundwork for future business.

Marubeni Group’s Human Resources Strategy

The Group is to recruit and develop human resources that can succeed on a global scale, to continue to promote diversity within the Group, and to recruit and position diverse human resources. The Group

Marubeni Corporation Management Policy

aims to be an organization where all personnel can take pride in their work and find their work rewarding.

(3) Management Targets

The quantitative targets for the “Global Challenge 2018” are listed below.

	Targets
Profit attributable to owners of the parent	2018 (FYE 3/2019) 250.0 billion yen (Non-Natural Resources 230.0 billion yen or more)
Free Cash Flow (after dividends) (Consolidated net D/E ratio)	Cumulative total for 2016-2018 (FYE 3/2017-FYE 3/2019) Positive free cash flow (as of March 31, 2019, net D/E ratio of approximately 1.3 times)
ROE	10% or more
Consolidated Dividend Payout Ratio	25% or more of profit attributable to owners of the parent

The Group plans to promote approximately ¥1 trillion of new investments during the three years of the “Global Challenge 2018” into the following four business models; Distribution Businesses, Finance Businesses, Stable Earnings-Type Businesses (Infrastructure, etc.), Natural Resource Investments.

4. 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.

5. Other Information

(1) Changes in Principal Subsidiaries during the Fiscal Year under Review

(Changes in specified subsidiary)

Our specified subsidiary of Gavilon Agriculture Holdings was merged by Gavilon Agriculture Investment, our specified subsidiary, as of March 31, 2016, and therefore Gavilon Agriculture Holdings is no longer our specified subsidiary.

Marubeni Corporation
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6. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position <Unaudited>

	<i>Millions of yen</i>		
	March 31		
	2016	2015	Variance
Assets			
Current assets:			
Cash and cash equivalents	600,840	469,106	131,734
Time deposits	5,032	12,310	(7,278)
Investment securities	10,075	601	9,474
Notes, trade accounts and loans receivable	1,270,284	1,350,473	(80,189)
Other current financial assets	219,652	219,221	431
Inventories	779,581	898,870	(119,289)
Other current assets	277,116	310,086	(32,970)
Total current assets	3,162,580	3,260,667	(98,087)
Non-current assets:			
Investments in associates and joint ventures	1,651,350	1,819,015	(167,665)
Other investments	348,063	421,434	(73,371)
Notes, trade accounts and loans receivable	168,733	213,042	(44,309)
Other non-current financial assets	91,434	90,336	1,098
Property, plant and equipment	1,201,444	1,363,776	(162,332)
Intangible assets	335,273	366,185	(30,912)
Deferred tax assets	94,113	62,223	31,890
Other non-current assets	64,696	76,386	(11,690)
Total non-current assets	3,955,106	4,412,397	(457,291)
Total assets	7,117,686	7,673,064	(555,378)

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	<i>Millions of yen</i>		
	March 31		
	2016	2015	Variance
Liabilities and Equity			
Current liabilities:			
Bonds and borrowings	636,536	522,992	113,544
Notes and trade accounts payable	1,221,150	1,313,165	(92,015)
Other current financial liabilities	351,246	447,122	(95,876)
Income tax payable	15,473	20,955	(5,482)
Other current liabilities	369,811	425,775	(55,964)
Total current liabilities	2,594,216	2,730,009	(135,793)
Non-current liabilities:			
Bond and borrowings	2,731,789	2,846,032	(114,243)
Notes and trade accounts payable	17,658	20,549	(2,891)
Other non-current financial liabilities	76,697	113,680	(36,983)
Accrued pension and retirement benefits	91,918	76,135	15,783
Deferred tax liabilities	100,617	115,716	(15,099)
Other non-current liabilities	89,589	92,230	(2,641)
Total non-current liabilities	3,108,268	3,264,342	(156,074)
Total liabilities	5,702,484	5,994,351	(291,867)
Equity:			
Issued capital	262,686	262,686	—
Capital surplus	141,504	148,243	(6,739)
Treasury stock	(1,369)	(1,361)	(8)
Retained earnings	737,215	728,098	9,117
Other components of equity:			
Gains and losses on financial assets measured at fair value through other comprehensive income	43,066	108,256	(65,190)
Foreign currency translation adjustments	193,608	327,782	(134,174)
Gains and losses on cash flow hedges	(59,658)	(55,189)	(4,469)
Remeasurements of defined benefit pension plan	—	—	
Equity attributable to owners of the parent	1,317,052	1,518,515	(201,463)
Non-controlling interests	98,150	160,198	(62,048)
Total equity	1,415,202	1,678,713	(263,511)
Total liabilities and equity	7,117,686	7,673,064	(555,378)

Marubeni Corporation

Consolidated Financial Statements

(2) Consolidated Statements of Comprehensive Income <Unaudited>

	<i>Millions of yen</i>			
	Fiscal year ended March 31,		Variance	Ratio (%)
	2016	2015		
Revenue:				
Sale of goods	7,077,085	7,621,135	(544,050)	(7.1)
Commissions on services and trading margins	223,214	213,160	10,054	4.7
Total revenue	7,300,299	7,834,295	(533,996)	(6.8)
Cost of goods sold	(6,630,213)	(7,126,977)	496,764	(7.0)
Gross trading profit	670,086	707,318	(37,232)	(5.3)
Other income (expenses) :				
Selling, general and administrative expenses	(565,855)	(546,630)	(19,225)	3.5
Gains (losses) on property, plant and equipment				
Impairment losses on non-current assets	(114,658)	(152,835)	38,177	(25.0)
Gains (losses) on sales of property, plant and equipment	11,362	7,962	3,400	42.7
Other – net	(16,035)	7,817	(23,852)	-
Total other income (expenses)	(685,186)	(683,686)	(1,500)	0.2
Finance income (expenses):				
Interest income	14,602	14,509	93	0.6
Interest expense	(33,628)	(39,090)	5,462	(14.0)
Dividend income	18,555	34,957	(16,402)	(46.9)
Gains (losses) on investment securities	74,306	687	73,619	-
Total finance income (expenses)	73,835	11,063	62,772	567.4
Share of profits of associates and joint ventures	31,824	89,919	(58,095)	(64.6)
Profit before tax	90,559	124,614	(34,055)	(27.3)
Provision for income tax	(23,031)	(11,885)	(11,146)	93.8
Profit for the year	67,528	112,729	(45,201)	(40.1)
Profit for the year attributable to:				
Owners of the parent	62,264	105,604	(43,340)	(41.0)
Non-controlling interests	5,264	7,125	(1,861)	(26.1)
Other comprehensive income:				
Items that will not be reclassified to profit and loss				
Gains and losses on financial assets measured at fair value through other comprehensive income	(57,824)	(48,924)	(8,900)	18.2
Remeasurements of defined benefit pension plan	(15,468)	(2,248)	(13,220)	588.1
Changes in other comprehensive income of associates and joint ventures	(4,436)	5,111	(9,547)	-
Items that will be reclassified to profit and loss				
Foreign currency translation adjustments	(116,361)	144,739	(261,100)	-
Gains and losses on cash flow hedges	5,203	8,084	(2,881)	(35.6)
Changes in other comprehensive income of associates and joint ventures	(22,684)	(8,319)	(14,365)	172.7
Other comprehensive income, net of tax	(211,570)	98,443	(310,013)	-
Total comprehensive income for the year	(144,042)	211,172	(355,214)	-
Attributable to:				
Owners of the parent	(144,593)	194,838	(339,431)	-
Non-controlling interests	551	16,334	(15,783)	(96.6)
Total volume of trading transactions	12,207,957	13,925,339	(1,717,382)	(12.3)

(Note)

"Total volume of trading transactions" includes all transactions involving the Company and its consolidated subsidiaries regardless of transaction type. "Total volume of trading transactions" is presented in accordance with Japanese accounting practice for investors' convenience and is not required by IFRS.

Marubeni Corporation

Consolidated Financial Statements

(3) Consolidated Statements of Changes in Equity <Unaudited>

	<i>Millions of yen</i>	
	Fiscal year ended March 31, 2016	2015
Issued capital:		
Balance at beginning of year	262,686	262,686
Balance at end of year	262,686	262,686
Capital surplus:		
Balance at beginning of year	148,243	154,054
Disposition of treasury stock	—	—
Capital and other transactions with non-controlling interests	(6,739)	(5,811)
Balance at end of year	141,504	148,243
Treasury stock:		
Balance at beginning of year	(1,361)	(1,338)
Purchases and sales of treasury stock	(8)	(23)
Balance at end of year	(1,369)	(1,361)
Retained earnings:		
Balance at beginning of year	728,098	699,951
Profit for the year attributable to owners of the parent	62,264	105,604
Transfer from other components of equity	(12,361)	(33,200)
Dividends to owners of the parent	(40,786)	(44,257)
Balance at end of year	737,215	728,098
Other components of equity:		
Balance at beginning of year	380,849	268,005
Gains and losses on financial assets measured at fair value through other comprehensive income	(61,130)	(43,955)
Foreign currency translation adjustments	(134,174)	146,061
Gains and losses on cash flow hedges	4,868	(11,145)
Remeasurements of defined benefit pension plan	(16,421)	(1,727)
Transfer to retained earnings	12,361	33,200
Transfer to non-financial assets and others	(9,337)	(9,590)
Balance at end of year	177,016	380,849
Equity attributable to owners of the parent	1,317,052	1,518,515
Non-controlling interests:		
Balance at beginning of year	160,198	147,873
Dividends to non-controlling interests	(6,742)	(5,129)
Equity transactions with non-controlling interests and others	(55,857)	1,120
Profit for the year attributable to non-controlling interests	5,264	7,125
Other components of equity:		
Gains and losses on financial assets measured at fair value through other comprehensive income	14	38
Foreign currency translation adjustments	(4,591)	9,646
Gains and losses on cash flow hedges	55	(58)
Remeasurements of defined benefit pension plan	(191)	(417)
Balance at end of year	98,150	160,198
Total equity	1,415,202	1,678,713
Attributable to:		
Owners of the parent	(144,593)	194,838
Non-controlling interests	551	16,334
Total comprehensive income for the year	(144,042)	211,172

Marubeni Corporation
Consolidated Financial Statements

(4) Consolidated Statements of Cash Flows <Unaudited>

	<i>Millions of yen</i>		
	Fiscal year ended March 31,		Variance
	2016	2015	
Operating activities			
Profit for the year	67,528	112,729	(45,201)
Adjustments to reconcile profit for the year to net cash provided by operating activities:			
Depreciation and amortization	121,463	118,239	3,224
Losses (gains) on property, plant and equipment	103,296	144,873	(41,577)
Net finance expense	(73,835)	(11,063)	(62,772)
Share of profits of associates and joint ventures	(31,824)	(89,919)	58,095
Provision for income taxes	23,031	11,885	11,146
Decrease (increase) in notes accounts receivables	70,178	114,444	(44,266)
Decrease (increase) in inventories	93,844	(32,091)	125,935
Increase (decrease) in notes, acceptances and accounts payable	(38,174)	(209,004)	170,830
Other	23,625	10,850	12,775
Net cash provided by operating activities	359,132	170,943	188,189
Investing activities			
Changes in:			
Purchases of property, plant and equipment and investment property	(217,685)	(228,656)	10,971
Loans made to customers	(6,986)	(25,054)	18,068
Purchases of investment securities	50,075	(77,701)	127,776
Net cash used in investing activities	(174,596)	(331,411)	156,815
Financing activities			
Net increase (decrease) in short-term borrowings	(64,691)	165,996	(230,687)
Increase (decrease) of long-term bonds and borrowings	139,120	(182,694)	321,814
Dividends paid	(40,786)	(44,257)	3,471
Net cash outflows on purchases and sales of treasury stock	(22)	(23)	1
Other	(69,889)	(9,727)	(60,162)
Net cash provided by financing activities	(36,268)	(70,705)	34,437
Effect of exchange rate changes on cash and cash equivalents	(16,534)	34,781	(51,315)
Net increase (decrease) in cash and cash equivalents	131,734	(196,392)	328,126
Cash and cash equivalents at beginning of year	469,106	665,498	(196,392)
Cash and cash equivalents at end of year	600,840	469,106	131,734

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**(5) Occurrence of an Event or Situation that Creates Doubt about
Status as a Going Concern**

None

(6) Material Accounting Policies

Material accounting policies applied in the Company's consolidated financial statements for the fiscal year ended March 31, 2016, are identical to the accounting policies applied in the Company's consolidated financial statements for the previous fiscal year.

Reclassification

Consolidated financial statements for the previous fiscal year have been partially reclassified to conform to the presentation for the fiscal year ended March 31, 2016.

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(7) Segment Information

<Operating Segment> (Unaudited)

◆ **The Fiscal Year Ended March 31, 2016 (April 1, 2015 - March 31, 2016)**

Millions of yen

	Food & Consumer Products	Chemical & Forest Products	Energy & Metals	Power Projects & Plant
Total volume of trading transactions	5,399,327	2,347,418	2,789,472	432,419
Gross trading profit	301,019	190,825	17,044	53,942
Operating profit (loss)	77,357	45,223	(31,249)	(15,178)
Share of profits (losses) of associates and joint ventures	10,514	3,364	(63,751)	66,941
Profit (loss) attributable to owners of the parent	55,848	31,002	(143,964)	66,431
Segment assets (as of March 31, 2016)	1,865,728	977,988	1,712,698	1,267,565
	Transportation & Industrial Machinery	Corporate & Elimination, etc.	Consolidated	
Total volume of trading transactions	908,817	330,504	12,207,957	
Gross trading profit	98,392	8,864	670,086	
Operating profit (loss)	25,168	2,910	104,231	
Share of profits (losses) of associates and joint ventures	13,977	779	31,824	
Profit (loss) attributable to owners of the parent	23,843	29,104	62,264	
Segment assets (as of March 31, 2016)	799,191	494,516	7,117,686	

◆ **The Fiscal Year Ended March 31, 2015 (April 1, 2014 - March 31, 2015)**

Millions of yen

	Food & Consumer Products	Chemical & Forest Products	Energy & Metals	Power Projects & Plant
Total volume of trading transactions	5,580,983	2,399,771	4,083,261	583,458
Gross trading profit	306,586	176,338	62,166	56,966
Operating profit (loss)	81,248	39,707	11,203	(1,436)
Share of profits (losses) of associates and joint ventures	11,441	3,060	6,310	42,731
Profit (loss) attributable to owners of the parent	46,015	18,797	(30,691)	22,612
Segment assets (as of March 31, 2015)	2,010,067	1,032,152	2,167,244	1,319,380
	Transportation & Industrial Machinery	Corporate & Elimination, etc.	Consolidated	
Total volume of trading transactions	907,124	370,742	13,925,339	
Gross trading profit	94,258	11,004	707,318	
Operating profit (loss)	19,651	10,315	160,688	
Share of profits (losses) of associates and joint ventures	25,243	1,134	89,919	
Profit (loss) attributable to owners of the parent	29,942	18,929	105,604	
Segment assets (as of March 31, 2015)	878,565	265,656	7,673,064	

(Note 1) Marubeni reorganized the 10 operating segments, namely the "Food", "Chemicals", "Energy", "Metals & Mineral Resources", "Transportation Machinery", "Power Projects & Infrastructure", "Plant", "Lifestyle & Forest Products", "ICT, Finance & Insurance, Real Estate Business", and "Overseas Corporate Subsidiaries and Branches" into five segments, specifically the "Food & Consumer Products", "Chemical & Forest Products", "Energy & Metals", "Power Projects & Plant", and "Transportation & Industrial Machinery" effective as of the fiscal year ended March 31, 2016.

Moreover, some "Overseas Corporate Subsidiaries and Branches" have been incorporated into "Corporate & Elimination, etc." In conjunction with this revision, operating segment information for the fiscal year ended March 31, 2015 has been reclassified.

(Note 2) "Total volume of trading transactions" and "operating profit (loss)" are presented in accordance with Japanese accounting practice for investors' convenience and are not required by IFRS. "Total volume of trading transactions" includes all transactions involving the Company and its consolidated subsidiaries regardless of transaction type. "Operating profit (loss)" is the sum of "Gross trading profit", "Selling, general and administrative expenses" including "Provision for doubtful accounts".

(Note 3) Inter-segment transactions are generally priced in accordance with the prevailing market prices.

(Note 4) "Profit (loss) attributable to owners of the parent" of "Corporate & elimination, etc." includes headquarters expenses that are not allocated to the operating segments and inter segment elimination. "Segment assets" of "Corporate & elimination, etc." include assets for general corporate purposes that are not allocated to the operating segments and inter segment elimination. The assets for general corporate purposes mainly consist of cash and cash equivalents related to financing, other investments and non-current assets for general corporate purposes.

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(8) Earnings per Share

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

	Year ended March 31,	
	2016	2015
Numerator (millions of yen):		
Numerator for basic and diluted earnings (losses) per share - Profit attributable to owners of the parent	62,264	105,604
Denominator (number of shares):		
Denominator for basic and diluted earnings (losses) per share - Weighted average common stocks outstanding (after deducting the cost of common stock in treasury)	1,735,368,048	1,735,387,247
	<i>yen</i>	
Basic and diluted earnings per share (attributable to owners of the parent)	35.88	60.85

(9) Subsequent Events

No material subsequent events have occurred.