Condensed Transcript of Question and Answer Session
Briefing on Revision of Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2020

Date:	**March 25, 2020 (Wednesday)**
Location:	**Tokyo Head Office of Marubeni Corporation**
Those Present:	**Nobuhiro Yabe, Senior Managing Executive Officer, CFO** **Hideyoshi Iwane, General Manager, Corporate Accounting Dept.**

This material is an English language translation of the materials originally written in Japanese. In case of discrepancies, the Japanese version is authoritative and universally valid.

<1st questioner>

Changes to management approach in light of downward revision of earnings forecast

In light of the downward revision, we have made targeting positive free cash flow after dividends our top priority. Given the current business environment, we are forecasting a decline in adjusted net profit. Furthermore, achieving divestments may also be more difficult in this environment. Consequently, we will shift toward more careful selection and scaling back of investments.

Position on dividend for FYE 3/2021

At the briefing on Q3 financial results on February 5, we have stated, "We plan to announce the dividend for the next fiscal year in May, so we cannot give a definite number at this time, but we understand that shareholders and investors have serious concerns about a possible dividend cut. We will take actions to address the situation." We made this comment assuming that there would not be an event like the 2008 financial crisis, but we now view the

COVID-19 situation as being even worse than that. Our management team will therefore need to give careful consideration to the final decision on the dividend.

<2nd questioner>

Net profit forecast in oil and gas E&P business

Our projects in the U.S. Gulf of Mexico are forecast to be unprofitable for FYE 3/2021 through FYE 3/2024 based on current crude oil price estimates. Our projects in the U.K. North Sea are also expected to be in the red, even though their break-even price is a little lower than that of the Gulf of Mexico projects.

Breakdown of price and volume factors behind impairment in oil and gas E&P projects

For the Big Foot (U.S. Gulf of Mexico) and the U.K. North Sea projects, impairment is entirely due to oil prices. Impairment of the Heidelberg project (U.S. Gulf of Mexico) is due to both price and volume factors, with volume the more significant of the two.

Degree to which investment will be scaled back and policy on capital allocation

First, we will decide the dividend amount in accordance with our basic dividend policy. After that, we will consider capital allocation for investments. Regarding cash flow for FYE 3/2021, some investments have already been decided. Assuming core operating cash flow at the ¥300.0 billion level, cash flow after delivery of shareholder returns will not be negative, and we will still have a cushion.

<3rd questioner>

Reasons for decline in forecast adjusted net profit from ¥214.0 billion in FYE 3/2020 to ¥180.0 billion in FYE 3/2021

The biggest impact will come from the Energy segment, which is affected by crude oil prices. In addition, the COVID-19 situation has begun to impact factory operations, putting downward pressure on profits in the automotive and steel industries. After taking into account estimates of the duration of this impact, we will issue a new forecast for FYE 3/2021 at the time of the full-year earnings announcement for FYE 3/2020 on May 7. The ¥180.0 billion figure should be understood as our best estimate at the present.

Progress of investment in Aircastle Limited and in sanitary goods manufacturer in Brazil

We have already concluded agreements for these two investments and are working toward closing. The Aircastle Limited deal is on track to possibly close within the next several days. The spread of COVID-19 will inevitably have a temporary negative impact on the aviation industry and aircraft leasing industry, but the situation will be resolved eventually, and so we do not anticipate any significant change in Aircastle's medium-to-long-term business plan.

Possibility that annual dividend for FYE 3/2021 will be reduced from ¥35 per share in FYE 3/2020

We would like to report our final decision at the announcement of financial results for FYE 3/2020 on May 7, after the management carefully discusses the net profit forecast for FYE 3/2021 and our position on reducing the dividend.

<4th questioner>

Reasons behind impairments in U.S. grain business, Chilean copper mining business, and overseas power businesses

In the U.S. grain business, the effect of U.S.–China trade friction in FYE 3/2019 and FYE 3/2020, and the impact of flooding and unusual bad weather conditions in FYE 3/2020 led to results that diverged significantly from those forecasts made in FYE 3/2015, which was formulated after we took an impairment charge on Gavilon. We originally thought results could bounce back in FYE 3/2021, based on the expectation that trade friction would ease and that the negative impact from flooding and last year's unusual bad weather would be behind us. However, we now recognize that results for FYE 3/2021 and beyond will be well below the business plan projections we made back then, particularly as the COVID-19 outbreak and other factors have added further uncertainty. We have therefore revised future growth figures of the business plan.

The reason for the impairment in the Chilean copper mining business is that we adjusted our price assumptions after copper prices recently fell below the $5,000/ton level. While our view on medium-to-long-term prices has not changed substantially, our forecast for prices in the interim period has changed dramatically.

The impairment losses in the overseas power business are those that were previously recognized as a potential risk and are not new impairments due to changes in the operating environment.

Possibility of revision of quantitative target of ¥900.0 billion in new investments under GC2021

Given that the earnings level is expected to fall short of our original assumptions, achieving our top priority of positive free cash flow after delivery of shareholder returns will require us to scale back investments. Therefore, the quantitative target of ¥900.0 billion in new investments will also be subject to review. We will announce details with regard to our medium-term management strategy GC2021 on May 7.

<5th questioner>

Changes in approach to investments and asset management given significant size of impairment losses

Our policy has not changed. The deterioration of the operating environment due to the sudden changes in the market, including the impact of COVID-19, forced us to view both our current and future business plans much more conservatively, which resulted in the large one-time losses.

Possibility of impairment of Gavilon fertilizer business

The cash flow of Gavilon's fertilizer business is managed together with that of Helena, so we currently do not think a recognition of an impairment loss is necessary, nor do we have any concerns about impairment in the future.

<6th questioner>

Possibility of future impairment losses

Today, our business model is to grow earnings by making business investments. It is our responsibility to determine how to increase earnings while taking into account the possibility of impairment. However, if you look at our likely exposure at the end of FYE 3/2020 after the impairment charges and the estimated unamortized acquisition premium, it should be evident that we have sufficiently cleared away concerns of additional impairment in the oil and gas E&P, U.S. grain and Chilean copper mining businesses, which were thought to be at risk of impairment. Of course, one cannot rule out further impairment if market conditions deteriorate beyond their current state, but even if there was additional impairment in these three businesses, we believe the amounts would be limited.