

Revision of Consolidated Earnings Forecasts for FYE 3/2020

Disclaimer Regarding Forward Looking Statements

This material contains forward-looking statements about the future performance, events or management plans of Marubeni Corporation and its Group companies (the Company) based on the available information, certain assumptions and expectations at the point of disclosure, of which many are beyond the Company's control. These are subject to a number of risks, uncertainties and factors, including, but not limited to, economic and financial conditions, factors that may affect the level of demand and financial performance of the major industries and customers we serve, interest rates and currency fluctuations, availability and cost of funding, fluctuations in commodity and materials prices, political turmoil in certain countries and regions, litigation claims, changes in laws, regulations and tax rules, and other factors. Actual results, performances and achievements may differ materially from those described explicitly or implicitly in the relevant forward-looking statements.

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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.

(Notes)

- * The impact of the deterioration of the business environment including the Company's one-time losses and the assumptions on which business value is calculated are currently under detailed examination, and discussions with the accounting auditors are also underway. If the business outlook should change again and the need for something to be disclosed arises, the Company will make a prompt announcement.
- * FYE: Fiscal Year Ending/Ended
- * Net profit: Profit attributable to owners of the parent
- * FYE 3/2020 Forecast / Mar-31-2020 Forecast: Yearly forecasts announced on March 25, 2020
- * Adjusted net profit: net profit excluding one-time items, shown in an approximate figure
- * Core operating cash flow: operating cash flow excluding net increase/decrease in working capital and others
- * Exposure: Total of investments, loans, guarantees, tangible fixed assets, goodwill, intangible assets, etc.

01 Forecast Revisions for FYE 3/2020

(billions of yen)

Details of revisions	Yearly Forecast for FYE 3/2020		Change
	Previous (announced on Feb-5-2020)	Revised (announced on Mar-25-2020)	
Net profit	200.0	(190.0)	Approx. -390.0
One-time items	(34.0)	(404.0)	Approx. -370.0
Adjusted net profit	234.0	214.0	Approx. -20.0
Net DE ratio	approx. 0.9 times	approx. 1.2 times	increased by approx. 0.3 points
Net interest-bearing debt	1,930.0	1,980.0	Approx. +50.0
Total equity	2,120.0	1,640.0	Approx. -480.0
Annual dividend per share	35.0 yen (minimum)	35.0 yen (minimum)	unchanged

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02 Details of Forecast Revisions for FYE 3/2020

(billions of yen)

Breakdown	Items	Impact to Consolidated Net Profit (after tax)
One-time items	Oil and gas E&P	Approx. -145.0
	Impairment loss on oil and gas E&P in the US Gulf of Mexico	Approx. -80.0
	Impairment loss and reversal of deferred tax assets on oil and gas E&P in the UK North Sea	Approx. -65.0
	US Grain Business	Approx. -100.0
	Impairment loss on grain business in Gavilon	Approx. -80.0
	Impairment loss on grain export business on the US West Coast	Approx. -20.0
	Impairment loss on Chilean copper mining business	Approx. -60.0
	Impairment losses on overseas power business and infrastructure related businesses	Approx. -40.0
	Others	Approx. -25.0
	Changes due to one-time items	
Adjusted net profit	Energy, Chemicals, Agri Business, etc.	Approx. -20.0
Changes in net profit forecast		Approx. -390.0

03 Oil and Gas E&P

- ✓ Assumptions in the business plan for the impairment are as below
- ✓ With the impairment loss, the total exposure balance of oil and gas E&P in the US Gulf of Mexico and the UK North Sea at March 31, 2020 is expected to be approx. ¥110.0 billion

Assumptions for the Impairment

	Exposure balance (billions of yen)	Assumptions *1 (USD/bbl)		Project until	EBITDA*2 Break-even (USD/bbl)	
		Mar-31-2020 Forecast	FYE 3/21 to FYE 3/24		Project life	FYE 3/21 to FYE 3/24
US Gulf of Mexico	60.0	39	51			
Big Foot	40.0	39	51	2037	18	16
Heidelberg	3.0	38	46	2030		
Kodiak	10.0	38	55	2036		
UK North Sea	50.0	44	55	2033	15	14
Total	110.0					

Changes in Exposure Balance

billion yen, in approximate figures	Mar-31-2019 Actual	Mar-31-2020 Forecast	FYE 3/2021 - FYE 3/2024 Plan *4	Mar-31-2024 Plan *4
US Gulf of Mexico	190.0	60.0	DD&A ^{*5} (45.0), CAPEX 15.0	30.0
UK North Sea	100.0	50.0	DD&A ^{*5} (35.0), CAPEX 20.0	35.0
Others	20.0	10.0		10.0
Total of oil and gas E&P *3	310.0	120.0		75.0

*1 Weighted average based on production volume

*2 EBITDA: Earnings Before Interest Taxes Depreciation and Amortization

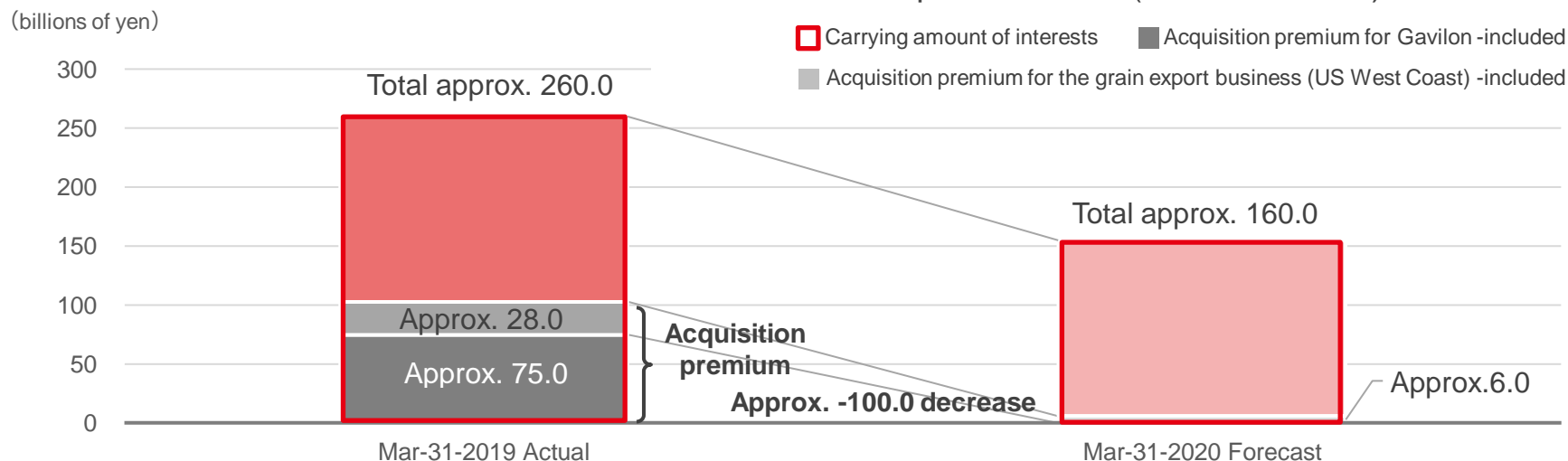
*3 A total of oil and gas E&Ps (US Gulf of Mexico, UK North Sea, Indian Ocean), shale oil projects in the US, and Sakhalin1 in Russia

*4 Calculation based on the current production plan *5 DD&A: Depreciation, Depletion and Amortization

04 US Grain Business

- ✓ Assumptions in the business plan for the impairment are as below
- ✓ With the impairment loss, the acquisition premium*1 for the Gavilon's grain business and the grain export business (US West Coast) at March 31, 2020 is expected to be approx. ¥6.0 billion, an approx. ¥(100.0) billion decrease from March 31, 2019

Carrying Amount of Interests
in Gavilon's Grain Business and Grain Export Business (US West Coast)



(millions of USD)

Actual results & Business plan	FYE 3/17	FYE 3/18	FYE 3/19	FYE 3/20 Forecast	...	FYE 3/25 Plan	...	FYE 3/29 Plan
Profit before tax*2 for Gavilon's grain business	102	91	59	61	...	99	...	118

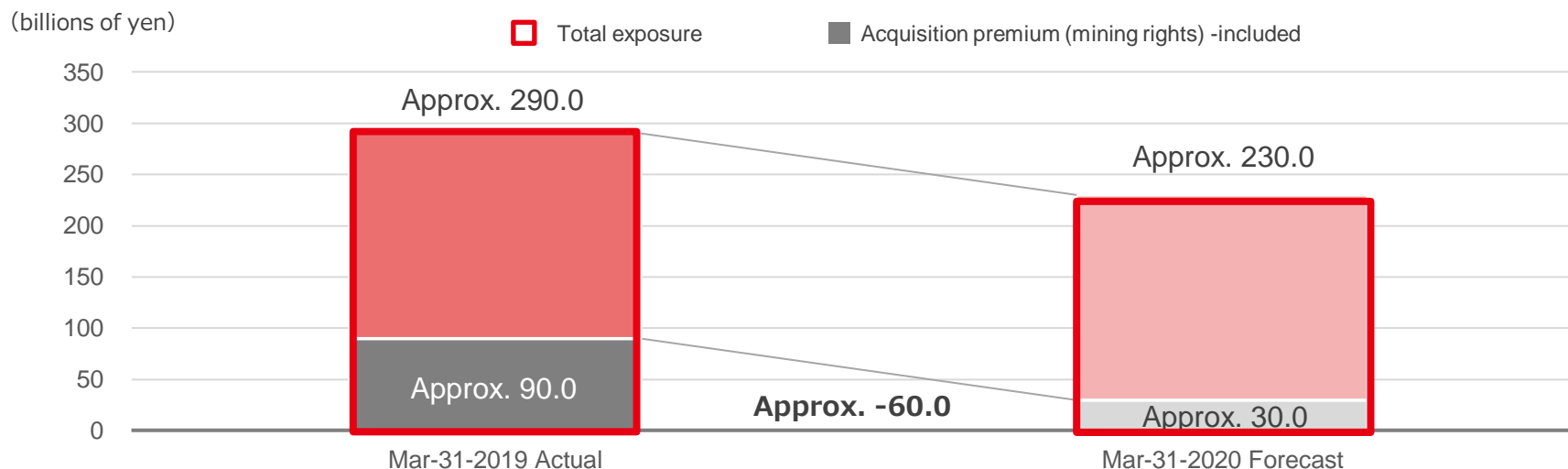
*1 Acquisition premium: The difference between the acquisition price and the net assets of the investee company at the time of acquisition (goodwill, intangible assets)

*2 One-time items excluded

05 Chilean Copper Mining Business

- ✓ With the impairment loss, the acquisition premium*¹ for Chilean copper mining business is expected to be reduced approx. ¥(60.0) billion compared with the previous fiscal year-end, to approx. ¥30.0 billion at March 31, 2020.
- ✓ Copper price assumption for the business plan starts at approx. USD4,700/ton for FYE 3/2021 through FYE 3/2023, and goes up to approx. USD6,800/ton in FYE 3/2029

Exposure for Chilean Copper Mining Business



(USD/ton)

Assumption	FYE 3/2021 to FYE 3/2023	...	FYE 3/2029
LME Copper price	Approx. 4,700		Approx. 6,800

*1 Acquisition premium: The difference between the acquisition price and the net assets of the investee company at the time of acquisition (mining rights)

06 Capital Allocation Policy

Capital Allocation Policy

- **Generating positive FCF (three-year cumulative) after delivery of shareholder returns** is the indispensable top priority for the GC2021 Medium-term Management Strategy, aiming to maintain and strengthen financial discipline
- Yearly forecasts for FYE 3/2021 are **approx. 180.0 billion yen for adjusted net profit** and **approx. 300.0 billion yen for core operating cash flow** under the current business environment
- For shareholder returns, the basic policy remains unchanged to **maintain the targeted dividend payout ratio of '25% or more'** and to **announce the minimum annual dividend at the beginning of each fiscal year.** In light of the deterioration of financial base, share buybacks will not be implemented during the GC2021 period

➔ Details of GC2021 Medium-term Management Strategy is scheduled to be released on May 7, 2020