Financial Results

Summary of Consolidated Financial Results

For the Nine-month Period Ended December 31, 2018

(IFRS basis)

(April 1, 2018 – December 31, 2018)

**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)

February 7, 2019

Summary of Consolidated Financial Results for the Nine-month Period Ended December 31, 2018 (IFRS basis)

Company name: Marubeni Corporation (URL https://www.marubeni.com/en/) Code number: 8002
Listed: Tokyo, Nagoya

Representative: KOKUBU Fumiya President and CEO, Member of the Board
Inquiries: TACHIBANA Masato General Manager, Media Relations Sec. TEL (03) 3282 - 4803
Expected filing date of quarterly financial statement report: February 8, 2019
Expected date of the beginning of delivery of dividends: -
Supplementary explanations of quarterly business results: Prepared
IR meeting on financial results: To be held (for institutional investors and analysts)

1. Consolidated financial results for the nine-month period ended December 31, 2018 (April 1, 2018 - December 31, 2018

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

(1) Consolidated business results

	Revenue		Operating profit		Profit before tax		Profit for the period		Profit attributable to owners of the parent		Comprehensive income for the period	
Nine months ended December 31,	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
2018	5,704,006	(0.8)	137,449	43.6	284,620	36.6	225,402	33.2	219,620	33.3	257,078	3.8
2017	5,751,784	10.4	95,735	15.0	208,313	39.5	169,189	53.4	164,807	53.0	247,740	91.2

	Earnings per share (basic)	Earnings per share (diluted)
Nine months ended December 31,	(yen)	(yen)
2018	124.81	124.71
2017	93.23	93.19

(Note) 1. "Operating profit" is presented in accordance with Japanese accounting practice for investors' convenience and is not required by IFRS.
"Operating profit" is the sum of "Gross trading profit", "Selling, general and administrative expenses" and "Provision for doubtful accounts".
2. "Basic and diluted earnings per share" are based on "Profit attributable to owners of the parent" excluding the amount not attributable to ordinary shareholders.

(2) Consolidated financial conditions

	Total assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent ratio
	(millions of yen)	(millions of yen)	(millions of yen)	(%)
December 31, 2018	6,995,052	2,052,294	1,958,764	28.0
March 31, 2018	6,877,117	1,835,637	1,771,475	25.8

2. Dividends information

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
	(yen)	(yen)	(yen)	(yen)	(yen)
Year ended March 31, 2018	-	12.50	-	18.50	31.00
Year ending March 31, 2019	-	17.00	-		
Year ending March 31, 2019 (Forecast)				17.00	34.00

(Note) Changes from the latest announced forecasts: None

3. Consolidated earnings forecast for FYE 3/2019 (April 1, 2018 - March 31, 2019)

(Remarks)
%: change from the previous fiscal year

	Profit attributable to owners of the parent		Earnings per share (basic)
	(millions of yen)	(%)	(yen)
Yearly	230,000	8.9	130.10

(Note) Changes from the latest announced forecasts: None
** "Earnings per share (basic)" is based on "Profit attributable to owners of the parent" excluding the amount not attributable to ordinary shareholders.*

***Note**

(1) Changes in principal subsidiaries during the period : None

(2) Changes in accounting principles and accounting estimates

①Changes in accounting principles required by IFRS : Yes

②Changes other than ① : None

③Changes in accounting estimate : None

(Note) Please refer to p.13 "2. Consolidated Financial Statements and Notes, (6) Changes to Accounting Principles" for details.

(3) Number of issued shares (Common shares)

①Number of issued shares at the end of the term (Treasury stock is included)	December 31, 2018	1,737,940,900
	March 31, 2018	1,737,940,900
②Number of treasury stock at the end of the term	December 31, 2018	2,588,624
	March 31, 2018	2,584,319
③Average number of outstanding shares during the term	Nine months ended December 31, 2018	1,735,354,817
	Nine months ended December 31, 2017	1,735,359,466

<The Summary of Consolidated Financial Results for the Nine-month Period Ended December 31, 2018 (IFRS basis) is not subject to quarterly review.>

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

(Notes to the description about future, other)

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

(How to access supplementary explanations on business results and the details of briefing on business results)

Supplementary explanations on business results will be made available on the Company's website on Thursday, February 7, 2019.

The Company is scheduled to hold an IR meeting on financial results for institutional investors and analysts on Thursday, February 7, 2019, and to post the audio file of the meeting (English dubbed) together with the materials used at the meeting (translated in English) on the Company's website at the earliest possible time.

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1. Qualitative Information on Consolidated Financial Results for the Nine-month Period under Review

(1) Qualitative Information on Consolidated Business Results

In the nine-month period ended December 31, 2018, the global economy generally maintained a stable growth trajectory amid continued stable expansion in developed economies, most notably the U.S., and a continued growth in emerging market economies such as China. However, multiple headwinds, including tightening of international financial conditions and trade frictions in response to U.S. policy, changes in the Middle East situation, financial market volatility, and a Chinese economic slowdown, increasingly cast a pall of uncertainty over the entire global economy. Meanwhile, crude oil and other commodity prices fluctuated with respect to each commodity in response to supply-side factors and the effects of trade frictions, mainly between the U.S. and China.

The U.S. economic expansion continued against a backdrop of a solid employment environment and tax reform's stimulus effects. The Federal Reserve continued to raise its policy rate and reduce its asset holdings amid mild inflation. On the downside, the U.S. equity market rolled over into a downtrend from October through year-end, reflecting tightening financial conditions and trade frictions.

The European economy generally continued to grow steadily. Although forward visibility was clouded by political turmoil in Italy and an impasse in Brexit negotiations, the European Central Bank has maintained its resolve to scale down its asset purchases toward cessation of its quantitative easing program.

Emerging market economies generally continued to expand, although some countries, most notably China, saw their economies slow under the weight of tighter international financial conditions and trade frictions, among other factors. Last summer, a number of emerging market economies, including Turkey and Argentina, experienced precipitous currency depreciation, but their exchange rates subsequently regained stability for the remainder of the year.

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The Japanese economy continued to benefit from stable growth in both domestic and external demand amid continued improvement in employment, though inflationary pressures remained weak and a series of natural disaster in some areas dampened economic activity. Additionally, exports weakened in the second half of the year while the Japanese equity market declined from October into year-end in response to tightening of international financial conditions and trade frictions.

Under the aforementioned business environment, consolidated business results for the nine-month period ended December 31, 2018 are as follows:

(millions of yen)

	Nine-month period ended December 31,		Variance
	2018	2017	
Revenue	5,704,006	5,751,784	(47,778)
Gross trading profit	548,889	500,296	48,593
Operating profit	137,449	95,735	41,714
Share of profits of associates and joint ventures	107,749	113,365	(5,616)
Profit attributable to owners of the parent	219,620	164,807	54,813

(Note 1)

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

(Note 2)

"Operating profit" is presented in accordance with Japanese accounting practice for investors' convenience and is not required by IFRS. "Operating profit" is the sum of "Gross trading profit" and "Selling, general and administrative expenses" including "Provision for doubtful accounts".

Revenue

Revenue was down 47.8 billion yen (0.8%) year on year to 5,704.0 billion yen, due mainly to a decrease in *Chemical & Forest Products*.

Gross trading profit

Gross trading profit increased 48.6 billion yen (9.7%) from the year-earlier period to 548.9 billion yen. By operating segment, profits increased mainly in *Energy & Metals.*

Operating profit

Operating profit increased 41.7 billion yen (43.6%) from the year-earlier period to 137.4 billion yen.

Share of profits of associates and joint ventures

Share of profits of associates and joint ventures decreased 5.6 billion yen (5.0%) from the year-earlier period to 107.7 billion yen. By operating segment, profits decreased mainly in *Power Business & Plant.*

Profit attributable to owners of the parent

Profit attributable to owners of the parent for the nine-month period ended December 31, 2018 (also referred to as ***net profit*** for the nine-month period under review) increased 54.8 billion yen (33.3%) to 219.6 billion yen relative to the year-earlier period.

Results for each operating segment for the nine-month period ended December 31, 2018 are as follows:

Food

Gross trading profit increased 0.6 billion yen (0.6%) year on year to 105.0 billion yen, driven mainly by consolidation of a U.S. beef processing/sales subsidiary acquired in the previous fiscal year. Net profit for the period was down 22.1 billion yen (57.0%) year on year to 16.7 billion yen, partly reflecting the fact that profit in the year-earlier period was boosted by U.S. tax reform.

Consumer Products

Gross trading profit decreased 0.4 billion yen (0.4%) year on year to 85.6 billion yen, largely as a result of a divestment in the Lifestyle Division of a year earlier. Despite non-recurrence of a year-earlier gain on the sale of equity holdings in an associate in the ICT business, net profit for the period increased 12.4 billion yen (65.2%) year on year to 31.5 billion yen, largely because of a valuation gain on a newly consolidated subsidiary that was previously an equity-method associate, also in the ICT business.

Chemical & Forest Products

Gross trading profit increased 17.3 billion yen (11.3%) year on year to 170.7 billion yen, boosted largely by improved margins in the containerboard paper business and profit growth in the pulp business, both due to higher market prices. Net profit for the period increased 4.8 billion yen (14.3%) year on year to 38.7 billion yen.

Energy & Metals

Gross trading profit increased 32.3 billion yen (85.1%) year on year to 70.2 billion yen, largely as a result of higher oil and gas prices and unit-volume growth in the oil and gas development business and improved margins in the oil and gas trading business. Net profit for the period increased 44.9 billion yen (546.8%) year on year to 53.1 billion yen, largely owing to non-recurrence of a year-earlier increase in income tax expense due to U.S. tax reform.

Power Business & Plant

Gross trading profit increased 5.5 billion yen (19.1%) year on year to 34.3 billion yen, largely by virtue of growth in profits from overseas plant business and the UK electricity wholesaling/retailing business. Net profit for the period increased 18.1 billion yen (54.4%) year on year to 51.3 billion yen, largely as a result of a gain on the sale of a domestic power generation business coupled with non-recurrence of provision loss from overseas infrastructure projects of a year-earlier period.

Transportation & Industrial Machinery

Gross trading profit decreased 5.9 billion yen (6.2%) year on year to 89.7 billion yen, largely as a result of deconsolidation of a former consolidated subsidiary, now an equity-method associate, in an automotive business. Net profit for the period increased 3.5 billion yen (9.2%) year on year to 41.0 billion yen, boosted largely by a gain on the sale of a domestic power generation business and growth in profits from equity-method investments in automotive, aviation and ship-related businesses.

(Note 1)

From the FYE 3/2019, "Food & Consumer Products" has been divided into "Food" and "Consumer Products". Parts of "Consumer Products" and "Power Business & Plant" have been incorporated into "Transportation & Industrial Machinery". In conjunction with these revisions, operating segment information for the year-earlier has been reclassified.

(Note 2)

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

(2) Qualitative Information on Consolidated Financial Conditions

①Conditions of Assets, Liabilities and Equity

(billions of yen)

	December 31, 2018	March 31, 2018	Variance
Total assets	6,995.1	6,877.1	117.9
Total equity	2,052.3	1,835.6	216.7
Net interest-bearing debt	2,027.3	1,915.8	111.5
Net D/E ratio (times)	0.99	1.04	-0.05 points

(Note 1)

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

(Note 2)

Net interest-bearing debt is calculated as cash and cash equivalents and time deposits subtracted from the sum of corporate bonds and current and noncurrent borrowings.

Total assets increased 117.9 billion yen from the end of the previous fiscal year to 6,995.1 billion yen, due to consolidation of a former equity method associate, now a consolidated subsidiary, increase in inventories and such, which offset a decrease in cash and cash equivalent. ***Net interest-bearing debt*** increased 111.5 billion yen from the end of the previous fiscal year to 2,027.3 billion yen, due to an impact on dividend payment, consolidation of a former equity method associate, now a consolidated subsidiary and foreign exchange rate, which offset the positive free cash flow.

Total equity increased 216.7 billion yen from the end of the previous fiscal year to 2,052.3 billion yen. Consequently, ***Net D/E ratio*** stood at 0.99 times.

②Cash Flows

Cash and cash equivalents at the end of the period under review were 518.1 billion yen, a decrease of 107.8 billion yen from the end of the previous fiscal year.

(Cash flows from operating activities)

Net cash provided by operating activities was 96.1 billion yen due to operating revenue, dividend income and such despite an increase in working capital and such.

(Cash flows from investing activities)
Net cash used in investing activities was 26.2 billion yen due to the outflow of a capital expenditure in overseas businesses despite the inflow from sales of business and investment securities.

As a result of the above-mentioned activities, free cash flow (the sum of net cash provided by/ used in operating and investing activities) for the nine-month period under review was positive 69.9 billion yen.

(Cash flows from financing activities)
Net cash used in financing activities amounted to an outflow of 180.9 billion yen as results of redemption of corporate bonds, repayment of long-term borrowings and dividend payment.

(3) Qualitative Information on Forecast of Consolidated Financial Results

The earnings forecasts (net profit of 230.0 billion yen) for the fiscal year ending March 31, 2019 are unchanged from the initial projections announced on May 8, 2018.

<Notes to the description about future, other>
The description about future, such as forecasts of financial results, is based upon available information and assumption, at the announcement date about uncertain factors which would influence upon future businesses. Actual results might be influenced by various factors in the future.

2. Consolidated Financial Statements and Notes

(1) Consolidated Statements of Financial Position

	Millions of yen		
	December 31 2018	March 31 2018	Variance
Assets			
Current assets:			
Cash and cash equivalents	518,072	625,834	(107,762)
Time deposits	463	1,046	(583)
Investment securities	266	0	266
Trade and loan receivables	1,289,017	1,315,336	(26,319)
Other current financial assets	214,097	213,941	156
Inventories	908,028	835,021	73,007
Assets held-for-sale	77,955	61,452	16,503
Other current assets	282,228	226,141	56,087
Total current assets	3,290,126	3,278,771	11,355
Non-current assets:			
Investments in associates and joint ventures	1,800,606	1,764,169	36,437
Other investments	284,381	322,628	(38,247)
Trade and loan receivables	126,750	138,715	(11,965)
Other non-current financial assets	79,294	72,492	6,802
Property, plant and equipment	932,257	905,479	26,778
Intangible assets	379,137	293,583	85,554
Deferred tax assets	42,988	45,233	(2,245)
Other non-current assets	59,513	56,047	3,466
Total non-current assets	3,704,926	3,598,346	106,580
Total assets	6,995,052	6,877,117	117,935

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	Millions of yen		
	December 31 2018	March 31 2018	Variance
Liabilities and Equity			
Current liabilities:			
Bonds and borrowings	661,491	611,756	49,735
Trade and other payables	1,234,589	1,374,022	(139,433)
Other current financial liabilities	380,519	370,103	10,416
Income tax payable	14,151	17,858	(3,707)
Liabilities directly associated with assets held-for-sale	351	-	351
Other current liabilities	381,249	387,975	(6,726)
Total current liabilities	2,672,350	2,761,714	(89,364)
Non-current liabilities:			
Bond and borrowings	1,884,361	1,930,948	(46,587)
Trade and other payables	13,498	16,713	(3,215)
Other non-current financial liabilities	68,615	66,316	2,299
Accrued pension and retirement benefits	88,484	79,099	9,385
Deferred tax liabilities	119,202	95,944	23,258
Other non-current liabilities	96,248	90,746	5,502
Total non-current liabilities	2,270,408	2,279,766	(9,358)
Total liabilities	4,942,758	5,041,480	(98,722)
Equity:			
Issued capital	262,686	262,686	-
Capital surplus	138,127	135,295	2,832
Other equity instruments	243,589	243,589	-
Treasury stock	(1,382)	(1,379)	(3)
Retained earnings	1,158,492	1,014,709	143,783
Other components of equity:			
Gains (losses) on financial assets measured at fair value through other comprehensive income	61,627	82,596	(20,969)
Foreign currency translation adjustments	126,356	76,253	50,103
Gains (losses) on cash flow hedges	(30,731)	(42,274)	11,543
Equity attributable to owners of the parent	1,958,764	1,771,475	187,289
Non-controlling interests	93,530	64,162	29,368
Total equity	2,052,294	1,835,637	216,657
Total liabilities and equity	6,995,052	6,877,117	117,935

(2) Consolidated Statements of Comprehensive Income

	Millions of yen			
	Nine-month period ended December 31,			
	2018	2017	Variance	Ratio (%)
Revenue:				
Sale of goods	5,548,158	5,623,496	(75,338)	(1.3)
Commissions on services and trading margins	155,848	128,288	27,560	21.5
Total revenue	5,704,006	5,751,784	(47,778)	(0.8)
Cost of goods sold	(5,155,117)	(5,251,488)	96,371	(1.8)
Gross trading profit	548,889	500,296	48,593	9.7
Other income (expenses) :				
Selling, general and administrative expenses	(411,440)	(404,561)	(6,879)	1.7
Gains (losses) on property, plant and equipment				
Impairment losses on property, plant and equipment	(8,599)	(7)	(8,592)	-
Gains (losses) on sales of property, plant and equipment	2,365	3,618	(1,253)	(34.6)
Other – net	18,152	(13,624)	31,776	-
Total other income (expenses)	(399,522)	(414,574)	15,052	(3.6)
Finance income (expenses):				
Interest income	11,495	10,042	1,453	14.5
Interest expense	(34,247)	(25,865)	(8,382)	32.4
Dividend income	23,998	14,096	9,902	70.2
Gains (losses) on investment securities	26,258	10,953	15,305	139.7
Total finance income (expenses)	27,504	9,226	18,278	198.1
Share of profits of associates and joint ventures	107,749	113,365	(5,616)	(5.0)
Profit for the period before tax	284,620	208,313	76,307	36.6
Provision for income tax	(59,218)	(39,124)	(20,094)	51.4
Profit for the period	225,402	169,189	56,213	33.2
Profit for the period attributable to:				
Owners of the parent	219,620	164,807	54,813	33.3
Non-controlling interests	5,782	4,382	1,400	31.9
Other comprehensive income:				
Items that will not be reclassified to profit and loss for the period				
Gains (losses) on financial assets measured at fair value through other comprehensive income	(22,914)	37,014	(59,928)	-
Remeasurements of defined benefit pension plan	(4,935)	3,281	(8,216)	-
Changes in other comprehensive income of associates and joint ventures	(4,434)	4,876	(9,310)	-
Items that will be reclassified to profit and loss for the period				
Foreign currency translation adjustments	41,828	31,754	10,074	31.7
Gains (losses) on cash flow hedges	1,332	(456)	1,788	-
Changes in other comprehensive income of associates and joint ventures	20,799	2,082	18,717	899.0
Other comprehensive income, net of tax	31,676	78,551	(46,875)	(59.7)
Total comprehensive income for the period	257,078	247,740	9,338	3.8
Attributable to:				
Owners of the parent	251,009	241,649	9,360	3.9
Non-controlling interests	6,069	6,091	(22)	(0.4)

(3) Consolidated Statements of Changes in Equity

	Millions of yen	
	Nine-month period ended December 31,	
	2018	2017
Issued capital:		
Balance at beginning of period	262,686	262,686
Balance at end of period	262,686	262,686
Capital surplus:		
Balance at beginning of period	135,295	142,881
Capital and other transactions with non-controlling interests	2,832	(6,023)
Balance at end of period	138,127	136,858
Other equity instruments:		
Balance at beginning of period	243,589	243,589
Balance at end of period	243,589	243,589
Treasury stock:		
Balance at beginning of period	(1,379)	(1,374)
Purchases and sales of treasury stock	(3)	(2)
Balance at end of period	(1,382)	(1,376)
Retained earnings:		
Balance at beginning of period	1,014,709	856,647
Cumulative effect of applying a new accounting policy	(1,117)	–
Profit for the period attributable to owners of the parent	219,620	164,807
Transfer from other components of equity	(11,139)	(6,132)
Dividends to owners of the parent	(61,611)	(45,124)
Distribution to owners of other equity instruments	(1,970)	(2,008)
Balance at end of period	1,158,492	968,190
Other components of equity:		
Balance at beginning of period	116,575	179,294
Gains (losses) on financial assets measured at fair value through other comprehensive income	(27,158)	41,879
Foreign currency translation adjustments	50,103	31,449
Gains (losses) on cash flow hedges	13,394	464
Remeasurements of defined benefit pension plan	(4,950)	3,050
Transfer to retained earnings	11,139	6,132
Transfer to non-financial assets and others	(1,851)	(1,955)
Balance at end of period	157,252	260,313
Equity attributable to owners of the parent	1,958,764	1,870,260
Non-controlling interests:		
Balance at beginning of period	64,162	59,035
Dividends to non-controlling interests	(6,428)	(3,655)
Equity transactions with non-controlling interests and others	29,727	5,398
Profit for the period attributable to non-controlling interests	5,782	4,382
Other components of equity:		
Gains (losses) on financial assets measured at fair value through other comprehensive income	(140)	194
Foreign currency translation adjustments	420	1,461
Gains (losses) on cash flow hedges	42	6
Remeasurements of defined benefit pension plan	(35)	48
Balance at end of period	93,530	66,869
Total equity	2,052,294	1,937,129
Attributable to:		
Owners of the parent	251,009	241,649
Non-controlling interests	6,069	6,091
Total comprehensive income for the period	257,078	247,740

(4) Consolidated Statements of Cash Flows

	Millions of yen		
	Nine-month period ended December 31,		Variance
	2018	2017	
Operating activities			
Profit for the period	225,402	169,189	56,213
Adjustments to reconcile profit for the period to net cash provided by (used in) operating activities:			
Depreciation and amortisation	83,478	88,380	(4,902)
Losses (Gains) on property, plant and equipment	6,234	(3,611)	9,845
Finance expenses (income)	(27,504)	(9,226)	(18,278)
Share of profits of associates and joint ventures	(107,749)	(113,365)	5,616
Income taxes	59,218	39,124	20,094
Changes in notes and trade accounts receivable	81,400	(75,364)	156,764
Changes in inventories	(50,928)	(67,430)	16,502
Changes in notes and trade accounts payable	(165,892)	66,580	(232,472)
Other-net	(56,526)	(59,600)	3,074
Interest received	8,071	7,095	976
Interest paid	(32,098)	(25,641)	(6,457)
Dividends received	108,250	96,604	11,646
Income taxes paid	(35,298)	(24,614)	(10,684)
Net cash provided by/used in operating activities	96,058	88,121	7,937
Investing activities			
Net decrease (increase) in time deposits	589	149	440
Proceeds from sale of property, plant and equipment	2,604	9,575	(6,971)
Proceeds from sale of investment property	320	236	84
Collection of loans receivable	9,266	25,355	(16,089)
Proceeds from sale of subsidiaries, net of cash and cash equivalents disposed of	186	10,753	(10,567)
Proceeds from sale of investments in associates and joint ventures, and other investments	72,946	37,632	35,314
Purchase of property, plant and equipment	(62,174)	(74,356)	12,182
Purchase of investment property	(60)	(380)	320
Loans provided to customers	(19,895)	(16,281)	(3,614)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	7,273	(22,211)	29,484
Purchase of investments in associates and joint ventures, and other investments	(37,212)	(41,894)	4,682
Net cash provided by/used in investing activities	(26,157)	(71,422)	45,265
Financing activities			
Net increase (decrease) in short-term borrowings	32,420	123,272	(90,852)
Proceeds from long-term bonds and borrowings	176,893	115,915	60,978
Repayments of long-term bonds and borrowings	(316,334)	(344,760)	28,426
Dividends paid to owners of the parent	(61,611)	(45,124)	(16,487)
Net cash outflows on purchases and sales of treasury stock	(8)	(11)	3
Capital contribution from non-controlling interests	2	-	2
Acquisition of equity portion of subsidiary from non-controlling interests	(3,867)	(1,369)	(2,498)
Distribution to owners of other equity instruments	(1,970)	(2,008)	38
Other	(6,429)	(3,653)	(2,776)
Net cash provided by/used in financing activities	(180,904)	(157,738)	(23,166)
Effect of exchange rate changes on cash and cash equivalents	3,241	3,189	52
Net increase (decrease) in cash and cash equivalents	(107,762)	(137,850)	30,088
Cash and cash equivalents at beginning of period	625,834	704,972	(79,138)
Cash and cash equivalents at end of period	518,072	567,122	(49,050)

(5) Notes Related to Going Concern Assumptions

None

(6) Changes to Accounting Principles

Except for the changes disclosed below, significant accounting policies applied to the consolidated financial statements herein are identical to the accounting policies applied to consolidated financial statements for the previous fiscal year.

Newly Adopted Standards and Interpretive Guidance

The Company and its consolidated subsidiaries have adopted the following accounting standards effective from the first quarter of the current fiscal year.

Standard and Interpretive Guidance	Summary
IFRS 9 Financial Instruments (revised July 2014)	Revisions concerning impairment accounting and classification and measurement of financial assets
IFRS 15 Revenue from Contracts with Customers	Accounting treatment and disclosure concerning revenue recognition

Adoption of the above standards and interpretive guidance did not have a material impact on the consolidated financial statements herein. The Company and its consolidated subsidiaries have recognized the cumulative effect of the above standards and interpretive guidance's adoption as an adjustment to retained earnings at the date of initial application.

Significant accounting policies related to the above standards and interpretive guidance are as follows.

IFRS 9 Financial Instruments (revised July 2014)

- Classification and Measurement of Financial Assets

The Company and its consolidated subsidiaries measure debt instrument financial assets at fair value through other comprehensive income if both of the following conditions are met. ("Debt instrument financial assets measured at FVTOCI")

- The asset is held within a business model whose objective is both to hold assets in order to collect contractual cash flows and sell financial assets; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, a debt instrument financial asset for which these conditions are satisfied is measured at fair value with any change in fair value recognised in other comprehensive income. The cumulative amount of the change in fair value recognised in other comprehensive income is recognised in other components of equity. However, interest arising from Debt instrument financial assets measured at FVTOCI is recognised as part of finance income (or expenses) in the Consolidated Statement of Comprehensive Income. When Debt instrument financial assets measured at FVTOCI are derecognised of, the cumulative change in other comprehensive income shall be reclassified to profit or loss.

The Company and its consolidated subsidiaries may, at initial recognition, make an irrevocable election to designate a debt instrument financial asset that meets the conditions for classification as measured at fair value through other comprehensive income mentioned above as debt-instrument financial assets measured at fair value through profit or loss ("Debt instrument financial assets measured at FVTPL"), if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

- Impairment Accounting

The Company and its consolidated subsidiaries recognize impairment losses on expected credit losses for financial assets classified as debt instrument financial assets measured at amortized cost and Debt instrument financial assets measured at FVTOCI, etc.

If, at each reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company and its consolidated subsidiaries measure the allowance for doubtful accounts at an amount equal to the expected credit losses that result from default events possible within the 12 months after each reporting date. At each reporting date, the Company and its consolidated subsidiaries measure the allowance for doubtful accounts at an amount equal to the expected credit losses that result from all possible default events over the expected life of the financial instrument. ("lifetime expected credit losses") if the credit risk on the financial instrument has increased significantly since initial recognition. However, the Company and its consolidated subsidiaries always measure the allowance for doubtful accounts at an amount equal to lifetime expected credit losses for accounts receivable, etc.

IFRS 15 Revenue from Contracts with Customers

With the exception of interest, dividend and other income recognized in accord with IFRS 9, Financial Instruments, the Company and its consolidated subsidiaries recognize revenue based on the following five-step approach if it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Step 1: Identify the contract with customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Restated Comparative Information

Where the method of presentation of the consolidated financial statements or notes to the consolidated financial statements has changed, comparative information is restated accordingly.

(7) Segment Information

<Operating Segment>

◆ *The Nine-Month Period Ended December 31, 2018 (April 1,2018 - December 31, 2018)*

Millions of yen

	Food	Consumer Products	Chemical & Forest Products	Energy & Metals
Revenue	3,047,840	239,767	1,319,104	626,394
Gross trading profit (loss)	105,012	85,642	170,711	70,233
Operating profit (loss)	27,932	13,192	51,098	31,213
Share of profits (losses) of associates and joint ventures	5,208	5,261	4,142	28,154
Profit (loss) attributable to owners of the parent	16,709	31,521	38,685	53,106
Segment assets (as of December 31, 2018)	1,472,533	558,602	1,190,777	1,671,197

	Power Business & Plant	Transportation & Industrial Machinery	Other	Consolidated
Revenue	164,517	310,808	(4,424)	5,704,006
Gross trading profit (loss)	34,284	89,731	(6,724)	548,889
Operating profit (loss)	(10,462)	25,295	(819)	137,449
Share of profits (losses) of associates and joint ventures	37,247	27,275	462	107,749
Profit (loss) attributable to owners of the parent	51,325	41,025	(12,751)	219,620
Segment assets (as of December 31, 2018)	1,170,898	804,307	126,738	6,995,052

◆ *The Nine-Month Period Ended December 31, 2017 (April 1,2017 - December 31, 2017)*

Millions of yen

	Food	Consumer Products	Chemical & Forest Products	Energy & Metals
Revenue	2,940,046	301,836	1,480,148	516,747
Gross trading profit (loss)	104,402	86,015	153,418	37,952
Operating profit (loss)	25,340	14,902	39,046	187
Share of profits (losses) of associates and joint ventures	6,038	3,017	2,225	30,059
Profit (loss) attributable to owners of the parent	38,856	19,077	33,843	8,210
Segment assets (as of March 31, 2018)	1,437,817	451,816	1,180,020	1,613,397

	Power Business & Plant	Transportation & Industrial Machinery	Other	Consolidated
Revenue	152,607	364,756	(4,356)	5,751,784
Gross trading profit (loss)	28,774	95,630	(5,895)	500,296
Operating profit (loss)	(7,810)	23,842	228	95,735
Share of profits (losses) of associates and joint ventures	51,752	19,647	627	113,365
Profit (loss) attributable to owners of the parent	33,247	37,563	(5,989)	164,807
Segment assets (as of March 31, 2018)	1,111,024	784,248	298,795	6,877,117

(Note 1) From the FYE 3/2019, "Food & Consumer Products" has been divided into "Food" and "Consumer Products".
Parts of "Consumer Products" and "Power Business & Plant" have been incorporated into "Transportation & Industrial Machinery".

(Note 2) In conjunction with these revisions, operating segment information for the year-earlier and FYE 3/2018 has been reclassified.

(Note 3) "Operating profit (loss)" is presented in accordance with Japanese accounting practice for investors' convenience and is not required by IFRS. "Operating profit (loss)" is the sum of "Gross trading profit" and "Selling, general and administrative expenses" including "Provision for doubtful accounts".

(Note 4) Inter-segment transactions are generally priced in accordance with the prevailing market prices.

(Note 5) "Other" includes headquarters expenses that are not allocated to the operating segments and inter segment elimination, cash and cash equivalents related to finanicng held for general corporate purposes that are not allocated to the operating segments