Date: February 5, 2019 (Wednesday)  
Location: Tokyo Head Office of Marubeni Corporation  
Those Present: Nobuhiro Yabe, Senior Managing Executive Officer, CFO  
Hideyoshi Iwane, General Manager, Corporate Accounting Dept.

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 performances 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. 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.

The Company has no responsibility for any possible damages arising from the use of information on this material, nor does the Company have any obligation to update these statements, information, future events or otherwise.

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>

Timing of achievement of target net DE ratio of around 0.8 times and share buyback policy
If the closing of the acquisition of the remaining shares of Aircastle Limited is delayed until FYE 3/2021, we expect the net DE ratio to be around 0.85 times at the end of FYE 3/2020. In that case, we would have a cash surplus of approximately ¥120.0 billion, but that situation would be temporary since we assume that closing will be completed by the end of June 2020 at the latest. So we are viewing the real net DE ratio as around 0.9 times, regardless of when the Aircastle deal closes. We have said that we will flexibly implement share buybacks after we achieve a net DE ratio of around 0.8 times, but the figure of approximately 0.9 times after the Aircastle closing is some distance from the target of around 0.8 times. Therefore, at this point, I cannot say that we will implement a share buyback.

Details of the one-time loss of ¥17.0 billion booked in Q4 in the Other segment
We see about ¥12.5 billion of the ¥17.0 billion as a cushion. We take consideration several projects where one-time losses are possible, but the cushion is not tied to any specific project.

Timing of achievement of net DE ratio of around 0.8 times
We plan to announce the forecast for the net DE ratio at the end of March 2021 in May 2020, after analyzing new investment pipeline for the next fiscal year.
<2nd questioner>

Basis for calculating the aforementioned cushion and relationship to the litigation in Indonesia

Projects under review have yet to undergo detailed examination by a CPA, including an examination of whether loss accounting will be necessary. If losses do occur, we believe they would be roughly the amount of the cushion, but the size of the cushion was not determined by calculating backwards from our net profit estimate of ¥200 billion, nor does the cushion mean that a loss of ¥12.5 billion is likely. Also, we do not currently project a loss related to the litigation in Indonesia.

Backdrop to asset impairment in oil and gas development projects and risk of additional impairment in the future

The impairment reflects revisions to the business plan because we lowered our reserve estimates and long-term price forecasts. In both cases, we used third-party reports as reference. Additional impairment is possible if third-party reserve estimates and third-party long-term price forecasts are lowered.

Outlook for dividends and net profit in FYE 3/2021

In the presentation, I 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.” I made this comment not as an indication of the possibility of lowering the net profit forecast for FYE 3/2021, but rather to provide reassurance that management will hold discussions addressing the concerns about the dividend going forward.

<3rd questioner>

Current situation and outlook for FYE 3/2021 for businesses overall

The ¥16.0 billion year on year decrease in adjusted net profit is attributable to a ¥21.0 billion decrease in Non-Resources, largely due to decreases in Power Business and Forest Products. In Forest Products, the drop in pulp prices had a negative impact on profits, and the impact of market conditions will be a major factor in FYE 3/2021 as well. In Power Business, profit declined year on year due to a difference in number of new projects in IPP business and their progress.

On the other hand, we expect various new investments to contribute to profits in FYE 3/2021, including the additional acquisition of Aircastle shares, the start of commercial operation of a containerboard mill in Vietnam in the second half, and our expanded investment in Creekstone Farms. We believe that with the contribution from new investments like these, adjusted net profit can grow.

Profit contribution of Aircastle after the additional acquisition

Aircastle is a listed company, so we will give a briefing, including details on this matter, after the closing.
Response to the litigation in Indonesia

Regarding the litigation in Indonesia (the Gunung Sugih Case), Marubeni had filed an application for judicial review, but received a written decision of non-acceptance for the reason that the application was filed after the deadline of 180 days from the date that the Supreme Court decision was received. However, Marubeni has definitive evidence that the application was filed before the application deadline.

Marubeni believes it is in the right in this case, and will consider taking further legal measures after analyzing the content of the written decision in detail.

Net power generation capacity of coal-fired power generation business and renewable energy business

Of our total 12GW of net IPP generation assets, we have already announced our plan to halve our coal-fired power net generation capacity of 3GW (as of September 2018) by 2030. We have sold off two projects in Asia and withdrew from a project in Africa, and as a result, our coal-fired power net generation capacity is now approximately 2.7GW. As for renewable energy, about 10 percent of our net capacity came from renewable energy sources at the time of the announcement, but that is now more than 10 percent.

Assumptions of impairment accounting in oil and gas development business

Basically, we conduct regular reviews of reserves and prices, and calculate the present value. Long-term prices have a substantial effect. The assumption price starts with the forward price for near-term. For periods beyond the forward price, we use third-party long-term price forecasts. There is no room for incorporating our forecasts into that, so we are not in a position to influence the price.

Prioritization of financial discipline and cash flow plan

Maintaining financial discipline will remain a priority. To maintain financial discipline, we will generate cash inflow by carefully selecting investments and divesting assets. We will maximize cash inflow while making prudent investments when the opportunity is right. Among our existing assets, we will consider divesting those where our ownership is unlikely to enhance value. We plan to make an announcement on our direction, at least for FYE 3/2021, in May.

Current conditions and outlook for the grain trading in Food Division and Helena and Gavilon in Agri Business Division

Grain trading profit improved due to the non-recurrence of the loss that occurred in FYE 3/2019.

At Helena, a rebate related to crop protection expected in Q3 was delayed until Q4. As a result, profit for the first three quarters fell, but should recover to some degree in Q4 due to the application of the delayed rebate.
Gavilon is projecting adjusted net profit of around ¥7.0 billion for FYE 3/2020. That is a slight decrease from around ¥7.5 billion last fiscal year. The reason for the decrease is the drop in fertilizer prices in the fertilizer business. In grain operations, results are mixed, but are expected to be basically unchanged from the previous fiscal year. Since we acquired Gavilon, its adjusted net profit has been in the range of $70 million to $100 million. Profit may fall to under $70 million due to U.S.–China trade friction and adverse U.S. weather, but a phase-one agreement has been reached in U.S.–China trade talks, and although the recent threat from coronavirus concerns, if there are no adverse weather impacts, we believe we ought to be generating profit closer to the $100 million level from Gavilon in FYE 3/2021.

**Profit scale of Akita offshore wind farm project and policy for future offshore wind power projects**

Profit is not disclosed. In Japan, there are some potential projects, but in terms of feasibility, Japan’s environment is less suited to the type of extensive introduction of wind power that is possible in the United Kingdom or the Netherlands. Factors include weather conditions such as typhoons, and issues relating to fishing rights. On the other hand, regions such as Taiwan are actively focusing on development of offshore wind farms, albeit on a small scale, so we plan to aggressively invest in renewable energy, including offshore wind power, not only in Japan but wherever there are business opportunities.