

Q1 FYE 3/2021

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**Summary of Consolidated Financial Results**  
**For the Three-Month Period Ended June 30, 2020**  
**(IFRS basis)**

(April 1, 2020 – June 30, 2020)

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*\*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 Three-Month Period Ended June 30, 2020 (IFRS basis)

Company name: Marubeni Corporation (URL <https://www.marubeni.com/en/>) Code number: 8002  
 Listed: Tokyo, Nagoya  
 Representative: KAKINOKI Masumi President and CEO, Member of the Board  
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 Expected date of quarterly financial statement report : August 7, 2020  
 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 three-month period ended June 30, 2020 (April 1, 2020 - June 30, 2020)

(Remarks)

Figures are rounded to the nearest million.

#### (1) Consolidated business results

%: change from the previous fiscal year

	Revenue		Operating profit		Profit before tax		Profit for the period		Profit attributable to owners of the parent		Comprehensive income for the period	
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
Three months ended June 30,												
2020	1,587,556	(16.8)	51,946	(6.2)	74,696	(9.5)	60,198	(11.1)	58,132	(10.8)	68,326	-
2019	1,907,646	(12.1)	55,378	(6.9)	82,540	(25.7)	67,735	(23.9)	65,166	(24.9)	(30,538)	-

  

	Earnings per share (basic)		Earnings per share (diluted)	
	(yen)	(yen)	(yen)	(yen)
Three months ended June 30,				
2020	32.92	32.89		
2019	36.98	36.94		

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

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

2. "Basic and diluted earnings per share attributable to owners of the parent" are based on "Profit attributable to owners of the parent" excluding the amount not attributable to ordinary shareholders.

#### (2) Consolidated financial position

	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)	(millions of yen)	(millions of yen)	(%)	(%)	
June 30, 2020	6,171,652	1,638,439	1,551,953	25.1				
March 31, 2020	6,320,037	1,604,600	1,515,475	24.0				

### 2. Dividends information

	Yearly dividends per share				
	1st Quarter-end	2nd Quarter-end	3rd Quarter-end	4th Quarter-end	Annual
	(yen)	(yen)	(yen)	(yen)	(yen)
FYE 3/2020	-	17.50	-	17.50	35.00
FYE 3/2021	-	-	-	-	-
FYE 3/2021 (forecast)	-	7.50	-	7.50	15.00

(Note) Changes from the latest announced forecasts: None

### 3. Consolidated earnings forecast for FYE 3/2021 (April 1, 2020 - March 31, 2021)

(Remarks)

%: change from the previous fiscal year

	Profit attributable to owners of the parent		Earnings per share attributable to owners of the parent (basic)	
	(millions of yen)	(%)	(yen)	(yen)
Yearly	100,000	-		55.33

(Note) \*1 Changes from the latest announced forecasts: None

\*2 The assumptions in the forecasts of consolidated earnings, including the further spread of COVID-19 and when the pandemic might end, have not changed from those announced on May 7, 2020. For details, please refer to P.13 "1. Qualitative Information on Consolidated Financial Results for the Three-month Period under Review, (3) Qualitative Information on Future Outlook Including Forecasts of Consolidated Financial Results" on the attached materials.

\*3 Earnings per share attributable to owners of the parent (basic) is based on "Profit attributable to owners of the parent" excluding the amount not attributable to ordinary shareholders.

**\*Notes**

- (1) Changes in principal subsidiaries during the period : None  
(2) Changes in accounting principles and accounting estimates : None  
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	June 30, 2020	1,737,940,900
(Treasury stock is included)	March 31, 2020	1,737,940,900
② Number of treasury stock at the end of the term	June 30, 2020	1,787,919
	March 31, 2020	2,214,582
③ Average number of outstanding shares during the term	Three months ended June 30, 2020	1,735,939,650
	Three months ended June 30, 2019	1,735,351,574

※The Summary of Consolidated Financial Statements for the Three-Month Period Ended June 30, 2020 (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 materially 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 Tuesday, August 4, 2020.

The Company is scheduled to hold an IR meeting on financial results for institutional investors and analysts on Tuesday, August 4, 2020, and to post the audio file of the meeting together with the materials used at the briefing on the Company's website at the earliest possible time.

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# Marubeni Corporation

## Consolidated Financial Results

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

#### (1) Qualitative Information on Consolidated Business Results

In the three-month period ended June 30, 2020, lockdowns and other measures were adopted around the world in an attempt to prevent the spread of the COVID-19 pandemic. As a result, economic activities in many countries were significantly restricted and the global economy rapidly contracted. In response to this economic downturn—said to be the worst of the post-war era—governments and central banks employed all manner of policy measures, including fiscal stimulus on an unprecedented scale, to prop up household finances, corporations, and financial markets. The progression of the pandemic in different countries has been mixed; some countries have managed to curb the spread of infections, other countries have seen a second wave after easing initial restrictions, while elsewhere the spread of infection continues unabated. Accordingly, the timing and speed at which economic activity is being resumed has varied.

The swift and large-scale rollout of fiscal and monetary policies meant the financial markets avoided turmoil and share prices even staged a rally in some cases, in stark contrast to the sharp downturn in the real economy.

As for primary commodity prices, the price of crude oil saw a temporary heavy decline in April but then gradually recovered thereafter on production cuts and expectations for the resumption of economic activity. Prices for copper and other major primary commodities increased on the whole in response to a relatively solid recovery in the Chinese economy and concerns about decreased supply owing to the spread of COVID-19 in countries of origin.

Under the aforementioned business environment, consolidated operating results for the three-month period ended June 30, 2020 are as follows.

	Three-month period ended June 30,		Variance
	2019	2020	
Revenue	1,907,646	1,587,556	(320,090)
Gross trading profit	192,254	178,773	(13,481)
Operating profit	55,378	51,946	(3,432)
Share of profits (losses) of associates and joint ventures	38,787	24,540	(14,247)
Profit attributable to owners of the parent	65,166	58,132	(7,034)

(millions of yen)

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## Consolidated Financial Results

(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 320.1 billion yen (16.8%) year on year to 1,587.6 billion yen. By operating segment, revenue decreased mainly in *Food* and *Agri Business*.

### **Gross trading profit**

Gross trading profit decreased 13.5 billion yen (7.0%) from the year-earlier period to 178.8 billion yen. Main increases/decreases by operating segment are the following.

***-Construction, Industrial Machinery & Mobility: Decrease by 6.0 billion yen***

Profit decrease in the construction machinery, industrial equipment, and automobile related businesses

***-Metals & Mineral Resources: Decrease by 4.9 billion yen***

Profit decrease in the Australian coal business due to the fall in coal prices

***-Aerospace & Ship: Decrease by 3.0 billion yen***

Sluggish sales in aircraft parts and engines and a decrease in revenue from the vessel operations

***-Food: Increase by 6.3 billion yen***

Profit increase in the beef processing and sales business

### **Operating profit**

Operating profit decreased 3.4 billion yen (6.2%) from the year-earlier period to 51.9 billion yen due to a decrease in gross trading profit despite a decrease in expenses.

### **Share of profits of associates and joint ventures**

Share of profits of associates and joint ventures decreased 14.2 billion yen (36.7%) from the year-earlier period to 24.5 billion yen. Main increases/decreases by operating segment are the following.

***-Metals & Mineral Resources: Decrease by 7.8 billion yen***

Profit decrease in the Australian coal business, the Chilean copper mining business and the steel products business

***-Finance & Leasing Business: Decrease by 2.6 billion yen***

Decrease in the aircraft leasing business in U.S.

***-Infrastructure Project: Decrease by 2.2 billion yen***

Profit decrease in the oil and gas E&P related business in U.S. and such

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## Consolidated Financial Results

### **Profit attributable to owners of the parent**

Profit attributable to owners of the parent for the three-month period ended June 30, 2020 (also referred to as **net profit** for the period under review) decreased 7.0 billion yen (10.8%) year on year to 58.1 billion yen due to the decrease in operating profit and share of profits of associates and joint ventures, despite the non-recurrence of an impairment loss recognized in the year-earlier period on the oil and gas E&P in the U.S. Gulf of Mexico.

As a result, the Company achieved 58.1% of 100.0 billion yen, the yearly net-profit forecast for the fiscal year ending March 31, 2021.

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## Consolidated Financial Results

Results for each operating segment for the three-month period ended June 30, 2020 are as follows.

### **Lifestyle**

(millions of yen)

	Three-month period ended June 30,		Variance
	2019	2020	
Revenue	35,666	26,431	(9,235)
Gross trading profit	4,904	3,763	(1,141)
Operating profit (loss)	335	(326)	(661)
Share of profits (losses) of associates and joint ventures	161	(154)	(315)
Profit (loss) attributable to owners of the parent	330	(274)	(604)

Gross trading profit decreased 1.1 billion yen (23.3%) year on year to 3.8 billion yen and operating profit/loss deteriorated by 0.7 billion yen ( - %) year on year to negative 0.3 billion yen, in response to reduced sales of apparel and such due to COVID-19. Share of profits / losses of associates and joint ventures decreased 0.3 billion yen ( - %) year on year to negative 0.2 billion yen as a result of reduced profit from planning, production and sales business of apparel and such. Net profit/loss was down 0.6 billion yen ( - %) year on year to negative 0.3 billion yen.

### **ICT & Real Estate Business**

(millions of yen)

	Three-month period ended June 30,		Variance
	2019	2020	
Revenue	47,367	83,967	36,600
Gross trading profit	26,912	28,203	1,291
Operating profit (loss)	4,671	8,134	3,463
Share of profits (losses) of associates and joint ventures	499	6	(493)
Profit (loss) attributable to owners of the parent	3,649	5,612	1,963

Gross trading profit increased 1.3 billion yen (4.8%) year on year to 28.2 billion yen due to an increase in domestic real estate sales, which offset a decline in domestic mobile phone sales business owing to the impact of COVID-19. In addition to the above operating profit increased 3.5 billion yen (74.1%) year on year to 8.1 billion yen because of a decrease in overhead expenses caused by voluntary restraint in response to COVID-19. As a result, net profit increased 2.0 billion yen (53.8%) year on year to 5.6 billion yen.



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## Consolidated Financial Results

### **Forest Products**

(millions of yen)

	Three-month period ended June 30,		Variance
	2019	2020	
Revenue	70,017	56,510	(13,507)
Gross trading profit	9,269	6,653	(2,616)
Operating profit (loss)	4,382	1,045	(3,337)
Share of profits (losses) of associates and joint ventures	(1)	(534)	(533)
Profit (loss) attributable to owners of the parent	2,556	(221)	(2,777)

Gross trading profit decreased 2.6 billion yen (28.2%) year on year to 6.7 billion yen as a result of a decline in MUSI Pulp Project due to the deterioration of pulp market prices, and decreases in the sales volume of wood-chip and such. In addition to the above, the increased overseas bad debt expense lowered operating profit 3.3 billion yen (76.2%) year on year to 1.0 billion yen. As a result, net profit/loss declined 2.8 billion yen ( - %) year on year to negative 0.2 billion yen.

### **Food**

(millions of yen)

	Three-month period ended June 30,		Variance
	2019	2020	
Revenue	467,683	326,592	(141,091)
Gross trading profit	24,647	30,996	6,349
Operating profit (loss)	7,148	14,500	7,352
Share of profits (losses) of associates and joint ventures	1,946	2,285	339
Profit (loss) attributable to owners of the parent	8,508	11,250	2,742

Gross trading profit increased 6.3 billion yen (25.8%) year on year to 31.0 billion yen due to strong performance in the beef processing and sales business. This is because we were able to maintain operations amid tight supply and demand caused by the temporary suspension of production by other major industry members in response to COVID-19. Operating profit increased 7.4 billion yen (102.9%) year on year to 14.5 billion yen. Net profit increased 2.7 billion yen (32.2%) year on year to 11.3 billion yen according to the increased operating profit, despite the non-recurrence of a gain recognized in the year-earlier period on the sale of shares in an associate company in the domestic retailing business.

# Marubeni Corporation

## Consolidated Financial Results

### Aqri Business

(millions of yen)

	Three-month period ended June 30,		Variance
	2019	2020	
Revenue	859,463	794,114	(65,349)
Gross trading profit	58,334	57,456	(878)
Operating profit (loss)	22,655	21,097	(1,558)
Share of profits (losses) of associates and joint ventures	501	441	(60)
Profit (loss) attributable to owners of the parent	15,208	15,341	133

Gross trading profit decreased 0.9 billion yen (1.5%) year on year to 57.5 billion yen because of decreased revenue from the Gavilon's grain business, mainly as a result of weaker demand for ethanol. Operating profit decreased 1.6 billion yen (6.9%) year on year to 21.1 billion yen. Net profit, however, increased 0.1 billion yen (0.9%) year on year to 15.3 billion yen due to an improvement in interest expense-net.

### Chemicals

(millions of yen)

	Three-month period ended June 30,		Variance
	2019	2020	
Revenue	106,937	87,289	(19,648)
Gross trading profit	7,840	10,472	2,632
Operating profit (loss)	2,175	5,358	3,183
Share of profits (losses) of associates and joint ventures	253	371	118
Profit (loss) attributable to owners of the parent	1,584	4,405	2,821

Gross trading profit increased 2.6 billion yen (33.6%) year on year to 10.5 billion yen, as a result of improved margins in the petrochemical products transactions, and operating profit increased 3.2 billion yen (146.3%) year on year to 5.4 billion yen. Net profit increased 2.8 billion yen (178.1%) year on year to 4.4 billion yen consequently.

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## Consolidated Financial Results

### **Energy**

(millions of yen)

	Three-month period ended June 30,		Variance
	2019	2020	
Revenue	115,977	80,638	(35,339)
Gross trading profit	12,263	12,234	(29)
Operating profit (loss)	3,847	4,556	709
Share of profits (losses) of associates and joint ventures	231	41	(190)
Profit (loss) attributable to owners of the parent	(5,026)	4,276	9,302

Gross trading profit stayed at the same level year on year at 12.2 billion yen with a profit decrease in the oil and gas E&P caused by a fall in oil and gas prices and such, and the improved margins in oil and LNG trading businesses, etc. Operating profit increased 0.7 billion yen (18.4%) year on year to 4.6 billion yen. In addition to the above, because of a non-recurrence of impairment loss recognized in the year-earlier period on the oil and gas E&P in the U.S. Gulf of Mexico, net profit improved by 9.3 billion yen ( - %) to 4.3 billion yen.

### **Metals & Mineral Resources**

(millions of yen)

	Three-month period ended June 30,		Variance
	2019	2020	
Revenue	92,387	63,723	(28,664)
Gross trading profit	9,315	4,458	(4,857)
Operating profit (loss)	4,674	150	(4,524)
Share of profits (losses) of associates and joint ventures	14,710	6,903	(7,807)
Profit (loss) attributable to owners of the parent	17,611	7,024	(10,587)

Gross trading profit decreased 4.9 billion yen (52.1%) year on year to 4.5 billion yen, as a result of fall of coal prices in the Australian coal business and such. Operating profit decreased 4.5 billion yen (96.8%) year on year to 0.2 billion yen. Share of profits of associates and joint ventures decreased 7.8 billion yen (53.1%) year on year to 6.9 billion yen as a result of a profit decline in the Australian coal business, the Chilean copper mining business and the steel products business. As a result, net profit decreased 10.6 billion yen (60.1%) year on year to 7.0 billion yen.

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## Consolidated Financial Results

### **Power Business**

(millions of yen)

	Three-month period ended June 30,		Variance
	2019	2020	
Revenue	33,978	28,982	(4,996)
Gross trading profit	6,282	4,628	(1,654)
Operating profit (loss)	(2,140)	(3,655)	(1,515)
Share of profits (losses) of associates and joint ventures	8,160	7,707	(453)
Profit (loss) attributable to owners of the parent	5,165	4,609	(556)

Gross trading profit decreased 1.7 billion yen (26.3%) year on year to 4.6 billion yen, as a result of the declined profits in U.K. electricity wholesaling/retailing business and such. Operating loss worsened 1.5 billion yen ( - %) year on year to negative 3.7 billion yen. Although the stable earnings-type businesses such as power generating businesses with long-term PPA, etc., remained solid, share of profits of associates and joint ventures decreased 0.5 billion yen (5.6%) to 7.7 billion yen due to a profit decline in the businesses that are directly affected by market conditions. As a result, net profit decreased 0.6 billion yen (10.8%) to 4.6 billion yen.

### **Infrastructure Project**

(millions of yen)

	Three-month period ended June 30,		Variance
	2019	2020	
Revenue	4,673	4,868	195
Gross trading profit	2,582	2,537	(45)
Operating profit (loss)	(1,066)	(1,044)	22
Share of profits (losses) of associates and joint ventures	4,356	2,163	(2,193)
Profit (loss) attributable to owners of the parent	2,551	1,495	(1,056)

Gross trading profit and operating loss remained at the same levels year on year at 2.5 billion yen and negative 1.0 billion yen, respectively. Share of profits of associates and joint ventures decreased 2.2 billion yen (50.3%) year on year to 2.2 billion yen as a result of profit decline in oil and gas E&P related business in U.S. and such. Net profit accordingly decreased 1.1 billion yen (41.4%) year on year to 1.5 billion yen.

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## Consolidated Financial Results

### **Aerospace & Ship**

(millions of yen)

	Three-month period ended June 30,		Variance
	2019	2020	
Revenue	18,365	12,109	(6,256)
Gross trading profit	5,823	2,823	(3,000)
Operating profit (loss)	2,890	361	(2,529)
Share of profits (losses) of associates and joint ventures	1,017	1,665	648
Profit (loss) attributable to owners of the parent	3,111	1,521	(1,590)

Gross trading profit decreased 3.0 billion yen (51.5%) year on year to 2.8 billion yen, caused from sluggish sales in aircraft parts and engines due to the impact of COVID-19, as well as a decrease in revenue from the vessel operations. Operating profit decreased 2.5 billion yen (87.5%) year on year to 0.4 billion yen. Share of profits of associates and joint ventures increased 0.6 billion yen (63.7%) year on year to 1.7 billion yen as a result of the increased profit in the ship-related business. Consequently, net profit decreased 1.6 billion yen (51.1%) year on year to 1.5 billion yen.

### **Finance & Leasing Business**

(millions of yen)

	Three-month period ended June 30,		Variance
	2019	2020	
Revenue	6,429	1,121	(5,308)
Gross trading profit	3,040	492	(2,548)
Operating profit (loss)	385	(1,366)	(1,751)
Share of profits (losses) of associates and joint ventures	5,449	2,815	(2,634)
Profit (loss) attributable to owners of the parent	5,672	1,966	(3,706)

Gross trading profit decreased 2.5 billion yen (83.8%) year on year to 0.5 billion yen, because a consolidated subsidiary in the U.S. refrigerated trailer leasing and rental business was converted into an equity-method associate. Operating profit/loss accordingly decreased 1.8 billion yen ( - %) year on year to negative 1.4 billion yen. Share of profits of associates and joint ventures decreased 2.6 billion yen (48.3%) year on year to 2.8 billion yen, as a result of a decline in profit of the aircraft leasing business in U.S. due to the impact of COVID-19, which offset an profit increase in the used car retail financing business in U.S. Net profit decreased 3.7 billion yen (65.3%) year on year to 2.0 billion yen.

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## Consolidated Financial Results

### **Construction, Industrial Machinery & Mobility**

(millions of yen)

	Three-month period ended June 30,		Variance
	2019	2020	
Revenue	79,092	54,429	(24,663)
Gross trading profit	21,963	15,936	(6,027)
Operating profit (loss)	5,506	1,208	(4,298)
Share of profits (losses) of associates and joint ventures	1,457	846	(611)
Profit (loss) attributable to owners of the parent	6,329	2,071	(4,258)

Gross trading profit decreased 6.0 billion yen (27.4%) year on year to 15.9 billion yen, as results of profit decrease in the construction machinery, industrial equipment, and automobile related businesses due to the impact of COVID-19. Operating profit decreased 4.3 billion yen (78.1%) year on year to 1.2 billion yen. As a result, net profit decreased 4.3 billion yen (67.3%) year on year to 2.1 billion yen.

### **Next Generation Business Development**

(millions of yen)

	Three-month period ended June 30,		Variance
	2019	2020	
Revenue	1,194	793	(401)
Gross trading profit	866	470	(396)
Operating profit (loss)	(3)	(543)	(540)
Share of profits (losses) of associates and joint ventures	50	(14)	(64)
Profit (loss) attributable to owners of the parent	(106)	(495)	(389)

Gross trading profit decreased 0.4 billion yen (45.7%) to 0.5 billion yen and operating loss worsened 0.5 billion yen ( - %) year on year to negative 0.5 billion yen. As a result, net loss worsened 0.4 billion yen ( - %) year on year to negative 0.5 billion yen.

(Note 1) As of April 2020, the former operating segments of “Plant” and “Construction, Auto & Industrial Machinery” are renamed as “Infrastructure Project” and “Construction, Industrial Machinery & Mobility” respectively, and a part of “Plant” has been incorporated into “Finance & Leasing Business”, parts of “Plant” and “Other” have been incorporated into “Next Generation Business Development”, a part of “Next Generation Business Development” has been incorporated into “Other”. In conjunction with these organizational changes, operating segment information for the year-earlier period has been reclassified.

(Note 2) Inter-segment transactions are generally priced in accordance with the prevailing market prices.

# Marubeni Corporation

## Consolidated Financial Results

### (2) Qualitative Information on Consolidated Financial Conditions

#### ① Conditions of Assets, Liabilities and Equity

	(billions of yen)		
	March 31, 2020	June 30, 2020	Variance
Total assets	6,320.0	6,171.7	(148.4)
Total equity	1,604.6	1,638.4	33.8
Net interest-bearing debt	1,859.1	1,852.7	(6.4)
Net D/E ratio (times)	1.16	1.13	-0.03 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** decreased 148.4 billion yen from the end of the previous fiscal year to 6,171.7 billion yen. **Net interest-bearing debt** decreased 6.4 billion yen from the end of the previous fiscal year to 1,852.7 billion yen, due to the free cash inflow and such, despite the increased dividend payment. **Total equity** increased 33.8 billion yen from the end of the previous fiscal year to 1,638.4 billion yen due to an increase in retained earnings and such. Consequently, **Net DE ratio** stood at 1.13 times.

#### ② Cash Flows

Cash and cash equivalents at the end of the period under review were 664.9 billion yen, an increase of 142.4 billion yen from the end of the previous fiscal year.

(Operating activities)

Net cash provided by operating activities was 118.2 billion yen due to operating revenue, dividend income and improvement in working capital and such.

(Investing activities)

Net cash used in investing activities was 83.6 billion yen as a result of acquisition of shares in an equity method associate and capital expenditure in overseas businesses and such, despite the inflow from sales of investment securities.

As a result of the above-mentioned activities, free cash flow for the fiscal year under review was an inflow of 34.5 billion yen.

# Marubeni Corporation

## Consolidated Financial Results

(Financing activities)

Net cash provided in financing activities amounted to 107.8 billion yen as results of financing through corporate bonds, loans, and such.

### **(3) Qualitative Information on Future Outlook Including Forecasts of Consolidated Financial Results**

The earnings forecasts (net profit of 100.0 billion yen) for the fiscal year ending March 31, 2021 are unchanged from the initial forecast announced on May 7, 2020.

The assumptions in the forecasts of consolidated earnings, including the further spread of COVID-19 and when the pandemic might end, have not changed from those announced on May 7, 2020. At the end of the second quarter, the Company plans to reassess the impact of COVID-19 and the recovery trend of the global economy in the second half of the fiscal year and beyond.

(Assumptions announced on May 7, 2020)

Forecasts for the fiscal year ending March 31, 2021 and March 31, 2021 are based on the assumption that although the spread of COVID-19 would peak during the first half of the fiscal year ending March 31, 2021 and henceforth gradually end, ample amount of time would be required for the global economy to return to a recovery trend. Specifically, it is assumed that the recovery will be moderate even after the second half of the fiscal year ending March 31, 2021 and the impact of economic stagnation will remain until the fiscal year ending March 31, 2022.

(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.



Marubeni Corporation  
Consolidated Financial Results

## 2. Consolidated Financial Statements and Notes

### (1) Consolidated Statements of Financial Position

	<i>Millions of yen</i>		
	March 31 2020	June 30 2020	Variance
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	522,523	664,942	142,419
Time deposits	140	246	106
Investment securities	67	27	(40)
Trade and loan receivables	1,056,938	973,667	(83,271)
Other current financial assets	315,861	228,030	(87,831)
Inventories	852,927	699,501	(153,426)
Assets held-for-sale	19,344	5,384	(13,960)
Other current assets	235,255	227,965	(7,290)
Total current assets	3,003,055	2,799,762	(203,293)
<b>Non-current assets:</b>			
Investments in associates and joint ventures	1,601,298	1,623,663	22,365
Other investments	229,080	229,425	345
Trade and loan receivables	103,367	103,221	(146)
Other non-current financial assets	98,002	95,475	(2,527)
Property, plant and equipment	902,423	939,136	36,713
Intangible assets	288,992	286,832	(2,160)
Deferred tax assets	32,555	31,391	(1,164)
Other non-current assets	61,265	62,747	1,482
Total non-current assets	3,316,982	3,371,890	54,908
<b>Total assets</b>	6,320,037	6,171,652	(148,385)

# Marubeni Corporation

## Consolidated Financial Results

	<i>Millions of yen</i>		
	March 31	June 30	
	2020	2020	Variance
<b>Liabilities and Equity</b>			
<b>Current liabilities:</b>			
Bonds and borrowings	620,020	726,384	106,364
Trade and other payables	1,085,616	868,837	(216,779)
Other current financial liabilities	367,971	319,929	(48,042)
Income tax payable	16,360	10,651	(5,709)
Liabilities directly associated with assets held-for-sale	417	464	47
Other current liabilities	370,566	316,321	(54,245)
Total current liabilities	2,460,950	2,242,586	(218,364)
<b>Non-current liabilities:</b>			
Bond and borrowings	1,761,768	1,791,497	29,729
Trade and other payables	5,245	5,264	19
Other non-current financial liabilities	231,116	224,633	(6,483)
Accrued pension and retirement benefits	109,143	99,369	(9,774)
Deferred tax liabilities	63,073	83,520	20,447
Other non-current liabilities	84,142	86,344	2,202
Total non-current liabilities	2,254,487	2,290,627	36,140
Total liabilities	4,715,437	4,533,213	(182,224)
<b>Equity:</b>			
Issued capital	262,686	262,686	—
Capital surplus	143,189	143,331	142
Other equity instruments	243,589	243,589	—
Treasury stock	(1,172)	(932)	240
Retained earnings	866,140	899,373	33,233
<b>Other components of equity:</b>			
Gains (losses) on financial assets measured at fair value through other comprehensive income	22,718	23,278	560
Foreign currency translation adjustments	41,247	51,736	10,489
Gains (losses) on cash flow hedges	(62,922)	(71,108)	(8,186)
Equity attributable to owners of the parent	1,515,475	1,551,953	36,478
Non-controlling interests	89,125	86,486	(2,639)
Total equity	1,604,600	1,638,439	33,839
<b>Total liabilities and equity</b>	6,320,037	6,171,652	(148,385)

Marubeni Corporation  
Consolidated Financial Results

**(2) Consolidated Statements of Comprehensive Income**

	<i>Millions of yen</i>			
	Three-month period ended June 30,			
	2019	2020	Variance	Ratio (%)
<b>Revenue:</b>				
Sale of goods	1,860,228	1,558,876	(301,352)	(16.2)
Commissions on services and trading margins	47,418	28,680	(18,738)	(39.5)
<b>Total revenue</b>	<b>1,907,646</b>	<b>1,587,556</b>	<b>(320,090)</b>	<b>(16.8)</b>
Cost of goods sold	(1,715,392)	(1,408,783)	306,609	(17.9)
Gross trading profit	192,254	178,773	(13,481)	(7.0)
<b>Other income (expenses) :</b>				
Selling, general and administrative expenses	(136,052)	(124,806)	11,246	(8.3)
Provision for doubtful accounts	(824)	(2,021)	(1,197)	145.3
Gains (losses) on property, plant and equipment				
Impairment losses on property, plant and equipment	(11,830)	(96)	11,734	(99.2)
Gains (losses) on sales of property, plant and equipment	7	44	37	528.6
Other – net	1,206	(635)	(1,841)	—
<b>Total other income (expenses)</b>	<b>(147,493)</b>	<b>(127,514)</b>	<b>19,979</b>	<b>(13.5)</b>
<b>Finance income (expenses):</b>				
Interest income	4,395	2,972	(1,423)	(32.4)
Interest expense	(13,610)	(7,617)	5,993	(44.0)
Dividend income	5,390	3,698	(1,692)	(31.4)
Gains (losses) on investment securities	2,817	(156)	(2,973)	—
<b>Total finance income (expenses)</b>	<b>(1,008)</b>	<b>(1,103)</b>	<b>(95)</b>	<b>9.4</b>
<b>Share of profits of associates and joint ventures</b>	<b>38,787</b>	<b>24,540</b>	<b>(14,247)</b>	<b>(36.7)</b>
<b>Profit for the period before tax</b>	<b>82,540</b>	<b>74,696</b>	<b>(7,844)</b>	<b>(9.5)</b>
<b>Provision for income tax</b>	<b>(14,805)</b>	<b>(14,498)</b>	<b>307</b>	<b>(2.1)</b>
<b>Profit for the period</b>	<b>67,735</b>	<b>60,198</b>	<b>(7,537)</b>	<b>(11.1)</b>
<b>Profit for the period attributable to:</b>				
Owners of the parent	65,166	58,132	(7,034)	(10.8)
Non-controlling interests	2,569	2,066	(503)	(19.6)
<b>Other comprehensive income:</b>				
Items that will not be retransferred to profit and loss for the period				
Gains (losses) on financial assets measured at fair value through other comprehensive income	(24,759)	(1,986)	22,773	(92.0)
Remeasurements of defined benefit pension plan	(520)	7,215	7,735	—
Changes in other comprehensive income of associates and joint ventures	(345)	993	1,338	—
Items that will be retransferred to profit and loss for the period				
Foreign currency translation adjustments	(60,263)	12,577	72,840	—
Gains (losses) on cash flow hedges	(1,857)	4,712	6,569	—
Changes in other comprehensive income of associates and joint ventures	(10,529)	(15,383)	(4,854)	46.1
Other comprehensive income, net of tax	(98,273)	8,128	106,401	—
<b>Total comprehensive income for the period</b>	<b>(30,538)</b>	<b>68,326</b>	<b>98,864</b>	<b>—</b>
<b>Attributable to:</b>				
Owners of the parent	(32,550)	66,464	99,014	—
Non-controlling interests	2,012	1,862	(150)	(7.5)

# Marubeni Corporation

## Consolidated Financial Statements

### (3) Consolidated Statements of Changes in Equity

◆ The Three-month Period Ended June 30, 2019 (April 1, 2019 - June 30, 2019)

(Millions of yen)

	Equity attributable to owners of the parent						
	Issued capital	Capital surplus	Other equity instruments	Treasury stock	Retained earnings	Other components of equity	
						Gains (losses) on financial assets measured at fair value through other comprehensive income	Foreign currency translation adjustments
Balance at beginning of period	262,686	139,898	243,589	(1,384)	1,163,472	71,912	131,178
Cumulative effects of new accounting policy adopted					(6,674)		
Profit for the period					65,166		
Other comprehensive income						(25,349)	(61,494)
Purchases and sales of treasury stock		0		1			
Dividends payment					(29,504)		
Equity transactions with non-controlling interests and others		1,622			7		
Transfer to retained earnings					(2,891)	2,603	
Transfer to non-financial assets and others							
Balance at end of period	262,686	141,520	243,589	(1,383)	1,189,576	49,166	69,684

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Equity attributable to owners of the parent		
	Gains (losses) on cash flow hedges	Remeasurements of defined benefit pension plan	Other components of equity total			
Balance at beginning of period	(33,610)	—	169,480	1,977,741	93,985	2,071,726
Cumulative effects of new accounting policy adopted				(6,674)		(6,674)
Profit for the period				65,166	2,569	67,735
Other comprehensive income	(10,585)	(288)	(97,716)	(97,716)	(557)	(98,273)
Purchases and sales of treasury stock				1		1
Dividends payment				(29,504)	(4,894)	(34,398)
Equity transactions with non-controlling interests and others				1,629	(3,789)	(2,160)
Transfer to retained earnings		288	2,891	—		—
Transfer to non-financial assets and others	41		41	41		41
Balance at end of period	(44,154)	—	74,696	1,910,684	87,314	1,997,998

# Marubeni Corporation

## Consolidated Financial Statements

◆ *The Three-month Period Ended June 30, 2020 (April 1, 2020 - June 30, 2020)*

(Millions of yen)

	Equity attributable to owners of the parent						
	Issued capital	Capital surplus	Other equity instruments	Treasury stock	Retained earnings	Other components of equity	
						Gains (losses) on financial assets measured at fair value through other comprehensive income	Foreign currency translation adjustments
Balance at beginning of period	262,686	143,189	243,589	(1,172)	866,140	22,718	41,247
Profit for the period					58,132		
Other comprehensive income						(995)	10,489
Purchases and sales of treasury stock		28		240			
Dividends payment					(30,378)		
Equity transactions with non-controlling interests and others		114			9		
Transfer to retained earnings					5,470	1,555	
Transfer to non-financial assets and others							
Balance at end of period	262,686	143,331	243,589	(932)	899,373	23,278	51,736

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Equity attributable to owners of the parent		
	Gains (losses) on cash flow hedges	Remeasurements of defined benefit pension plan	Other components of equity total			
Balance at beginning of period	(62,922)	—	1,043	1,515,475	89,125	1,604,600
Profit for the period				58,132	2,066	60,198
Other comprehensive income	(8,187)	7,025	8,332	8,332	(204)	8,128
Purchases and sales of treasury stock				268		268
Dividends payment				(30,378)	(5,139)	(35,517)
Equity transactions with non-controlling interests and others				123	638	761
Transfer to retained earnings		(7,025)	(5,470)	—		—
Transfer to non-financial assets and others	1		1	1		1
Balance at end of period	(71,108)	—	3,906	1,551,953	86,486	1,638,439

# Marubeni Corporation

## Consolidated Financial Statements

### (4) Consolidated Statements of Cash Flows

	<i>Millions of yen</i>		
	Three-month period ended June 30,		Variance
	2019	2020	
<b>Operating activities</b>			
Profit for the period	67,735	60,198	(7,537)
Adjustments to reconcile profit for the year to net cash provided by (used in) operating activities:			
Depreciation and amortisation	39,743	34,484	(5,259)
Losses (Gains) on property, plant and equipment	11,823	52	(11,771)
Finance expenses (income)	1,008	1,103	95
Share of profits of associates and joint ventures	(38,787)	(24,540)	14,247
Income taxes	14,805	14,498	(307)
Changes in notes accounts receivable	13,277	101,848	88,571
Changes in inventories	127,312	151,009	23,697
Changes in notes and trade accounts payable	(145,538)	(214,934)	(69,396)
Other-net	(77,306)	(11,606)	65,700
Interest received	3,687	2,437	(1,250)
Interest paid	(13,956)	(7,868)	6,088
Dividends received	33,172	30,457	(2,715)
Income taxes paid	(23,433)	(18,972)	4,461
<b>Net cash provided by/ used in operating activities</b>	<b>13,542</b>	<b>118,166</b>	<b>104,624</b>
<b>Investing activities</b>			
Net decrease (increase) in time deposits	11	(107)	(118)
Proceeds from sale of property, plant and equipment	1,823	607	(1,216)
Collection of loans receivable	3,171	1,202	(1,969)
Proceeds from sale of subsidiaries, net of cash and cash equivalents disposed of	112	(26)	(138)
Proceeds from sale of investments in associates and joint ventures, and other investments	18,838	18,470	(368)
Purchase of property, plant and equipment	(24,960)	(28,777)	(3,817)
Purchase of investment property	(12)	(1)	11
Loans provided to customers	(7,363)	(24,090)	(16,727)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(5,374)	(18,800)	(13,426)
Purchase of investments in associates and joint ventures, and other investments	(15,450)	(32,123)	(16,673)
<b>Net cash provided by/used in investing activities</b>	<b>(29,204)</b>	<b>(83,645)</b>	<b>(54,441)</b>
<b>Financing activities</b>			
Net increase (decrease) in short-term borrowings	77,155	160,324	83,169
Proceeds from long-term bonds and borrowings	81,264	90,476	9,212
Repayments of long-term bonds and borrowings	(82,525)	(108,174)	(25,649)
Dividends paid to owners of the parent	(29,504)	(30,378)	(874)
Net cash outflows on purchases and sales of treasury stock	(1)	(1)	0
Capital contribution from non-controlling interests	67	20	(47)
Acquisition of equity portion of subsidiary from non-controlling interests	(5,062)	(242)	4,820
Other	(4,507)	(4,238)	269
<b>Net cash provided by/used in financing activities</b>	<b>36,887</b>	<b>107,787</b>	<b>70,900</b>
Effect of exchange rate changes on cash and cash equivalents	(5,395)	111	5,506
Net increase (decrease) in cash and cash equivalents	15,830	142,419	126,589
Cash and cash equivalents at beginning of period	509,288	522,523	13,235
Cash and cash equivalents at end of period	525,118	664,942	139,824

# Marubeni Corporation

## Consolidated Financial Results

### (5) Notes Related to Going Concern Assumptions

None

### (6) Segment Information

<Operating Segment>

◆ *The Three-Month Period Ended June 30, 2019 (April 1, 2019 - June 30, 2019)*

*Millions of yen*

	Lifestyle	ICT & Real Estate Business	Forest Products	Food	Agri Business	Chemicals	Energy	Metals & Mineral Resources
Revenue	35,666	47,367	70,017	467,683	859,463	106,937	115,977	92,387
Gross trading profit (loss)	4,904	26,912	9,269	24,647	58,334	7,840	12,263	9,315
Operating profit (loss)	335	4,671	4,382	7,148	22,655	2,175	3,847	4,674
Share of profits (losses) of associates and joint ventures	161	499	(1)	1,946	501	253	231	14,710
Profit (loss) attributable to owners of the parent	330	3,649	2,556	8,508	15,208	1,584	(5,026)	17,611
Segment assets (as of March 31, 2020)	102,770	483,014	266,786	679,664	1,164,784	267,098	572,001	758,594

  

	Power Business	Infrastructure Project	Aerospace & Ship	Finance & Leasing Business	Construction, Industrial Machinery & Mobility	Next Generation Business Development	Other	Consolidated
Revenue	33,978	4,673	18,365	6,429	79,092	1,194	(31,582)	1,907,646
Gross trading profit (loss)	6,282	2,582	5,823	3,040	21,963	866	(1,786)	192,254
Operating profit (loss)	(2,140)	(1,066)	2,890	385	5,506	(3)	(81)	55,378
Share of profits (losses) of associates and joint ventures	8,160	4,356	1,017	5,449	1,457	50	(2)	38,787
Profit (loss) attributable to owners of the parent	5,165	2,551	3,111	5,672	6,329	(106)	(1,976)	65,166
Segment assets (as of March 31, 2020)	704,279	236,751	274,961	307,267	359,864	13,906	128,298	6,320,037

◆ *The Three-Month Period Ended June 30, 2020 (April 1, 2020 - June 30, 2020)*

*Millions of yen*

	Lifestyle	ICT & Real Estate Business	Forest Products	Food	Agri Business	Chemicals	Energy	Metals & Mineral Resources
Revenue	26,431	83,967	56,510	326,592	794,114	87,289	80,638	63,723
Gross trading profit (loss)	3,763	28,203	6,653	30,996	57,456	10,472	12,234	4,458
Operating profit (loss)	(326)	8,134	1,045	14,500	21,097	5,358	4,556	150
Share of profits (losses) of associates and joint ventures	(154)	6	(534)	2,285	441	371	41	6,903
Profit (loss) attributable to owners of the parent	(274)	5,612	(221)	11,250	15,341	4,405	4,276	7,024
Segment assets (as of June 30, 2020)	100,417	455,442	284,544	643,653	1,031,766	272,884	486,006	761,557

  

	Power Business	Infrastructure Project	Aerospace & Ship	Finance & Leasing Business	Construction, Industrial Machinery & Mobility	Next Generation Business Development	Other	Consolidated
Revenue	28,982	4,868	12,109	1,121	54,429	793	(34,010)	1,587,556
Gross trading profit (loss)	4,628	2,537	2,823	492	15,936	470	(2,348)	178,773
Operating profit (loss)	(3,655)	(1,044)	361	(1,366)	1,208	(543)	2,471	51,946
Share of profits (losses) of associates and joint ventures	7,707	2,163	1,665	2,815	846	(14)	(1)	24,540
Profit (loss) attributable to owners of the parent	4,609	1,495	1,521	1,966	2,071	(495)	(448)	58,132
Segment assets (as of June 30, 2020)	692,582	233,931	268,284	312,262	340,376	14,957	272,991	6,171,652

(Note 1) From the FYE 3/2021, the former operating segments of "Plant" and "Construction, Auto & Industrial Machinery" are renamed as "Infrastructure Project" and "Construction, Industrial Machinery & Mobility" respectively, and a part of "Plant" has been incorporated into "Finance & Leasing Business", parts of "Plant" and "Other" have been incorporated into "Next Generation Business Development", a part of "Next Generation Business Development" has been incorporated into "Other".

(Note 2) In conjunction with these revisions, operating segment information for the year-earlier period and March 31, 2020 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 financing held for general corporate purposes that are not allocated to the operating segments.