# Analysis of Financial Position and Business Results

Information in this section is based on the Group's operating segments for the fiscal year ended March 31, 2021.

## Overview of Business Results

In the first six months of the fiscal year ended March 31, 2021, lockdowns and other measures were adopted around the world in an attempt to prevent the spread of the COVID-19 pandemic. As a result, with the exception of China, where authorities quickly halted the spread of infections, economic activities in many countries were significantly restricted and the global economy rapidly contracted. Governments subsequently eased restrictions incrementally and economic activities resumed, which led to a temporary improvement in business conditions in many countries.

From the second half, a divergence in economic conditions around the world began to emerge, with the world's two great economic powers, the U.S. and China, achieving relatively strong recoveries, while the Japanese economy and European economies deteriorated due to the retightening of restrictions. Vaccinations are now underway in many countries but there are disparities in the pace of vaccination rollouts, with some countries facing supply issues and other problems.

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 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. The pace of long-term interest rate increases picked up owing to upward revisions to economic forecasts and inflation expectations, particularly in the U.S., where a massive additional economic stimulus package bill was passed at the start of the year.

As for primary commodity prices, the price of crude oil saw a temporary sharp decline in April 2020 but then gradually recovered thereafter on production cuts, expectations for the resumption of economic activity and the global monetary easing. In contrast, prices for copper and iron ore and others, which are strongly influenced by the Chinese economy, increased on the whole.

(Billions of yen)

| | FYE 3/2020 | FYE 3/2021 | Change |
|---|---|---|---|
| Revenue | 6,827.6 | 6,332.4 | –495.2 |
| **Gross trading profit** | 696.8 | 675.4 | –21.4 |
| Selling, general and administrative expenses | (558.5) | (529.3) | +29.2 |
| Provision for doubtful accounts | (4.4) | (4.5) | –0.1 |
| **Operating profit*1** | 133.9 | 141.6 | +7.7 |
| Interest expense, net of interest income | (31.4) | (12.5) | +18.9 |
| Dividend income | 27.6 | 16.2 | –11.4 |
| Non-operating other—net*2 | (240.9) | (4.8) | +236.2 |
| Share of profits of associates and joint ventures | (55.2) | 141.3 | +196.4 |
| **Profit (loss) before tax** | (165.9) | 281.8 | +447.7 |
| Corporate income tax | (24.3) | (48.7) | –24.4 |
| Profit (loss) for the year | (190.2) | 233.1 | +423.3 |
| **Profit (loss) attributable to owners of the parent (Net profit)*3** | (197.5) | 225.3 | +422.8 |
| Profit attributable to non-controlling interests | 7.3 | 7.7 | +0.5 |

*1. "Operating profit" is presented in accordance with Japanese accounting practice for investors' convenience and is not required by IFRS.
*2. "Non-operating other—net" is the sum of "Gains (losses) in investment securities," "Gains (losses) on property, plant and equipment" and "Other—net."
*3. "Profit (loss) attributable to owners of the parent" is shown as "Net profit."

(Billions of yen [change year on year])

| Gross trading profit | FYE 3/2021 | |
|---|---|---|
| **Power Business** | 11.5 | (–12.1) |
| Profit decrease in the domestic electricity retailing business due to the impact of price surges in the electricity market and others. | | |
| **Aerospace & Ship** | 14.6 | (–11.6) |
| Sluggish sales in aircraft parts and engines and a decrease in revenue from the vessel operations. | | |
| **Metals & Mineral Resources** | 14.6 | (–11.6) |
| Profit decrease in the Australian coal business due to the fall in coal prices and others. | | |
| **Agri Business** | 14.6 | (–11.6) |
| Profit increase in Gavilon against the backdrop of higher grain and fertilizer prices. | | |

(Billions of yen [change year on year])

| Non-operating other—net | FYE 3/2021 | |
|---|---|---|
| **Gains (losses) on investment securities** | 7.7 | (–17.4) |
| Non-recurrence of gains recognized on the partial sale of the U.S. refrigerated trailer leasing and rental business. | | |
| **Gains (losses) on property, plant and equipment** | (8.8) | (+242.1) |
| Non-recurrence of impairment losses on oil and gas E&P businesses and the Gavilon's grain business. | | |
| **Other – net** | (3.7) | (+11.4) |
| Non-recurrence of losses associated with an overseas infrastructure business, reinsurance business, and the prior-period adjustments at Gavilon. | | |





(Billions of yen (change year on year))

| Share of profits (losses) of associates and joint ventures | FYE 3/2021 | |
|---|---|---|
| **Metals & Mineral Resources** | 61.4 | (+78.0) |
| Non-recurrence of impairment loss on investment in Chilean copper mining business, etc. | | |
| **Finance & Leasing Business** | 20.8 | (+40.9) |
| Non-recurrence of impairment loss on investment in the aircraft leasing business in the U.S., etc. | | |
| **Agri Business** | 3.0 | (+28.0) |
| Non-recurrence of impairment loss on investment in a grain export business on the U.S. West Coast. | | |
| **Infrastructure Project** | 11.0 | (+27.9) |
| Non-recurrence of impairment losses on infrastructure business in the Philippines and North American oil and gas E&P related business. | | |

(Billions of yen (change year on year))

| Net profit | FYE 3/2021 | |
|---|---|---|
| **Consolidated net** | 225.3 | (+422.8) |
| Resources | 64.9 | (+231.0) |
| Non-resources | 157.0 | (+176.0) |
| Other | 3.4 | (+15.8) |

### Revenue

Revenue was down ¥495.2 billion (7.3%) from the fiscal year ended March 31, 2020 to ¥6,332.4 billion, due mainly to a decrease in the Food segment.

### Gross trading profit

Gross trading profit decreased ¥21.4 billion (3.1%) from the fiscal year ended March 31, 2020 to ¥675.4 billion. Main increases/decreases by operating segment are the following.

| | | |
|---|---|---|
| Power Business | Decrease by ¥12.1 billion | Profit decrease in the domestic electricity retailing business due to the impact of price surges in the electricity market and others |
| Aerospace & Ship | Decrease by ¥11.6 billion | Sluggish sales in aircraft parts and engines and a decrease in revenue from the vessel operations |
| Metals & Mineral Resources | Decrease by ¥9.4 billion | Profit decrease in the Australian coal business due to the fall in coking coal prices and others |
| Agri Business | Increase by ¥29.5 billion | Profit increase in Gavilon against the backdrop of higher grain and fertilizer prices |

### Selling, general and administrative expenses

Selling, general and administrative expenses decreased ¥29.2 billion (5.2%) from the fiscal year ended March 31, 2020 to ¥529.3 billion, as a result of cost-cutting efforts and a decrease in overhead expenses due to COVID-19.

### Provision for doubtful accounts

Provision for doubtful accounts stayed at the same level as the fiscal year ended March 31, 2020 at ¥4.5 billion.

As a result of the above, operating profit for the fiscal year ended March 31, 2021 increased ¥7.7 billion (5.7%) year on year to ¥141.6 billion.

### Interest expense, net of interest income

Interest expenses — net of interest income decreased ¥18.9 billion (60.1%) from the fiscal year ended March 31, 2020 to ¥12.5 billion due to the lower U.S. dollar interests.

### Dividend income

Dividend income decreased ¥11.4 billion (41.3%) from the fiscal year ended March 31, 2020 to ¥16.2 billion, due mainly to a decrease in Energy.

### Gains (losses) on investment securities

Gains on investment securities totaled ¥7.7 billion, a decline of ¥17.4 billion (69.2%) from the fiscal year ended March 31, 2020. The main factor was the non-recurrence of gain recognized in the year-earlier period on the partial sale of the U.S. refrigerated trailer leasing and rental business.

### Gains (losses) on property, plant and equipment

Losses on property, plant and equipment totaled ¥8.8 billion, an improvement of ¥242.1 billion (96.5%) from the fiscal year ended March 31, 2020. The main factors were the non-recurrence of the year-earlier impairment losses on oil and gas E&P businesses and Gavilon's grain business.

### Other—net

Other—net losses totaled ¥3.7 billion, an improvement of ¥11.4 billion (75.6%) from the fiscal year ended March 31, 2020, mainly reflecting the non-recurrence of losses recognized in the year-earlier period associated with an overseas infrastructure business, reinsurance business and the prior-period adjustments at Gavilon.

### Share of profits (losses) of associates and joint ventures

Share of profits of associates and joint ventures improved ¥196.4 billon ( – %) from the fiscal year ended March 31, 2020 to ¥141.3 billion, as a result of the non-recurrence of impairment losses recognized in the previous fiscal year. Main improvements by operating segment are the following.

| | | |
|---|---|---|
| Metals & Mineral Resources | Improvement by ¥78.0 billion | Non-recurrence of impairment loss on investment in Chilean copper mining business, etc. |
| Finance & Leasing Business | Improvement by ¥40.9 billion | Non-recurrence of impairment loss on investment in the aircraft leasing business in the U.S., etc. |
| Agri Business | Improvement by ¥28.0 billion | Non-recurrence of impairment loss on investment in a grain export business on the U.S. West Coast. |
| Infrastructure Project | Improvement by ¥27.9 billion | Non-recurrence of impairment losses on infrastructure business in the Philippines and North American oil and gas E&P related business. |

As a result of the above, profit before tax for the fiscal year ended March 31, 2021 totaled ¥281.8 billion, an improvement of ¥447.7 billion ( – %) year on year.

### Cash Flows

(Billions of yen)

| | FYE 3/2020 | FYE 3/2021 |
|---|---|---|
| Cash flow from operating activities | 327.0 | 397.1 |
| Core operating cash flow*4 | 363.8 | 369.6 |
| Increase/decrease in working capital and others | (36.8) | 27.5 |
| Cash flow from investing activities | (209.8) | (116.3) |
| Free Cash Flow | 117.2 | 280.8 |
| Free cash flow after delivery of shareholder returns | 57.3 | 231.3 |

*4. Core operating cash flow: Operating cash flow excluding net increase/decrease in working capital and others.

### Income taxes

Income taxes increased ¥24.4 billion (100.8%) year on year to ¥48.7 billion.

As a result, profit attributable to owners of the parent for the fiscal year ended March 31, 2021 (also referred to below as net profit for the fiscal year under review) improved ¥423.3 billion ( – %) to ¥225.3 billion relative to the year-earlier period.

### Financial Position

(Billions of yen)

| | March 31, 2020 | March 31, 2021 |
|---|---|---|
| Total assets | 6,320.0 | 6,939.0 |
| Net interest-bearing debt | 1,859.1 | 1,687.9 |
| Total equity | 1,604.6 | 1,911.8 |
| Net DE ratio | 1.16 times | 0.88 times |

### Cash Dividends

| | FYE 3/2020 | FYE 3/2021 |
|---|---|---|
| Annual dividend | ¥35 per share (Interim dividend ¥17.50 per share) (Year-end dividend ¥17.50 per share) | ¥33 per share (Interim dividend ¥11.00 per share) (Year-end dividend ¥22.00 per share) |





## Business Results by Segment

Results for each operating segment for the fiscal year ended March 31, 2021 are as follows:

### Net Profit and Adjusted Net Profit by Segments

(Billions of yen)

| Operating Segment*5 | Net profit | | | Adjusted net profit*7 | | |
|---|---|---|---|---|---|---|
| | FYE 3/2020 | FYE 3/2021 | Change | FYE 3/2020 | FYE 3/2021 | Change |
| Lifestyle | 4.1 | 2.1 | –2.1 | 3.0 | 2.0 | –1.0 |
| ICT & Real Estate Business | 11.9 | 18.6 | +6.6 | 18.0 | 18.0 | — |
| Forest Products | 3.3 | (2.1) | –5.4 | 7.0 | 1.0 | –6.0 |
| Food | 19.5 | 28.3 | +8.9 | 22.0 | 33.0 | +11.0 |
| Agri Business | (77.1) | 42.4 | +119.5 | 23.0 | 44.0 | +21.0 |
| Chemicals | 4.1 | 15.3 | +11.2 | 6.0 | 15.0 | +9.0 |
| Energy | (149.3) | 11.9 | +161.3 | 18.0 | 12.0 | –6.0 |
| Metals & Mineral Resources | (5.7) | 61.4 | +67.1 | 54.0 | 62.0 | +8.0 |
| Power Business | 9.0 | 10.0 | +1.0 | 21.0 | 15.0 | –6.0 |
| Infrastructure Project | (28.6) | 7.3 | +35.9 | 11.0 | 8.0 | –3.0 |
| Aerospace & Ship | 11.6 | 3.2 | –8.5 | 15.0 | 5.0 | –10.0 |
| Finance & Leasing Business | (7.4) | 8.9 | +16.3 | 18.0 | 15.0 | –3.0 |
| Construction, Industrial Machinery & Mobility | 19.6 | 14.7 | –4.9 | 16.0 | 14.0 | –2.0 |
| Next Generation Business Development | (1.9) | (2.1) | –0.2 | (2.0) | (2.0) | — |
| Other | (10.5) | 5.5 | +16.0 | (6.0) | 1.0 | +7.0 |
| Consolidated | (197.5) | 225.3 | +422.8 | 225.0 | 242.0 | +17.0 |
| Resources*6 | (166.0) | 64.9 | +231.0 | 61.0 | 64.0 | +3.0 |
| Non-resources*6 | (19.0) | 157.0 | +176.0 | 172.0 | 179.0 | +7.0 |
| Other*6 | (12.4) | 3.4 | +15.8 | (8.0) | (1.0) | +7.0 |

*5. Effective as of April 2020, "Plant" and "Construction, Auto & Industrial Machinery" were renamed as "Infrastructure Project" and "Construction, Industrial Machinery & Mobility," respectively. Moreover, part of "Plant" was reorganized into "Finance & Leasing Business," part of "Plant" and "Other" was reorganized into "Next Generation Business Development," and part of "Next Generation Business Development" was reorganized into "Other." In conjunction with these organizational changes, operating segment information for the fiscal year ended March 31, 2020 and information by business fields such as Resources and Non-resources have been reclassified.

*6. Business fields
Resources: Total for "Energy" and "Metals & Mineral Resources" excluding the "Steel Products" sub-segment
Other: Total for "Next Generation Business Development" and "Other" segments
Non-resources: Other than the above

*7. Adjusted net profit: Net profit excluding one-time items is an approximate figure. Amount may not agree with total for segments and consolidated total due to rounding.

### Lifestyle

Gross trading profit decreased ¥4.4 billion (19.3%) year on year to ¥18.2 billion and operating profit decreased ¥2.2 billion (51.3%) year on year to ¥2.0 billion, in response to reduced sales of apparel and others due to COVID-19. Share of profits of associates and joint ventures decreased ¥0.4 billion (87.4%) year on year, to ¥0.1 billion. As a result, net profit was down ¥2.1 billion (50.2%) from the fiscal year ended March 31, 2020 to ¥2.1 billion.

### ICT & Real Estate Business

Gross trading profit decreased ¥2.2 billion (1.9%) year on year to ¥115.1 billion due to a decline in domestic mobile phone sales business owing to the impact of COVID-19. Operating profit decreased ¥0.9 billion (3.3%) year on year to ¥27.0 billion. Share of profits of associates and joint ventures decreased ¥1.3 billion (65.9%) year on year to ¥0.7 billion due to a decline in the profit of a Chinese real estate sales business. Despite the above, net profit increased ¥6.6 billion (55.4%) from the fiscal year ended March 31, 2020 to ¥18.6 billion, due to the non-recurrence of loss on the reinsurance business posted in the previous year.

### Forest Products

Gross trading profit decreased ¥8.4 billion (25.9%) year on year to ¥24.0 billion as a result of a decline in MUSI Pulp Project due to the deterioration of pulp market prices and others, and profit decrease in the wood-chip business. In addition to the above, the overseas bad debt expense increased, and operating profit declined ¥9.0 billion (76.6%) year on year to ¥2.7 billion. Share of losses of associates and joint ventures deteriorated ¥0.2 billion (17.4%) year on year to ¥1.4 billion. As a result, net profit (loss) deteriorated ¥5.4 billion ( – %) from the fiscal year ended March 31, 2020 to negative ¥2.1 billion.

### Food

Gross trading profit increased ¥6.8 billion (6.6%) year on year to ¥109.1 billion due to strong performance in the meat processing and sales business, improved margins in grain trading and others. In addition to the above, overhead expenses decreased, and operating profit increased ¥11.7 billion (37.2%) year on year to ¥43.3 billion. Share of profits of associates and joint ventures increased ¥1.8 billion (29.0%) year on year to ¥8.1 billion due to profit increase in domestic retail businesses. Net profit for the year increased ¥8.9 billion (45.5%) from the fiscal year ended March 31, 2020 to ¥28.3 billion.

### Agri Business

Gross trading profit increased ¥29.5 billion (17.5%) year on year to ¥198.7 billion due to stronger profits at Gavilon against the backdrop of higher grain and fertilizer prices. Operating profit increased ¥24.0 billion (88.1%) year on year to ¥51.2 billion. Share of profits of associates and joint ventures improved ¥28.0 billion ( – %) year on year to ¥3.0 billion due to the non-recurrence of impairment loss on investment in the grain export business on the U.S. West Coast. In addition, due to the non-recurrence of impairment losses on the Gavilon's grain business booked in the year-earlier period, net profit (loss) improved ¥119.5 billion ( – %) from the fiscal year ended March 31, 2020, to positive ¥42.4 billion.

### Chemicals

Gross trading profit increased ¥9.0 billion (30.2%) year on year to ¥39.0 billion, as a result of improved margins in the petrochemical products transactions. In addition to the above, overhead expenses and bad debt expense decreased, and operating profit increased ¥12.9 billion (239.0%) year on year to ¥18.3 billion accordingly. Share of profits of associates and joint ventures stayed at the same level as the year-earlier period at ¥1.4 billion. As a result, net profit increased ¥11.2 billion (273.9%) from the fiscal year ended March 31, 2020, to ¥15.3 billion.

### Energy

Gross trading profit stayed at the same level as the year-earlier period at ¥37.3 billion and operating profit increased ¥0.2 billion (5.9%) year on year to ¥3.5 billion. Share of profits of associates and joint ventures improved ¥14.3 billion ( – %) year on year, to ¥1.1 billion. The improvement is attributable to the non-recurrence of impairment loss recognized in the previous fiscal year on investment in LNG business in Papua New Guinea. Net profit (loss) improved ¥161.3 billion ( – %) year on year to positive ¥11.9 billion, due to the non-recurrence of impairment losses on the oil and gas E&P in the U.S., and reversal of deferred tax assets, both recognized in the year-earlier period.

### Metals & Mineral Resources

Gross trading profit decreased ¥9.4 billion (31.0%) year on year to ¥21.0 billion as a result of fall of coking coal prices in the Australian coal business and others. Operating profit decreased ¥8.8 billion (75.0%) year on year to ¥2.9 billion. Share of profits of associates and joint ventures improved ¥78.0 billion ( – %) year on year, to ¥61.4 billion as a result of profit increase in the Chilean copper business and in the Australian iron ore business, along with the non-recurrence of impairment loss recognized in the previous fiscal year on the Chilean copper business, that more than offset profit declines in the Australian coal business. As a result, net profit (loss) improved ¥67.1 billion ( – %) from the fiscal year ended March 31, 2020 to positive ¥61.4 billion.

### Power Business

Gross trading profit decreased ¥12.1 billion (51.3%) year on year to ¥11.5 billion, as a result of the declined profits in retail power sales business and others affected by the soaring electricity market prices and others. Operating loss worsened ¥11.1 billion (79.6%) year on year to ¥25.0 billion. Share of profits of associates and joint ventures increased ¥10.6 billion (59.7%) year on year to ¥28.4 billion due to the non-recurrence of impairment loss on investment in offshore wind power installation business in the U.K. As a result, net profit increased ¥1.0 billion (11.1%) from the fiscal year ended March 31, 2020 to ¥10.0 billion.



### Infrastructure Project

Even though gross trading profit decreased ¥1.9 billion (15.9%) year on year to ¥10.0 billion mainly owing to lower profits from overseas plant projects and others, the operating loss improved ¥0.4 billion (6.9%) year on year to ¥5.5 billion as a result of lower overhead expenses. Share of profits of associates and joint ventures improved ¥27.9 billion ( – %) year on year to ¥11.0 billion due to the non-recurrence of impairment losses posted in the previous fiscal year on investment in infrastructure business in the Philippines and North American oil and gas E&P related business. In addition to the above, owing to the non-recurrence of loss in overseas infrastructure business recognized in the previous year, net profit (loss) improved ¥35.9 billion ( – %) year on year to positive ¥7.3 billion.

### Aerospace & Ship

Gross trading profit decreased ¥11.6 billion (44.3%) year on year to ¥14.6 billion, 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 ¥9.9 billion (70.2%) year on year to ¥4.2 billion. Share of profits of associates and joint ventures increased ¥0.2 billion (8.0%) year on year to ¥3.1 billion as a result of the non-recurrence of impairment loss recognized in the year-earlier period on investment in offshore wind power installation business in the U.K., that more than offset decreased profits in the ship-related business and the airport ground handling related business owing to the impact of COVID-19. Consequently, net profit decreased ¥8.5 billion (72.6%) from the fiscal year ended March 31, 2020 to ¥3.2 billion.

### Finance & Leasing Business

Gross trading profit decreased ¥7.1 billion (64.6%) year on year to ¥3.9 billion, because a consolidated subsidiary in the U.S. refrigerated trailer leasing and rental business was converted into an equity-method associate. Operating loss accordingly worsened ¥3.8 billion (764.9%) year on year to ¥4.3 billion. Share of profits of associates and joint ventures improved ¥40.9 billion ( – %) year on year to ¥20.8 billion, as a result of profit increase in the used car retail financing business in U.S. and the non-recurrence of impairment loss recognized in the previous year on the aircraft leasing business in U.S., despite a decline in profit of the aircraft leasing business in U.S. due to the impact of COVID-19. Net profit (loss) improved ¥16.3 billion ( – %) year on year to positive ¥8.9 billion, according to the improvement in share of profits of associates and joint ventures, despite the non-recurrence of gain recognized in the year-earlier period on the partial sale of the U.S. refrigerated trailer leasing and rental business.

### Construction, Industrial Machinery & Mobility

Gross trading profit decreased ¥8.7 billion (9.8%) year on year to ¥80.8 billion, as results of profit decrease in the construction machinery, industrial equipment, tires and rubber materials rerated businesses due to the impact of COVID-19. Operating profit decreased ¥3.9 billion (19.7%) year on year to ¥16.1 billion. Share of profits of associates and joint ventures decreased ¥2.5 billion (40.7%) year on year to ¥3.6 billion. As a result, net profit decreased ¥4.9 billion (24.8%) from the fiscal year ended March 31, 2020, to ¥14.7 billion.

### Next-Generation Business Development

Gross trading profit decreased ¥0.6 billion (24.3%) year on year to ¥1.8 billion and operating loss worsened ¥0.4 billion (17.4%) year on year to ¥2.5 billion. As a result, net loss worsened ¥0.2 billion (10.0%) from the fiscal year ended March 31, 2020, to ¥2.1 billion.

## Net Profit of Major Group Companies

As for the category of Group companies, consolidated subsidiaries are described as "Consolidated" and associate companies accounted for using the equity-method as "Equity method."

(Billions of yen)

| Company Name | Consolidated/ Equity method | Equity Portion | FYE 3/2020 | FYE 3/2021 | Change | Description of business |
|---|---|---|---|---|---|---|
| **Lifestyle Division** | | | | | | |
| Saide Tekstil Sanayi ve Ticaret | Equity method | 45.5% | 0.1 | **0.2** | +0.1 | Planning, manufacturing and sale of apparel and goods |
| Marubeni Fashion Link | Consolidated | 100% | 0.9 | **0.2** | −0.7 | Planning, manufacturing and sale of apparel and goods |
| Marubeni Intex | Consolidated | 100% | 1.2 | **1.4** | +0.2 | Sale of industrial materials, lifestyle materials and products |
| **ICT & Real Estate Business Division** | | | | | | |
| Marubeni Information Systems | Consolidated | 100% | 1.7 | **1.6** | −0.2 | IT solution provider for full range of IT lifecycle in every industry |
| Marubeni IT Solutions | Consolidated | 80.0% | 0.9 | **0.9** | +0.0 | Sales planning of information and communication systems, design, and development of software |
| MX Mobiling | Consolidated | 100% | 6.6 | **5.8** | −0.7 | Sales, repair and maintenance of mobile handsets and related equipment |
| ARTERIA Networks | Consolidated | 50.0% | 2.2 | **2.2** | +0.0 | Provision of various network services for businesses and condominiums |
| Marubeni Real Estate Management | Consolidated | 100% | 0.7 | **0.3** | −0.4 | Leasing and subleasing of real estate, management of office buildings and complex facilities |
| Marubeni Logistics | Consolidated | 100% | 1.0 | **1.2** | +0.1 | International combined transport operation (NVOCC), 3PL (Third-party Logistics), ocean & air freight forwarding, consultancy relating to logistics |
| Marubeni Safenet | Consolidated | 100% | 0.4 | **0.4** | −0.1 | Insurance agency and lending business |
| **Forest Products Division** | | | | | | |
| MUSI Pulp Project | Consolidated | TEL 85.1%<br>MHP 100% | (3.7) | **(4.4)** | −0.7 | Forestry (Afforestation of hardwood), production and sales of pulp in Indonesia |
| WA Plantation Resources | Consolidated | 100% | 1.6 | **(0.3)** | −2.0 | Wood chip production and plantation in Australia |
| Koa Kogyo | Consolidated | 80.0% | 2.0 | **2.4** | +0.4 | Manufacture and sale of corrugating medium and linerboard |
| Fukuyama Paper | Consolidated | 55.0% | 1.3 | **1.2** | −0.1 | Manufacture and sale of corrugating medium and core board |
| Marubeni Pulp & Paper | Consolidated | 100% | 2.3 | **1.6** | −0.7 | Sale of paper products |
| Marusumi Paper | Equity method | 32.2% | (1.5) | **(1.6)** | −0.1 | Manufacture and sale of paper |
| **Food Division** | | | | | | |
| Yamaboshiya | Consolidated | 75.6% | 1.3 | **0.7** | −0.6 | Wholesale of confectionery products to mass-retail and convenience stores |
| United Super Markets Holdings Inc.[*1] | — | — | 0.2 | **1.3** | +1.1 | Supermarket operators in the Tokyo metropolitan area |
| Cia.Iguacu de Cafe Soluvel | Consolidated | 100% | 0.8 | **1.1** | +0.3 | Manufacturing and sale of instant coffee |
| Marubeni Foods | Consolidated | 100% | 0.7 | **0.7** | −0.0 | Imports, exports and sales of food products |
| Benirei | Consolidated | 98.8% | 0.3 | **0.6** | +0.3 | Wholesale of seafood products and warehousing |
| Creekstone Holding | Consolidated | 100% | 4.3 | **9.5** | +5.2 | Holding company of Creekstone Farms Premium Beef LLC, which conducts production, processing and sales of beef, etc. |
| Wellfam Foods | Consolidated | 100% | 2.4 | **4.2** | +1.9 | Marketing of livestock, meats and processed products |
| Rangers Valley Cattle Station | Consolidated | 100% | 0.9 | **(0.6)** | −1.5 | Cattle raising and beef sales business in Australia |
| S FOODS[*2] | Equity method | 15.3% | 1.0 | **1.5** | +0.5 | Wholesale, retail, and restaurant business of meats |
| Marubeni Nisshin Feed | Consolidated | 60.0% | 1.8 | **2.1** | +0.4 | Manufacture and sales of livestock feed |
| Pacific Grain Terminal | Consolidated | 78.4% | 0.6 | **0.7** | +0.1 | Warehousing, stevedoring and transportation operations |
| The Nisshin OilliO Group[*2] | Equity method | 16.0% | 1.3 | **1.4** | +0.1 | Processing and sale of edible oil business |
| **Agri Business Division** | | | | | | |
| Helena | Consolidated | 100% | 24.9 | **22.8** | −2.1 | Sales of agricultural materials and provision of various services in the U.S. |
| Gavilon Agriculture Investment | | | (87.9) | **21.5** | +109.3 | |
| Grain Business | Consolidated | 100% | (87.5) | **16.4** | +103.9 | Parent company of Gavilon Group (collection/sales of grain, fertilizer, etc.) |
| Fertilizer Business | | | (0.4) | **5.0** | +5.4 | |
| Columbia Grain International | Consolidated | 100% | (9.0) | **3.6** | +12.6 | Collection, storage, exporting and domestic sales of grain produced in North America |

(Billions of yen)

| Company Name | Consolidated/ Equity method | Equity Portion | FYE 3/2020 | FYE 3/2021 | Change | Description of business |
|---|---|---|---|---|---|---|
| **Chemicals Division** | | | | | | |
| Marubeni Plax | Consolidated | 100% | 0.8 | **0.8** | +0.0 | Sales and foreign trade of plastic products and resins |
| Olympus Holding (Orffa) | Consolidated | 80.0% | 0.4 | **1.0** | +0.6 | Sales of feed additives |
| Marubeni Chemix | Consolidated | 100% | 0.9 | **0.9** | +0.1 | Sales and foreign trade of organic chemicals and fine chemicals |
| **Energy Division** | | | | | | |
| LNG Projects | — | — | 6.9 | **5.4** | −1.5 | Liquefaction of natural gas in overseas |
| ENEOS GLOBE | Equity method | 20.0% | 0.6 | **1.9** | +1.4 | Import and sale of LPG, and sale of new energy-related equipment |
| MIECO | Consolidated | 100% | 3.3 | **4.1** | +0.9 | Sale of all types of petroleum products and natural gas |
| Oil & Gas E&P | Consolidated | 100% | (164.1) | **(7.8)** | +156.2 | Total of oil and gas interests at Gulf of Mexico (U.S.), North Sea (U.K.), Indian Sea |
| **Metals & Mineral Resources Division** | | | | | | |
| Marubeni Coal | Consolidated | 100% | 25.2 | **5.0** | −20.1 | Investment in coal mines in Australia |
| Roy Hill Iron Ore Project | Equity method | 15.0% | 15.4 | **30.1** | +14.7 | Investment in iron ore mine in Australia |
| Marubeni LP Holding | Consolidated | 100% | (59.5) | **16.4** | +75.9 | Investment in copper mines in Chile |
| Marubeni Aluminium Australia | Consolidated | 100% | (0.4) | **(0.3)** | +0.1 | Refining and sales of aluminum ingots in Australia |
| Marubeni Metals & Minerals (Canada) | Consolidated | 100% | 2.8 | **0.9** | −1.8 | Refining and sales of aluminum ingots in Canada |
| Marubeni-Itochu Steel | Equity method | 50.0% | 11.2 | **8.7** | −2.5 | Sales and business management of steel products |
| **Power Business Division** | | | | | | |
| Overseas IPP Projects[*3] | — | — | 35.6 | **35.9** | +0.3 | Overseas power generation |
| SmartestEnergy | Consolidated | 100% | (0.8) | **1.7** | +2.5 | Electricity aggregation and retail business in the U.K. |
| **Infrastructure Project** | | | | | | |
| FPSO Projects[*4] | — | — | 1.6 | **3.2** | +1.6 | FPSO project investment and management |
| Overseas Water and Wastewater Services[*5] | — | — | (18.3) | **6.1** | +24.4 | Overseas water and wastewater services |
| **Aerospace & Ship Division** | | | | | | |
| Marubeni Aviation Parts Trading | Consolidated | 100% | 2.6 | **(0.8)** | −3.4 | Investment in aircraft parts trading business in the U.S. |
| **Finance & Leasing Business Division** | | | | | | |
| Nowlake (Westlake) business[*6] | Equity method | 21.8% | 11.0 | **22.6** | +11.6 | Investment in used car retail financing businesses in the U.S. |
| PLM Fleet[*7] | Equity method | 50.0% | 2.5 | **1.6** | −0.9 | Leasing and rental of refrigerated trailers in the U.S. |
| Marubeni SuMiT Rail Transport | Equity method | 50.0% | 1.1 | **0.8** | −0.3 | Investment in railcar leasing business in the U.S. |
| Aircastle Business[*8] | Equity method | — | (39.8) | **(7.8)** | +32.0 | Aircraft operating lease business in the U.S. |
| **Construction, Industrial Machinery & Mobility Division** | | | | | | |
| B-Quik | Consolidated | 90.0% | 2.3 | **2.5** | +0.3 | Tire retailer in the ASEAN |
| Automotive Aftermarket Business | — | — | 2.0 | **2.0** | +0.0 | Automotive aftermarket business in the U.S. |
| Marubeni Auto Investment (U.K.) | Consolidated | 100% | 0.7 | **0.9** | +0.2 | Investment in retail sales business of automobiles in the U.K. |
| Kono Electronics | Consolidated | 100% | 0.5 | **0.6** | +0.1 | Sales of electrical equipment connecting parts and materials |
| Marubeni Techno-Systems | Consolidated | 100% | 2.0 | **1.3** | −0.7 | Sale, export and import of industrial machinery |

*1. We hold outstanding shares of this company through a holding company. Stated figures that are multiplications of disclosed figures of this company and our equity portion, are shown for reference. Adjustments of accounting standard variances have been applied to our IFRS consolidated statements.
*2. Stated figures that are multiplications of disclosed figures of this company and our equity portion, are shown for reference. Adjustments of accounting standard variances have been applied to our IFRS consolidated statements.
*3. Total profits of consolidated subsidiaries and share of profits of associates and joint ventures of our overall IPP business.
*4. Total profits of consolidated subsidiaries and share of associates and joint ventures of our FPSO projects.
*5. Total profits of consolidated subsidiaries and share of associates and joint ventures of our overseas water and wastewater services.
*6. In line with organizational restructuring implemented in January 2021, the business name was changed from Westlake business to Nowlake business.
*7. Completed transfer of equity interests (100% → 50%) on March 30, 2020. Listed figures of consolidated net profit for FYE 3/2020 are figures before the transfer (former MAC Trailer Leasing (PLM), 100% consolidated). However, profits related to organizational restructuring within the group not reported in the consolidated financial statements are adjusted.
*8. Completed additional acquisition (29% → 75%) on March 27, 2020. Listed figures of consolidated net profit for FYE 3/2019 and 3/2020 are both figures before the additional acquisition, including the impairment loss recognized in FYE3/2020.

# Business Risks

Major risks that could have a serious impact on investor decisions associated with the business operations and other activities of Marubeni Corporation and its consolidated subsidiaries are outlined below. The risks discussed, however, are not inclusive of the full range of possible risks faced in the broad range of activities engaged in by the Group. Any number of additional risks other than those discussed below could also impact business performance. Forward-looking statements with respect to the risks discussed below reflect the reasonable judgment of the Company's management based on information available as of March 31, 2021.

## (1) Risk Management Policy

In conducting their diverse business activities, Marubeni and its consolidated subsidiaries manage risks through a multifaceted approach, encompassing micro and macro as well as quantitative and qualitative perspectives. For each of these approaches, Marubeni has in place a basic policy for risk management and internal rules and has established the organizations, management systems, and management methods to carry out those policies.

Incorporating a micro focus on individual risk, Marubeni and its consolidated subsidiaries make decisions on certain matters (e.g., investments, credit extensions) through a consensus-based decision-making process. Highly material investments are monitored more closely to facilitate early problem detection and corrective action. The Investment and Credit Committee, Corporate Management Committee and the Board of Directors periodically receive reports on the current status of investments. The strategic, growth and profit potential of these investments is examined, with necessary investments considered from a variety of multifaceted angles and the determination regarding whether to revise and move forward or withdraw made in accordance with the consensus-based decision-making process.

In an environment where exchange rates, resource prices and other financial and commodity market variables remain prone to substantial volatility, Marubeni practices integrated risk management from a macro view that spans the entire Group. Its integrated risk management encompasses all of its Group assets, classifying by exposure risk attributes, such as market risk, credit risk and investment risk, and quantifying the maximum risk amount using the VaR (Value at Risk) method that takes into account the diversification effect and the correlation coefficient. Marubeni then confirms that the exposure is within the range of its total equity, which represents its risk-bearing capacity.

With regard to risks that are difficult to quantify, such as compliance risk, Marubeni has put in place systems to prevent such risks from manifesting themselves in the form of improved corporate governance and internal control systems and an upgraded compliance system.

However, Marubeni and its consolidated subsidiaries' risk management framework may not be capable of fully dealing with all of the various risks that could arise in their wide-ranging business activities today or in the future. In such an event, Marubeni and its consolidated subsidiaries' earnings performance and/or financial condition could be adversely affected.

Please refer to Concerning the Decision-making Processes for New Investments and Asset Recycling on P.27.

## (2) Individual Risks

### ❶ Impact of Changes in the Global Economy and Industrial Structure on the Marubeni Group

The Company is a general trading company engaged in a wide range of business activities through bases in Japan and over 60 other countries. Examples include the production and procurement of primary commodities, as well as the manufacture and sale of finished goods, the provision of services and various commercial and investing activities in Japan and other countries and regions in many industrial fields.

Consequently, it is necessary for Marubeni to examine the impact on business activities and to respond to events that affect the global economy, as exemplified by growing tensions between the U.S. and China, the situation in the Middle East, as well as climate change and natural disasters, on business activities. The Company also works to develop new business models and revamp existing ones in response to changes in the industrial structure driven by technological innovation, such as AI, blockchain, and 5G services, and changes in and the diversification of values, including sustainability and decarbonization. A global economic downturn or slowdown or failure to adequately adapt to changes in the industrial structure could adversely affect the Company and its consolidated subsidiaries' operating activities, business results and/or financial condition.

### ❷ Credit Risks Regarding Business Partners

Marubeni and its consolidated subsidiaries extend credit to business partners in the form of accounts receivable, advances, loans, guarantees, and other means. In addition, as a part of its sales activities, the Group concludes merchandise supply, subcontracting, operational outsourcing, and other types of contracts with business partners. The incurrence of credit risk due to the inability of business partners to fulfill their credit obligations or a breach of contract by these business partners could adversely affect the Group's business results and financial condition.

To prevent credit risks from materializing, the Group sets credit limits, which represent the maximum limit of credit provided to any one customer, while carefully ascertaining the customer's credit standing, the profit margin of the transaction, strategic consistency and other factors. Operating within the range of that credit limit then serves as the basis of the Company's credit management.

In preparation for the incurrence of possible losses when credit risk becomes apparent, the Group establishes allowances for doubtful accounts based on the estimated amount of loss, an internal rating determined in accordance with the business partner's credit standing, collateral value, and other set factors. In the event of such losses, however, the Company cannot guarantee that actual losses will not exceed these established allowances.

### ❸ Investment Risk

Marubeni and its consolidated subsidiaries, both independently and in collaboration with other companies, establish new companies and purchase existing enterprises in the course of their business operations. Most of these business investments require sizable amounts of capital. The Group may be unable to withdraw from such businesses in an optimal manner or time frame, in which case it would be obliged to commit additional capital.

In an effort to prevent the occurrence of risks associated with investments and other activities, Marubeni and its consolidated subsidiaries conduct extensive risk management, including checking the quantitative and qualitative aspects of new investments to determine whether the expected returns are commensurate with the risks involved. The checking process is based on investment standards established within the Company, such as internal rate of return (IRR), payback period, and PATRAC*1. Nevertheless, a decline in the value of these investments or the necessity of additional expenditures of capital could adversely affect the Group's business results and financial condition.

*1. PATRAC (Profit After Tax less Risk Asset Cost): A performance indicator developed by Marubeni to measure the extent to which returns exceed a minimum risk-adjusted return target. Calculated based on the following formula.
PATRAC = Profit after tax – Risk assets (= required shareholders' equity) x 10%*2

*2. Hurdle rate based on cost of capital

Please refer to Concerning the Decision-making Processes for New Investments and Asset Recycling on P.27.

### ❹ Ability to Procure Funds and Funding Cost

Marubeni and its consolidated subsidiaries engage in fund procurement with an emphasis on maintaining an optimal mix of funding in line with the requirements of their respective asset portfolios and ensuring liquidity. However, significant disruptions in major global capital markets, shortages of cash flows from operating activities, declining profitability, failure in asset-liability management, or a sharp downgrade in the credit rating of the Group by ratings agencies could constrain fund procurement or lead to an increase in funding cost, which could adversely affect the Group's business results and financial condition.

Please refer to the Message from the CFO on PP.24–27.

### ❺ Market Risks

Unless otherwise stated, in this section the amount of impact on the profit attributable to owners of the parent (hereinafter, profit) shown is the amount for the fiscal year ending March 31, 2022, calculated based on the Company's business results for the fiscal year ended March 31, 2021.

#### (a) Fluctuations in the Prices of Goods and Merchandise

Marubeni and its consolidated subsidiaries handle a variety of merchandise. With regard to certain merchandise, the Group enters into commodity futures transactions and/or forward transactions in order to mitigate the price fluctuation risk related to inventories, contracts, and scheduled contracts of such merchandise. However, price fluctuations especially in the commodities could adversely affect the Group's business results and financial condition. Such commodities include, but are not limited to the following:

- the grains, such as corn and wheat, and chicken handled by the Food Division
- the chemicals, such as ethylene and propylene, handled by the Chemicals Division

- the crude oil and gas handled by the Energy Division
- the non-ferrous metals handled by the Metals & Mineral Resources Division
- and the wood pulp handled by Forest Products Division

Marubeni also utilizes vessels, such as dry bulk carriers and tankers, to transport these merchandises, and the market conditions for these vessels could also adversely affect the Group's business results and financial condition. To address such price fluctuation risks in commodities trading and to avoid taking excessive risk exposure, Marubeni employs a position management framework to establish position limits on a commodity-by-commodity basis and to regularly monitor its compliance.

In addition to the effects of these price fluctuations in commodities trading, Marubeni and its consolidated subsidiaries participate in energy and natural resource exploration and production (E&P) businesses and other manufacturing businesses. Fluctuations in the markets of the products sold through these activities could adversely affect the Group's business results and financial condition.

The effects of price fluctuations on the major products in the mineral resources and the oil and gas E&P businesses in which Marubeni and its consolidated subsidiaries participate are set out below.

If the commodity price of crude oil changes by US$1 per barrel, the effect on profit for the year is estimated to be about ¥500 million per year. However, since profit for the year is affected by factors other than price fluctuations—including production/operation status, operating expenses, development expenses for drilling production wells, constructing production facilities, etc., exploration expenses, and abandonment expenses—there are cases in which it cannot be determined simply by the commodity price of crude oil.

If the commodity price of copper fluctuates by US$100 per ton, the impact on profit for the year is estimated to be about ¥1.1 billion per year. However, since profit for the year is affected by factors other than price fluctuations—production/operational status, capital expenditure and operating expenditure associated with the maintenance of production and transportation facilities—there are cases in which it cannot be determined simply by the commodity price of copper.

**(b) Market Liquidity (Liquidity Risk)**

Marubeni and its consolidated subsidiaries hold a variety of assets that are subject to market trading, including financial instruments. Financial market turmoil and other factors can cause the market liquidity of held assets to decline dramatically, a situation that could potentially trigger a precipitous drop in the value of held assets. Such an occurrence could adversely affect the Group's business results and financial condition.

**(c) Fluctuations in Foreign Currency Exchange Rates**

Marubeni and its consolidated subsidiaries conduct transactions in a variety of currencies and under a variety of terms. In order to mitigate the risk of exchange rate fluctuations associated with transactions, receivables, and liabilities denominated in foreign currencies, the Group enters into forward exchange contracts and other derivative transactions. Despite these measures, fluctuations in exchange rates could adversely affect the Group's business results and financial condition. In addition, the proportion of profits and losses of overseas consolidated subsidiaries and equity-method affiliates and dividends received from overseas businesses in net income is relatively high. Most of these earnings are denominated in foreign currencies, and our reporting currency is yen. Therefore, exchange rate fluctuations will affect the business performance and financial position of the Company and its consolidated subsidiaries. If the Japanese yen changes by 1 yen against the U.S. dollar, the impact on profit for the year is estimated to be about ¥1.3 billion per year.

**(d) Fluctuations in Interest Rates**

Marubeni and its consolidated subsidiaries procure necessary business funds through borrowings from financial institutions, the issuance of corporate bonds, and other methods of procuring from capital markets. A large portion of floating rate liabilities is proportionate to operating assets that can counteract adverse impacts of interest rate fluctuations. However, interest rate fluctuation risks cannot be completely eliminated, and a certain degree of exposure remains.

Among the liabilities procured for interest-insensitive assets, such as investment securities and property, plant and equipment, the portion at procured floating rates is categorized as unhedged through the asset-liability management practices of Marubeni and its consolidated subsidiaries. Monitoring market movements in interest rates, the Group utilizes interest rate swaps and other measures to mitigate the risk of interest rate fluctuations.

There is no guarantee that the Group will be able to completely avoid interest rate risk, even after having implemented these management measures. Therefore, changes in market interest rates could adversely affect the Group's business results and financial condition.

**(e) Fluctuations in Values of Marketable Securities Subject to Market Volatility**

To strengthen business relationships and for other purposes, Marubeni and its consolidated subsidiaries invest in marketable securities that are subject to market volatility. Such securities held by the Group carry the risk of fluctuations in original value due to changes in fair value. Drops in the fair value of these securities could adversely affect the Group's business results and financial condition.

**(f) Risks Regarding Employees' Retirement Benefits**

Marubeni and its consolidated subsidiaries' pension assets include domestic and foreign stocks and bonds. In the management of those assets, the internally established Pension Asset Management Committee conducts regular monitoring and constantly strives to maximize pension assets within the allowable risk range. However, sluggish performance in the securities markets could decrease the value of those assets beyond expectations, increase retirement benefit costs or require the accumulation of additional pension assets. In addition, the current value of defined benefit obligations is calculated based on assumptions, including those for discount rates and wage hikes, but if the actual values differ from those assumptions, the amount of defined benefit obligations may change. Such events could adversely affect the Group's business results and financial condition.

### ❻ Risks Associated with Long-lived Assets

Among the long-lived assets held by the Company and its consolidated subsidiaries, in addition to business assets such as real estate, machinery, and equipment, are included investments in resource development interests, intangible assets including goodwill recognized at the time of business acquisition, and those in which the Company is involved through investment accounted for under the equity method (equity-method investment) without having a majority.

In accordance with IFRS, the Company and its consolidated subsidiaries estimate the recoverable amount of such long-lived assets when there is any indication that the assets may be impaired. If the recoverable amount is less than the carrying amount, the carrying amount of the asset is written down to the recoverable amount and an impairment loss is recognized. Intangible assets with indefinite useful lives and goodwill are tested for impairment annually, regardless of whether or not there is an indication of impairment.

However, if the value of an asset drops significantly compared to current assumptions due to changes in the economic and industry environment, revision of business plans, change of ownership policy, or other factors, impairment losses, the inability to recover invested funds, or additional losses at the time of business withdrawal may occur, an impairment loss may be incurred and may adversely affect the Group's business results and financial condition.

**<Investment in Resource Development Interests>**

Concerning investment in resource development interests at the end of the fiscal year ended March 31, 2021, the financial exposure by product is as follows:

| Product(s) | Amount of exposure | Main assets |
|---|---|---|
| Copper | Approx. ¥230 billion | Equity-method investments (Chile) |
| Iron ore | Approx. ¥170 billion | Equity-method investments (Australia) |
| Oil and gas | Approx. ¥140 billion | Property, plant and equipment (the Gulf of Mexico, the U.S., the North Sea, the U.K., etc.) |
| Coking coal | Approx. ¥70 billion | Equity-method investments/ Property, plant and equipment (Australia) |
| LNG | Approx. ¥40 billion | Equity-method investments (Papua New Guinea, etc.)/other investments (Qatar, etc.) |
| Resource investment total | Approx. ¥660 billion | |

Note: As they are displayed as approximate numbers, the total values may not match.

With regard to investments in the oil and gas E&P businesses as well as the copper and iron ore businesses, which may have a significant impact on the business performance and financial condition of Marubeni and its consolidated subsidiaries, asset value fluctuations may be caused due to the factors listed below.

**Oil and Gas E&P Businesses**

The prices of the oil and natural gas produced and sold by the oil and gas E&P businesses in which the Group is involved are subject to change due to factors that the Group cannot control, including but not limited to worldwide supply/demand imbalance or supply/demand imbalance in each region, economic fluctuations, inventory adjustments, foreign currency exchange rate fluctuations, political and geopolitical situations in major oil-producing countries, and the impact of the spread of COVID-19.

Deposits, production output, operating expenses, development expenses for boring production wells, constructing production facilities, etc., exploration expenses, and expenses for mine closures, etc., and business plans that are based on assumptions of these items may be revised owing to product price fluctuations and technological and economic factors, as well as the policies of the partners leading the projects, the weather and the environment, procurement, financing, the impact of regulations by the authorities, etc.

**Copper and Iron Ore Businesses**

In the copper and iron ore businesses in which the Group is involved, the commodity prices, such as copper and iron ore prices, are subject to change due to factors that the Group cannot control, including but not limited to, worldwide supply/demand imbalance or supply/demand imbalance in each region, economic fluctuations, foreign currency exchange rate fluctuations, geopolitical situations, and the impact of the spread of COVID-19.

The long-lived assets of the copper business in which the Group is involved consist mainly of equity-method investments (in Los Pelambres Copper Mine, Centinela Copper Mine, and Antucoya Copper Mine in Chile). The long-lived assets of the iron ore business consist mainly of equity-method investments (in Roy Hill Iron Mine in Australia).

The Group evaluates these equity-method investments based on the business plans formulated by the Group, using price forecasts, taking into consideration data provided by third parties, market conditions, fundamentals, and other factors. However, in the event of fluctuations of product prices and production outputs, sharp increases in capital expenditure and operating expenditure associated with maintenance of production and transportation facilities, changes in the business environment, or an occurrence of operational problems attributable to infrastructure, such as electricity and water, the business plans may be revised.

**<Investment in Aircastle>**

Aircastle, an equity-method affiliated company of the Group, leases aircraft to airlines worldwide. Therefore, if air passenger demand deteriorates, if the solvency of the airlines deteriorates significantly due to sharp increases in fuel prices, foreign exchange rate fluctuations, etc., or they go bankrupt, or if lease rates decrease and the asset value of the aircraft owned by Aircastle significantly decreases, the business results and financial condition of Aircastle may be adversely affected.

Factors that could bring about a deterioration in air passenger demand include wars, terrorism, infectious diseases, natural disasters, and aircraft accidents. Moreover, airlines that are lessees of Aircastle are based in various countries worldwide and may be affected by changes in the local laws and regulations of the countries in which they are based or international laws and regulations and geopolitical risks such as economic sanctions. Regarding investment in Aircastle, the Group conducted an evaluation based on the business plan, assuming that growth of Aircastle will continue, supported by medium- to long-term growth of air passenger demand, while taking into consideration a temporary deterioration of financial performance due to the factors mentioned above. If air passenger demand remains sluggish for a long time owing to the spread of COVID-19, Aircastle's profitability deteriorates due to intensifying competition and a decline in the aircraft value in line with such a situation, and Aircastle's growth becomes slower than the Corporation's assumption, the business plan may be revised.z

The Group's investment in Aircastle as of March 31, 2021 amounts to approximately ¥140.3 billion.

**<Projects that Include Contract Extension in the Business Plan>**

Some of the business plans of the Company and its consolidated subsidiaries, such as in the electric power IPP business, overseas infrastructure concession business, or long-term charter business, may be premised on the extension of contracts, such as long-term sales contracts that have already been concluded after confirming appropriate probability in consideration of the business environment at the time of formulation. However, since these assumptions are affected by a variety of factors, such as changes in the business environment, imbalances in supply and demand in the world or in regions, economic fluctuations, in reality it may not be possible to extend the contract, or the contract conditions after the extension may be worse than expected under the original business plan. As a result, a review of the business plan may cause a significant decline in asset value, which may adversely affect business results and the financial condition of the Company and its consolidated subsidiaries.

**❼ Laws and Regulations**

The businesses of Marubeni and its consolidated subsidiaries are subject to a broad range of laws and regulations both in Japan and other applicable countries. Covering a wide range of fields, these laws and regulations include: permits and licenses relating to business and investment; regulations pertaining to exports and imports, including national security regulations; tariffs and various tax laws; unfair trade regulations, including antitrust laws; money laundering regulations; anti-corruption and bribery laws; privacy protection laws; EU General Data Protection Regulations (GDPR); and environmental protection laws. Examples of the main permits and licenses relating to business and investment in Japan include: the Act against Unjustifiable Premiums and Misleading Representation in the Lifestyle Division; the Building Lots and Buildings Transaction Business Act and the Telecommunications Business Act in the ICT and Real Estate Business Division; the Food Sanitation Act and the Act on Safety Assurance and Quality Improvement of Feeds in the Food Division; the Poisonous and Deleterious Substances Control Law in the Chemicals Division; the Oil Stockpiling Act in the Energy Division; the Electricity Business Act in the Power Business Division; the Civil Aeronautics Law and Marine Transportation Act in the Aerospace & Ship Division; and Act on Investment Trusts and Investment Corporations in the Finance & Leasing Business Division. The same or similar laws and regulations exist in other countries.

The Company regards compliance as not only compliance with laws and regulations, but also maintaining high ethical standards as a corporate citizen, meeting the expectations of all stakeholders, and fulfilling its social responsibility. The Company has established a Compliance Committee under the direct control of the President and CEO to implement compliance, including compliance with laws and regulations.

However, depending on the country or region in which the Company or a consolidated subsidiary is operating, there are instances in which the legal system might not be fully functioning, and thus unanticipated changes in laws, regulations, and interpretations, the inconsistent application/interpretation of laws and regulations by regulatory authorities and judicial institutions or unilateral changes in their operation may occur. The businesses (including those based on completely new business models) conducted by the Company and its consolidated subsidiaries may also include business fields for which laws and regulations have not been adequately established. Although the Company and its consolidated subsidiaries thoroughly implement compliance risk management based on a risk-based approach, the possibility remains that compliance violations will occur due to an extremely wide range of business activities they conduct, and the compliance burden placed on them may increase. If a situation of this nature were to arise, punitive measures, including the interruption of operations, may be applied, which could lower the Company's credibility and adversely affect the Group's business results and financial condition.

Please refer to the Corporate Governance System on PP.76–89 for more details on the Compliance Committee.

**<Tax System/Tax Risks>**

Since Marubeni and its consolidated subsidiaries are expanding a variety of business activities globally, they are obligated to pay taxes in Japan and other countries. Therefore, if taxation by the tax authorities of each country is strengthened and rule changes, such as the expansion of the tax base and to tax rates, are imposed, the amount of tax payable by the Company and its consolidated subsidiaries may increase.

The Company and its consolidated subsidiaries file appropriate tax returns in accordance with the tax laws of each country, but unanticipated taxation may occur due to differences in interpretation with the authorities of each country. If a taxation problem occurs, we will take measures, such as appointing an external expert to solve the problem, but the Company is unable to completely eliminate the possibility of additional taxation. In such an event, Marubeni and its consolidated subsidiaries' earnings performance and/or financial condition could be adversely affected.

### 8 Significant Lawsuits

In the course of business activities in Japan and overseas, the Group may be a party to litigation, disputes, and other legal proceedings (collectively, "Lawsuits"). When the Group is a party to Lawsuits, predicting the outcome is impossible given the inherent uncertainty of Lawsuits. Lawsuits may adversely affect the Group's business results and financial condition of the Group.

The Sugar Group, comprised of a group of Indonesian companies, filed a lawsuit against the Corporation, and the Supreme Court of Indonesia ("Supreme Court") ruled in favor of the Corporation in 2011 ("Previous Case"). However, Sugar Group filed another series of lawsuits against the Corporation in which substantially the same claims as those in the Previous Case were made ("South Jakarta Case" and "Gunung Sugih Case"). The Supreme Court ruled against the Corporation in the South Jakarta Case and the Gunung Sugih Case in 2017 and the decisions by the Supreme Court were (and the decision on the Gunung Sugih Case is) formally binding on the Corporation. However, the Corporation filed applications for judicial review ("Judicial Review") before the Supreme Court concerning the South Jakarta Case and the Gunung Sugih Case. With respect to the Corporation's application for Judicial Review of the South Jakarta Case, the Corporation received on December 30, 2020, the official decision on Judicial Review by the Supreme Court. This decision ruled that the Corporation's application for Judicial Review was granted on August 24, 2020; i.e., the Supreme Court's ruling on the South Jakarta Case against the Corporation which the Corporation received on May 17, 2017 was revoked, and all the claims of Sugar Group, as the plaintiffs, were dismissed. With respect to the Corporation's application for Judicial Review of the Gunung Sugih Case, the Corporation received on February 3, 2020, the official decision on Judicial Review by the Supreme Court that the Corporation's application for Judicial Review was not accepted on October 8, 2018. The Corporation filed an application for second Judicial Review of the Gunung Sugih Case before the Supreme Court on May 18, 2020. However, on May 20, 2020, the Gunung Sugih District Court, to which the application documents of the Corporation for second Judicial Review of the Gunung Sugih Case was submitted, decided not to accept the Corporation's application and not to refer the Corporation's application to the Supreme Court because of no contradiction between the decision on Judicial Review of Gunung Sugih Case by the Supreme Court and the ruling of the Supreme Court on the Previous Case.

In view of the result of Judicial Review of the South Jakarta Case ruled in favour of the Corporation as stated above, the Corporation filed again an application for second Judicial Review before the Supreme Court regarding the Gunung Sugih Case on May 31, 2021, and the application was accepted by the Gunung Sugih District Court.

Separately, the Corporation filed a lawsuit against Sugar Group to seek compensation for damages for, among other matters, reputational damages suffered by the Corporation caused by Sugar Group's torts ("New Case"). In response to the Corporation's claims in the New Case, Sugar Group filed a counterclaim against the Corporation seeking damages on the grounds that the Corporation's filing of the New Case allegedly constitutes a tort against Sugar Group ("Counterclaim"). On December 3, 2020, the Central Jakarta District Court ruled to dismiss both the Corporation's claims in the New Case and the Counterclaim. The Corporation filed an appeal concerning the Corporation's claims in the New Case to the Jakarta High Court on December 15, 2020, which is pending.

Depending on developments in the Gunung Sugih Case (where the Supreme Court ruled against the Corporation) and other lawsuits against Sugar Group and judicial procedure, the Corporation might be obliged to pay damages based on the rulings against the Corporation, interest, and court costs (in whole or in part) and suffer losses which may adversely affect the Corporation's business results and financial condition*.

*The South Jakarta Case's defendants include Marubeni Europe PLC.

### 9 Climate-related and Environmental Risks

The Company and its consolidated subsidiaries engage in sales activities related to a wide range of global industrial fields. If physical risks were to arise, such as natural disasters and extreme weather of increased severity, changes in precipitation and weather patterns, rising mean temperatures and rising sea levels due to climate change, these could adversely affect the Group's business results and financial condition. For example, crop failures due to changes in climate patterns and the paralysis of logistics functions due to extreme weather conditions could bring about a deterioration in earnings in the grain origination and agri-input businesses.

In addition, the transition to a decarbonized society carries with it the risk of greenhouse gas emission regulations, such as the introduction and strengthening of a carbon tax, and technological improvements or rapid development of renewable energy technologies. There is a possibility that this shift could adversely affect the business performance and financial condition of the Company and its consolidated subsidiaries, especially those engaged in fossil fuel-related businesses such as power generation and resource development interest and sales businesses. The likelihood of these climate-related risks is largely dependent on the status of efforts to prevent climate change under the Paris Agreement.

Following the establishment of the Sustainability Management Committee under the direct control of the president, the Company is working to reduce the climate-related risk. Marubeni's basic policy is to achieve net zero greenhouse gas emissions* associated with its business activities by 2050. In addition, we have established the following policies for specific businesses.

- No longer enter into any new coal-fired power generation businesses, cut coal-fired power net generation capacity in half by 2025 compared to the fiscal year ended 2018, and discontinue it altogether by 2050.
- Acquire no new equity interests in thermal coal.

However, if these efforts do not succeed, or if climate change progresses at a speed or scale that exceeds expectations, it could adversely affect the performance and financial condition of the Company and its consolidated subsidiaries.

Furthermore, if the business activities of Marubeni and its consolidated subsidiaries cause environmental pollution, such as of the air, soil or water, this could result in business stoppage, pollution remediation expenses, and legal fees in response to litigation by local residents. In addition, the Group's social reputation could be damaged. In addition to having introduced an environmental management system in the year ended March 31, 2000, to cope with such environmental risks, the Company is working to assess the potential environmental burden and reduce environmental risk by conducting audits at its consolidated subsidiaries and suppliers. In the event, however, that some form of environmental impact occurs, it could adversely affect the Group's business results and financial condition.

* After reducing greenhouse gas emissions, remaining emissions that cannot be reduced will be eliminated by natural or technological means, and artificial greenhouse gas emissions into the atmosphere will be reduced to net zero. Emissions subject to the net zero emissions goal will be Scope 1 direct emissions and Scope 2 indirect emissions of the Company and its consolidated subsidiaries, as well as equity investments included in Category 15: Investments of Scope 3 other indirect emissions/ supply chain emissions.

For more details on the Sustainability Management Committee please see Sustainability Promotion Committee on P.56.
Please refer to Climate Change on PP.52–64.
Please refer to Sustainability Assessment and Human Rights Due Diligence and Relief Mechanisms on P.68 and Deepening and Expanding Supply Chain Management on P.69.

### 10 Risks from Natural and Other Disasters

If a natural disaster—such as an earthquake, tsunami, excessive rainfall or a typhoon—were to occur, or were there to be an outbreak of an infectious disease, such as a new strain of influenza, in a country or region where the Company or a consolidated subsidiary is developing business activities, these events could cause injuries to employees and damage to and the loss of the Group's offices, facilities, and systems. These effects and disruption to public infrastructure, such as transport, telecommunications, water, gas, and electricity, would inhibit the normal business activities of Marubeni and its consolidated subsidiaries.

While every effort has been made to implement appropriate countermeasures, such as the formulation of business continuity plans, earthquake countermeasures, fire prevention drills, the stockpiling of the necessary materiel, and coverage by means of various types of insurance, the potential for damage from and the impact of natural disasters cannot be completely mitigated. Consequently, there remains the possibility that such disasters could adversely affect the Group's business results and financial condition.

### 11 Country Risks

As they conduct sales activities globally, the Company and its consolidated subsidiaries are exposed to a variety of country risks, such as changes in the political situation in the region/country concerned, the deterioration of social conditions, including terrorism/violent groups, changes in the economic environment, changes in the legal systems and policies related to sales activities as well as natural disasters. A deteriorating operating environment in these markets or regions could adversely affect the Group's business results and financial condition.

Therefore, the Company assesses and classifies those countries in which operations are conducted according to their level of risk and has established country risk management criteria.

Under these criteria, the Company defines the policy for each country classification or country, quantifies the risk exposure for each country, and conducts management to prevent exposure concentration in a specific country classification or country.

In addition, when considering new investment projects, we have set investment criteria that take into consideration whether an appropriate risk-reward ratio will be obtained in accordance with the country classification or country risk of each country.

The Company also makes every effort to take appropriate risk hedging measures, such as taking out trade insurance, investment insurance or letter of guarantee via third parties, depending on the nature of the project.

Concerning investment in resource development interests at the end of the fiscal year ended March 31, 2020, the financial exposure* by product is as follows:

* Of the assets held by Marubeni and its consolidated subsidiaries, the total amount of long-lived assets, such as long-term credit, fixed assets, and investments. Extracted countries and regions with exposure of ¥100 billion or more.

| | |
|---|---|
| U.S. | ¥850.6 billion |
| Australia | ¥318.3 billion |
| Chile | ¥281.6 billion |
| Indonesia | ¥157.8 billion |
| Brazil | ¥136.8 billion |
| Singapore | ¥134.1 billion |
| Taiwan | ¥117.3 billion |
| Philippines | ¥100.2 billion |

### ⓬ Risks Related to Information Systems and Information Security

The Company and its consolidated subsidiaries recognize as matters of priority the proper management of information assets and the ensuring of a high level of information security. Maintaining the relevant regulations, the Company conducts educational and awareness activities for its officers and employees while implementing security inspection activities. In addition to offering secure IT environments and services to the Group and monitoring the network, Marubeni is taking steps to strengthen security risk countermeasures, such as establishing an organization (CSIRT) to oversee security incidents for the entire Group.

In addition, we have overhauled the IT environment to support the increase in people working from home amid the COVID-19 pandemic. Actions to ensure business continuity while preventing damage to business efficiency or security include rolling out a virtual desktop environment*, changing internal rules and introducing a new workflow system to promote paperless operations, and providing IT guidelines for remote work environments in the Group.

However, with cyber attacks growing more sophisticated every year, and with attacks targeting the inadequate security of remote work environments also on the rise, it is impossible to completely eliminate all possibility of, for example, unauthorized access from outside, the leakage of confidential/personal information due to computer virus intrusion, or IT service interruptions due to equipment/communication system malfunctions. In any one of these events, Marubeni and its consolidated subsidiaries' earnings performance and/or financial condition could be adversely affected.

* System infrastructure that enables secure access to internal information assets without leaving data on the connection source, such as a home computer.

### ⓭ Risk from Significant Accounting Policies and Estimates

The Company's consolidated financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board. Preparation of the consolidated financial statements requires management to make accounting estimates and assumptions, as necessary that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the end of the reporting period as well as the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates and assumptions due to their inherent uncertainty. Accounting estimates and assumptions that could significantly affect the consolidated financial statements are as follows:

- Write-down of inventory assets
- Impairment of property, plant and equipment
- Impairment loss on intangible assets
- Impairment loss on investments in associates and joint ventures
- Recoverability of deferred tax assets
- Defined benefit obligation
- Provisions
- Valuation of financial instruments
- Contingent liabilities

The management of the Company considers these estimates to be reasonable, but in the event of, for example, an unexpected change, they could have a material impact on its consolidated financial statements.

Please refer to 3. Significant Accounting Policies in the Notes to Consolidated Financial Statements for the fiscal year under review for details of the estimates and assumptions of significant accounting policies.
https://ssl4.eir-parts.net/doc/8002/ir_material_for_fiscal_ym19/103071/00.pdf

### Medium-Term Management Strategy

The Company and its consolidated subsidiaries began the three-year Medium-Term Management Strategy GC2021 in the year ended March 31, 2020, but are revising the quantitative targets after having determined that the top priority is on rebuilding and strengthening the financial foundation that was damaged by the significant loss incurred in the first year of the strategy.

Formulated on the basis of certain economic conditions, industrial trends and various other premises, assumptions and forecasts that were considered appropriate at the time of formulation, these quantitative targets may not be achieved due to changes in the business environment, an occurrence of an above-mentioned individual risk, and various other factors.

Please refer below for the content of the Medium-Term Management Strategy GC2021 revisions.

PP.20–23 "Our Vision and Implementation of the GC2021 Medium-Term Management Strategy"

Medium-Term Management Strategy
https://www.marubeni.com/en/company/plan/

# Financial Data

(Millions of yen) (Thousands of U.S. dollars)*3

| | SG2009 | SG-12 | | | GC2015 | | | GC2018 | | | GC2021 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | U.S. GAAP | | | | IFRS | | | | | | | | |
| Fiscal years ended March 31, | 2010.3 | 2011.3 | 2012.3 | 2013.3 | 2014.3 | 2015.3 | 2016.3 | 2017.3 | 2018.3 | 2019.3 | 2020.3 | **2021.3** | **2021.3** |
| **For the year:** | | | | | | | | | | | | | |
| Revenue, Total volume of trading transactions*1 | ¥7,965,055 | ¥9,020,468 | ¥10,584,393 | ¥10,509,088 | ¥7,055,700 | ¥7,834,295 | ¥7,300,299 | ¥7,128,805 | ¥7,540,337 | ¥7,401,256 | ¥6,827,641 | **¥6,332,414** | **$57,048,775** |
| Gross trading profit | 491,673 | 522,152 | 541,454 | 528,194 | 651,063 | 707,318 | 670,086 | 613,880 | 677,237 | 729,675 | 696,808 | **675,418** | **6,084,847** |
| Operating profit*2 | 118,926 | 145,774 | 157,315 | 122,932 | 157,462 | 160,688 | 104,231 | 91,597 | 118,054 | 173,009 | 133,875 | **141,553** | **1,416** |
| Dividend income | 23,561 | 19,200 | 27,351 | 30,112 | 34,917 | 34,957 | 18,555 | 17,512 | 21,254 | 37,336 | 27,631 | **16,209** | **146,027** |
| Share of profits of associates and joint ventures | 28,864 | 71,452 | 81,528 | 87,790 | 99,405 | 89,919 | 31,824 | 114,725 | 148,503 | 85,278 | (55,150) | **141,285** | **1,272,838** |
| Profit for the year attributable to owners of the parent (Net profit) | 95,312 | 136,541 | 172,125 | 205,696 | 210,945 | 105,604 | 62,264 | 155,350 | 211,259 | 230,891 | (197,450) | **225,343** | **2,030,117** |
| **At year-end:** | | | | | | | | | | | | | |
| Total assets | ¥4,586,572 | ¥4,679,089 | ¥ 5,129,887 | ¥ 5,965,086 | ¥7,256,085 | ¥7,673,064 | ¥7,117,686 | ¥6,896,733 | ¥6,877,117 | ¥6,809,077 | ¥6,320,037 | **¥6,938,958** | **$62,513,135** |
| Net interest-bearing debt | 1,706,397 | 1,615,634 | 1,755,705 | 1,785,247 | 2,491,043 | 2,887,608 | 2,762,453 | 2,099,939 | 1,915,824 | 1,858,839 | 1,859,125 | **1,687,885** | **16,879** |
| Total equity | 799,746 | 831,730 | 915,770 | 1,188,379 | 1,531,231 | 1,678,713 | 1,415,202 | 1,742,758*3 | 1,835,637*3 | 2,071,726*3 | 1,604,600*3 | **1,911,769*3** | **17,223,144** |
| **Amounts per share** (¥, $U.S.): | | | | | | | | | | | | | |
| Basic earnings*5 | ¥ 54.89 | ¥ 78.63 | ¥ 99.13 | ¥ 118.48 | ¥ 121.52 | ¥ 60.85 | ¥ 35.88 | ¥ 88.08 | ¥ 119.43 | ¥ 130.74 | ¥ (116.03) | **¥ 127.52** | **$ 1.15** |
| Cash dividends | 8.50 | 12.00 | 20.00 | 24.00 | 25.00 | 26.00 | 21.00 | 23.00 | 31.00 | 34.00 | 35.00 | **33.00** | **0.30** |
| **Cash flows:** | | | | | | | | | | | | | |
| Net cash provided by operating activities | ¥ 280,610 | ¥ 210,044 | ¥ 172,599 | ¥ 295,734 | ¥ 291,188 | ¥ 170,943 | ¥ 359,132 | ¥ 324,263 | ¥ 253,423 | ¥ 284,895 | ¥ 326,981 | **¥ 397,069** | **$ 3,577,198** |
| Net cash provided by (used in) investing activities | (35,207) | (128,495) | (273,689) | (210,878) | (706,585) | (331,411) | (174,596) | 46,504 | (49,742) | 22,528 | (209,790) | **(116,256)** | **(1,047,351)** |
| Free cash flow | 245,403 | 81,549 | (101,090) | 84,856 | (415,397) | (160,468) | 184,536 | 370,767 | 203,681 | 307,423 | 117,191 | **280,813** | **2,808** |
| Net cash provided by (used in) financing activities | (254,655) | (17,010) | 171,913 | 129,030 | 196,779 | (70,705) | (36,268) | (258,123) | (269,507) | (427,420) | (93,261) | **(68,503)** | **(617,144)** |
| Cash and cash equivalents at end of year | 570,789 | 616,003 | 677,312 | 919,475 | 665,498 | 469,106 | 600,840 | 704,972 | 625,834 | 509,288 | 522,523 | **745,858** | **6,719,441** |
| **Ratios:** | | | | | | | | | | | | | |
| ROA (%) | 2.05 | 2.95 | 3.51 | 3.71 | 3.15 | 1.41 | 0.84 | 2.22 | 3.07 | 3.37 | (3.01) | **3.40** | |
| ROE (%) | 14.52 | 17.98 | 21.17 | 20.74 | 16.67 | 7.28 | 4.39 | 11.09 | 13.97 | 13.92 | (13.41) | **15.57** | |
| Net debt-equity (DE) ratio (Times) | −2.13 | 1.94 | 1.92 | 1.50 | 1.63 | 1.72 | 1.95 | 1.20 | 1.04 | 0.90 | 1.16 | **0.88** | |
| Total shareholder return*6 (%) | — | — | — | — | — | — | — | 124.3 | 144.5 | 149.6 | 116.1 | **188.9** | |

*1. Reflecting "Total volume of trading transactions" until FYE 3/2013 and "Revenue" from FYE 3/2014 onward.
"Total volume of trading transactions" includes all transactions involving the Company and its consolidated subsidiaries regardless of transaction type.

*2. Operating profit = Gross trading profit + SGA expenses + Provision for doubtful accounts. "Operating profit" is presented in accordance with Japanese accounting practices for investors' convenience and is not required by IFRS.

*3. U.S. dollar amounts above and elsewhere in this report are converted from yen, for the convenience of readers only, at ¥111 to U.S.$1, the exchange rate prevailing on March 31, 2021.

*4. Including financing through perpetual subordinated loans in the amount of ¥250.0 billion in August 2016. The loans are classified as Total equity (other equity instruments) under IFRS.

*5. "Basic earnings per share attributable to owners of the parent" is based on "Profit attributable to owners of the parent" excluding the amount not attributable to ordinary shareholders.

*6. Total shareholder return for fiscal year N = (Share price at the end of fiscal year N + cumulative amount of dividends per share of up to fiscal year N from four fiscal years prior to FYE 3/2021)/share price at the end of the five fiscal years prior to FYE 3/2021 (fiscal year N = any fiscal year between FYE 3/2017 - FYE 3/2021)

# Non-Financial Data

## Environmental Data

(t-$CO_{2e}$)

| Greenhouse Gas Emissions*1 | | | 2019.3 | 2020.3 | 2021.3 |
|---|---|---|---|---|---|
| Total | | | 1,034,922 | 1,083,698 | **1,080,146** (Including non-energy related GHG emissions) (965,196 (Excluding non-energy related GHG emissions)) |
| Components | Marubeni Corporation's principal offices | Scope 1 | 4 | 4 | **12** |
| | | Scope 2 | 2,439 | 2,307 | **2,146** |
| | Marubeni Corporation's other offices + consolidated subsidiaries | Scope 1 | 726,704 | 773,194 | **797,963** |
| | | Scope 2 | 305,776 | 308,193 | **280,025** |

Scope 1 Greenhouse Gas Emissions (Components of non-energy related GHG emissions*2)

(t-$CO_{2e}$)

| 2021.3 | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Components | | | | | | |
| Total amount | Carbon dioxide ($CO_2$) | Methane ($CH_4$) | Dinitrogen monoxide ($N_2O$) | Hydrofluorocarbons (HFCs) | Perfluorocarbons (PFCs) | Sulphur hexafluoride ($SF_6$) | Nitrogen trifluoride ($NF_3$) |
| **114,950** | **5,203** | **72,081** | **36,602** | **1,064** | **0** | **0** | **0** |

| Energy and Electricity Consumption*3 | 2019.3 | 2020.3 | 2021.3 |
|---|---|---|---|
| Electricity consumption of Marubeni Corporation's principal offices (MWh) | 5,180 | 5,227 | **4,629** |
| Energy consumption of Marubeni Corporation and consolidated subsidiaries (TJ) | 14,384 | 15,303 | **13,771** |

(ton)

| Waste Generated*4 | 2019.3 | 2020.3 | 2021.3 |
|---|---|---|---|
| Marubeni Corporation's principal offices | 8 | 39 | **4** |
| Marubeni Corporation's other offices + consolidated subsidiaries | 115,759 | 148,154 | **119,015** |
| Total | 115,767 | 148,192 | **119,019** |

| Environmental Impact of Transport*5 | 2019.3 | 2020.3 | 2021.3 |
|---|---|---|---|
| Amount transported (Thousand ton-km) | 508,498 | 484,678 | **364,538** |
| $CO_2$ emissions (t-$CO_2$) | 22,705 | 22,617 | **17,516** |
| Intensity (kl crude oil eq per thousand ton-km) | 0.0165 | 0.0173 | **0.0178** |

*1 · $CO_2$ emission factors for fuels and steam
$CO_2$ emission factors stipulated by the Act on Promotion of Global Warming Countermeasures are used.
· $CO_2$ emission factors for electricity
Emission factors for each electric power provider released by the Ministry of the Environment are used for Marubeni Corporation. Until FYE 3/2019, fundamental emission factors (actual emission factors) are used, from FYE 3/2020, adjusted emission factors are used. Alternative emission factor stipulated by Act on Promotion of Global Warming Countermeasures was replaced by Emission factors (adjusted emission factors) for each electric power provider for the domestic consolidated subsidiaries from FYE 3/2021.
The impact on emissions due to the change in emission factors is a decrease of 7,627 tons of $CO_2$.
Country-specific emission factors ($CO_2$ emissions per kWh from electricity generation) published by International Energy Agency are used for the international consolidated subsidiaries. Electricity derived from renewable energy is excluded from calculation of Scope 2 greenhouse gas emissions since FYE 3/2021.
· Emission factors of non-energy related GHG
Emission factors stipulated by the Act on Promotion of Global Warming Countermeasures are used.
· From FYE 3/2021 non-energy related GHG emissions are included in GHG emissions.

*2 · Non-energy related GHG emissions cover carbon dioxide from the use of dry ice, fuel use in facilities and machinery used for fuel combustion, livestock feeding (fermentation in the digestive tract of livestock), livestock waste management, waste incineration or use in the manufacture of products, methane and dinitrogen monoxide from the use of waste fuels, hydrofluorocarbons in the recovery and encapsulation of HFCs in the maintenance of commercial refrigeration and air-conditioning equipment, and sulfur hexafluoride in the use of electrical machinery and equipment such as transformers. There are no emissions of perfluorocarbons and nitrogen trifluoride. For sulfur hexafluoride, there are no companies obliged to report based on Act on Promotion of Global Warming Countermeasures.

*3 · 3.6 GJ/MWh is used for heat value per unit for electricity.
· For fuels, the heat values stipulated by the Act on Promotion of Global Warming Countermeasures are used.
· Biomass energy is not included.

*4 · Materials with resale or reuse value are not included.

*5 · This table shows the impacts associated with the outsourced shipment of goods consigned by Marubeni Corporation from FYE 3/2019 to FYE 3/2021.

The boundary of the environmental data
· Marubeni Corporation's principal offices
Until FYE 3/2019, we covered six main branches (Tokyo Head Office, Hokkaido Branch, Chubu Branch, Osaka Branch, Kyushu Branch, and Shizuoka Branch), but from FYE 3/2020, we covered five main Branches (Tokyo Head Office, Hokkaido Branch, Chubu Branch, Osaka Branch, and Kyushu Branch).
· Consolidated subsidiaries
The subsidiaries that are designated to be liquidated or sold are excluded.
From FYE 3/2019, grain collection and exporting company based in the northern United States is included.
From FYE 3/2020, GHG emissions and energy consumption figures include an agricultural material sales company based in the southeastern United States (waste generated does not include it).



## Social Data

| | 2019.3 | 2020.3 | 2021.3 |
|---|---|---|---|
| No. of employees (Consolidated)*6 | 42,882 | 45,635 | **45,470** |
| No. of employees (Non-Consolidated)*7 | 4,418 | 4,404 | **4,389** |
| Of which, Male | 3,227 | 3,218 | **3,203** |
| Of which, Female | 1,191 | 1,186 | **1,186** |
| Average service years*8 | 17.2 | 17.3 | **17.5** |
| No. of career-track positions*8 | 3,346 | 3,324 | **3,318** |
| Ratio of female in career-track positions (%)*8 | 9.6 | 10.2 | **10.8** |
| No. of managerial-track employees*8 | 2,424 | 2,357 | **2,304** |
| Ratio of female in managerial-track positions (%)*8 | 5.9 | 6.0 | **6.4** |
| Directors, Audit & Supervisory Board Members | 15 | 16 | **18** |
| Of which, Male | 14 | 15 | **17** |
| Of which, Female | 1 | 1 | **1** |
| Employment rate of persons with disabilities (%)*9 | 2.57 | 2.69 | **2.58** |
| Average overtime hours per month*10 | 20.0 | 19.0 | **20.0** |
| Usage of annual paid leave (%)*10 | 56.3 | 54.0 | **41.0** |
| No. of employees who took maternity leave*11 | 43 | 55 | **58** |
| No. of employees who took childcare leave*12 | 54 | 105 | **100** |
| Of which, Male | 14 | 51 | **48** |
| Return rate (after childcare leave) (%)*13 | 91.5 | 96.8 | **98.9** |
| No. of hires | 141 | 154 | **146** |
| No. of new graduate recruitment | 119 | 106 | **116** |
| Of which, Male | 79 | 70 | **79** |
| Of which, Female | 40 | 36 | **37** |
| No. of mid-career recruitment | 22 | 48 | **30** |
| Of which, Male | 16 | 43 | **27** |
| Of which, Female | 6 | 5 | **3** |
| Turnover rate (%) | 3.1 | 3.3 | **3.0** |

*6. As of March 31.
*7. Total figures include the number of Marubeni employees assigned to other companies and exclude secondees to Marubeni Corporation from other companies (as of March 31).
*8. Figures for Marubeni Corporation (as of March 31).
*9. Figures are the combined total for Marubeni Corporation and the certified special-purpose subsidiary, Marubeni Office Support Corporation (as of March 1).
*10. Figures for Marubeni Corporation.
*11. Figures for Marubeni Corporation. Indicates the total number of people who used leave in the fiscal year, including those who used the leave continuously from the previous fiscal year.
*12. Figures for Marubeni Corporation. Indicates the cumulative total number of people who started using leave in the fiscal year. The leave taken within eight weeks after childbirth (so-called "Paternity Leave") and subsequent Parental Leave shall be counted as one person each.
*13. Figures for Marubeni Corporation. Indicates the ratio of people who returned to work of those who ended using the childcare leave in the fiscal year.

# Consolidated Financial Statements

## Consolidated Statement of Financial Position

Marubeni Corporation
As of March 31, 2020 and 2021

| | Millions of yen | | Thousands of U.S. dollars |
|---|---|---|---|
| | March 31, 2020 | March 31, 2021 | March 31, 2021 |
| **Assets** | | | |
| **Current assets:** | | | |
| Cash and cash equivalents | ¥ 522,523 | ¥ 745,858 | $ 6,719,441 |
| Time deposits | 140 | 113 | 1,018 |
| Investment securities | 67 | 6 | 54 |
| Notes, trade accounts and loans receivable | 1,056,938 | 1,057,245 | 9,524,730 |
| Other current financial assets | 315,861 | 341,928 | 3,080,432 |
| Inventories | 852,927 | 988,004 | 8,900,937 |
| Assets classified as held for sale | 19,344 | 24,865 | 224,009 |
| Other current assets | 235,255 | 223,573 | 2,014,171 |
| Total current assets | 3,003,055 | 3,381,592 | 30,464,793 |
| **Non-current assets:** | | | |
| Investments in associates and joint ventures | 1,601,298 | 1,730,680 | 15,591,712 |
| Other investments | 229,080 | 256,621 | 2,311,901 |
| Notes, trade accounts and loans receivable | 103,367 | 94,803 | 854,081 |
| Other non-current financial assets | 98,002 | 89,205 | 803,649 |
| Property, plant and equipment | 902,423 | 1,001,853 | 9,025,703 |
| Intangible assets | 288,992 | 296,910 | 2,674,865 |
| Deferred tax assets | 32,555 | 25,435 | 229,144 |
| Other non-current assets | 61,265 | 61,859 | 557,288 |
| Total non-current assets | 3,316,982 | 3,557,366 | 32,048,342 |
| Total assets | ¥6,320,037 | ¥6,938,958 | $62,513,135 |

See "Consolidated Financial Statements with Independent Auditors' Report for Fiscal Year Ended March 31, 2021" on our website "To Investors, IR Library" for more details on the consolidated financial statements.
https://www.marubeni.com/en/ir/reports/security_reports/





| | Millions of yen | | Thousands of U.S. dollars |
|---|---|---|---|
| | March 31, 2020 | March 31, 2021 | March 31, 2021 |
| **Liabilities and equity** | | | |
| **Current liabilities:** | | | |
| Bonds and borrowings | ¥ 620,020 | ¥ 623,501 | $ 5,617,126 |
| Notes and trade accounts payable | 1,085,616 | 1,187,719 | 10,700,171 |
| Other current financial liabilities | 367,971 | 465,244 | 4,191,387 |
| Income tax payable | 16,360 | 14,998 | 135,117 |
| Liabilities directly associated with assets held for sale | 417 | 2,854 | 25,712 |
| Other current liabilities | 370,566 | 398,036 | 3,585,910 |
| Total current liabilities | 2,460,950 | 2,692,352 | 24,255,423 |
| **Non-current liabilities:** | | | |
| Bonds and borrowings | 1,761,768 | 1,810,355 | 16,309,505 |
| Notes and trade accounts payable | 5,245 | 3,215 | 28,964 |
| Other non-current financial liabilities | 231,116 | 264,752 | 2,385,153 |
| Accrued pension and retirement benefits | 109,143 | 70,394 | 634,180 |
| Deferred tax liabilities | 63,073 | 94,445 | 850,856 |
| Other non-current liabilities | 84,142 | 91,676 | 825,910 |
| Total non-current liabilities | 2,254,487 | 2,334,837 | 21,034,568 |
| Total liabilities | 4,715,437 | 5,027,189 | 45,289,991 |
| **Equity:** | | | |
| Issued capital | 262,686 | 262,686 | 2,366,541 |
| Capital surplus | 143,189 | 143,667 | 1,294,297 |
| Other equity instruments | 243,589 | 243,589 | 2,194,495 |
| Treasury stock | (1,172) | (772) | (6,955) |
| Retained earnings | 866,140 | 1,071,639 | 9,654,405 |
| Other components of equity: | | | |
| Gains (losses) on financial assets measured at fair value through other comprehensive income | 22,718 | 43,864 | 395,171 |
| Foreign currency translation adjustments | 41,247 | 123,789 | 1,115,216 |
| Gains (losses) on cash flow hedges | (62,922) | (69,407) | (625,288) |
| Equity attributable to owners of the parent | 1,515,475 | 1,819,055 | 16,387,883 |
| Non-controlling interests | 89,125 | 92,714 | 835,261 |
| Total equity | 1,604,600 | 1,911,769 | 17,223,144 |
| Total liabilities and equity | ¥6,320,037 | ¥6,938,958 | $62,513,135 |

## Consolidated Statement of Comprehensive Income

Marubeni Corporation
Fiscal years ended March 31, 2020 and 2021

| | Millions of yen | | Thousands of U.S. dollars |
|---|---|---|---|
| | Year ended March 31, 2020 | Year ended March 31, 2021 | Year ended March 31, 2021 |
| **Revenue:** | | | |
| Sales of goods | ¥ 6,638,184 | ¥ 6,219,878 | $ 56,034,937 |
| Commissions on services and trading margins | 189,457 | 112,536 | 1,013,838 |
| Total revenue | 6,827,641 | 6,332,414 | 57,048,775 |
| Cost of goods sold | (6,130,833) | (5,656,996) | (50,963,928) |
| Gross trading profit | 696,808 | 675,418 | 6,084,847 |
| **Other income (expenses):** | | | |
| Selling, general and administrative expenses | (558,487) | (529,326) | (4,768,703) |
| Gains (losses) on allowance for doubtful accounts | (4,446) | (4,539) | (40,892) |
| Gains (losses) on property, plant and equipment: | | | |
| Impairment losses | (251,639) | (10,114) | (91,117) |
| Gains (losses) on sales of property, plant and equipment | 678 | 1,289 | 11,613 |
| Other—net | (15,098) | (3,683) | (33,180) |
| Total other income (expenses) | (828,992) | (546,373) | (4,922,279) |
| **Finance income (expenses):** | | | |
| Interest income | 16,382 | 10,444 | 94,090 |
| Interest expenses | (47,737) | (22,947) | (206,730) |
| Dividend income | 27,631 | 16,209 | 146,027 |
| Gains (losses) on investment securities | 25,123 | 7,727 | 69,613 |
| Total finance income (expenses) | 21,399 | 11,433 | 103,000 |
| Share of profit (loss) of associates and joint ventures | (55,150) | 141,285 | 1,272,838 |
| Profit (loss) before tax | (165,935) | 281,763 | 2,538,405 |
| Income taxes | (24,256) | (48,695) | (438,694) |
| Profit (loss) for the year | ¥ (190,191) | ¥ 233,068 | $ 2,099,712 |
| **Profit (loss) for the year attributable to:** | | | |
| Owners of the parent | ¥ (197,450) | ¥ 225,343 | $ 2,030,117 |
| Non-controlling interests | 7,259 | 7,725 | 69,595 |





| | Millions of yen | | Thousands of U.S. dollars |
|---|---|---|---|
| | Year ended March 31, 2020 | Year ended March 31, 2021 | Year ended March 31, 2021 |
| **Other comprehensive income:** | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | |
| Gains (losses) on financial assets measured at fair value through other comprehensive income | ¥ (53,880) | ¥ 20,443 | $ 184,171 |
| Remeasurements of defined benefit plan | (19,080) | 29,385 | 264,730 |
| Changes in other comprehensive income of associates and joint ventures | (5,627) | 5,600 | 50,450 |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Foreign currency translation adjustments | (85,117) | 79,414 | 715,441 |
| Gains (losses) on cash flow hedges | (5,425) | 3,097 | 27,901 |
| Changes in other comprehensive income of associates and joint ventures | (29,009) | (6,959) | (62,694) |
| Other comprehensive income, net of tax | (198,138) | 130,980 | 1,180,000 |
| Total comprehensive income for the year | ¥ (388,329) | ¥ 364,048 | $ 3,279,712 |
| **Total comprehensive income for the year attributable to:** | | | |
| Owners of the parent | ¥ (394,355) | ¥ 355,477 | $ 3,202,495 |
| Non-controlling interests | 6,026 | 8,571 | 77,216 |

| | Yen | | U.S. dollars |
|---|---|---|---|
| | March 31, 2020 | March 31, 2021 | March 31, 2021 |
| Basic earnings (losses) per share attributable to shareholders of the parent | ¥ (116.03) | ¥ 127.52 | $ 1.15 |
| Diluted earnings (losses) per share attributable to shareholders of the parent | ¥ (116.03) | ¥ 127.37 | $ 1.15 |

## Consolidated Statement of Changes in Equity

Marubeni Corporation

### Year ended March 31, 2020

Millions of yen

| Year ended March 31, 2020 | Equity attributable to owners of the parent | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | Other components of equity | |
| | Issued capital | Capital surplus | Other equity instruments | Treasury stock | Retained earnings | Gains (losses) on financial assets measured at fair value through other comprehensive income | Foreign currency translation adjustments |
| Balance at April 1, 2019 | ¥262,686 | ¥139,898 | ¥243,589 | ¥(1,384) | ¥1,163,472 | ¥ 71,912 | ¥131,178 |
| Cumulative effect of applying new accounting standards and interpretations | | | | | (6,674) | | |
| Profit (loss) for the year | | | | | (197,450) | | |
| Other comprehensive income | | | | | | (58,875) | (89,931) |
| Purchases and sales of treasury stock | | (14) | | 212 | | | |
| Dividends | | | | | (59,878) | | |
| Equity transactions with non-controlling interests and others | | 3,305 | | | (42) | | |
| Distribution to owners of other equity financial instruments | | | | | (3,902) | | |
| Transfer from other components of equity to retained earnings | | | | | (29,386) | 9,681 | |
| Transfer to non-financial assets or non-financial liabilities | | | | | | | |
| Balance at March 31, 2020 | ¥262,686 | ¥143,189 | ¥243,589 | ¥(1,172) | ¥ 866,140 | ¥ 22,718 | ¥ 41,247 |

Millions of yen

| | Equity attributable to owners of the parent | | | | | |
|---|---|---|---|---|---|---|
| | Other components of equity | | | | | |
| | Gains (losses) on cash flow hedges | Remeasurements of defined benefit plan | Other components of equity | Total equity attributable to owners of the parent | Non-controlling interests | Total equity |
| Balance at April 1, 2019 | ¥(33,610) | ¥ — | ¥ 169,480 | ¥1,977,741 | ¥93,985 | ¥2,071,726 |
| Cumulative effect of applying new accounting standards and interpretations | | | | (6,674) | | (6,674) |
| Profit (loss) for the year | | | | (197,450) | 7,259 | (190,191) |
| Other comprehensive income | (28,394) | (19,705) | (196,905) | (196,905) | (1,233) | (198,138) |
| Purchases and sales of treasury stock | | | | 198 | | 198 |
| Dividends | | | | (59,878) | (6,640) | (66,518) |
| Equity transactions with non-controlling interests and others | | | | 3,263 | (4,246) | (983) |
| Distribution to owners of other equity financial instruments | | | | (3,902) | | (3,902) |
| Transfer from other components of equity to retained earnings | | 19,705 | 29,386 | — | | — |
| Transfer to non-financial assets or non-financial liabilities | (918) | | (918) | (918) | | (918) |
| Balance at March 31, 2020 | ¥(62,922) | ¥ — | ¥ 1,043 | ¥1,515,475 | ¥89,125 | ¥1,604,600 |

### Year ended March 31, 2021

Millions of yen

| Year ended March 31, 2021 | Equity attributable to owners of the parent | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | Other components of equity | |
| | Issued capital | Capital surplus | Other equity instruments | Treasury stock | Retained earnings | Gains (losses) on financial assets measured at fair value through other comprehensive income | Foreign currency translation adjustments |
| Balance at April 1, 2020 | ¥262,686 | ¥143,189 | ¥243,589 | ¥(1,172) | ¥ 866,140 | ¥22,718 | ¥ 41,247 |
| Profit (loss) for the year | | | | | 225,343 | | |
| Other comprehensive income | | | | | | 26,334 | 82,542 |
| Purchases and sales of treasury stock | | 39 | | 400 | | | |
| Dividends | | | | | (49,481) | | |
| Equity transactions with non-controlling interests and others | | 439 | | | (111) | | |
| Distribution to owners of other equity financial instruments | | | | | (3,942) | | |
| Transfer from other components of equity to retained earnings | | | | | 33,690 | (5,188) | |
| Transfer to non-financial assets or non-financial liabilities | | | | | | | |
| Balance at March 31, 2021 | ¥262,686 | ¥143,667 | ¥243,589 | ¥(772) | ¥1,071,639 | ¥43,864 | ¥123,789 |

Millions of yen

| | Equity attributable to owners of the parent | | | | | |
|---|---|---|---|---|---|---|
| | Other components of equity | | | | | |
| | Gains (losses) on cash flow hedges | Remeasurements of defined benefit plan | Other components of equity | Total equity attributable to owners of the parent | Non-controlling interests | Total equity |
| Balance at April 1, 2020 | ¥(62,922) | ¥ — | ¥ 1,043 | ¥1,515,475 | ¥89,125 | ¥1,604,600 |
| Profit (loss) for the year | | | | 225,343 | 7,725 | 233,068 |
| Other comprehensive income | (7,244) | 28,502 | 130,134 | 130,134 | 846 | 130,980 |
| Purchases and sales of treasury stock | | | | 439 | | 439 |
| Dividends | | | | (49,481) | (6,229) | (55,710) |
| Equity transactions with non-controlling interests and others | | | — | 328 | 1,247 | 1,575 |
| Distribution to owners of other equity financial instruments | | | | (3,942) | | (3,942) |
| Transfer from other components of equity to retained earnings | | (28,502) | (33,690) | — | | — |
| Transfer to non-financial assets or non-financial liabilities | 759 | | 759 | 759 | | 759 |
| Balance at March 31, 2021 | ¥(69,407) | ¥ — | ¥98,246 | ¥1,819,055 | ¥92,714 | ¥1,911,769 |

Thousands of U.S. dollars

| Year ended March 31, 2021 | Equity attributable to owners of the parent | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | Other components of equity | |
| | Issued capital | Capital surplus | Other equity instruments | Treasury stock | Retained earnings | Gains (losses) on financial assets measured at fair value through other comprehensive income | Foreign currency translation adjustments |
| Balance at April 1, 2020 | $2,366,541 | $1,289,991 | $2,194,495 | $(10,559) | $7,803,063 | $204,667 | $ 371,595 |
| Profit (loss) for the year | | | | | 2,030,117 | | |
| Other comprehensive income | | | | | | 237,243 | 743,622 |
| Purchases and sales of treasury stock | | 351 | | 3,604 | | | |
| Dividends | | | | | (445,775) | | |
| Equity transactions with non-controlling interests and others | | 3,955 | | | (1,000) | | |
| Distribution to owners of other equity financial instruments | | | | | (35,514) | | |
| Transfer from other components of equity to retained earnings | | | | | 303,514 | (46,739) | |
| Transfer to non-financial assets or non-financial liabilities | | | | | | | |
| Balance at March 31, 2021 | $2,366,541 | $1,294,297 | $2,194,495 | $ (6,955) | $9,654,405 | $395,171 | $1,115,216 |

Thousands of U.S. dollars

| | Equity attributable to owners of the parent | | | | | |
|---|---|---|---|---|---|---|
| | Other components of equity | | | | | |
| | Gains (losses) on cash flow hedges | Remeasurements of defined benefit plan | Other components of equity | Total equity attributable to owners of the parent | Non-controlling interests | Total equity |
| Balance at April 1, 2020 | $(566,865) | $ — | $9,396 | $13,652,928 | $802,928 | $14,455,856 |
| Profit (loss) for the year | | | | 2,030,117 | 69,595 | 2,099,712 |
| Other comprehensive income | (65,261) | 256,775 | 1,172,378 | 1,172,378 | 7,622 | 1,180,000 |
| Purchases and sales of treasury stock | | | | 3,955 | | 3,955 |
| Dividends | | | | (445,775) | (56,117) | (501,892) |
| Equity transactions with non-controlling interests and others | | | | 2,955 | 11,234 | 14,189 |
| Distribution to owners of other equity financial instruments | | | | (35,514) | | (35,514) |
| Transfer from other components of equity to retained earnings | | (256,775) | (303,514) | — | | — |
| Transfer to non-financial assets or non-financial liabilities | 6,838 | | 6,838 | 6,838 | | 6,838 |
| Balance at March 31, 2021 | $(625,288) | $ — | $ 885,099 | $16,387,883 | $835,261 | $17,223,144 |





## Consolidated Statement of Cash Flows

Marubeni Corporation
Fiscal years ended March 31, 2020 and 2021

| | Millions of yen | | Thousands of U.S. dollars |
|---|---|---|---|
| | Year ended March 31, 2020 | Year ended March 31, 2021 | Year ended March 31, 2021 |
| **Operating activities:** | | | |
| Profit (loss) for the year | ¥(190,191) | ¥ 233,068 | $ 2,099,712 |
| Adjustments to reconcile profit for the year to net cash provided by (used in) operating activities: | | | |
| Depreciation and amortization | 166,922 | 144,417 | 1,301,054 |
| (Gains) losses on property, plant and equipment | 250,961 | 8,825 | 79,505 |
| Finance (income) expenses | (21,399) | (11,433) | (103,000) |
| Share of (profit) loss of associates and joint ventures | 55,150 | (141,285) | (1,272,838) |
| Income taxes | 24,256 | 48,695 | 438,694 |
| Changes in notes and accounts receivable | 231,157 | 18,721 | 168,658 |
| Changes in inventories | 32,103 | (116,365) | (1,048,333) |
| Changes in notes and trade accounts payable | (188,141) | 132,064 | 1,189,766 |
| Other—net | (92,406) | 1,318 | 11,874 |
| Interest received | 11,701 | 8,990 | 80,991 |
| Interest paid | (48,890) | (24,305) | (218,964) |
| Dividends received | 120,504 | 128,533 | 1,157,955 |
| Income taxes paid | (24,746) | (34,174) | (307,874) |
| Net cash provided by (used in) operating activities | 326,981 | 397,069 | 3,577,198 |
| **Investing activities:** | | | |
| Net (increase) decrease in time deposits | 108 | 28 | 252 |
| Proceeds from sale of property, plant and equipment | 8,712 | 7,058 | 63,586 |
| Proceeds from sale of investment property | 154 | — | — |
| Collection of loans receivable | 32,584 | 13,062 | 117,676 |
| Proceeds from sale of subsidiaries, net of cash and cash equivalents disposed of | 15,778 | 8,830 | 79,550 |
| Proceeds from sale of investments in associates and joint ventures, and other investments | 66,413 | 79,377 | 715,108 |
| Purchase of property, plant and equipment | (109,878) | (124,090) | (1,117,928) |
| Purchase of investment property | (114) | (115) | (1,036) |
| Loans provided to customers | (8,920) | (11,528) | (103,856) |
| Acquisition of subsidiaries, net of cash and cash equivalents acquired | (15,414) | (18,788) | (169,261) |
| Purchase of investments in associates and joint ventures, and other investments | (199,213) | (70,090) | (631,441) |
| Net cash provided by (used in) investing activities | (209,790) | (116,256) | (1,047,351) |
| **Financing activities:** | | | |
| Net increase (decrease) in short-term borrowings | 74,877 | (9,464) | (85,261) |
| Proceeds from long-term bonds and borrowings | 258,016 | 398,599 | 3,590,982 |
| Repayments of long-term bonds and borrowings | (347,484) | (398,238) | (3,587,730) |
| Dividends paid to shareholders of the parent | (59,878) | (49,481) | (445,775) |
| Net cash outflows on purchases and sales of treasury stock | (7) | (10) | (90) |
| Capital contribution from non-controlling interests | 116 | 667 | 6,009 |
| Acquisition of additional interests in subsidiaries from non-controlling interests | (7,727) | (380) | (3,423) |
| Distribution to owners of other equity instruments | (3,902) | (3,942) | (35,514) |
| Other | (7,272) | (6,254) | (56,342) |
| Net cash provided by (used in) financing activities | (93,261) | (68,503) | (617,144) |
| Effect of exchange rate changes on cash and cash equivalents | (10,695) | 11,922 | 107,405 |
| Net increase (decrease) in cash and cash equivalents | 13,235 | 224,232 | 2,020,108 |
| Cash and cash equivalents at beginning of year | 509,288 | 522,523 | 4,707,414 |
| Increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale | — | (897) | (8,081) |
| Cash and cash equivalents at end of year | ¥ 522,523 | ¥ 745,858 | $ 6,719,441 |

# Global Network

As of April 1, 2021


### Locations of Branches and Offices

| Middle East & Africa | |
|---|---|
| Abidjan | Istanbul |
| Abu Dhabi | Johannesburg |
| Accra | Kuwait City |
| Addis Ababa | Lagos |
| Algiers | Luanda |
| Amman | Maputo |
| Ankara | Muscat |
| Baghdad | Nairobi |
| Cairo | Riyadh |
| Casablanca | Tehran |
| Doha | Tel Aviv |
| Dubai | |

| Europe & CIS | |
|---|---|
| Almaty | Moscow |
| Athens | Nur-Sultan (Astana) |
| Bucharest | Paris |
| Budapest | Prague |
| Düsseldorf | Risley |
| Hamburg | Tallinn |
| Helsinki | Tashkent |
| Khabarovsk | Vladivostok |
| Kiev | Warsaw |
| Lisbon | Yuzhno-Sakhalinsk |
| London | |
| Milan | |

| Southwest Asia | |
|---|---|
| Bengaluru | Karachi |
| Chattogram | Kolkata |
| Dhaka | Lahore |
| Goa | Mumbai |
| Islamabad | New Delhi |

| Japan | |
|---|---|
| Sapporo | Osaka |
| Sendai | Fukuyama |
| Tokyo | Hiroshima |
| Shizuoka | Imabari |
| Hamamatsu | Fukuoka |
| Nagoya | Naha |
| Toyama | |

| ASEAN | |
|---|---|
| Bangkok | Nay Pyi Taw |
| Hanoi | Phnom Penh |
| Ho Chi Minh City | Singapore |
| Jakarta | Vientiane |
| Kuala Lumpur | Yangon |
| Kuching | |
| Manila | |

| China / East Asia | |
|---|---|
| Beijing | Seoul |
| Changchun | Shanghai |
| Chengdu | Shenzhen |
| Dalian | Taipei |
| Guangzhou | Tianjin |
| Hefei | Ulan Bator |
| Hong Kong | Wuhan |
| Kunming | Xiamen |
| Nanjing | |
| Qingdao | |

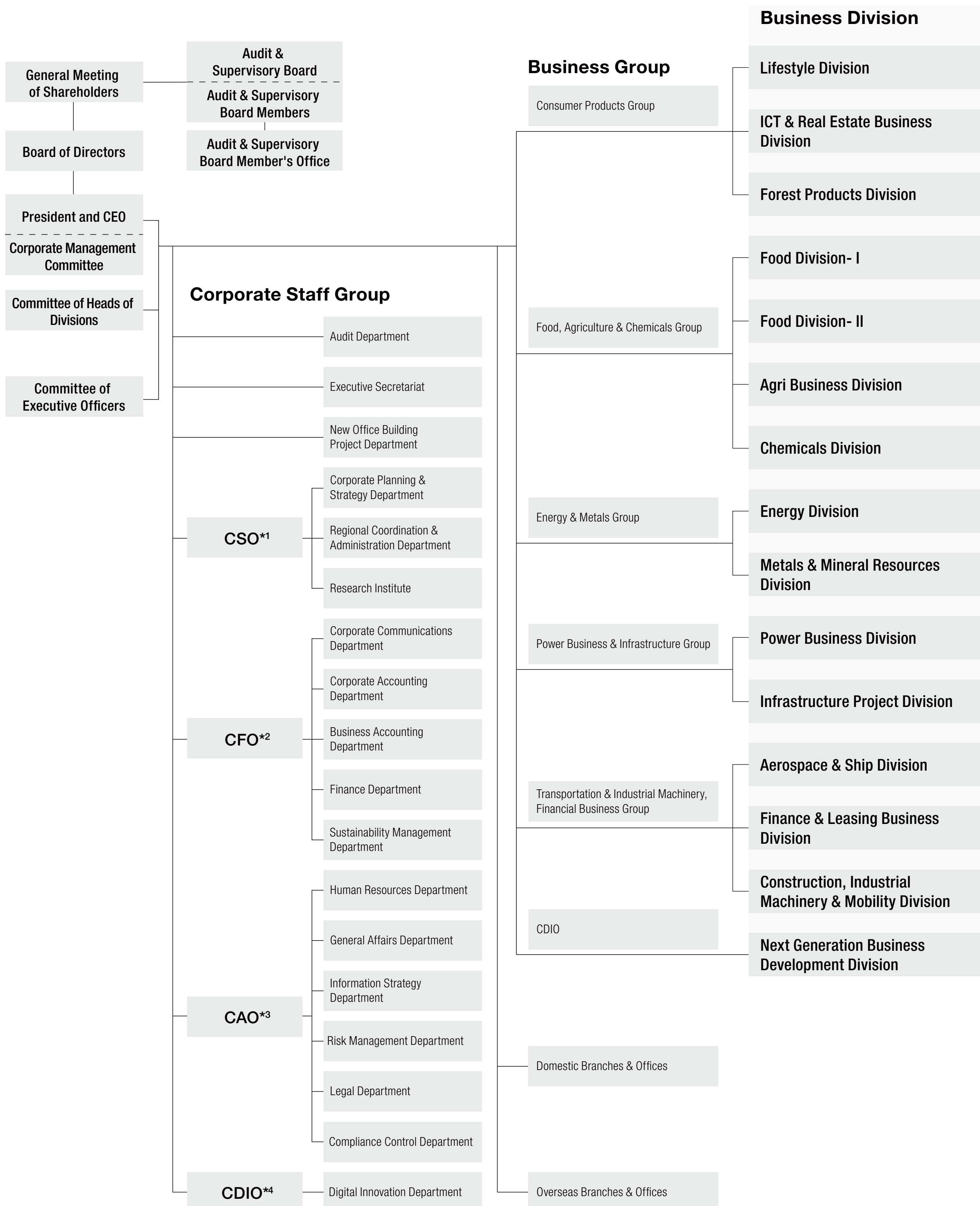
| Oceania |
|---|
| Auckland |
| Melbourne |
| Perth |
| Port Moresby |
| Sydney |

| North & Central America |
|---|
| Guatemala City |
| Havana |
| Houston |
| Los Angeles |
| Mexico City |
| New York |
| Omaha |
| Queretaro |
| Silicon Valley |
| Toronto |
| Washington, D.C. |

| South America |
|---|
| Belo Horizonte |
| Bogota |
| Buenos Aires |
| Caracas |
| Lima |
| Rio de Janeiro |
| Salvador |
| Santiago |
| São Paulo |

## Organization

As of April 1, 2021




*1. CSO: Chief Strategy Officer
*2. CFO: Chief Financial Officer
*3. CAO: Chief Administrative Officer
*4. CDIO: Chief Digital Innovation Officer



## Company Profile

As of March 31, 2021

| | |
|---|---|
| **Company Name** | Marubeni Corporation |
| **Securities Code** | 8002 |
| **Head Office** (As of May 24, 2021) | 4-2, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8088, Japan<br>Tel: 81-3-3282-2111<br>E-mail: tokb138@marubeni.com |
| **Number of Branches and Offices** (Including Tokyo Head Office) (As of April 1, 2021) | 133 locations in 68 countries/regions<br>Consisting of 13 domestic branches and offices, 58 overseas branches and offices and 29 overseas corporate subsidiaries with 62 offices |
| **Founded** | May 1858 |
| **Incorporated** | December 1, 1949 |
| **Paid-in Capital** | ¥262,686 million |
| **Number of Employees** | 4,389 (Marubeni Group: 45,470) |
| **Corporate Website** | https://www.marubeni.com/en/<br>**IR page**<br>https://www.marubeni.com/en/ir/<br>**Sustainability page**<br>https://www.marubeni.com/en/sustainability/ |
| **Business Year** | April 1 to March 31 of the following year |
| **Regular General Meeting of Shareholders** | June of each year |

## IR Activities

In keeping with the corporate creed of Fairness, Innovation, and Harmony, we strive to build relationships of trust with all stakeholders, including shareholders and investors, by providing information properly, fairly and in a timely manner, as well as in ways that are easy to understand. This information includes financial and business performance information as well as non-financial information needed to make investment decisions such as management strategy, in addition to the information that must be disclosed for statutory compliance. We aim to achieve sustainable growth in corporate value by obtaining remarks from stakeholders through an effective two-way dialogue, and sharing them within the Company including the management and directors.

### IR Policy

**Fairness: Highly transparent IR**

Provide fair and clear disclosure of information based on the precepts of the Fair Disclosure Rules stipulated in the Financial Instruments and Exchange Act, as well as statutory and timely disclosures. Through this, we will fulfill our responsibility for accountability to all stakeholders while engaging in a sincere dialogue.

**Innovation: Progressive and Creative IR**

The management, including the President, CFO and directors, will actively participate in various IR events to increase the opportunities for dialogue with shareholders and investors. For the planning and operation of IR events, and the creation of publications and IR website content, we keep ourselves innovative in making the content easy to understand for participants/viewers, while maintaining a broad perspective.

**Harmony: IR through two-way dialogues**

The opinions and requests obtained through dialogue with shareholders and investors, mainly by the President, CFO and department responsible for investor relations, will be collected and shared as feedback within the Company including the management and directors. The department responsible for IR will lead the organic coordination within the Company through timely sharing of information among relevant departments.

## External Evaluation

### Inclusion in ESG Indexes

FTSE4Good Global Index Series*1

FTSE4Good

FTSE Blossom Japan Index*2

FTSE Blossom Japan

MSCI Japan Empowering Women Index (WIN)*3

2021 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

*1. FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Marubeni Corporation has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

*2. FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Marubeni Corporation has been independently assessed according to the FTSE Blossom Japan Index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

*3. The inclusion of Marubeni Corporation in any MSCI Index, and the use of MSCI Logos, Trademarks, Service Marks or Index Names herein, do not constitute a sponsorship, endorsement or promotion of Marubeni Corporation by MSCI or any of its affiliates. The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI Index Names and Logos are Trademarks or Service Marks of MSCI or its affiliates.

### Outside certification and evaluation

Selected as Nadeshiko Brand

Received "Eruboshi" certification

Received "Platinum Kurumin" certification

Recognized as 2021 Health and Productivity Management Outstanding Organization ("White 500" organization)

Inclusion in Health & Productivity Stock Selection

Selected as a "Digital Transformation Certified Business Operator"

For details, please see our website:
https://www.marubeni.com/en/sustainability/evaluation/



## Stock Information

As of March 31, 2021

**Number of Shares Authorized**
4,300,000,000

**Share Unit**
100 shares

**Number of Shares Issued and Outstanding**
1,737,940,900

**Record Date for Year-End Dividend**
March 31 of each year

**Stock Listings**
Tokyo

**Record Date for Interim Dividend**
September 30 of each year

**Number of Shareholders**
209,517

**Transfer Agent of Common Stock**
Mizuho Trust & Banking Co., Ltd.

### Long-Term Credit Rating (As of August 31, 2021)

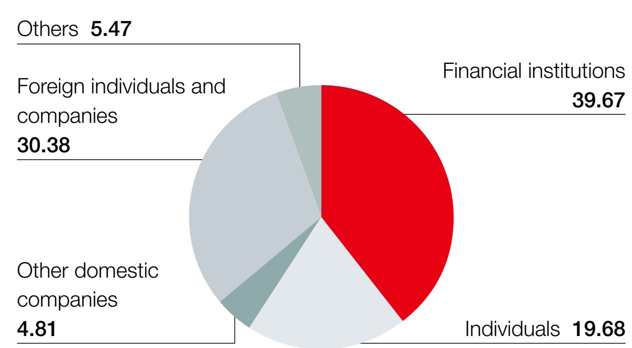
| Credit Rating Agency | Long Term (Outlook) |
|---|---|
| Japan Credit Rating Agency (JCR) | A+ (Stable) |
| Rating and Investment Information (R&I) | A (Stable) |
| S&P Global Ratings | BBB (Stable) |
| Moody's | Baa2 (Stable) |

### Major Shareholders

| Name of Shareholder | Stake in the Corporation | |
|---|---|---|
| | Number of Shares Held (Thousands) | Shareholding Ratio (%) |
| The Master Trust Bank of Japan, Ltd. (Trust account) | 165,540 | 9.53 |
| Custody Bank of Japan, Ltd. (Trust account) | 123,732 | 7.12 |
| BNYM AS AGT/CLTS NON TREATY JASDEC | 98,570 | 5.68 |
| Meiji Yasuda Life Insurance Company | 41,818 | 2.41 |
| Mizuho Bank, Ltd. | 30,000 | 1.73 |
| Sompo Japan Insurance Inc. | 30,000 | 1.73 |
| Custody Bank of Japan, Ltd. (Trust account 5) | 29,781 | 1.71 |
| Custody Bank of Japan, Ltd. (Trust account 6) | 26,399 | 1.52 |
| STATE STREET BANK WEST CLIENT - TREATY 505234 | 25,448 | 1.47 |
| The Dai-ichi Life Insurance Company, Limited | 24,859 | 1.43 |

*1. The number of shares owned is rounded down to the nearest thousand.
*2. The shareholding ratios are calculated after deducting the treasury stock from the number of shares issued and outstanding. The percentages are rounded to the nearest two decimal points.

### Distribution of Shares by Type of Shareholder (%)




Note: The sum of each ratio may not be 100%, because each ratio has been rounded.