

# 2022.06

## Consolidated Financial Results Q1 FYE 3/2023

August 5, 2022

TSE Code: 8002

### Disclaimer Regarding Forward Looking Statements and Original Language

This material contains forward-looking statements about the future performance, events or management plans of Marubeni Corporation and its Group companies (the Company) based on the available information, certain assumptions and expectations at the point of disclosure, of which many are beyond the Company's control. These are subject to a number of risks, uncertainties and factors, including, but not limited to, economic and financial conditions, factors that may affect the level of demand and financial performance of the major industries and customers we serve, interest rates and currency fluctuations, availability and cost of funding, fluctuations in commodity and materials prices, political turmoil in certain countries and regions, litigation claims, changes in laws, regulations and tax rules, and other factors. Actual results, performances and achievements may differ materially from those described explicitly or implicitly in the relevant forward-looking statements. The Company has no responsibility for any possible damages arising from the use of information on this material, nor does the Company have any obligation to update these statements, information, future events or otherwise.

This material is an English language translation of the materials originally written in Japanese. In case of discrepancies, the Japanese version is authoritative and universally valid.

# 01 Key Factors of Q1 FYE 3/2023

- **Net profit** amounted **¥201.6bn (+¥89.5bn year on year)** Adjusted net profit was **¥198.0bn (+¥84.0bn year on year)**  
**Historical high for both net profit and adjusted net profit for a quarter period.** Progress to the full-year net profit forecast is **50%**
  - Non-resources: Profit increased mainly in *Agri Business, Aerospace & Ship, Chemicals* and *Power* segments  
*Finance, Leasing & Real Estate Business, Food, Construction, Industrial Machinery & Mobility, etc.* also continued to be strong
  - Resources: Profit increased due to the stronger coking coal prices, and the energy trading that seized opportunities by utilizing the operating base
  - Adjusted net profit for non-resources amounted ¥111.0bn. First time ever to exceed ¥100.0bn
- **Core operating cash flow** was **+¥206.4bn (+¥77.0bn year on year)**
- **Shareholders' equity** was **¥2.6tn (+¥358.7bn from the previous fiscal year-end)**, due mainly to increase in retained earnings and yen depreciation. **Net DE ratio** improved 0.05 points at **0.78 times**
- Full-year forecasts for FYE 3/2023 remain unchanged in light of the "uncertain global economy and business environment"

(billion yen)	Q1 FYE 3/2022	<b>Q1 FYE 3/2023</b>	Variance	<b>FYE 3/2023 Forecast</b> (announced on May-6-2022)
Net profit	<b>112.1</b>	<b>201.6</b>	<b>+89.5 (+80%)</b>	<b>400.0</b>
Adjusted net profit	<b>114.0</b>	<b>198.0</b>	<b>+84.0 (+74%)</b>	<b>400.0</b>
Core operating cash flow	<b>+129.5</b>	<b>+206.4</b>	<b>+77.0 (+59%)</b>	<b>+500.0</b>
Free cash flow after shareholder distributions (excluding changes in working capital and others)	-	<b>+39.6</b>	-	<b>+80.0</b>
	Mar-31-2022	<b>Jun-30-2022</b>	Variance	<b>Mar-31-2023 Forecast</b>
Net DE ratio	<b>0.83 times</b>	<b>0.78 times</b>	<b>improved 0.05 points</b>	<b>approx. 0.7~0.8 times</b>
	FYE 3/2022			<b>FYE 3/2023 Forecast</b>
Dividend per share (annual)	<b>62.0 yen</b>			<b>60.0 yen<sup>※</sup></b>

\* Adjusted net profit: net profit excluding one-time items, shown in an approximate figure.  
 For one-time items, please refer to P3 of "IR Supplementary Information"

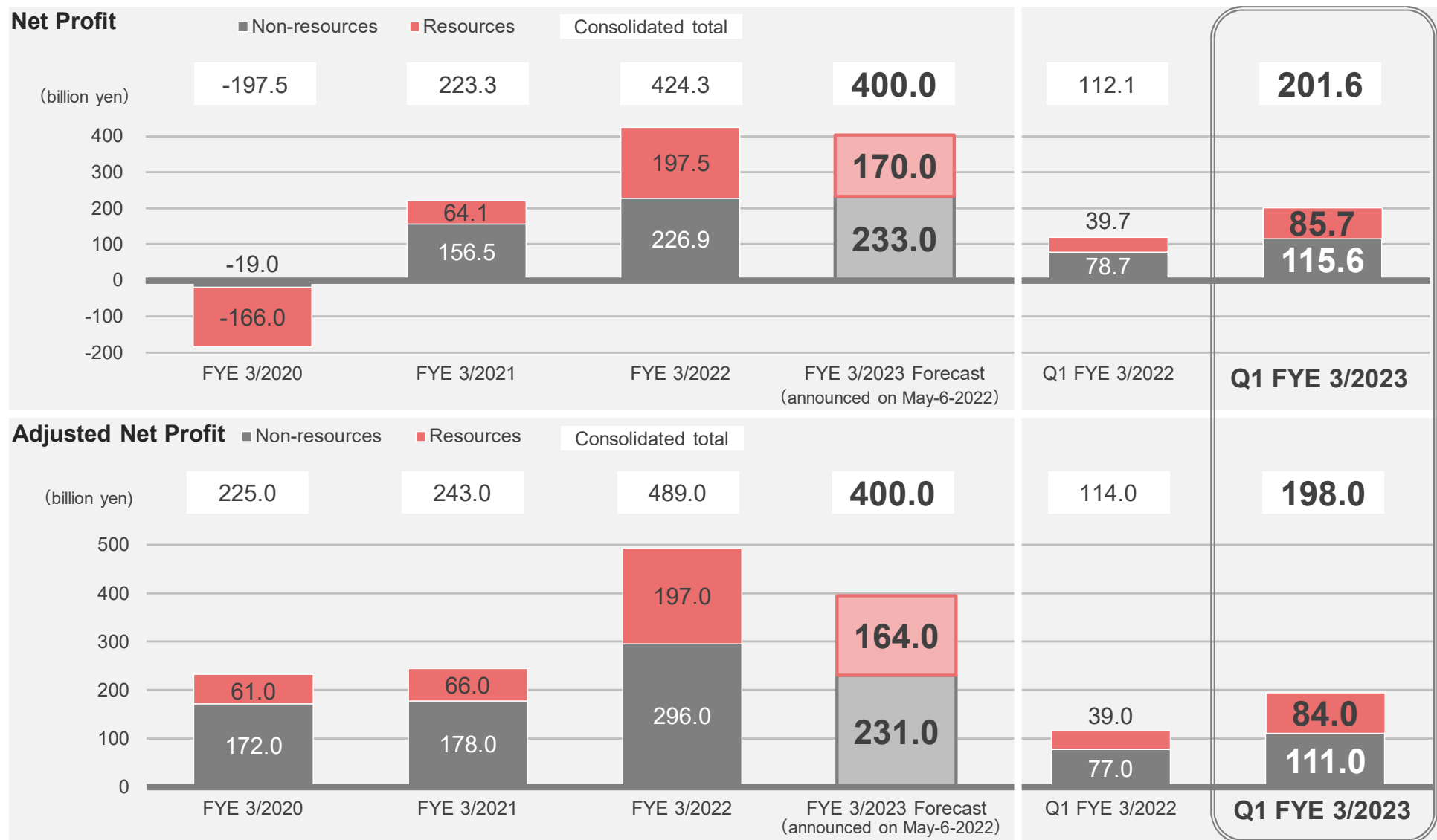
\* Core operating cash flow: operating cash flow excluding net increase/decrease in working capital and others

\* "Equity attributable to owners of the parent" is described as "shareholders' equity" in this material

\* For FYE 3/2023 and beyond, the denominator to calculate net DE ratio has been changed from "total equity" to "shareholders' equity". Net DE ratio for previous fiscal years have been re-presented accordingly

※the minimum annual dividend amount for each fiscal year through FYE 3/2025

# 02 Net Profit and Adjusted Net Profit

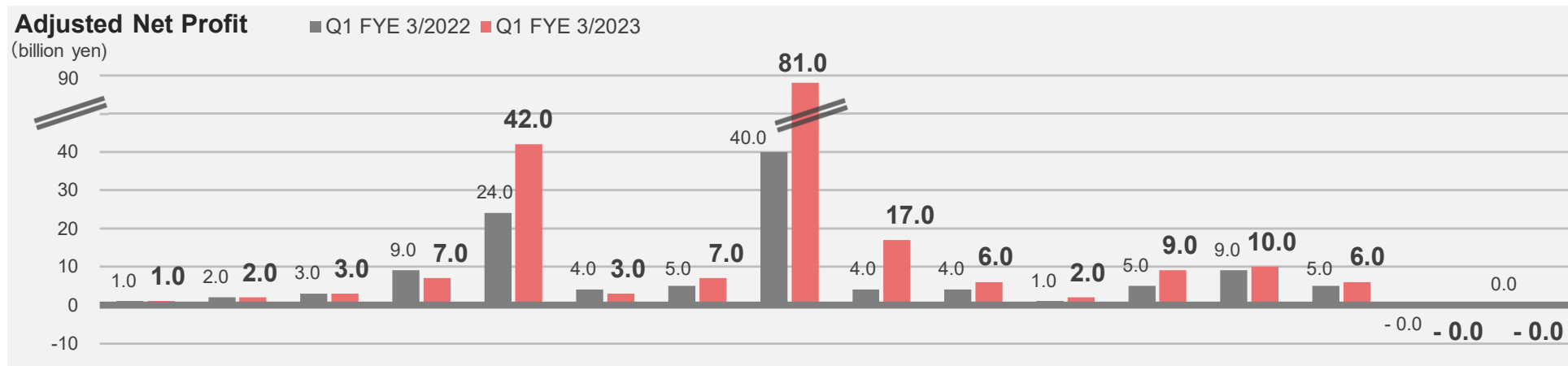
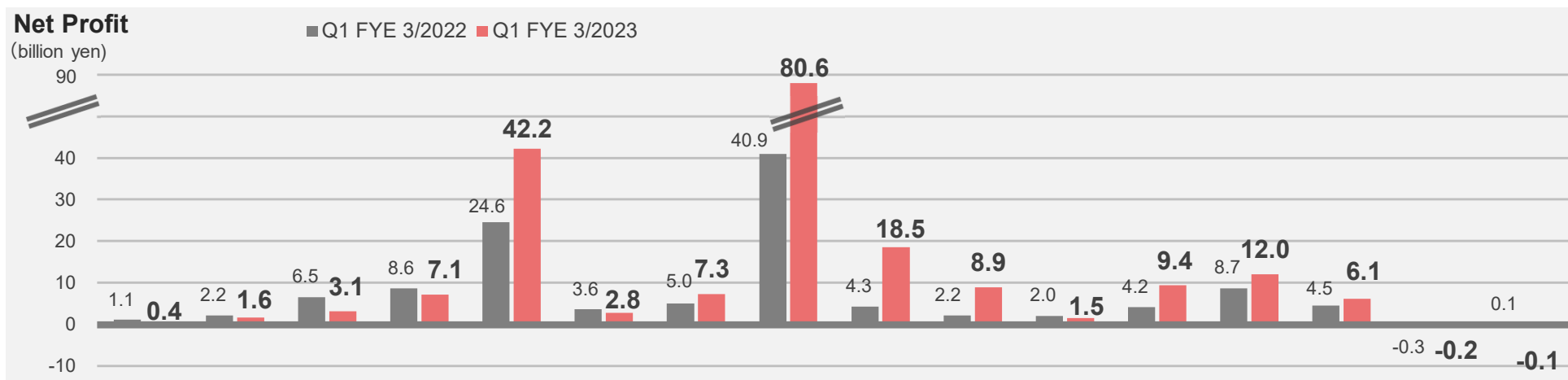


\* Resources: Total of "Energy" and "Metals & Mineral Resources" excluding "Steel Products Dept."  
 Other: Total of "Next Generation Business Development", "Next Generation Corporate Development" and "Other" segments  
 Non-resources: other than the above

\* "Other" segment (billion yen)

	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023 Forecast	Q1 FYE 3/2022	Q1 FYE 3/2023
Net profit	-12.4	2.7	-0.0	-3.0	-6.3	0.3
Adjusted net profit	-8.0	-1.0	-4.0	5.0	-2.0	3.0

# 03 Profit by Segment Q1 FYE 3/2023 vs Q1 FYE 3/2022

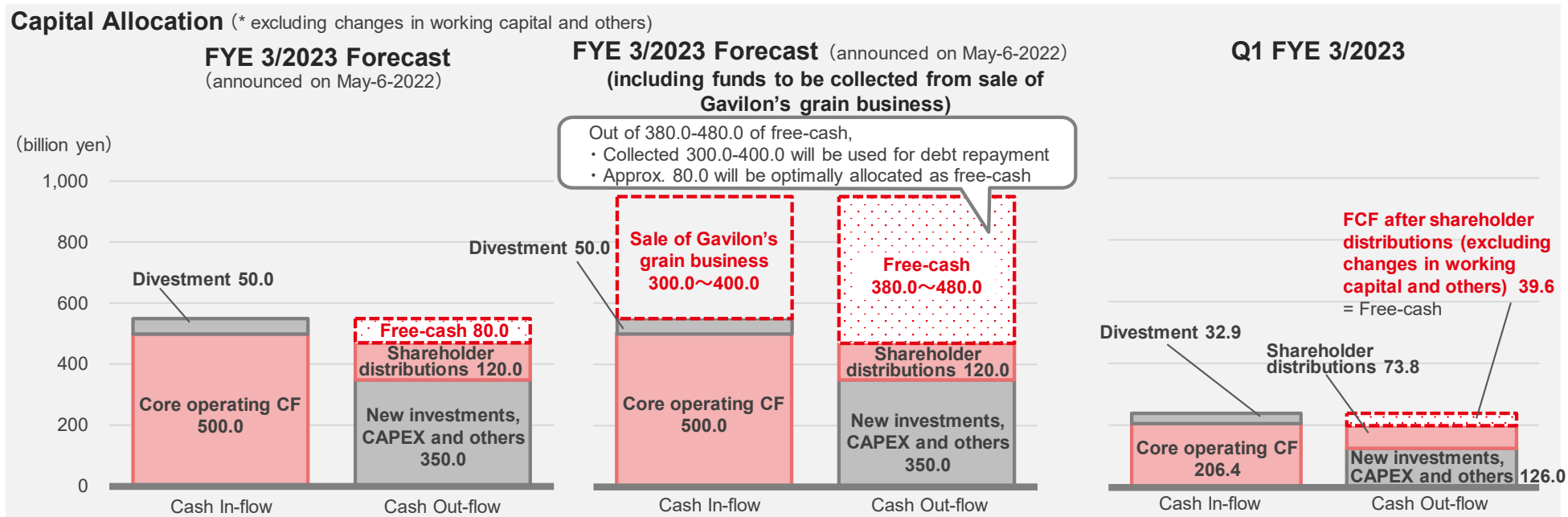
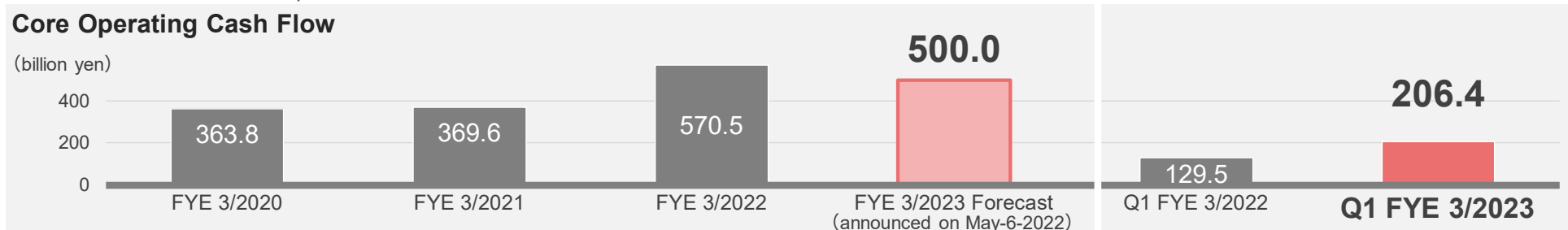


Lifestyle	ICT Business & Logistics	Food I	Food II	Agri Business	Forest Products	Chemicals	Metals & Mineral Resources	Energy	Power	Infrastructure Project	Aerospace & Ship	Finance, Leasing & Real Estate Business	Construction, Industrial Machinery & Mobility	Next Generation Business Development	Next Generation Corporate Development
Consumer Products				Materials			Energy & Infrastructure Solution			Transportation & Industrial Machinery, Financial Business			CDIO		

\* Operating segment information for FYE 3/2022 has been reclassified due to organizational changes. Please refer to P2 of "IR Supplementary Information" for the details

# 04 Cash Flow Generation and Capital Allocation

- Core operating cash flow for Q1 FYE 3/2023 was ¥206.4bn, hitting the historical high for a quarter period
- The sale of Gavilon's grain business is expected to be completed in FYE 3/2023. The funds to be collected (¥300.0bn-400.0bn) will be used for debt repayment in consideration of the current investment environment. For the three-year period of GC2024, the collected funds is recognized as free-cash and will be allocated to new investments, share buybacks or retained for future investment, etc.



\* Net DE ratio forecast for Mar-31-2023: Approx. 0.7-0.8 times (including funds to be collected from sale of Gavilon's grain business: Approx. 0.7 times)

# 05 New Investments and Divestments Main Items for Q1 FYE 3/2023

(billion yen)

	Q1 FYE 3/2023 <sup>*2</sup>				Q1 FYE 3/2023 Main items	FYE 3/2023 Forecast (announced on May-6-2022)		
	Q1 FYE 3/2023		Horizon 1	Horizon 2			Horizon 3	
New Investments + CAPEX and others *1	- 126.0		- 56.4	- 49.2	- 20.4	- 350.0		
New Investments	- 67.0	Distribution Business	- 22.7	- 2.2	- 20.4	<ul style="list-style-type: none"> <li>• Manufacturing and sales of spices and seasonings (Euroma, Netherland)</li> <li>• Healthcare turnkey solutions provider(Lunatus, UAE)</li> <li>• Agri-input related business (Helena, USA)</li> <li>• Manufacturing and sales of instant coffee (Iguacu Vietnam, Vietnam)</li> <li>• Beef processing and sales business (Creekstone, USA)</li> </ul>	- 200.0	
		Finance Business	- 4.3	- 4.3	-			
		Stable Earnings-Type Business	- 39.9	- 39.9	-			• Power generation business (renewable energy, etc.)
		Natural Resource Investments	- 0.1	- 0.1	-			
CAPEX and others	- 59.0	excluding Natural Resource Investments	- 56.4	- 56.4	-	<ul style="list-style-type: none"> <li>• Agri-input related business (Helena, USA) *3</li> <li>• MUSI pulp business (Indonesia)</li> <li>• Beef processing and sales business (Creekstone, USA)</li> </ul>	- 150.0	
		Natural Resource Investments	- 2.7	- 0.0	- 2.6			
Divestment	+32.9				<ul style="list-style-type: none"> <li>• Oil and Gas E&amp;P (Gulf of Mexico, USA)</li> <li>• Shareholder loan for copper mining business (Chile)</li> <li>• Cross-shareholdings</li> </ul>	+50.0 <sup>*4</sup>		
<b>Total</b>	<b>- 93.1</b>					<b>- 300.0 <sup>*4</sup></b>		

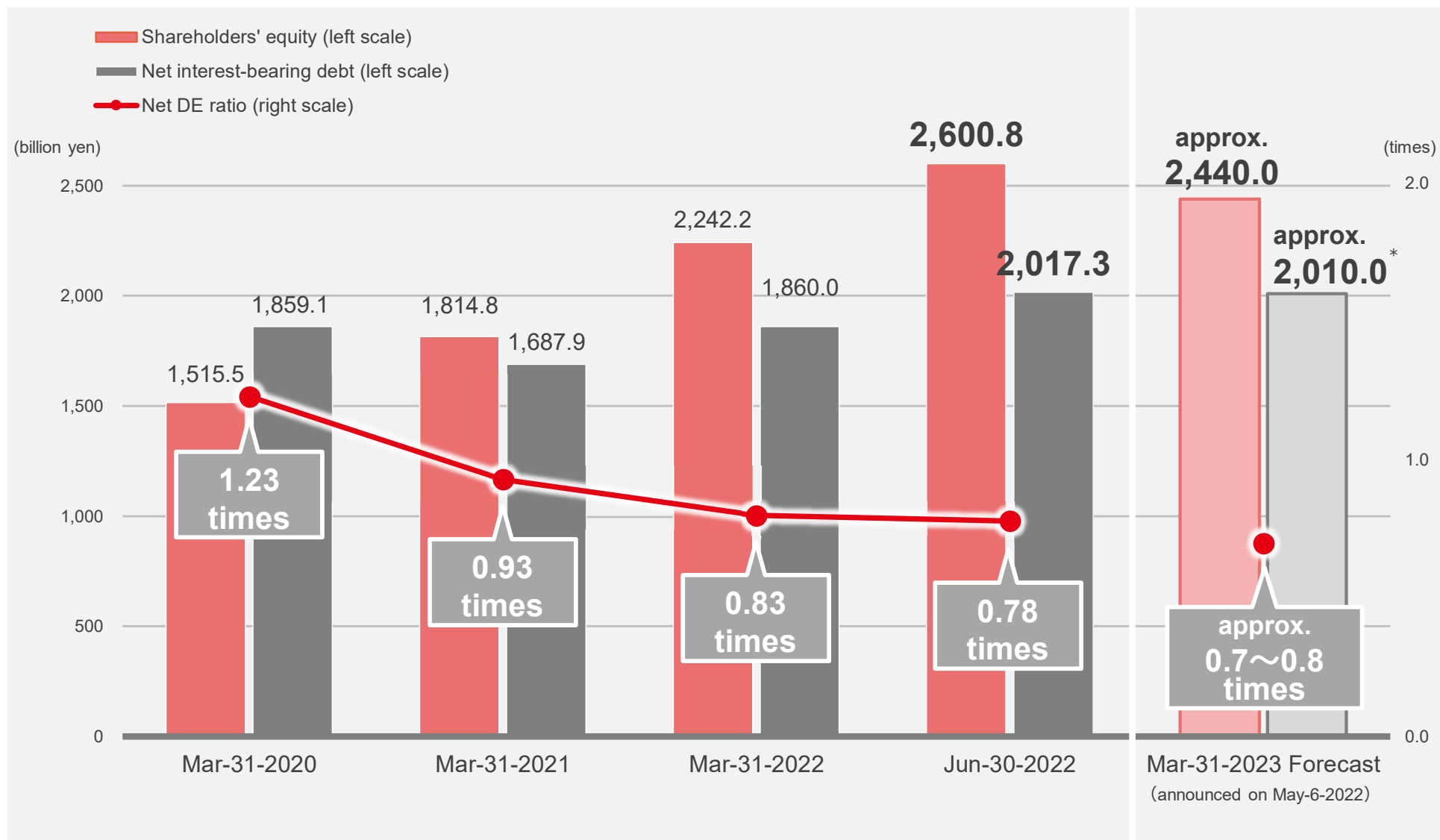
\*1) CAPEX and others: additional capital expenditure and others in order to maintain and improve values of existing investments and loans

\*2) Horizon 1: improvement of existing businesses, Horizon 2: pursuit of strategies in existing business domains, Horizon 3: new business models and growth domains currently not yet focused on

\*3) Including approximately -32.0 billion yen of short-term agriculture loan which Helena (USA) provided to customers

\*4) Not including funds to be collected from the sale of Gavilon's grain business

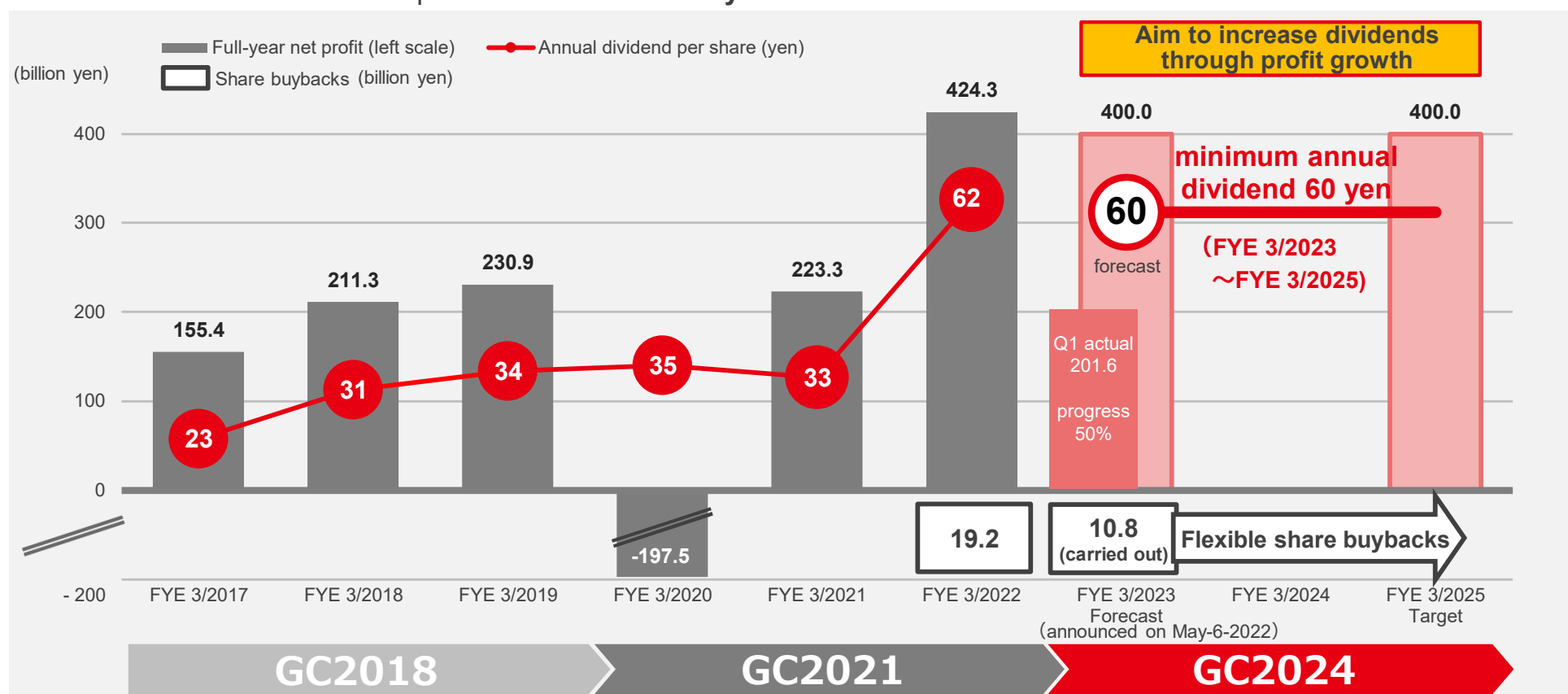
# 06 Shareholders' Equity and Net Interest-Bearing Debt



\* Not including funds to be collected from the sale of Gavilon's grain business

# 07 Shareholder Distributions

- Based on the Company's current basic dividend policy (dividend payout ratio of '25% or more'), annual dividend for FYE 3/2023 is forecasted to be **¥60** per share reflecting the net profit forecast of ¥400.0bn
- Shareholder Returns Policy during the GC2024 period
  - **¥60** per share to be set as the **minimum annual dividend** through the GC2024 period (FYE 3/2023-FYE 3/2025)
  - Aim to **increase dividends through profit growth**, while maintaining a consolidated dividend payout ratio of 25% or more of consolidated net profit. **Flexible share buybacks** to be carried out





## 08 Markets and Commodity Volumes

Markets		FYE 3/2022 Q1	FYE 3/2023 Q1	Variance	FYE 3/2023 Full-year Assumption	Sensitivity to *4 Net Profit
Oil	WTI (USD/bbl)	66	109	+ 43	75	approx. ¥0.3bn/[USD1/bbl]*5
Copper	LME (USD/ton) *1	9,508	9,927	+ 419	9,500	approx. ¥1.1bn/[USD100/ton]
Interest Rate	JPY TIBOR 3months (%)	0.069	0.067	- 0.002 points	0.1	
	USD LIBOR 3months (%)	0.156	1.535	+ 1.379 points	1.9	
Currency	USD/JPY Term Average (yen)	109.49	129.57	JPY depreciation by 20.08yen	120	approx. ¥1.8bn/[JPY1/USD]
	USD/JPY Term-end (yen)	Mar-31-2022 122.39	Jun-30-2022 136.68	JPY depreciation by 14.29yen	Mar-31-2023 120	
Commodity Volumes		FYE 3/2022 Q1	FYE 3/2023 Q1	Variance	FYE 3/2022 Full-year	FYE 3/2023 Initial Plan
Oil, Gas	Equity Production Volume (K boe/day) Upper: [Oil and Gas E&P] *2 Lower: [Total] *3	19	10	- 9	19	11
		22	12	- 10	22	14
Copper	Equity Sales Volume (K ton)	34	29	- 5	133	
Coking Coal	Equity Sales Volume (K ton)	1,527	1,725	+ 198	5,916	

\*1) March-to-May average for Q1, March-to-February average for full-year

\*2) Total of oil and gas E&P at Gulf of Mexico (USA) and Indian Sea. North Sea (UK) divested in Q4 FYE 3/2022

\*3) Total of equity volume based on production sharing contracts on the consolidated basis, including above Oil and Gas E&P

\*4) Sensitivity to the full-year forecast for FYE 3/2023 announced on May 6, 2022

\*5) Sensitivity to oil prices (WTI and Brent) in Oil and Gas E&P