

Shareholders' Guide "Marubeni"

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Message from CEO

Achieved record high profit for the first half Significant increase in annual dividend forecast

First, I would like to express my sincere gratitude to our valued shareholders for their unwavering support.

On November 2, we announced the consolidated financial results for the second quarter of the fiscal year ending March 31, 2022. Net income increased by +104.1 billion yen (+102%) year on year to 205.8 billion yen, achieving a record high for the first half. In response to this, the full-year net income forecast has been revised upward to 350 billion yen, and the annual dividend forecast has been increased from 34 yen per share announced at the beginning of the term to 51 yen per share, which is set as the minimum. The medium-term management strategy "GC2021" revised in May 2020 has two basic policies of "rebuilding and strengthening the financial foundation" and "enhancement of business strategies". Regarding "rebuilding and strengthening the financial foundation", as a result of thorough management focusing on cash flows, net DE ratio at the end of this fiscal year is expected to improve to approximately 0.8 times, and we have some good prospect on 'rebuilding the financial foundation'. Regarding "enhancement of business strategies", we believe that the results of steady progress in improving the profitability of existing businesses or expanding them are reflected in the present favorable financial results.

We are steadily solidifying our foothold toward the next medium-term management strategy that will begin next year. After we posted substantial deficit in the fiscal year ended March 31, 2020, we amended our shareholder return policy and announced that there would be no share buybacks during the "GC2021" period to prioritize rebuilding the financial foundation. But from now on, share buybacks will be taken into consideration. The timing and the amount of share buybacks will be determined according to the status of cash flows and balance sheet as well as the business environment.

Looking at the business environment surrounding our group, the outlook remains uncertain not only due to the COVID-19 pandemic which continues to be a constraint on economic activities in many regions, but also due to economic conditions in major countries and supply chain problems, etc. However, because the future is highly unpredictable, it is important to swiftly detect societal changes and continue to push ahead with changes ourselves. We will continue to take on the challenge of addressing societal issues by surely grasping the global trends such as climate change issues and DX (digital transformation). Thank you for your continued support.



Masumi Kakinoki
President and CEO

