

# 2024.03

## Consolidated Financial Results FYE 3/2024

May 2, 2024

TSE Code: 8002

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# 01 Key Factors of FYE 3/2024

- **Net profit** was **¥471.4bn (-¥71.6bn YOY)** surpassing the full-year forecast of ¥450.0bn (announced on Feb-2-2024)
- **Adjusted net profit** was **¥467.0bn (-¥59.0bn YOY)** exceeding the range of ¥400.0 to ¥450.0bn of underlying adjusted net profit

Breakdown of adjusted net profit:

- Non-resources ¥307.0bn (-¥14.0bn YOY): Increased in *Power, Food I*, etc., decreased in *Food II, Chemicals*, etc.
- Resources ¥152.0bn (-¥47.0bn YOY): Decreased in the coking coal business and others, due to lower commodity prices

Non-resources generated around ¥300.0bn in adjusted net profit for the third consecutive year

- **Core operating cash flow** was **+¥548.0bn (-¥36.2bn YOY)** remaining at a high level
- **Annual dividend per share** is planned to be **increased to ¥85.0 (an increase by +¥2.0)** from ¥83.0, the previous forecast announced on Feb-2-2024)

(billion yen)	FYE 3/2023	FYE 3/2024	Change
Net profit	543.0	471.4	-71.6 (-13%)
Adjusted net profit	526.0	467.0	-59.0 (-11%)
Core operating cash flow	+584.2	+548.0	-36.2 (-6%)
Free cash flow after shareholder distributions (excluding changes in working capital and others)	+572.8	+24.9	-547.9 (-96%)
ROE	22.4%	15.2%	-7.2 points
Net DE ratio	0.52 times	0.55 times	+0.03 points
Dividend per share (annual)	78.0 yen	85.0 yen interim(paid) 41.5 yen, year-end(plan) 43.5 yen	+7.0 yen

\* 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

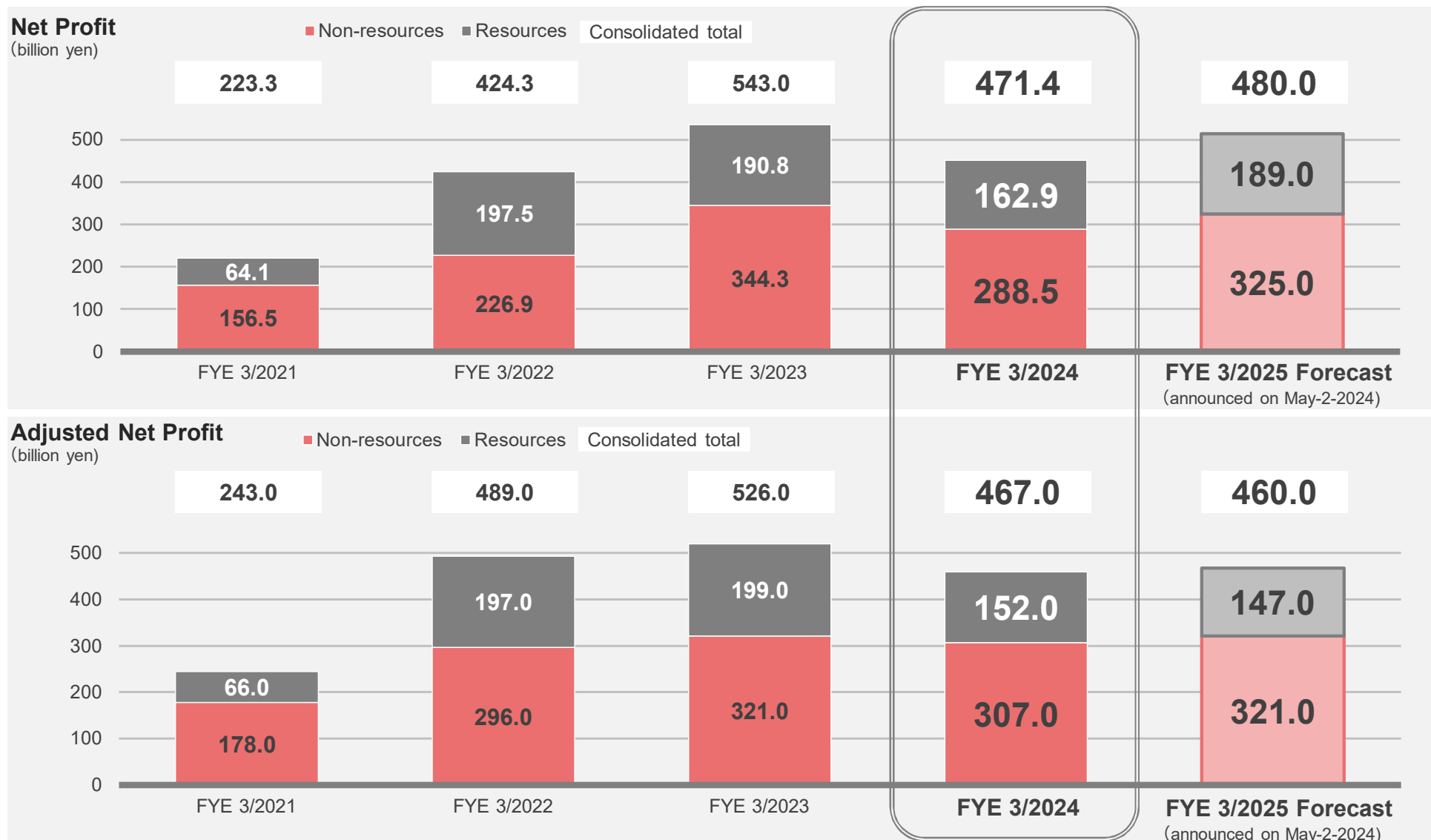
\* "Equity attributable to owners of the parent" is described as "shareholders' equity" in this material

## 02 Full-year Forecast for FYE 3/2025

- **Net profit: ¥480.0bn (+¥8.6bn YOY)** anticipating profit increase
- **Adjusted net profit: ¥460.0bn (-¥7.0bn YOY)**
  - Adjusted net profit for non-resources: ¥321.0bn (+¥14.0bn YOY) aiming to achieve a steady profit growth
  - Net profit forecast includes **around -¥20.0bn of cushion to prepare for a contingency**
- **Core operating cash flow: +¥570.0bn (+¥22.0bn YOY)** anticipating higher cash generation capacity
- **Annual dividend: ¥90.0** per share (forecast), a +¥5.0 YOY increase, based on the progress in strengthening of earnings base
- **Share buybacks up to ¥50.0bn** using free cash have been resolved (estimated total payout ratio: 42%)

(billion yen)	FYE 3/2024	FYE 3/2025 Forecast	Change
Net profit	471.4	480.0	+8.6 (+2%)
Adjusted net profit	467.0	460.0	-7.0 (-1%)
Core operating cash flow	+548.0	+570.0	+22.0 (+4%)
Free cash flow after shareholder distributions (excluding changes in working capital and others)	+24.9	-140.0	-164.9
ROE	15.2%	around 15%	—
Net DE ratio	0.55 times	around 0.6~0.7 times	—
Dividend per share (annual)	85.0 yen (plan)	90.0 yen (forecast)	+5.0 yen

# 03 Net Profit and Adjusted Net Profit



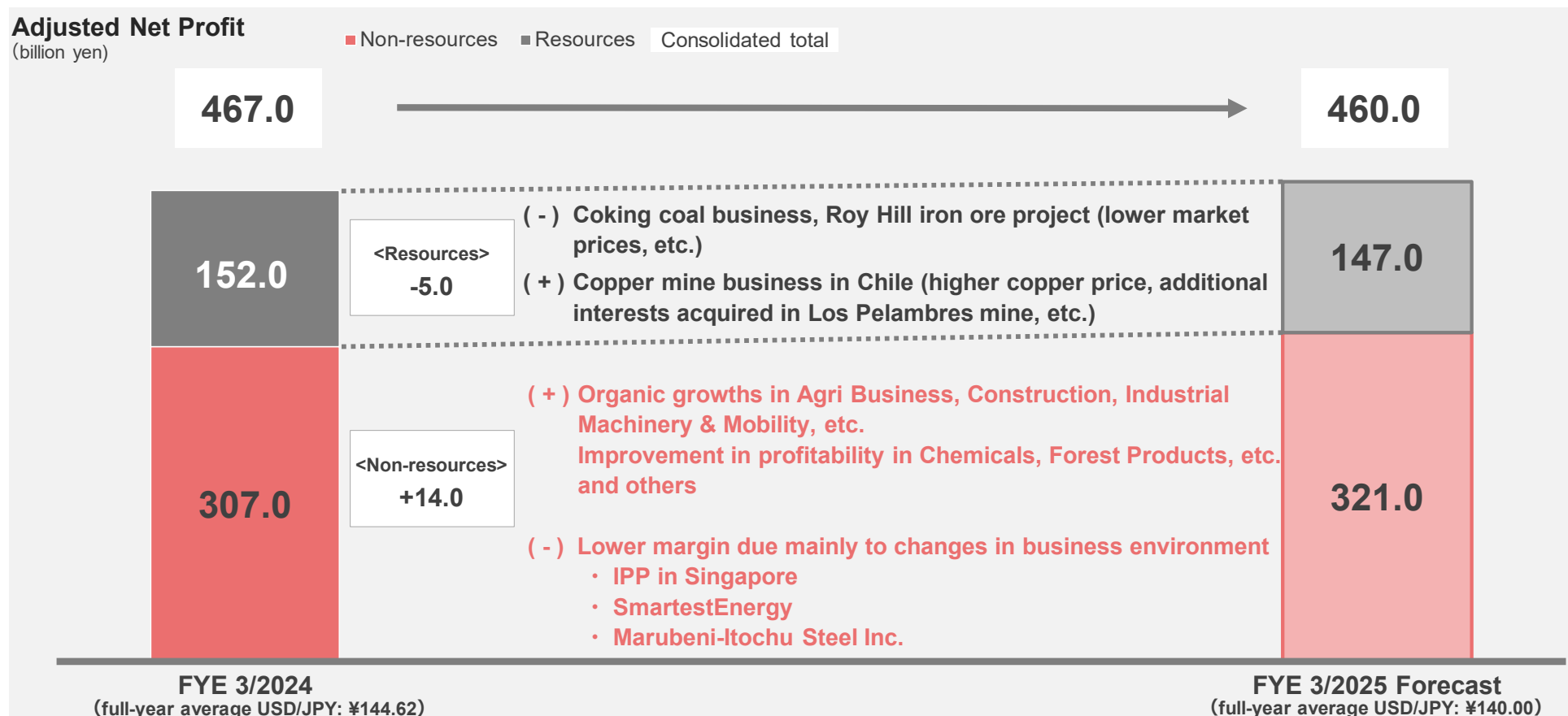
\* Resources: Total of "Energy" and "Metals & Mineral Resources" excluding "Steel Products Dept."  
 Other: Total of "Next Generation Business Development", "Next Generation Corporate Development" and "Other"  
 Non-resources: Other than the above

\* "Other"

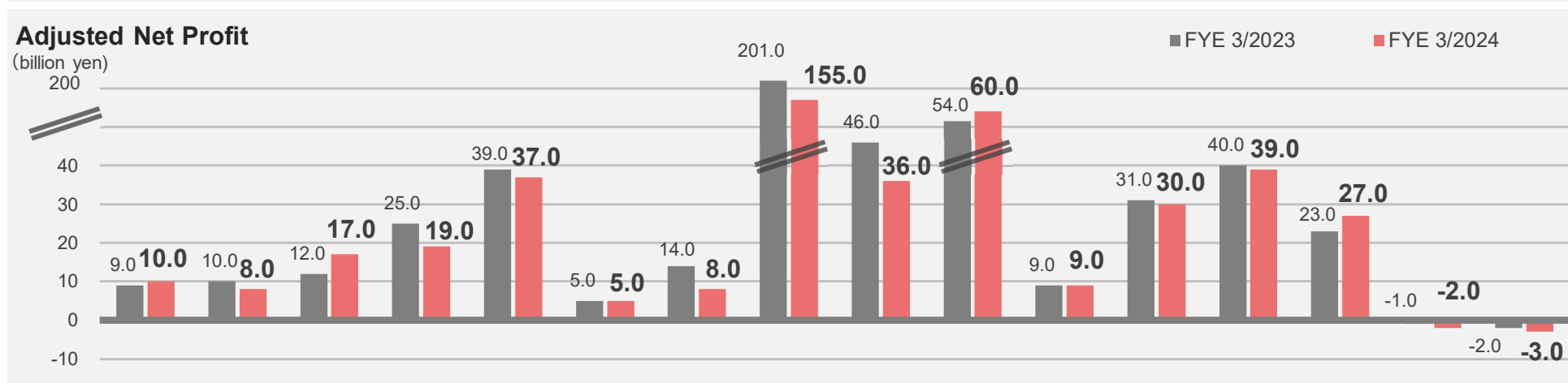
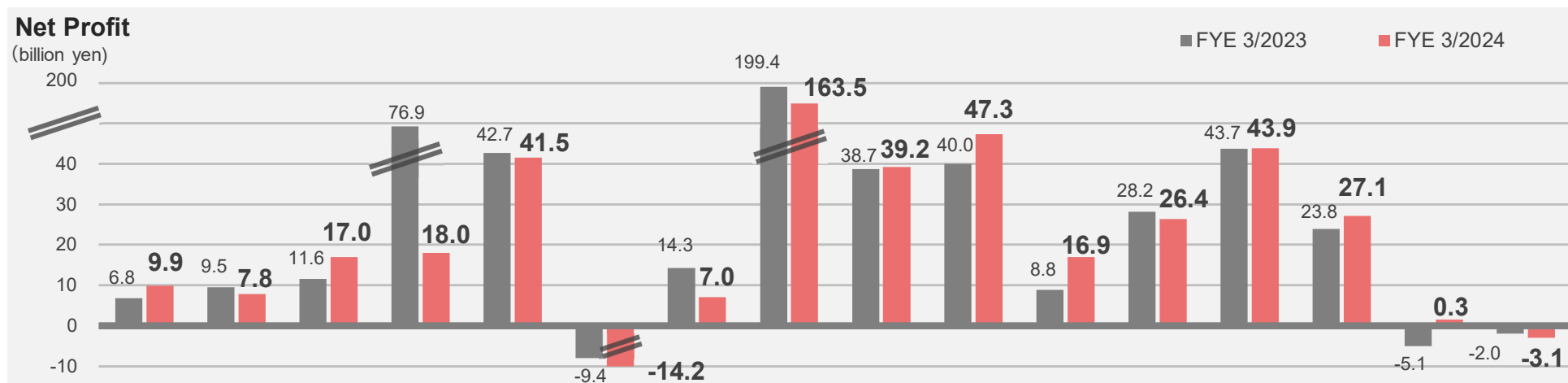
(billion yen)	FYE 3/2021	FYE 3/2022	FYE 3/2023	FYE 3/2024	FYE 3/2025 Forecast announced on May-2-2024
Net profit	2.7	-0.0	7.9	20.0	-34.0
Adjusted net profit	-1.0	-4.0	6.0	8.0	-8.0

## 04 Adjusted Net Profit Forecast for FYE 3/2025 changes from FYE 3/2024

- Adjusted net profit forecast for FYE 3/2025 is ¥460.0bn (-¥7.0bn YOY), staying at the same level as FYE 3/2024
- Breakdown of the -¥7.0bn changes: non-resources +¥14.0bn, resources -¥5.0bn, others -¥16.0bn (deterioration in interest expense-net, etc.)
- The forecast of ¥321.0bn in adjusted net profit for non-resources is on the same level as the record high in the FYE 3/2023. Aim to renew the record



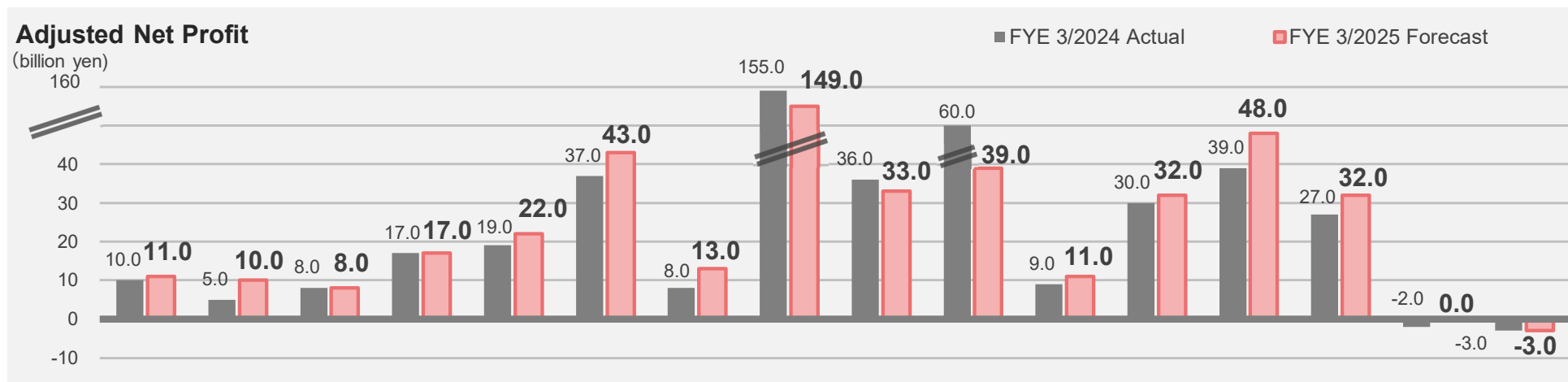
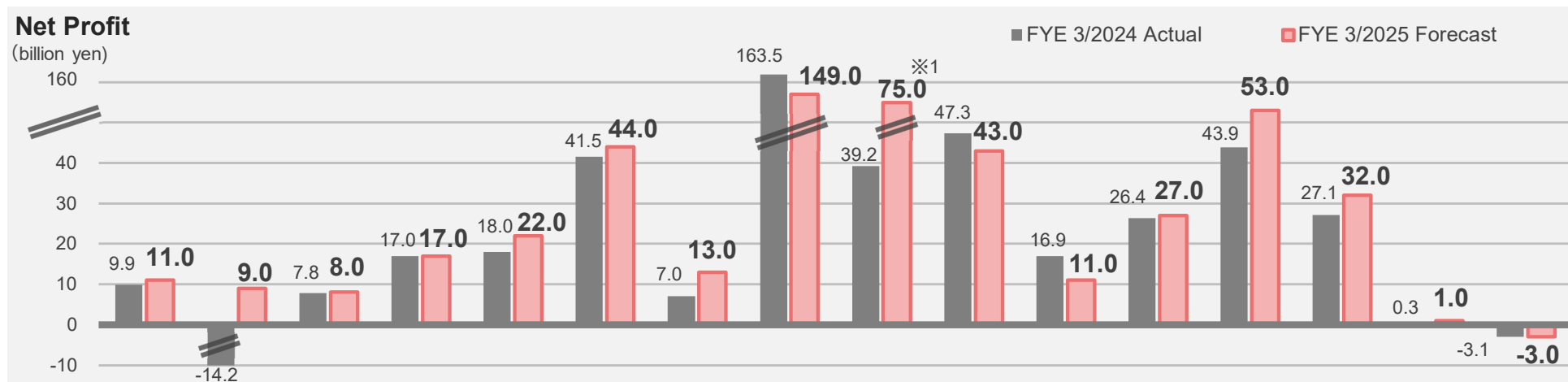
# 05 Profit by Segment FYE 3/2023 vs FYE 3/2024



Lifestyle	IT Solutions	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	

\* Based on the FYE 3/2024 segments. Operating segment information for FYE 3/2023 has been reclassified due to organizational changes. Please refer to P2 of "IR Supplementary Information" for the details

# 06 Profit Forecast for FYE 3/2025 by Segment Changes from FYE 3/2024



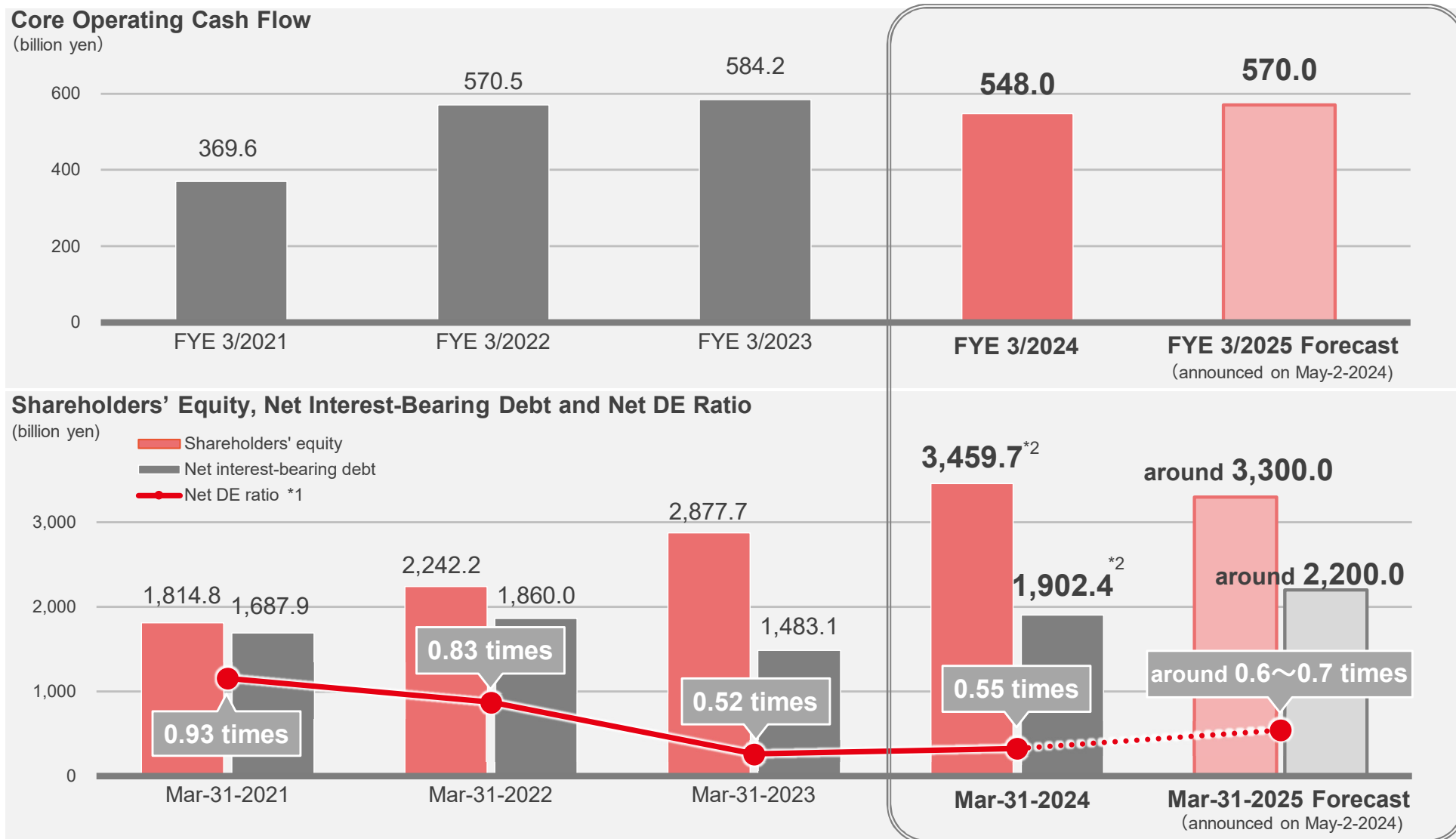
Lifestyle	Forest Products	IT Solutions	Food I	Food II	Agri Business	Chemicals	Metals & Mineral Resources	Energy	Power	Infrastructure Project	Aerospace & Ship	Finance, Leasing & Rel Estate Business	Construction, Industrial Machinery & Mobility	Next Generation Business Development	Next Generation Corporate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

\* Based on the FYE 3/2025 segments. Operating segment information for FYE 3/2024 has been reclassified due to organizational changes.

Please refer to P2 of "IR Supplementary Information" for the details

※1 Including the gains that are to be realized on the foreign currency translation adjustments due to the deconsolidation of the investment management company related to the LNG business. (approx. ¥40.0bn, expected in H2 FYE 3/2025)

# 07 Cash Flow Generation/Shareholders' Equity/Net Interest-Bearing Debt



\*1 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

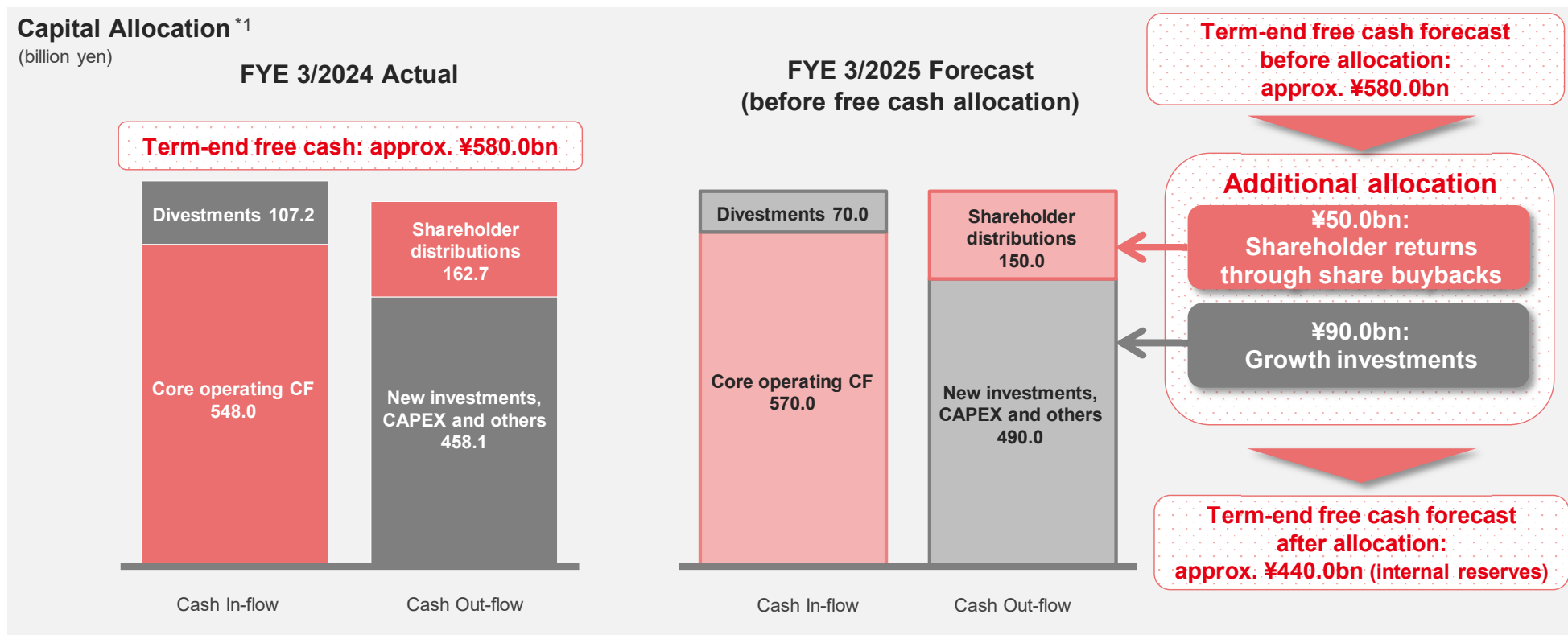
\*2 Optional repayment of ¥150.0bn of the perpetual subordinated loan was completed on Aug-16-2023. (Shareholders' equity decreased and net interest-bearing debt increased respectively, by the same amount)



# 08 Capital Allocation FYE 3/2024 Actual / FYE 3/2025 Forecast

- In FYE 3/2025, we will continue to focus on growth investments for profit growth and enhancing shareholder returns, while emphasizing financial and investment discipline
- Allocation plan for free cash, the surplus from accumulated management resources (Mar-31-2025 forecast: approx. ¥580.0bn)
  - ① ¥90.0bn: growth investments for profit growth (new investments, CAPEX and others)
  - ② ¥50.0bn: shareholder returns through share buybacks

The remaining of approx. ¥440.0bn will be internally reserved. Allocation for growth investments and shareholder returns will be discussed based on the situations of balance sheets and cash flows



\*1 Excluding changes in working capital and others. Figures for shareholder distributions are aggregated in the fiscal year to which the profit i.e. the source of funds is attributed, and are different from cash flow  
Share buybacks of ¥50.0bn decided this time is attributed to FYE 3/2025 as it will be funded by free cash

# 09 New Investments and Divestments Main Items for FYE 3/2024

(after free cash allocation)

(billion yen)	*1				FYE 3/2024 Main items	FYE 3/2025 Forecast (announced on May-2-2024)				
	FYE 3/2024	Horizon 1	Horizon 2	Horizon 3						
New Investments + CAPEX and others *2	- 458.1	- 154.4	- 207.2	- 96.4		- 580.0				
New Investments	- 290.0			- 94.2	Horizon 2 <ul style="list-style-type: none"> <li>• TOB of ARTERIA Networks approx. ¥16.0bn *3</li> <li>• Aircraft surplus parts distributor (DASI, USA)</li> <li>• Production outsourcing and marketing of non-ferrous metal products (Pan Pacific Copper, Japan)</li> <li>• Automotive aftermarket business (MAIHOU related, USA)</li> <li>• Agri-inputs related business (Helena related, USA)</li> <li>• Agri-inputs related business (Adubos Real related, Brazil)</li> </ul>	- 400.0				
					Horizon 3 <ul style="list-style-type: none"> <li>• Manufacturing and sales of spices and seasonings (Euroma, Netherland)</li> <li>• Manufacturer and supplier of food ingredients and packaged food products (AIG, Vietnam)</li> <li>• Healthcare turnkey solutions provider (Lunatus, UAE)</li> <li>• Manufacturer of medical consumables (One-ject, Indonesia)</li> </ul>					
					Finance Business		- 30.1	- 27.8	- 2.3	• Aircraft leasing business (Aircastle, USA)
					Stable Earnings-Type Business		- 33.5	- 33.5	-	• Power generation business (renewable energy, etc.) • Overseas water/wastewater services and IWP projects
					Natural Resource Investments		- 33.9	- 33.9	-	• Acquisition of additional interest in Los Pelambres Copper Mine in Chile
CAPEX and others	- 168.1	- 154.4	- 154.4		• Agri-inputs related business (Helena, USA) *4	- 180.0				
excluding Natural Resource Investments							- 13.7	- 0.0	- 13.6	
Divestments	+ 107.2					+ 70.0				
<b>Total</b>	<b>- 350.9</b>					<b>- 510.0</b>				

\*1 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

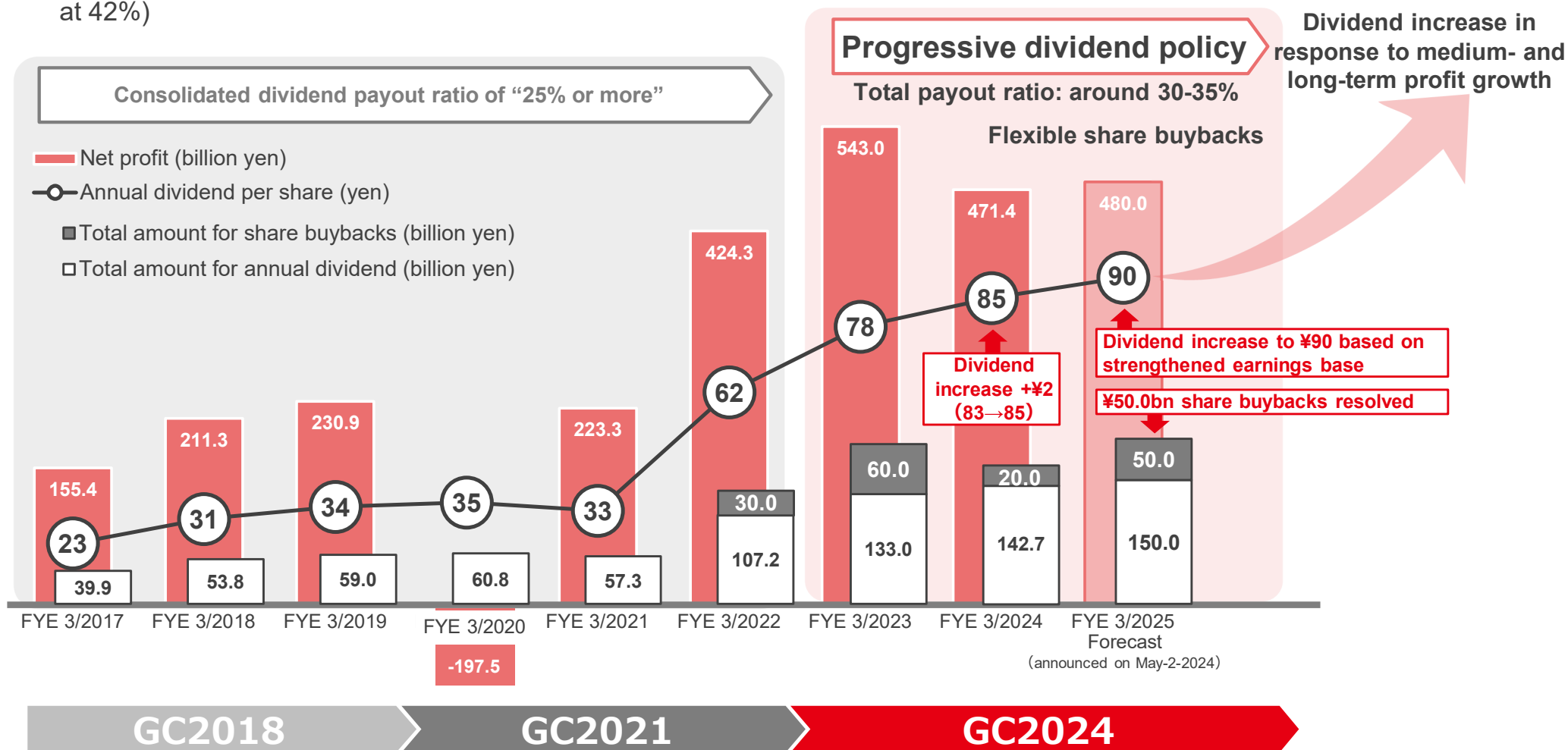
\*2 CAPEX and others: additional capital expenditure and others in order to maintain and improve values of existing investments and loans

\*3 TOB of ARTERIA Networks: presented as a part of new investment on this material for explanatory convenience. It is actually an additional investment in a consolidated subsidiary, and the amount of cash outflow is included in the financing activities on the consolidated statement of cash flows. Net cash used in the investing activities on the consolidated statement of cash flows is -¥334.4bn for FYE 3/2024, the total of new investments is -¥273.5bn for FYE 3/2024. The figures on the above table do not match either of those.

\*4 Including approximately -¥9.0bn of short-term agriculture loan which Helena (USA) provided to customers

# 10 Shareholder Returns

- Annual dividend per share for FYE 3/2024 is planned to be ¥85 with a **+¥2 increase** from the Feb-2-2024 forecast
- Annual dividend per share for FYE 3/2025 is forecasted to be **increased to ¥90** based on the strengthened earnings base  
Resolved **share buybacks up to ¥50.0bn** using free cash which is the surplus from accumulated management resources  
As the buybacks will be funded by free cash, total payout ratio is expected to exceed the range of around 30-35% (estimated at 42%)



# 11 Markets and Commodity Volumes

Markets		FYE 3/2023 Full-year	FYE 3/2024 Full-year	Change	FYE 3/2025 Full-year Assumption	Sensitivity to *3 Net Profit
Oil	WTI (USD/bbl)	90	<b>78</b>	- 12	<b>75</b>	approx. JPY0.4bn/[USD1/bbl]*4
Copper	LME (USD/ton) *1	8,667	<b>8,374</b>	- 293	<b>8,650</b>	approx. JPY1.4bn/[USD100/ton]
Interest Rate	JPY TIBOR 3 months (%)	0.07	<b>0.08</b>	+ 0.01	<b>0.2</b>	
	USD SOFR 3 months (%)	3.29	<b>5.30</b>	+ 2.01	<b>4.5</b>	
Currency	USD/JPY Term Average (yen)	135.47	<b>144.62</b>	JPY depreciation by 9.15yen	<b>140</b>	approx. JPY1.6bn/[JPY1/USD]
	USD/JPY Term-end (yen)	Mar-31-2023 133.53	Mar-31-2024 <b>151.41</b>	JPY depreciation by 17.88yen	Mar-31-2025 <b>135</b>	
Commodity Volumes		FYE 3/2023 Full-year	FYE 3/2024 Full-year	Change	FYE 3/2025 Initial Plan	
Oil, Gas	Equity Production Volume (K boe/day) *2	12	<b>11</b>	- 1	<b>13</b>	
Copper	Equity Sales Volume (K ton)	124	<b>123</b>	- 1		
Coking Coal	Equity Sales Volume (K ton)	5,780	<b>6,141</b>	+ 361		

\*1 March-to-February average for full-year

\*2 Total of oil and gas E&P at Gulf of Mexico (USA), US onshore (USA), and Indian Sea

\*3 Sensitivity to the initial full-year forecast for FYE 3/2025 announced on May-2-2024

\*4 Sensitivity to oil prices (WTI and Brent) in Oil and Gas E&P

# Mid-Term Management Strategy GC2024 Progress and Profit Growth Image

# 01 Organic Growth in Existing Businesses

## Adjusted net profit (FYE 3/2019~FYE 3/2024)

(billion yen)	FYE 3/2019	FYE 3/2024	FYE 3/2019-3/2024	
			Increases	CAGR *1
Consolidated	256.0	467.0	+211.0	+13%
Non-resources	197.0	307.0	+110.0	+9%
Resources	69.0	152.0	+83.0	+17%

- Strengthen and enhance competitive advantages in each business, realize further growth
- Improve profitability through turnaround efforts

Aim to achieve further profit growth through these initiatives

\*1 CAGR: Compound Annual Growth Rate

## Major business domains in non-resources

Division	FYE 3/2024 Adjusted net profit (billion yen)	FYE 3/2019-2024 CAGR
Food I, Food II, Agri Business	73.0	+12%
Power	60.0	+12%
Finance, Leasing & Real Estate Business	39.0	+10%
Construction, Industrial Machinery & Mobility	27.0	+16%

## Competitive advantage and growth strategy in main businesses

**USA & Brazil/Agri Inputs Related:** Expansion through high-value-added strategic products and continuous M&As  
**USA/Beef Processing Business:** Additional investment to increase processing capacity, reduce cost, and stabilize operations

**UK, Japan, etc./ Wholesale & Retail of Electricity:** Medium- to long-term growth through expanded handling of renewable energy and renewable energy certificates, and enhancement of product offerings

**USA/Used Car Retail Financing Business:** Expansion of earning asset balance by leveraging competitive edge through digital transformation (DX), and improvement of profitability  
**USA/Aircraft Leasing Business:** Acceleration of growth through savvy selection of leasing assets and portfolio expansion using increased capital

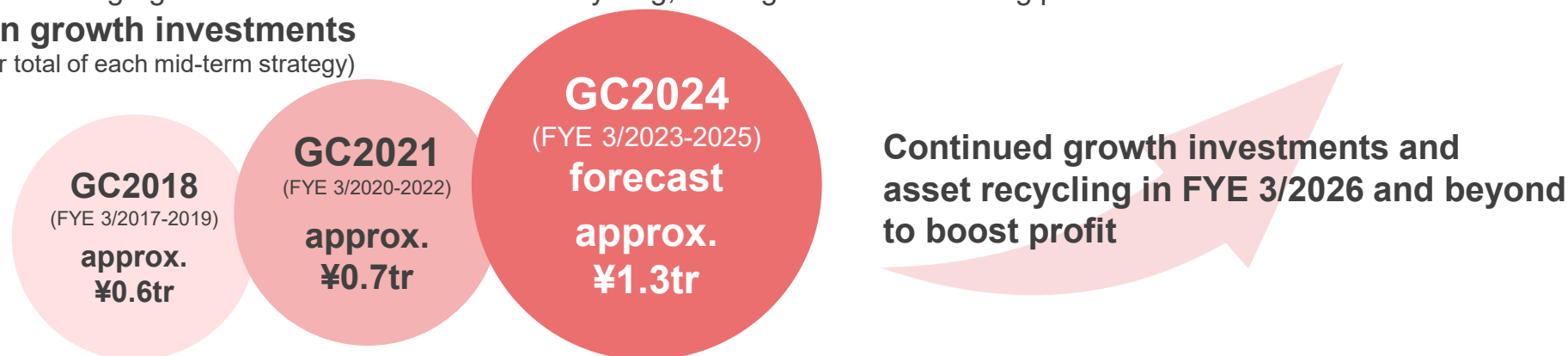
**Asia, Australia, Europe, South America/Construction Machinery:** Business transformation and expansion through product line enhancement and DX in dealership business  
**USA/Automotive Aftermarket Business:** Business scale expansion and synergy creation with other businesses through continuous M&A

# 02 Growth Investments

- Growth investments (new investments, CAPEX and others) during GC2024 are progressing smoothly, forecasted to be **approx. ¥1.3tr** for the three-year total against the ¥1tr plan
- Our project pipeline is abundant. While emphasizing financial and investment discipline, we aim to maintain and enhance a 15% ROE through growth investments and asset recycling, striving towards increasing profit

## Trends in growth investments

(Three-year total of each mid-term strategy)



## Growth strategies for major business domains

### Food I & II, Agri Business:

- Enhancing competitiveness and scale through continuous growth investment
- Expansion of specialty products in the food sector

### IT Solutions:

- Facilitating in-group collaboration and pursuing synergy in the ICT field through the establishment of Marubeni I-DIGIO
- Acceleration of growth strategy including M&As, and enhancement of profitability

### Finance, Leasing & Real Estate Business:

- Strengthening profitability through business scale expansion through M&As
- Enhancing earnings base in the US market that has a superior market size and business environment

### Power:

- Enhancing earnings base through M&As and others, and entry into new markets in the power wholesale and retail businesses

### Construction, Industrial Machinery & Mobility:

- Scaling up in existing businesses and expansion of business domains
- Creation of new businesses focusing on DX, IoT, and electrification

### Resources:

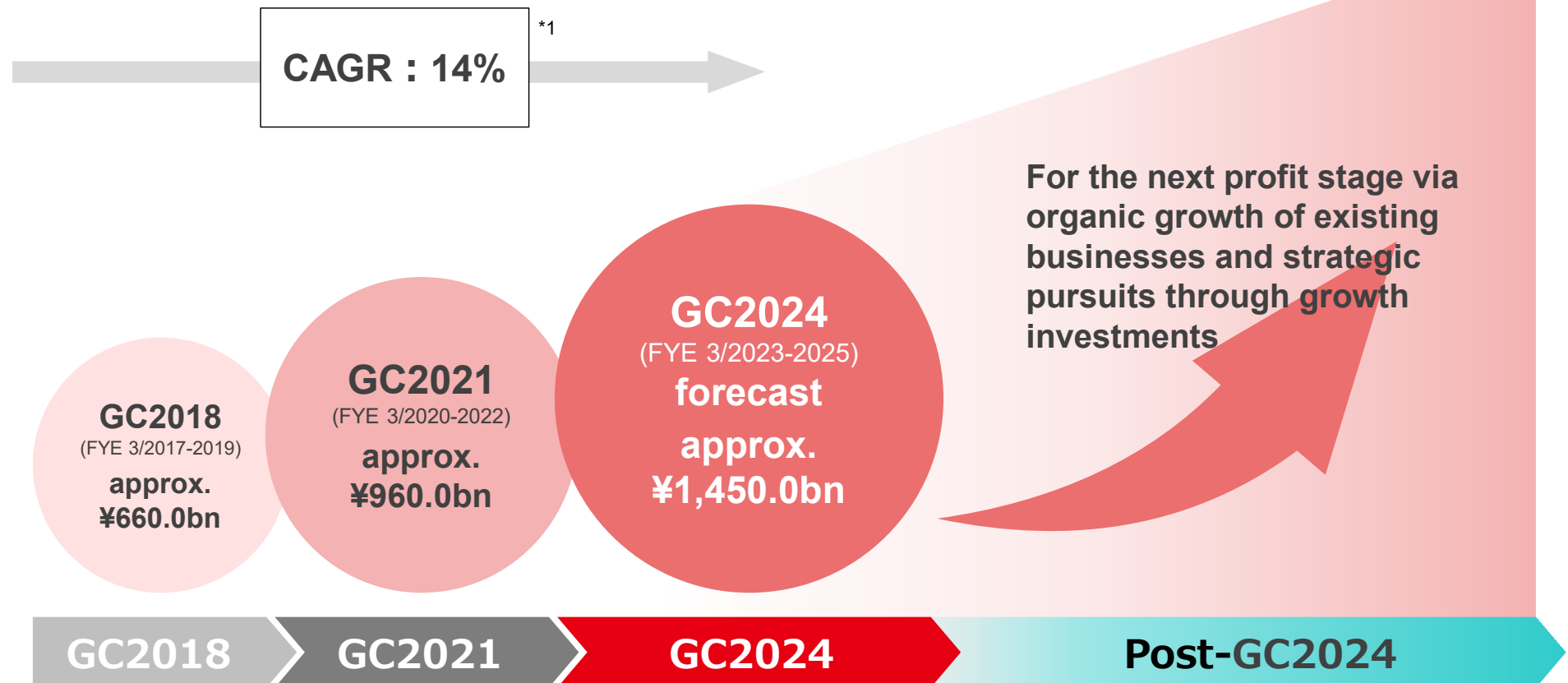
- Expansion of existing assets to increase quality resource volume and improve cost competitiveness

## 03 For Further Profit Growth

- An earnings base of ¥400.0bn to ¥450.0bn annually has been established in GC2024, through strengthening of existing business domains
- With each mid-term strategy, the profit size has steadily expanded, achieving a CAGR of 14% since the start of GC2018
- Aiming for the next profit stage via organic growth of existing businesses and strategic pursuits through growth investments

### Trends in adjusted net profit

(Three-year total of each mid-term strategy)

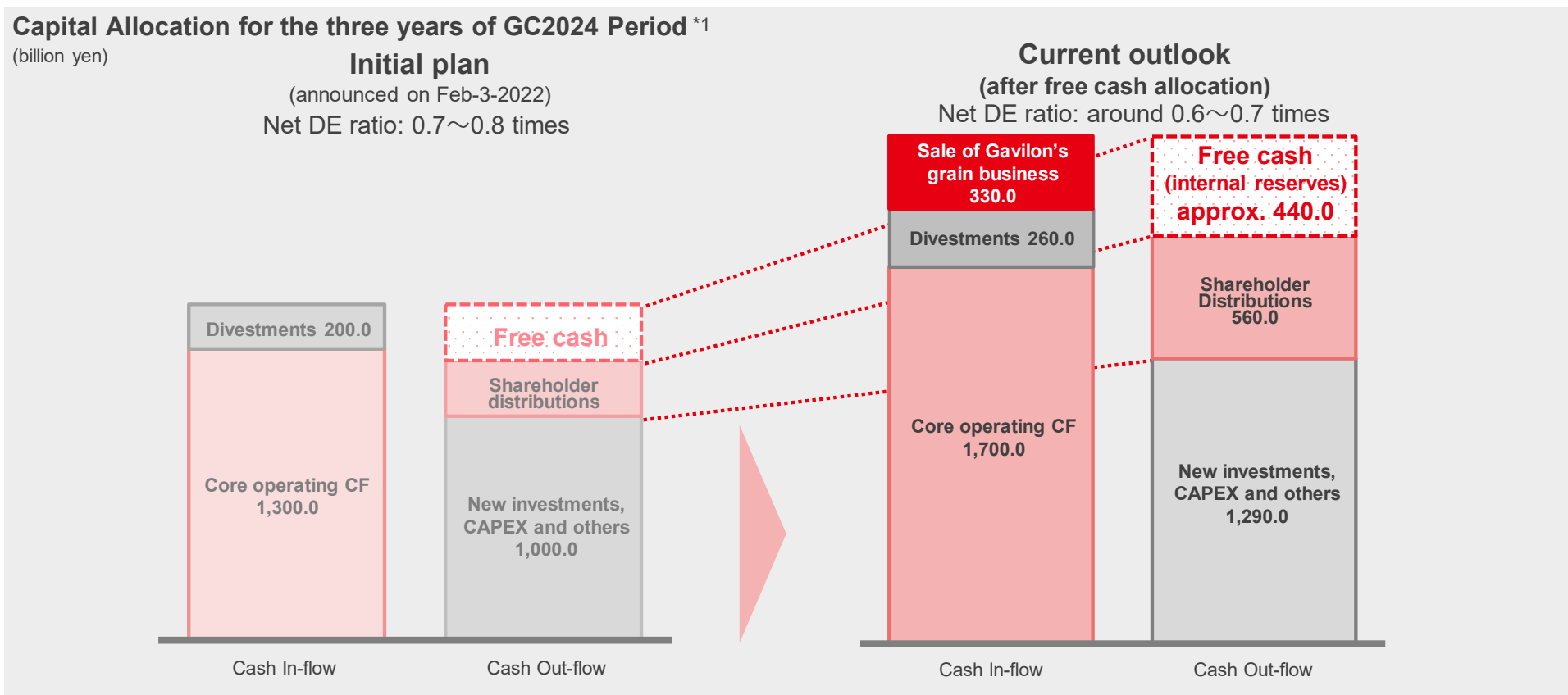


\*1 CAGR is calculated with the adjusted net profits for FYE 3/2016, the fiscal year just before the start of GC2018, and for FYE 3/2024



# 04 Capital Allocation

- Core operating cash flow has significantly grown compared to the GC2024 initial plan as a result of improved profitability
- Divestments have more than doubled due to the sale of Gavilon’s grain business
- Consequently, additional capacity for allocation of management resources has been created. Continuing to work on improvement and strengthening of the financial base, while enhancing growth investments (new investments, CAPEX and others) and shareholder returns
- The net DE ratio is expected to be around 0.6 to 0.7 times for the time being



\*1 Excluding changes in working capital and others. Figures for shareholder distributions are aggregated in the fiscal year to which the profit i.e. the source of funds is attributed, and are different from cash flow

# 05 Green Strategy

The Marubeni Group strives to be a “Forerunner in Green Business” by contributing to “Nature Positive” and the realization of the international community’s goal of “Living in Harmony with Nature” in partnership with our stakeholders.

## Major Progress

- Implementing Green Strategy in each Business Division, driven by field leadership.
- Based on TNFD recommendations, the progress will be disclosed (in FYE 3/2025).
- Disclosure of GHG emissions will be expanded (all categories of Scope 3/ in FYE 3/2025).



## Major Progress in Green Business and Greening

### Copper – Projected Annual Equity Production Capacity\*1 (refined copper equivalent)

Increase production capacity through the expansion project at the Centinela copper mine and the additional acquisition of interests in the Los Pelambres copper mine in Chile.

As of March 31, 2020:  
**Approx. 150 thousand tons**  
**Present:**  
**Approx. 160 thousand tons**  
**2028 Forecast:**  
**Approx. 200 thousand tons**

### Creating new green businesses

Strengthening efforts in the areas of hydrogen, ammonia, SAF, synthetic fuels, etc., through the commencement of Front End Engineering Design (FEED) study for individual projects, etc.

Promoting efforts in each of the following areas: decentralized power, battery storage, and supply-demand adjustments, recycling of materials and resources, etc.

### ESG Ratings

Received the highest ranking in ESG ratings.

**MSCI: AAA**  
**CDP Water Security: A**

\*1 Contributing to decarbonization by supplying critical minerals used for electrification, etc. All three copper mines in which Marubeni participates have completed 100% conversion to renewable energy sources.

### Renewable energy

Steady progress in expanding the renewable energy IPP business and related power retail business.

Capacity*2	
As of March 31, 2020:	3,592 MW
Present:	5,180 MW

Avoided Emissions*3	
FYE 3/2020:	Approx. 1.01 million t-CO <sub>2</sub>
Present:	Approx. 1.43 million t-CO <sub>2</sub>

### Volume of carbon stocks in our forests\*4

Increasing the volume of carbon stocks per hectare and expanding managed forest areas to enlarge the overall carbon stock.	As of March 31, 2020:	Approx. 11 million t-CO <sub>2</sub>
	Present*5:	Approx. 12 million t-CO <sub>2</sub>
	2030 Forecast:	Approx. 19 million t-CO <sub>2</sub>

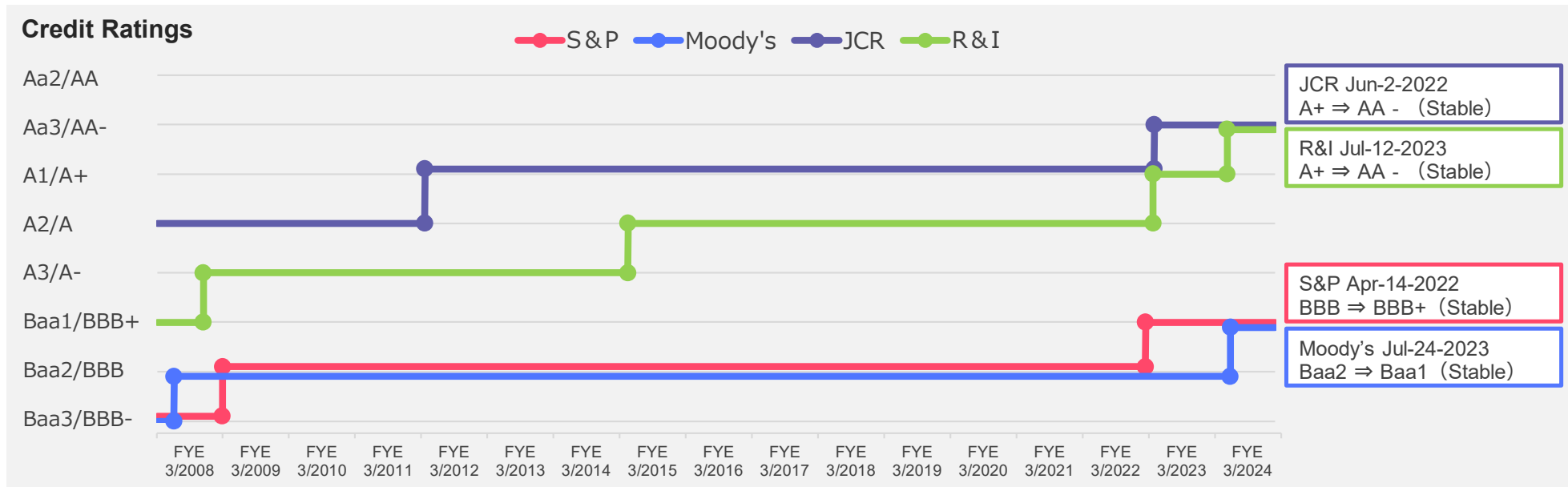
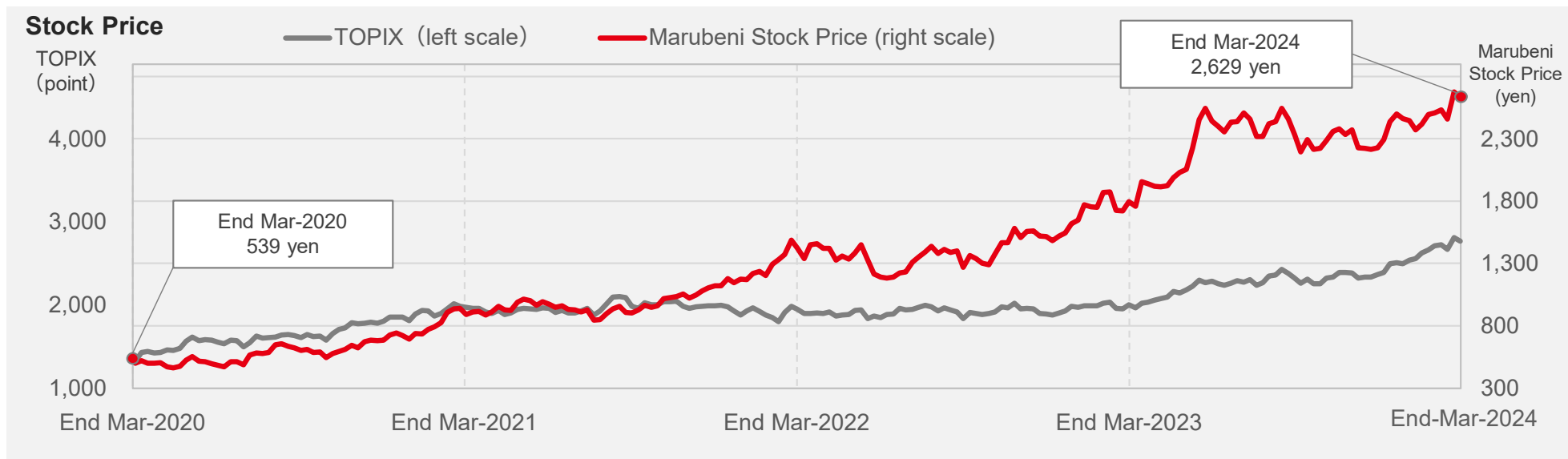
\*2 The Marubeni Group’s total net generation capacity from renewable energy sources and the contracted capacity from renewable generators in power retail business.

\*3 Avoided emissions of the Group’s renewable energy power generation business using the following formula: Installed capacity (kW) × 24 hours × 365 days × capacity factor (%) × the average emission factor (t-CO<sub>2</sub>/kWh) of the country or region of location available × equity share (%).

\*4 The calculation of above/below ground biomass is based on the Tier 2 approach in Chapter 4, “Forest Land,” in Volume 4 of the “2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.”

\*5 As of March 31, 2023.

# Ref. Stock Price and Credit Ratings





Global crossvalue platform

**Marubeni**