

# 2023.06

## Consolidated Financial Results Q1 FYE 3/2024

August 4, 2023

TSE Code: 8002

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# 01 Key Factors of Q1 FYE 3/2024

- **Net profit** amounted **¥141.3bn (-¥60.4bn year on year)** Progress to the full-year net profit forecast for FYE 3/2024 is **34%**
- **Adjusted net profit** was **¥134.0bn (-¥64.0bn year on year)** Progress likewise is **30%**

- Non-resources (-¥21.0bn year on year): Increased in *Power* and others, decreased in *Agri Business* and others due mainly to the normalization in business environment
- Resources (-¥46.0bn year on year): Decreased in the coking coal and the copper businesses, due to lower coking coal and copper prices

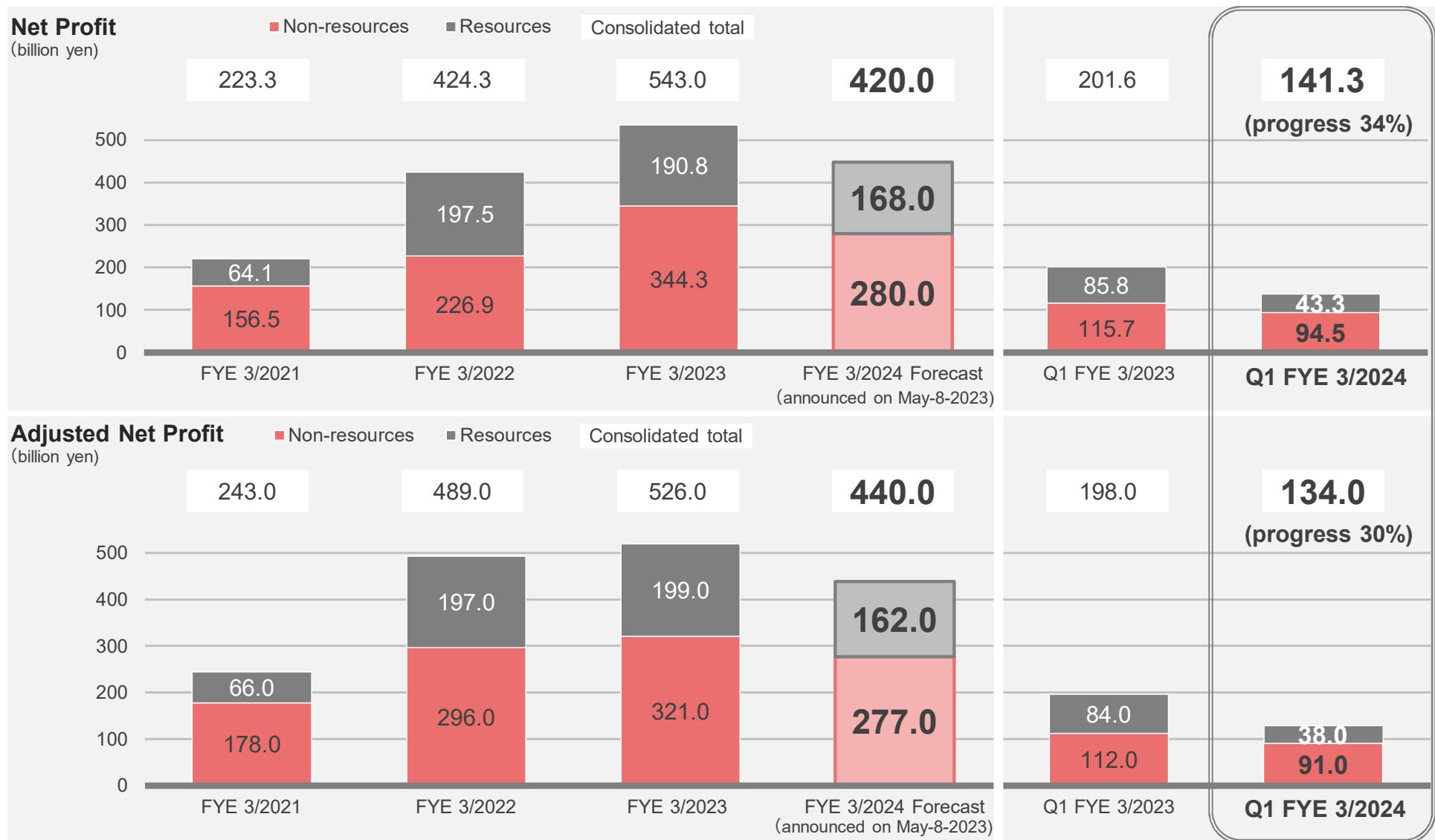
- **Core operating cash flow** was **¥141.8bn (-¥64.7bn)**

(billion yen)	Q1 FYE 3/2023	<b>Q1 FYE 3/2024</b>	Change	FYE 3/2024 Forecast (announced on May-8-2023)
Net profit	201.6	<b>141.3</b> (progress 34%)	<b>-60.4</b>	<b>420.0</b>
Adjusted net profit	198.0	<b>134.0</b> (progress 30%)	<b>-64.0</b>	<b>440.0</b>
Core operating cash flow	+206.4	<b>+141.8</b>	<b>-64.7</b>	<b>+510.0</b>
Free cash flow after shareholder distributions (excluding changes in working capital and others)	+39.6	<b>-67.5</b>	<b>-107.0</b>	<b>±0.0</b>
	Mar-31-2023	<b>Jun-30-2023</b>	Change	Mar-31-2024 Forecast
Net DE ratio	<b>0.52 times</b>	<b>0.52 times</b>	<b>+0.00 points</b>	approx. <b>0.6~0.7 times</b>
	FYE 3/2023			FYE 3/2024 Forecast
Dividend per share (annual)	<b>78 yen</b>			<b>78 yen</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

# 02 Net Profit and Adjusted Net Profit

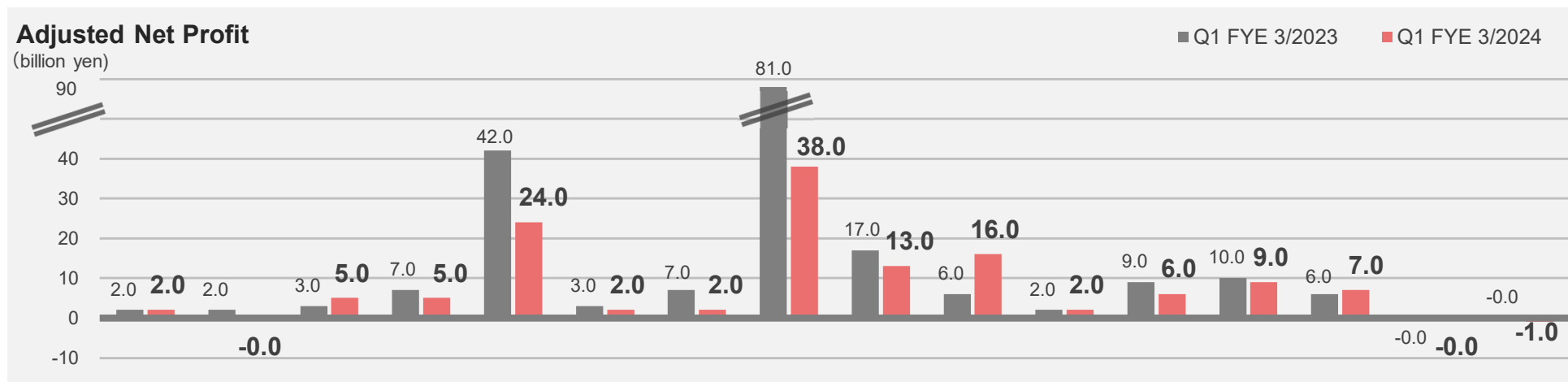
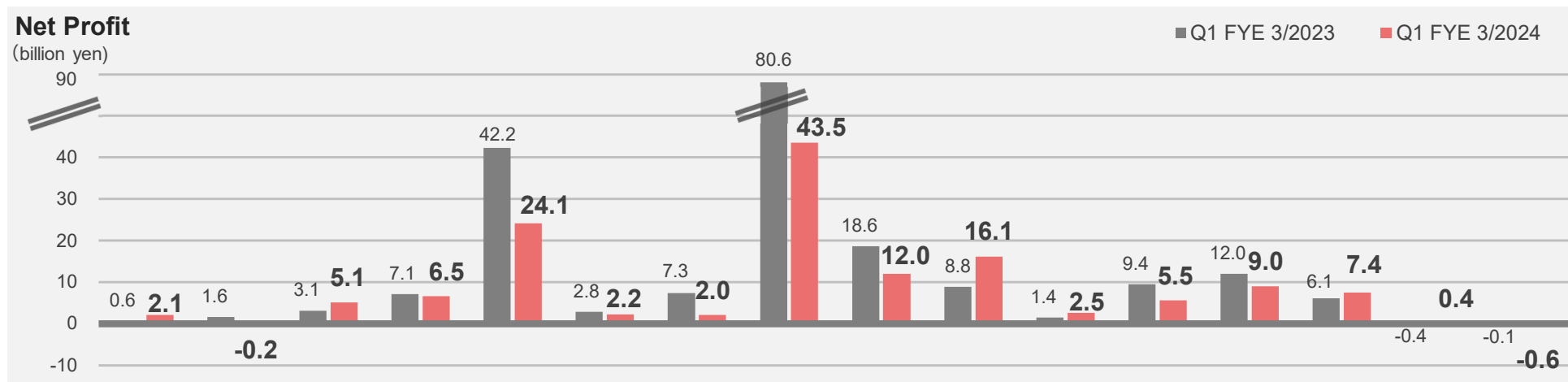


\* Resources: Total of "Energy" and "Metals & Mineral Resources" excluding "Steel Products Dept."  
 Other: Total of "Next Generation Business Development", "Next Generation Corporate Development" and "Other"  
 Non-resources: Other than the above

\* "Other"

(billion yen)	FYE 3/2021	FYE 3/2022	FYE 3/2023	FYE 3/2024 Forecast	FYE 3/2023 Q1	FYE 3/2024 Q1
Net profit	2.7	-0.0	7.9	-28.0	0.1	3.5
Adjusted net profit	-1.0	-4.0	6.0	1.0	2.0	5.0

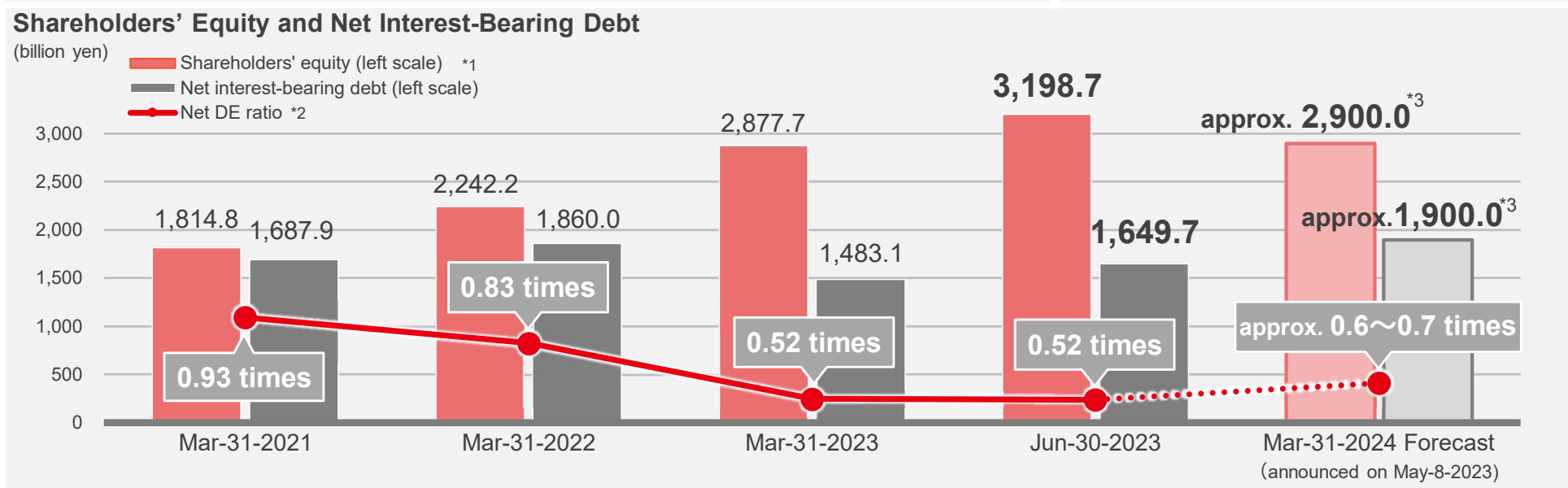
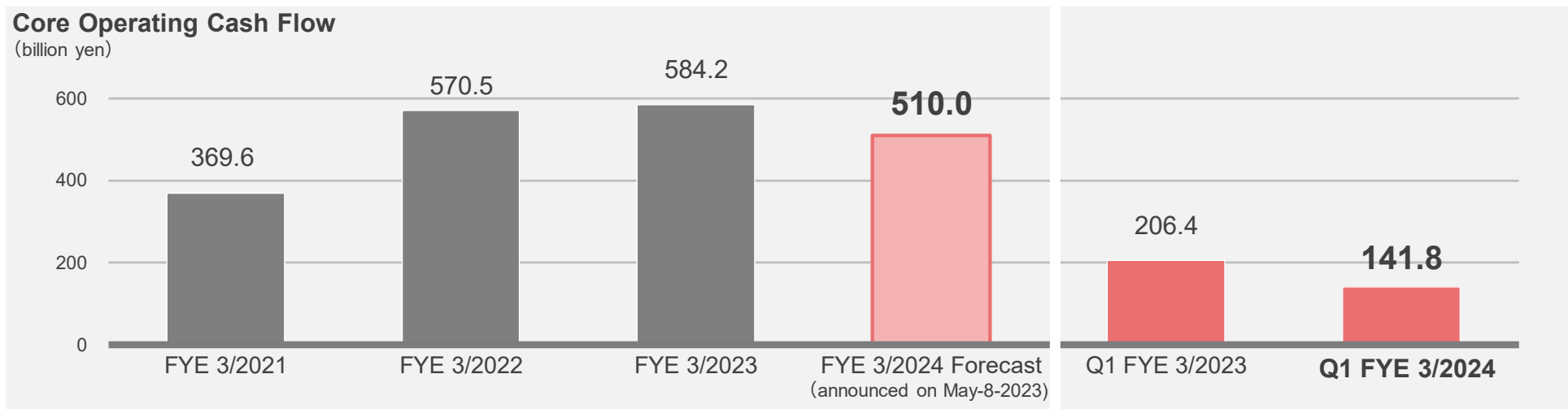
# 03 Profit by Segment Q1 FYE 3/2024 vs Q1 FYE 3/2023



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		

\* 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

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



\*1 "Equity attributable to owners of the parent" is described as "shareholders' equity" in this material

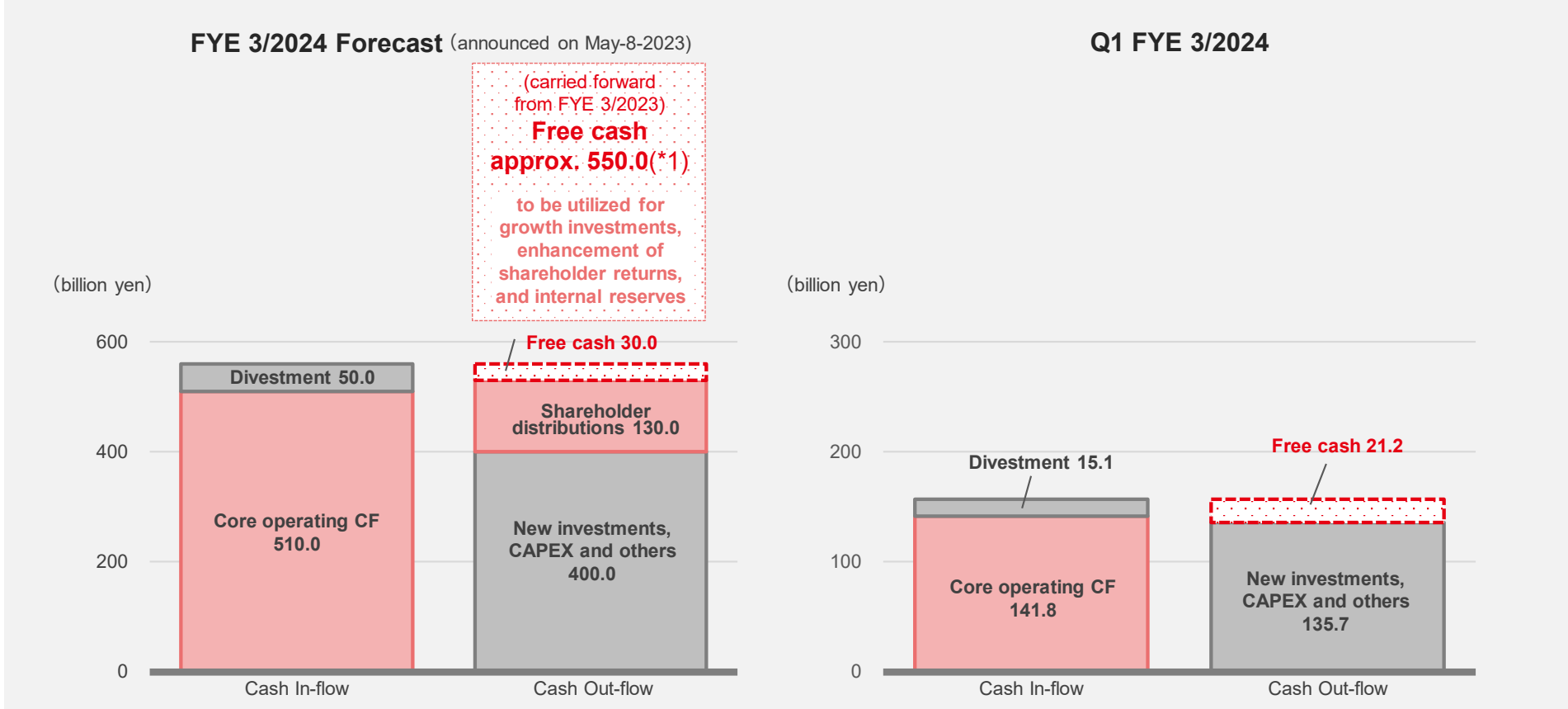
\*2 "For FYE 3/2023 and beyond, the denominator to calculate net DE ratio has been changed from "total equity" to "shareholders' equity." Net DE ratio for previous fiscal years have been re-presented accordingly

\*3 Factoring in the repayment of ¥150.0bn of the perpetual subordinated loan. (Shareholders' equity is expected to decrease and net interest-bearing debt to increase respectively, by the same amount)

# 05 Capital Allocation

- Free cash carried forward from FYE 3/2023 amounts approx. ¥550.0bn, excluding ¥30.0bn of share buybacks resolved in May-2023
- Free cash will be utilized for growth investments, enhancement of shareholder returns, and internal reserves
- For FYE 3/2024, growth investments to promote the growth strategies in each business domain are enhanced. For Q1, a total of ¥135.7bn of new investments and CAPEX were allocated. A good progress toward the full-year target of ¥400.0bn

**Capital Allocation** (\* 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.)



\*1 Includes funds collected through the sale of Gavilon's grain business (approx. ¥330.0bn)

# 06 New Investments and Divestments Main Items for Q1 FYE 3/2024

(billion yen)	Q1 FYE 3/2024 <sup>*2</sup>				Q1 FYE 3/2024 Main items	FYE 3/2024 Forecast (announced on May-8-2023)	
	Q1 FYE 3/2024		Horizon 1	Horizon 2			Horizon 3
New Investments + CAPEX and others *1	- 135.7		- 68.4	- 48.1	- 19.2	- 400.0	
New Investments	- 62.8	Distribution Business	- 55.2	- 36.3	- 18.9	Horizon 2 <ul style="list-style-type: none"> <li>• Aircraft surplus parts distributor (Diversified Aero Services, USA)</li> <li>• Automotive aftermarket business (MAIHOU related, USA)</li> <li>• Confectionery manufacture and sales (Atrion, Japan)</li> <li>• Agri-inputs related business (Aubos Real related, Brazil)</li> </ul> Horizon 3 <ul style="list-style-type: none"> <li>• Healthcare turnkey solutions provider (Lunatus, UAE)</li> <li>• Developer and manufacturer of supercapacitors (Skeleton, Estonia)</li> </ul>	- 250.0
		Finance Business	- 2.9	- 2.7	- 0.3		
		Stable Earnings-Type Business	- 4.5	- 4.5	-	• Power generation business (renewable energy, etc.)	
		Natural Resource Investments	- 0.1	- 0.1	-		
		CAPEX and others excluding Natural Resource Investments	- 72.9	- 68.3	- 68.3	-	
Natural Resource Investments	- 4.5	- 0.0	- 4.5	-			
Divestment	+15.1					+50.0	
Total	- 120.6					- 350.0	

\*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

## 07 Markets and Commodity Volumes

Markets		FYE 3/2023 Q1	FYE 3/2024 Q1	Change	FYE 3/2024 Full-year Assumption	Sensitivity to *3 Net Profit
Oil	WTI (USD/bbl)	109	<b>74</b>	- 35	<b>70</b>	approx. JPY0.3bn/[USD1/bbl]*4
Copper	LME (USD/ton) *1	9,927	<b>8,627</b>	- 1,300	<b>9,000</b>	approx. JPY1.3bn/[USD100/ton]
Interest Rate	JPY TIBOR 3 months (%)	0.067	<b>0.074</b>	+ 0.007 points	<b>0.1</b>	
	USD SOFR 3 months (%)	1.315	<b>5.127</b>	+ 3.812 points	<b>5.0</b>	
Currency	USD/JPY Term Average (yen)	129.57	<b>137.37</b>	JPY depreciation by 7.80yen	<b>130</b>	approx. JPY1.6bn/[JPY1/USD]
	USD/JPY Term-end (yen)	Mar-31-2023 133.53	<b>June-30-2023 144.99</b>	JPY depreciation by 11.46yen	<b>Mar-31-2024 130</b>	
Commodity Volumes		FYE 3/2023 Q1	FYE 3/2024 Q1	Change	FYE 3/2023 Full-year	FYE 3/2024 Initial Plan
Oil, Gas	Equity Production Volume (K boe/day) *2	11	<b>11</b>	- 0	<b>12</b>	<b>11</b>
Copper	Equity Sales Volume (K ton)	29	<b>30</b>	+ 1	<b>124</b>	
Coking Coal	Equity Sales Volume (K ton)	1,725	<b>1,510</b>	- 215	<b>5,780</b>	

\*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), US onshore (USA), and Indian Sea

(According to the revision of the calculation method, as of FYE 3/2023, US onshore projects have been added to the scope of Oil and Gas E&P. Figures for Q1 FYE 3/2023 are also restated)

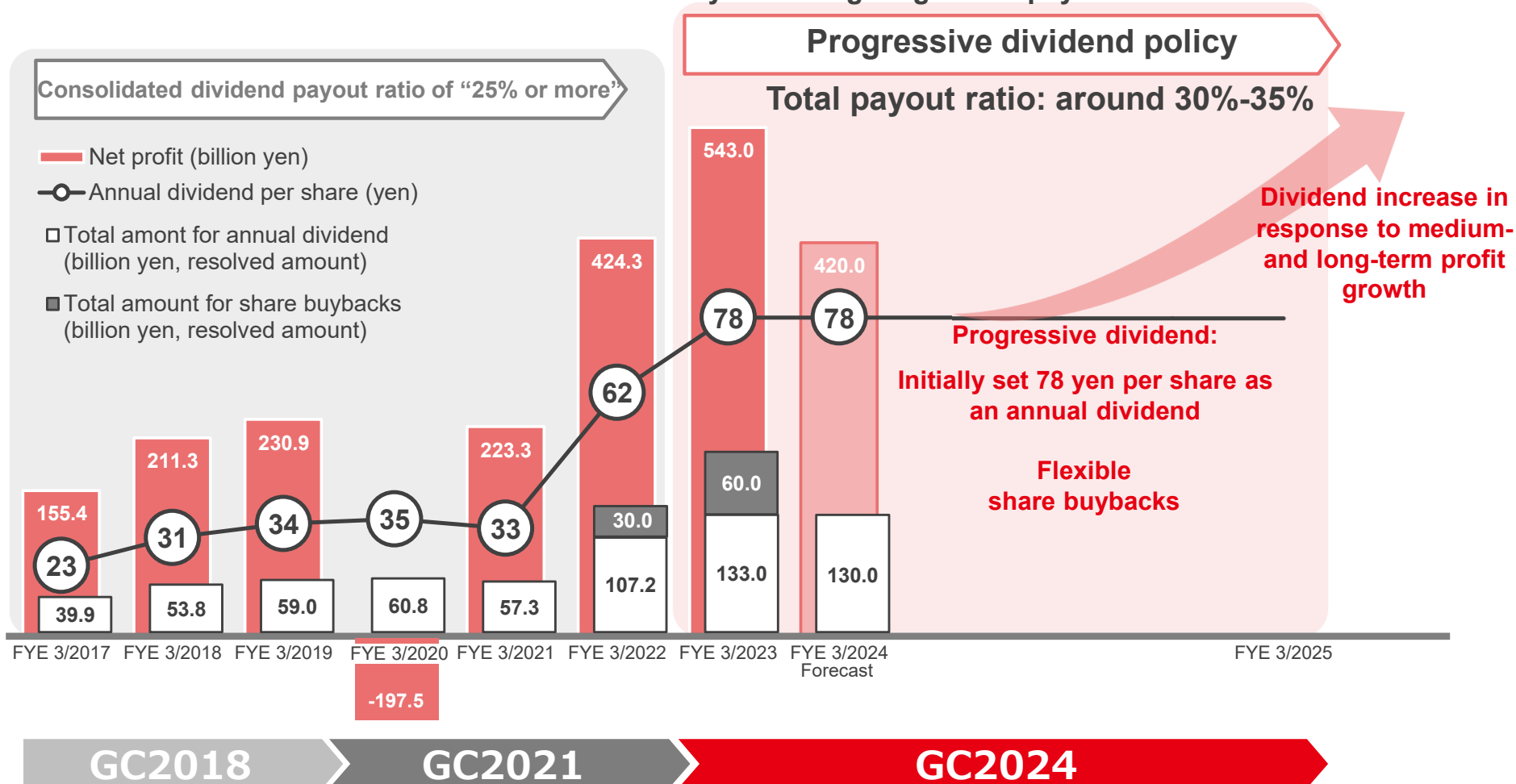
\*3 Sensitivity to the full-year forecast for FYE 3/2024

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

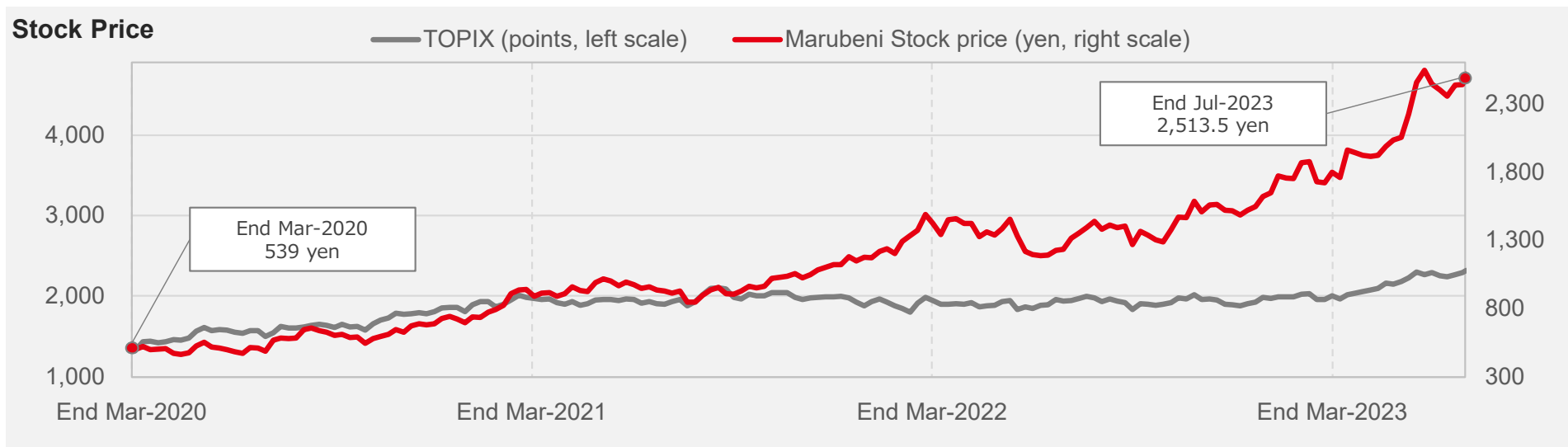


# Ref.Shareholder Returns for GC2024 (announced on Feb-3-2023)

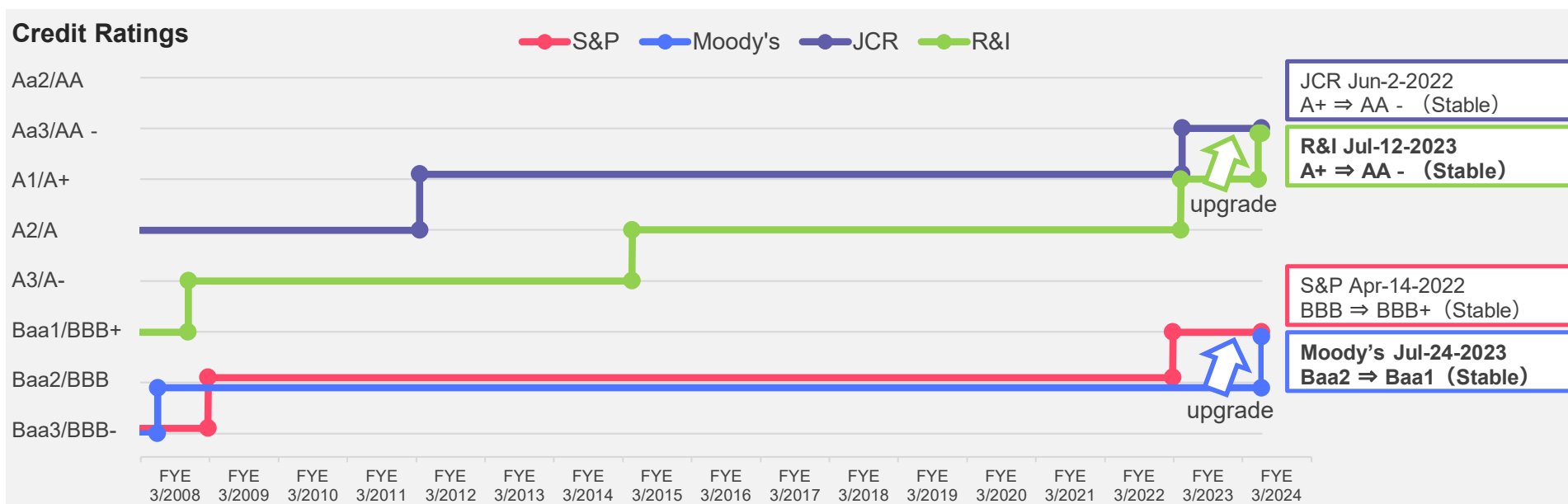
- **Basic policy** to pay a **stable dividend** over the long term and to **increase dividends** in response to medium- and long-term profit growth
- Under the GC2024 Mid-Term Management Strategy (FYE 3/2023-FYE 3/2025), adopt a **progressive dividend policy** not to reduce dividends and **conduct flexible share buybacks** targeting a total payout ratio of around 30%-35%



# Ref. Stock Price and Credit Ratings



- R&I and Moody's raised Marubeni's credit ratings on Jul-12-2023 and on Jul-24-2023 respectively





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