

GLOBAL
CROSSVALUE
PLATFORM

Marubeni

2021.09

Consolidated Financial Results
Q2 FYE 3/2022

November 2, 2021 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.

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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.

(Notes)

- * FYE: Fiscal Year Ending/Ended * Profit attributable to owners of the parent is described as "Net profit".
- * FYE 3/2022 forecast / Mar-31-2022 forecast: Forecasts announced on November 2, 2021
- * 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
From Q3 FYE 3/2019, the elements of core operating cash flow have been altered. The figures for the past fiscal years have been revised accordingly.
- * From Q2 FYE 3/2022, the Marubeni Group moved to adopt earlier application of the amendments to International Accounting Standard 12 "Income Taxes" (issued in May 2021; hereinafter "IAS 12"). With regard to this application, results for FYE 3/2021 and figures as of Mar-31-2021, have been re-presented retrospectively.
- * From FYE 3/2021, the calculation method for "New investments", "CAPEX and others", "Divestment", has been changed to a method of calculating items recognized in investing cash flow.
- * CAPEX and others: additional capital spending to maintain/improve business values of existing projects and others
- * P4 "03 Net Profit and Adjusted Net Profit": Business fields for and before FYE 3/2018 are based on "the organization as of FYE 3/2019", for FYE 3/2019, based on "the organization as of FYE 3/2020", for FYE 3/2020, based on "the organization as of FYE 3/2021", and for FYE 3/2021 and for the forecasts for FYE 3/2022, they are based on "the new organization from FYE 3/2022".
Business fields
Resources: "Organization as of FYE 3/2020", "Organization as of FYE 3/2021", "New organization from FYE 3/2022" = the total of "Energy" and "Metals & Mineral Resources" excluding "Steel Products Dept."
"Organization as of FYE 3/2019" = "Energy & Metals" group excluding "Steel Products" sub-segment
Other: "Organization as of FYE 3/2020", "Organization as of FYE 3/2021", "New organization from FYE 3/2022" = the total of "Next Generation Business Development" and "Other"
"Organization as of FYE 3/2019" = "Other" segment
Non-resources: other than the above

"New organization from FYE 3/2022": From FYE 3/2022, the former operating segments of "Food" has been divided into "Food I" and "Food II" segments, parts of "Energy" and "Infrastructure Project" have been reorganized, parts of "Infrastructure Project" and "Aerospace & Ship" have been incorporated into "Metals & Mineral Resources", a part of "Construction, Industrial Machinery & Mobility" has been incorporated into "Finance & Leasing Business".
- * P8 "07 Profit by Segment: From FYE 3/2022, the former operating segments of "Food" has been divided into "Food I" and "Food II" segments, parts of "Energy" and "Infrastructure Project" have been reorganized, parts of "Infrastructure Project" and "Aerospace & Ship" have been incorporated into "Metals & Mineral Resources", a part of "Construction, Industrial Machinery & Mobility" has been incorporated into "Finance & Leasing Business". In conjunction with these organizational changes, operating segment information for FYE 3/2021 has been reclassified.

01 Key Factors of Q1-Q2 FYE 3/2022

(billion yen)						
	Q1-Q2 FYE 3/2021	Q1-Q2 FYE 3/2022	Variance	FYE 3/2022 Forecast announced on		Change
				May-6-2021	Nov-2-2021	
Net profit	101.7	205.8 (progress 59%)*1	+ 104.1 (+102%)	230.0	350.0	+120.0
Adjusted net profit	105.0	218.0 (progress 59%)*1	+ 113.0 (+108%)	240.0	370.0	+130.0
One-time items	- 4.0	- 13.0	- 9.0	-	-	-
				One-time items, cushions, etc.		
Core operating cash flow	+182.6	+252.2 (progress 55%)*1	+ 69.6 (+38%)	+350.0	+460.0	+110.0
Free cash flow after delivery of shareholder returns	+6.7	+102.8	+96.1	+60.0	+85.0	+25.0
*1) Progress ratio to the forecast announced on November 2, 2021						
	Mar-31-2021	Sep-30-2021	Variance	Mar-31-22 Forecast announced on		Change
				May-6-2021	Nov-2-2021	
Net DE ratio	0.88 times	0.89 times	0.01 points up	approx. 0.9 times	approx. 0.8 times	improved 0.1 points
FYE 3/2022 Dividend per share	Forecast on May-6-2021	Interim (resolved)	Change	Forecast on May-6-2021	Forecast on Nov-2-2021	Change
	interim dividend 17.0 yen	interim dividend 25.5 yen	from forecast on May-6-2021 + 8.5 yen	annual dividend 34.0 yen	annual dividend 51.0 yen	from forecast on May-6-2021 +17.0 yen

- Due to earlier application of Amendments to IAS 12, results for FYE 3/2021 and figures as of Mar-31-2021, have been re-presented retrospectively.

01 Key Factors of Q1-Q2 FYE 3/2022

Key Factors of Q1-Q2 FYE 3/2022

- **Net profit** amounted **¥205.8bn**, a +¥104.1bn (+102%) increase year on year
- **Adjusted net profit** was approx. **¥218.0bn** (approx. ¥138.0bn/¥86.0bn, non-resources/resources) a +¥113.0bn (+108%) increase year on year
 - Historical high for net profit and adjusted net profit. Substantial increases both in resources and non-resources
 - Adjusted net profit for non-resources increased +¥32.0bn over the previous record posted in the Q1-Q2 FYE 3/2019
- **Core operating cash flow** was **+¥252.2bn**, a +¥69.6bn increase year on year
- **Net DE ratio** stood at **0.89times**, 0.01 points up from the previous fiscal year-end

Forecast for FYE 3/2022

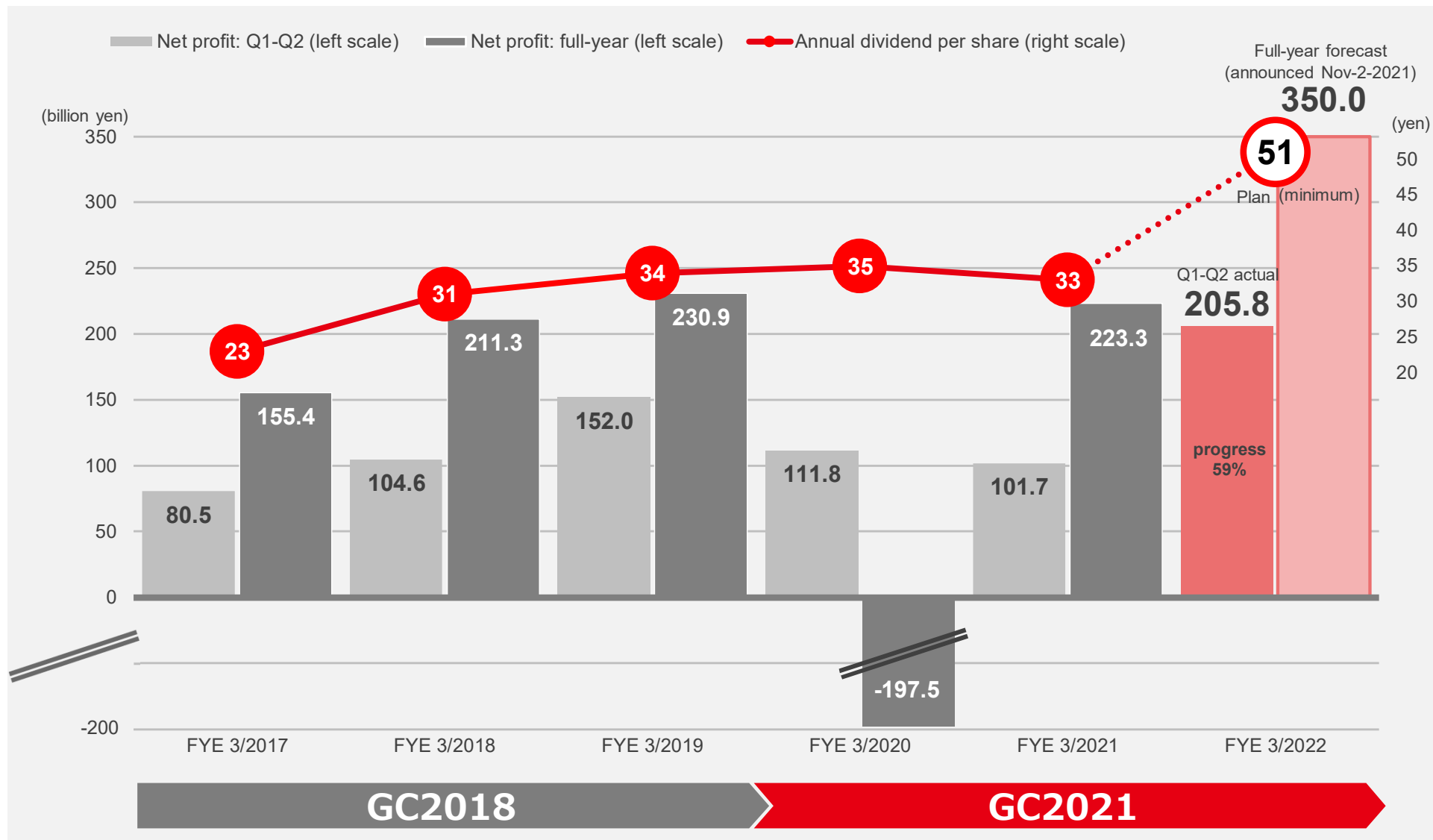
- **Net profit:** ¥350.0bn, a **+¥120.0bn upward revision**
- **Core operating cash flow:** ¥460.0bn, a **+¥110.0bn upward revision**
- **Net DE ratio:** approx. **0.8times** for March 31, 2022

Shareholder Return Policy

- Based on the Company's basic dividend policy (dividend payout ratio of '25% or more'), **annual dividend** for FYE 3/2022 is projected to be **¥51 per share** (¥25.5/¥25.5, interim/year-end), **a ¥17 increase** from ¥34 in the initial forecast, and set as the minimum
- In accord with the improvement of the Company's financial foundation, **share buybacks will be taken into consideration** (to implement a flexible capital policy, the Company **revises the previous policy of 'no share buybacks during the GC2021 period'**)

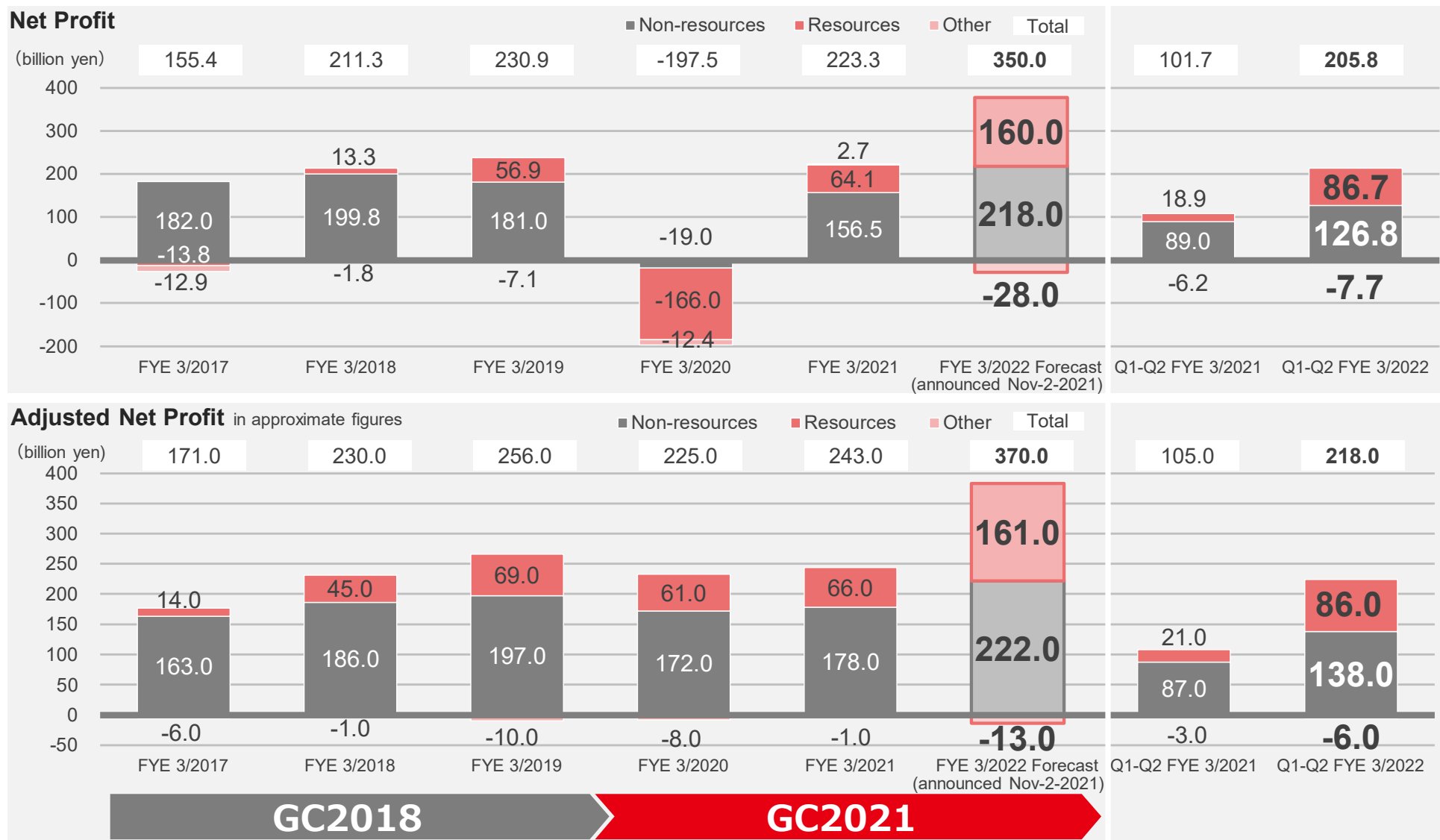
The timing and the amount will be determined according to the status of cash flows and balance sheet as well as the business environment

02 Net Profit and Annual Dividend



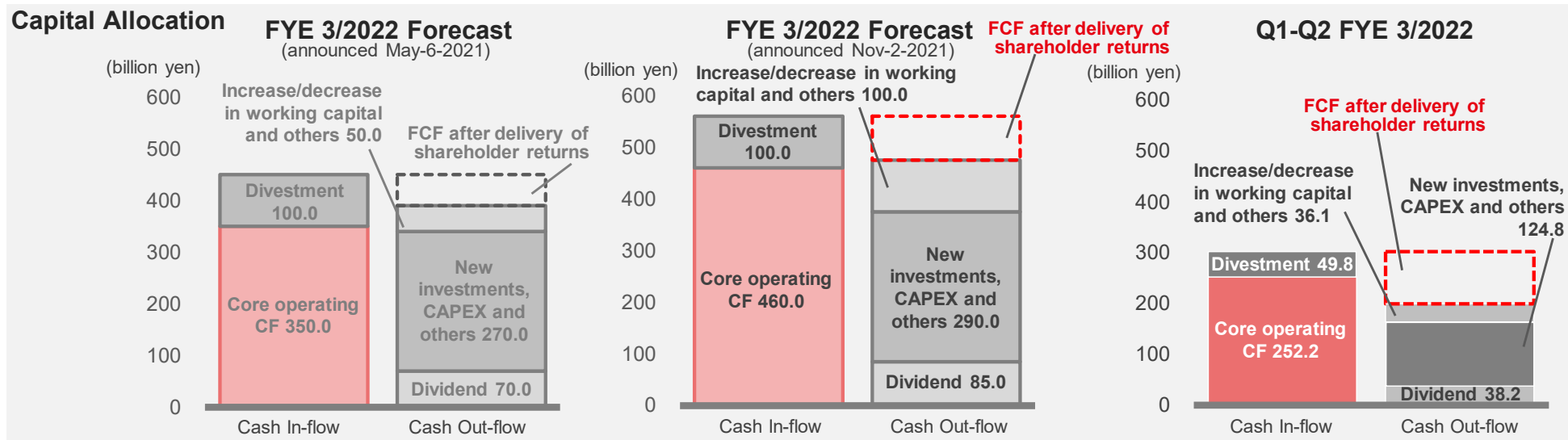
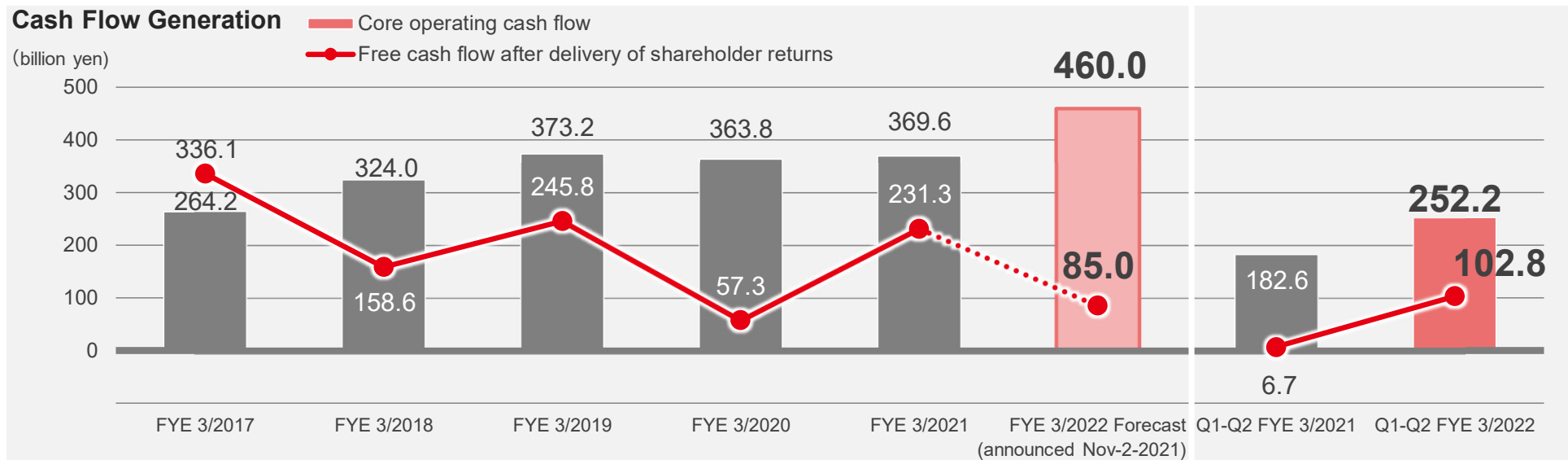
• Due to earlier application of Amendments to IAS 12, results for FYE 3/2021 have been re-presented retrospectively.

03 Net Profit and Adjusted Net Profit



• Due to earlier application of Amendments to IAS 12, results for FYE 3/2021 have been re-presented retrospectively.

04 Cash Flow Generation and Capital Allocation



05 New Investments and Divestment Main Items for Q1-Q2 FYE 3/2022

(billion yen)

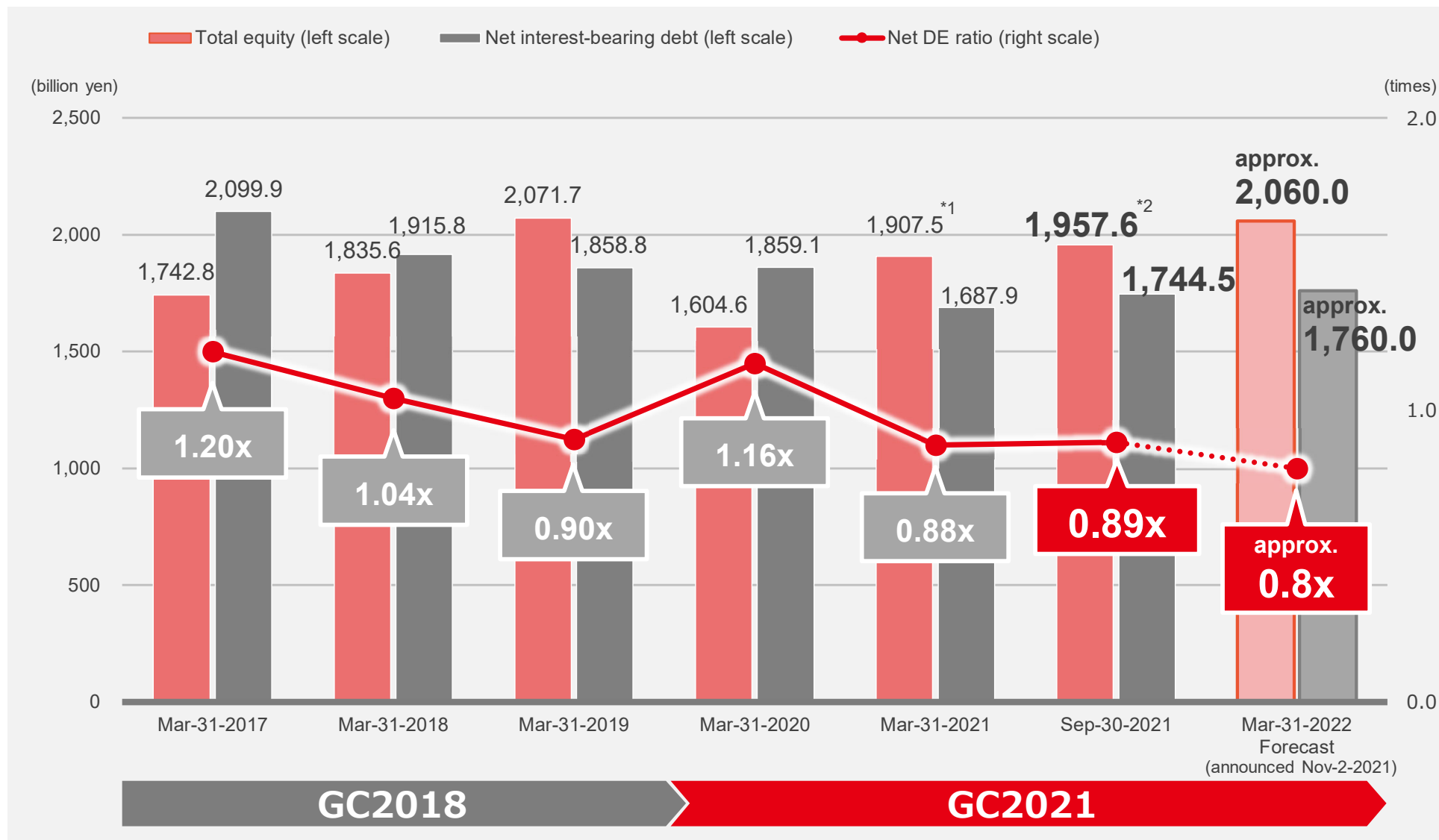
	Q1-Q2 FYE 3/2022 ^{*1}				Q1-Q2 FYE 3/2022 Main item	FYE 3/2022 Forecast (announced Nov-2-2021)	
		Horizon 1	Horizon 2	Horizon 3			
New Investments + CAPEX and others	- 124.8	- 93.9	- 26.5	- 4.5		- 290.0	
New Investments	- 25.5	Distribution Business	- 17.2	- 14.4	- 2.8	<ul style="list-style-type: none"> • Conveyor belt distribution business (Rematech, Canada) • Manufacturing and sales of instant coffee (Iguacu Vietnam, Vietnam) • Agri-input related business (Helena, USA) 	- 150.0
		Finance Business	- 5.8	- 4.1	- 1.7		
		Stable Earnings-Type Business	- 2.5	- 2.5	-		
		Natural Resource Investments	- 0.0	- 0.0	-		
CAPEX and others	- 99.3	excluding Natural Resource Investments	- 93.8	- 93.8	-	<ul style="list-style-type: none"> • Agri-input related business (Helena, USA) *2 • Solar power generation business (Chenya Energy, Taiwan) • MUSI pulp business (Indonesia) 	- 140.0
		Natural Resource Investments	- 5.4	- 0.0	- 5.4		
Divestment	+49.8				<ul style="list-style-type: none"> • North American wild salmon business (North Pacific Seafoods, USA) • Power generation business • Cross-shareholdings 	+100.0	
Total	- 75.1					- 190.0	

*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) Including approximately -49.0 billion yen of short-term agriculture loan which Helena (USA) offered to customers

* Sum of individual numbers may not accord with the figure for total due to rounding errors.

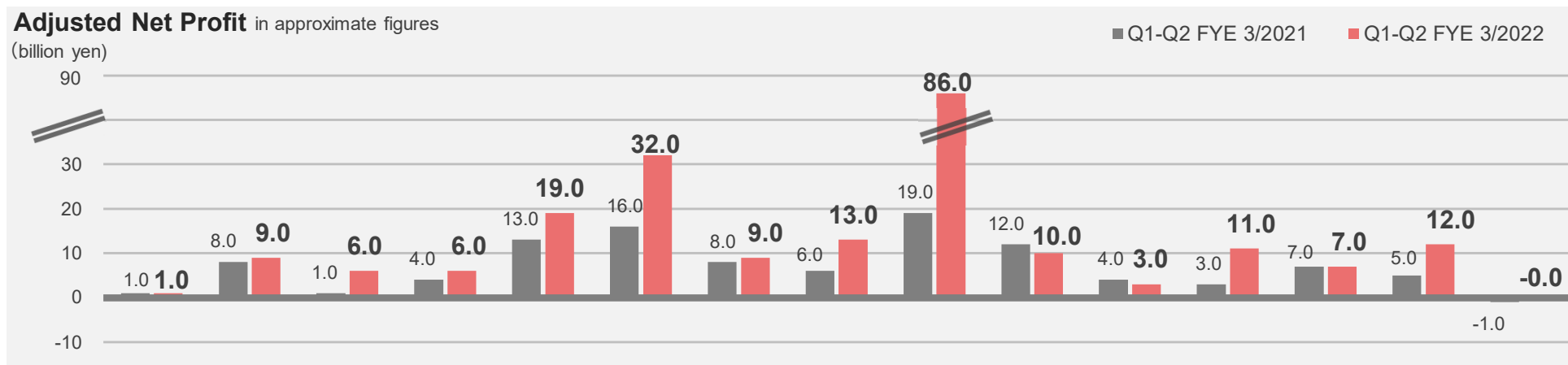
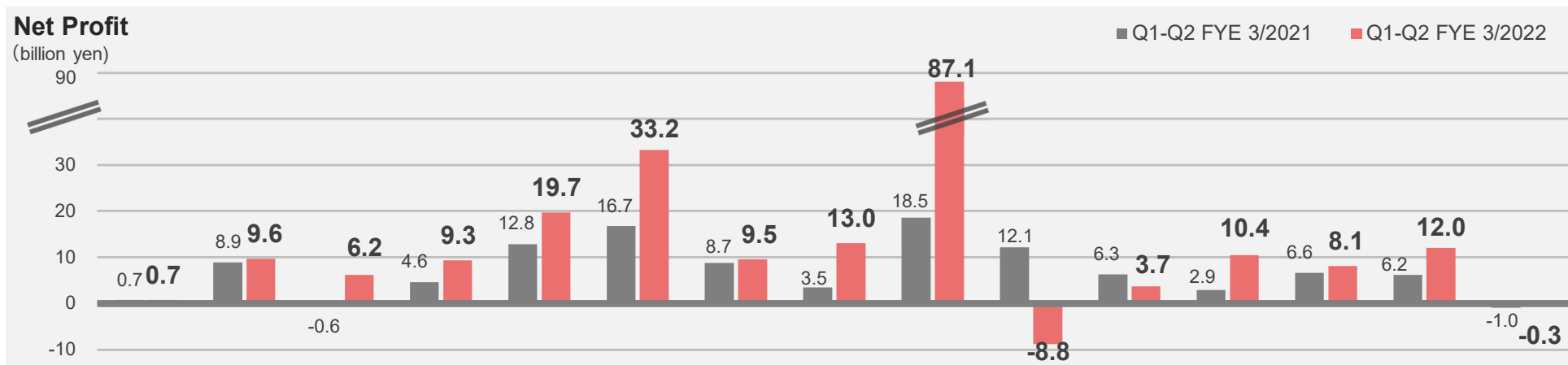
06 Net DE Ratio



*1) Due to earlier application of Amendments to IAS 12, figures as of Mar-31-2021, have been re-presented retrospectively.

*2) The Company made an optional repayment of a total of ¥100.0bn on August 16, 2021, for the perpetual subordinated loan (total amount: ¥250.0bn) which the Company financed on August 16, 2016. As a result, total equity decreased ¥100.0bn.

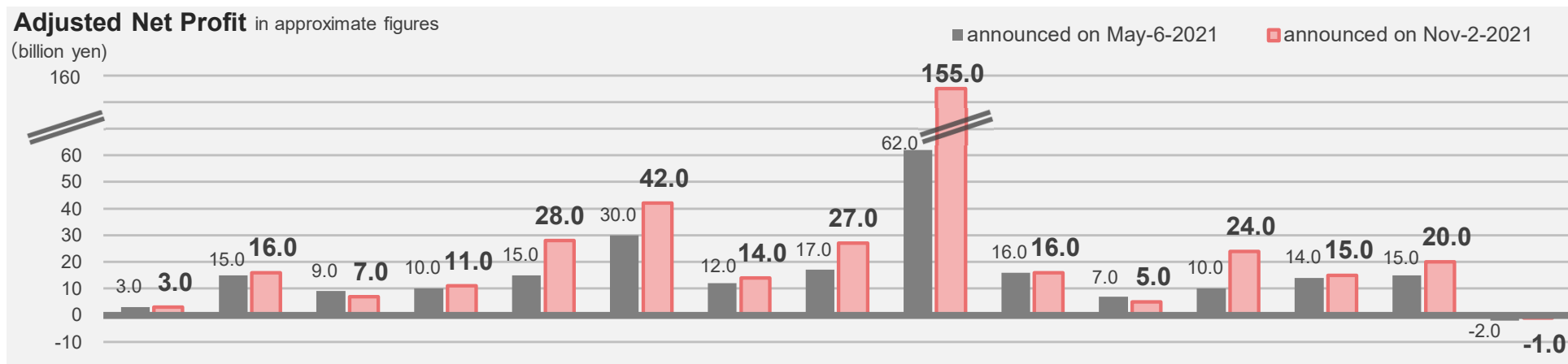
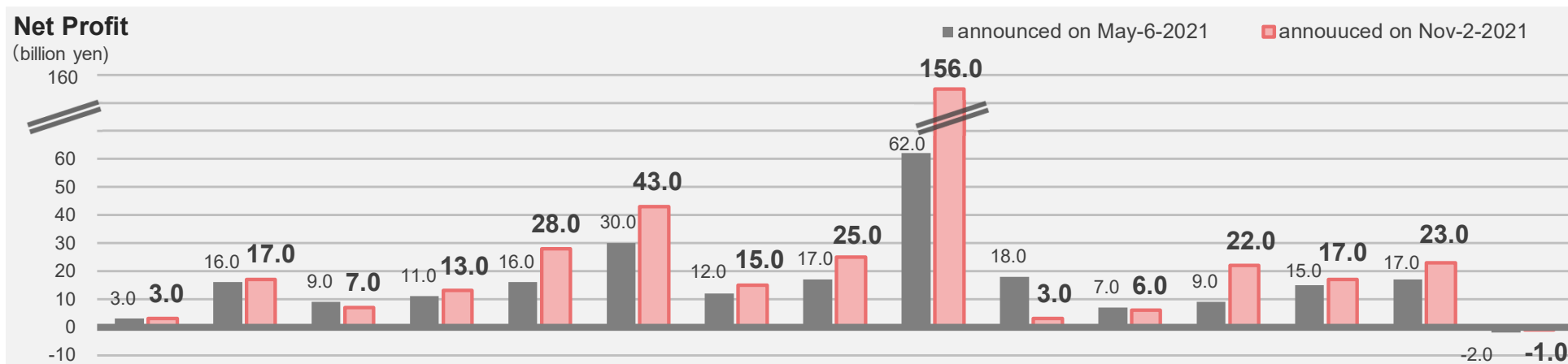
07 Profit by Segment Q1-Q2 FYE 3/2022 vs Q1-Q2 FYE 3/2021



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

- Due to earlier application of Amendments to IAS 12, results for FYE 3/2021 have been re-presented retrospectively.

08 Profit Forecast by Segment announced on Nov-2-2021 vs May-6-2021



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

09 Markets and Commodity Volumes

Markets		FYE 3/2021 Q1-Q2 Ave.	FYE 3/2022 Q1-Q2 Ave.	Variance	FYE 3/2021 Full-year	FYE 3/2022 Full-year Assumption for the Forecast announced on		Sensitivity to *4 Net Profit
						May-6-2021	Nov-2-2021	
Oil	WTI (USD/bbl)	35	68	+ 33	42	55	67 (H2: 65)	approx. JPY0.5bn/[USD1/bbl]*5
Copper	LME (USD/ton) *1	5,676	9,488	+ 3,812	6,560	8,000	9,200 (H2: 9,000)	approx. JPY1.1bn/[USD100/ton]
Interest Rate	JPY TIBOR 3mo (%)	0.069	0.063	- 0.006 points	0.074	0.1	0.1 (H2: 0.1)	
	USD LIBOR 3mo (%)	0.419	0.141	- 0.278 points	0.315	0.3	0.2 (H2: 0.2)	
Currency	USD/JPY Term Average (yen)	106.92	109.80	JPY depreciation by 2.88yen	106.06	109	109 (H2: 109)	approx. JPY1.3bn/[JPY1/USD]
	USD/JPY Term-end (yen)	Mar-31-2021 110.71	Sep-30-2021 111.92	JPY depreciation by 1.21yen	Mar-31-2021 110.71	Mar-31-2022 109	Mar-31-2022 109	

Commodity Volume		FYE 3/2020 Full-year	FYE 3/2021 Full-year	FYE 3/2022 Initial Plan
Oil, Gas	Equity Production Volume (K boe/day)	29	23	22
	Upper: [Oil and Gas E&P] *2 Lower: [Total] *3	32	27	25
Copper	Equity Sales Volume (K ton)	140	129	
Coking Coal	Equity Sales Volume (K ton)	6,347	5,852	

*1 March-to-August average for Q1-Q2, March-to-February average for full-year

*2 Total of oil and gas E&P at Gulf of Mexico (USA), North Sea (UK), Indian Sea

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

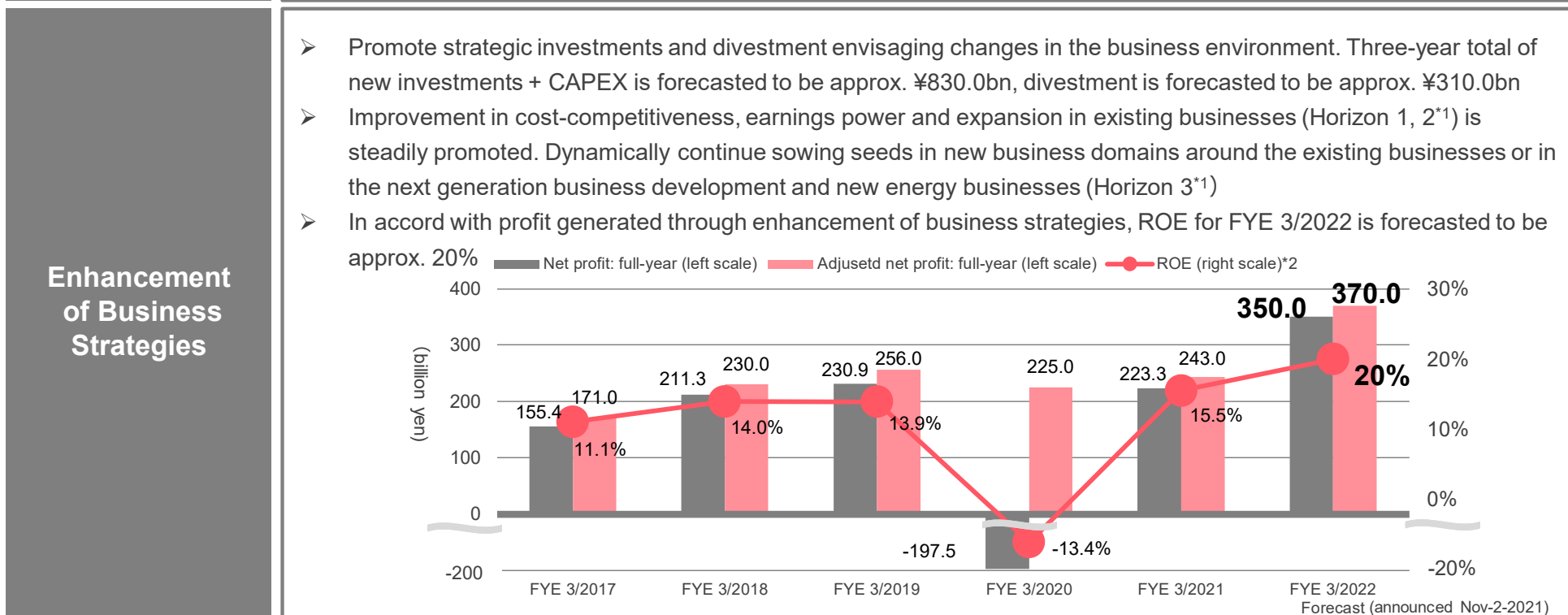
*4 Sensitivity to the full-year forecast announced on May 6, 2021

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

10 Progress of Revised GC2021

	FYE 3/2020	FYE 3/2021	FYE 3/2022 forecast	Three-year total forecast
Core operating CF	+¥363.8 bn	+¥369.6 bn	+¥460.0 bn	approx. +¥1,200.0 bn
FCF after delivery of shareholder returns	+¥57.3 bn	+¥231.3 bn	+¥85.0 bn	approx. +¥370.0 bn
Net DE ratio	1.16 times	0.88 times	approx. 0.8 times	—

- Three-year total core operating cash flow which is the source of capital allocation is forecasted to be approx. ¥1.2 tn
- Net DE ratio for Mar-31-2022 is forecasted to be approx. 0.8x



*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
 New investments + CAPEX total for FYE 3/2020 to H1 FYE 3/2022; Horizon 1: ¥288.2bn, Horizon 2: ¥319.9bn, Horizon 3: ¥51.9bn

*2) ROE: Based on net income. Excluding the effects of the perpetual subordinated loan

• Due to earlier application of Amendments to IAS 12, results for FYE 3/2021 have been re-presented retrospectively.