

2022.03

Consolidated Financial Results FYE 3/2022

May 6, 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 FYE 3/2022

- **Net profit** amounted **¥424.3bn (+¥201.1bn year on year)** Adjusted net profit was **¥489.0 bn (+¥246.0 bn year on year)**
 - Both **net profit and adjusted net profit** have updated record highs, due to the higher commodity prices and the improvement of profitability of existing businesses.
 - Adjusted net profit for non-resources was ¥296.0bn, with a significant increase from the conventional range (¥170-200bn)
 - One-time items for FYE 3/2022 was -¥65.0bn
- **Core operating cash flow** was **+¥570.5bn** (+¥201.0bn year on year)
- Based on the Company's current basic dividend policy (dividend payout ratio of '25% or more'), **annual dividend** for FYE 3/2022 is projected to be **¥62** per share, a **¥4 increase** from ¥58 in the forecast announced on Feb-3-2022. Year-end dividend is projected to be revised upward to **¥36.5** per share from ¥32.5, accordingly
- Share buybacks announced on Feb-3-2022, have been carried out up to the upper limit of ¥30.0bn

(billion yen)	FYE 3/2021	FYE 3/2022	Variance
Net profit	223.3	424.3	+201.1 (+90%)
Adjusted net profit *1	243.0	489.0	+246.0 (+101%)
Core operating cash flow *2	+369.6	+570.5	+201.0 (+54%)
Free cash flow after shareholder distributions	+231.3	+130.5	-100.8
ROE *3	15.5%	23.0%	up 7.5 points
Net DE ratio	0.88 times	0.80 times	improved 0.08 points
	Annual dividend for FYE 3/2022		
	Interim dividend (paid)	Year-end dividend (plan)	Total
Dividend per share	25.5 yen	(Forecast on Feb-3-22) 32.5 yen → 36.5 yen	(Forecast on Feb-3-22) 58.0 yen → 62.0 yen

*1) 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"

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

*3) Calculated excluding the effect of the perpetual subordinated loan

* 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

02 Forecast for FYE 3/2023

- **Net profit: ¥400.0bn (-¥24.3bn year on year) Adjusted net profit: ¥400.0bn (-¥89.0bn year on year)**

- Adjusted net profit is forecasted to decline in light of the uncertainties in global economy and business environment, such as financial normalization, the impact of the ongoing COVID-19, and geopolitical risks
- Forecast of the one-time items for FYE 3/2023 includes gain on sale of the Gavilon's grain business and a cushion for unexpected losses, approximately at same level of amounts

- **Core operating cash flow: +¥500.bn (-¥70.5bn year on year)**

- The annual dividend forecast for **FYE 3/2023** is **¥60** per share, which is set to be the minimum annual dividend for FYE 3/2023, and to be set as **the minimum annual dividend through the GC2024 period (FYE 3/2023-FYE 3/2025)**

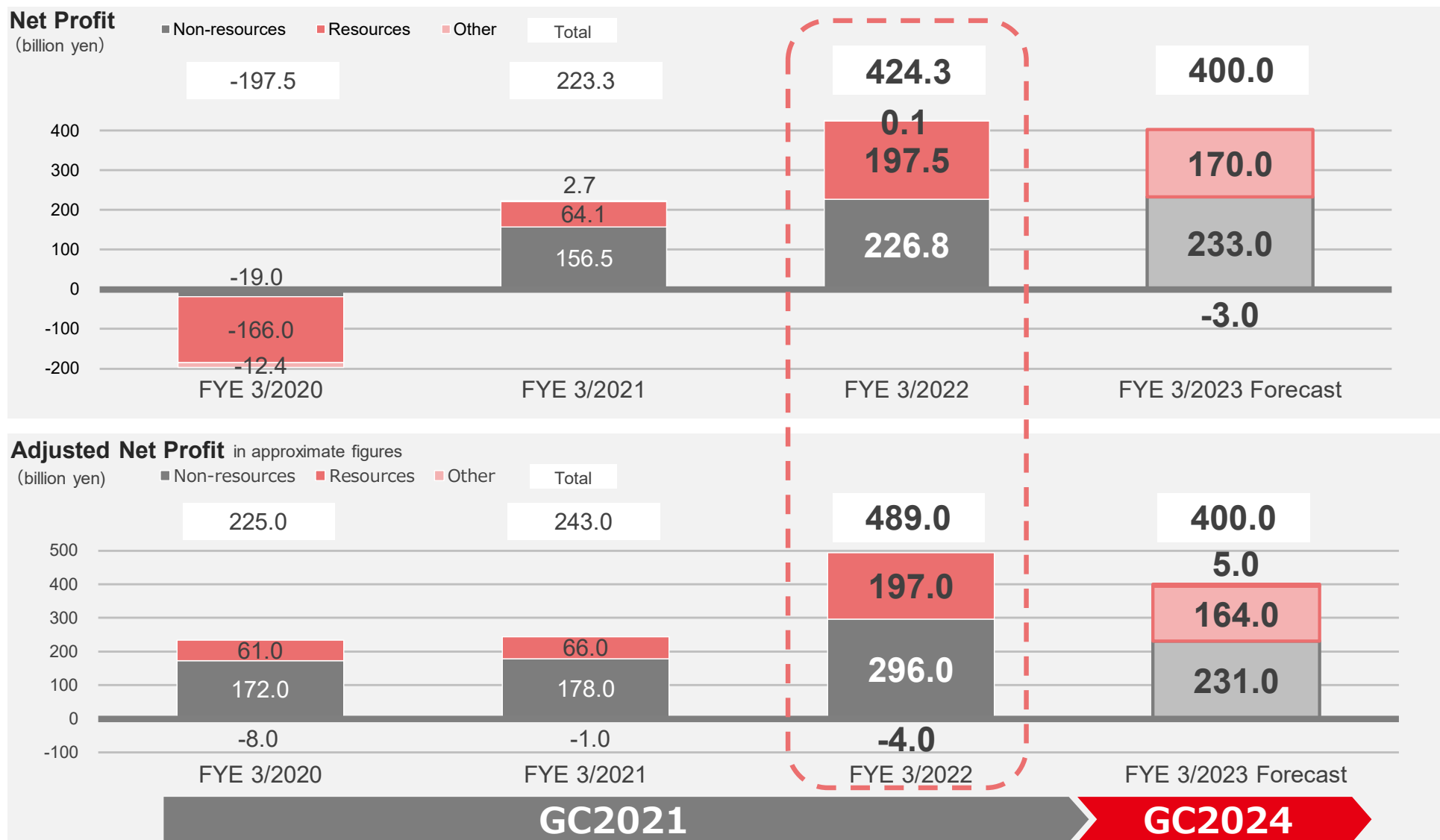
Assumption of Sale of Gavilon's Grain Business in FYE 3/2023 Forecasts

- ✓ In principle, excluding the impact of sale. However, only the gain on sale is included in one-time profit (in "Other" segment. Amount not disclosed)
- ✓ See page 12 for the impact of the funds to be collected (¥300.0~400.0bn, including Group loans for Gavilon) and capital allocation, at the time of completion of the sale

(billion yen)	FYE 3/2022	FYE 3/2023 Forecast	Variance
Net profit	424.3	400.0	- 24.3
Adjusted net profit	489.0	400.0	- 89.0
Core operating cash flow	+570.5	+500.0	- 70.5
Free cash flow after shareholder distributions (excluding changes in working capital and others)	-	+80.0	-
ROE	23.0%	approx. 18%	-
Net DE ratio*	0.83 times	approx. 0.7-0.8 times	-
Annual dividend per share	62.0 yen (plan)	60.0 yen (minimum)	- 2.0 yen

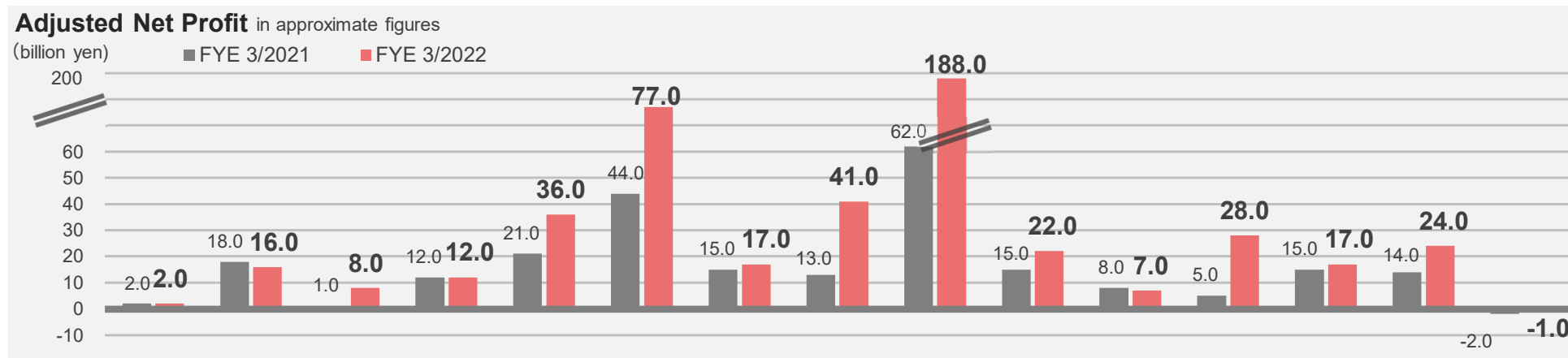
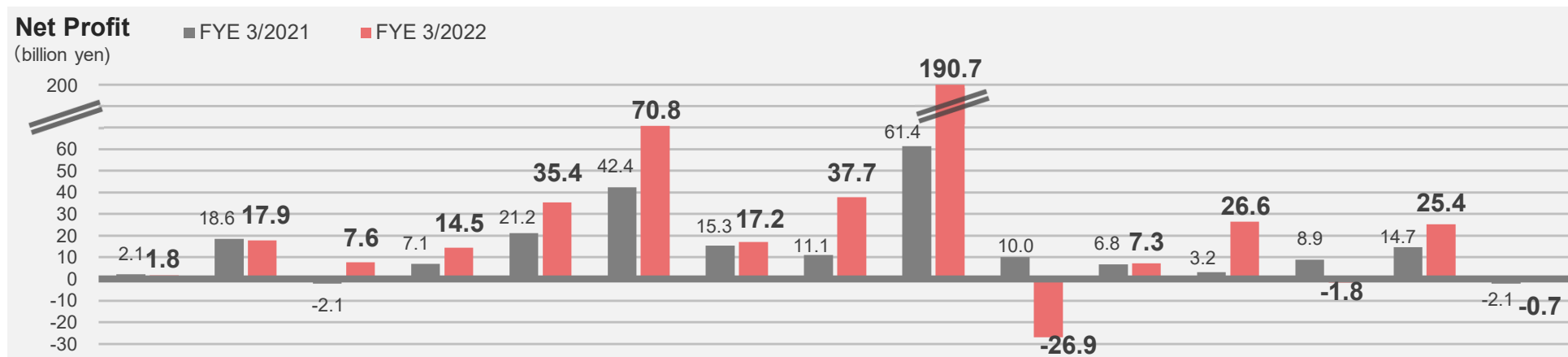
* For the forecasts for FYE 3/2023, and beyond, the denominator to calculate net DE ratio has been changed from "total equity" to "equity attributable to owners of the parent"
Net DE ratio for FYE 3/2022 has been re-presented accordingly

03 Net Profit and Adjusted Net Profit



* Resources: Total of "Energy" and "Metals & Mineral Resources" excluding "Steel Products Dept."
 Other: "Organization as of FYE 3/2020", "Organization as of FYE 3/2021", "Organization from FYE 3/2022" = total of "Next Generation Business Development" and "Other"
 "New organization as of FYE 3/2023" = total of "Next Generation Business Development", "Next Generation Corporate Development" and "Other" segments
 Non-resources: other than the above

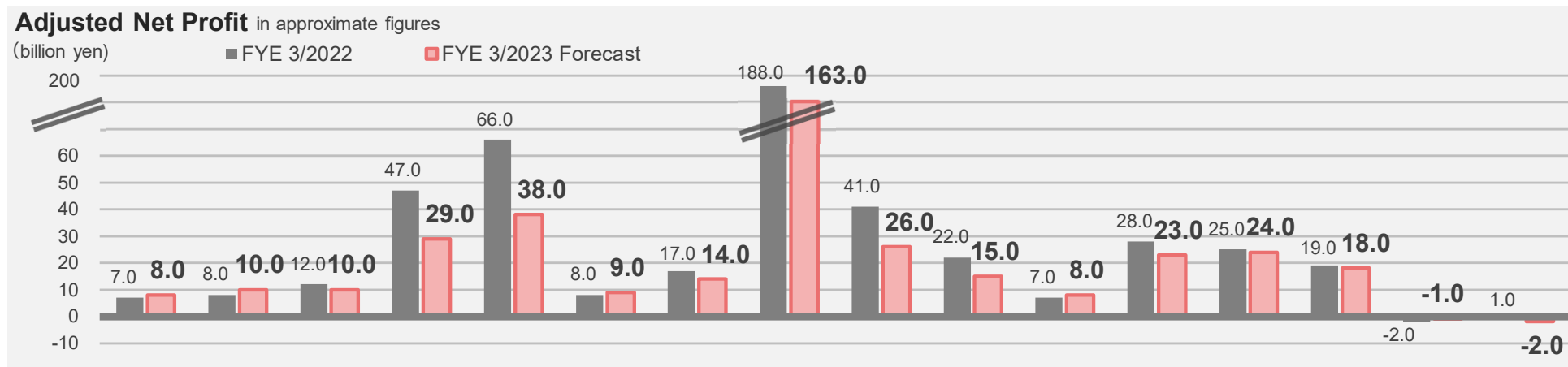
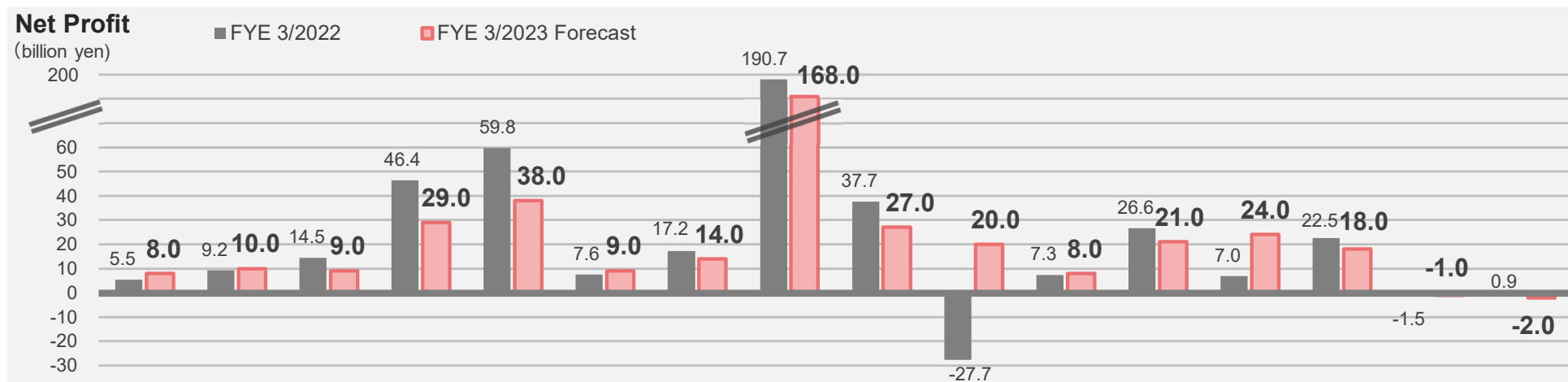
04 Profit by Segment FYE 3/2022 vs FYE 3/2021



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

* 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

05 Profit Forecast by Segment FYE 3/2023 Forecasts vs FYE 3/2022 Results



Lifestyle	ICT Business & Logistics	Food I	Food II *1	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		

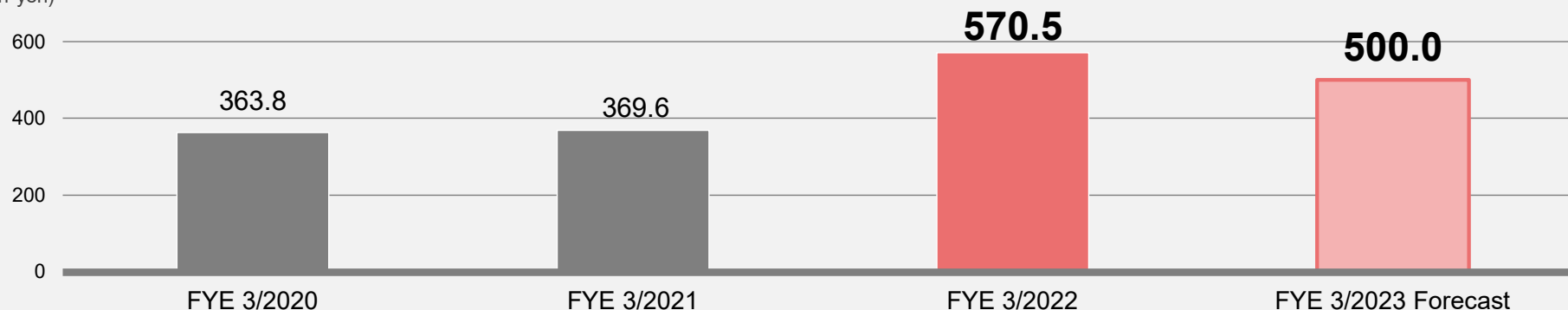
* 1) In the forecast for FYE 3/2023, the gain on sale of the Gavilon grain business is not included in 'Food II' but is included in 'Others'

* From FYE 3/2023, the former operating segments of "ICT & Real Estate Business" and "Finance & Leasing Business" have been renamed as "ICT Business & Logistics" and "Finance, Leasing & Real Estate Business" respectively. Also, parts of "ICT & Real Estate Business" have been incorporated into "Finance, Leasing & Real Estate Business", parts of "Agri Business" into "Food II", parts of "Power Business" into "Construction, Industrial Machinery & Mobility", parts of "Construction, Industrial Machinery & Mobility" into "Lifestyle". Additionally, "Next Generation Corporate Development" has been established and parts of "Next Generation Business Development" have been incorporated into "Next Generation Corporate Development". In conjunction with these organizational changes, operating segment information for FYE 3/2022 has been reclassified

06 Cash Flow Generation and Capital Allocation

Core Operating Cash Flow

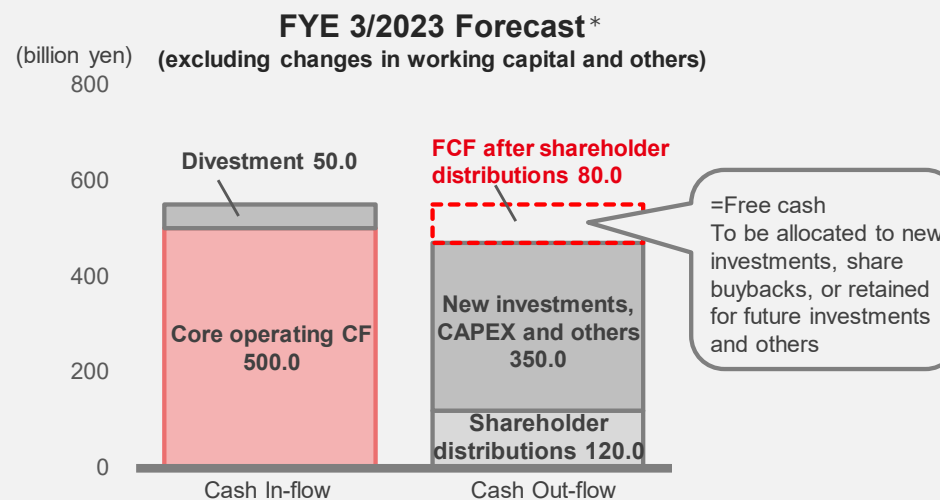
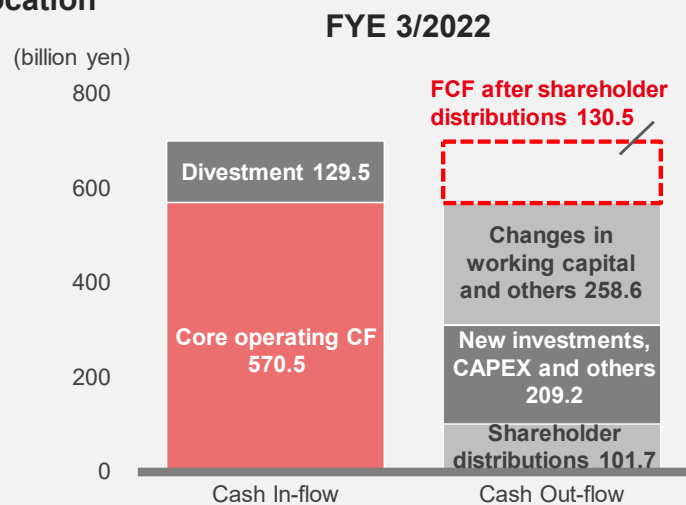
(billion yen)



GC2021

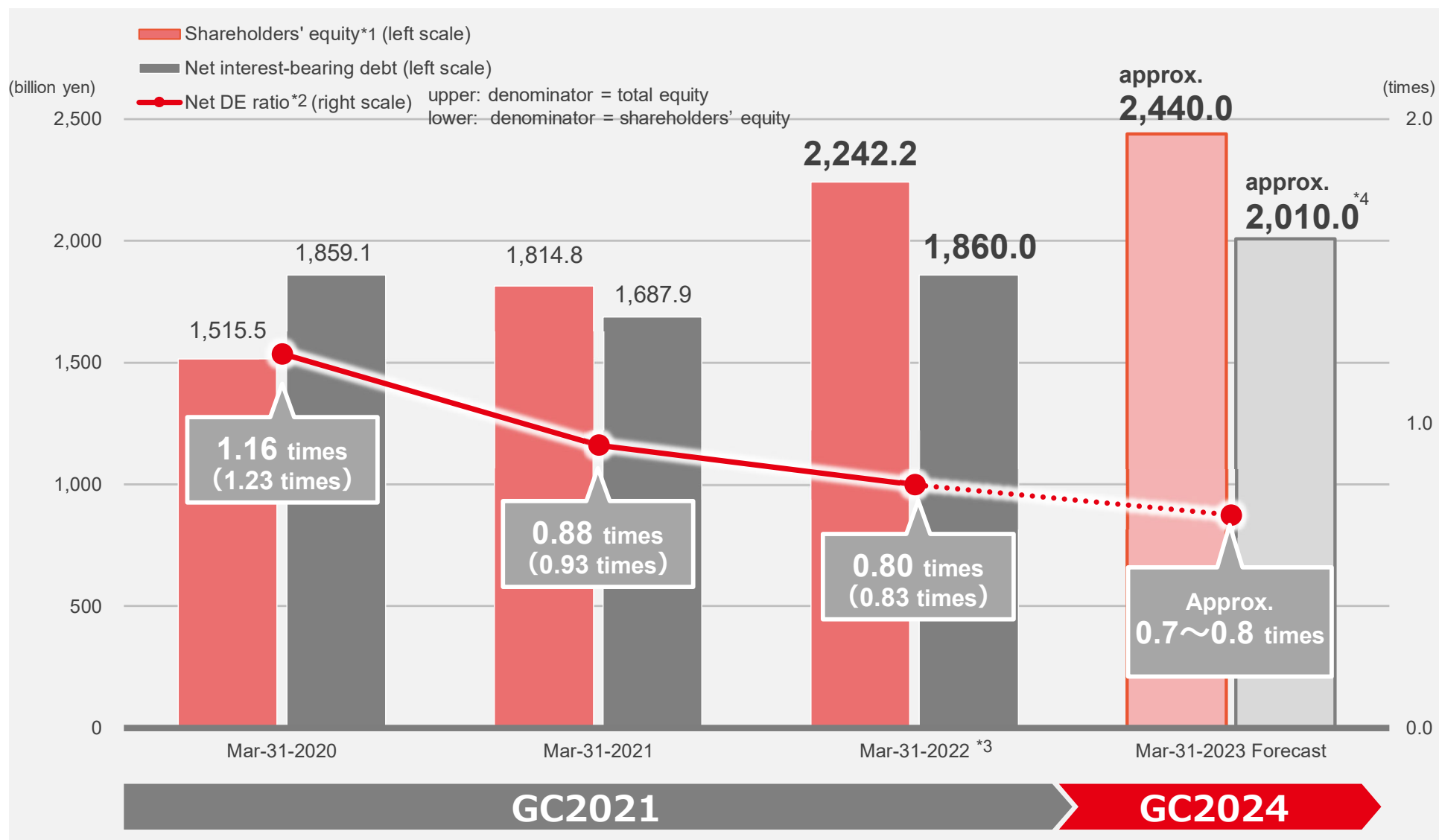
GC2024

Capital Allocation



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

07 Shareholders' Equity and Net Interest-Bearing Debt



*1) Equity attributable to owners of the parent

*2) For the forecasts for March 31, 2023, and beyond, the denominator to calculate net DE ratio has been changed from "total equity" to "equity attributable to owners of the parent"

*3) 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 and net interest-bearing debt increased ¥100.0bn

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

08 New Investments and Divestments Main Items for FYE 3/2022

(billion yen)

	*2				FYE 3/2022 Main item	FYE 3/2023 Forecast
	FYE 3/2022	Horizon 1	Horizon 2	Horizon 3		
New Investments + CAPEX and others *1	-209.2	-103.3	-98.5	-7.3		- 350.0
New Investments	-93.5	-32.6	-28.0	-4.6	<ul style="list-style-type: none"> • Agri-input related business (Helena, USA) • Manufacturing and sales of instant coffee (Iguacu Vietnam, Vietnam) • Beef processing and sales business (Creekstone Farms Premium Beef, USA) 	- 200.0
		-8.2	-5.5	-2.7		
		-52.3	-52.3	-0.0	<ul style="list-style-type: none"> • Power generation business • FPSO project (Brazil) 	
		-0.3	-0.3	-		
CAPEX and others	-115.7	-103.3	-103.3	-	<ul style="list-style-type: none"> • Agri-input related business (Helena, USA) • MUSI pulp business (Indonesia) • Solar power generation business (Chenya Energy, Taiwan) 	- 150.0
		-12.4	-0.0	-12.4		
Divestment	129.5	-	-	-	<ul style="list-style-type: none"> • Power generation business • Shareholder loan for copper mining business (Chile) • Cross-shareholdings • North American wild salmon business (North Pacific Seafoods, USA) 	+50.0 ^{*3}
Total	-79.7	-	-	-		- 300.0^{*3}

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

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

09 Markets and Commodity Volumes

Markets		FYE 3/2021 Full-year	FYE 3/2022 Full-year	Variance	FYE 3/2023 Full-year Assumption	Sensitivity to *4 Net Profit
Oil	WTI (USD/bbl)	42	77	+ 35	75	approx. JPY0.3bn/[USD1/bbl]*5
Copper	LME (USD/ton) *1	6,560	9,588	+ 3,028	9,500	approx. JPY1.1bn/[USD100/ton]
Interest Rate	JPY TIBOR 3mo (%)	0.074	0.063	- 0.011 points	0.1	
	USD LIBOR 3mo (%)	0.315	0.242	- 0.073 points	1.9	
Currency	USD/JPY Term Average (yen)	106.06	112.38	JPY depreciation by 6.32yen	120	approx. JPY1.8bn/[JPY1/USD]
	USD/JPY Term-end (yen)	Mar-31-2021 110.71	Mar-31-2022 122.39	JPY depreciation by 11.68yen	Mar-31-2023 120	
Commodity Volumes		FYE 3/2021 Full-year	FYE 3/2022 Full-year	Variance	FYE 3/2023 Initial Plan	
Oil, Gas	Equity Production Volume (K boe/day)	23	19	- 4	11	
	Upper: [Oil and Gas E&P] *2 Lower: [Total] *3	27	22	- 5	14	
Copper	Equity Sales Volume (K ton)	129	133	+ 4		
Coking Coal	Equity Sales Volume (K ton)	5,852	5,916	+ 64		

*1 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. 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 announced on May 6, 2022

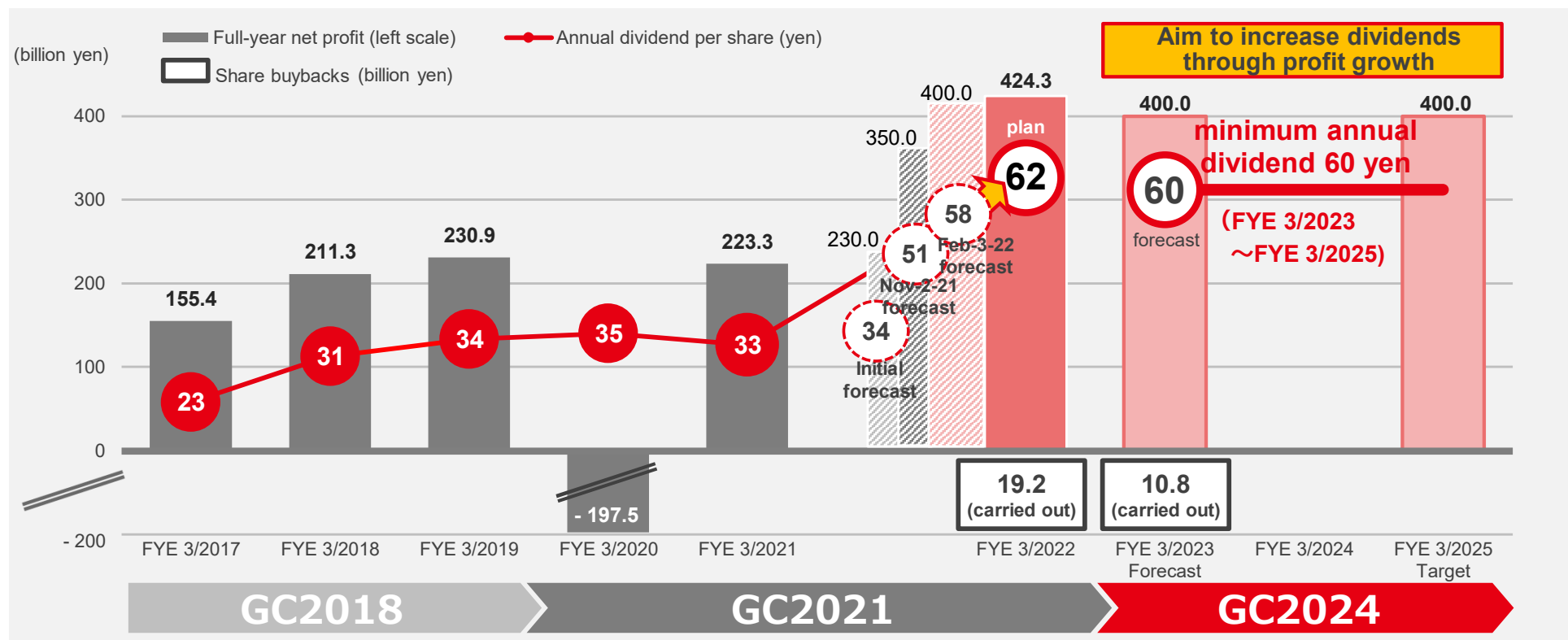
*5 Sensitivity to oil prices (WTI and Brent) in Oil and Gas E&P

Mid-Term Management Strategy

GC2024 update

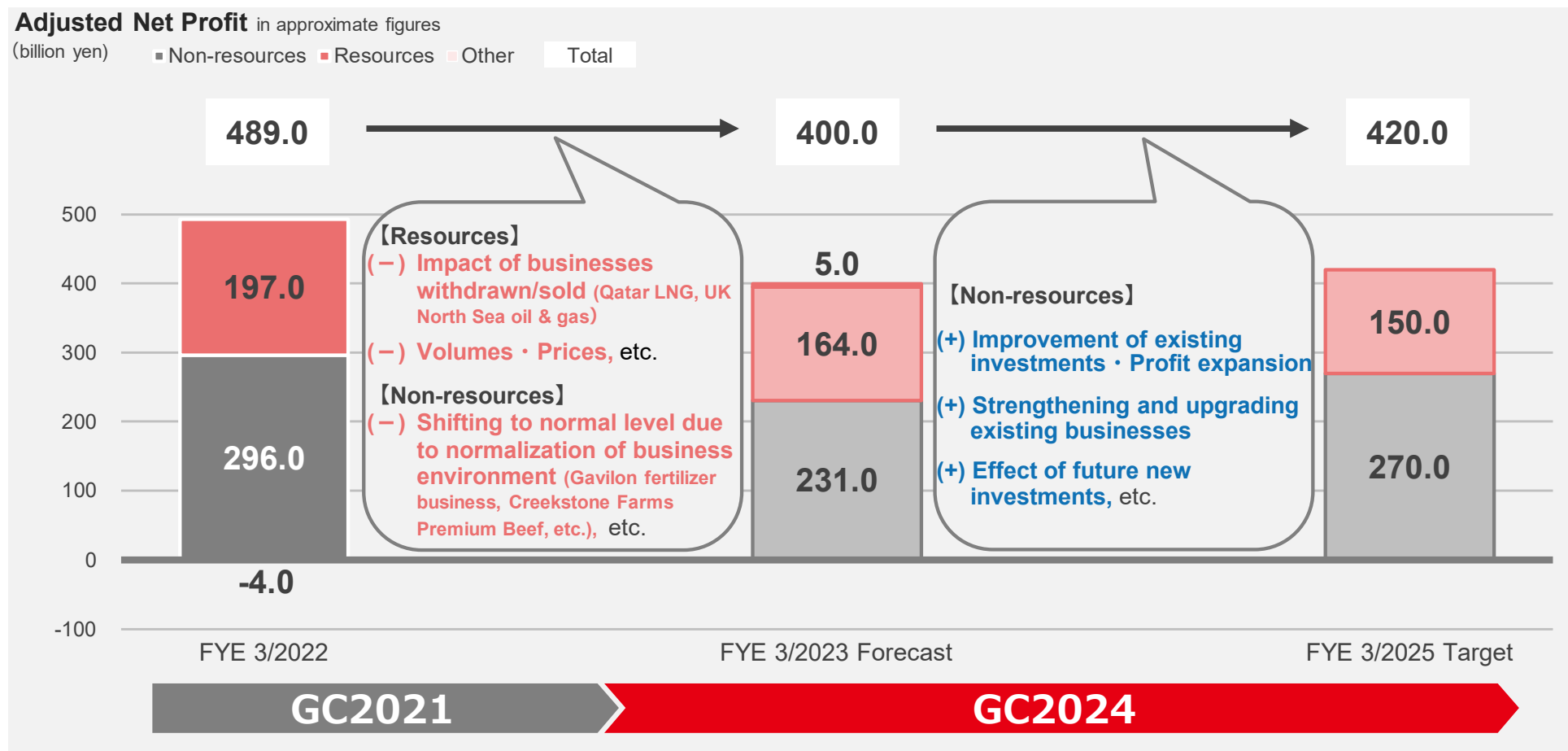
01 Shareholder Distributions

- Based on the Company's current basic dividend policy (dividend payout ratio of '25% or more'), **annual dividend** for FYE 3/2022 is projected to be **¥62** per share, a **¥4 increase** from ¥58 in the forecast announced on Feb-3-2022
- **The annual dividend forecast for FYE 3/2023 is ¥60** per share, which is set to be the minimum annual dividend for FYE 3/2023, and to be set as **the minimum annual dividend through the GC2024 period (FYE 3/2023-FYE 3/2025)**
In case the dividend forecast per share to be announced at the beginning of each FYE 3/2024 and FYE 3/2025 exceeds ¥60, the announced amount will be set as the minimum annual dividend for the fiscal year
- 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



02 Path of Adjusted Net Profit

- Adjusted net profit for FYE 3/2023 is forecasted to be 400.0 billion yen. A decline of -¥89.0bn from the previous fiscal year due to changes anticipated in the external environment in some of the businesses that performed well in the previous fiscal year, also due to decreased profits in businesses withdrawn or sold in the previous fiscal year
- Aiming to establish a stable earnings base that can steadily earn 400.0 billion yen in net profit toward FYE 3/2025

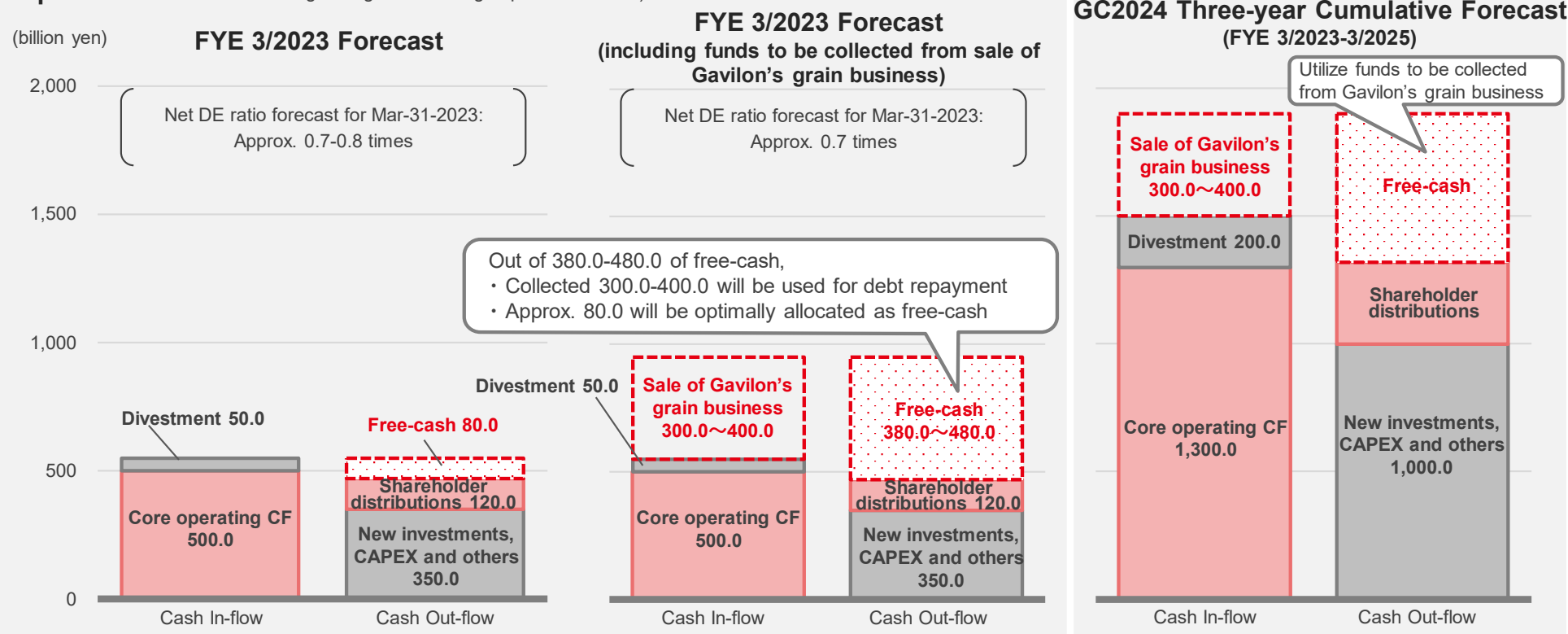


03 Capital Allocation

- In case the sale of Gavilon's grain business is completed in FYE 3/2023, the funds to be collected (¥300.0-400.0bn) will be used for debt repayment in consideration of the current investment environment. The remaining free-cash* of about ¥80.0bn will be optimally allocated based on management decision
- For the three-year period of GC2024, the collected funds from Gavilon's grain business is recognized as free-cash and will be allocated to new investments, share buybacks or retained for future investment, etc.
- Maintain positive three-year cumulative FCF after shareholder distributions, excluding effects from changes in working capital, and keep net DE ratio of around 0.7-0.8 times

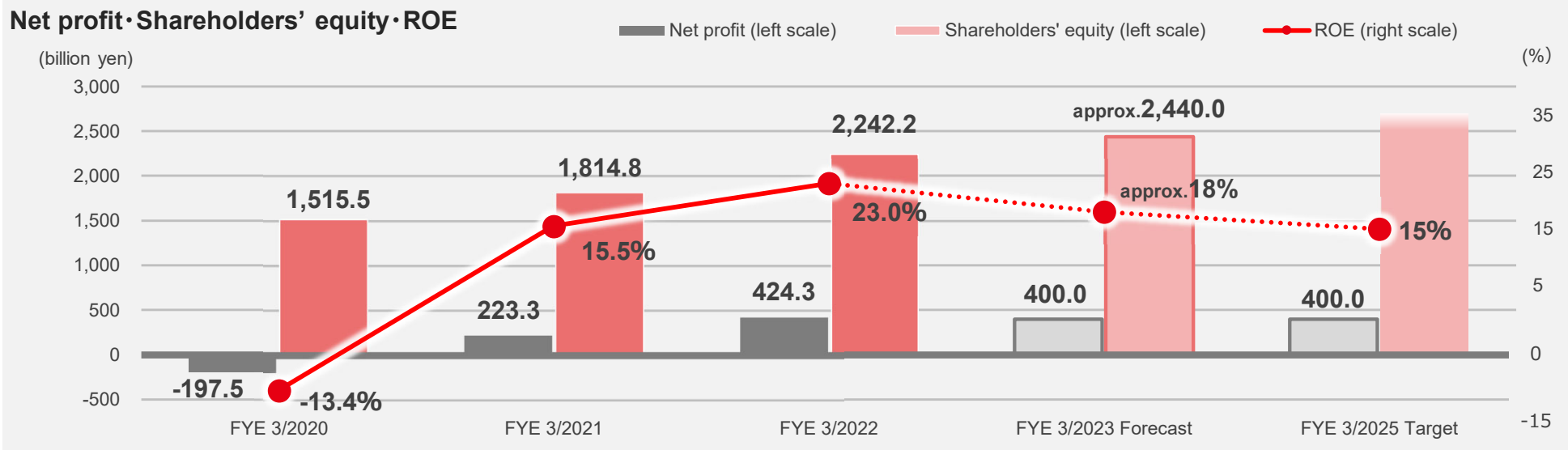
*Free-cash: Free cash flow after shareholder distributions excluding changes in working capital and others. Allocated to new investments, share buybacks or retained for future investment, etc.

Capital Allocation (excluding changes in working capital and others)



04 Medium- to Long-Term Enhancement of Corporate Value

Sustain and Improve Cash Generation	<ul style="list-style-type: none"> • Sustain enhancement of adjusted net profit and core-operating cash flow, with strategic capital allocation • Expand the earnings base by selectively investing in areas with high profitability based on the company's competitive advantages
Sustain and Improve ROE (Target: 15%)	<ul style="list-style-type: none"> • Invest in new business domains to make core businesses of the future, while rigorously selecting targets • Pursuit 'Green Strategy' • Strengthen and upgrade individual assets through monitoring ROIC, etc. Improve capital efficiency
Improve Cost of Equity	<ul style="list-style-type: none"> • Optimize financial leverage (enhancement of shareholders' equity, improvement of credit rating) • Reduce performance volatility (investment discipline) • Improve non-financial value by strengthening sustainability efforts



Ref. GC2021 Achievement

**Achieved Financial Targets capturing higher commodity prices,
on top of solid earnings**

		Target	GC2021 Three-year Results (FYE 3/2020-3/2022)
Consolidated net profit (FYE 3/2022)		¥300.0bn	¥424.3bn
CF	Core operating CF (Three-year cumulative)	¥1,200.0bn	¥1,303.9bn
	FCF after shareholder distributions (Three-year cumulative)	¥+100.0bn or more	¥+419.2bn
Net DE ratio		Around 0.7 times <small>*Revised to around 1.0 in the "GC2021 Revision"</small>	0.80 times
New investments including CAPEX (Three-year cumulative)		Approx. ¥900.0bn Horizon 1 ¥200.0bn Horizon 2 ¥500.0bn Horizon 3 ¥200.0bn	Approx. ¥740.0bn Horizon 1 approx.¥300.0bn Horizon 2 approx.¥390.0bn Horizon 3 approx.¥50.0bn
ROE		10% or more	23.0%