

GLOBAL  
CROSSVALUE  
PLATFORM

**Marubeni**

2020.12

Consolidated Financial Results  
Q3 FYE 3/2021

February 3, 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 3/2021 forecast / Mar-31-2021 forecast: Forecasts announced on February 3, 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 the Q3 of 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 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
- \* P6 "04 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 and FYE 3/2021, based on "the new organization from FYE 3/2021".  
Business fields  
Resources: "Organization as of FYE 3/2020", "New organization from FYE 3/2021" = 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", "New organization from FYE 3/2021" = the total of "Next Generation Business Development" and "Other"  
"Organization as of FYE 3/2019" = "Other" segment  
Non-resources: other than the above
- \* P10 "08 Profit by Segment: From the FYE 3/2021, the former operating segments of "Plant" and "Construction, Auto & Industrial Machinery" are renamed as "Infrastructure Project" and "Construction, Industrial Machinery & Mobility" respectively, and a part of "Plant" has been incorporated into "Finance & Leasing Business", parts of "Plant" and "Other" have been incorporated into "Next Generation Business Development", a part of "Next Generation Business Development" has been incorporated into "Other".  
In conjunction with these organizational changes, operating segment information for FYE 3/2020 has been reclassified.  
In addition, the "Power Business, Energy & Metals Group" and the "Machinery, Infrastructure & Financial Business Group" have been reorganized into the "Energy & Metals Group", the "Power Business & Infrastructure Group" and the "Transportation & Industrial Machinery, Financial Business Group".  
In conjunction with these organizational changes, the group to which each segment for FYE 3/2020 belongs has been reclassified.

# 01 Key Factors of Q1-Q3 FYE 3/2021

| (billion yen)   |   |                            |                         |                                       |                      |                        |
|---|---|----------------------------|-------------------------|---------------------------------------|----------------------|------------------------|
|   | Q1-Q3 FYE 3/2020                        | Q1-Q3 FYE 3/2021           | Variance                | FYE 3/2021 Forecast announced on*2    |                      | Change                 |
|   |   |                            |                         | Nov-4-2020                            | Feb-3-2021           |                        |
| Net profit  | 145.6                                   | 163.8<br>(progress 86%)*1  | + 18.1<br>(+12%)        | 150.0                                 | 190.0                | +40.0                  |
| Adjusted net profit   | 174.0                                   | 176.0<br>(progress 84%)*1  | + 2.0<br>(+1%)          | 170.0                                 | 210.0                | +40.0                  |
| Core operating cash flow  | +273.0                                  | +272.9<br>(progress 78%)*1 | - 0.0<br>(-0%)          | +310.0                                | +350.0               | +40.0                  |
| Free cash flow after delivery of shareholder returns            | +17.4                                   | - 1.5                      | - 18.9                  | +140.0                                | +180.0               | +40.0                  |
| *1 Progress ratio to the forecast announced on February 3, 2021 |   |                            |                         |                                       |                      |                        |
|   | Mar-31-2020                             | Dec-31-2020                | Variance                | Mar-31-21 Forecast announced on*2     |                      | Change                 |
|   |   |                            |                         | Nov-4-2020                            | Feb-3-2021           |                        |
| Net DE ratio  | 1.16 times                              | 1.06 times                 | improved<br>0.10 points | approx.<br>1.1 times                  | approx.<br>1.0 times | improved<br>0.1 points |
|   | Year-end dividend forecast announced on |                            |                         | Annual dividend forecast announced on |                      |                        |
|   | Nov-4-2020                              | Feb-3-2021                 | Change                  | Nov-4-2020                            | Feb-3-2021           | Change                 |
| FYE 3/2021 Dividend per share                                   | 11.0 yen                                | 17.0 yen                   | + 6.0 yen               | 22.0 yen                              | 28.0 yen             | +6.0 yen               |

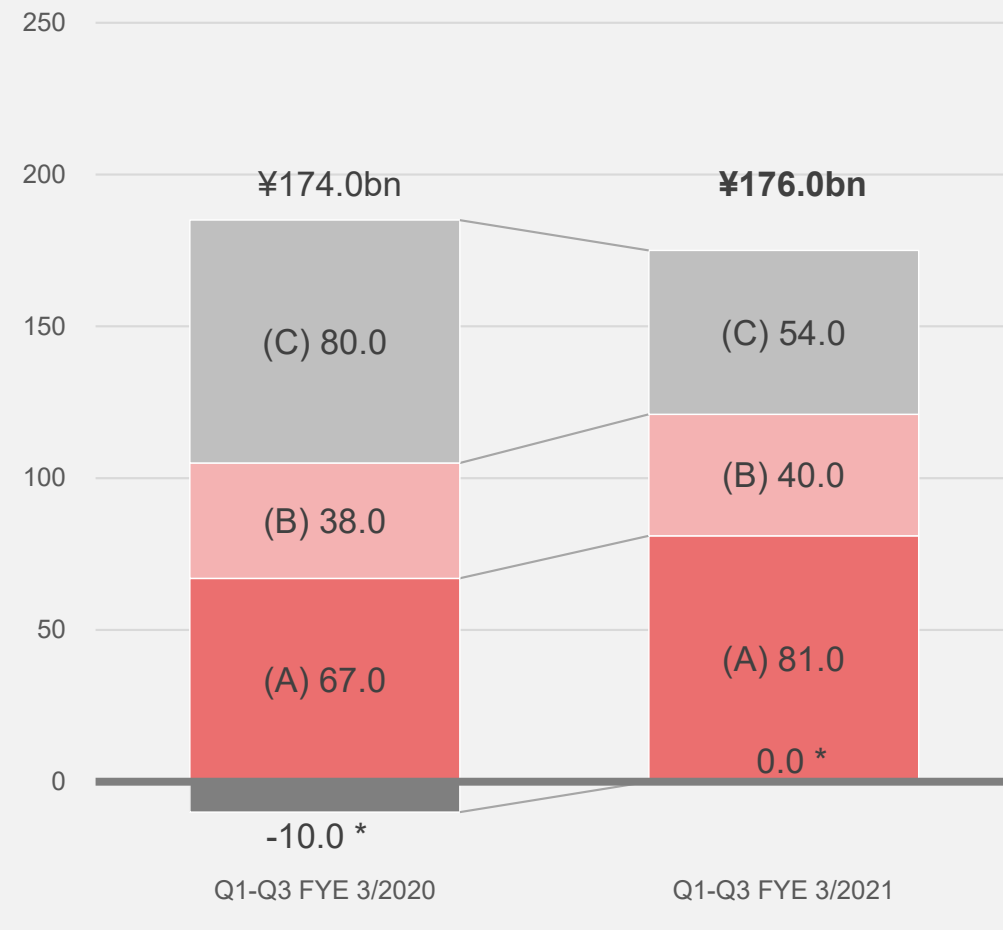
\*2<The Company's Assumptions Including the Spread of COVID-19 and When the Pandemic Might End>  
While the impact of COVID-19 on our business operations varies depending on the business domain and country/region, it remains unclear as to when the pandemic might end. The business environment surrounding the Company has started to recover after sharply deteriorating in the first half of the fiscal year ending March 31, 2021. We expect it to continue to recover only gradually in the second half, and the impact of COVID-19 to linger through the fiscal year ending March 31, 2022.



## 02 Impact of COVID-19 on Earnings Structure – Adjusted Net Profit

Q1-Q3

(billion yen,  
in approximate figures)



### (A) Stable Earnings-Type Business & Lifeline-Related Business 67.0 → 81.0 (+14.0)

Profit increased in the businesses essential to daily life such as agriculture and food related businesses, and the stable earning-type businesses including IPP with PPA (power business) and infrastructure business (water, gas), etc., maintained the same level of profits as the year-earlier period even under the COVID-19

### (B) Trade Business 38.0 → 40.0 (+2.0)

Profit increased in the trading business in *Chemicals* and domestic real estate sales, etc., despite profit decreases in *Forest Products*, *Steel Products*, and others

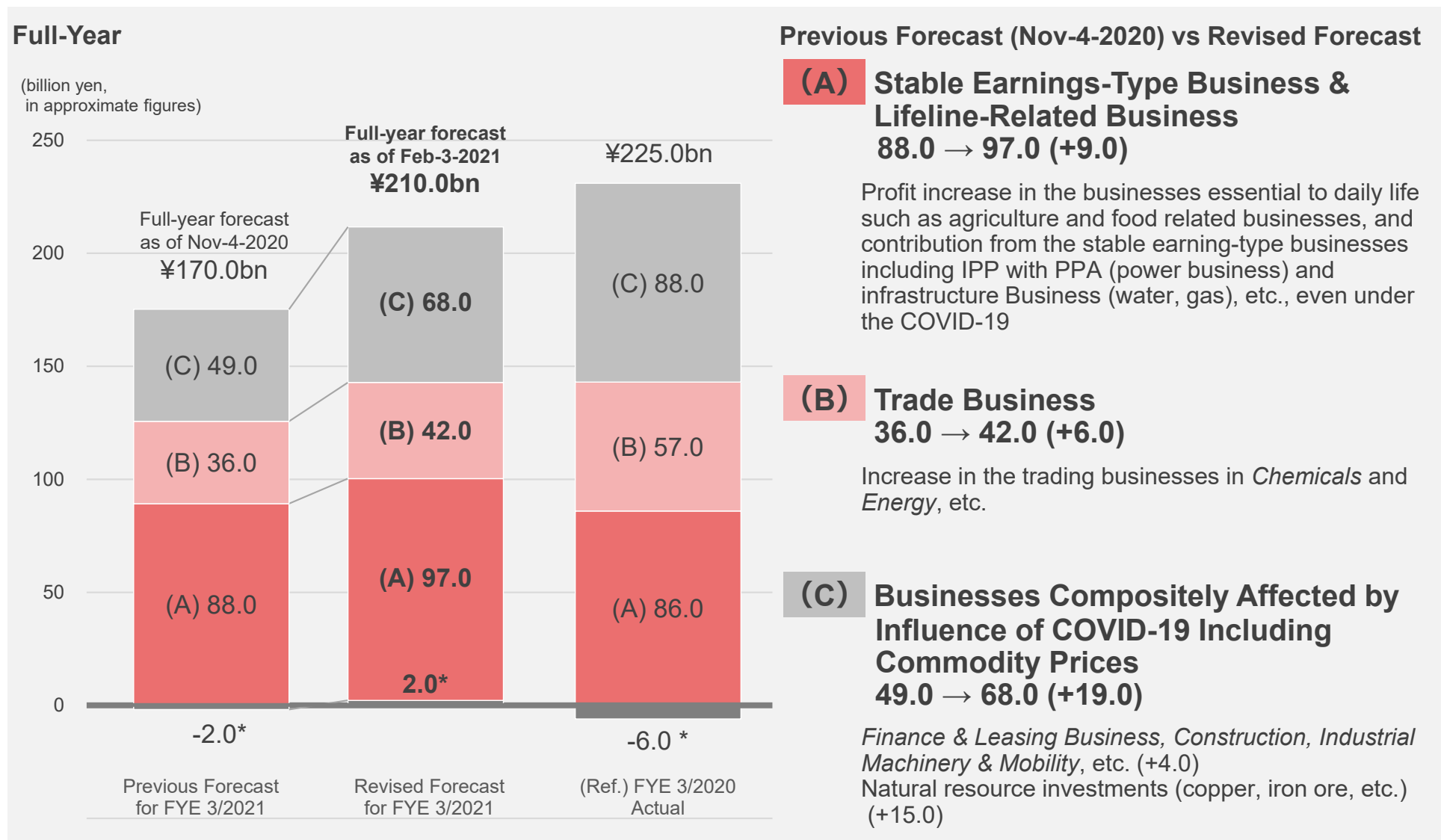
### (C) Businesses Compositely Affected by Influence of COVID-19 Including Commodity Prices 80.0 → 54.0 (-26.0)

Transportation (*Aerospace & Ship*, *Construction*, *Industrial Machinery & Mobility*), etc. (-13.0)  
Natural resource investments (coal, etc.) (-13.0)

\*Figures for *Other* segment

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

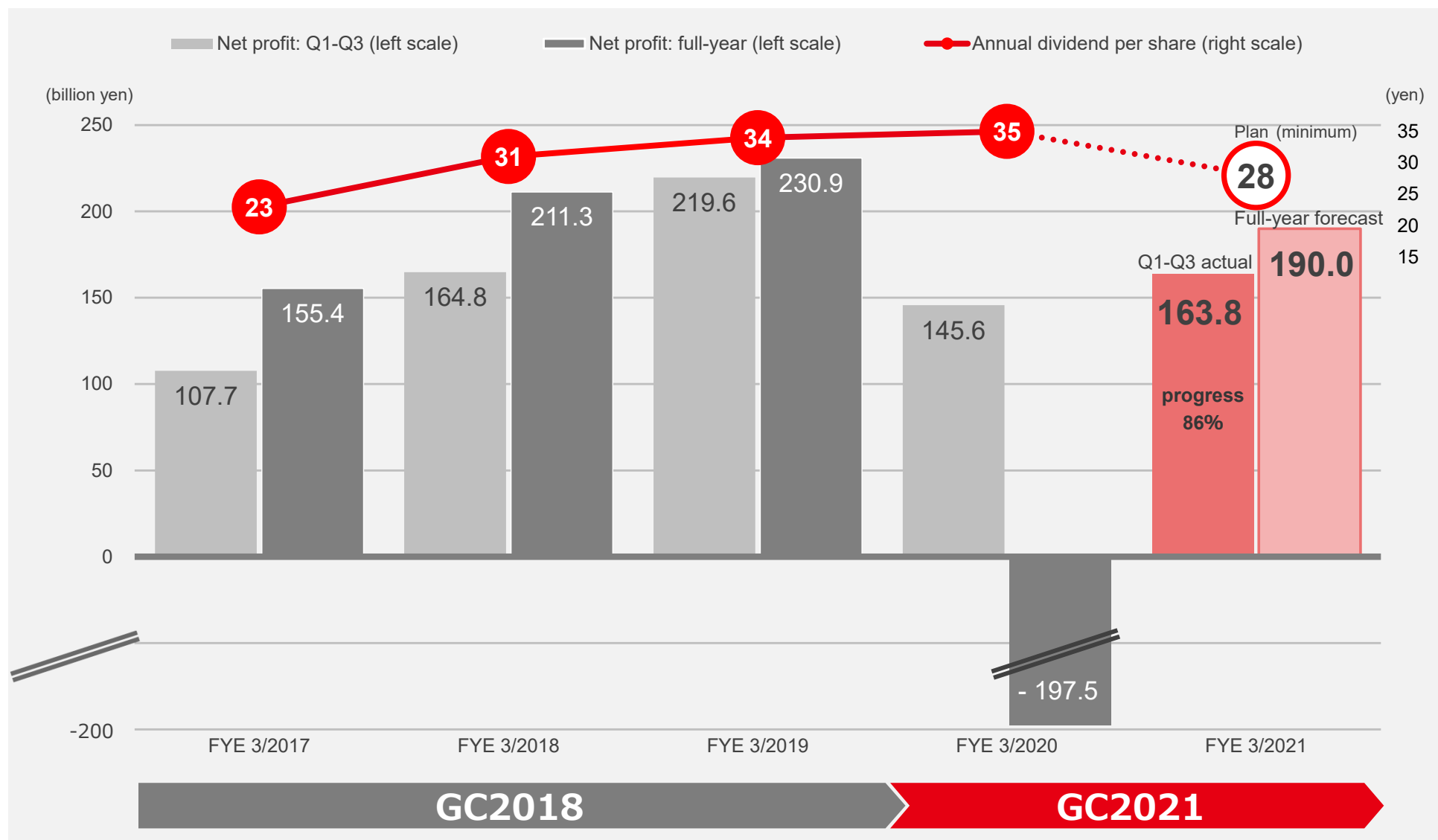
## 02 Impact of COVID-19 on Earnings Structure – Adjusted Net Profit



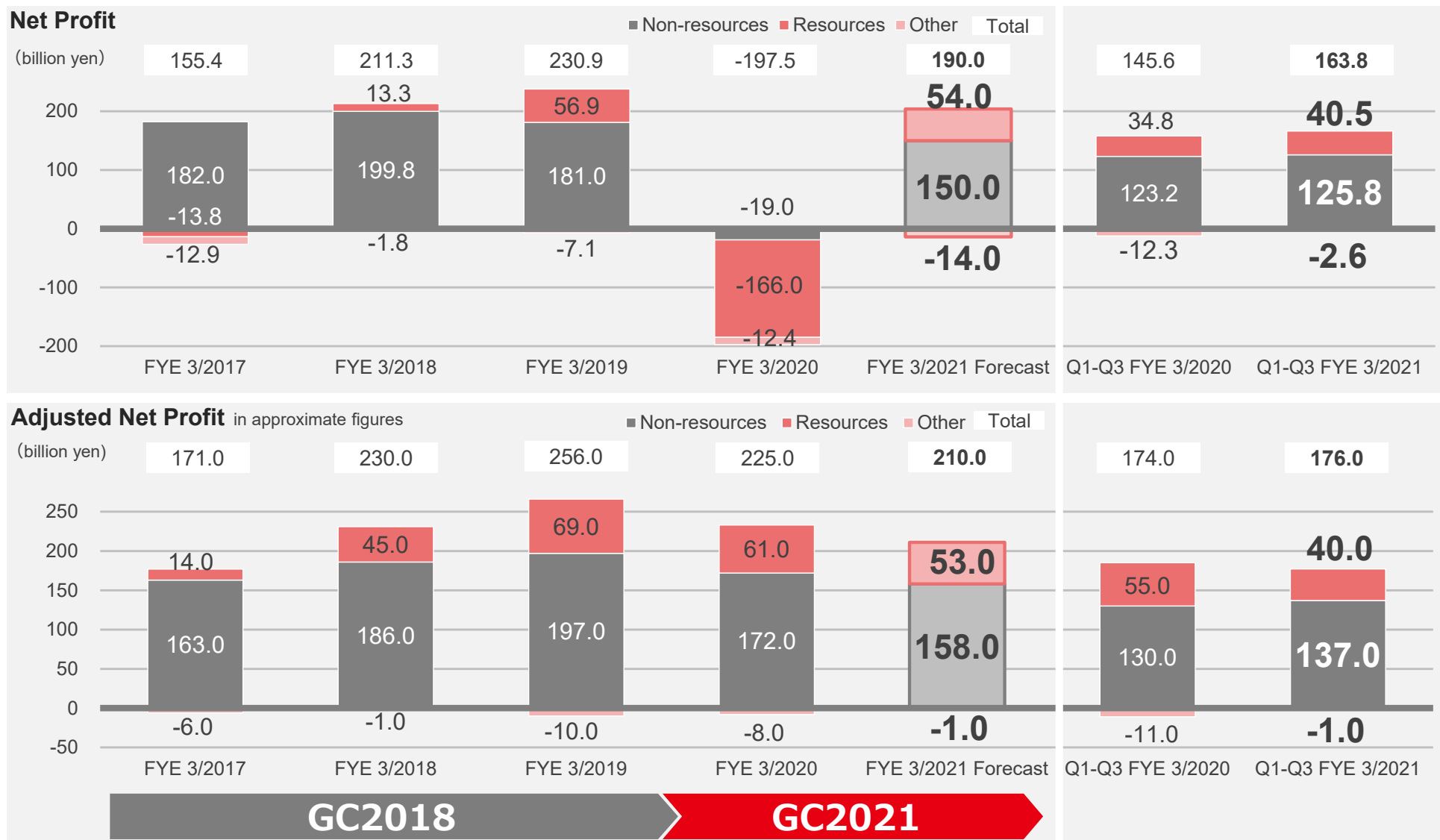
\*Figures for *Other* segment

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

# 03 Net Profit and Annual Dividend

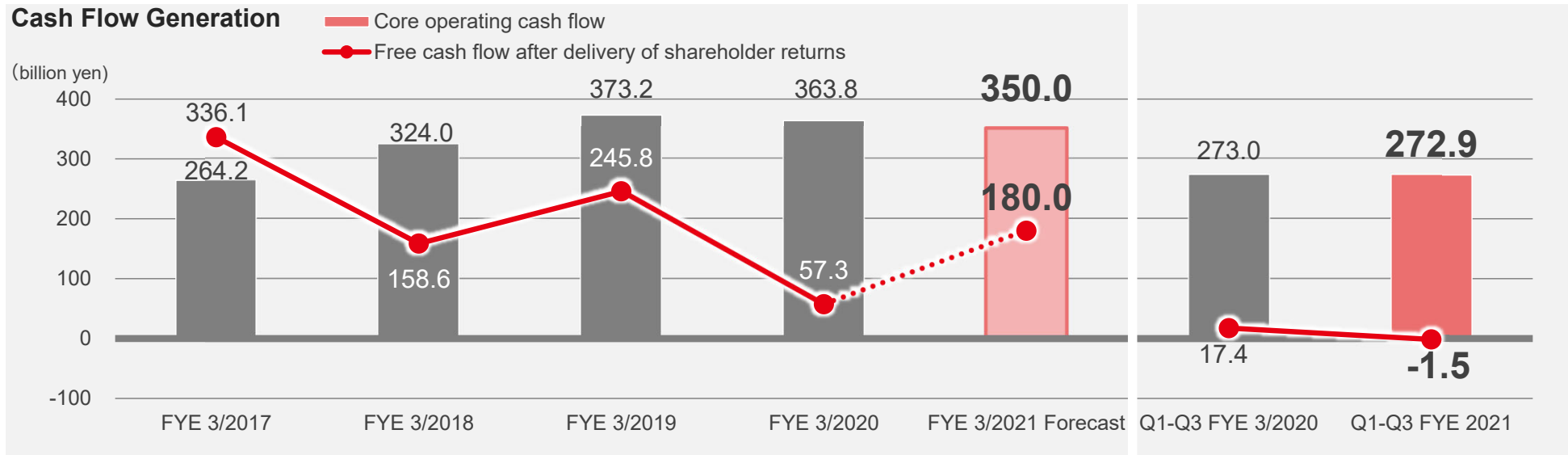


# 04 Net Profit and Adjusted Net Profit

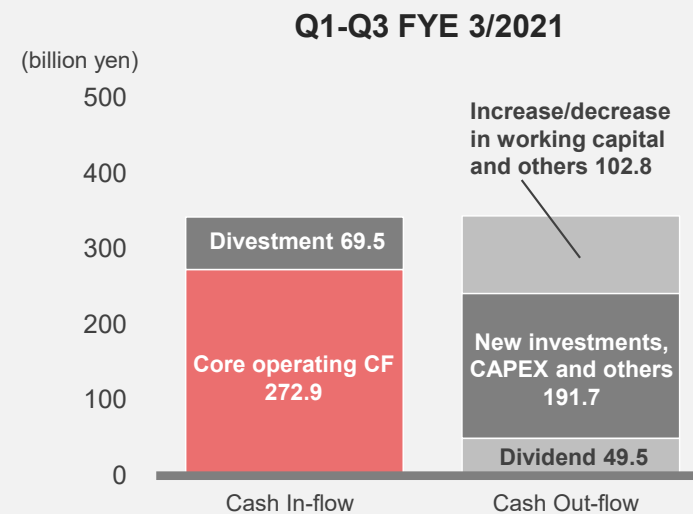
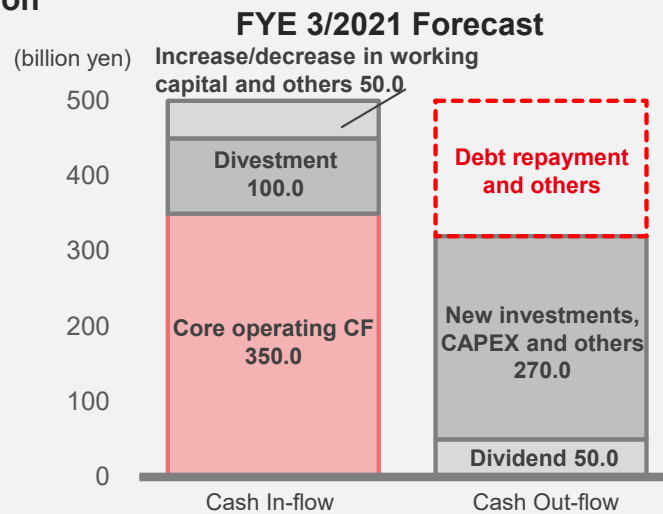




# 05 Cash Flow Generation and Capital Allocation



### Capital Allocation



\* Debt repayment: repayment of interest-bearing debt, lease obligations

# 06 New Investments and Divestment Main Items for Q1-Q3 FYE 3/2021

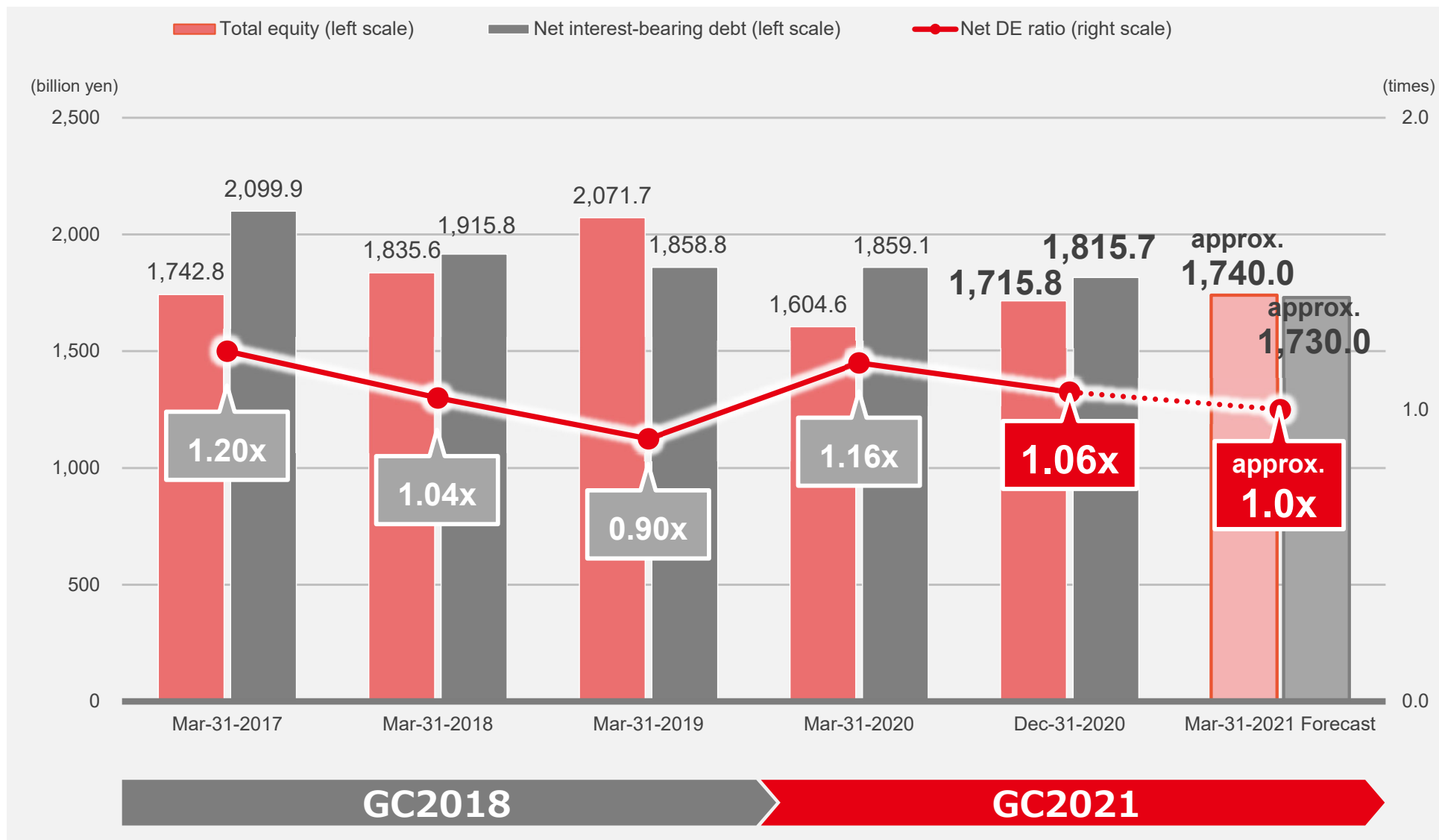
(billion yen)

|                                    | Q1-Q3 FYE 3/2021 * |  |           |       | Q1-Q3 FYE 3/2021 Main item   | FYE 3/2021 Forecast |
|------------------------------------|--------------------|--|-----------|-------|--|---------------------|
|                                    | Horizon 1          | Horizon 2                              | Horizon 3 |       |  |                     |
| New Investments + CAPEX and others | -191.7             | -90.3                                  | -74.3     | -27.2 |  | -270.0              |
| New Investments                    | -91.5              |  |           |       | <ul style="list-style-type: none"> <li>Hygiene products manufacturer (Santher, Brazil)</li> <li>Manufacturing and sales of containerboard (Kraft of Asia Paperboard &amp; Packaging, Vietnam)</li> <li>Manufacturing and sales of instant coffee (Iguacu Vietnam, Vietnam)</li> <li>Additional investment in beef processing and sales business (Creekstone Farms, USA)</li> </ul> | -150.0              |
|                                    |                    | Distribution Business                  | -56.5     | -31.5 | -25.0  |                     |
|                                    |                    | Finance Business                       | -14.4     | -12.2 | -2.2   |                     |
|                                    |                    | Stable Earnings-Type Business          | -20.6     | -20.6 | -  |                     |
| Natural Resource Investments       | -                  | -                                      | -         |       |  |                     |
| CAPEX and others                   | -100.2             |  |           |       | <ul style="list-style-type: none"> <li>Solar power developer and operator (Chenya Energy, Taiwan)</li> <li>Agri-input related business (Helena, USA)</li> </ul>  | -120.0              |
|                                    |                    | excluding Natural Resource Investments | -90.1     | -90.1 |  |                     |
| Natural Resource Investments       | -10.1              | -0.2                                   | -10.0     |       |  |                     |
| Divestment                         | +69.5              |  |           |       | <ul style="list-style-type: none"> <li>Overseas power generation business</li> <li>Reinsurance business</li> <li>Cross-shareholdings</li> </ul>  | +100.0              |
| <b>Total</b>                       | <b>-122.2</b>      |  |           |       |  | <b>-170.0</b>       |

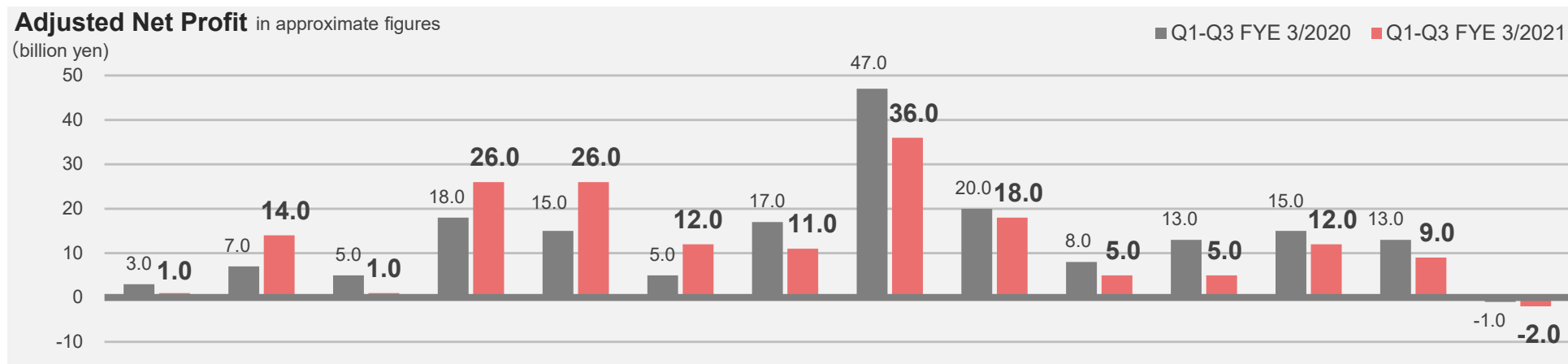
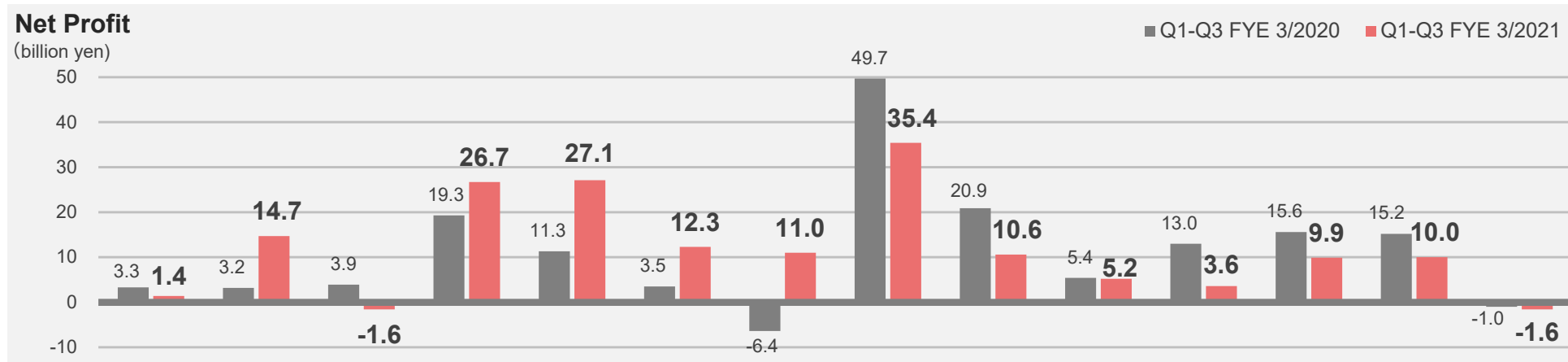
\* Horizon 1: improvement of existing businesses, Horizon 2: pursuit of strategies in existing business domains, Horizon 3: new business models and growth domains currently not yet focused on

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

# 07 Net DE Ratio

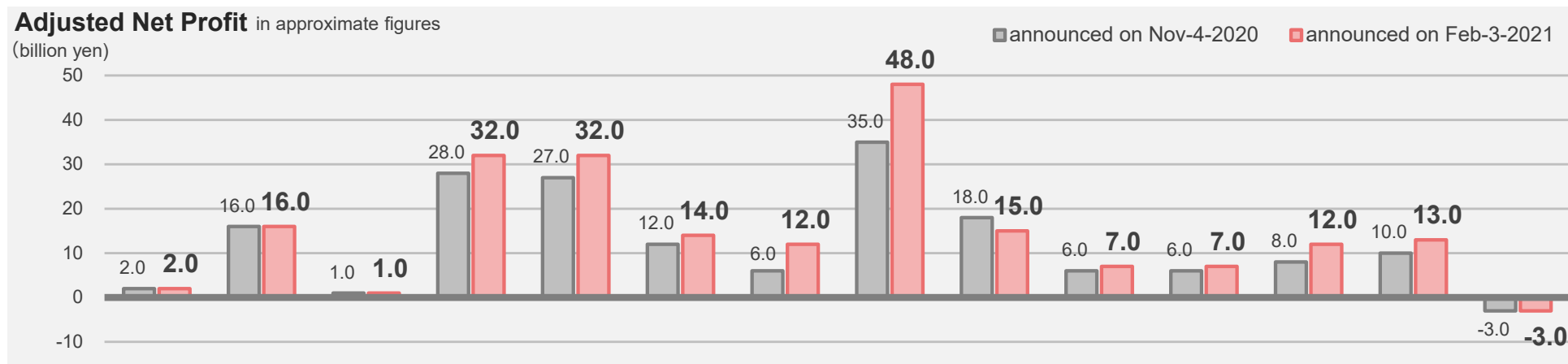
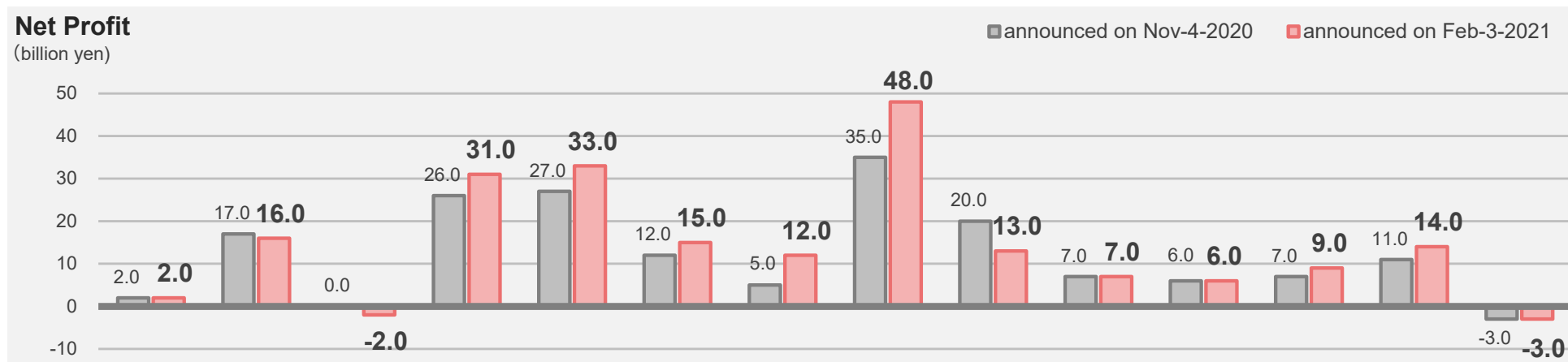


# 08 Profit by Segment Q1-Q3 FYE 3/2021 vs Q1-Q3 FYE 3/2020



|                   |                            |                 |                               |               |           |                 |                            |                                 |                        |   |                            |   |                                      |
|-------------------|----------------------------|-----------------|-------------------------------|---------------|-----------|-----------------|----------------------------|---------------------------------|------------------------|---|----------------------------|---|--------------------------------------|
| Lifestyle         | ICT & Real Estate Business | Forest Products | Food                          | 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 Profit Forecast by Segment announced on Feb-3-2021 vs Nov-4-2020



|                   |                            |                 |                               |               |           |                 |                            |                                 |                        |   |                            |   |                                      |
|-------------------|----------------------------|-----------------|-------------------------------|---------------|-----------|-----------------|----------------------------|---------------------------------|------------------------|---|----------------------------|---|--------------------------------------|
| Lifestyle         | ICT & Real Estate Business | Forest Products | Food                          | 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                                 |

# 10 Financial Indicators and Commodity Volumes

| Financial Indicator |                            | FYE 3/2020            | FYE 3/2021                          | Variance                        | FYE 3/2020            | FYE 3/2021 Full-year Assumption as of |                                  | Sensitivity to *4<br>Net Profit |
|---------------------|----------------------------|-----------------------|-------------------------------------|---------------------------------|-----------------------|---------------------------------------|----------------------------------|---------------------------------|
|                     |                            | Q1-Q3 Avg.            | Q1-Q3 Avg.                          |                                 | Full-year             | Nov-4-2020                            | Feb-3-2021                       |                                 |
| Oil                 | WTI (USD/bbl)              | 58                    | <b>37</b>                           | - 21                            | 55                    | 35<br>(H2: 35)                        | <b>40</b><br>(Q4: 50)            | approx. JPY0.6bn/[USD1/bbl]*5   |
| Copper              | LME (USD/ton) *1           | 5,977                 | <b>6,059</b>                        | + 82                            | 5,966                 | 6,000<br>(H2: 6,200)                  | <b>6,500</b><br>(Q4: 7,700)      | approx. JPY1.0bn/[USD100/ton]   |
| Interest Rate       | JPY TIBOR 3mo (%)          | 0.068                 | <b>0.073</b>                        | +0.005 points                   | 0.068                 | 0.1<br>(H2: 0.1)                      | <b>0.1</b><br>(Q4: 0.1)          |                                 |
|                     | USD LIBOR 3mo (%)          | 2.207                 | <b>0.353</b>                        | -1.854 points                   | 2.036                 | 0.4<br>(H2: 0.3)                      | <b>0.3</b><br>(Q4: 0.3)          |                                 |
| Currency            | USD/JPY Term Average (yen) | 108.67                | <b>106.11</b>                       | JPY appreciation<br>by 2.56 yen | 108.74                | 106<br>(H2: 105)                      | <b>105</b><br>(Q4: 105)          | approx. JPY0.6bn/[JPY1/USD]     |
|                     | USD/JPY Term-end (yen)     | Mar-31-2020<br>108.83 | <b>Dec-31-2020</b><br><b>103.50</b> | JPY appreciation<br>by 5.33 yen | Mar-31-2020<br>108.83 | Mar-31-2021<br>105                    | <b>Mar-31-2021</b><br><b>105</b> |                                 |

| Commodity Volume |  | FYE 3/2019 | FYE 3/2020 | FYE 3/2021                                 |
|------------------|--|------------|------------|--|
|                  |  | Full-year  | Full-year  | Initial plan<br>announced on<br>May-7-2020 |
| Oil, Gas         | Equity Production Volume<br>(K boe/day)                | 30         | 29         | <b>24</b>                                  |
|                  | Upper: [Oil & Gas Development] *2<br>Lower: [Total] *3 | 34         | 32         | <b>28</b>                                  |
| Copper           | Equity Sales Volume (K ton)                            | 133        | 140        |  |
| Coking Coal      | Equity Sales Volume (K ton)                            | 5,668      | 6,347      |  |

\*1 March-to-November average for Q1-Q3s, 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 7, 2020

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