

# 2022.12

## Consolidated Financial Results Q3 FYE 3/2023

February 3, 2023    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 Q1-Q3 FYE 3/2023

- **Net profit** amounted **¥463.5bn (+¥136.0bn year on year)** Adjusted net profit was **¥431.0bn (+¥70.0bn year on year)**
  - Driven by profit growth in *non-resources*, both net profit and adjusted net profit marked record highs by a large margin
  - Progress to the previous full-year net profit forecast (announced on Nov-4-2022) is 91%
  - The gain on the sale of Gavilon's grain business ¥56.9bn\* was recorded in the third quarter \* Amount based on provisional share transfer price
- **Core operating cash flow** grew to a record high of **+¥466.7bn (+¥47.2bn year on year)**
- **Shareholders' equity** was **¥2.7tn (approx. +¥490.0bn from the previous fiscal year-end)** due mainly to increase in retained earnings. Additionally, because of the lowered net interest-bearing debt in response to the sale of Gavilon's grain business, **net DE ratio** stood at 0.58 times (improved by 0.25 points from the previous fiscal year-end)

(billion yen)	Q1-Q3 FYE 3/2022	Q1-Q3 FYE 3/2023	Variance
Net profit	327.4	463.5	+136.0 (+42%)
Adjusted net profit	361.0	431.0	+70.0 (+19%)
Core operating cash flow	+419.6	+466.7	+47.2 (+11%)
Free cash flow after shareholder distributions (excluding changes in working capital and others)	—	+461.5	—

	Mar-31-2022	Dec-31-2022	Variance
Net DE ratio	0.83 times	0.58 times	improved 0.25 points

\* 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

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

## 02 Full-year Forecast for FYE 3/2023

- Net profit: **¥530.0bn (+¥20.0bn upward revision)** Adjusted net profit: **¥520.0bn (+¥30.0bn upward revision)**

- Reflecting the favorable earnings progress, the full-year forecasts have been revised upward
- Net profit forecast includes an approx. -¥20.0bn cushion to prepare for a contingency

- Forecast for **annual dividend per share** has been revised **upward to ¥78.0** (+3.0 per share from the previous forecast announced on Nov-4-2022) according to the upward revision of the net profit forecast

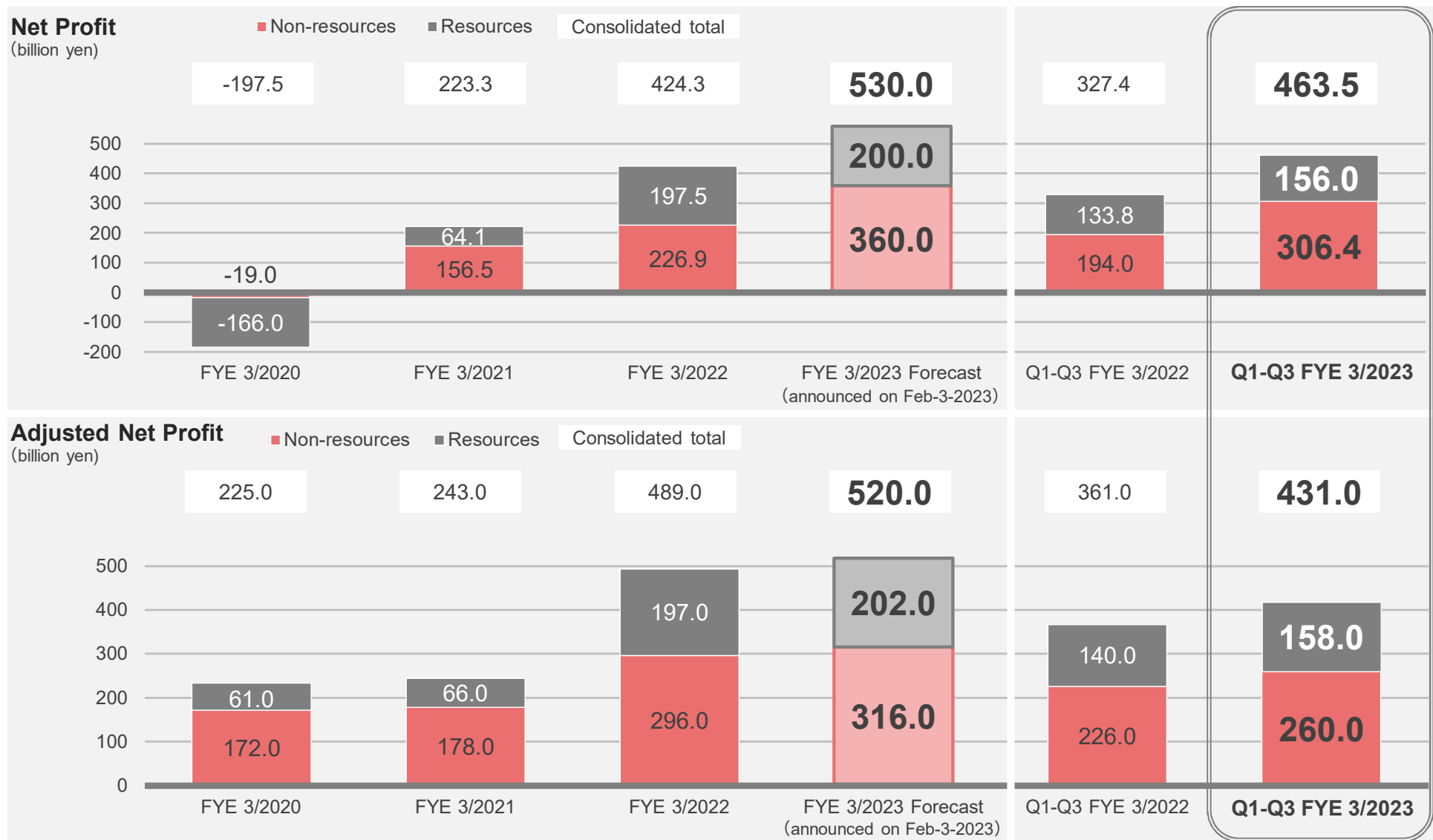
**New Shareholder Returns Policy**  
(→PP.10-11)

- **Basic policy to pay a stable dividend** over the long term **while increasing dividends through the Company's medium- and long-term profit growth**
- For the period of the GC2024 Mid-Term Management Strategy (FYE 3/2023 - FYE 3/2025), adopt a **progressive dividend policy** with no reduction in dividends, and conduct **flexible share buybacks targeting a total payout ratio of around 30%-35%**

(billion yen)	FYE 3/2023 forecast announced on		Change
	Nov-4-2022	Feb-3-2023	
Net profit	510.0	530.0	+20.0
Adjusted net profit	490.0	520.0	+30.0
Core operating cash flow	+570.0	+580.0	+10.0
Free cash flow after shareholder distributions (excluding changes in working capital and others)	+450.0	+470.0	+20.0
ROE	approx. 20%	approx. 20%	—
Net DE ratio	approx. 0.6~0.7 times	approx. 0.6 times	—
Dividend per share (annual)	75.0 yen (minimum) interim(paid) 37.5 yen, year-end(forecast) 37.5 yen	78.0 yen* interim(paid) 37.5 yen, year-end(forecast) 40.5 yen	+3.0 yen

\* Initially set as an annual dividend under the progressive dividend policy

# 03 Net Profit and Adjusted Net Profit

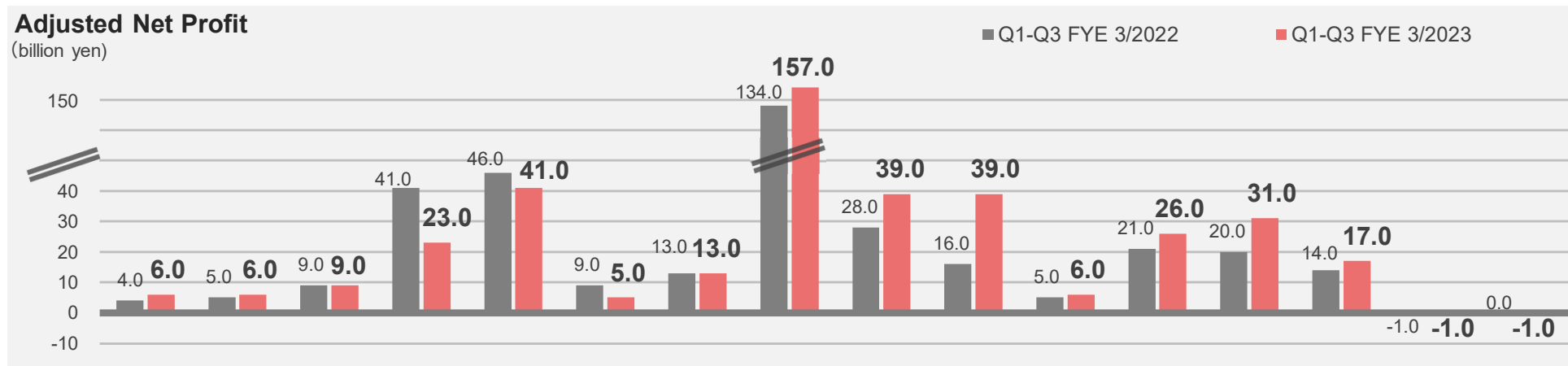
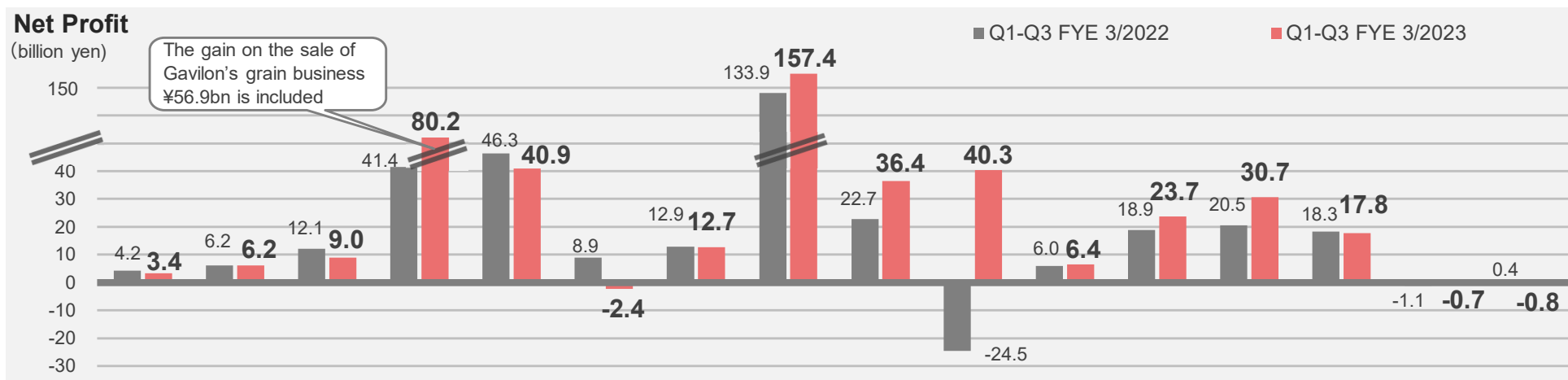


\* Resources: Total of "Energy" and "Metals & Mineral Resources" excluding "Steel Products Dept."  
 Other: Total of "Next Generation Business Development", "Next Generation Corporate Development" and "Other"  
 Non-resources: Other than the above

\* "Other"

(billion yen)	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023 Forecast (announced on Feb-3-2023)	FYE 3/2022 Q1-Q3	FYE 3/2023 Q1-Q3
Net profit	-12.4	2.7	-0.0	-30.0	-0.3	1.0
Adjusted net profit	-8.0	-1.0	-4.0	2.0	-5.0	13.0

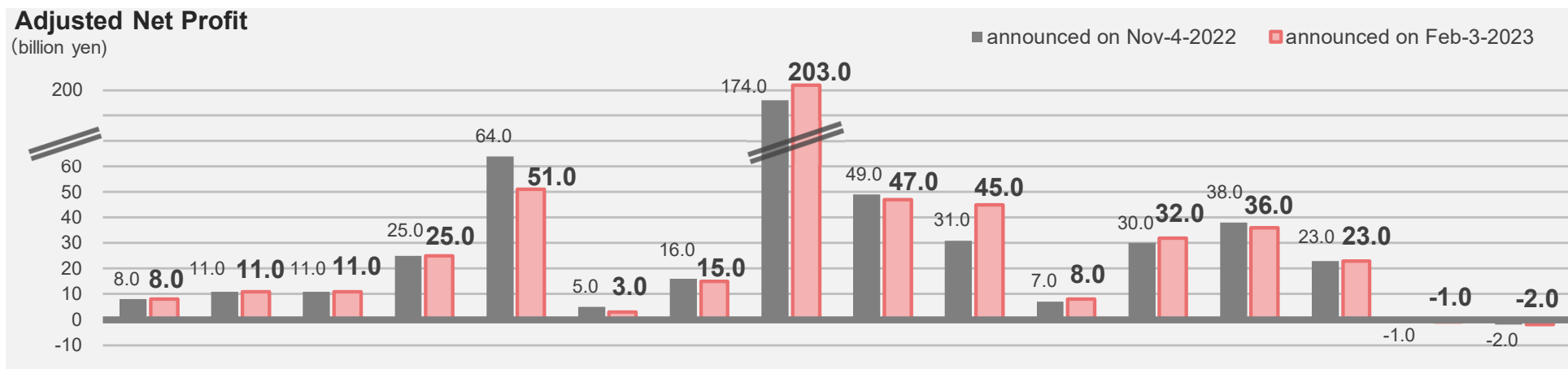
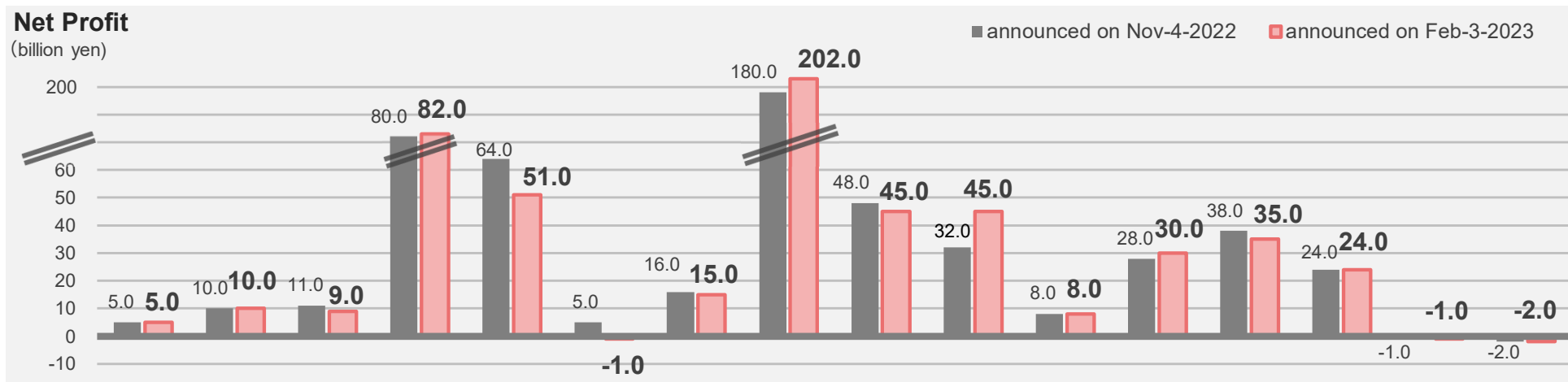
# 04 Profit by Segment Q1-Q3 FYE 3/2023 vs Q1-Q3 FYE 3/2022



Lifestyle	ICT Business & Logistics	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 3/2022 has been reclassified due to organizational changes. Please refer to P2 of "IR Supplementary Information" for the details

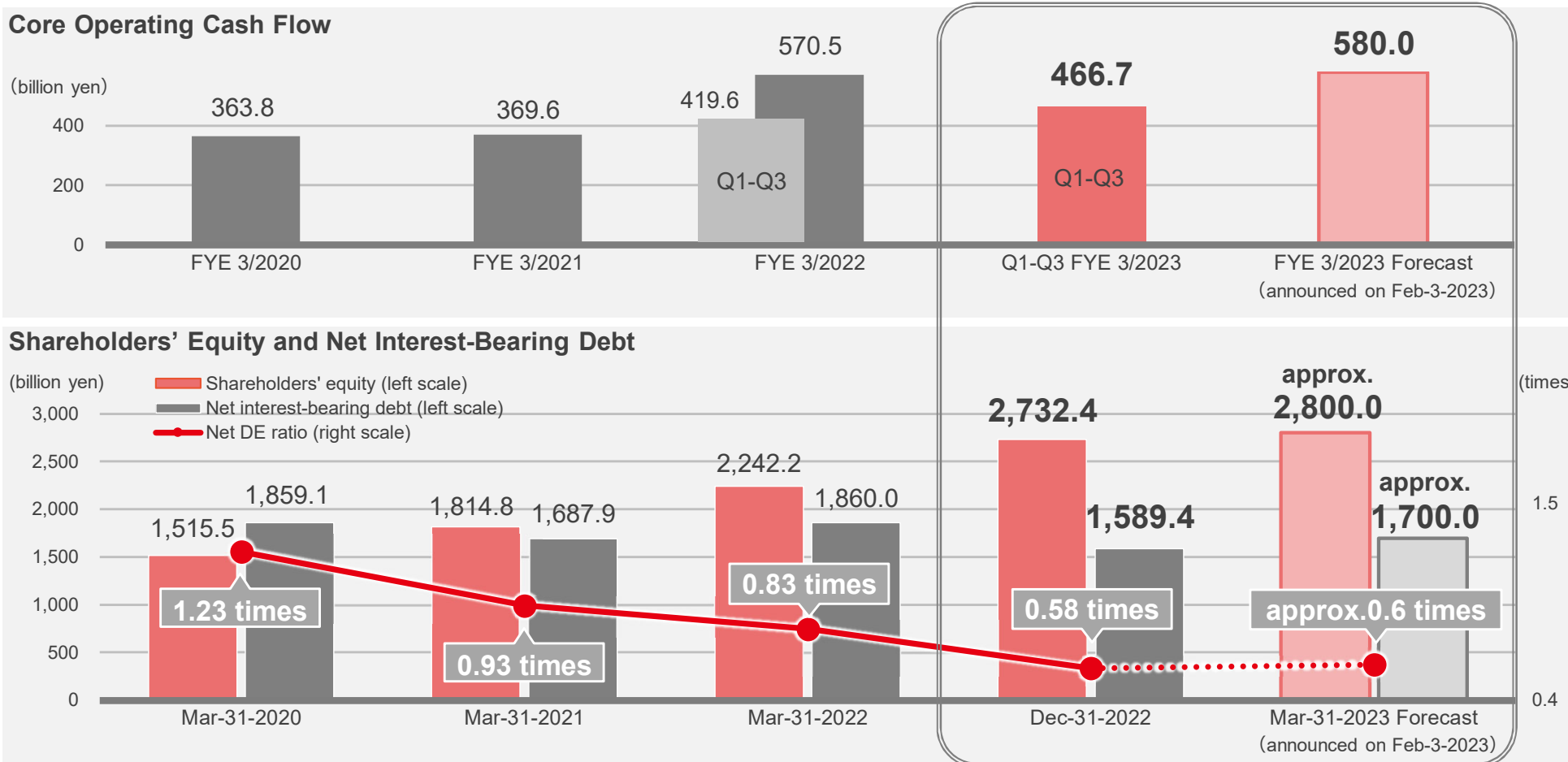
# 05 Profit Forecast by Segment announced on Feb-3-2023 vs Nov-4-2022



Lifestyle	ICT Business & Logistics	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	

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

- Core operating cash flow forecast for FYE 3/2023 has been revised upward to ¥580.0bn (+¥10.0bn from the previous forecast announced on Nov-4-2022)
- Funds collected through the sale of Gavilon's grain business have been used for debt repayment, lowering the net DE ratio forecast for Mar-31-2023 to approx. 0.6 times. Management with rigorous financial discipline will be maintained

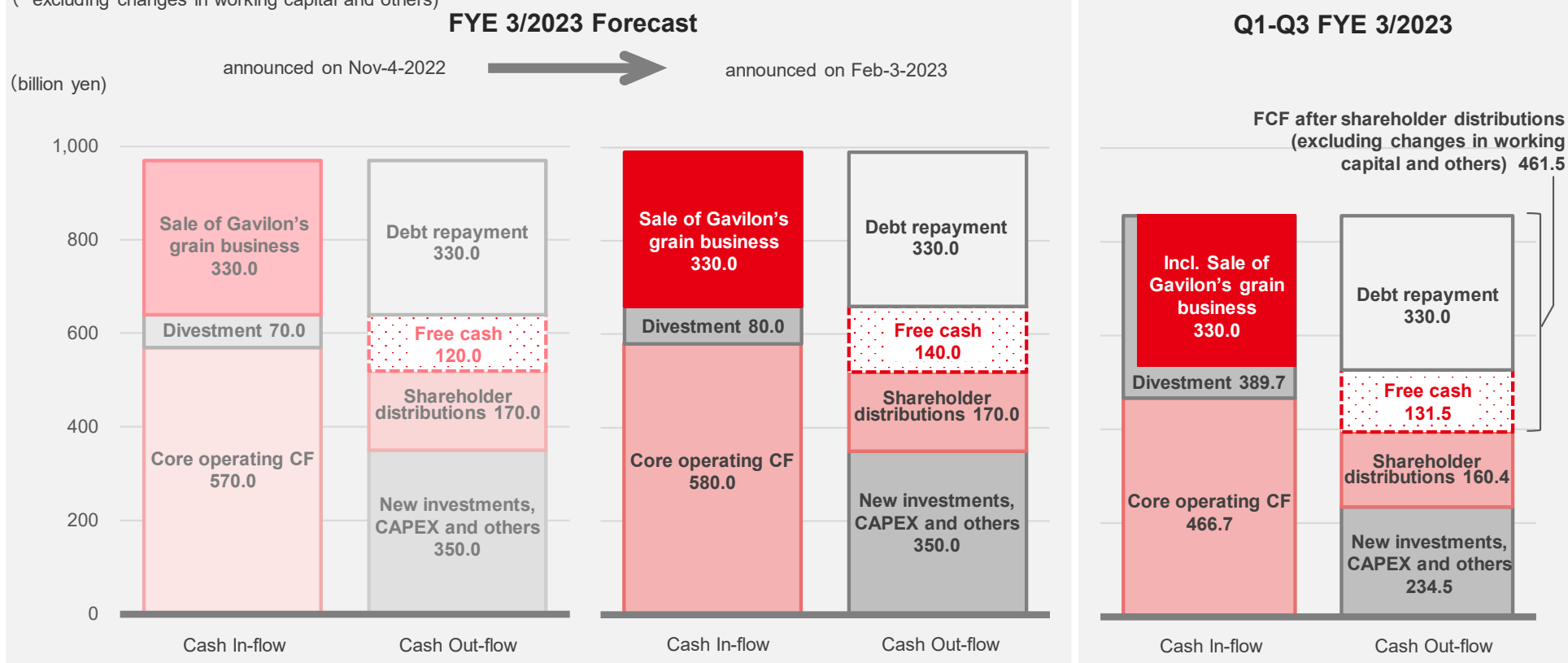


# 07 Capital Allocation

- Funds collected through the sale of Gavilon's grain business (approx. ¥330.0bn \*) have been used for debt repayment
  - \* Amount based on provisional share transfer price
- After the allocation, free cash in FYE 3/2023 is estimated to be ¥140.0bn. Further optimal capital allocation will be pursued
  - Free cash: allocated to new investments, share buybacks or retained for future investment, etc.

## Capital Allocation

(\* excluding changes in working capital and others)





# 08 New Investments and Divestments Main Items for Q1-Q3 FYE 3/2023

		*2					(billion yen)
		Q1-Q3 FYE 3/2023				Q1-Q3 FYE 3/2023 Main items	FYE 3/2023 Forecast (announced on Feb-3-2023)
			Horizon 1	Horizon 2	Horizon 3		
New Investments + CAPEX and others *1		- 234.5	- 112.3	- 95.2	- 27.0		- 350.0
New Invest- ments	Distribution Business	- 113.5	- 38.2	- 12.1	- 26.1	<ul style="list-style-type: none"> <li>·Manufacturing and sales of spices and seasonings (Euroma, Netherland)</li> <li>·Healthcare turnkey solutions provider(Lunatus, UAE)</li> <li>·Agri-input related business (Helena, USA)</li> <li>·Manufacturing and sales of instant coffee (Iguacu Vietnam, Vietnam)</li> <li>·Beef processing and sales business (Creekstone, USA)</li> <li>·Marketing of livestock, meats and processed products (Wellfam Foods, Japan)</li> </ul>	- 200.0
	Finance Business		- 9.0	- 8.1	- 0.9		
	Stable Earnings- Type Business		- 64.3	- 64.3	-	<ul style="list-style-type: none"> <li>·Power generation business (renewable energy, etc.)</li> <li>·FPSO projects (Brazil)</li> </ul>	
	Natural Resource Investments		- 2.0	- 2.0	-		
CAPEX and others	excluding Natural Resource Investments	- 121.1	- 112.2	- 112.2		<ul style="list-style-type: none"> <li>·Agri-input related business (Helena, USA) *3</li> <li>·MUSI pulp business (Indonesia)</li> <li>·Beef processing and sales business (Creekstone, USA)</li> </ul>	- 150.0
	Natural Resource Investments		- 8.8	- 0.1	- 8.8		
Divestment		+389.7				<ul style="list-style-type: none"> <li>·Gavilon's grain business (approx. 330.0 billion yen)</li> <li>·Oil and Gas E&amp;P (Gulf of Mexico, USA)</li> <li>·Shareholder loan for copper mining business (Chile)</li> <li>·Cross-shareholdings</li> </ul>	+410.0
Total		+155.2					+60.0

\*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 -42.0 billion yen of short-term agriculture loan which Helena (USA) provided to customers

# 09 Markets and Commodity Volumes

Markets		FYE 3/2022 Q1-Q3 Ave.	FYE 3/2023 Q1-Q3 Ave.	Variance	FYE 3/2022 Full-year	FYE 3/2023 Full-year Assumption for the Forecast announced on		Sensitivity to *4 Net Profit
						Nov-4-2022	Feb-3-2023	
Oil	WTI (USD/bbl)	71	<b>94</b>	+ 23	77	92	<b>91</b> (Q4: 80)	approx. JPY0.3bn/[USD1/bbl]*5
Copper	LME (USD/ton) *1	9,533	<b>8,632</b>	- 901	9,588	8,525	<b>8,700</b> (Q4: 8,800)	approx. JPY1.1bn/[USD100/ton]
Interest Rate	JPY TIBOR 3 months (%)	0.061	<b>0.062</b>	+ 0.001 points	0.063	0.1	<b>0.1</b> (Q4: 0.1)	
	USD LIBOR 3 months (%)	0.148	<b>3.038</b>	+ 2.890 points	0.242	3.5	<b>3.6</b> (Q4: 5.2)	
Currency	USD/JPY Term Average (yen)	111.10	<b>136.51</b>	JPY depreciation by 25.41yen	112.38	134	<b>136</b> (Q4: 134)	approx. JPY1.8bn/[JPY1/USD]
	USD/JPY Term-end (yen)	Mar-31-2022 122.39	<b>Dec-31-2022</b> <b>132.70</b>	JPY depreciation by 10.31yen	Mar-31-2022 122.39	Mar-31-2023 134	<b>Mar-31-2023</b> <b>134</b>	
Commodity Volumes		FYE 3/2022 Q1-Q3	FYE 3/2023 Q1-Q3	Variance	FYE 3/2022 Full-year	FYE 3/2023 Initial Plan		
Oil, Gas	Equity Production Volume (K boe/day)	20	<b>10</b>	- 10	19	<b>11</b>		
	Upper: [Oil and Gas E&P] *2 Lower: [Total] *3	24	<b>12</b>	- 12	22	<b>14</b>		
Copper	Equity Sales Volume (K ton)	100	<b>91</b>	- 9	133			
Coking Coal	Equity Sales Volume (K ton)	4,565	<b>4,547</b>	- 18	5,916			

\*1) March-to-November average for Q1-Q3, March-to-February average for full-year

\*2) Total of oil and gas E&P at Gulf of Mexico (USA) and 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

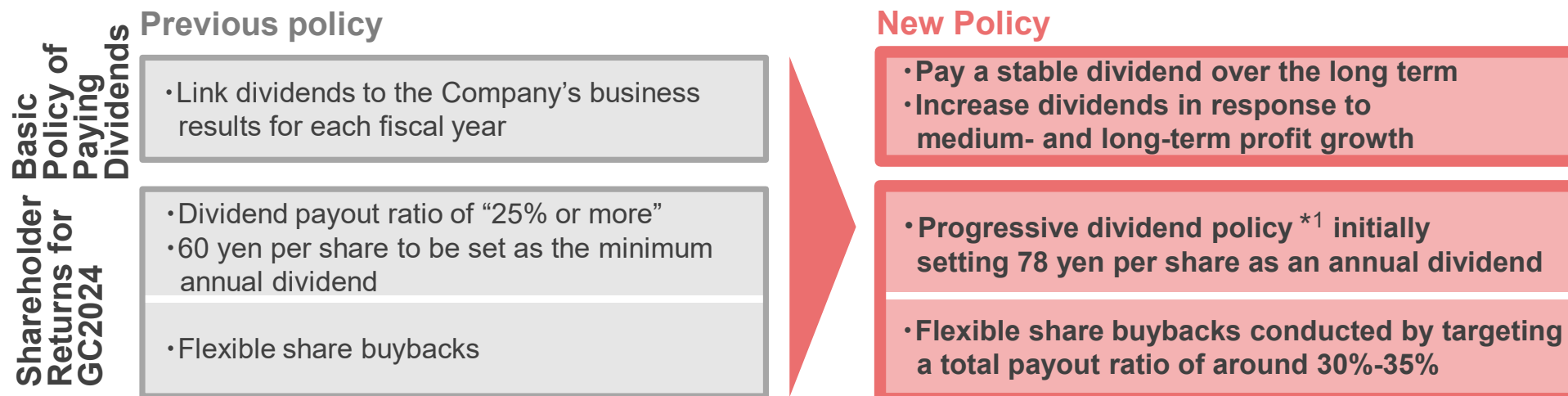
\*4) Sensitivity to the full-year forecast for FYE 3/2023 announced on May 6, 2022

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

# New Shareholder Returns Policy

Basic Policy of Paying Dividends  
Shareholder Returns for GC2024

# ○ New Shareholder Returns Policy



Improve shareholder returns based on the progress in enhancement and strengthening of earnings and financial bases

**Adopt a progressive dividend policy aiming to pay a stable dividend over the long term**

Continue to strive for **medium- to long-term profit growth** and **improvement of TSR<sup>\*2</sup>** through optimal capital allocation and strategy implementation

Reference: Marubeni's business progress (FYE 3/2023)

Earnings Base

- ✓ Achieved record high profit for two consecutive years. Net profit is forecasted to grow to 530.0 billion yen
- ✓ Targeting a record high core operating cash flow of 580.0 billion yen with the non-resource businesses as a growth driver

Financial Base

- ✓ Collected funds of approx. 330.0 billion yen through the sale of Gavilon's grain business (October 2022)
- Net DE ratio is forecasted to be approx. 0.6 times at the historical lowest level, shareholder equity to be the largest level of approx. 2.8 trillion yen (both for Mar-31-2023)
- ✓ Improved credit ratings (S&P, R&I, and JCR upgraded the credit ratings, Moody's changed the outlook to "positive")

\*1) Progressive dividend policy: No reduction in dividends, but maintenance or increase of dividends

\*2) Total Shareholder Return: (Capital gains + Dividends) / Purchase price (Invested amount)

# ○ Shareholder Returns for GC2024

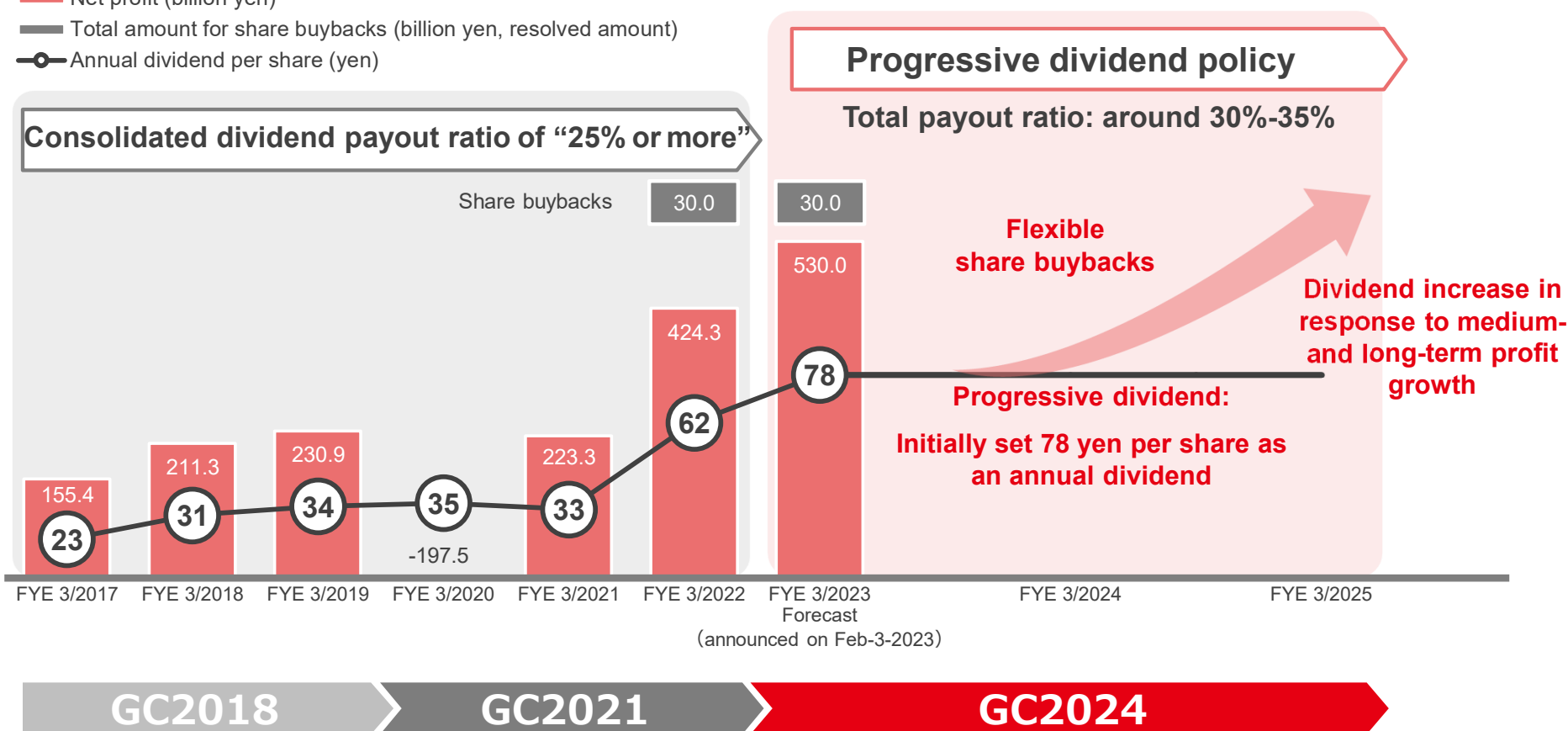
FYE 3/2023

Adopt a **progressive dividend policy**. Initially set 78 yen per share as an annual dividend  
Based on the financial results for the Q4, **share buybacks will be considered** targeting a **total payout ratio of around 30%-35%**

FYE 3/2024~

Aim to increase dividend through profit growth  
Conduct **flexible share buybacks** targeting a total payout ratio of around 30%-35%

- Net profit (billion yen)
- Total amount for share buybacks (billion yen, resolved amount)
- Annual dividend per share (yen)





Global crossvalue platform  
**Marubeni**