

2024.09

Consolidated Financial Results Q2 FYE 3/2025

November 1, 2024 TSE Code: 8002

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01 Key Factors of Q1-Q2 FYE 3/2025

- **Net profit** was **¥238.1bn (-¥13.2bn YOY)** Progress to the initial FYE 3/2025 full-year forecast (May-2-2024) is **50%**
- **Adjusted net profit** was **¥224.0bn (-¥20.0bn YOY)** Progress likewise is **49%**

Breakdown of adjusted net profit:

- Non-resources ¥161.0bn (-¥4.0bn YOY): Increased in *Aerospace & Ship, Chemicals, Forest Products*, etc. Decreased in *Construction, Industrial Machinery & Mobility, Food II, Agri Business*, etc.
- Resources ¥60.0bn (-¥11.0bn YOY): Decreased in the coking coal and iron ore businesses, etc., due to the lower commodity prices

- **Core operating cash flow** was **+¥305.9bn (+¥39.5bn YOY)** Progress likewise is **54%**

(billion yen)	Q1-Q2 FYE 3/2024	Q1-Q2 FYE 3/2025	Change
Net profit	251.3	238.1	-13.2 (-5%)
Adjusted net profit	244.0	224.0	-20.0 (-8%)
Core operating cash flow	+266.4	+305.9	+39.5 (+15%)
Free cash flow after shareholder distributions (excluding changes in working capital and others)	-51.2	-259.0	-207.8
	Mar-31-2024	Sep-30-2024	Change
Net DE ratio	0.55 times	0.64 times	+0.09 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

02 Full-year Forecast for FYE 3/2025

- FYE 3/2025 full-year forecast for **Net profit and Adjusted net profit** remains unchanged as initially announced on May-2-2024
- Net profit forecast includes **an approx. -¥30.0bn cushion to prepare for a contingency**

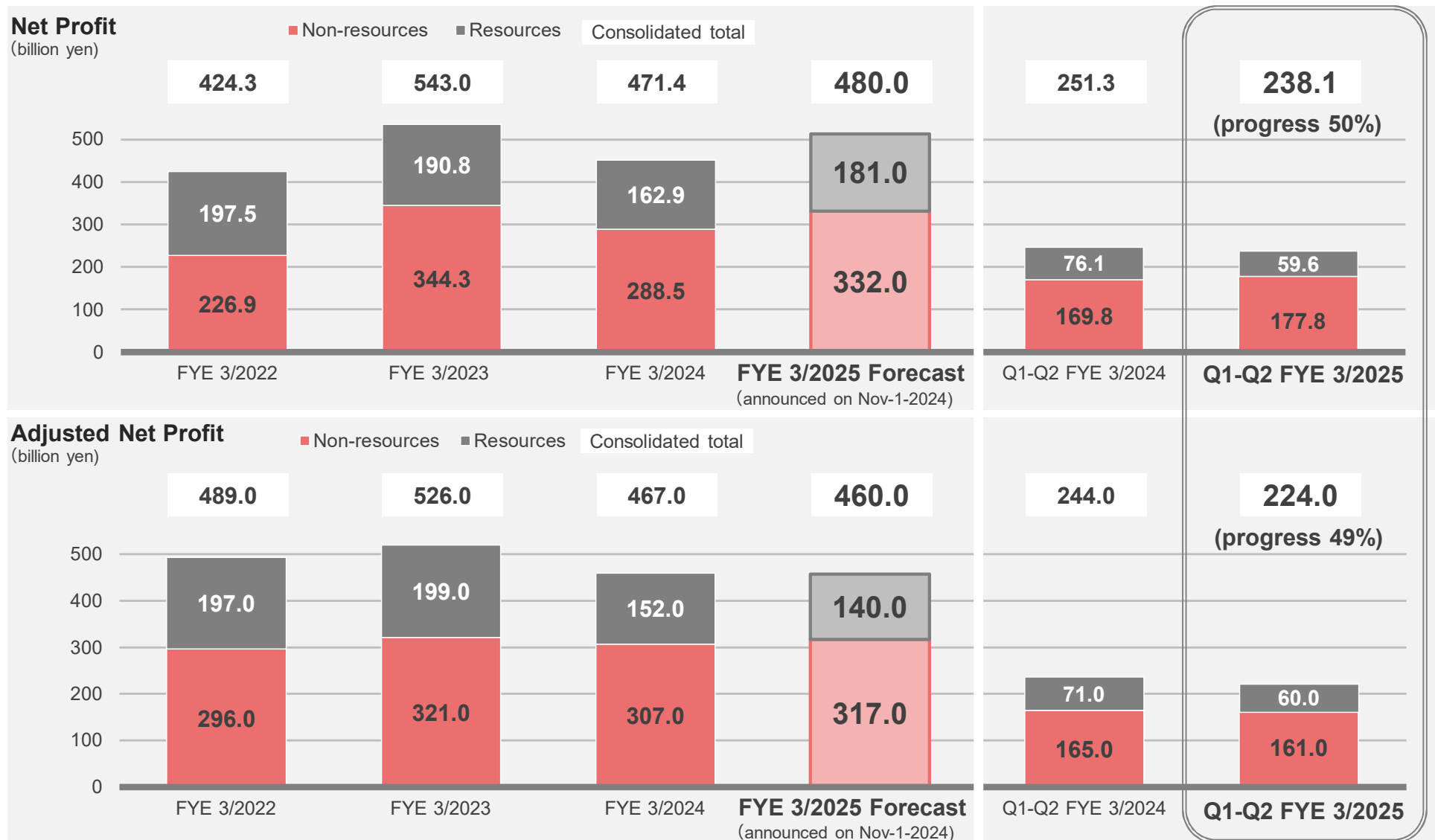
Breakdown of adjusted net profit:

- Non-resources ¥317.0bn (-¥4.0bn downward revision): Increases in *Power*, etc.
Decreases in *Agri Business*, *Food II*, etc.
- Resources ¥140.0bn (-¥7.0bn downward revision): Decreases in iron ore and coking coal businesses due to the lower commodity prices

- **Core operating cash flow: +¥580.0bn (+¥10.0bn upward revision)** Almost the same level as the record high
- Forecast for **annual dividend** per share is ¥90.0. Unchanged as initially announced on May-2-2024

(billion yen)	FYE 3/2025 forecast announced on		Change
	May-2-2024	Nov-1-2024	
Net profit	480.0	480.0	±0.0
Adjusted net profit	460.0	460.0	±0.0
Core operating cash flow	+570.0	+580.0	+10.0
Free cash flow after shareholder distributions (excluding changes in working capital and others)	- 140.0	- 140.0	±0.0
ROE	around 15%	around 15%	—
Net DE ratio	around 0.6~0.7 times	around 0.6~0.7 times	—
Dividend per share (annual)	90 yen interim 45 yen, year-end 45 yen	90 yen interim 45 yen, year-end(forecast) 45 yen	—

03 Net Profit and Adjusted Net Profit

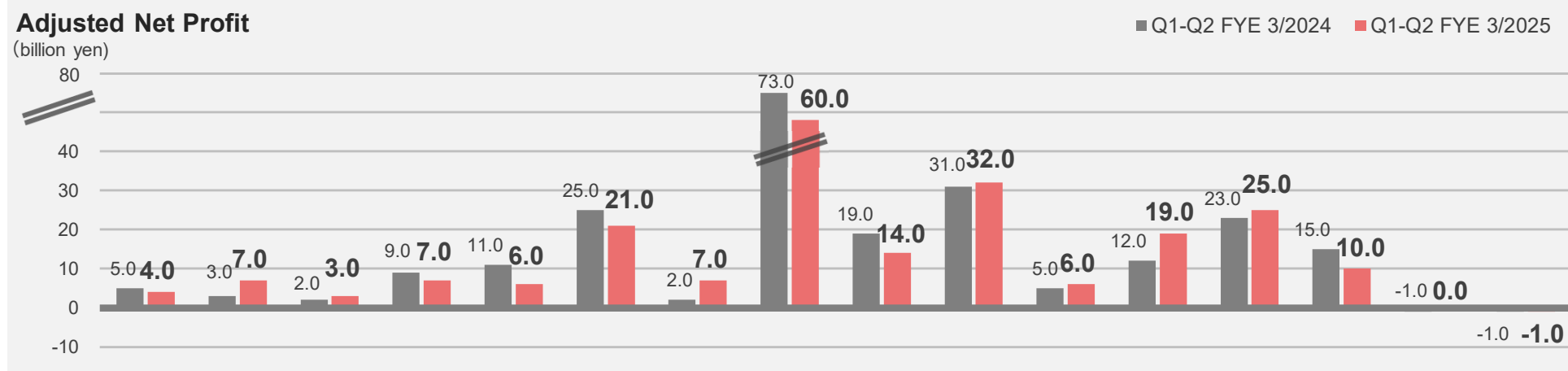
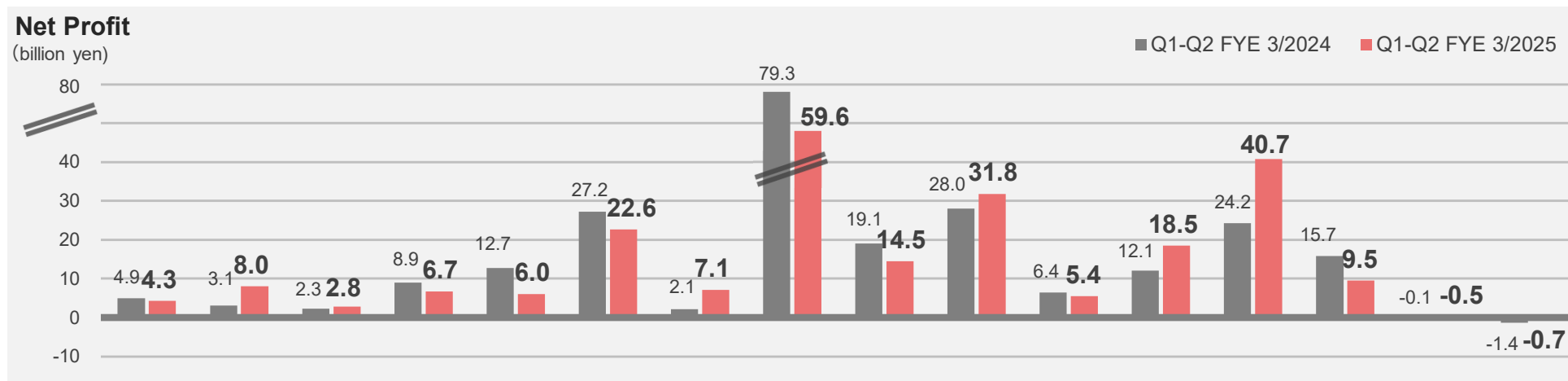


* Resources: Total of "Energy" and "Metals & Mineral Resources" excluding "Steel Products Dept."
 Other: Total of "Next Generation Business Development", "Next Generation Corporate Development" and "Other"
 Non-resources: Other than the above

* Progress ratios represent progress against the revised full-year forecast announced on Nov-1-2024

* "Other"	(billion yen)	FYE 3/2022	FYE 3/2023	FYE 3/2024	FYE 3/2025 Forecast announced on Nov-1-2024	FYE 3/2024 Q1-Q2	FYE 3/2025 Q1-Q2
Net profit		-0.0	7.9	20.0	-33.0	5.3	0.8
Adjusted net profit		-4.0	6.0	8.0	3.0	8.0	3.0

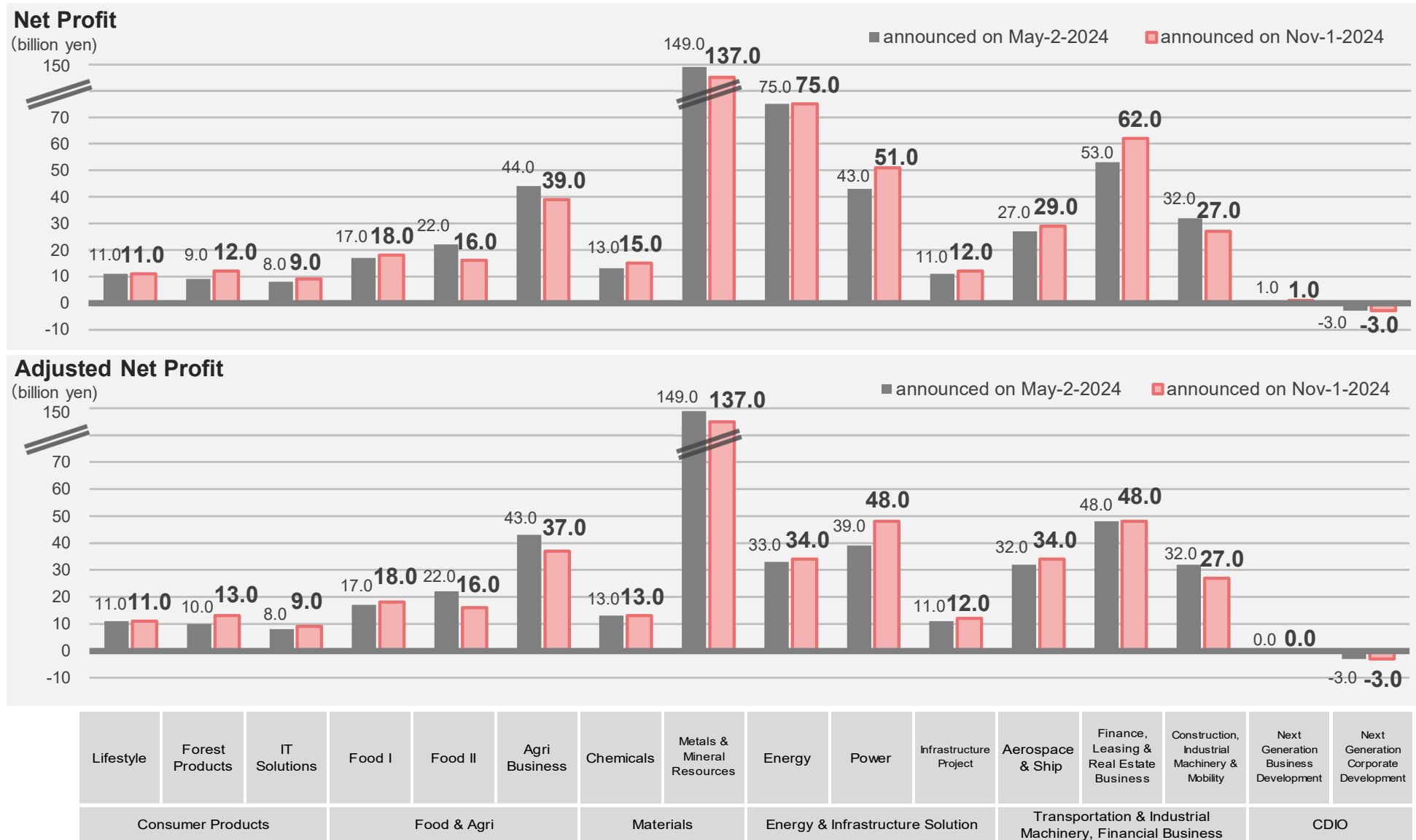
04 Profit by Segment Q1-Q2 FYE 3/2024 vs Q1-Q2 FYE 3/2025



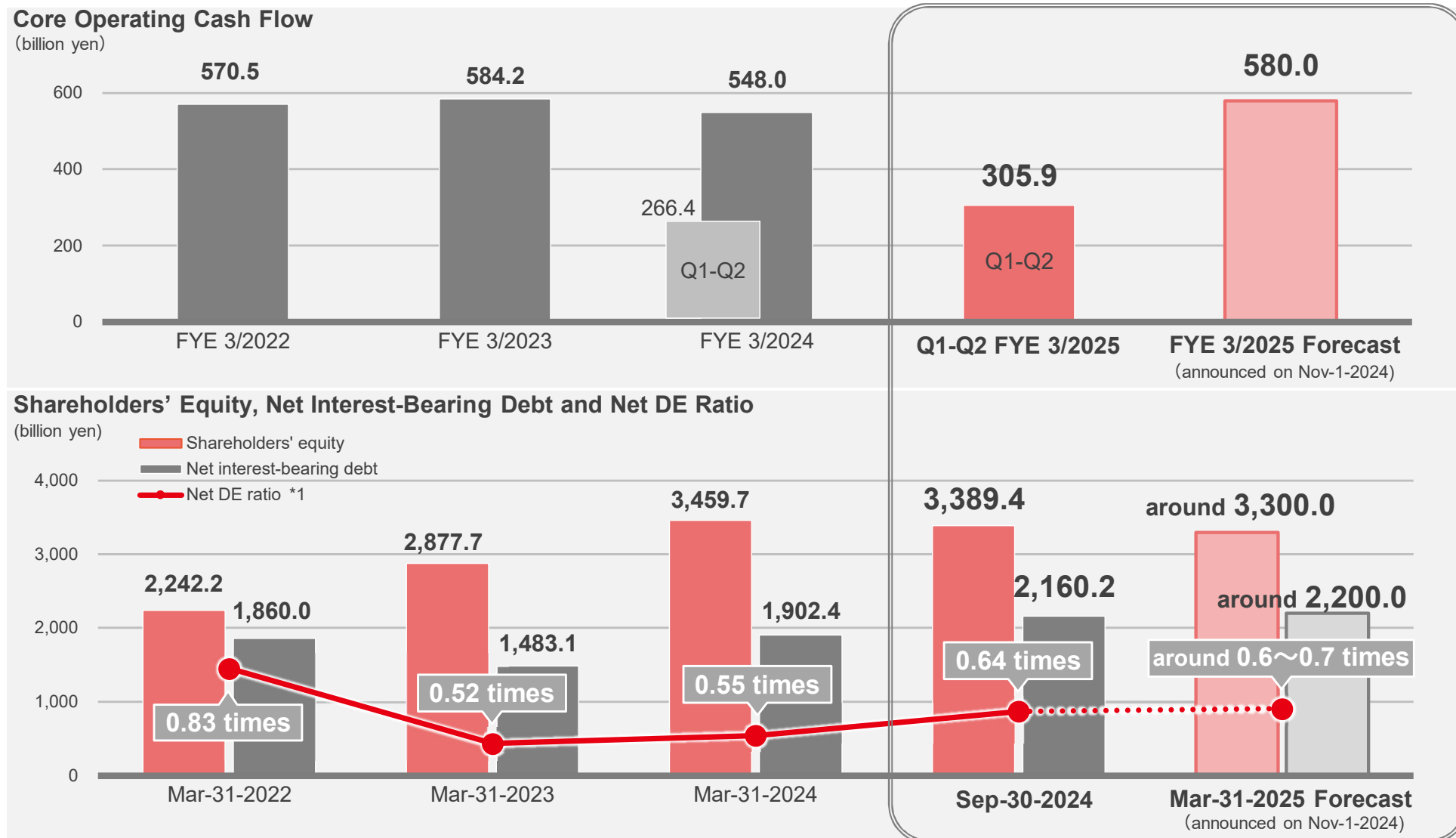
Lifestyle	Forest Products	IT Solutions	Food I	Food II	Agri Business	Chemicals	Metals & Mineral Resources	Energy	Power	Infrastructure Project	Aerospace & Ship	Finance, Leasing & Real Estate Business	Construction, Industrial Machinery & Mobility	Next Generation Business Development	Next Generation Corporate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

* Based on the FYE 3/2025 segments. Operating segment information for FYE 3/2024 has been restated due to organizational changes. Please refer to P2 of "IR Supplementary Information" for the details

05 Profit Forecast by Segment announced on May-2-2024 vs Nov-1-2024



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



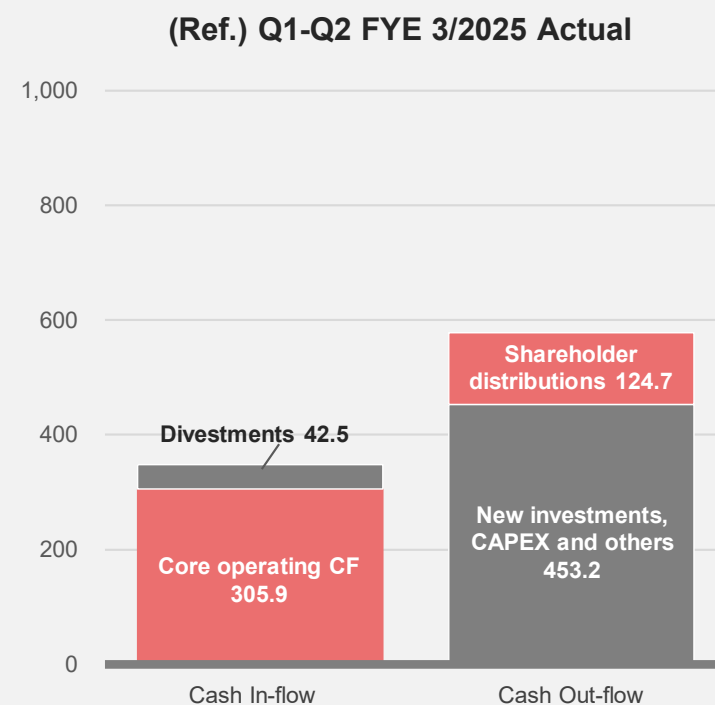
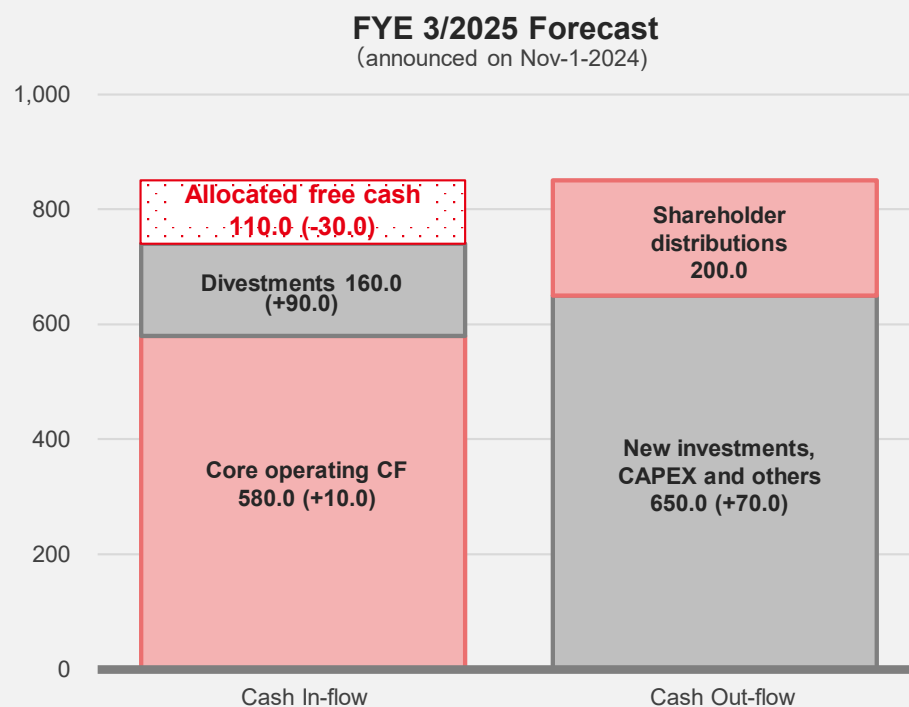
*1 For FYE 3/2023 and beyond, the denominator to calculate net DE ratio has been changed from "total equity" to "shareholders' equity." Net DE ratio for Mar-31-2022 has been re-presented accordingly

07 Capital Allocation FYE 3/2025 Forecast

- We forecast increases in core operating cash flow (+¥10.0bn) and in divestments (+¥90.0bn) compared to the initial forecast. As a result, the total cash in-flow is expected to increase by +¥100.0bn
- In response to increased cash in-flow, growth investments (new investments, CAPEX and others) will be increased by +¥70.0bn. With a rich pipeline of potential projects, we will rigorously select and execute high-quality growth investments
- Consequently, free cash allocation improves by ¥30.0bn compared to the initial forecast, amounting to ¥110.0bn. We will **consider additional shareholder distribution** based on cash flow and balance sheet conditions

Capital Allocation *

(billion yen)



*1 Excluding changes in working capital and others. Dividend included in shareholder distributions is aggregated in the fiscal year to which the profit i.e. the source of funds is attributed, and the figures for shareholder distributions are different from cash flow

*2 Figures in parentheses indicate changes from the initial forecast

*3 Free cash balance as of Mar-31-2025 is expected to be approx. ¥470.0bn (+¥30.0bn from the initial forecast)

08 New Investments and Divestments Main Items for Q1-Q2 FYE 3/2025

(billion yen)	*1				Q1-Q2 FYE 3/2025 Main items	FYE 3/2025 Forecast (announced on Nov-1-2024)
	Q1-Q2 FYE 3/2025		Horizon 1	Horizon 2	Horizon 3	
New Investments + CAPEX and others *2	- 453.2		- 142.4	- 279.7	- 31.1	- 650.0
New Investments	Distribution Business	- 81.7		- 51.1	- 30.6	- 480.0
	Finance Business	- 186.9		- 186.3	- 0.5	
	Stable Earnings-Type Business	- 7.5		- 7.5	-	
	Natural Resource Investments	- 25.3		- 25.3	-	
excluding CAPEX and others	Natural Resource Investments	- 142.4	- 142.4			- 170.0
	Natural Resource Investments	- 9.4	- 0.0	- 9.4		
Divestments	+42.5					+160.0
Total	- 410.7					- 490.0

*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

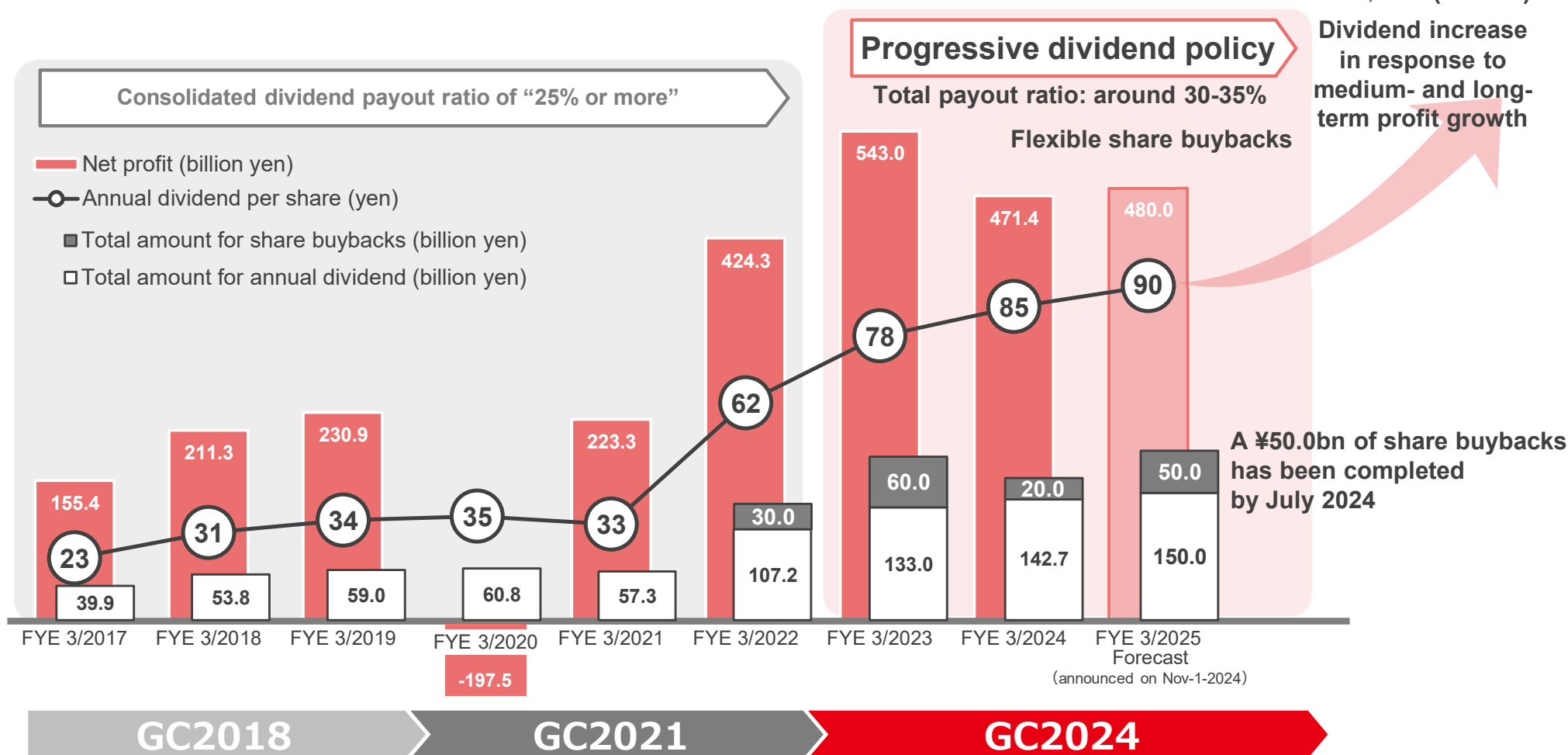
*2 CAPEX and others: additional capital expenditure and others in order to maintain and improve values of existing investments and loans

*3 The amount calculated by deducting the contribution (approx.USD210mil) made by Lithia Motors Inc., to Lithia Marubeni Mobility Holding, LLC (a joint venture between Marubeni and Lithia), from the cash out-flow amount in the cash flow statement.

*4 Including approx. -¥70.0bn of short-term agriculture loan which Helena (USA) provided to customers

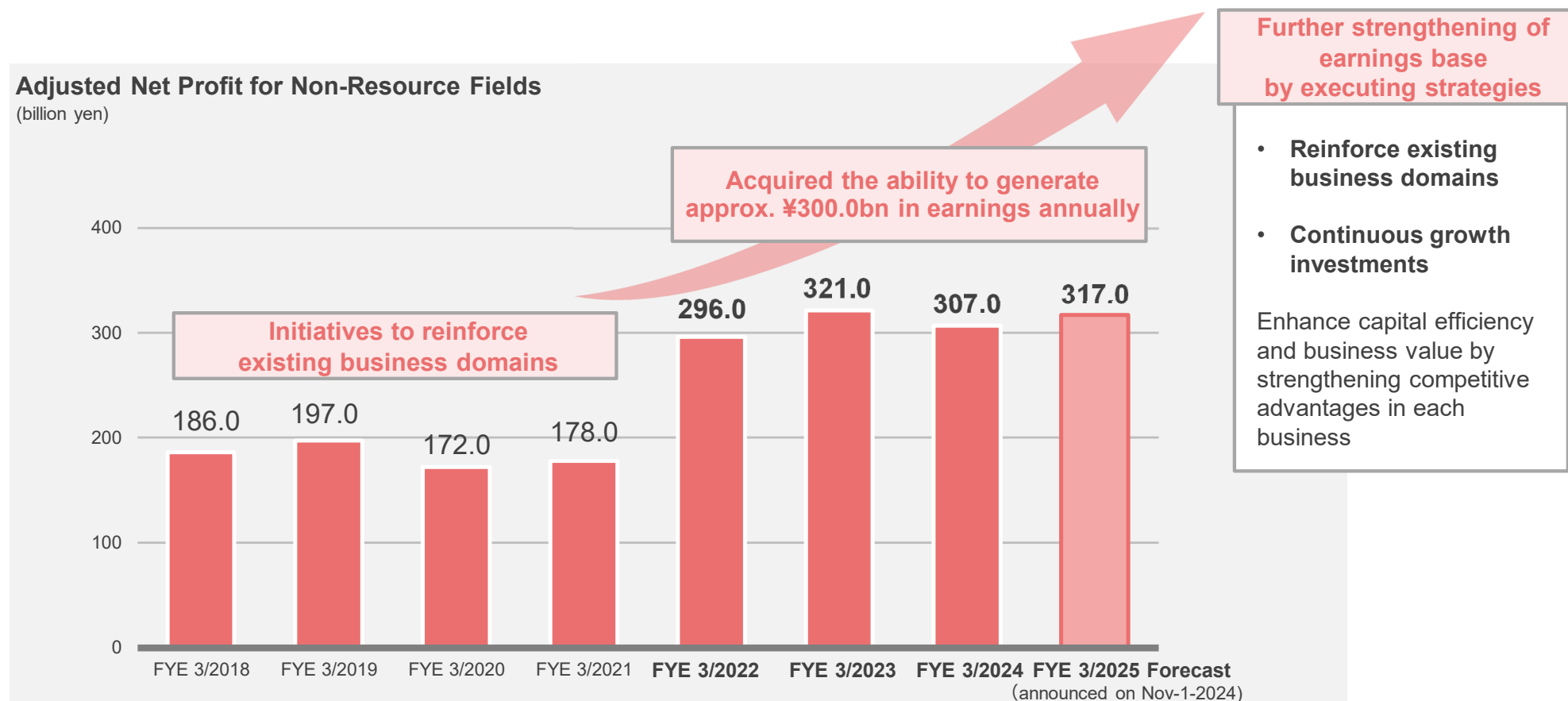
09 Shareholder Returns

- Annual dividend per share for FYE 3/2025 is **forecasted to be ¥90** based on the strengthened earnings base
- For FYE 3/2025, a **¥50.0bn of share buybacks** has been conducted using free cash which is the surplus from accumulated management resources. As the buybacks have been funded by free cash, total payout ratio is expected to exceed the range of around 30-35% (**estimated at 42%**)
- We will **consider additional shareholder distribution** based on future cash flow and balance sheet conditions, etc. (ref. P7)



10 Adjusted Net Profit Growth in Non-Resource Fields

- FYE 3/2025 full-year forecast for **adjusted net profit for the non-resource fields is ¥317.0bn**. Expected to achieve **around ¥300.0bn for the fourth consecutive year**
- Growth investments are continued to be allocated mainly to the existing business domains centered on the non-resource fields with our competitive advantages. Simultaneously investments to new business domains will be enhanced to establish future earnings pillars



11 Growth Investments during the GC2024 Period (FYE 3/2023-FYE 3/2025)

- Growth investments under the GC2024 are progressing smoothly. Three-year cumulative amount is forecast to be approx. ¥1.4tn against the original plan of ¥1.0tn. Aiming at the ROE target of 15%, investment projects are rigorously selected
- Our investment pipeline is rich in projects. We will continue executing growth strategies in each business domain while maintaining financial and investment discipline

GC2024 Basic Policy for Growth Investments (Three-year cumulative plan: ¥1,000.0bn +α)		Growth Investment (billion yen, shown in an approximate figure)	Major Business Fields	Major Initiatives (FYE 3/2023 – FYE 3/2025)																
<div>Horizon 1 Improvement of existing businesses</div> <div>Horizon 2 Pursuit of strategies in existing business domains</div>	<div>Enhancing the earnings base by selectively investing</div> <div>in areas with high profitability based on the company's competitive advantages</div> <div>¥800.0-900.0bn</div>	<table><thead><tr><th></th><th>FYE 3/2023 actual</th><th>FYE 3/2024 actual</th><th>FYE 3/2025 forecast</th><th>Three-year total</th></tr></thead><tbody><tr><td>Non-resources</td><td>200.0</td><td>310.0</td><td>510.0</td><td>1,020.0</td></tr><tr><td>Resources</td><td>15.0</td><td>50.0</td><td>70.0</td><td>135.0</td></tr></tbody></table>		FYE 3/2023 actual	FYE 3/2024 actual	FYE 3/2025 forecast	Three-year total	Non-resources	200.0	310.0	510.0	1,020.0	Resources	15.0	50.0	70.0	135.0	<div>Lifeline-related (Food, Agri-input, etc.)</div> <div>Power, Renewable Energy</div> <div>Machinery, Finance & Leasing Business (Fleet Management, etc.)</div> <div>Resources (Expansion Investments, etc.)</div>	<ul style="list-style-type: none">Enhancement of competitiveness and expansion of operating locations in the agri businessesProcessing/marketing of edible specialty fats and oils (USA)Increase in processing capacity and improvement of manufacturing efficiency at Creekstone (USA)Power generation business (renewable energy, etc.)Fleet management business (Donlen - Wheels business, USA)Capital increase in the US aircraft leasing business, AircastleAcquisition of additional equity stakes in Mizuho Leasing (Japan)Expansion of the existing assets and the acquisition of additional stakes in the Chilean copper mining projects	
	FYE 3/2023 actual	FYE 3/2024 actual	FYE 3/2025 forecast	Three-year total																
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<div>Horizon 3 White Space</div>	<div>Investing in core businesses of the future. Targets to be rigorously selected</div> <div>¥100.0-200.0bn</div>	<table><tbody><tr><td></td><td>35.0</td><td>100.0</td><td>70.0</td><td>205.0</td></tr></tbody></table>		35.0	100.0	70.0	205.0	<div>Next Generation Business Development, Next Generation Corporate Development</div> <div>Approaches to new business domains based on existing businesses</div>	<ul style="list-style-type: none">Investment in lifestyle brand management business (USA)Investment in a manufacturer and supplier of food ingredients and packaged food products (Vietnam)Subsidiarization of manufacturing and sales business of spices and seasonings (Netherlands)											
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		<table><tbody><tr><td>Total</td><td>250.0</td><td>460.0</td><td>650.0</td><td>1,360.0</td></tr><tr><td>New investments</td><td>130.0</td><td>290.0</td><td>480.0</td><td>900.0</td></tr><tr><td>CAPEX and others</td><td>120.0</td><td>170.0</td><td>170.0</td><td>460.0</td></tr></tbody></table>	Total	250.0	460.0	650.0	1,360.0	New investments	130.0	290.0	480.0	900.0	CAPEX and others	120.0	170.0	170.0	460.0			
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12 Markets and Commodity Volumes

Markets		FYE 3/2024 Q1-Q2 Ave.	FYE 3/2025 Q1-Q2 Ave.	Change	FYE 3/2024 Full-year	FYE 3/2025 Full-year Assumption for the Forecast announced on		Sensitivity to *1 Net Profit
						May-2-2024	Nov-1-2024	
Oil	WTI (USD/bbl)	78	78	0	78	75	76 (H2: 75)	approx. JPY0.4bn/[USD1/bbl]*2
Copper	LME (USD/ton) *3	8,510	9,380	+ 870	8,374	8,650	9,365 (H2: 9,350)	approx. JPY1.4bn/[USD100/ton]
Interest Rate	JPY TIBOR 3 months (%)	0.07	0.34	+ 0.27	0.08	0.2	0.5 (H2: 0.6)	
	USD SOFR 3 months (%)	5.25	5.20	- 0.05	5.30	4.5	4.9 (H2: 4.5)	
Currency	USD/JPY Term Average (yen)	141.00	152.63	JPY depreciation by 11.63yen	144.62	140	147 (H2: 140)	approx. JPY1.6bn/[JPY1/USD]
	USD/JPY Term-end (yen)	Mar-31-2024 151.41	Sep-30-2024 142.73	JPY appreciation by 8.68yen	Mar-31-2024 151.41	Mar-31-2025 135	Mar-31-2025 135	
Commodity Volumes		FYE 3/2024 Q1-Q2	FYE 3/2025 Q1-Q2	Change	FYE 3/2024 Full-year	FYE 3/2025 Initial Plan (announced on May-2-2024)		
Oil, Gas	Equity Production Volume (K boe/day) *4	10	14	+ 4	11	13		
Copper	Equity Sales Volume (K ton)	59	61	+ 2	123			
Coking Coal	Equity Sales Volume (K ton)	3,003	2,841	- 162	6,141			

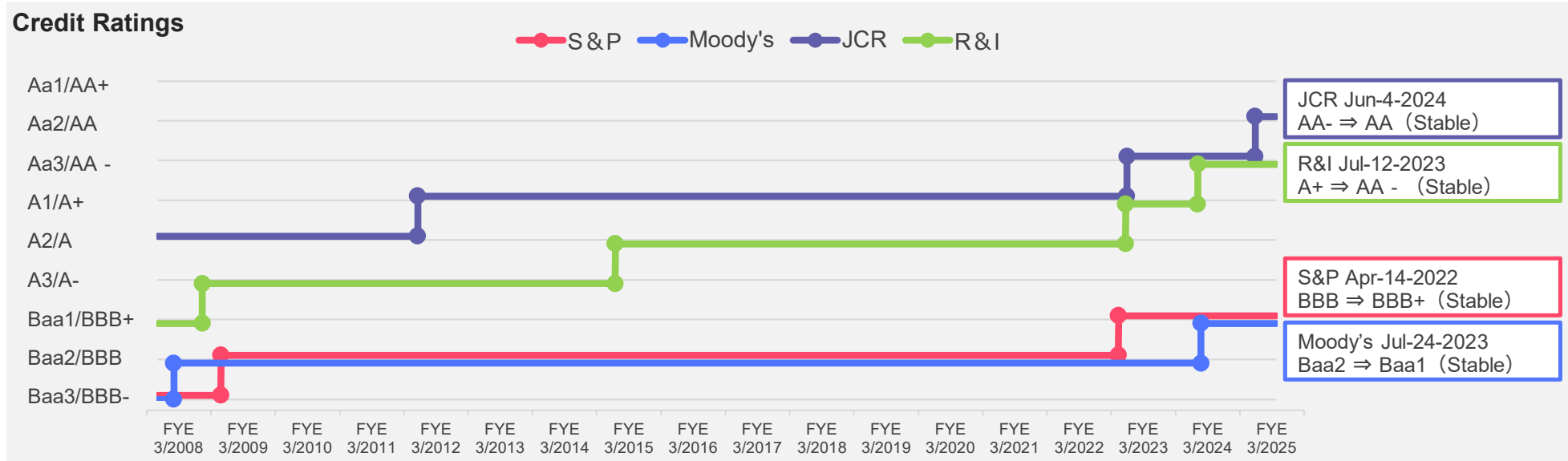
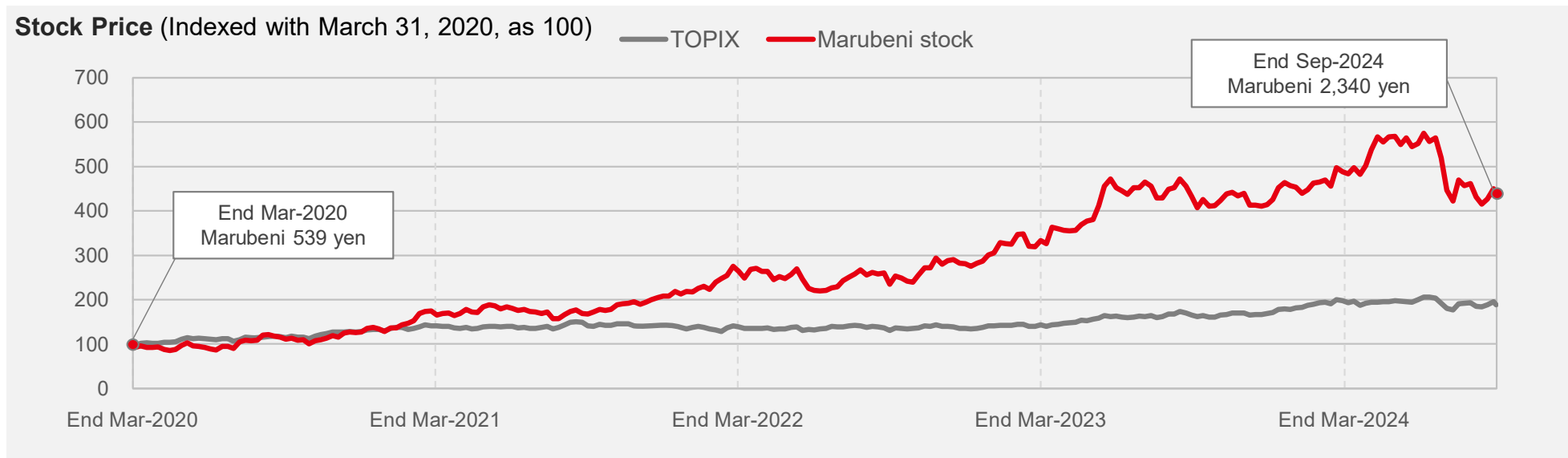
*1 Sensitivity to the initial full-year forecast for FYE 3/2025 announced on May-2-2024

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

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

*4 Total of oil and gas E&P at Gulf of Mexico (USA), US onshore (USA), and Indian Sea

Ref. Stock Price and Credit Ratings





Global crossvalue platform
Marubeni