

# 2019.03

**Consolidated Financial Results**  
**FYE 3/2019**

#### Disclaimer Regarding Forward Looking Statements

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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#### (Notes)

- \* FYE: Fiscal Year Ending/Ended
- \* Profit attributable to owners of the parent is described as *"Net profit"*.
- \* 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.
- \* CAPEX and others: additional capital spending to maintain/improve business values of existing projects and others
- \* P5 "04 Net Profit and Adjusted Net Profit": Business fields for and before FYE 3/2019 are based on the organization as of FYE 3/2019. For FYE 3/2020, based on the new organization reorganized in FYE 3/2020.
- \* P9 "08 Profit by Sub-segment: On April 1, 2018, "Food & Consumer Products" was divided into *"Food"* and *"Consumer Products"*. Parts of *"Lifestyle"* division of *"Consumer Products"* and *"Plant"* division of *"Power Business & Plant"* were incorporated into *"Construction & Industrial Machinery"* division of the *"Transportation & Industrial Machinery"*. In addition, parts of *"Agri-Input Business"* division were incorporated into *"Chemical Products"* division.  
In conjunction with these organizational changes, operating segment information for FYE 3/2018 has been reclassified.
- \* P10 "09 Profit by Segment: From the FYE 3/2020, the former operating segments of *"Food"*, *"Consumer Products"*, *"Chemical & Forest Products"*, *"Energy & Metals"*, *"Power Business & Plant"* and *"Transportation & Industrial Machinery"* have been reorganized as *"Lifestyle"*, *"ICT & Real Estate Business"*, *"Forest Products"*, *"Food"*, *"Agri Business"*, *"Chemicals"*, *"Power Business"*, *"Energy"*, *"Metals & Mineral Resources"*, *"Plant"*, *"Aerospace & Ship"*, *"Finance & Leasing Business"*, *"Construction, Auto & Industrial Machinery"* and *"Next Generation Business Development"*.  
In conjunction with these organizational changes, operating segment information for FYE 3/2019 has been reclassified.
- \* Business fields    Resources:    *"Energy & Metals" group excluding "Steel Products" sub-segment (for the new organization from FYE 3/2020, the total of "Energy" and "Metals & Mineral Resources" excluding "Steel Products Dept.")*  
                          Other:            *"Other" segment (For the new organization from FYE 3/2020, the total of "Next Generation Business Development" and "Other".)*  
                          Non-Resources: other than the above

## 01 Key Factors of FYE 3/2019 and Forecasts for FYE 3/2020

	FYE 3/2018	FYE 3/2019	Variance	(billion yen) FYE 3/2020 Forecast
Net profit	211.3	230.9	+19.6 (+9%)	240.0
Adjusted net profit	230.0	256.0	+26.0 (+11%)	242.0
Core operating cash flow	+324.0	+373.2	+49.2 (+15%)	+390.0
Free cash flow after delivery of shareholder returns	+158.6	+245.8	-	+100.0

	31-Mar-2018	31-Mar-2019	Variance	31-Mar-2020 Forecast
Net DE ratio	1.04 times	0.90 times	improvement by 0.14 points	approx. 0.8 times

# 01 Key Factors of FYE 3/2019 and Forecasts for FYE 3/2020

## Key Factors of FYE 3/2019

Net profit hit a **record-high** in **two consecutive years** of ¥230.9bn, with a +19.6bn or a +9% increase year on year

- Adjusted net profit hit a record high of ¥256.0bn
- A +19.6bn of net profit increase is a sum of an increase in adjusted net profit (approx. +26.0bn: improvements notably in *Forest Products* in Non-resources, in *Energy* in Resources) and a deterioration in one-time items (approx. -7.0bn: non-recurrence of accounting effects of the year-earlier US tax reform and profit declines in *Grain* and *Power Business*)

Net DE ratio stood at **0.90 times**, an improvement by 0.14 points from the previous fiscal year-end

- Core operating cash flow hit a record high of ¥+373.2bn
- Free cash flow after delivery of shareholder returns amounted ¥+245.8bn

Year-end dividend to be ¥17 per share, resulting the yearly dividend **to increase by ¥3** from the previous fiscal year to ¥34 per share

## Forecasts for FYE 3/2020

Net profit: ¥240.0bn, a **record-high** in **three consecutive years**

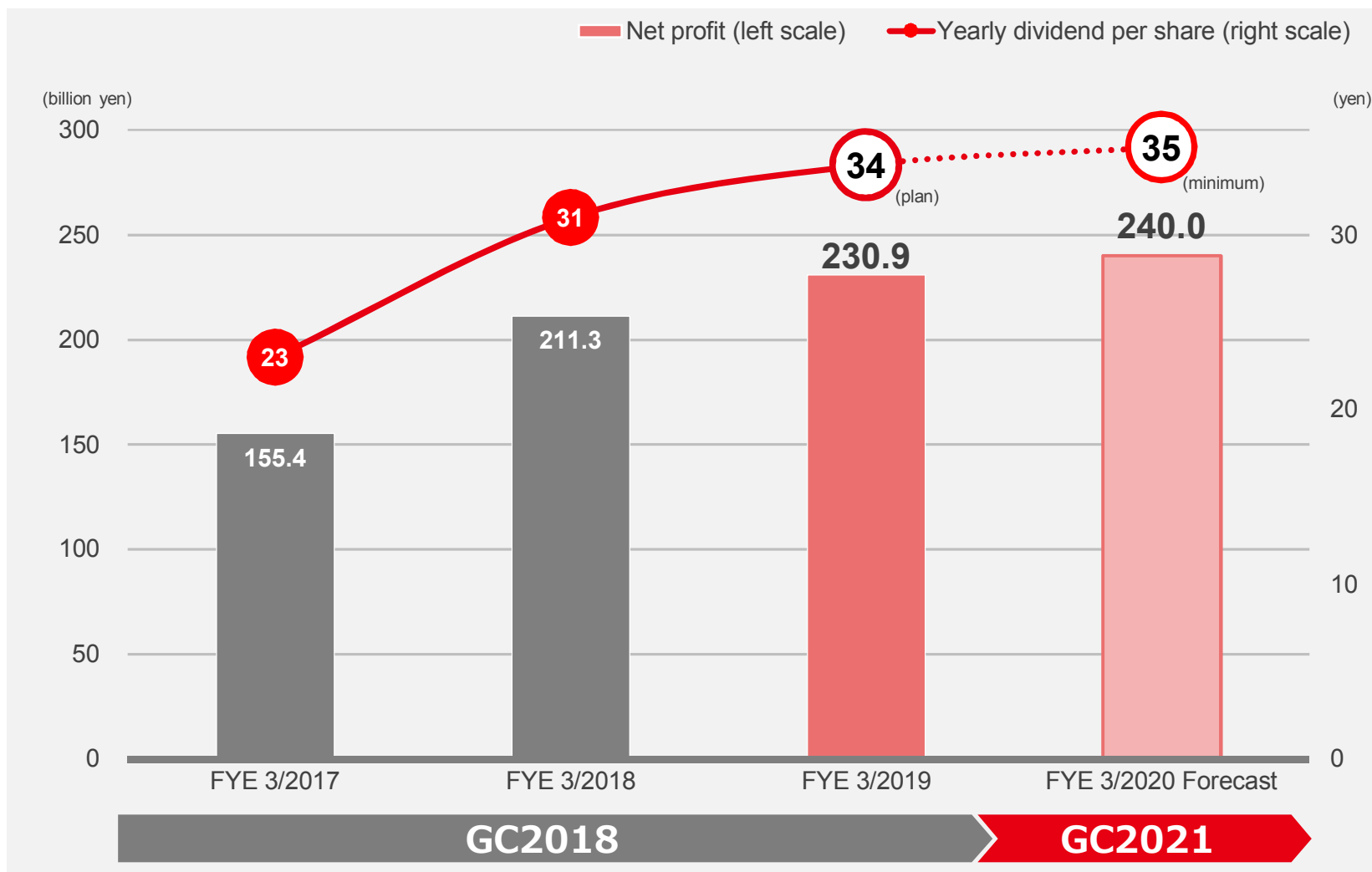
Net DE ratio: **approx. 0.8 times** that is the principle target of our financial foundation strengthening

Yearly dividend: ¥35 per share set as the minimum, a **¥1 increase** from FYE 3/19

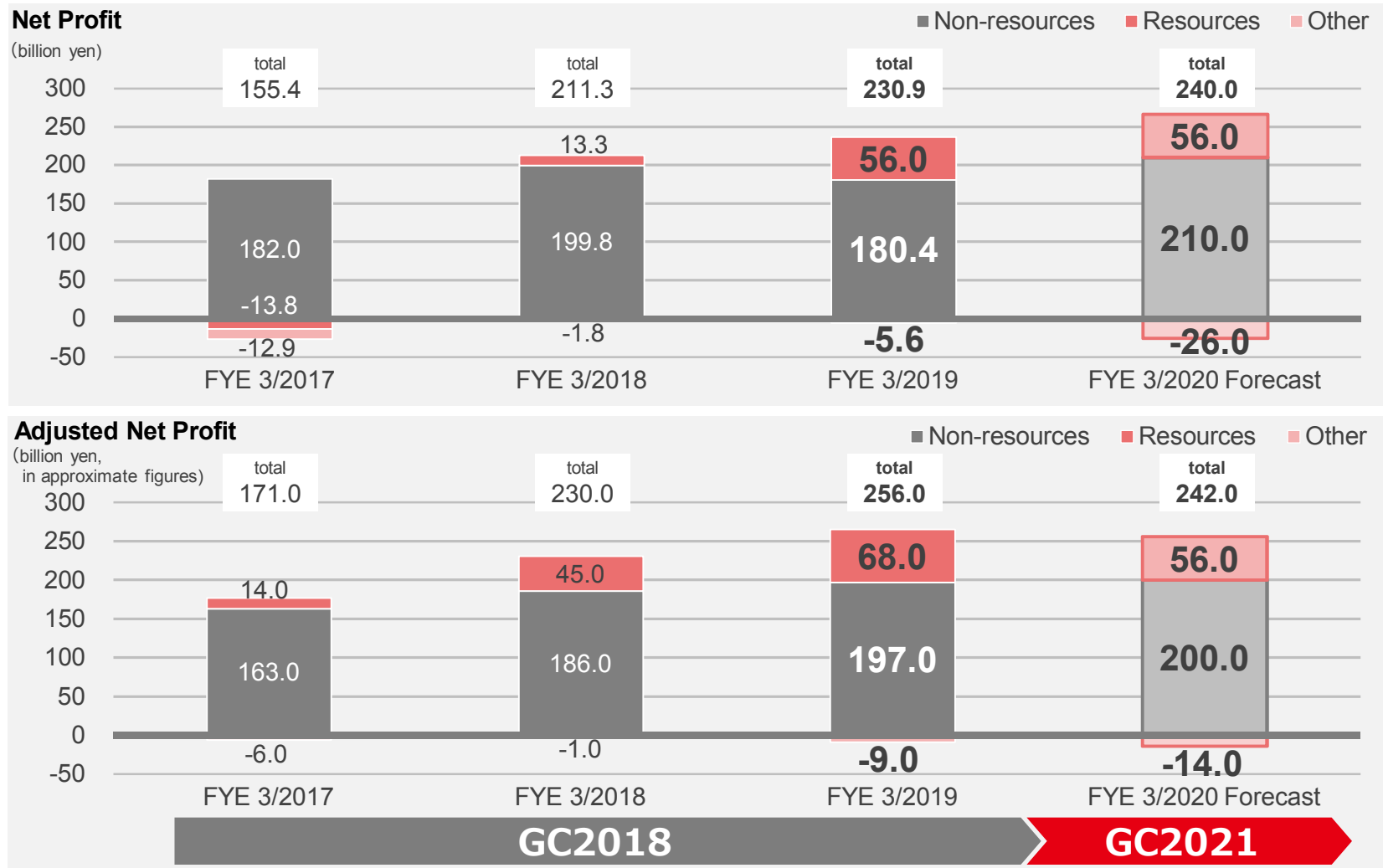
## 02 GC2018 Review

	GC2018 Quantitative Targets (revised)	GC2018 Results FYE 3/2017—FYE 3/2019
Net profit	<b>2018(FYE 3/2019) ¥200.0bn</b> (Non-natural resources ¥180.0bn or more)	<b>FYE 3/2019 ¥230.9bn</b> (Non-natural resources ¥180.4bn)
Free cash flow (after dividends)	Cumulative total for 2016-2018 (FYE 3/2017-FYE 3/2019) <b>¥+400.0bn to +500.0bn</b>	Cumulative total for 2016-2018 (FYE 3/2017-FYE 3/2019) <b>¥+740.4bn</b>
Net DE ratio	<b>as of March 31, 2019 approx. 1.0times</b>	<b>as of March 31, 2019 0.90 times</b>
ROE	<b>10% or more</b>	<b>FYE 3/2019 13.9%</b>
New investments	Cumulative total for 2016-2018 (FYE 3/2017-FYE 3/2019) <b>¥400.0bn to 500.0bn</b>	Cumulative total for 2016-2018 (FYE 3/2017-FYE 3/2019) <b>¥287.3bn</b>
Consolidated dividend payout ratio	<b>25% or more of consolidated net profit</b>	<b>FYE 3/2019 26.0%(plan)</b>

### 03 Net Profit and Yearly Dividend

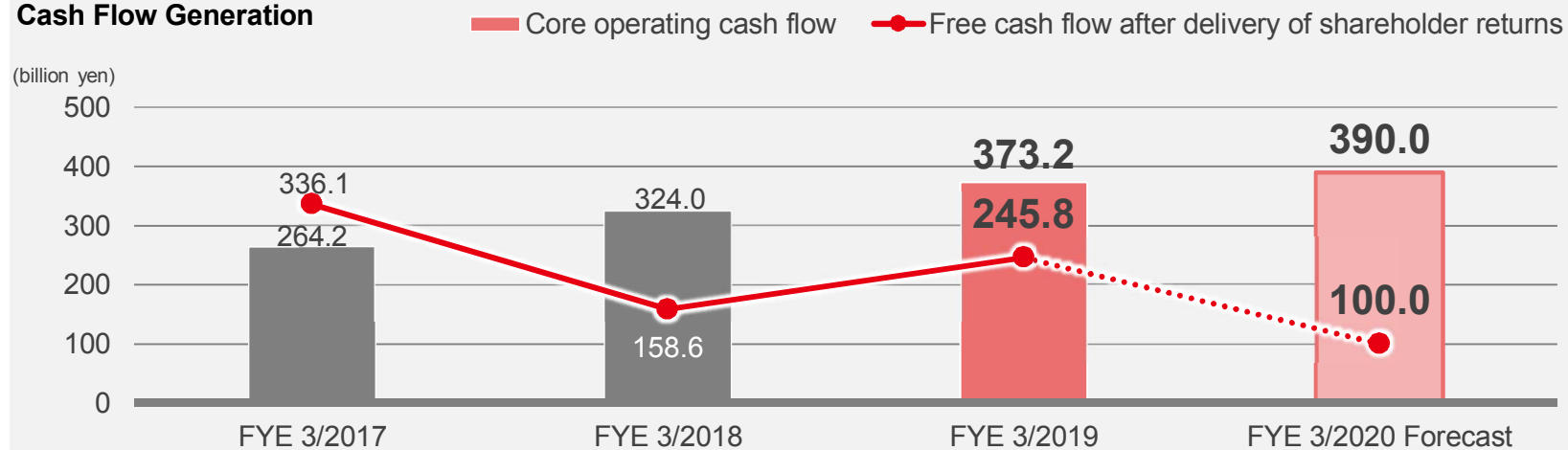


## 04 Net Profit and Adjusted Net Profit



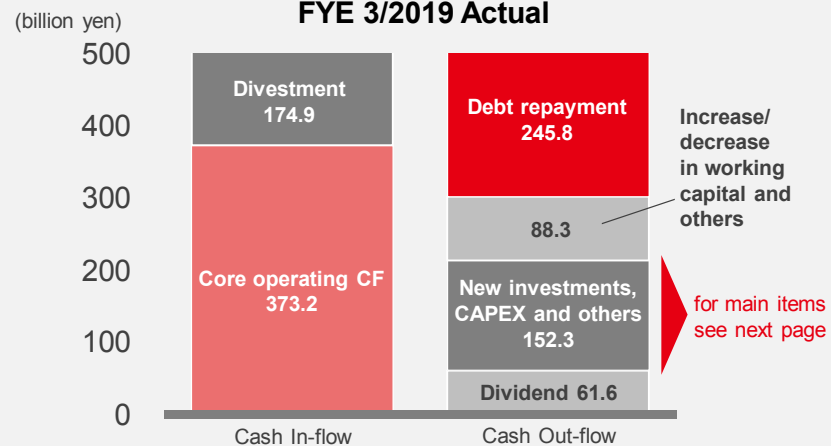
## 05 Cash Flow Generation and Capital Allocation

### Cash Flow Generation

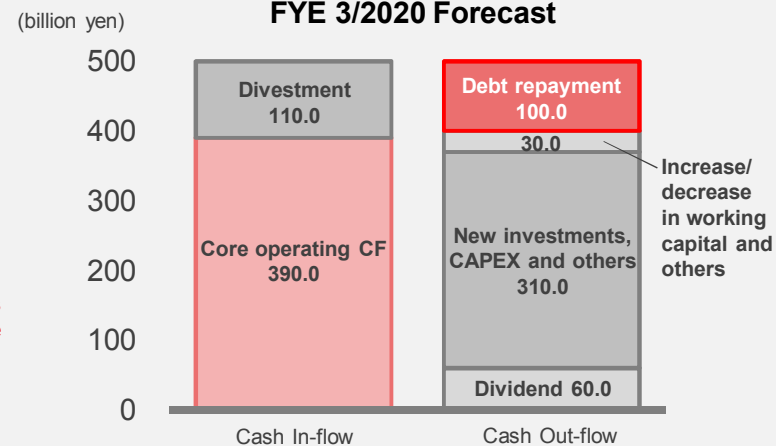


### Capital Allocation

#### FYE 3/2019 Actual



#### FYE 3/2020 Forecast



\* Core operating cash flow: due to the adoption of IFRS 16 "Lease" as of April 1, 2019, the forecast for FYE 3/2020 includes the calculated impact of approx.+45.0 billion yen.

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

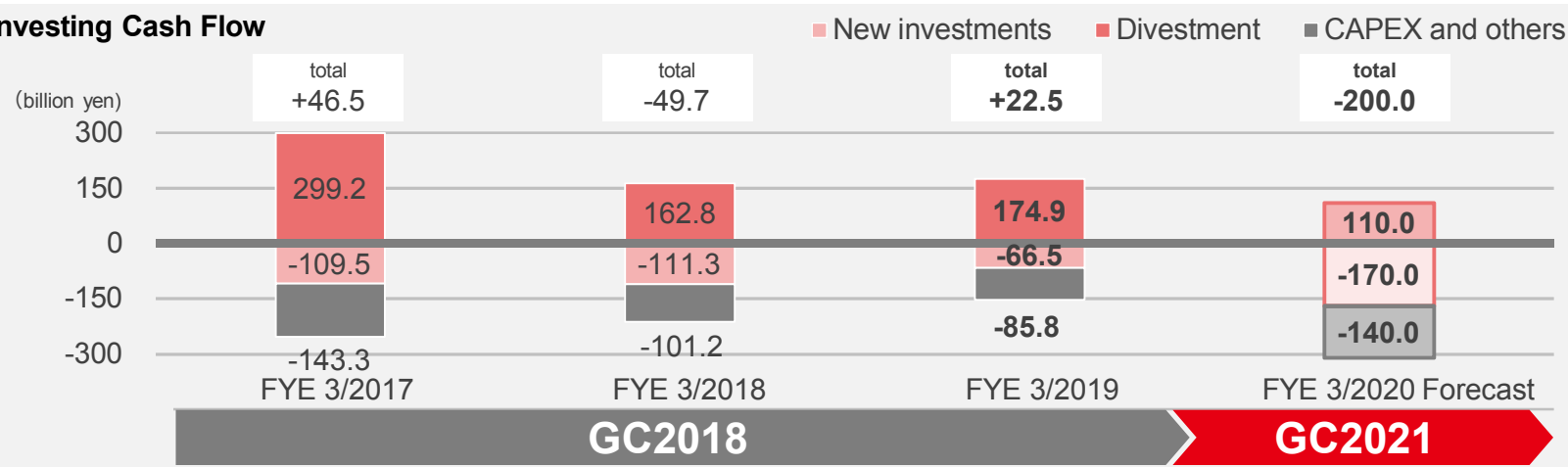


## 06 New Investments and Divestment Main Items for FYE 3/2019

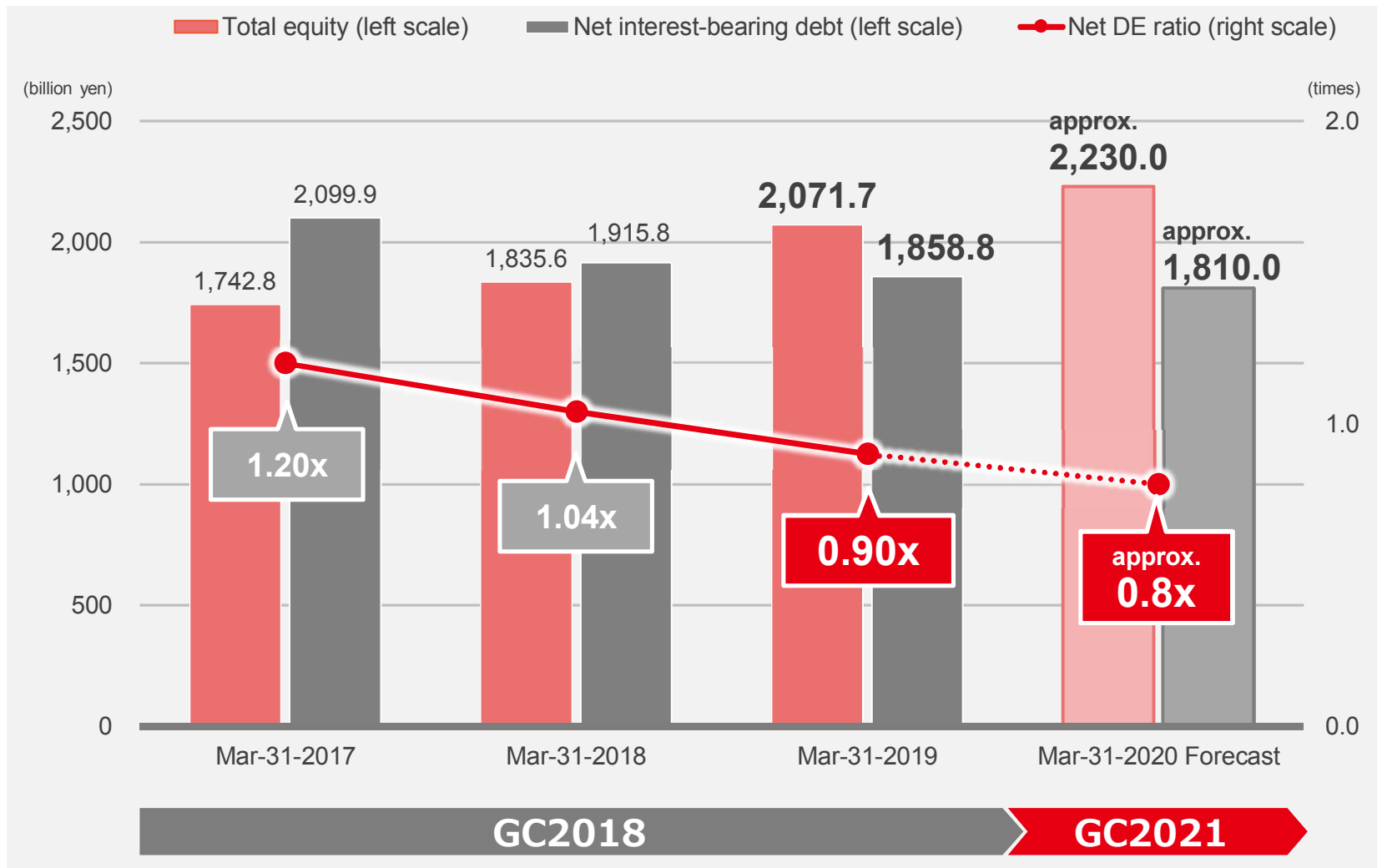
(billion yen)

	FYE 3/2019	FYE 3/2018 Main Item	GC2018 Result	FYE 3/2020 Forecast
New Investments	- 66.5		- 287.3	- 170.0
Distribution Business	- 28.5	· Gas distribution business (GasValpo/Chile) · Containerboard manufacturing business (Vietnam)	- 98.3	
Finance Business	- 8.3	· Capital reallocation related to leasing & finance businesses	- 43.7	
Stable Earnings-Type Business	- 20.4	· FPSO charter project (Brazil) · Domestic power generation business · Overseas infrastructure fund business	- 131.5	
Natural Resource Investments	- 9.3	· Additional acquisition of interest in existing coking coal business	- 13.8	
CAPEX and others	- 85.8	· Agri-Input related business (Helena/USA)	- 330.3	- 140.0
incl. Natural Resource Inv. related	- 16.0	· Oil & Gas Interests (Gulf of Mexico/USA, North Sea/UK)	- 83.0	- 30.0
Divestment	+ 174.9	· Domestic and overseas power generation business · Pulp related business (DMI/Canada, GSPP/Malaysia) · Automobile sales (USA) · Domestic retail business (Tobu Store) · Capital reallocation related to leasing & finance businesses	+ 636.9	+ 110.0
Investing Cash Flow	+ 22.5		+ 19.3	- 200.0

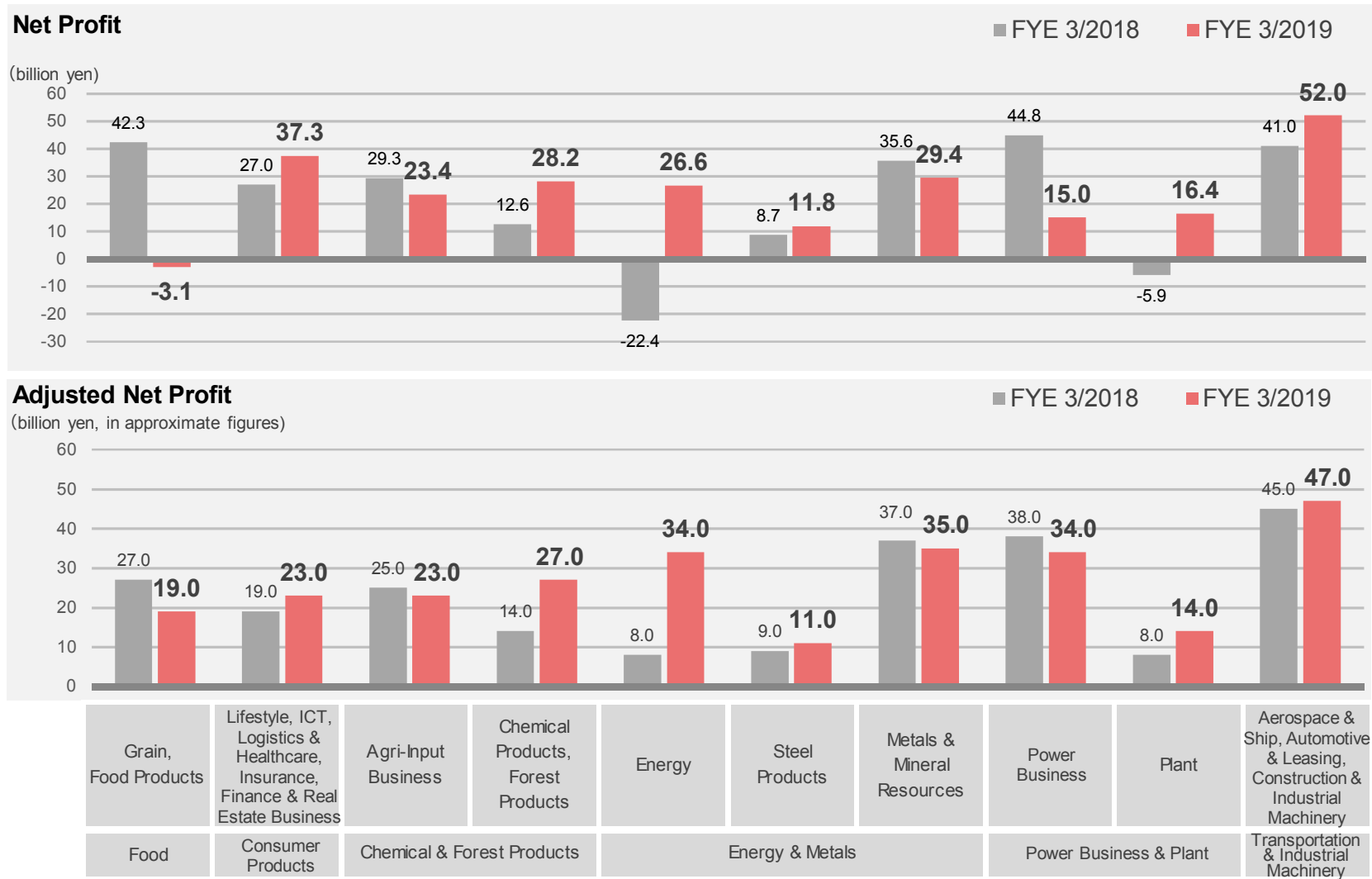
### Investing Cash Flow



## 07 Net DE Ratio

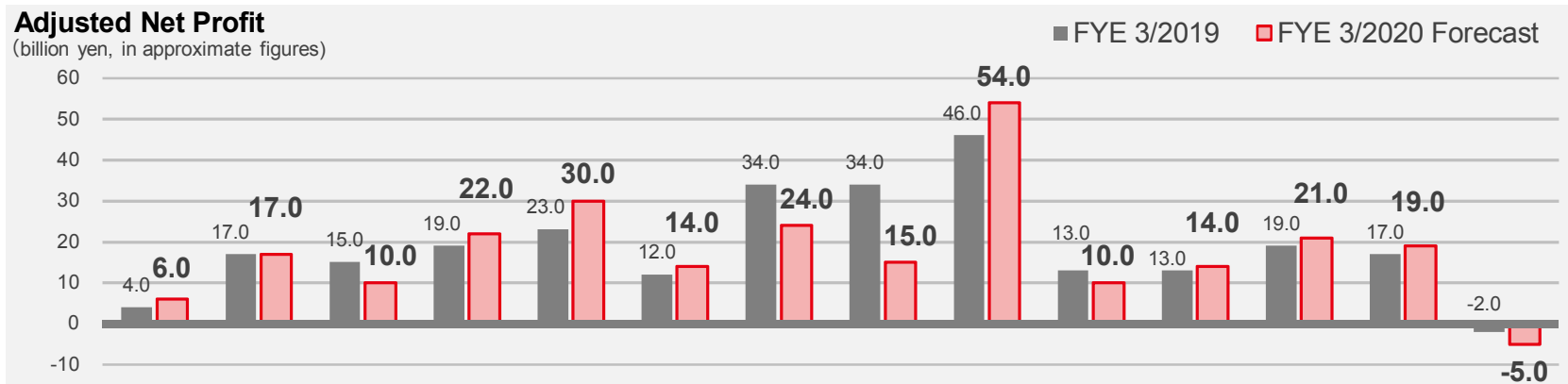
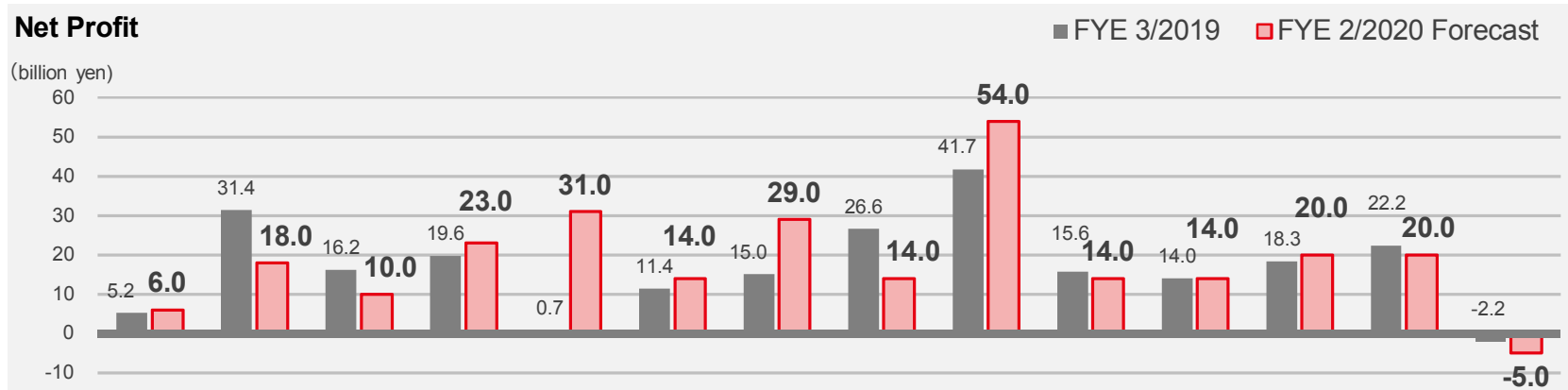


## 08 Profit by Sub-segment FYE 3/2019 vs FYE 3/2018



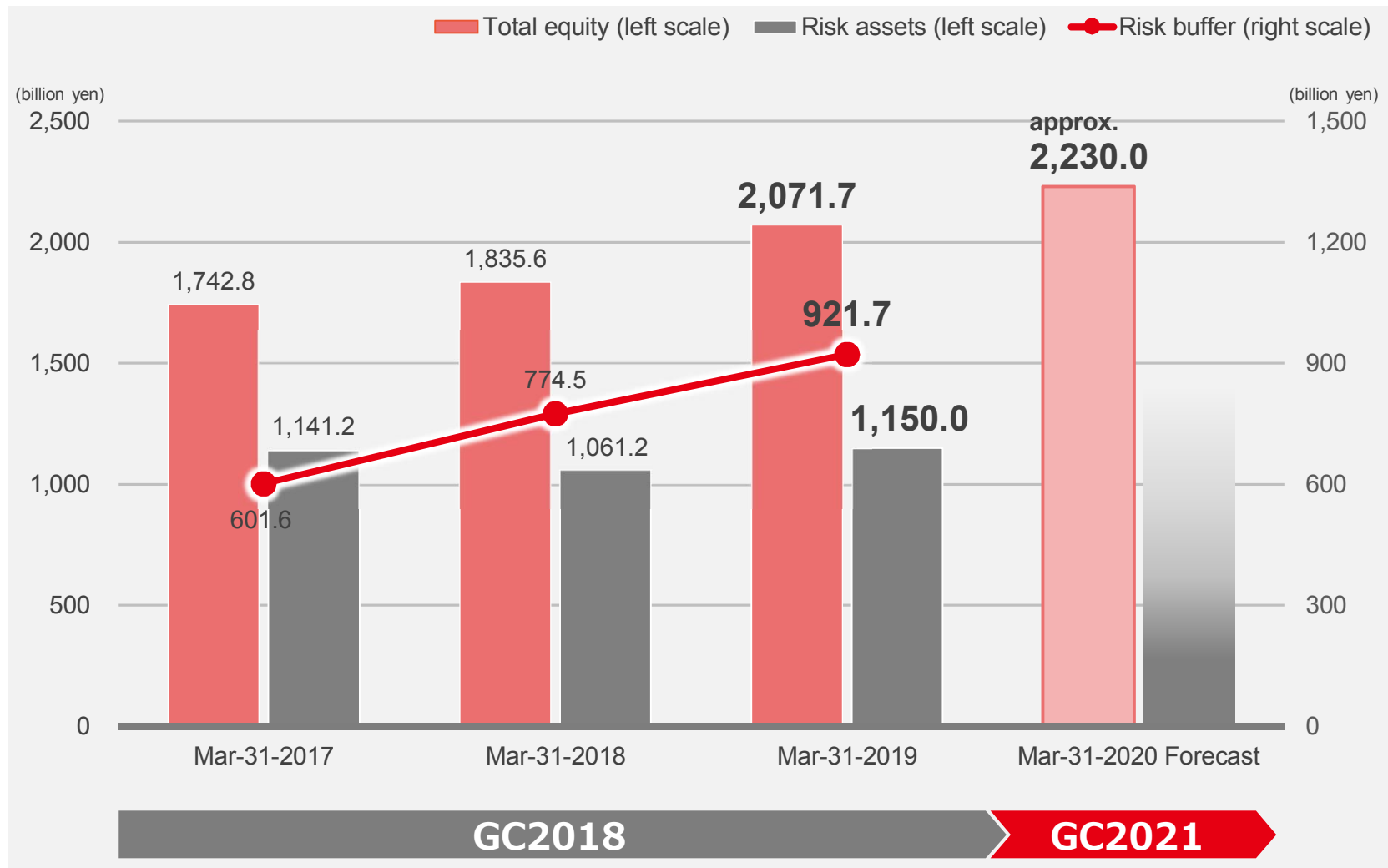
## 09 Profit by Segment

FYE 3/2020 Forecasts vs FYE 3/2019



Lifestyle	ICT & Real Estate Business	Forest Products	Food	Agri Business	Chemicals	Power Business	Energy	Metals & Mineral Resources	Plant	Aerospace & Ship	Finance & Leasing Business	Construction, Auto & Industrial Machinery	Next Generation Business Development
Consumer Products			Food, Agriculture & Chemicals			Power Business, Energy & Metals			Machinery, Infrastructure & Financial Business				

## 10 Risk Assets and Risk Buffer



# 11 Financial Indicators and Commodity Volumes/Prices

Financial Indicator/ Commodity Price		FYE 3/2018 Yearly	FYE 3/2019 Yearly	Variance	FYE 3/2020 Yearly Assumption	Sensitivity to *4 Yearly Net Profit
Oil	WTI (USD/bbl)	54	63	+ 9	57	approx. JPY0.4bn/[USD1/bbl]*5
Copper	LME (USD/ton) *1	6,363	6,369	+ 6	6,550	approx. JPY1.0bn/[USD100/ton]
Interest Rate	JPY TIBOR 3mo (%)	0.062	0.069	UP 0.007points	0.1	
	USD LIBOR 3mo (%)	1.478	2.497	UP 1.019points	2.6	
Currency	Term Average (yen)	110.85	110.91	JPY depreciation by 0.06yen	110	approx. JPY1.2bn/[JPY1/USD]
	Term-end (yen)	Mar-31-2018 106.24	Mar-31-2019 110.99	JPY depreciation by 4.75yen	Mar-31-2020 110	

Commodity Volume		FYE 3/2018 Yearly	FYE 3/2019 Yearly	FYE 3/2020 Plan
Oil, Gas	Equity Production Volume (K boe/day)	28	30	29
	Upper: [Oil & Gas Interests] *2 Lower: [Total] *3	33	34	33
Copper	Equity Sales Volume (K ton)	121	133	
Coking Coal	Equity Sales Volume (K ton)	6,170	5,668	

\*1 Average of March-to-February

\*2 Total of Oil & Gas Interests 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 & Gas Interests.

\*4 Sensitivity to the yearly forecast

\*5 Sensitivity in Oil & Gas Interests