Financial Results

Q3 FYE 3/2021

Summary of Consolidated Financial Results For the Nine-Month Period Ended December 31, 2020 (IFRS basis)

(April 1, 2020 – December 31, 2020)

**This document is an English translation of materials originally prepared in Japanese.*
The Japanese original shall be considered the primary version.

Marubeni

(TSE Code: 8002)

February 3, 2021

Summary of Consolidated Financial Statements for the Nine-Month Period Ended December 31, 2020 (IFRS basis)

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Expected date of quarterly financial statement report : February 15, 2021
Expected date of the beginning of delivery of dividends : -
Supplementary explanations of quarterly business results: Prepared
IR meeting on financial results: To be held (for institutional investors and analysts)

1. Consolidated financial results for the nine-month period ended December 31, 2020 (April 1, 2020 - December 31, 2020)

(Remarks)
Figures are rounded to the nearest million.
%: change from the previous fiscal year

(1) Consolidated business results

	Revenue		Operating profit		Profit before tax		Profit for the period		Profit attributable to owners of the parent		Comprehensive income for the period	
Nine months ended December 31,	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
2020	4,604,397	(12.1)	109,987	0.0	203,401	8.8	169,808	11.1	163,757	12.4	165,773	80.1
2019	5,239,786	(8.1)	109,947	(20.0)	186,955	(34.3)	152,880	(32.2)	145,648	(33.7)	92,061	(64.2)

	Earnings per share (basic)	Earnings per share (diluted)
Nine months ended December 31,	(yen)	(yen)
2020	92.61	92.50
2019	82.23	82.14

(Note) 1. "Operating profit" is presented in accordance with Japanese accounting practice for investors' convenience and is not required by IFRS."Operating profit" is the sum of "Gross trading profit", "Selling, general and administrative expenses" and "Provision for doubtful accounts" stated in Consolidated Statements of Comprehensive Income.
2. "Basic and diluted earnings per share attributable to owners of the parent" are based on "Profit attributable to owners of the parent" excluding the amount not attributable to ordinary shareholders.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent ratio
	(millions of yen)	(millions of yen)	(millions of yen)	(%)
December 31, 2020	6,485,599	1,715,754	1,625,797	25.1
March 31, 2020	6,320,037	1,604,600	1,515,475	24.0

2. Dividends information

	Annual dividends per share				
	1st Quarter-end	2nd Quarter-end	3rd Quarter-end	4th Quarter-end	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
FYE 3/2020	-	17.50	-	17.50	35.00
FYE 3/2021	-	11.00	-		
FYE 3/2021 (forecast)				17.00	28.00

(Note) Changes from the latest announced forecasts: Yes

(Remarks)
%: change from the previous fiscal year

3. Consolidated earnings forecast for FYE 3/2021 (April 1, 2020 - March 31, 2021)

	Profit attributable to owners of the parent		Earnings per share attributable to owners of the parent (basic)
	(millions of yen)	(%)	(yen)
FYE 3/2021	190,000	-	107.17

*(Note) *1 Changes from the latest announced forecasts: Yes*
**2 For the details of the assumptions in the forecasts of consolidated earnings, please refer to P.13-14 "1. Qualitative Information on Consolidated Financial Results for the Nine-month Period under Review, (3) Qualitative Information on Future Outlook Including Forecasts of Consolidated Financial Results" on the attached materials.*
**3 "Earnings per share attributable to owners of the parent (basic)" is based on "Profit attributable to owners of the parent" excluding the amount not attributable to ordinary shareholders.*

***Notes**

(1) Changes in principal subsidiaries during the period	: None	
(2) Changes in accounting principles and accounting estimates		
①Changes in accounting principles required by IFRS	: None	
②Changes other than ①	: None	
③Changes in accounting estimate	: None	

(3) Number of issued shares (Common shares)

①Number of issued shares at the end of the term	December 31, 2020	1,737,940,900
(Treasury stock is included)	March 31, 2020	1,737,940,900
②Number of treasury stock at the end of the term	December 31, 2020	1,546,555
	March 31, 2020	2,214,582
③Average number of outstanding shares during the term	Nine months ended December 31, 2020	1,736,203,100
	Nine months ended December 31, 2019	1,735,419,337

※The Summary of Consolidated Financial Statements for the Nine-Month Period Ended December 31, 2020 (IFRS basis) is not subject to quarterly review by certified accountants or audit firms.

※Descriptions relating to the proper use of financial forecasts and other special notes

(Notes to the description about future, other)

The descriptions about future such as the above forecasts are based upon available information and assumptions, as of the time of the announcement date, about uncertain factors which would influence future businesses. Actual results might be influenced materially by various factors in the future.

(How to access supplementary explanations on business results and the details of briefing on business results)

Supplementary explanations on business results will be made available on the Company's website on Wednesday, February 3, 2021

The Company is scheduled to hold an IR meeting on financial results for institutional investors and analysts on Wednesday, February 3, 2021, and to post the audio file of the meeting together with the materials used at the briefing on the Company's website at the earliest possible time.

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Marubeni Corporation
Consolidated Financial Results

1. Qualitative Information on Consolidated Financial Results for the Nine-month Period under Review

(1) Qualitative Information on Consolidated Business Results

The following is an overview of the economic environment for the nine-month period ended December 31, 2020.

In the first six months ended September 30, 2020, lockdowns and other measures were adopted around the world in an attempt to prevent the spread of the COVID-19 pandemic. As a result, with the exception of China, where authorities quickly halted the spread of infections, economic activities in many countries were significantly restricted and the global economy rapidly contracted. Governments subsequently eased restrictions incrementally and economic activities resumed, which led to a temporary improvement in business conditions in many countries. However, the results of these efforts to curb the spread of infections varied and economic conditions accordingly differed from country to country.

From the second half of the fiscal year, the pace of the spread of infections increased rapidly, exceeding the pace seen in the first half, particularly in Europe and North America, and measures to curb the spread were further strengthened. As a result, concerns about a re-deterioration of the economy have increased in these regions. During this time, the Chinese economy continued to steadily recover. Meanwhile, vaccines were rolled out in some countries in an effort to contain the spread.

In response to this economic downturn—said to be the worst of the post-war era—governments and central banks employed all manner of policy measures, including fiscal stimulus on an unprecedented scale, to prop up household finances, corporations, and financial markets. The swift and large-scale rollout of fiscal and monetary policies meant the financial markets avoided turmoil and share prices even staged a rally in some cases, in stark contrast to the sharp downturn in the real economy. On the whole, the improvement in corporate and consumer sentiment continued, but towards the end of the year concerns also began to emerge about diminishing policy effects.

As for primary commodity prices, the price of crude oil saw a temporary heavy decline in April but then gradually recovered thereafter on production cuts and expectations for the resumption of economic activity. In contrast, prices for copper and iron ore, which are strongly influenced by the Chinese economy, increased on the whole.

Under the aforementioned business environment, consolidated operating results for the nine-month period ended December 31, 2020 are as follows.

(millions of yen)

	Nine-month period ended December 31,		Variance
	2019	2020	
Revenue	5,239,786	4,604,397	(635,389)
Gross trading profit	531,762	498,524	(33,238)
Operating profit	109,947	109,987	40
Share of profits (losses) of associates and joint ventures	116,748	94,398	(22,350)
Profit attributable to owners of the parent	145,648	163,757	18,109

(Note 1) Figures are rounded to the nearest million yen unless otherwise stated.

(Note 2) "Operating profit" is presented in accordance with Japanese accounting practice for investors' convenience and is not required by IFRS. "Operating profit" is the sum of "Gross trading profit" and "Selling, general and administrative expenses" including "Provision for doubtful accounts" stated in Consolidated Statements of Comprehensive Income.

Revenue

Revenue was down 635.4 billion yen (12.1%) year on year to 4,604.4 billion yen. By operating segment, revenue decreased mainly in *Food, Agri Business and Energy.*

Gross trading profit

Gross trading profit decreased 33.2 billion yen (6.3%) from the year-earlier period to 498.5 billion yen. Main increases/decreases by operating segment are the following.

-***Metals & Mineral Resources****: Decrease by 10.9 billion yen*

Profit decrease in the Australian coal business due to the fall in coal prices and others

-***Aerospace & Ship****: Decrease by 10.5 billion yen*

Sluggish sales in aircraft parts and engines and a decrease in revenue from the vessel operations

-***Construction, Industrial Machinery & Mobility****: Decrease by 7.5 billion yen*

Profit decrease in the construction machinery, industrial equipment, tires and rubber materials related businesses

-***Agri Business****: Increase by 10.4 billion yen*

Profit increase in Gavilon and Columbia Grain International against the backdrop of higher grain prices

Operating profit

Operating profit stayed at the same level as the year-earlier period at 110.0 billion yen, due to the cost-cutting efforts and a decrease in expenses caused by the COVID-19 despite a decrease in gross trading profit.

Share of profits of associates and joint ventures

Share of profits of associates and joint ventures decreased 22.4 billion yen (19.1%) from the year-earlier period to 94.4 billion yen. Main decreases by operating segment are the following.

-***Power Business****: Decrease by 9.5 billion yen*

Impairment losses on IPP projects, etc

-***Metals & Mineral Resources****: Decrease by 4.8 billion yen*

Profit decrease in the Australian coal business and the steel products business, etc

-***Infrastructure Project****: Decrease by 4.1 billion yen*

Profit decrease in the oil and gas E&P related business in U.S., etc

-***Finance & Leasing Business****: Decrease by 4.1 billion yen*

Profit decrease in the aircraft leasing business in U.S., etc

Profit attributable to owners of the parent

Profit attributable to owners of the parent for the nine-month period ended December 31, 2020 (also referred to as ***net profit*** for the period under review) increased 18.1 billion yen (12.4%) year on year to 163.8 billion yen due to the non-recurrence of impairment losses recognized in the year-earlier period on the oil and gas E&P in the U.S. Gulf of Mexico, despite the decrease in share of profits of associates and joint ventures.

Results for each operating segment for the nine-month period ended December 31, 2020 are as follows.

Lifestyle

(millions of yen)

	Nine-month period ended December 31,		Variance
	2019	2020	
Revenue	122,309	90,285	(32,024)
Gross trading profit	16,886	13,548	(3,338)
Operating profit (loss)	3,135	1,452	(1,683)
Share of profits (losses) of associates and joint ventures	367	152	(215)
Profit (loss) attributable to owners of the parent	3,339	1,398	(1,941)

Gross trading profit decreased 3.3 billion yen (19.8%) year on year to 13.5 billion yen and operating profit decreased by 1.7 billion yen (53.7%) year on year to 1.5 billion yen, in response to reduced sales of apparel and others due to COVID-19. Share of profits of associates and joint ventures decreased 0.2 billion yen (58.6%) year on year to 0.2 billion yen. As a result, net profit was down 1.9 billion yen (58.1%) year on year to 1.4 billion yen.

ICT & Real Estate Business

(millions of yen)

	Nine-month period ended December 31,		Variance
	2019	2020	
Revenue	145,916	256,426	110,510
Gross trading profit	81,103	83,155	2,052
Operating profit (loss)	14,415	19,942	5,527
Share of profits (losses) of associates and joint ventures	382	605	223
Profit (loss) attributable to owners of the parent	3,167	14,669	11,502

Gross trading profit increased 2.1 billion yen (2.5%) year on year to 83.2 billion yen due to an increase in domestic real estate sales and others, despite a decline in domestic mobile phone sales business owing to the impact of COVID-19. In addition to the above, overhead expenses decreased due to voluntary business restraint in response to COVID-19, so that operating profit increased 5.5 billion yen (38.3%) year on year to 19.9 billion yen. Net profit increased 11.5 billion yen (363.2%) year on year to 14.7 billion yen, due to the increase in operating profit and the non-recurrence of loss on the re-insurance business posted in the same period last year.

Forest Products

(millions of yen)

	Nine-month period ended December 31,		Variance
	2019	2020	
Revenue	203,437	174,543	(28,894)
Gross trading profit	24,000	18,693	(5,307)
Operating profit (loss)	8,784	2,420	(6,364)
Share of profits (losses) of associates and joint ventures	(829)	(1,699)	(870)
Profit (loss) attributable to owners of the parent	3,885	(1,640)	(5,525)

Gross trading profit decreased 5.3 billion yen (22.1%) year on year to 18.7 billion yen as a result of a decline in MUSI Pulp Project due to the deterioration of pulp market prices and others, and profit decrease in the wood-chip business and others. In addition to the above, the overseas bad debt expense increased, and operating profit declined 6.4 billion yen (72.4%) year on year to 2.4 billion yen. Share of losses of associates and joint ventures decreased 0.9 billion yen (- %) year on year to negative 1.7 billion yen as a result of reduced profit from declined domestic sales volume of paper products and others. As a result, net profit/loss deteriorated 5.5 billion yen (- %) year on year to negative 1.6 billion yen.

Food

(millions of yen)

	Nine-month period ended December 31,		Variance
	2019	2020	
Revenue	1,328,757	945,317	(383,440)
Gross trading profit	76,954	82,113	5,159
Operating profit (loss)	23,862	33,510	9,648
Share of profits (losses) of associates and joint ventures	4,285	6,288	2,003
Profit (loss) attributable to owners of the parent	19,329	26,656	7,327

Gross trading profit increased 5.2 billion yen (6.7%) year on year to 82.1 billion yen due to strong performance in the beef processing and sales business. This is because we were able to maintain operations amid tight supply and demand caused by the temporary suspension of production by other major industry members in response to COVID-19. In addition to the above, overhead expenses decreased, and operating profit increased 9.6 billion yen (40.4%) year on year to 33.5 billion yen. Net profit increased 7.3 billion yen (37.9%) year on year to 26.7 billion yen according to the increased operating profit, despite the non-recurrence of a gain recognized in the year-earlier period on the sale of shares in an associate company in the domestic retailing business.

Agri Business

(millions of yen)

	Nine-month period ended December 31,		Variance
	2019	2020	
Revenue	2,160,888	2,065,399	(95,489)
Gross trading profit	129,868	140,274	10,406
Operating profit (loss)	22,732	31,711	8,979
Share of profits (losses) of associates and joint ventures	220	3,673	3,453
Profit (loss) attributable to owners of the parent	11,316	27,070	15,754

Gross trading profit increased 10.4 billion yen (8.0%) from the year-earlier period to 140.3 billion yen due to stronger profits at Gavilon and Columbia Grain International against the backdrop of higher grain prices. Operating profit increased 9.0 billion yen (39.5%) year on year to 31.7 billion yen. Share of profits of associates and joint ventures increased 3.5 billion yen (-%) from the year-earlier period to 3.7 billion yen due to higher profit in the grain export business on the U.S. West Coast. In addition, due to an improvement in interest expenses and the non-recurrence of losses associated with prior-period adjustments at Gavilon booked in the year-earlier period, net profit increased 15.8 billion yen (139.2%) from the year-earlier period to 27.1 billion yen.

Chemicals

(millions of yen)

	Nine-month period ended December 31,		Variance
	2019	2020	
Revenue	315,212	283,473	(31,739)
Gross trading profit	23,291	29,286	5,995
Operating profit (loss)	4,355	13,927	9,572
Share of profits (losses) of associates and joint ventures	1,183	1,060	(123)
Profit (loss) attributable to owners of the parent	3,468	12,344	8,876

Gross trading profit increased 6.0 billion yen (25.7%) year on year to 29.3 billion yen, as a result of improved margins in the petrochemical products transactions. In addition to the above, overhead expenses and bad debt expense decreased, and operating profit increased 9.6 billion yen (219.8%) year on year to 13.9 billion yen accordingly. Share of profits of associates and joint ventures decreased 0.1 billion yen (10.4%) from the year-earlier period to 1.1 billion yen. As a result, net profit increased 8.9 billion yen (255.9%) year on year to 12.3 billion yen.

Energy

(millions of yen)

	Nine-month period ended December 31,		Variance
	2019	2020	
Revenue	354,146	274,822	(79,324)
Gross trading profit	37,385	30,310	(7,075)
Operating profit (loss)	11,739	6,675	(5,064)
Share of profits (losses) of associates and joint ventures	277	571	294
Profit (loss) attributable to owners of the parent	(6,401)	11,017	17,418

Gross trading profit decreased 7.1 billion yen (18.9%) year on year to 30.3 billion yen with a profit decrease in the oil and gas E&P caused by a fall in oil and gas prices and others. Operating profit decreased 5.1 billion yen (43.1%) year on year to 6.7 billion yen. Despite the above, because of a non-recurrence of impairment losses recognized in the year-earlier period on the oil and gas E&P in the U.S. Gulf of Mexico, net profit/loss improved by 17.4 billion yen (- %) to 11.0 billion yen.

Metals & Mineral Resources

(millions of yen)

	Nine-month period ended December 31,		Variance
	2019	2020	
Revenue	265,661	215,419	(50,242)
Gross trading profit	24,097	13,165	(10,932)
Operating profit (loss)	9,967	(278)	(10,245)
Share of profits (losses) of associates and joint ventures	41,204	36,393	(4,811)
Profit (loss) attributable to owners of the parent	49,657	35,411	(14,246)

Gross trading profit decreased 10.9 billion yen (45.4%) year on year to 13.2 billion yen, as a result of fall of coal prices in the Australian coal business and others. Operating profit/loss deteriorated 10.2 billion yen (-%) year on year to negative 0.3 billion yen. Share of profits of associates and joint ventures decreased 4.8 billion yen (11.7%) year on year to 36.4 billion yen as a result of profit declines in the Australian coal business and the steel products business that more than offset profit increase in the Australian iron ore business and the Chilean copper business. As a result, net profit decreased 14.2 billion yen (28.7%) year on year to 35.4 billion yen.

Power Business

(millions of yen)

	Nine-month period ended December 31,		Variance
	2019	2020	
Revenue	119,859	125,299	5,440
Gross trading profit	18,727	14,182	(4,545)
Operating profit (loss)	(8,358)	(11,717)	(3,359)
Share of profits (losses) of associates and joint ventures	29,928	20,385	(9,543)
Profit (loss) attributable to owners of the parent	20,933	10,617	(10,316)

Gross trading profit decreased 4.5 billion yen (24.3%) year on year to 14.2 billion yen, as a result of the declined profits in retail power sales business and others. Operating loss worsened 3.4 billion yen (-%) year on year to 11.7 billion yen. Share of profits of associates and joint ventures decreased 9.5 billion yen (31.9%) year on year to 20.4 billion yen due to impairment losses on the investment in IPP business and others. As a result, net profit decreased 10.3 billion yen (49.3%) year on year to 10.6 billion yen.

Infrastructure Project

(millions of yen)

	Nine-month period ended December 31,		Variance
	2019	2020	
Revenue	12,491	16,632	4,141
Gross trading profit	7,870	6,980	(890)
Operating profit (loss)	(4,885)	(3,965)	920
Share of profits (losses) of associates and joint ventures	12,121	8,020	(4,101)
Profit (loss) attributable to owners of the parent	5,448	5,246	(202)

Even though gross trading profit decreased 0.9 billion yen (11.3%) year on year to 7.0 billion yen mainly owing to lower profits from overseas plant projects, the operating loss improved 0.9 billion yen (-%) year on year to 4.0 billion yen as a result of lower overhead expenses. Share of profits of associates and joint ventures decreased 4.1 billion yen (33.8%) year on year to 8.0 billion yen as a result of profit decline in oil and gas E&P related business in U.S. and others. As a result, net profit decreased 0.2 billion yen (3.7%) year on year to 5.2 billion yen.

Aerospace & Ship

(millions of yen)

	Nine-month period ended December 31,		Variance
	2019	2020	
Revenue	63,057	42,741	(20,316)
Gross trading profit	20,623	10,147	(10,476)
Operating profit (loss)	11,545	2,466	(9,079)
Share of profits (losses) of associates and joint ventures	5,624	2,677	(2,947)
Profit (loss) attributable to owners of the parent	13,047	3,623	(9,424)

Gross trading profit decreased 10.5 billion yen (50.8%) year on year to 10.1 billion yen, caused from sluggish sales in aircraft parts and engines due to the impact of COVID-19, as well as a decrease in revenue from the vessel operations. Operating profit decreased 9.1 billion yen (78.6%) year on year to 2.5 billion yen. Share of profits of associates and joint ventures decreased 2.9 billion yen (52.4%) year on year to 2.7 billion yen as a result of the decreased profits in the ship-related business and the airport ground handling related business owing to the impact of COVID-19. Consequently, net profit decreased 9.4 billion yen (72.2%) year on year to 3.6 billion yen.

Finance & Leasing Business

(millions of yen)

	Nine-month period ended December 31,		Variance
	2019	2020	
Revenue	18,832	4,715	(14,117)
Gross trading profit	8,386	2,509	(5,877)
Operating profit (loss)	682	(3,477)	(4,159)
Share of profits (losses) of associates and joint ventures	17,903	13,813	(4,090)
Profit (loss) attributable to owners of the parent	15,576	9,899	(5,677)

Gross trading profit decreased 5.9 billion yen (70.1%) year on year to 2.5 billion yen, because a consolidated subsidiary in the U.S. refrigerated trailer leasing and rental business was converted into an equity-method associate. Operating profit/loss accordingly worsened 4.2 billion yen (- %) year on year to negative 3.5 billion yen. Share of profits of associates and joint ventures decreased 4.1 billion yen (22.8%) year on year to 13.8 billion yen, as a result of a decline in profit of the aircraft leasing business in U.S. due to the impact of COVID-19, which more than offset the profit increase in the used car retail financing business in U.S. As a result, net profit decreased 5.7 billion yen (36.4%) year on year to 9.9 billion yen.

Construction, Industrial Machinery & Mobility

(millions of yen)

	Nine-month period ended December 31,		Variance
	2019	2020	
Revenue	233,792	211,251	(22,541)
Gross trading profit	66,603	59,087	(7,516)
Operating profit (loss)	15,510	11,172	(4,338)
Share of profits (losses) of associates and joint ventures	3,816	2,369	(1,447)
Profit (loss) attributable to owners of the parent	15,194	10,029	(5,165)

Gross trading profit decreased 7.5 billion yen (11.3%) year on year to 59.1 billion yen, as results of profit decrease in the construction machinery, industrial equipment, tires and rubber materials rerated businesses due to the impact of COVID-19. Operating profit decreased 4.3 billion yen (28.0%) year on year to 11.2 billion yen. As a result, net profit decreased 5.2 billion yen (34.0%) year on year to 10.0 billion yen.

Next Generation Business Development

(millions of yen)

	Nine-month period ended December 31,		Variance
	2019	2020	
Revenue	2,647	2,107	(540)
Gross trading profit	1,811	1,311	(500)
Operating profit (loss)	(1,190)	(1,750)	(560)
Share of profits (losses) of associates and joint ventures	255	87	(168)
Profit (loss) attributable to owners of the parent	(1,041)	(1,592)	(551)

Gross trading profit decreased 0.5 billion yen (27.6%) year on year to 1.3 billion yen and operating loss worsened 0.6 billion yen (-%) year on year to 1.8 billion yen. As a result, net loss worsened 0.6 billion yen (-%) year on year to 1.6 billion yen.

(Note 1) From the fiscal year ending March 31, 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 the year-earlier period has been reclassified.

(Note 2) Inter-segment transactions are generally priced in accordance with the prevailing market prices.

(2) Qualitative Information on Consolidated Financial Conditions

① Conditions of Assets, Liabilities and Equity

(billions of yen)

	March 31, 2020	December 31, 2020	Variance
Total assets	6,320.0	6,485.6	165.6
Total equity	1,604.6	1,715.8	111.2
Net interest-bearing debt	1,859.1	1,815.7	(43.4)
Net DE ratio (times)	1.16	1.06	-0.10 points

(Note 1) Figures are rounded to the nearest hundred million yen unless otherwise stated.

(Note 2) Net interest-bearing debt is calculated as cash and cash equivalents and time deposits subtracted from the sum of current and noncurrent corporate bonds and borrowings.

Total assets increased 165.6 billion yen from the end of the previous fiscal year to 6,485.6 billion yen. ***Net interest-bearing debt*** decreased 43.4 billion yen from the end of the previous fiscal year to 1,815.7 billion yen, due to the free cash inflow and others that more than offset an increase caused by the dividend payment. ***Total equity*** increased 111.2 billion yen from the end of the previous fiscal year to 1,715.8 billion yen due to an increase in retained earnings and others. Consequently, ***Net DE ratio*** stood at 1.06 times.

② Cash Flows

Cash and cash equivalents at the end of the period under review were 638.7 billion yen, an increase of 116.2 billion yen from the end of the previous fiscal year.

(Operating activities)
Net cash provided by operating activities was 170.2 billion yen due to operating revenue and dividend income and others, despite an increase in working capital and others.

(Investing activities)
Net cash used in investing activities was 122.2 billion yen as a result of acquisition of shares in equity method associates and capital expenditure in overseas businesses and others, despite the inflow from sales of investment securities.

As a result of the above-mentioned activities, free cash flow for the period under review was an inflow of 47.9 billion yen.

(Financing activities)
Net cash provided by financing activities amounted to 72.1 billion yen as results of financing through corporate bonds, borrowings, and others.

(3) Qualitative Information on Future Outlook Including Forecasts of Consolidated Financial Results

The net profit for the nine-month period ended December 31, 2020 amounted to 163.8 billion yen, with the progress to the full-year forecasts announced on November 4, 2020 (net profit of 150.0 billion yen) at 109%.
This is mainly due to the earnings increase in Energy and Metals & Mineral Resources resulted from the higher-than-assumed commodity prices in oil, copper and others, due as well to the earnings increase in Agri Business against the backdrop of higher grain prices, in addition to the stronger-than-expected performances in Food and Chemicals and others.
Based on this result, the Company has revised the consolidated earnings forecast for the fiscal year ending March 31, 2021 as follows, factoring in the near-term uncertainty stemming from the ongoing spread of COVID-19.

	Forecast announced on November 4, 2020 (A)	Revised forecast (B)	Variance (B-A)	Variance in percentage (%)
Profit attributable to owners of the parent for FYE 3/2021 – Net profit (billions of yen)	150.0	190.0	40.0	26.7%
Earnings per share attributable to owners of the parent (basic) for FYE 3/2021 (yen)	84.12	107.17	23.05	27.4%

The Company’s assumptions including the spread of COVID-19 and when the pandemic might end and those of major financial indicators are as follows:

<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.

<Assumptions of Major Financial Indicators for the above Forecasts>

	Q1-Q3 FYE 3/2021 Actual	Q4 FYE 3/2021 Assumption	FYE 3/2021 Assumption
Oil WTI: USD/Barrel	37	50	40
Copper LME: USD/MT	6,059	7,700	6,500
JPY TIBOR 3M: %	0.073	0.1	0.1
USD LIBOR 3M: %	0.353	0.3	0.3
Foreign exchange rate (term average): USD/JPY	106.11	105	105

As for the dividend, the Company adopts the basic policy to maintain targeted dividend payout ratio of '25% or more' of consolidated net profit reflecting the principle of linking dividends to the Company's business results for each fiscal year and to announce the minimum dividend for each fiscal year at the beginning of the fiscal year.
According to the revised consolidated net profit forecast as the above, the forecast for annual dividend per share for the fiscal year ending March 31, 2021 has been revised to 28.00 yen from 22.00 yen in the previous forecast (announced on November 4, 2020). Accordingly, the year-end dividend forecast per share has been revised to 17.00 yen from the previous forecast (announced on November 4, 2020) of 11.0 yen.
The interim dividend has already been paid at 11.00 yen per share.
The revised annual dividend forecast of 28.00 yen per share is set as the minimum for the fiscal year ending March 31, 2021.

(Disclaimer Regarding Forward Looking Statements)
The descriptions about future such as the above forecasts are based upon available information and assumptions, as of the time of the announcement date, about uncertain factors which would influence future businesses. Actual results might be influenced by various factors in the future.

2. Consolidated Financial Statements and Notes

(1) Consolidated Statements of Financial Position

	Millions of yen		
	March 31 2020	December 31 2020	Variance
Assets			
Current assets:			
Cash and cash equivalents	522,523	638,707	116,184
Time deposits	140	107	(33)
Investment securities	67	5	(62)
Trade and loan receivables	1,056,938	979,253	(77,685)
Other current financial assets	315,861	427,070	111,209
Inventories	852,927	828,776	(24,151)
Assets held-for-sale	19,344	13,278	(6,066)
Other current assets	235,255	251,603	16,348
Total current assets	3,003,055	3,138,799	135,744
Non-current assets:			
Investments in associates and joint ventures	1,601,298	1,629,656	28,358
Other investments	229,080	232,921	3,841
Trade and loan receivables	103,367	86,950	(16,417)
Other non-current financial assets	98,002	87,280	(10,722)
Property, plant and equipment	902,423	941,903	39,480
Intangible assets	288,992	280,461	(8,531)
Deferred tax assets	32,555	28,379	(4,176)
Other non-current assets	61,265	59,250	(2,015)
Total non-current assets	3,316,982	3,346,800	29,818
Total assets	6,320,037	6,485,599	165,562

Marubeni Corporation
Consolidated Financial Results

	Millions of yen		
	March 31 2020	December 31 2020	Variance
Liabilities and Equity			
Current liabilities:			
Bonds and borrowings	620,020	801,196	181,176
Trade and other payables	1,085,616	1,011,312	(74,304)
Other current financial liabilities	367,971	483,519	115,548
Income tax payable	16,360	10,609	(5,751)
Liabilities directly associated with assets held-for-sale	417	292	(125)
Other current liabilities	370,566	317,707	(52,859)
Total current liabilities	2,460,950	2,624,635	163,685
Non-current liabilities:			
Bond and borrowings	1,761,768	1,653,351	(108,417)
Trade and other payables	5,245	3,057	(2,188)
Other non-current financial liabilities	231,116	223,852	(7,264)
Accrued pension and retirement benefits	109,143	90,089	(19,054)
Deferred tax liabilities	63,073	82,860	19,787
Other non-current liabilities	84,142	92,001	7,859
Total non-current liabilities	2,254,487	2,145,210	(109,277)
Total liabilities	4,715,437	4,769,845	54,408
Equity:			
Issued capital	262,686	262,686	—
Capital surplus	143,189	143,390	201
Other equity instruments	243,589	243,589	—
Treasury stock	(1,172)	(796)	376
Retained earnings	866,140	993,795	127,655
Other components of equity:			
Gains (losses) on financial assets measured at fair value through other comprehensive income	22,718	33,567	10,849
Foreign currency translation adjustments	41,247	28,853	(12,394)
Gains (losses) on cash flow hedges	(62,922)	(79,287)	(16,365)
Equity attributable to owners of the parent	1,515,475	1,625,797	110,322
Non-controlling interests	89,125	89,957	832
Total equity	1,604,600	1,715,754	111,154
Total liabilities and equity	6,320,037	6,485,599	165,562

(2) Consolidated Statements of Comprehensive Income

	Millions of yen			
	Nine-month period ended December 31,			
	2019	2020	Variance	Ratio (%)
Revenue:				
Sale of goods	5,097,705	4,524,384	(573,321)	(11.2)
Commissions on services and trading margins	142,081	80,013	(62,068)	(43.7)
Total revenue	5,239,786	4,604,397	(635,389)	(12.1)
Cost of goods sold	(4,708,024)	(4,105,873)	602,151	(12.8)
Gross trading profit	531,762	498,524	(33,238)	(6.3)
Other income (expenses) :				
Selling, general and administrative expenses	(418,719)	(385,188)	33,531	(8.0)
Provision for doubtful accounts	(3,096)	(3,349)	(253)	8.2
Gains (losses) on property, plant and equipment				
Impairment losses on property, plant and equipment	(29,445)	(1,672)	27,773	(94.3)
Gains (losses) on sales of property, plant and equipment	(443)	1,560	2,003	—
Other – net	(5,289)	(1,836)	3,453	(65.3)
Total other income (expenses)	(456,992)	(390,485)	66,507	(14.6)
Finance income (expenses):				
Interest income	13,932	7,882	(6,050)	(43.4)
Interest expense	(38,877)	(17,620)	21,257	(54.7)
Dividend income	16,625	9,569	(7,056)	(42.4)
Gains (losses) on investment securities	3,757	1,133	(2,624)	(69.8)
Total finance income (expenses)	(4,563)	964	5,527	—
Share of profits of associates and joint ventures	116,748	94,398	(22,350)	(19.1)
Profit for the period before tax	186,955	203,401	16,446	8.8
Provision for income tax	(34,075)	(33,593)	482	(1.4)
Profit for the period	152,880	169,808	16,928	11.1
Profit for the period attributable to:				
Owners of the parent	145,648	163,757	18,109	12.4
Non-controlling interests	7,232	6,051	(1,181)	(16.3)
Other comprehensive income:				
Items that will not be retransferred to profit and loss for the period				
Gains (losses) on financial assets measured at fair value through other comprehensive income	(12,277)	9,638	21,915	—
Remeasurements of defined benefit pension plan	4,485	12,341	7,856	175.2
Changes in other comprehensive income of associates and joint ventures	1,237	4,542	3,305	267.2
Items that may be retransferred to profit and loss for the period				
Foreign currency translation adjustments	(29,649)	(9,531)	20,118	(67.9)
Gains (losses) on cash flow hedges	243	(4,254)	(4,497)	—
Changes in other comprehensive income of associates and joint ventures	(24,858)	(16,771)	8,087	(32.5)
Other comprehensive income, net of tax	(60,819)	(4,035)	56,784	(93.4)
Total comprehensive income for the period	92,061	165,773	73,712	80.1
Attributable to:				
Owners of the parent	85,709	160,236	74,527	87.0
Non-controlling interests	6,352	5,537	(815)	(12.8)

(3) Consolidated Statements of Changes in Equity

◆ *The Nine-month Period Ended December 31, 2019 (April 1,2019 - December 31, 2019)* (Millions of yen)

	Equity attributable to owners of the parent						
						Other components of equity	
	Issued capital	Capital surplus	Other equity instruments	Treasury stock	Retained earnings	Gains (losses) on financial assets measured at fair value through other comprehensive income	Foreign currency translation adjustments
Balance at beginning of period	262,686	139,898	243,589	(1,384)	1,163,472	71,912	131,178
Cumulative effects of new accounting policy adopted					(6,674)		
Profit for the period					145,648		
Other comprehensive income						(10,906)	(30,589)
Purchases and sales of treasury stock		(17)		77			
Dividends payment					(59,878)		
Equity transactions with non-controlling interests and others		3,003			(137)		
Distribution to owners of other equity instruments					(1,956)		
Transfer to retained earnings					1,782	2,471	
Transfer to non-financial assets and others							
Balance at end of period	262,686	142,884	243,589	(1,307)	1,242,257	63,477	100,589

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Equity attributable to owners of the parent		
	Gains (losses) on cash flow hedges	Remeasurements of defined benefit pension plan	Other components of equity total			
Balance at beginning of period	(33,610)	—	169,480	1,977,741	93,985	2,071,726
Cumulative effects of new accounting policy adopted				(6,674)		(6,674)
Profit for the period				145,648	7,232	152,880
Other comprehensive income	(22,697)	4,253	(59,939)	(59,939)	(880)	(60,819)
Purchases and sales of treasury stock				60		60
Dividends payment				(59,878)	(6,442)	(66,320)
Equity transactions with non-controlling interests and others				2,866	(3,044)	(178)
Distribution to owners of other equity instruments				(1,956)		(1,956)
Transfer to retained earnings		(4,253)	(1,782)	—		—
Transfer to non-financial assets and others	(560)		(560)	(560)		(560)
Balance at end of period	(56,867)	—	107,199	1,997,308	90,851	2,088,159

Marubeni Corporation
Consolidated Financial Statements

◆ *The Nine-month Period Ended December 31, 2020 (April 1,2020 - December 31, 2020)* (Millions of yen)

	Equity attributable to owners of the parent						
						Other components of equity	
	Issued capital	Capital surplus	Other equity instruments	Treasury stock	Retained earnings	Gains (losses) on financial assets measured at fair value through other comprehensive income	Foreign currency translation adjustments
Balance at beginning of period	262,686	143,189	243,589	(1,172)	866,140	22,718	41,247
Profit for the period					163,757		
Other comprehensive income						14,119	(12,394)
Purchases and sales of treasury stock		34		376			
Dividends payment					(49,481)		
Equity transactions with non-controlling interests and others		167			(68)		
Distribution to owners of other equity instruments					(1,972)		
Transfer to retained earnings					15,419	(3,270)	
Transfer to non-financial assets and others							
Balance at end of period	262,686	143,390	243,589	(796)	993,795	33,567	28,853

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Equity attributable to owners of the parent		
	Gains (losses) on cash flow hedges	Remeasurements of defined benefit pension plan	Other components of equity total			
Balance at beginning of period	(62,922)	—	1,043	1,515,475	89,125	1,604,600
Profit for the period				163,757	6,051	169,808
Other comprehensive income	(17,395)	12,149	(3,521)	(3,521)	(514)	(4,035)
Purchases and sales of treasury stock				410		410
Dividends payment				(49,481)	(6,152)	(55,633)
Equity transactions with non-controlling interests and others				99	1,447	1,546
Distribution to owners of other equity instruments				(1,972)		(1,972)
Transfer to retained earnings		(12,149)	(15,419)	—		—
Transfer to non-financial assets and others	1,030		1,030	1,030		1,030
Balance at end of period	(79,287)	—	(16,867)	1,625,797	89,957	1,715,754

(4) Consolidated Statements of Cash Flows

	Millions of yen		
	Nine-month period ended December 31,		Variance
	2019	2020	
Operating activities			
Profit for the period	152,880	169,808	16,928
Adjustments to reconcile profit for the period to net cash provided by (used in) operating activities:			
Depreciation and amortisation	122,117	105,548	(16,569)
Losses (Gains) on property, plant and equipment	29,888	112	(29,776)
Finance expenses (income)	4,563	(964)	(5,527)
Share of profits of associates and joint ventures	(116,748)	(94,398)	22,350
Income taxes	34,075	33,593	(482)
Changes in notes and trade accounts receivable	141,447	88,879	(52,568)
Changes in inventories	20,841	(314)	(21,155)
Changes in notes and trade accounts payable	(159,894)	(51,729)	108,165
Other-net	(110,380)	(134,435)	(24,055)
Interest received	9,687	7,406	(2,281)
Interest paid	(38,362)	(18,865)	19,497
Dividends received	84,073	88,647	4,574
Income taxes paid	(17,585)	(23,124)	(5,539)
Net cash provided by/ used in operating activities	156,602	170,164	13,562
Investing activities			
Net decrease (increase) in time deposits	108	26	(82)
Proceeds from sale of property, plant and equipment	7,146	4,337	(2,809)
Proceeds from sale of investment property	170	—	(170)
Collection of loans receivable	6,299	8,759	2,460
Proceeds from sale of subsidiaries, net of cash and cash equivalents disposed of	173	(478)	(651)
Proceeds from sale of investments in associates and joint ventures, and other investments	48,638	56,868	8,230
Purchase of property, plant and equipment	(76,679)	(94,978)	(18,299)
Purchase of investment property	(109)	(90)	19
Loans provided to customers	(15,184)	(26,131)	(10,947)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(14,729)	(18,787)	(4,058)
Purchase of investments in associates and joint ventures, and other investments	(35,153)	(51,749)	(16,596)
Net cash provided by/used in investing activities	(79,320)	(122,223)	(42,903)
Financing activities			
Net increase (decrease) in short-term borrowings	95,809	216,402	120,593
Proceeds from long-term bonds and borrowings	183,994	217,261	33,267
Repayments of long-term bonds and borrowings	(285,097)	(304,205)	(19,108)
Dividends paid to owners of the parent	(59,878)	(49,481)	10,397
Net cash outflows on purchases and sales of treasury stock	(6)	(5)	1
Capital contribution from non-controlling interests	87	667	580
Acquisition of equity portion of subsidiary from non-controlling interests	(6,910)	(380)	6,530
Distribution to owners of other equity instruments	(1,956)	(1,972)	(16)
Other	(7,102)	(6,168)	934
Net cash provided by/used in financing activities	(81,059)	72,119	153,178
Effect of exchange rate changes on cash and cash equivalents	(1,855)	(3,281)	(1,426)
Net increase (decrease) in cash and cash equivalents	(5,632)	116,779	122,411
Cash and cash equivalents at beginning of period	509,288	522,523	13,235
Increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale	—	(595)	(595)
Cash and cash equivalents at end of period	503,656	638,707	135,051

(5) Notes Related to Going Concern Assumptions

None

(6) Segment Information

<Operating Segment>

◆ *The Nine-Month Period Ended December 31, 2019 (April 1,2019 - December 31, 2019)*

Millions of yen

	Lifestyle	ICT & Real Estate Business	Forest Products	Food	Agri Business	Chemicals	Energy	Metals & Mineral Resources
Revenue	122,309	145,916	203,437	1,328,757	2,160,888	315,212	354,146	265,661
Gross trading profit (loss)	16,886	81,103	24,000	76,954	129,868	23,291	37,385	24,097
Operating profit (loss)	3,135	14,415	8,784	23,862	22,732	4,355	11,739	9,967
Share of profits (losses) of associates and joint ventures	367	382	(829)	4,285	220	1,183	277	41,204
Profit (loss) attributable to owners of the parent	3,339	3,167	3,885	19,329	11,316	3,468	(6,401)	49,657
Segment assets（as of March 31, 2020)	102,770	483,014	266,786	679,664	1,164,784	267,098	572,001	758,594

	Power Business	Infrastructure Project	Aerospace & Ship	Finance & Leasing Business	Construction, Industrial Machinary & Mobility	Next Generation Business Development	Other	Consolidated
Revenue	119,859	12,491	63,057	18,832	233,792	2,647	(107,218)	5,239,786
Gross trading profit (loss)	18,727	7,870	20,623	8,386	66,603	1,811	(5,842)	531,762
Operating profit (loss)	(8,358)	(4,885)	11,545	682	15,510	(1,190)	(2,346)	109,947
Share of profits (losses) of associates and joint ventures	29,928	12,121	5,624	17,903	3,816	255	12	116,748
Profit (loss) attributable to owners of the parent	20,933	5,448	13,047	15,576	15,194	(1,041)	(11,269)	145,648
Segment assets（as of March 31, 2020)	704,279	236,751	274,961	307,267	359,864	13,906	128,298	6,320,037

◆ *The Nine-Month Period Ended December 31, 2020 (April 1,2020 - December 31, 2020)*

Millions of yen

	Lifestyle	ICT & Real Estate Business	Forest Products	Food	Agri Business	Chemicals	Energy	Metals & Mineral Resources
Revenue	90,285	256,426	174,543	945,317	2,065,399	283,473	274,822	215,419
Gross trading profit (loss)	13,548	83,155	18,693	82,113	140,274	29,286	30,310	13,165
Operating profit (loss)	1,452	19,942	2,420	33,510	31,711	13,927	6,675	(278)
Share of profits (losses) of associates and joint ventures	152	605	(1,699)	6,288	3,673	1,060	571	36,393
Profit (loss) attributable to owners of the parent	1,398	14,669	(1,640)	26,656	27,070	12,344	11,017	35,411
Segment assets (as of December 31, 2020)	101,277	436,789	282,865	692,534	1,267,506	280,099	544,318	804,428

	Power Business	Infrastructure Project	Aerospace & Ship	Finance & Leasing Business	Construction, Industrial Machinary & Mobility	Next Generation Business Development	Other	Consolidated
Revenue	125,299	16,632	42,741	4,715	211,251	2,107	(104,032)	4,604,397
Gross trading profit (loss)	14,182	6,980	10,147	2,509	59,087	1,311	(6,236)	498,524
Operating profit (loss)	(11,717)	(3,965)	2,466	(3,477)	11,172	(1,750)	7,899	109,987
Share of profits (losses) of associates and joint ventures	20,385	8,020	2,677	13,813	2,369	87	4	94,398
Profit (loss) attributable to owners of the parent	10,617	5,246	3,623	9,899	10,029	(1,592)	(990)	163,757
Segment assets (as of December 31, 2020)	698,132	225,549	261,162	314,530	327,750	14,696	233,964	6,485,599

(Note 1) From the fiscal year ending March 31, 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".

(Note 2) In conjunction with these revisions, operating segment information for the year-earlier period and March 31, 2020 has been reclassified.

(Note 3) "Operating profit (loss)" is presented in accordance with Japanese accounting practice for investors' convenience and is not required by IFRS. "Operating profit (loss)" is the sum of "Gross trading profit", "Selling, general and administrative expenses" and "Provision for doubtful accounts" stated in Consolidated Statements of Comprehensive Income.

(Note 4) Inter-segment transactions are generally priced in accordance with the prevailing market prices.

(Note 5) "Other" includes headquarters expenses that are not allocated to the operating segments and inter segment elimination, cash and cash equivalents related to finanicng held for general corporate purposes that are not allocated to the operating segments.