

GLOBAL  
CROSSVALUE  
PLATFORM

**Marubeni**

<https://www.marubeni.com/en/>

# INTEGRATED REPORT

Marubeni Corporation 2021

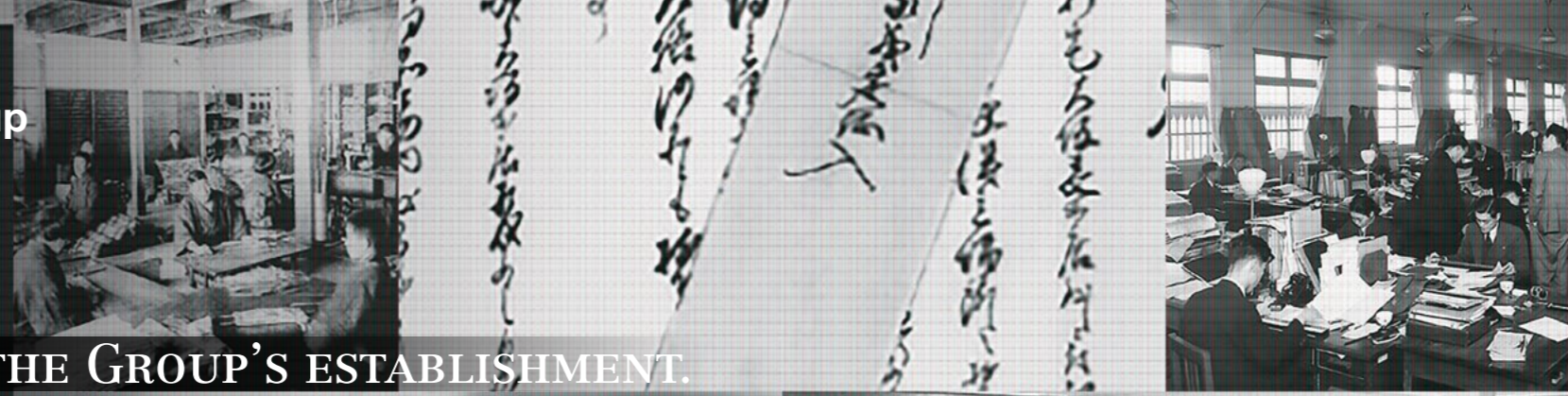
**Marubeni**



# History of the Marubeni Group



OVER 160 YEARS SINCE THE GROUP'S ESTABLISHMENT.  
BUILDING THE CORNERSTONE OF MARUBENI.



Brass furnishings at the old building of Toyosato Elementary School (Shiga Prefecture) related to Tetsujiro Furukawa



Osaka Head Office (1949)



The Marubeni Group traces the origins of its business to the linen cloth business started by our founder Chubei Itoh in 1858. Since that time, the Group has grown alongside society and our customers by continually embracing and working to solve the issues society and customers confront.

Our experience of overcoming various changes and adversities in the social and economic environment has been condensed into the Company Creed, "Fairness(正), Innovation(新), and Harmony(和)," formulated in 1949, which remains the foundation of our business activities today.



Marubeni's founder  
**Chubei Itoh**  
1842 - 1903



First President of Marubeni Shoten  
The 9th Chobei Itoh  
1868 - 1941

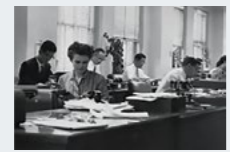


Marubeni Shoten's Senior Managing Director  
**Tetsujiro Furukawa**  
1878 - 1940



## Growth of the Business

- 1950** Listed on Tokyo Stock Exchange
- 1951** First overseas subsidiary established in New York
- 1958** Centennial of founding
- 1961** Non-textile sales exceeded 50% of total sales
- 1963** Received thermal power plant equipment order from Manila Electric Company in the Philippines
- 1966** Received first sugar plant order on turnkey basis in the Philippines



New York subsidiary



Manila Electric Company's generator No. 1 (Philippines)

- 1978** U.S. grain consolidator, granary and exporter Columbia Grain established
- 1981** Sales and shareholders' equity exceeded ¥10 trillion and ¥100 billion, respectively
- 1987** Acquired U.S. agri-input retailer Helena



Columbia Grain (U.S.)



Helena (U.S.)

- 1996** First shipment from Qatar LNG project delivered  
Acquired interest in Los Pelambres Copper Mine in Chile



LNG project (Qatar)



Los Pelambres Copper Mine (Chile)

- 2007** Net profit exceeded ¥100 billion
- 2008** Acquired interest in Esperanza Copper Mine in Chile  
Earned all-time record consolidated net profit for fifth consecutive fiscal year

- 2012** Acquired equity stake in Roy Hill Iron Ore Project in Australia
- 2013** Acquired Gavilon in U.S.  
Shareholders' equity exceeded ¥1 trillion
- 2018** 160th anniversary of founding
- 2019** Earned all-time record profit (FYE 3/2019 net profit: ¥230.9 billion)  
GC2021 Medium-Term Management Strategy initiated



Roy Hill Iron Ore Project (Australia)



Gavilon (U.S.)

## Values of the Marubeni Group

### UNCHANGING VALUES, PASSED DOWN TO THE PRESENT DAY.

Our Company Creed, “Fairness(正), Innovation(新), and Harmony(和),” dates back to Marubeni’s first president, Shinobu Ichikawa.

This Creed is the starting point for the Marubeni Group and its employees, and encapsulates values that act as constant guideposts even in times of rapid change.



First President of  
Marubeni Co., Ltd.  
Shinobu Ichikawa  
1897 - 1973

#### Company Creed/Management Philosophy



#### Company Creed

**Fairness**—Act with fairness and integrity at all times.

**Innovation**—Pursue creativity with enterprise and initiative.

**Harmony**—Give and earn the respect of others through cooperation.

#### Management Philosophy

In accordance with the spirit grounded in “Fairness, Innovation and Harmony,” the Marubeni Group is proudly committed to social and economic development and safeguarding the global environment by conducting fair and upright corporate activities.

## OUR VISION Global crossvalue platform

The Global crossvalue platform clarifies and reaffirms the Marubeni Group’s raison d’être, and represents the Group’s commitment to increase corporate value in a lasting way.

The Marubeni Group itself aims to integrate its wide variety of businesses into a single mega-platform, and, drawing together an array of values on a global scale, aims to increase corporate value in a lasting way by generating new businesses and creating solutions for society and customers.



## Global crossvalue platform Marubeni

Pursue growth engines and create new business models by proactively addressing the challenges of customers and society through vertical evolution and horizontal expansion

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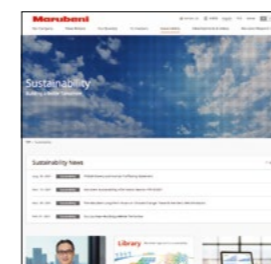


#### List of relevant website information

Provides contents of the Integrated Report 2021 and relevant information to supplement the Integrated Report.

#### Sustainability

<https://www.marubeni.com/en/sustainability/>



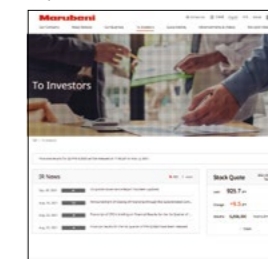
##### Main Contents

- > Our Way to Sustainability
- > Environment
- > Social
- > Governance



#### To Investors

<https://www.marubeni.com/en/ir/>



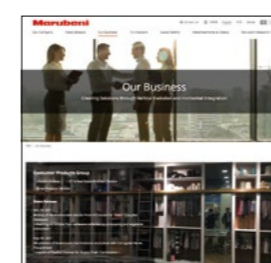
##### Main Contents

- > Earnings Releases & Financial Information
- > Stock Information
- > IR Library
  - > IR Meeting on Financial Results
  - > IR Meeting on Business Operation
- > Annual General Meeting of Shareholders



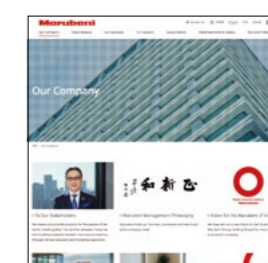
#### Our Business

<https://www.marubeni.com/en/business/>



#### Our Company

<https://www.marubeni.com/en/company/>



##### Main Contents

- > Marubeni Management Philosophy
- > Vision for the Marubeni of the Future
- > Medium-Term Management Strategy
- > Organization
- > Major Group Companies
- > Our History



#### Editorial Policy

The Marubeni Group's Integrated Report is meant to serve as a tool for communicating with stakeholders and gaining the trust of greater society. To provide a systematic explanation of the Marubeni Group's initiatives, the Integrated Report cohesively presents the vision for the Marubeni of the future and the strategies for realizing this vision, as well as our commitment to helping resolve social issues through our business activities.

The Integrated Report 2021 puts emphasis on conveying directly the message of management, through the CEO's message and the roundtable discussion with external directors. It also broadens the disclosure of non-financial information such as, for example, starting to disclose information based on TCFD recommendations, as well as reporting on progress made with initiatives and policies related to the materiality of the Marubeni Group.

#### Reporting Period

April 1, 2020-March 31, 2021

The contents of the publication include some information before and after the reporting period.

#### Guidelines

- The Global Reporting Initiative (GRI) Sustainability Reporting Standard
- ISO26000 Guidance on social responsibility
- Value Reporting Foundation (VRF) International Integrated Reporting Framework
- Ministry of Economy, Trade and Industry (METI) Guidance for Collaborative Value Creation



#### 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, many of which 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, performance and achievements may differ materially from those described explicitly or implicitly in the relevant forward-looking statements. The Company bears no responsibility for any possible damages arising from the use of information in 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.

#### Note Regarding Accounting Standards

The Company adopted U.S. GAAP up until the fiscal year ended March 31, 2013, and IFRS from the fiscal year ended March 31, 2014.

"Profit attributable to owners of the parent" is described as "Consolidated Net Profit"/"Net profit" in this report.

## Value-creative corporate group evolving beyond the boundaries of the current *Sogo Shosha*

» Marubeni is committed to taking on new global challenges,  
and pursuing corporate value enhancement while  
continuously seeking to create economic value, together with  
environmental and social value.



# CEO message

**Masumi Kakinoki**  
President & CEO

First, I would like to say that our thoughts are with everyone affected by the COVID-19 pandemic, which we hope will come to an end in the near future. I would also like to express my profound gratitude to all the medical institutions and health professionals working on the frontline.

We live in a world undergoing significant change in consumer lifestyles and industrial structures. The necessity of solutions to societal issues, notably climate change measures such as decarbonization, is coming to the fore, while we experience a digital transformation (DX) with the arrival of digital technologies such as AI and IoT. By challenging prevailing societal values, the COVID-19 pandemic is increasing the pace of change even further. The top priority for the Marubeni Group is still the safety of employees, customers and business partners worldwide. We aim to enhance our corporate value by addressing societal issues across a range of industries while promoting innovation.

### A year of steadily achieving missions with a sense of urgency

After the major losses posted in the fiscal year ended March 31, 2020, last fiscal year (ended March 31, 2021) was an important one for restoring the trust of all Marubeni Group stakeholders. We could feel the pressure as we took on this task. The uncertainty caused by the steadily developing COVID-19 pandemic outbreak created a debate over whether we could even provide forward guidance for the fiscal year to March 2021. We decided it was important to prepare proper budgets and explain to our shareholders and investors how we planned to use the funds that they had entrusted to us in managing the business and in recovering from the losses posted in the previous year. We released the results for the fiscal year ended March 31, 2020 together with forward guidance for the year to March 2021, based on what we considered the most appropriate assumptions at the time. This generated a shared sense of urgency among employees and spurred everyone to achieve the goals they had designated as their missions. In the end, we performed significantly better than we had anticipated in our initial guidance for the fiscal year ended March 31, 2021 in terms of

consolidated net profit and core operating cash flow\*. We also achieved our goal ahead of initial target in terms of improving the net DE ratio, one of the most critical components of rebuilding the Group's financial foundation.

\* Core operating cash flow: Operating cash flow excluding net increase/decrease in working capital and others

### Marubeni: Pushing ahead with changes to realize its vision of the "Global crossvalue platform"

One of our unique characteristics as a *Sogo Shosha* (general trading company) has been the ability to detect societal transitions early and to contribute to each new era by swiftly evolving in response. To grow sustainably in this current era, we will need to leverage such qualities more than ever. Naturally, this will mean changing our business models, while also reforming and improving management systems in parallel.

Even though Marubeni Group is constantly changing, we continue to value our Company Creed of "Fairness, Innovation, and Harmony" as a universal and unchanging set of values that applies to the whole Group. The Creed is derived from the directions of Marubeni's first president, Shinobu Ichikawa. He would always urge employees to act with fairness and integrity; to actively pursue creative challenges; and to never forget the spirit of teamwork, which is built on harmony and respect for others. His thinking was consistent with our modern concept of sustainability. Taken in conjunction with Marubeni's Management Philosophy and Corporate Principles, these values are highly prescient for our modern age, in my view.

In an age where the future is as unpredictable as ever, our Company Creed gives us a point of origin to which we can return. Defining the Marubeni Group's long-term vision as a "Global crossvalue platform" is important in giving us all a shared sense of direction as an enterprise. By using "Fairness, Innovation, and Harmony" as our immutable guideposts, and by gaining a firm understanding of global trends such as climate change issues and DX, I believe we can undertake the appropriate reforms to help us address societal issues and enhance the Group's corporate value over the medium and long term.

### The Marubeni Long-Term Vision on Climate Change

Our current situation, amid a rising incidence of extreme weather events and natural disasters across the globe, is not a normal one. It is vital to take environmental issues seriously and to conduct business accordingly. Resources on this planet are finite, and if we are to adopt the position that we must be proper stewards of the Earth, sustainability becomes a critical issue. The Marubeni Group engages with this issue in our day-to-day management.

Initiatives to promote sustainability are an essential aspect of what every business is expected to do now. The coal-fired power generation business is a powerful case study of how this works in practice. We led the industry back in 2018 in announcing a bold plan to halve the generation capacity of our coal-fired power generation business. Every year, financial institutions from Europe have been asking me for my views on the hot-button topic of coal-fired power generation, so I have been acutely aware of this issue for some time now. Just a few years ago there was a view that coal-fired power would probably be essential to the economic development of Southeast Asian countries, but in the blink of an eye the world has shifted.

Today, more than 120 countries have made the commitment to reduce their net greenhouse gas (GHG) emissions to zero by 2050. This kind of forward-looking stance is very important. The Marubeni Group announced the Marubeni Long-Term Vision on Climate Change in March 2021, in which we also set a target of reaching net-zero GHG emissions by 2050. Since a long-term vision is really just a goal, we also set practical targets as part of an action plan that we formulated for the period to 2030 so that our corporate direction is clear, and the long-term goal is more achievable.

With environmental issues, we can easily take a direct approach. We are able to contribute environmentally through our business functions because the Marubeni Group is already a part of various networks operating from upstream to downstream.

Accelerating global shifts do pose risks, but I believe they also present huge opportunities. Failing to anticipate and understand these new trends could mean being instantly left behind. So, rather than companies falling in line with the rest

of their industry, I think the main differences will be between those companies that face new global trends and respond to them, and those that don't.

The Marubeni Group is addressing the issue of sustainability in ways that will lead to enhanced corporate value; we are doing this by recognizing that actions to address societal issues are business opportunities, and by seeking to create new value through innovative solutions. We will continue to work to create new businesses in partnership with customers and society.

### DX Strategy: the basis for addressing the Group's new challenge

In order to enhance our corporate value, we must simultaneously strengthen our existing businesses and develop new business domains. Our DX Strategy is the key to achieving this.

In February–April 2021, small teams led by the Chief Operating Officers of each business division looked at strategies for utilizing digital technologies to expand existing businesses across all Group divisions. At the same time, we also formed teams led by younger employees to devise scenarios and strategies utilizing digital technologies that could disrupt the strengths of our core businesses. This analysis looked for opportunities to use digital technologies in existing businesses alongside an objective analysis of DX-related threats. The output from these processes provided the basis for revising and improving each business division's strategy, while also generating ideas for new businesses to develop. Overall, I believe this was a successful initiative.

Digital technologies can be a powerful and invaluable tool for increasing the scale or efficiency of existing businesses, or to speed up operations. They can also play a vital role in supporting innovation. In addition, DX is not just about boosting efficiency or speed; I see new businesses coming into existence where DX itself is a core element of operations, as opposed to simply a means of optimization.

One of the issues we have at Marubeni is a shortage of people with the skills to lead our digital-led reform process. To address this, we plan to develop a digital talent base of 200 individuals by 2023. These people will have a base of business knowledge, in addition to having a working knowledge of data analysis and programming. In addition, they will be able to test



hypotheses based on the data analysis and come up with flexible concepts. We are looking to develop HR internally alongside active external recruitment. Development of our digital talent base will help us succeed in identifying new business domains while also making our existing businesses stronger and more efficient.

### A diversity-oriented HR Strategy

People are Marubeni's greatest asset. It is no exaggeration to say that making the most of our human resources is the key to the success of the Marubeni Group.

Rising workforce mobility is characteristic of this current era. We have significantly overhauled our HR and personnel evaluation systems to ensure that Marubeni is a place where talented people will want to work. The reformed system went into effect in the fiscal year ended March 31, 2021. I believe that this new HR set-up recognizes the importance of human capital as a resource for the entire Marubeni Group, while also fostering awareness of the need to develop it.

We have also revised recruitment policies to ensure we hire more non-Japanese, seniors, and women – all of whom have tended to be under-represented within our workforce. To boost the intake of new female graduates for our career track, we have set a target of increasing the recruitment ratio to 40–50% within three years, which should quickly strengthen the company in this area.

We must recognize that the HR strategies prevalent in Japan until now have failed to help women achieve social advancement, despite women making up half of the population and gender having no bearing on overall aptitude. Setting a target of 40–50% female recruitment for university graduates sends a positive and empowering message to young people entering society in Japan, both male and female.

### Reinforced investment discipline in the wake of asset write-downs

As a company, we have thoroughly analyzed and discussed the reasons why we have posted impairment losses over the past several years. As a result, we have decided to make changes to ensure stricter investment discipline so that such failures do not recur. In the past, many business plans for Marubeni's investment projects were based on optimistic growth assumptions. Today, we withhold approval for any projects that do not sufficiently consider key factors and in cases where proper checks have not been done to ensure that a potential investment is fully aligned with corporate strategy and growth probabilities. Application of strict selection criteria to any new investments has become an accepted part of the internal culture at Marubeni, though many also recognize that being overly strict could stop us from rising to

the challenge. We have reformed our HR systems to ensure challenging missions are properly valued, that people can get second chances, and that incentives are in place to encourage people to take up challenges in the first place. I believe our reforms have transformed our company culture into one that accepts strict selection criteria for investment projects while also retaining a spirit of enterprise. We have found a good balance between enforcing strict investment discipline and creating a system that allows employees to take on new challenges.

The fiscal year ending March 31, 2022 is the final one in the three-year GC2021 Medium-Term Management Strategy. Improvements will carry over into the next medium-term management strategy as we look to take the next steps in enhancing corporate value over the medium to long term.

### Strengthening corporate governance and optimizing Group management

We are continuing to target improvements in our corporate governance; requiring all directors and Audit & Supervisory Board members to evaluate the effectiveness of the Board of Directors is a measure that enables executives to raise issues concerning Board operation without limitation. It works well, in my view, since it has made us aware of various places where improvements can be made. We are also focused on how to maximize the contributions of the outside directors even though the Board of Directors already meets quite frequently. We prepare advance briefings on Board meeting agenda items for them, organize meetings for the outside directors, and also opportunities for them to visit the front lines of Marubeni Group businesses.

We have revised the executive compensation systems for inside directors and executive officers, starting from the fiscal year ending March 31, 2022. Previously, up to 20% of base annual remuneration could be awarded in the form of stock options. In June 2021, we introduced restricted stock (shares with restriction on transfer) and performance share units (shares issued or disposed in accordance with the achievement of targets linked to market value growth rate and other performance indicators) as new executive remuneration tools. This decision will help to provide improved incentives for management to increase the share price in ways that are aligned with the interests of all shareholders.

One of the principles of Group management at Marubeni is that we endeavor to promote top-performing employees to senior management positions of our operating companies so that we can maximize the results of these companies. We have also adopted structures to promote dynamism and ensure that as much operational independence as possible is afforded to them. While the Marubeni Headquarters naturally acts as the owner of each operating company, we try to maximize corporate value by allowing the top managers at each firm to specialize and grow within their domain. In addition to the local governance structures, each operating company must comply with the Marubeni Group governance policies to ensure sound operations are maintained. By strengthening Group management while ensuring that the relationships between operating companies and Headquarters are highly transparent, we aim to create a dynamic enterprise that is also well suited to addressing societal issues.

### Restoring trust to pursue long-term enhancement in corporate value

In the fiscal year ended March 31, 2021, we strove to restore the trust of shareholders, investors and other stakeholders following the losses posted in the previous year. With our top priority to rebuild and strengthen the financial base, we focused on boosting cash flows and meeting quantitative targets such as an improvement in our net DE ratio. We remain committed to achieving the goals we have communicated to our stakeholders and will not allow ourselves to get complacent.

We recognize, however, that focusing only on greater financial discipline dampens the momentum to strive for growth. I stated last year that, despite significant losses, we would not reconsider the spirit of GC2021. Growth-oriented investments are necessary if we are to achieve our longer-term targets for enhancing corporate value. While keeping a solid base of operations, we will move on to sow the next seeds of growth once we have made the necessary improvements. In doing so, we hope to satisfy the expectations of all shareholders.

August 2021

**Masumi Kakinoki**  
President & CEO

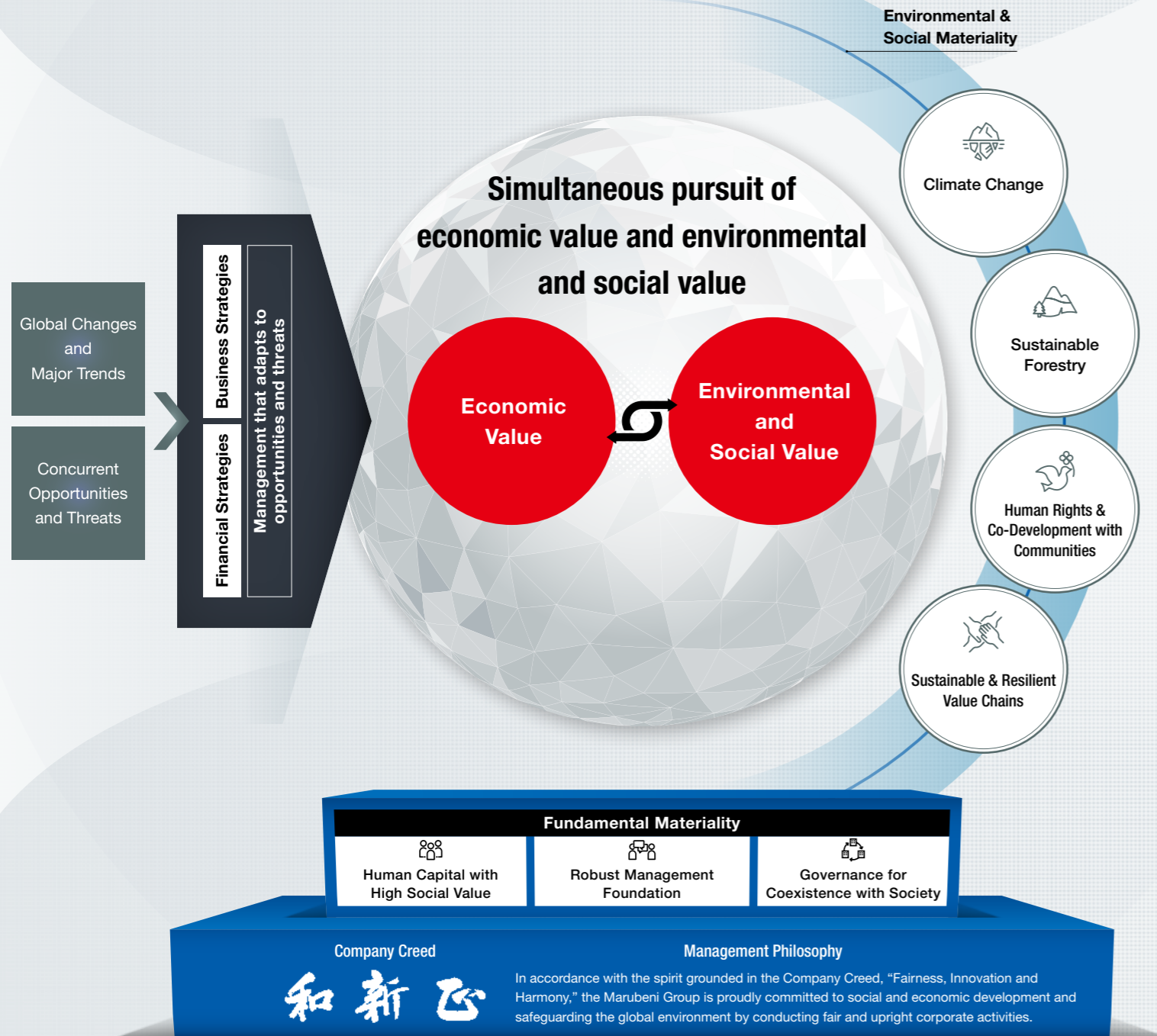
# Path to Value Creation



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# The Marubeni Group's Value Creation Story



The Foundations for Value Creation

## Enhancement of Corporate Value for the Medium to Long term

Value creation company going beyond the boundaries of the current *Sogo Shosha*



Global crossvalue platform **Marubeni**

Since its founding, the Marubeni Group has built up an unwavering foundation from which we have continually taken on the challenge of creating value. The Company Creed of “Fairness, Innovation and Harmony” and our Management Philosophy encapsulate the common values shared across the Marubeni Group and are the bedrock of our value creation.

The world today is undergoing monumental changes—such as the transformation of values and the rapid advance of digital transformation—changes that mark a break from the past and that disrupt preconceived ideas. For the Group, these emerging changes represent at the same time both opportunities and threats.

In this kind of unpredictable business environment, we will constantly refine our strategies and risk management to enhance management resilience. By taking the issues of society and our customers to heart and offering solutions to them, we will simultaneously pursue economic value and environmental and social value, as we achieve the medium- and long-term enhancement of our corporate value.

As a platform for co-creation with an array of people both inside and outside the Group as well as across regions and countries, the Marubeni Group aims to be a value-creative corporate group evolving beyond the boundaries of the current *Sogo Shosha*.

\* The Marubeni Group has identified the following categories of materiality related to sustainability.  
 Fundamental Materiality: Three categories of materiality identified as the most important fundamental elements for achieving lasting growth.  
 Environmental and Social Materiality: Four categories of materiality identified to contribute to solving environmental and social issues.

For more details, see the “Material Issues for Sustainability (Materiality)” on PP.51-69.

## Working to Enhance Corporate Value for the Medium to Long Term

### Enhancement of Corporate Value for the Medium to Long term

**a** Maintain and improve ROE

**b** Reduce cost of equity

## BASED ON UNCHANGING VALUES, PROMOTING REFORMS TO ENHANCE CORPORATE VALUE

The Marubeni Group aims to maximize corporate value by simultaneously pursuing economic value and environmental and social value.

To meet this challenge, the Group has launched initiatives that contribute to maintaining and improving ROE and reducing the cost of equity, and is pushing ahead with reforms to these ends.

## Maintain and improve ROE

The Marubeni Group aims to maintain and improve ROE\*1 to maximize corporate value.

To accomplish this goal, we will work to continuously generate and expand net profit and core operating cash flow\*2 through business strategies attuned to the need for capital efficiency.

Our approach involves establishing a solid presence in new business areas that promise significant future growth, in addition to further reinforcing and raising the level of existing businesses where we already have competitive strengths.

\*1. ROE: Return on equity attributable to owners of the parent.

\*2. Core operating cash flow: Operating cash flow excluding net increase/decrease in working capital and others.

### Maintain and improve ROE

Continued increase in net profit, core operating cash flow, strategic capital allocation

Establishment of strong earnings base through enhancement of business strategies while monitoring capital efficiency

#### Specific Measures

- Business Policies SPP → Special Feature: More Targeted Investments Based on Enforced Investment Discipline (PP.30-33)
- Next Generation Business Development → Special Feature: Next Generation Business Development Division Initiatives (PP.34-35)
- DX Strategy → Special Feature: Promotion of DX Strategy (PP.43-45)

## Reduce cost of equity

The Marubeni Group is not only optimizing its financial leverage, but also making efforts to smooth out fluctuations in business performance, including rigorously disciplined and more targeted investment.

We are also working to reduce the cost of equity\*3 to enhance corporate value over the medium to long term through non-financial measures, such as sustainability initiatives including corporate governance and climate change measures.

\*3. Cost of equity: The cost of funds raised by a company through stock issues. This is synonymous with the returns shareholders expect from a company's stock, and generally changes in line with the extent of risk of individual stocks (such as the level of Beta).

### Reduce cost of equity

Optimization of financial leverages (Net DE ratio)

Minimization of performance volatility

Improvement of non-financial performance through stronger actions for sustainability

#### Specific Measures

- Financial Strategy → Message from the CFO

#### Specific Measures

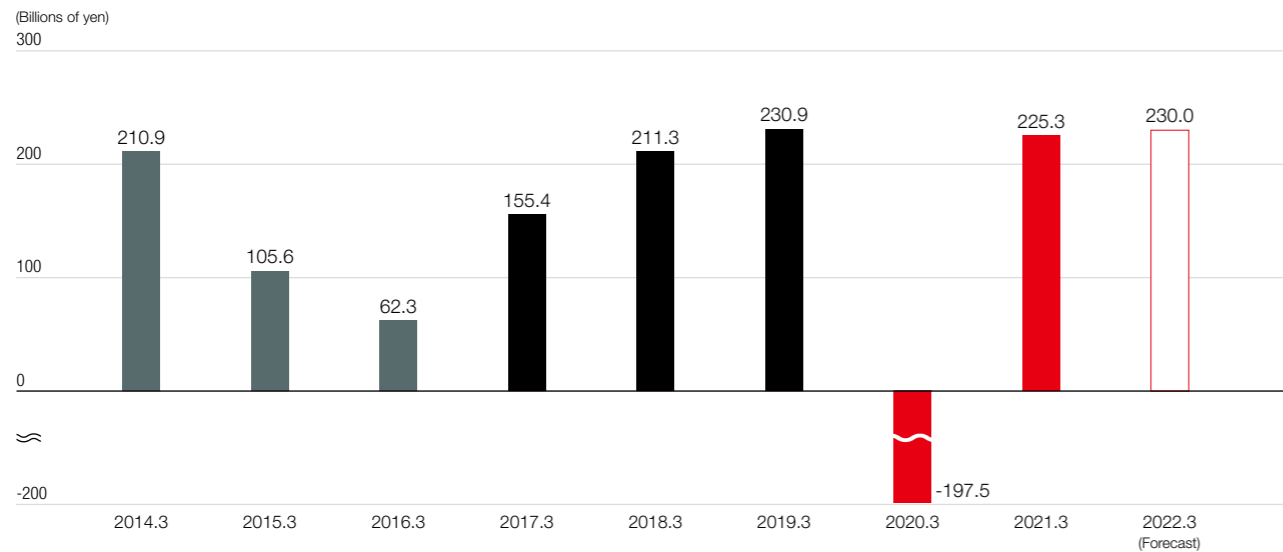
- Business Policies SPP
- Risk Management → Special Feature: More Targeted Investments Based on Enforced Investment Discipline (PP.30-33)

#### Specific Measures

- HR Strategies → Special feature: GC2021 Group HR Strategies (PP.37-41)
- Climate Change → Sustainability: Climate Change (PP.52-64)
- Corporate Governance → Special Feature: Corporate Governance (PP.46-47)

# Business Plan Review

## Consolidated Net Profit (Loss)



**GC2015**  
Global Challenge 2015  
(FYE 3/2014 - FYE 3/2016) Released in May 2013

**GC2018**  
Global Challenge 2018 The Road to 2020  
(FYE 3/2017 - FYE 3/2019) Released in February 2016

**GC2021**  
Global crossvalue platform  
(FYE 3/2020 - FYE 3/2022) Released in May 2019

### Basic Policy | Priorities | Business Environment

The Marubeni Group aims to maximize its corporate value by developing a full line of businesses to leverage its dynamism as a general trading company and by aggressively capitalizing on the global economy's medium- to long-term growth. Under "Global Challenge 2015," the Marubeni Group will realize sustainable growth and build a strong profit structure and solid financial base by expanding its operations in business domains in which it possesses strengths and competitiveness and is capable of playing a leading role.

- Maximize efficiency of management resources
- Strengthen and expand overseas operations
- Further promote business-led HR strategy
- Low commodity prices
- Slower growth in China

### Outcomes

#### Financial Targets

Management Indicators	Final year target	Results	Achieved (Y/N)
Consolidated net profit	¥250.0-300.0 billion	¥62.3 billion	N
Net D/E ratio	Approx. 1.5x	1.95x	N
ROE	15%+ and stable	4.4%	N
ROA	4.0%+	0.8%	N
3Y total for new investments (gross)	Approx. ¥1.1 trillion	¥1.4 trillion	

- To maximize efficiency of management resources, we analyzed the profitability, efficiency and growth potential of each business to help us optimize the allocation and shifting of management resources.
- To strengthen and expand overseas operations, we invested around ¥1,400 billion to increase the Marubeni Group's presence in regions with high longer-term growth potential and to build up the Group's overseas operations. Major investments in the GC2015 period included the acquisition of Gavilon Holdings, LLC.
- To further promote our business-led HR strategy, we focused on initiatives to develop and cultivate human resources across the Marubeni Group, based on an HR policy emphasizing integration of experience with remuneration and training.
- Impairment losses booked in FYE 3/2015 and FYE 3/2016 totaling approximately ¥230 billion were primarily the result of asset write-downs for natural resource projects, reflecting low commodity prices, along with losses booked for non-resource businesses such as the US grain business and overseas plant business. The losses resulted in earnings falling short of plan targets.

[Reference]	Net Profit (Loss)		Achieved (Y/N)
	Initial target	Results	
2014.3	¥210.0 billion	¥210.9 billion	Y
2015.3	¥220.0 billion	¥105.6 billion	N
2016.3	¥180.0 billion	¥62.3 billion	N

### Issues

- The significant impairment losses highlighted the need to strengthen the financial base and cash flow management while improving investment discipline.

## GC2018

### Basic Policy | Priorities | Business Environment

The Marubeni Group will work to outperform the top players in business fields and markets across the world, aiming to become a true global company that contributes to both regional economies and society.

To achieve this goal, we aim to make the Group stronger and more resilient while harnessing the abilities of its many individuals. We will expand our global operations by growing our businesses worldwide and investing in human capital.

The Marubeni Group will work to optimize and expand its existing businesses while strategically promoting new businesses with the potential to become future core operations for the Group. In this way, we will realize sustained growth.

- Clarify and execute business policies for each business model
- Cash flow management
- Portfolio policies (setting targets for total assets and net profit for each business model)
- Improved overseas strategy
- Marubeni Group HR Strategy
- Structural global economic shifts (slower growth in developing economies, renewed economic importance of advanced countries)

### Outcomes

#### Financial Targets

Management Indicators	Initial target	May 2017 revision
	Final year target	Final year target
Consolidated net profit	¥250.0 billion	¥200.0 billion
	Non-resources ¥230.0 billion+	Non-resources ¥180.0 billion+
Net DE ratio	Around 1.3x	Around 1.0x*
ROE	10%+	10%+
3Y total for FCF after dividends	Positive FCF	+¥400.0-500.0 billion
3Y total for new investments (gross)	¥1.0 trillion	¥400.0-500.0 billion

Results	Achieved (Y/N)
¥230.9 billion	Y
¥180.4 billion	Y
0.90x	Y
13.9%	Y
+¥740.4 billion	Y
¥287.3 billion	

\* Top priority still to reinforce financial foundation, with the goal to lower DE ratio to around 0.8x by March 31, 2021

- Following historic impairment losses, we shifted the focus of investment policies from a purely investment mindset to a more strategic mindset.
- While our consolidated net profit in FYE 3/2017 was better than initially forecast, we announced revisions to the GC2018 plan in May 2017 since the top priority was still to reinforce the financial foundation following the one-time losses booked in the previous two fiscal years, which had eroded shareholders' equity. Amid rapidly shifting business conditions, the revised plan aimed to lay the foundations for the Group's future growth.
- Total new investment in the GC2018 period was around ¥290 billion, including the acquisition of US-based Creekstone Farms (beef production, processing and sales). We also generated around ¥640 billion from asset divestments.
- In 2018, we announced the new Marubeni Group goal to build a long-term "Global crossvalue platform." In the same year, we established the Sustainability Management Committee, which reports to the CEO. We also announced a policy not to be involved in any new coal-fired power generation projects, while committing to reduce our net coal-fired power generation capacity by 50% by 2030 relative to the end of March 2019 as part of a broader initiative to develop greater sustainability over the long term.

[Reference]	Net Profit (Loss)		Achieved (Y/N)
	Initial target	Results	
2017.3	¥130.0 billion	¥155.4 billion	Y
2018.3	¥170.0 billion	¥211.3 billion	Y
2019.3	¥230.0 billion	¥230.9 billion	Y

\* Following progress made in reducing coal-fired power generation capacity in the period to the end of March 2021, we later brought forward the 2030 deadline to 2025. For more details, please see P.54.

### Issues

- In view of the major global shifts under way, we resolved that sustained efforts would be required to enhance long-term corporate value.

## GC2021

### Basic Policy | Priorities | Business Environment

#### Long-Term Direction (Toward 2030)

Our Vision: Global crossvalue platform — Value creation company going beyond the boundaries of the current Sogo Shosha—

Pursue growth engines and create new business models by proactively addressing the challenges of customers and society through vertical evolution and horizontal expansion

- Cash Flow Management (Capital Allocation Policy)
- Business Policies (SPP)
- Growth Strategy (Evolution of Business Strategies, White Space)
- COVID-19 pandemic
- Higher commodity prices caused by relaxation of monetary policy worldwide
- Greater awareness of sustainability

#### Basic Policy of Management Strategy (Corporate Value Enhancement and Growth Horizons)

- Corporate Value Enhancement toward 2030
- Strong financial foundation for growth
  - Sustained growth by strengthening existing business
  - Explosive growth by creating new business models looking 10 years ahead in the future

#### Financial Targets

Management Indicators	Initial target	May 2020 revision
	Final year target	Final year target
Consolidated net profit	¥300.0 billion	
3Y total for core operating cash flow	¥1,200.0 billion	
3Y total for FCF after delivery of shareholder returns	+At least ¥100.0 billion	Positive FCF
Net D/E ratio	Around 0.7x	Approx. 1.0x
ROE	10%+	* Assuming target achieved for FCF after delivery of shareholder returns
3Y total for new investments (gross)	Approx. ¥900.0 billion*	

[Reference]	Consolidated net profit		Achieved (Y/N)
	Initial target	Results	
2020.3	¥240.0 billion	¥197.5 billion (loss)	N
2021.3	¥100.0 billion	¥225.3 billion	Y
2022.3	¥230.0 billion		

> After the significant loss booked in FYE 3/2020, our policy of rebuilding and strengthening the financial foundation was revised to make cash flow management the top priority.

(FYE 3/2020 - FYE 3/2022) See PP.20-23 for an overview of the progress status of the GC2021 plan.

## Our Vision and Implementation of the GC2021 Medium-Term Management Strategy

### Long-Term Direction of the Marubeni Group

In 2018, the year in which Marubeni commemorated the 160th anniversary of its establishment in 1858, the Group adopted the Global crossvalue platform as a long-term vision to aspire toward. In simple terms, building a Global crossvalue platform will involve radical reform of Marubeni's businesses and organizational structure.

Until recently, Marubeni grew by creating and providing various solutions to society and customers while transforming its business model from trading to business investment. However, as evidenced by the current new coronavirus (COVID-19) pandemic, we started to experience a major sense of crisis in response to society's changing values, the digital revolution, and drastic changes in the structure of industry and the competitive landscape. Under our existing organizational structure based mainly on product verticals, we recognize that the potential exists to sooner or later lose the ability to provide solutions to problems. Moreover, the

obsolescence of our existing business model itself and the risk of asset holdings becoming stranded could call the Group's *raison d'être* into question.

The Global crossvalue platform represents the Marubeni Group's commitment to internal and external stakeholders—a clarification and reaffirmation of its *raison d'être* when launching reforms and a pledge to continually grow corporate value on a Groupwide basis.

The "platform" in Global crossvalue platform is a generator of new businesses based on the cross-pollination of various forms of value on a global scale. The Marubeni Group itself aims to integrate its wide variety of businesses into a single mega-platform, anticipate social issues and challenges of the times, and evolve vertically while expanding horizontally to create solutions for society and customers in an effort to increase corporate value in a lasting way. Looking beyond existing frameworks while transcending conventional wisdom, we will take on the challenge of uncovering new businesses. We will realize a Marubeni Group that boldly pursues new growth domains and new business models.

### Long-Term Direction

#### Our Vision: Global crossvalue platform Value creation company going beyond the boundaries of the current Sogo Shosha

Pursue growth engines and create new business models by proactively addressing the challenges of customers and society through vertical evolution and horizontal expansion



#### Global Changes and Major Trends toward 2030

- Millennial generation and changing values
- Technological innovation, digital transformation
- Geopolitical risk and the shifting balance of world powers
- Transformation of the industrial structure
- New business ecosystems

Discontinuous changes, disruptions to the status quo



#### Concurrent Opportunities and Threats

##### Opportunities

- New growth opportunities arising from changes

##### Threats

- Risk of existing business models becoming obsolete
- Limitations inherent in solutions based on product-oriented business lines

Ability to identify opportunities and threats, anticipate the future and drive change

### Basic Policy of Management Strategy

We formulated the GC2021 Medium-Term Management Strategy, a three-year roadmap that commenced in the fiscal year ended March 31, 2020, as a first step toward implementing our Global crossvalue platform. Under this strategy, our aim is to create long-term corporate value with our sights set on 2030.

In May 2020, the Marubeni Group took steps to review GC2021 in light of the significant losses incurred in the fiscal year ended March 31, 2020 and the deteriorating business environment triggered by the spread of COVID-19. Although we have adopted the two basic policies of "rebuilding and strengthening our financial foundation" while "enhancing business strategies," our basic growth strategy policy of "corporate value enhancement in the medium to long term by strengthening existing business and creating new business models" remains unchanged. Our basic policy under GC2021 is to simultaneously pursue both sustained growth by strengthening existing businesses and explosive growth by creating new business models with our sights set 10 years ahead, all predicated on building and maintaining a strong financial foundation as a cornerstone for growth. To do so, we have incorporated the new concept of three growth horizons into GC2021. These three growth horizons are one of GC2021's distinguishing features.

Horizon 1 supports sustained growth through the improvement of existing businesses. Specifically, we will endeavor to grow earnings by maintaining or upgrading the value of existing businesses through capital expenditures\*

that, for example, extend the useful lives of existing assets.

Horizon 2 supports sustained growth through new investments that look to pursue the Group's distinctive strategies in existing business domains.

We have designated Horizons 1 and 2 as the Marubeni Group's core earnings drivers for achieving sustained growth during the GC2021 execution period.

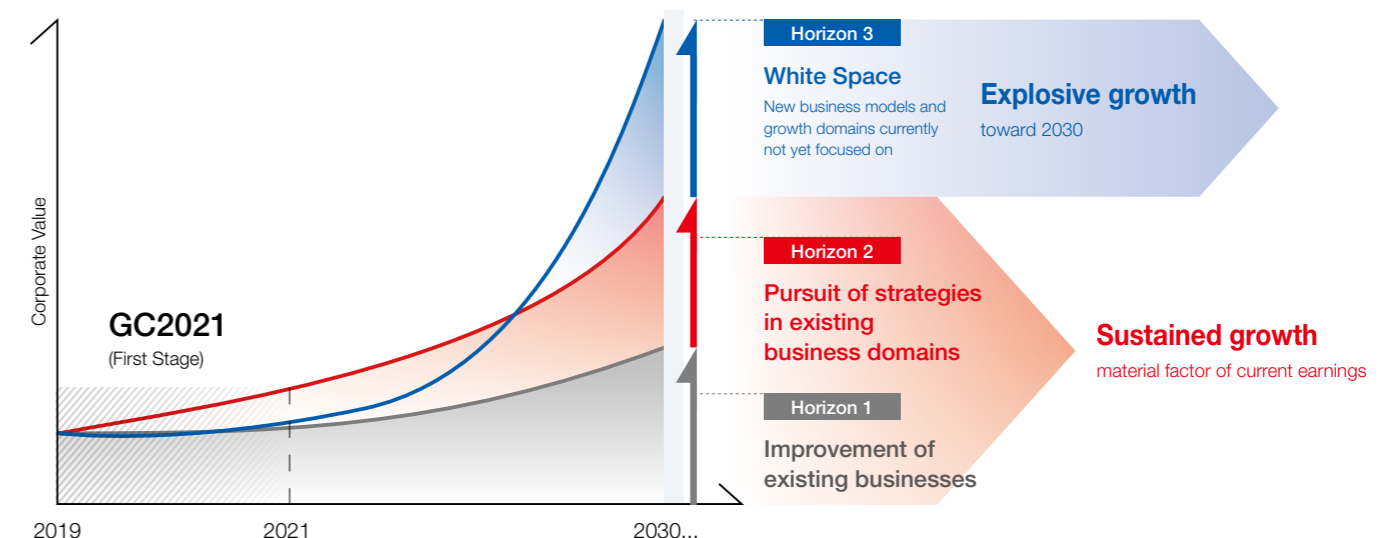
Horizon 3 targets explosive growth toward 2030. To realize this explosive growth, we have identified a concept that we call White Space. White Space refers to new business models and growth domains that the Marubeni Group has yet to exploit. While we use the phrase "explosive growth" to define the process of growing corporate value in the period to 2030, this does not mean Marubeni is engaging in high-risk, high-return businesses. Our focus is to create and develop new business models to anticipate and address the challenges faced by society and customers from a long-term perspective. While these businesses may not make meaningful earnings contributions in their early years, we are targeting significant growth that we believe will translate into multiples of corporate value by 2030.

By always challenging new business models with different timelines corresponding to the three growth horizons, we will endeavor to become a "value creation company going beyond the boundaries of the current Sogo Shosha" and pursue sustained growth in market capitalization.

\* Capital expenditures are additional investments in existing assets to maintain or increase their value.

See "Special Feature: Next Generation Business Development Division" on PP.34-35 for more details on Horizon 3 initiatives.

### Basic Policy of Management Strategy (Corporate Value Enhancement and Growth Horizons)



## Progress with Revised GC2021

In May 2020, based on the losses posted in the fiscal year ended March 2020 and the change in global business conditions associated with the emerging COVID-19 pandemic, we announced revisions to the GC2021.

**We are undertaking measures to implement two policies: to rebuild and strengthen the financial foundation; and to enhance business strategies.**

	FYE 3/2020 (result)	FYE 3/2021 (result)	FYE 3/2022 (forecast)	3Y total (forecast)
Core operating cash flow	+¥363.8 billion	+¥369.6 billion	+¥350.0 billion	At least ¥1,080.0 billion
FCF after delivery of shareholder returns	+¥57.3 billion	+¥231.3 billion	+¥60.0 billion	At least ¥350.0 billion
Net DE ratio	1.16x	0.88x	Around 0.9x	—

**Rebuild and Strengthen the Financial Foundation**

- Cash flow management was still the top priority for rebuilding and strengthening the financial foundation
- Core operating cash flow which is the source of capital allocation maintained the same level as FYE 3/2020 for FYE 3/2021
- Net DE ratio for March 31, 2021 improved to 0.88x, achieving the target for March 31, 2022 approx.1.0x ahead of schedule

**Enhancement of Business Strategies**

- Promote strategic investments and divestment envisaging changes in the business environment
  - Proactively recycle assets and enhance the value of assets while envisaging changes in the business environment
  - Good progress in fortifying existing businesses (Horizon 1 & 2) including cost reduction measures to establish a sustainable and resilient business foundation along with sowing seeds in new business domains where growth can be expected (Horizon 3)
- Further enhance and strengthen risk management practices
  - Thorough analysis of the performance of past businesses/investments, shared company-wide. Stronger investment discipline enforced
  - Reinforced risk exposure control. Performance improvement measures using ROIC/RORA\*2

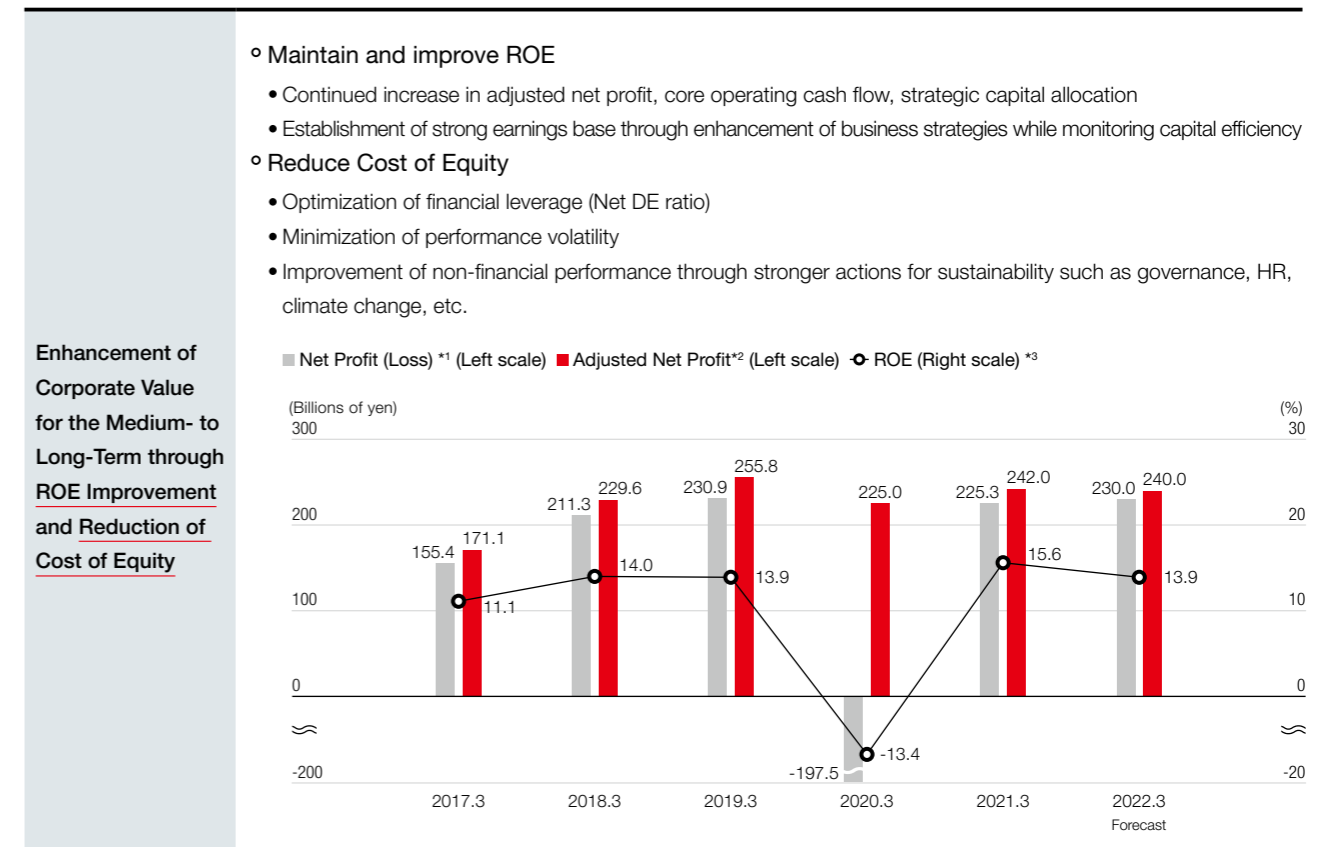
	2020.3-2021.3 2Y total	Horizon 1*1	Horizon 2*1	Horizon 3*1	2022.3 Forecast	2020.3-2022.3 3Y total (forecast)
New investments	-316.7		-269.2	-47.5	-150.0	Approx. -470.0
CAPEX, etc.	-218.5	-194.3	-24.1		-120.0	Approx. -340.0
Divestment	+209.1				+100.0	Approx. +310.0

\*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. ROIC: Return On Invested Capital, RORA: Return On Risk Assets

**Under the GC2021, we are working to enhance corporate value as we head toward 2030, based on efforts to maintain and improve ROE while reducing the cost of capital.**

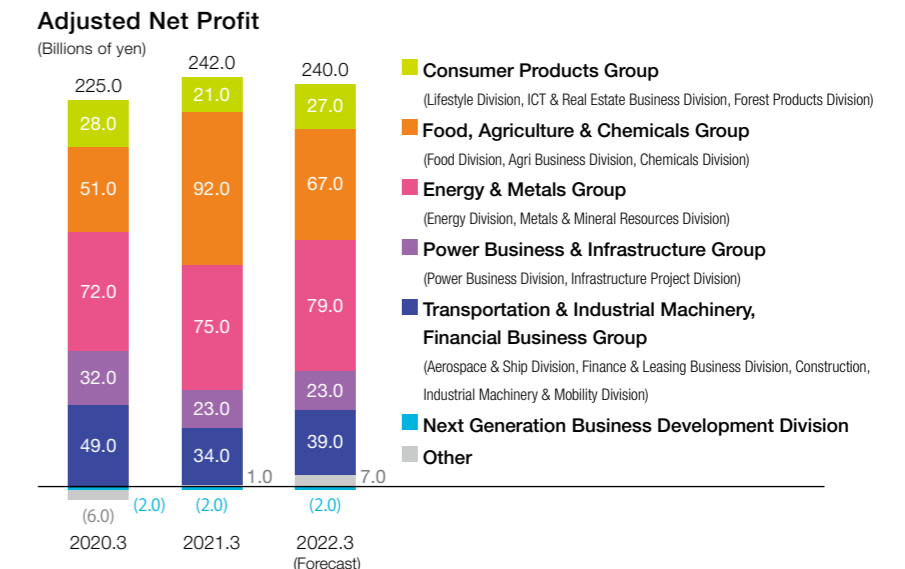
\*3. For further details, see "Message from the CFO" section on PP.24-27.



\*1. Net profit (loss): Profit (loss) attributable to owners of the parent. \*2. Adjusted net profit: Net profit excluding one-time items, shown in an approximate figure. \*3. ROE: Based on net profit. Excluding the effects of perpetual subordinated loans.

## Results overview

In the fiscal year March 2021, despite the emerging COVID-19 pandemic, the Marubeni Group recorded its second-highest results for consolidated net profit and adjusted net profit, based on improved competitiveness across Group businesses and the collective efforts of frontline employees.



# Message from the CFO



**We are optimizing the strategic allocation of capital with a view to enhancing our corporate value over the medium to long term.**

## Takayuki Furuya

Managing Executive Officer, Member of the Board  
CFO;  
Chief Operating Officer, Investor Relations and Credit Ratings;  
Chairman of Investment and Credit Committee;  
Chief Sustainable Development Officer; Chairman of Disclosure Committee

### Q1. What is your financial strategy going forward?

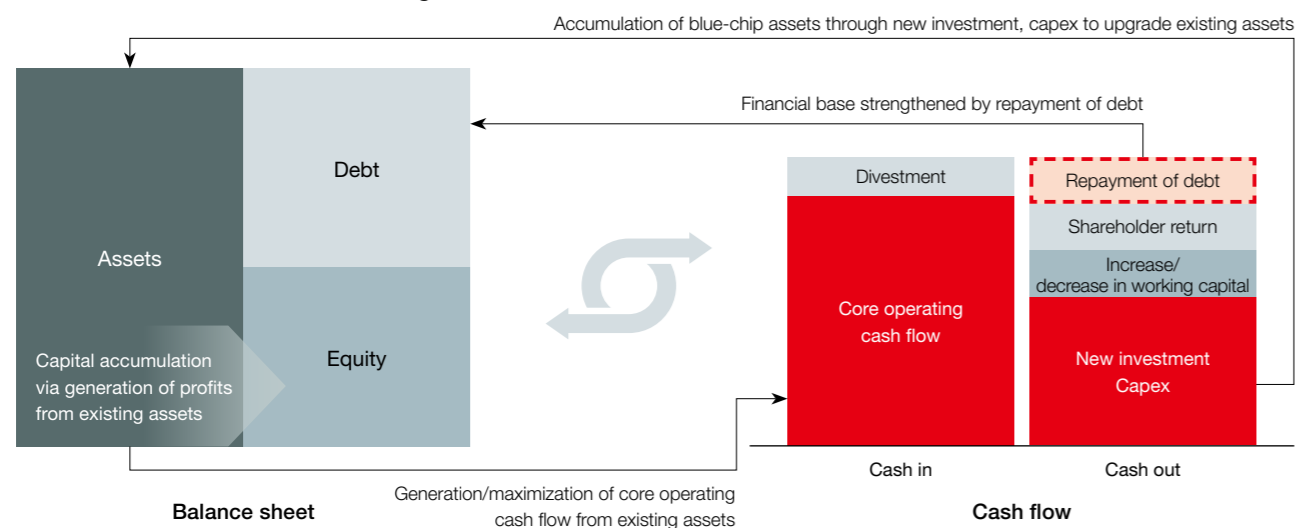
**A1. Our fundamental financial strategy is to allocate capital to help enhance corporate value. Our top priority during GC2021 is to rebuild and strengthen our financial foundation.**

The fiscal year ended March 31, 2021 was a vital rebuilding period for the Marubeni Group in the wake of the losses that we booked in the previous fiscal year. Operating conditions were extremely difficult at the start of the year due to the spread of COVID-19, which severely depressed all the major global economies.

Despite these challenges, we posted a consolidated net profit of ¥225.3 billion, second only to Marubeni's record profit of ¥230.9 billion in the fiscal year ended March 30, 2019.

Since the Marubeni Group's business domains encompass many different fields, the impact of the COVID-19 pandemic varied across our operations. We derived solid earnings from businesses such as power generation and infrastructure that generate stable income, and from businesses such as food and agriculture that provide an important lifeline for society. Our trade businesses such as chemicals and energy performed well as prices and demand generally held up in commodity markets, while our equity interests in resource projects generated higher profits due to gains in commodity prices. In other domains covering fields such as Aerospace and Ship, Construction, Industrial Machinery and

### Balance Sheet and Cash Flow Management



Mobility, our businesses recovered steadily from the extremely challenging conditions at the start of the year. Overall, the results demonstrated the strength and competitiveness of our business models across the Marubeni Group. In addition, we showed the flexibility and resilience to cope with relentless daily change across our operating sites globally. In a testament to the enduring power of our frontline operations employees, we kept our people safe in a pandemic while sustaining the business by applying good crisis management and business management expertise.

We also made progress in terms of rebuilding and strengthening our financial foundation. The losses booked in the fiscal year ended March 31, 2020 eroded shareholders' equity and resulted in our net DE ratio rising to 1.16x at the fiscal year-end, up from 0.90x at the end of March 2019. Based on this situation, at the same time as announcing the results for the fiscal year ended March 31, 2020, we announced the revision of the GC2021. In the revision, we have set two basic policies: "rebuilding and strengthening our financial foundation" and the "enhancement of business strategies." While giving the top priority to the former policy, we have decided to achieve it by thoroughly and rigorously focusing on our cash flow management. In specific terms, this means maximizing core operating cash flow, the cash flows we generate from our businesses, while also prioritizing the repayment of debt using free cash flow after delivery of shareholder returns, based on more rigorous investment selection and promotion of asset recycling (please refer to the balance sheet and cash flow management chart). Based on these policies, we posted core operating cash flow in the fiscal year ended March 31, 2021 of ¥369.6 billion, on a par with the pre-pandemic level. Free cash flow after delivery of shareholder returns was ¥231.3 billion, leading to a 0.28 point improvement in the net DE ratio to 0.88x at the fiscal year-end. We achieved our DE ratio target of "around 1.0x" a year ahead of

the plan deadline of the end of March 2022.

The fiscal year ending March 31, 2022 is the final one of GC2021. "Rebuilding and strengthening our financial foundation" is still our policy with the top priority. In the forward guidance that we issued in May 2021, we reiterated the importance of hitting our targets for the fiscal year ending March 31, 2022 of ¥230 billion for consolidated net profit, ¥350 billion for core operating cash flow, free cash flow after delivery of shareholder returns of ¥60 billion, and a net DE ratio of around 0.9x.

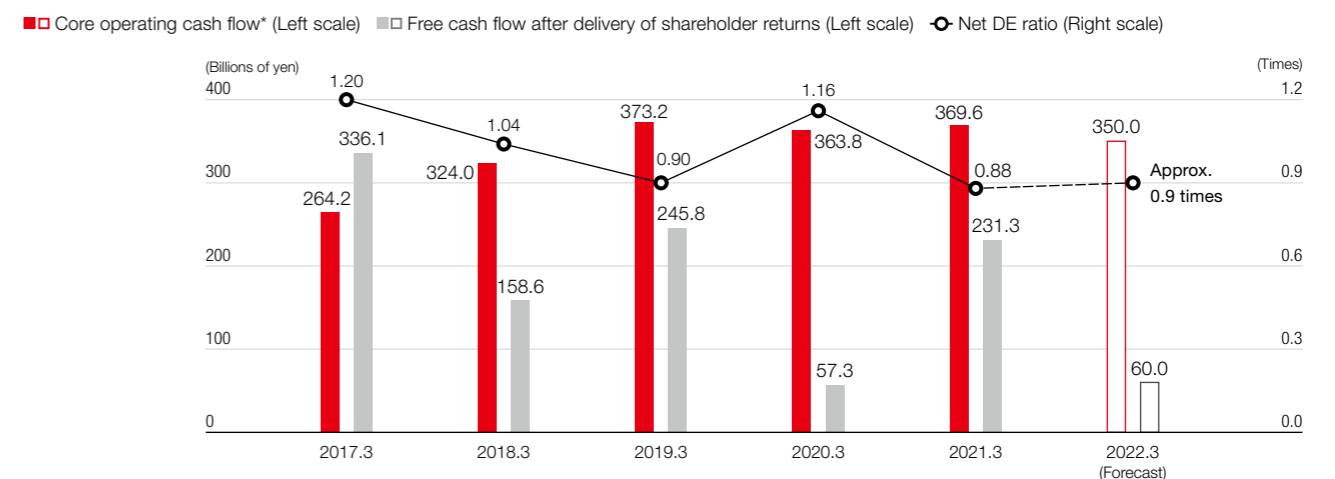
We are undertaking the measures needed to ensure we are successful in "rebuilding and strengthening our financial foundation" and the "enhancement of business strategies." Having solved these issues, I believe we will be in good shape to proceed to the next stage as we embark on our next medium-term management strategy starting in the fiscal year ending March 31, 2023.

### Q2. What is the current investment strategy?

**A2. In line with the Business Policies SPP, we are rigorously selective with new investments and CAPEX as we remain focused on the improvement of existing businesses, while at the same time working steadily to build a presence in areas with future growth potential.**

The significant impairment losses booked several times in the past have dragged down our earnings and hindered us in improving the financial base. As we move forward, I believe we need to improve performance by making more targeted investments so we can build profits incrementally while increasing cash flows.

### Cash Flows/Net DE Ratio



\* Core operating cash flow: Operating cash flow excluding net increase/decrease in working capital and others. From FYE 3/2019, the elements of core operating cash flow have been altered. The figures for the past fiscal years have been revised accordingly.

To improve the performance of our investments, we conducted extensive internal discussions to analyze projects that had failed and consider our future investment approach. This led to the Business Policies SPP\*<sup>1</sup> (Strategy, Prime, Platform) categorization as part of GC2021. Under SPP, we clarify the concept of “staying strategy-focused” without making investment itself an objective. We define strategy here in terms of the business strategy where we aim to reach a situation where we can maximize value within any given field, with investments regarded simply as the means to execute the strategy. Based on the SPP concept, this thorough and targeted approach to business strategy has permeated Marubeni, manifesting as steadily rising earnings contributions from investments over the past few years.

Moreover, under the revised GC2021 approach, while continuing to rebuild and strengthen our financial foundation, we have also focused on the enhancement of business strategies so we avoid any erosion of consolidated turnover. Specifically, “enhancement of business strategies” means (1) proactively recycle assets and enhance the value of assets while envisaging changes in the business environment, and (2) further enhance and strengthen risk management practices.

On the first point, in response to rapidly changing business conditions, we are working to improve and develop existing Horizon 1 and Horizon 2\*<sup>2</sup> businesses via cost-reduction and other initiatives. At the same time, we are seeking to develop new business models for Horizon 3\*<sup>2</sup> business domains where we identify the potential for strong future growth. In the fiscal year ended March 31, 2021, in anticipation of how business conditions could evolve in a post-COVID-19 environment, we have focused on carefully reinforcing and building the earnings base of existing businesses via additional capital injections to upgrade or expand operations, alongside other measures deemed necessary. We have also been conscious of the need to reinforce our core earnings base to support future growth. To give just a few examples, we have invested in the regional expansion of our agri-input business, and in our food operations such as livestock and instant coffee; within the infrastructure domain, we have invested in a blue-chip asset base such as renewable energy and social infrastructure; in financing and

leasing, we have invested to support further growth in the Nowlake business (used car retail financing in the U.S.); and with our resource investments, we have sought to expand our existing projects while making operations more cost-competitive. At the same time, we continue to invest in next-generation business development and to engage with new business domains such as renewable and other energy businesses that could underpin the transition to a decarbonized society.

On the second point relating to “further enhancing and strengthening risk management practices,” we are developing systems to ensure greater investment discipline, and strengthening control of risk exposure. The aim is to raise the efficiency and profitability of operations as gauged using profitability metrics such as ROIC and RORA\*<sup>3</sup>.

\*1. Further details on P.30 of the Feature section (“More Targeted Investments Based on Enforced Investment Discipline”).  
 \*2. Further details on P.22 (“Our Vision and Practice of the GC2021 Medium-Term Management Strategy: Progress with Revised GC2021”).  
 \*3. ROIC: Return On Invested Capital; RORA: Return On Risk Assets

### Q3. What is Marubeni doing to enhance corporate value over the medium to long term?

**A3. We are working to enhance corporate value by maintaining and improving return on equity (ROE), and by using a range of measures aimed at lowering our cost of equity.**

To enhance corporate value, it is first essential for us to strengthen our earnings capabilities continually by increasing net profit and core operating cash flow. Moreover, to realize highly efficient use of capital across the Marubeni Group, we aim to allocate capital strategically in ways that help to expand the earnings base by maintaining and improving ROE.

Another way we are working to enhance corporate value is by trying to lower our cost of equity. We are currently experiencing a higher cost of equity than sector peers because our recent earnings have not inspired the same level of market trust due to

inferior reliability. We recognize that this is an area where we must focus on improving. Specifically, as I outlined earlier, this involves working to lower the DE ratio by rebuilding and strengthening our financial foundation, and trying to reduce earnings volatility through improving the performance of our investments. At the same time, we are also engaged in initiatives to generate non-financial value based on enhanced sustainability, by investing in human resources and by undertaking measures to combat climate

change and improve our corporate governance.

To recap, in the fiscal year ending March 31, 2022, with the aim of rebuilding and strengthening our financial foundation and the enhancement of business strategies, we plan to focus on executing the revised GC2021 policies through a range of measures. I think this will put us in a good position to move on to the next stage guided by the next medium-term management strategy.

## Concerning the Decision-making Processes for New Investments and Asset Recycling

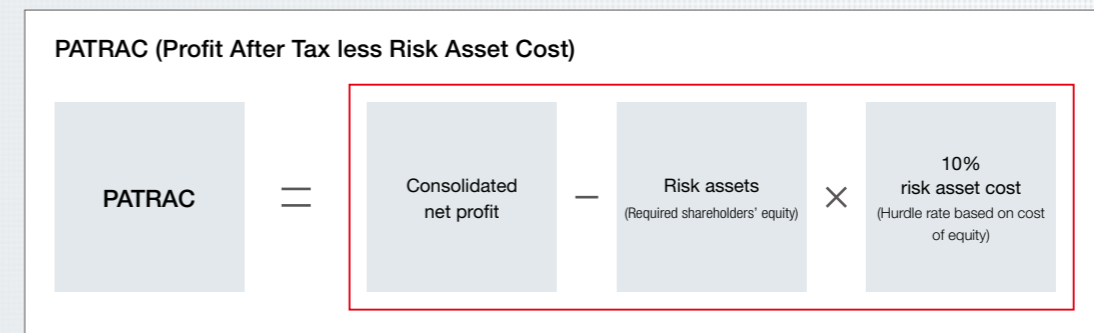
As previously explained, Marubeni continues to work to improve the performance of its investments, but the decision-making process for new investments and asset recycling has not changed significantly. Projects submitted by the Business Group are analyzed both qualitatively and quantitatively by the Investment and Credit Committee, and decisions are made after deliberation by the Corporate Management Committee and more important projects by the Board of Directors.

Quantitative indicators, such as the internal rates of return (IRR), payback period, and PATRAC,\* continue to be important criteria, but what has been more important for new investments under GC2018 and GC2021 is qualitative evaluation. Before making a final decision, we will spend more time in discussions based on the concept of the SPP business policies to deepen the level of understanding of the project business model, for example on what strategies we will utilize to leverage Marubeni’s strengths and improve business value, how we will analyze the external environment and industry outlook and how we will respond, and

how to strengthen the governance of business management after the investment is made. As a result, the hurdles for obtaining approval are higher than before, but the performance of investment projects that have gone through this process has been improving.

The same way of thinking applies to asset recycling. We will replace assets as part of our efforts to strengthen and improve the overall quality of our existing businesses. The post-investment process is important in achieving strategic growth, and stringent checks are made of the state of progress by regular monitoring. If an assumption made at the time of an investment were to change, we would revise the strategy each time. We are targeting asset recycling for projects that we think are past their peaks or for which no strategic significance can be found, even if those projects are currently performing well.

\* PATRAC (Profit After Tax less Risk Asset Cost): A performance indicator developed by Marubeni to measure the extent to which returns exceed a minimum risk-adjusted return target.



### Cash Flows from Investing Activities in GC2021 Period

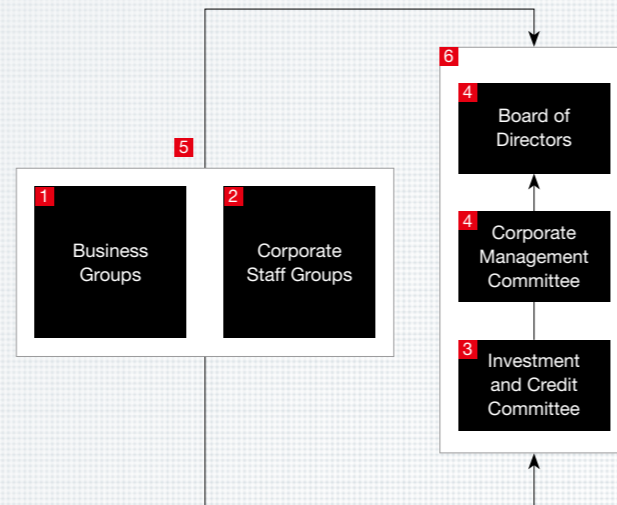
	2Y total to Mar. 2021	(Billions of yen)			FYE 3/22 forecast	Proj. 3Y total to Mar. 2022
		Horizon 1	Horizon 2	Horizon 3		
New investments	-316.7		-269.2	-47.5	-150.0	-470.0 (approx.)
CAPEX, etc.	-218.5	-194.3	-24.1		-120.0	-340.0 (approx.)
Divestment	+209.1				+100.0	+310.0 (approx.)

Note: 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.

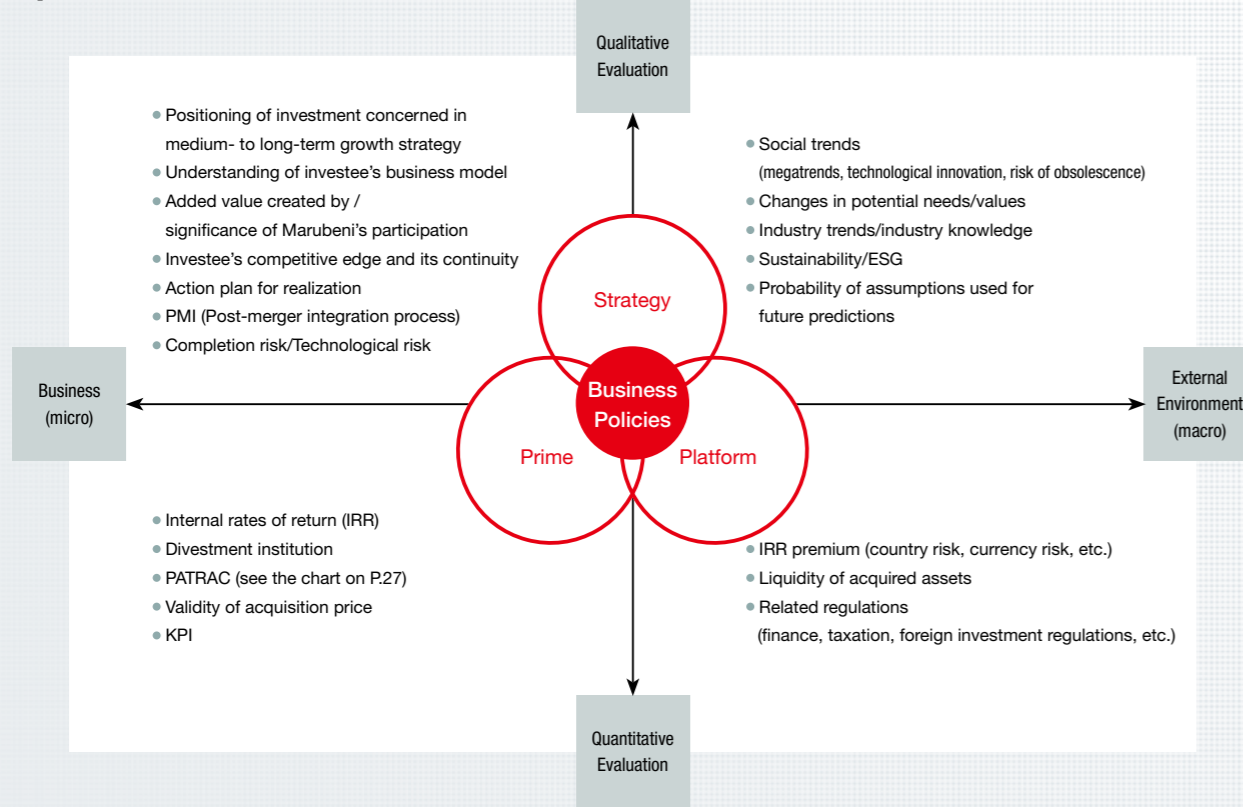
## Investment Decision-making Process

For individual projects such as significant business investments, Marubeni has a risk management regime, i.e., decision-making system (Ringi system) and monitoring process that spans every step from entry through exit.

- 1 With regard to new investment projects, Business Groups must first submit project summaries and business plans.
- 2 In response, the relevant Corporate Staff Group submits opinions on the result of risk analyses from both a quantitative and qualitative perspective.
- 3 While applying PATRAC, the risk-adjusted profit after tax, as one guideline for quantitatively evaluating a project, the Investment and Credit Committee holds discussions that take into account the feasibility and risk analyses of individual projects, and company-wide concentration risks.
- 4 The project is then forwarded to the Corporate Management Committee for further scrutiny and approved by the President. Projects that exceed a certain materiality threshold are approved by a Board of Directors' resolution.
- 5 Once an investment and financing are in place, new investment projects and highly material investments are monitored more closely to facilitate early problem detection and the planning of corrective action. The Investment and Credit Committee, Corporate Management Committee and the Board of Directors periodically receive reports on the current status of those investments.
- 6 With regard to those projects that are the subject of reports and have issues, consideration is given to various factors, and decisions are made on whether to revise and move forward or withdraw in accordance with a decision-making system process (Ringi system).



## Important Points for Deliberation



# Special Feature Marubeni Pushing Ahead with Changes

The Marubeni Group is taking a number of actions that contribute to maintain and improve ROE and reduce cost of equity. Our unrelenting pursuit of change and steady progress in getting results will lead to an increase in corporate value.

- 30 More Targeted Investments Based on Enforced Investment Discipline
  - 31 Putting Business Policies SPP into Practice — Business Strategies Based on SPP Business Policies —
  - 31 Agri-input Retailing Business
  - 32 Containerboard Manufacturing Business
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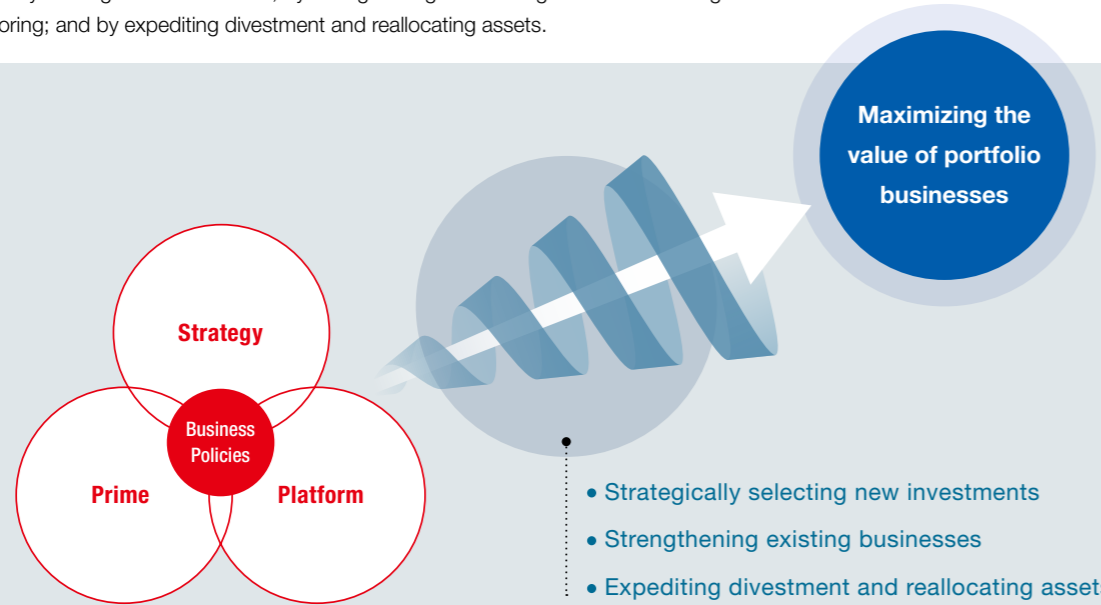
# More Targeted Investments Based on Enforced Investment Discipline

## » Action Stronger focus on business models defined by Business Policies SPP

### Business Policies SPP

As part of GC2021, we have formulated a trio of business policies we call SPP — Strategy × Prime × Platform — as basic principles common to all the Marubeni Group's business models.

Based on the Business Policies SPP, we will work to maximize the value of the Marubeni Group's overall portfolio businesses by selectively making new investments; by strengthening our existing businesses through business monitoring; and by expediting divestment and reallocating assets.



### Business Policies SPP

- Strategy** Strategy policies involve closing the gap between the status quo and our vision in each business field. It expresses our renewed commitment to staying intensively strategy-focused.
- Prime** Prime policies involve proactively executing strategies across all Marubeni Group businesses. If we were to merely invest in businesses, we would have much fewer opportunities to create solutions to the challenges and issues facing society and customers. We would also have less growth potential. We have accordingly made a commitment in the form of our Prime policy, which means proactively formulating and executing with the aim of increasing the value of our businesses. Rather than limit investments to projects in which we will hold a majority stake, we will take the initiative to add value to these businesses by teaming up with like-minded partners in mutually complementary strategies in the case of large deals.
- Platform** Platform policies involve leveraging the Marubeni Group's platform to substantially grow its businesses. We treat businesses with promising prospects of geographic, market or product-line expansion as platforms. We will pursue expansion of such businesses through M&As and/or organic growth with the aim of long-term earnings growth. In addition, we will employ the Group's knowledge, know-how, and assets as platforms to create new value by synergistically combining a wide variety of internal and external expertise.

### Further enhance and strengthen risk management practices

We have enhanced and strengthened our risk management practices in response to the large impairment in the fiscal year ended March 31, 2020.

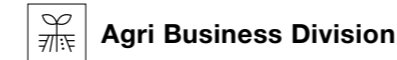
- Thorough analysis of the performance of past businesses/investments, shared company-wide
- Stronger investment discipline enforced
- Reinforced risk exposure control
- Performance improvement measures using ROIC/RORA\*

\*ROIC: Return on invested capital  
\*RORA: Return on risk assets

## Putting Business Policies SPP into Practice

— Business Strategies Based on SPP Business Policies —

### Agri-input Retailing Business

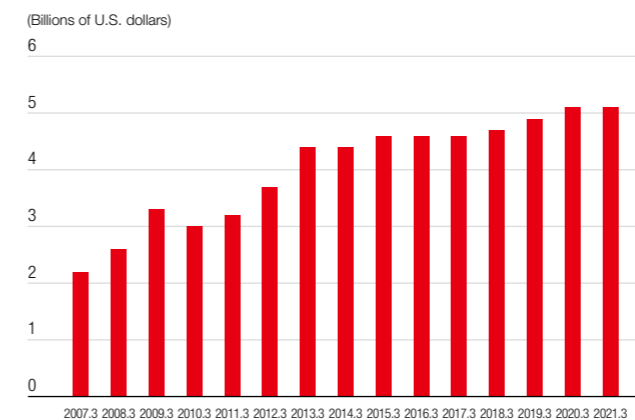


Helena Agri-Enterprises, LLC

#### Prime Organic growth achieved through many years of independent operations

Operating at about 100 locations at the time of its acquisition by Marubeni in 1987, Helena has currently expanded to about 500 locations within the U.S., the world's leading agribusiness market with arable acreage nearly four times the total land area of Japan. With an extensive base network and some 5,000 employees consisting of specialists in sales, technology, agriculture and management specialized in the agri-input business, Helena has established a solid position in the industry as a top-class agri-input retailing company in the U.S.

#### Helena Sales



#### Strategy Targeting the provision of services with higher added value

Helena works to differentiate its strengths (including products, services, and functions) and engages in the creation of added value not from a product starting point but from a customer starting point. At the same time, to further grow its community-based consulting business, which is one of its strengths, the company is working to build and expand its network of bases and gain a deep understanding of the needs of agricultural operators across the U.S., thereby enhancing its competitive edge. To enhance the competitiveness of consulting services that involve the sale of agri-inputs, Helena is currently expanding its business by providing "AGRIntelligence" (an analysis and diagnostic tool that utilizes data) in accordance with customer needs.

\* For more details on AGRIntelligence, see Case Study 1 on P.45 about Helena's development of digital agri-solutions.

#### Platform Global deployment of knowledge and know-how gained from Helena

On October 29, 2019, as part of efforts to deploy the knowledge and know-how gained globally from companies such as Helena to other areas, we invested in Brazil-based agri-input retailer Adubos Real S.A. (AR), making the company into a Group subsidiary. Established in the state of Minas Gerais, AR has been supporting agricultural producers across the region for about 40 years, helping them increase earnings by supplying agri-inputs and providing consulting services relating to their appropriate use. AR's operations have contributed to Brazil's agricultural development.

## Containerboard Manufacturing Business



KRAFT OF ASIA PAPERBOARD & PACKAGING CO., LTD

**Strategy** Capturing growing demand for containerboard in Vietnam, where economic growth is remarkable

In 2018, Marubeni established a wholly owned containerboard manufacturing and sales subsidiary, KRAFT OF ASIA PAPERBOARD & PACKAGING CO., LTD (Kraft of Asia), in Ba Ria-Vung Tau Province in Vietnam. Projections of firm global demand for containerboard into the future are underpinned by factors such as economic expansion and growth in e-commerce. Vietnam is the third-largest country in the ASEAN bloc, with a population of more than 97 million. Its domestic demand is expanding in line with rising national income, and solid economic growth is being achieved by attracting many foreign-owned export sectors. Demand for containerboard is growing at a faster pace in Vietnam than in other ASEAN nations with advanced paper manufacturing industries such as Thailand and Indonesia. Vietnam is expected to become the largest consumer of containerboard in ASEAN in the first half of the 2020s.

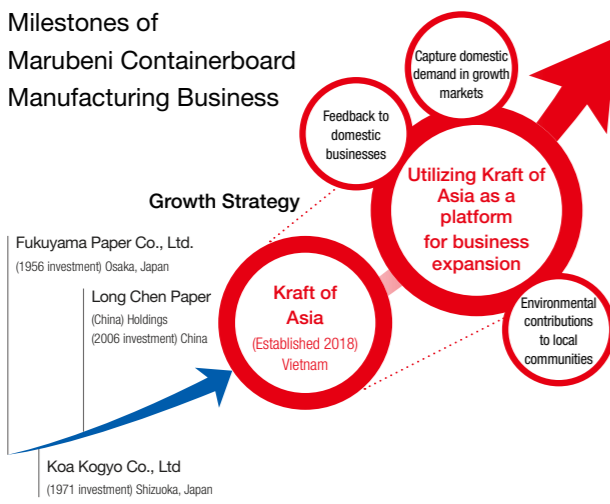
**Prime** Leveraging over 60 years of Marubeni Group-cultivated containerboard manufacturing expertise

Marubeni has been involved in the containerboard manufacturing business for more than 60 years. In addition to the management and operating experience gained with Koa Kogyo Co., Ltd. (79.95% Marubeni investment) and Fukuyama Paper Co., Ltd. (55%) in Japan, the Company has also been accumulating knowledge of the containerboard business overseas. The Marubeni Group is taking the initiative to manage the growth of this business by leveraging Koa Kogyo's production technology and know-how, including by deploying Koa Kogyo personnel to Kraft of Asia; and by using the Group's sales network.

**Platform** Targeting business expansion in Vietnam followed by further business development in Asia

As well as deploying the containerboard manufacturing business expertise first developed in Japan at Kraft of Asia, we are pursuing internal Group synergies by combining this with the new know-how gained from development of the Vietnam operations as feedback for our domestic businesses. The initial aim is to capture demand in the growing Vietnam market to develop the business. Our future goal is to develop operations in other parts of Asia using Kraft of Asia as the platform.

### Milestones of Marubeni Containerboard Manufacturing Business



## Beef Processing Business



Creekstone Farms Premium Beef LLC

**Strategy** Targeting growing beef demand via two large-scale platforms in U.S. and Australia

In 2017, Marubeni made investments in Creekstone Farms Premium Beef LLC (Creekstone Farms), which engages in cattle processing and sales in the U.S. Creekstone Farms processes cattle at its own facility in Kansas, sells beef to high-end steakhouses and retailers across the U.S., and also exports to Asia, Europe and the Middle East. Creekstone Farms handles only high-quality beef from grain-fed Black Angus cattle, and has established a business model focusing on the supply of high-value products. Since the 1980s, Marubeni has also operated a cattle feedlot business in Australia, Rangers Valley Cattle Station Pty., Ltd. (Rangers Valley). We are targeting growing beef demand with these two large-scale operating platforms in the U.S. and Australia.

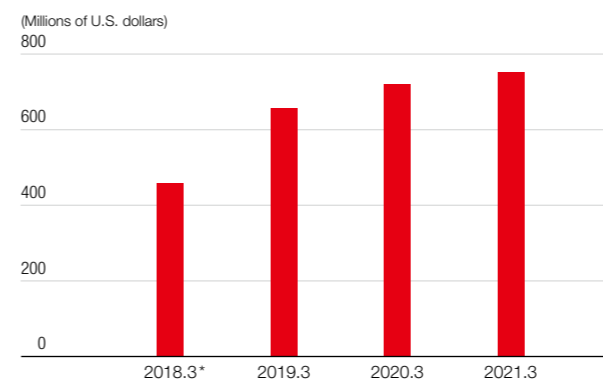
**Prime** Utilizing the production and processing know-how developed by Rangers Valley and Wellfam Foods

In Creekstone Farm's operation, we encourage communication with Rangers Valley to gain better knowledge and understanding through exchanges of information, and this leads to a stronger relationship with the farmers who supply cattle to Creekstone Farms. At the processing stage, Creekstone Farms can also utilize the meat processing know-how from Wellfam Foods, a chicken processing business in Japan fully owned by Marubeni. This is another case where Marubeni Group is taking the initiative in group businesses.

**Platform** Using Marubeni Group sales channels in Asia

We are expanding beef sales in Japan and other Asian countries by using our sales channels. Moreover, through collaboration with other existing businesses such as beef offal sales by Marubeni, we try to maximize business synergies through our own value chain.

### Creekstone Farms Sales



\* Consolidated from second quarter

**column** Accelerating growth through a custom processing business deal with the largest retailer in the U.S.

In March 2020, Marubeni invested approximately ¥12 billion and carried out the expansion of processing lines and a brand-new distribution center. This was for a custom processing deal with Walmart Inc., the giant retail chain in the U.S., which started in October 2019. We process cattle procured by Walmart efficiently and hygienically at the new Creekstone Farms facility.

# Next Generation Business Development Division Initiatives: Towards Explosive Growth

## » Action Create businesses that will be valued by future generation

Until now (Marubeni's conventional framework)	From now on (Next Generation Business Development Division's challenges)
Existing areas/Ideas based on Divisions' product-oriented business lines	New growth domains/Pursue opportunities from a Group-wide perspective <b>Marubeni as Global crossvalue platform</b>
Improve and extend existing businesses	Pursue innovativeness from customers' perspective
Find businesses	Create businesses
Homogeneous decisions	Decisions from customers, frontlines and employees
Pursue appreciation from current generation	Pursue appreciation from future generation

Targeting explosive growth toward 2030, the GC2021 Medium-Term Management Strategy on which we embarked in April 2019 commits the Marubeni Group to the challenge of developing new growth domains and business models to help prosper in a fast-changing world where existing business models face the risk of obsolescence. Established at the same

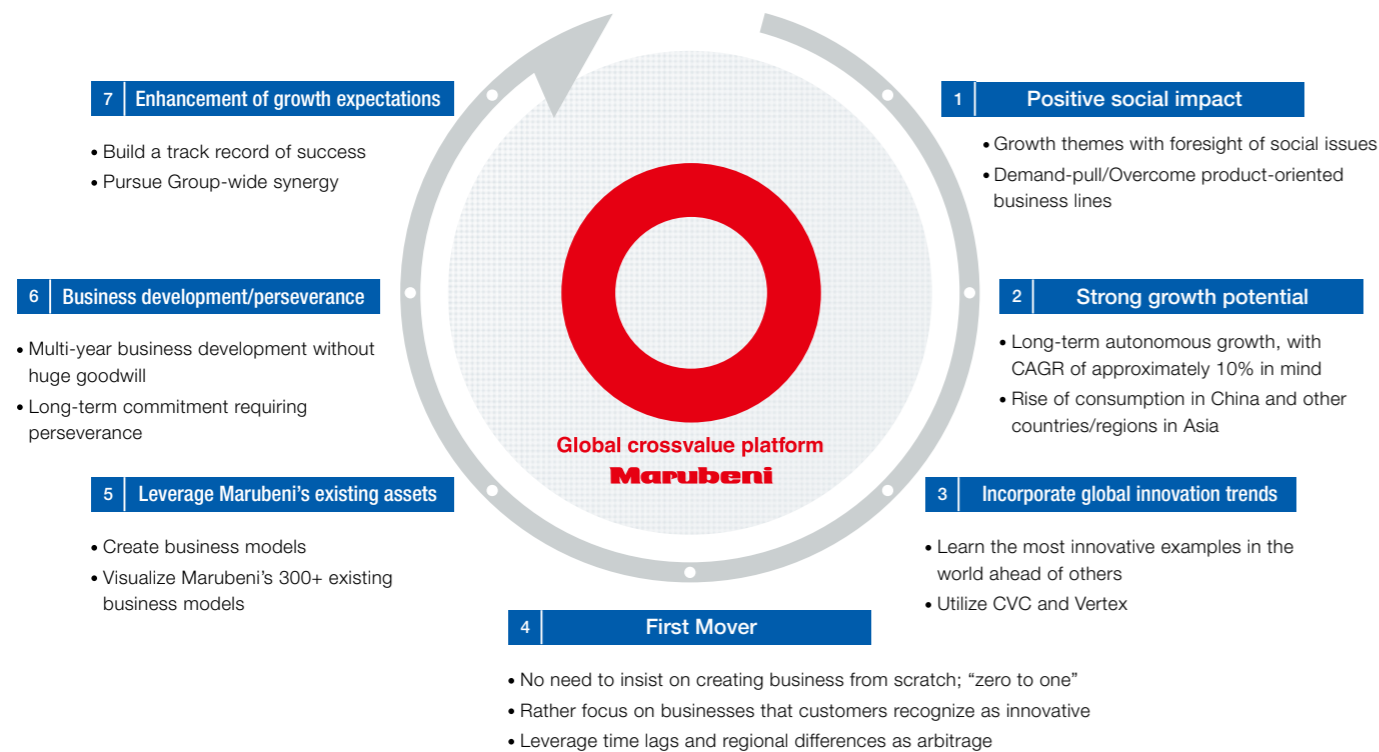
time as GC2021, the Next Generation Business Development Division targets long-term growth in corporate value to 2030 by analyzing the latest trends in global innovation through the prism of Marubeni's past successes and failures to find ways of engaging sectors that are not natural extensions of our traditional business approach.

In developing new growth domains, the mission of the Next Generation Business Development Division is to target those business models with disruptor potential for existing businesses while at the same time looking to create original value by working in partnership with Marubeni's existing operations. While existing business divisions are exploring "White Space" opportunities by utilizing their strengths, the Next Generation Business Development Division defines growth themes beyond traditional product-oriented lines, and

having "the development process of next generation business" as its concept, is therefore aiming to build businesses that will be valued by future generations. After the rigorous selection of projects consistent with this process, the aim is to engage seriously with each project from a long-term perspective as a way of enhancing Marubeni's growth expectations and raising corporate value.

See PP.128-129 for more about the business strategy of the Next Generation Business Development Division.

### Development Process of Next Generation Business



### » Example Health checkup business in Russia

Marubeni is establishing the Russian-Japanese Health Checkup and Prevention Center jointly with Russia's largest hospital group, Russian Railways (Marubeni's stake: 74%, Russian Railways' stake: 26%). The center is providing services such as health checkup, comprehensive medical examinations, and outpatient care, etc., based on dividing the outpatient and health checkup divisions of an existing hospital in the city of Khabarovsk in Russia's Far East. The aim is to provide Japan's advanced preventative medical care and health checkup technologies, backed by Japanese medical institutions, thereby contributing to the extension of Russian people's life expectancy.



# Message from the CAO

# GC2021 Group HR Strategies



**We are building a “Marubeni HR Ecosystem” to develop, energize and connect human capital with high social value.**

### Mutsumi Ishizuki

Senior Managing Executive Officer, Chief Administrative Officer (CAO); Senior Operating Officer, Audit Dept.; Senior Operating Officer, Executive Secretariat; Senior Operating Officer, New Office Building Project Dept.; Vice Chairman of Investment and Credit Committee; Chief Compliance Officer (CCO); Chairman of Internal Control Committee; Chief Information Officer (CIO)

For the Medium-Term Management Strategy: GC2021 Group HR Strategies, we are aiming to build a “Marubeni HR Ecosystem” that creates new value, leads to organic connections that mutually leverage the diversity of each individual, and continually develops employees with high social value who are highly regarded and essential to society and our customers.

Since the fiscal year ended March 31, 2019, we have pursued “Human Capital × Mechanisms × Time” initiatives\* aimed at developing human capital with high social value while also creating new value at the same time, including Marubeni Academia, the External Personnel Exchange Program, the Business Plan Contest, and the 15% Rule.

To build on the momentum since the fiscal year ended March 31, 2021, we have fundamentally reformed our HR system to make it more mission-oriented and more focused on promoting open innovation and the active participation of diverse human capital.

The goals of this mission-oriented HR system are to motivate all our employees to set higher targets, take on new challenges, and take the lead in organizational and personnel management at their respective organizations. In order to do so, we have redesigned appraisal, remuneration and grade systems around the role and contribution of employees as defined by their organization’s respective missions, which reflects the organizational strategy. For managerial-track employees the new system involves an annual review of grade and remuneration based on the scale of the mission. We will

ensure that remuneration is performance-oriented and market-valued and encourage employees to take on challenges towards larger-scale missions that develop human capital and execute strategy.

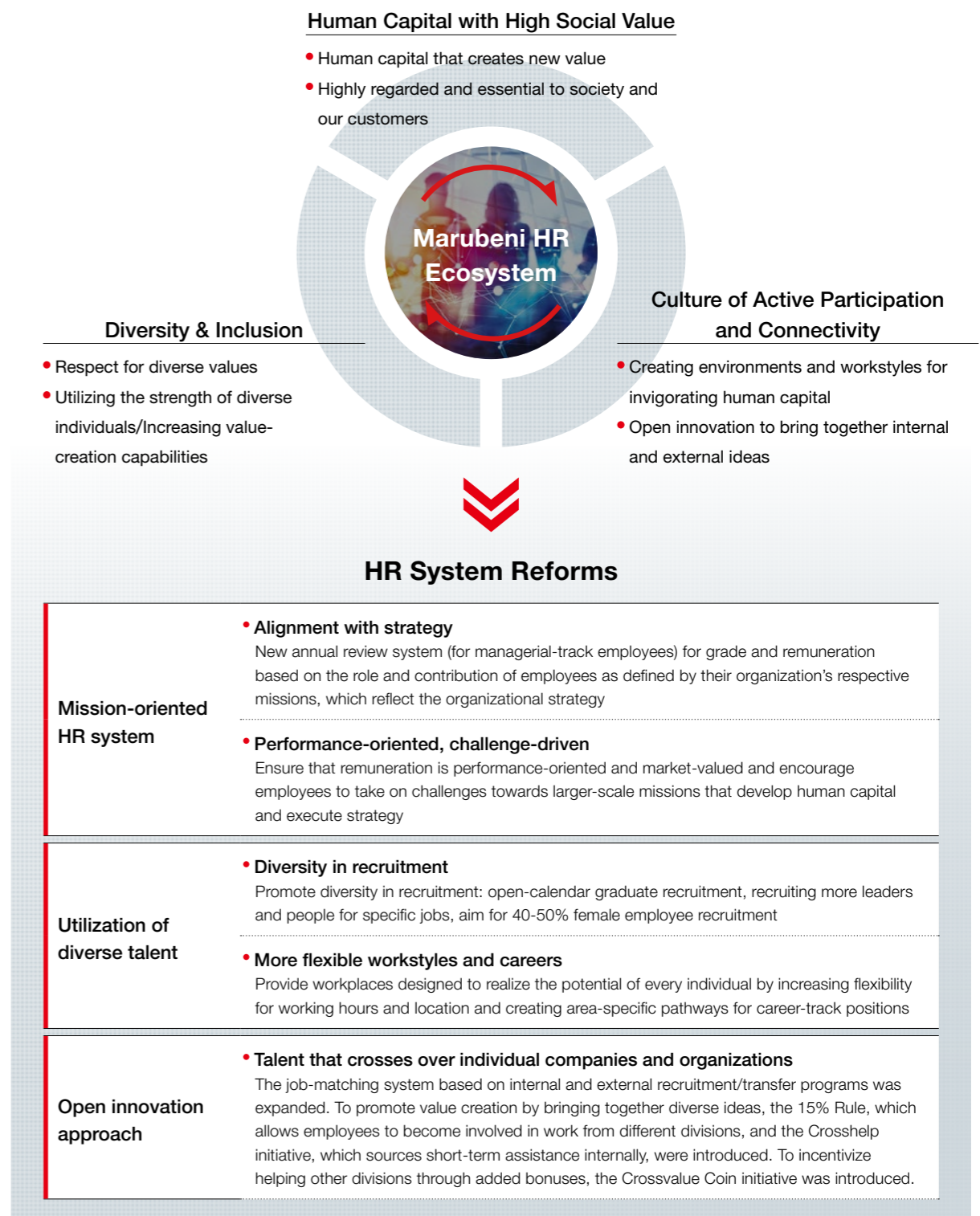
To promote the active participation of diverse human capital, we will recruit more leaders and people for specific roles and focus on initiatives aimed at increasing the ratio of female employees. To ensure that people are in the right jobs and that workplaces are designed to realize the potential of every individual, we are using assessment-based visualizations of human capital, bolstering career support for seniors, increasing work flexibility based on flextime and remote working arrangements, and creating area-specific pathways for career-track positions.

To support an open innovation HR approach, we are expanding our systems to match people to jobs using transfer and recruitment programs for internal and external personnel sourcing. We have also created a new “Crosshelp” framework to help find short-term assistance internally. In addition, we have created incentives to reward employees making contributions to other divisions. The aim remains to promote the creation of new value by bringing together diverse ideas.

Human capital is our most valuable asset. Looking ahead, we are fully focused on creating an environment that develops, energizes, and connects human capital with high social value.

\* See PP.38-39 for more details on “Human Capital × Mechanisms × Time” initiatives.

## » Action HR system reforms for realizing GC2021 Group HR Strategies



## Marubeni Group HR Strategy

### HR Development

To build Marubeni's global competitiveness via the development of individual employees, we are expanding the Group's HR development programs. These consist mainly of on-the-job training supplemented by off-the-job training.

On-the-job training includes assigning hands-on experience and recommending junior employees for overseas assignments to build professionalism early in their careers. The Marubeni Group training curriculum that supports off-the-job training has been revamped since the fiscal year ended March 31, 2017. Established to help realize the Marubeni Group's HR strategy, the Marubeni Global Academy (MGA) is being upgraded. We plan to roll out its HR development programs at the global and group levels to continue building human capital across the Marubeni Group.

### “Human Capital × Mechanisms × Time” Initiatives Across Existing Frameworks

#### Developing New Value Creators



#### Cultivating global leaders Marubeni Academia

Under the Marubeni Academia initiative, personally distinguished individuals with diverse careers from across the Marubeni Group worldwide are selected with the aim of developing them into innovation leaders capable of driving Marubeni's future global growth. Over the course of a year, the program guides participants from conceptual discussions of innovation to realizing practical innovation. They are expected to play a leading role in the Marubeni Group's innovation initiatives as evangelists.

In Academia 2020, 25 participants from 13 countries took part in the program, practicing innovation to guide the Marubeni Group on building ecosystems to solve social issues, while learning skills and the mindset needed to deal with the “new normal” during the COVID-19 pandemic.

Growth through hands-on experience

#### External Personnel Exchange Program

We are further expanding our system of personnel exchanges with top firms in various industries via the External Personnel Exchange Program to enable participants to spend a few years in another company. These exchanges bring perspectives from outside the Marubeni Group into the company, thus adding dynamism, while assigning employees to other firms helps not only to build networks, but also see the Marubeni Group from outside in ways that support the discovery of original value and function. Promoting HR development can thus translate into new business development.

#### Creating Mechanisms to Spur Change



#### Making digital technologies useful Marubeni Digital Challenge

Marubeni Digital Challenge is a program for putting digital technology to practical use that commenced in the fiscal year ended March 31, 2020. Rather than theory, the program emphasizes practicality, and by trying out digital technologies, participants can get a feel for whether they can be used while polishing their own skills.

Tasks posed to the participants are not widely used sample cases, but new issues based on reality that have been brought up internally in the actual business activities and operations of the Marubeni Group. After learning popular programming languages, participants build models using AI and other analytical methods to solve problems. In the fiscal year ended March 31, 2020, 69 people participated in the program to learn technical skills that are directly relevant to business, which are hard to learn in classrooms or training in short periods of time.

#### Stimulating the entrepreneurial spirit Business Plan Contest (Bizcon)

Bizcon is a program to attract new business ideas from across the Marubeni Group. Over the past three years through the fiscal year ended March 31, 2021, a total of 354 entries were

submitted to the contest. The aims of the program are to create businesses by soliciting and nurturing new ideas for business from across the Group. At Bizcon 2020, about 60% of the ideas submitted were for overseas projects that called for deploying our business acumen to solve real problems faced by people in these communities. Three groups that were selected to try and commercialize their ideas came up with business plans to help solve social issues in Africa and Indonesia. We will hold Bizcon again in the fiscal year ending March 31, 2022, and continue this work to identify excellent ideas and foster an innovative spirit.

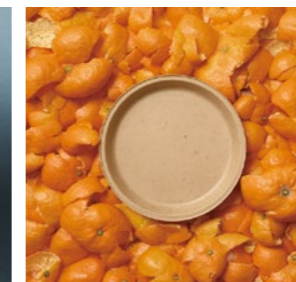
#### “Edish”, recyclable tableware created from Business Plan Contest

At Bizcon 2019, “edish” recyclable tableware was selected as an idea that had potential for business commercialization. It is made from food waste, such as wheat bran and other parts of food that are typically discarded, like the peels and cores of fruits and vegetables. After being used, edish tableware is crushed and processed at a plant to be reused as feed and fertilizer in upcycling\*. After eating, customers crush edish and put it into a special recycling box, raising their awareness of environmental issues. Edish is also available as bowls with lids and flat plates. It can also be used as takeout containers.

\* Upcycling is a concept that aims to create new added value and upgrades by utilizing the traits of items that are no longer necessary, in contrast to the reuse (recycling) of materials.



Edish bowl, made from wheat bran



Edish flat, created from the peels of tangerines

### Creating Time for Innovation



#### Providing space to take up the challenge The “15% Rule”

Even with adequate “Human Capital” and “Mechanisms,” facing new challenges requires time. To address this, Marubeni has adopted the 15% Rule as a “Time” initiative to grant each employee time within working hours to come up with ingenious ideas for improving business practices or creating future-oriented business models. With the aim of creating the time to develop high-value-added processes, we have also conducted a business process improvement project focused on internal systems revision and process standardization or automation.

Marubeni has also introduced Crosshelp as a program for organizations to enlist the help of employees from other organizations by using the 15% Rule, as a way to get part-time help from within the Company. Organizations that receive help give participants Crossvalue Coin (added to their bonuses) commensurate with their contribution.

#### Targeting higher organizational productivity “Work Anywhere” (telework) and flextime systems

Marubeni has put into place systems to let employees find an optimal mix of work hours and locations in a bid to improve performance and sustain growth in both employees and organizations.

Our new telework system “Work Anywhere” allows employees to work from home or use a shared satellite office space. Our flextime systems will be available in all organizations starting in the fiscal year ending March 31, 2022, allowing employees to work flexibly around core work hours depending on the unique situation of each organization. In the COVID-19 outbreak, these frameworks and IT infrastructure enabled many employees to work from home and allowed us to keep our essential operations running. To support those employees forced to work non-standard hours, we engaged an external counselling service as part of measures to help relieve worker stress.

Going forward, we will seek out the best ways of working for both employees and organizations while ensuring the health and safety of employees and affiliates.

## Marubeni Group HR Strategy

### Diversity & Inclusion within Our Organization

#### Promoting Diversity Management

Diversity is an important aspect of the Group HR Strategy within the GC2021 Medium-Term Management Strategy. Aiming to become a stronger Marubeni Group where diverse individuals play active roles, we are promoting diversity to build a corporate culture and workplace environment that utilizes the strengths of diverse individuals with different personalities, experiences, capabilities, and values.

#### Promotion of Work Life Management

We are promoting work life management as a way to help employees from a varied range of backgrounds achieve results. Our aim is to support continuous career development and performance irrespective of one's stage in life. Every work life management measure is designed so that employees can access the required system when they need it.

#### Female Empowerment at Work

While encouraging women in career-track positions to take on greater challenges and to strengthen diversity management, Marubeni has provided training since the fiscal year ended March 31, 2015 to women in career-track positions early in their career and to their immediate superiors to raise awareness of opportunities for career advancement. We continue to promote female empowerment by strengthening the recruitment and training of career-track women, actively assigning more women to overseas postings, and creating an environment to ensure women can thrive at work regardless of other events in their life. Under a five-year action plan (phase two) that was launched in the fiscal year ending March 31, 2022, Marubeni has set four targets below and will continue to focus on "Strengthening the comprehensive HR pipeline from the hiring of women to female employee career development," "Continuing to strengthen health and safety management and workstyle reforms that contribute to improved productivity," and "Building a corporate culture and workplace that utilize the strengths of diverse individuals."

(1) Ratio of female new graduates hired for career-track positions will be raised from the current 20-30% to around 40-50% within three years (by April 1, 2024).  
 (2) Ratio of females in all career-track positions will be at least 15%.  
 (3) Ratio of females in all managerial-track positions will be at least 10%.  
 (4) Increase the ratio of paid annual vacation taken to at least 70%\*.  
 \* Targets (2) to (4) are by March 31, 2026

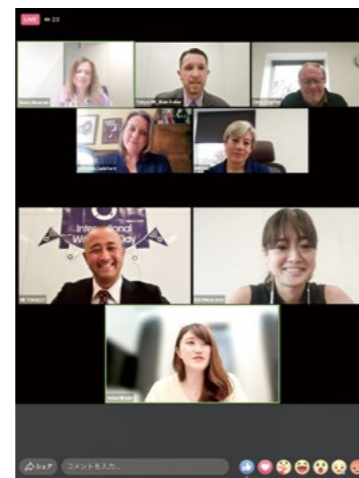
#### Measures to support overseas postings after childbirth

One of Marubeni's life management measures is to provide the necessary assistance and work environments when employees posted overseas are accompanied by their children.

Specifically, the Company sends the eligible employee on a business trip prior to their relocation, creates a check sheet for raising children at the overseas location, and covers a portion of the cost of childcare services necessary for the employee to take the overseas work assignment. In these and other ways, Marubeni provides seamless support for overseas reassignments in both the pre-departure phase and while they are living overseas.

#### Marubeni International Women's Day

Marubeni International Women's Day (MIWD) has been held every year since the fiscal year ended March 31, 2018, as a day to celebrate working women on March 8, the same date as the International Women's Day designated by the United Nations. In the fiscal year ended March 31, 2021, due to the COVID-19 pandemic, online sessions were held for two programs: Interviews with Female Employees Working Overseas, and International Women Empowerment.



Online event held for MIWD

#### New Work Styles at the New Head Office

In May 2021, Marubeni finished moving its head office to Takebashi. The new head office has been designed for new work styles ("Activity-Based Working"), where employees can choose their own work spaces to suit their needs, while encouraging each employee to think on their own. The aim of "Activity-Based Working" is to improve intellectual productivity by facilitating free-spirited communication among employees, and to nurture collaboration across organizational boundaries.



#### Opening of Marubeni Gallery

In November 2021, the Marubeni Gallery opened its doors to the public. Located at the new Head Office, the Gallery showcases the collection of art and kimonos owned by Marubeni. With the concept of being a "Space Resonant with the Beauty of the Ancient and the Modern, of East and West," the Gallery rotates exhibitions periodically. All admission fees go to support the social welfare activities of the Marubeni Foundation.



#### Health and Productivity Management

Identifying human capital as one category of Fundamental Materiality, the Marubeni Group places utmost priority on the health and safety of employees to help maximize their potential. To this end, we are conducting various health management initiatives within the Marubeni Group. Among related external accolades, we were chosen for inclusion in the Brand of Companies Enhancing Corporate Value through Health and Productivity Management Selection (Health & Productivity Stock Selection) in 2015, operated by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE). Since 2018, we have been certified for four years in a row as an Outstanding Organization in Health and Productivity Management in the large enterprise (White 500) category by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.



#### Marubeni Group Health Declaration

- Employees are a vital asset for the Marubeni Group, and their health is of paramount importance. The Group has therefore positioned maintaining and promoting employee health as a top management priority.
- The Marubeni Group supports employees' success by working to create an environment where each individual can autonomously and proactively take steps to maintain and promote his or her health. These efforts will lead to the growth of the Marubeni Group.

#### Marubeni Health Promotion Structure

Marubeni has established the Marubeni Health Promotion Structure, under the responsibility of the CAO. The system promotes health and productivity management through the coordination of four groups: occupational physicians (Internal Medical Clinics), the Health Insurance Association, the Human Resources Department, and health and productivity management promotion officers selected from among the Company's employees.

For more details, see the "Promote Work Style Reforms" section of our website.  
<https://www.marubeni.com/en/sustainability/social/workstyle/>



# Message from the CDIO & CSO

# Promotion of DX Strategy



## Constant Change is in Marubeni's DNA Realizing Transformation through "Taking on Challenges" and "Speed"

### Kenichiro Oikawa

Managing Executive Officer,  
Member of the Board Chief Digital Innovation Officer (CDIO);  
Chief Strategy Officer (CSO);  
Regional CEO for East Asia; Regional CEO for Japan Business;  
Vice Chairman of Investment and Credit Committee

We formulated the GC2021 Medium-Term Management Strategy as the first step in implementing Marubeni's Global crossvalue platform. Under this strategy, our aim is to create long-term corporate value to 2030, based on strengthening existing businesses to generate sustained growth while at the same time promoting explosive growth by seeking to create new business models with our sights set 10 years ahead. We have incorporated the concept of three growth horizons into the GC2021 strategy. Horizon 1 focuses on improving existing businesses, while Horizon 2 focuses on pursuing strategies in existing business domains. These two horizons are positioned as the earnings drivers during GC2021. With Horizon 3, we aim to develop new business models and target growth domains the Marubeni Group has not yet focused on. In doing so, we will cultivate and grow businesses proactively from a long-term standpoint, having identified future growth engines by addressing and anticipating the issues and challenges faced by customers and society.

We are using digital technology as a tool to realize long-term growth in corporate value. Under the Marubeni Group's

DX strategy, we will enhance and accelerate the value creation cycle of the "Global crossvalue platform" by utilizing digital technologies and ensure long-term growth of Marubeni's corporate value toward 2030. This is not a novel conceptual framework for us, but rather part of our trading company DNA in the way we approach change. We have set up specialist digital units since 2017 to promote DX strategies across various business domains. Besides cutting costs and raising efficiency, we aim to utilize digital technologies to help create new business models as part of significantly accelerating and advancing our growth strategy.

Since it is vital for all our executives and employees to gain knowledge of these digital technologies, we are undertaking a range of DX initiatives to target every level of management.

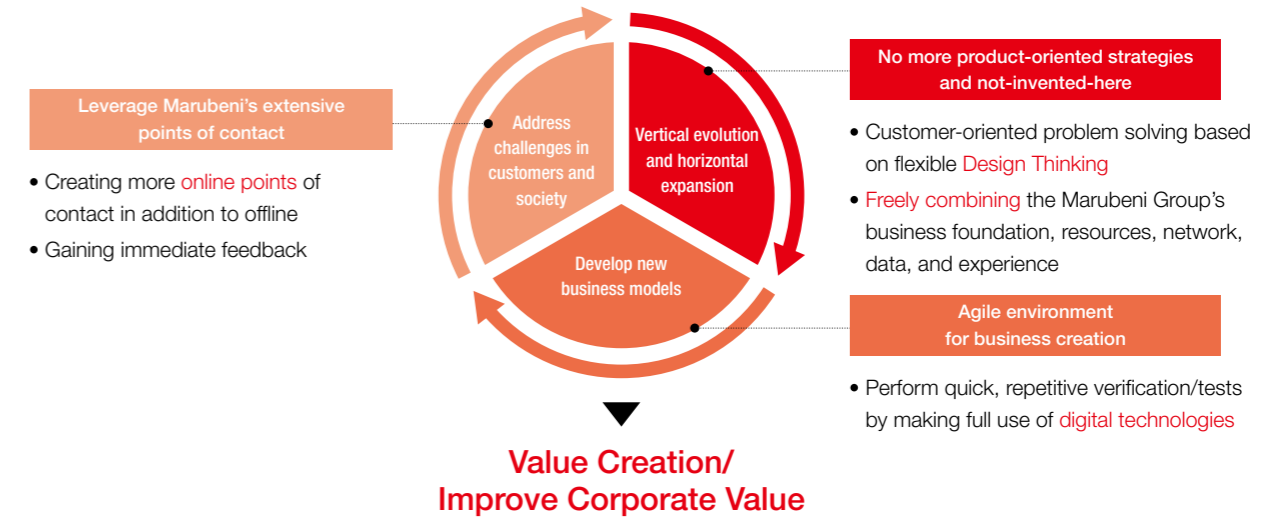
Challenge and speed are major elements of this transformation. As technical hurdles get progressively lower with the progress of digitalization, the need for speed only increases. Hence, we are engaging with reforms with a proper sense of urgency.

## » Action Enhance and accelerate the value creation cycle by utilizing digital technologies

### DX of the Marubeni Group

GC2021 » DX  
Global crossvalue platform

Marubeni Group DX: To enhance and accelerate the value creation cycle of Marubeni's "Global crossvalue platform" by utilizing digital technologies and ensure long-term growth of Marubeni's corporate value toward 2030.



### DX Strategy of Marubeni Group

The Group's DX strategy is as follows: (1) Develop and enhance digital talent base and streamline IT infrastructure; (2) Maximize use of digital technologies to drive our growth strategies.  
→ Combine Marubeni Group's solid business foundation, resources, network, data, and experience to accelerate "vertical evolution" and "horizontal expansion"

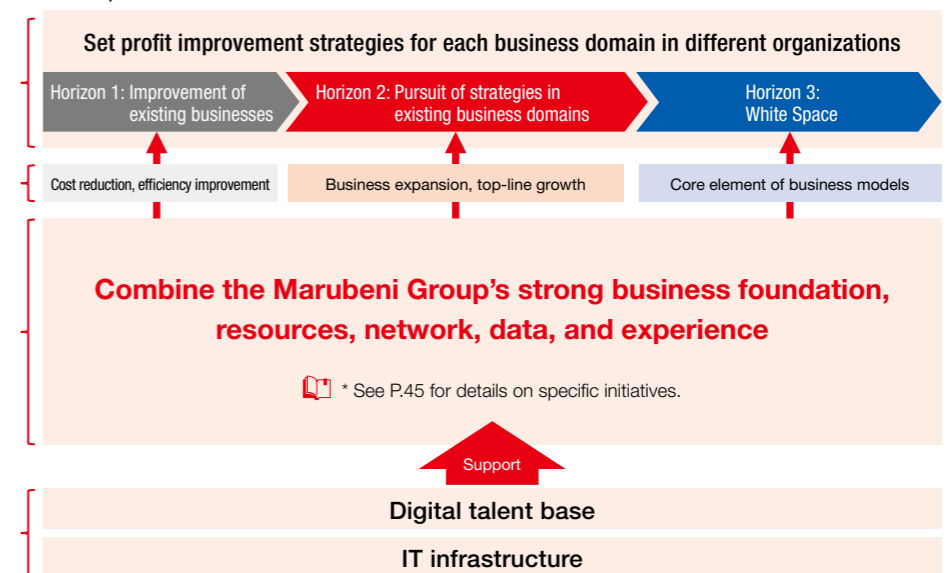
#### Define specific growth strategies for each business domain

#### Key roles of digital technology

#### To expedite our growth strategies, we will:

- Maximize the use of digital technology
- Promote cross-functional collaboration

#### Foundation of our growth strategy



### DX Initiatives

Reflecting the urgent need to reform, we are running two separate DX programs in parallel. A team led by the COO of each business division is driving the Division DX Program to incorporate use of digital technologies into divisional strategies. Called the Disruptive DX Program, the other program involves selected teams in each division analyzing DX scenarios and strategies from a third-party

standpoint to evaluate the disruptive potential of new business models on Marubeni's strengths across existing business domains. This will lead to repeated revision of business strategies with a view to improving and strengthening our operations with a sense of urgency.

**[1] Division DX Program:** Formulate policies and practical measures to incorporate use of digital technologies into divisional strategies (led by the COO of each business division)

- Assess impact of external changes on business domain; evaluate potential use of digital technologies to tackle strategic issues; identify implementation issues; formulate reform road map

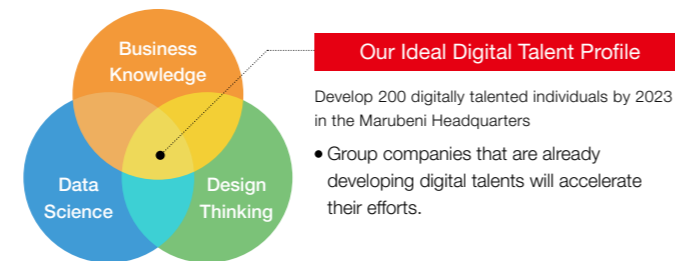
**[2] Disruptive DX Program:** Recognize the threats from disruption in divisional strategy and formulate related measures

- Formulate scenarios and strategies to illustrate potential erosion of strengths of current players in the divisional business domain by third-party disruptors using new technologies and business models; compile objective threat assessment for key business domains

### Developing Digital Talent Base

Most of the Marubeni Group's workforce specialize in "Business Knowledge" skills; they are well-versed in their business industry and have the skill sets to develop and implement their various strategies. As a further step, Marubeni will focus on developing a digital talent base to lead formulation of our digital-oriented growth strategy and drive our digital transformation using Data Science and Design Thinking skill sets.

\* The target profile for the digital talent base is people who augment Business Knowledge with specialized skill sets in Data Science (data analysis) and Design Thinking (identification of issues and new value creation based on a customer-oriented mindset).



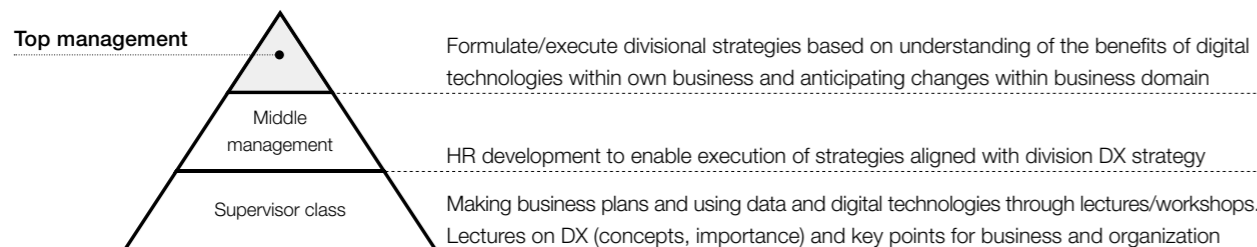
Business Knowledge	Data Science	Design Thinking
<ul style="list-style-type: none"> <li>The ability to understand global trends and lead business transformation</li> <li>Experience and knowledge acquired in actual business</li> <li>Management skills to drive projects forward</li> </ul>	<ul style="list-style-type: none"> <li>Specialized skills in data analysis and/or development, modification and evaluation of algorithms and models</li> <li>In-house prototyping and agile business development with feedback-based real-time modifications</li> </ul>	<ul style="list-style-type: none"> <li>Identify issues based on committed, customer-oriented mindset</li> <li>Flexible thinking and new value creation that are not constrained by traditional mindsets and existing frameworks</li> <li>The ability to perform hypothesis verification based on data analysis with a mindset for flexible business transitions</li> </ul>

#### Marubeni Academia & Digital skills training programs

#### Digi-Challenge & Digital Community

#### Business Model Canvas & Bizcon

See PP.38-39 for further details.



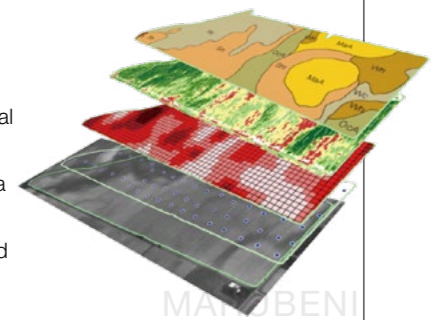
### Case 01

### Digitalization of Agri-Solutions at Helena

U.S.

Agriculture × Customer-Oriented × Data Analytics → Providing data-empowered Agri-Solutions

Operating in the U.S., one of the world's largest agricultural markets, Helena is driving sales of agricultural inputs such as fertilizers, agrochemicals, and seeds by meeting the needs of its customers – farmers – while also offering solutions to address their business issues. Developed over 15 years from a customer-oriented service perspective, "AGRIIntelligence" is a unique practical service utilizing digital technologies. This agronomy-focused solution can provide unique visual insights into the quality of soil and crops utilizing digital technologies, based on field-collected data including soil analysis, crop growth progress, and crop yield. Based on these insights, Helena provides consulting services to assist farmers in selecting the most suitable agricultural inputs, and in optimizing the quantity and timing of their application. Deepening and making full use of its expertise in agronomy, Helena aims to provide farmers with meaningful analysis that directly impacts revenue growth and efficiency, combined with reliable input recommendations, to help deliver real value to customers and build long-lasting commercial relationships.



### Case 02

### Data Analysis in Used Car Auto-Financing Business at Nowlake Technology, LLC (Westlake)

U.S.

Auto-Financing Business × Data Analytics → Providing swift approval of clients' loan applications through an in-house, big data-based prediction system

Nowlake Technology, LLC (Nowlake), the seventh-largest used car auto loan company in the U.S., originates around 400,000 loans per year. Employing over 400 IT engineers, this leading fintech is actively working on the automation of its business operation in every step of the loan process, from customer acquisition to screening, loan activation, collection, and car disposal.

One of the highlights is the company's automated loan processing system, which successfully developed a sophisticated collection model based on the data collected from millions of past applications and external sources. This allows users to receive the screening result and loan details within seconds of submitting their request, and enables the company to process as many as 7 million loan applications per year.

The next steps to accelerating DX at Nowlake include expanding an online vehicle/loan searching platform that was developed in-house and moves to forge strategic partnerships with major online platforms.





## » Action Initiatives to strengthen governance

### Evaluation of the Effectiveness of the Board of Directors

Regarding evaluation of the effectiveness of the Board of Directors, the Governance and Remuneration Committee, an advisory body to the Board of Directors, the majority of whose members are outside directors/Audit & Supervisory Board members, conducts evaluations and reviews concerning the overall Board of Directors, including its composition and operation, and reports to the Board of Directors. The Corporation discloses the overview of the results of evaluation following deliberation by the Board of Directors and utilizes these results in improvement of the Board of Directors, including its operation.

As for the effectiveness evaluation regarding the Board of Directors in the fiscal year ended March 2021, in order to extract more specific issues, the Corporation held interviews with all directors and Audit & Supervisory Board members in addition to conducting the questionnaire as in previous years.

### Strengthening the Functions of the Board of Directors

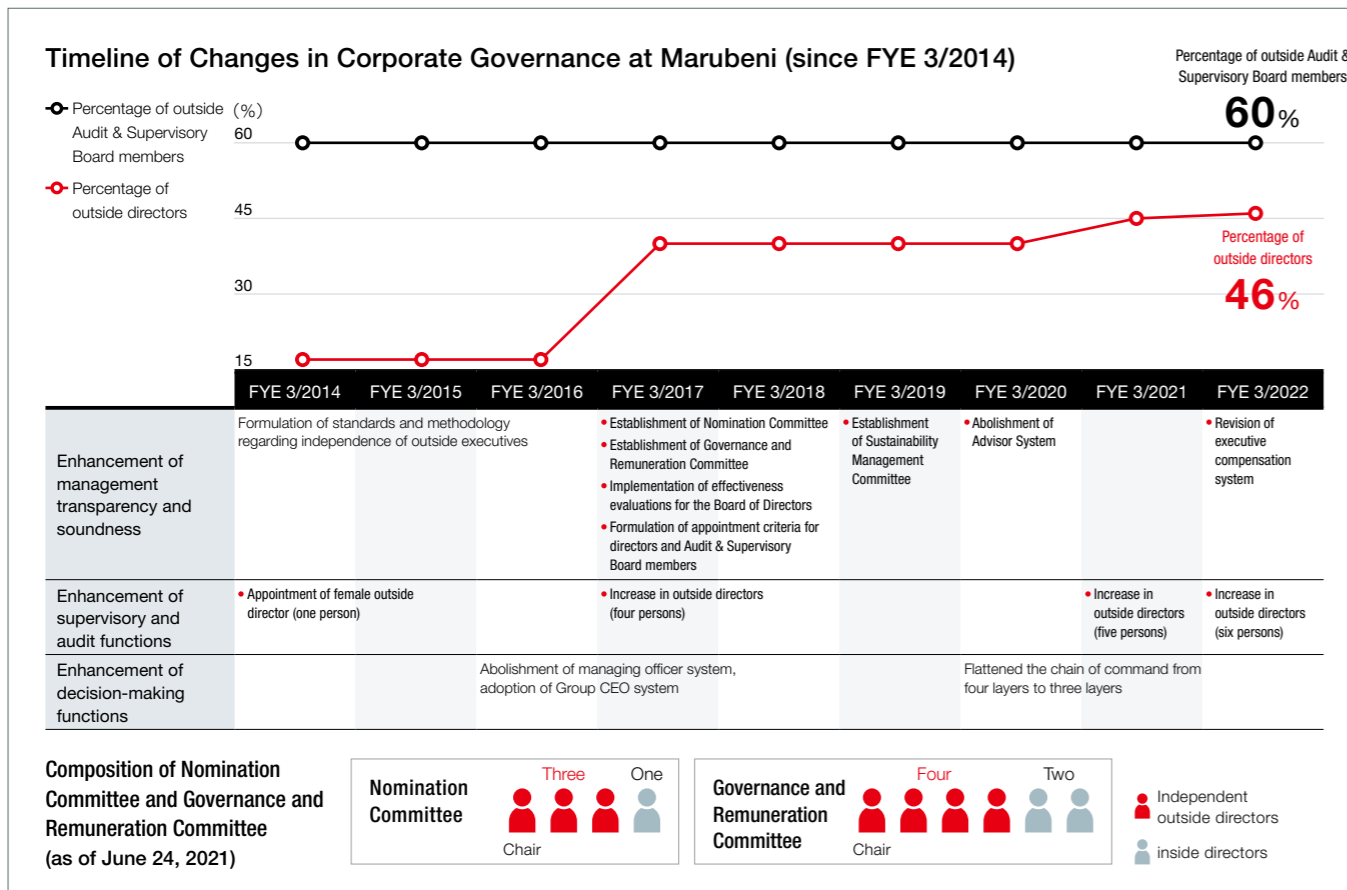
To further strengthen governance and expand the functions and diversity of the Board of Directors, from the fiscal year ending March 2022, the Corporation increased the number of outside and inside directors by one each.

(46% outside director ratio, six outside directors and seven inside directors)

### Reduction of Cross-Shareholdings (Listed General Investment Shares)

Upon conducting a comprehensive examination of quantitative and qualitative aspects for each holding, the significance of the cross-shareholdings is reviewed and assessed by the Board of Directors each year. The number of such shareholdings is decreasing.

FYE 3/2019: 87 issues held → FYE 3/2020: 82 issues held → FYE3/2021: 67 issues held

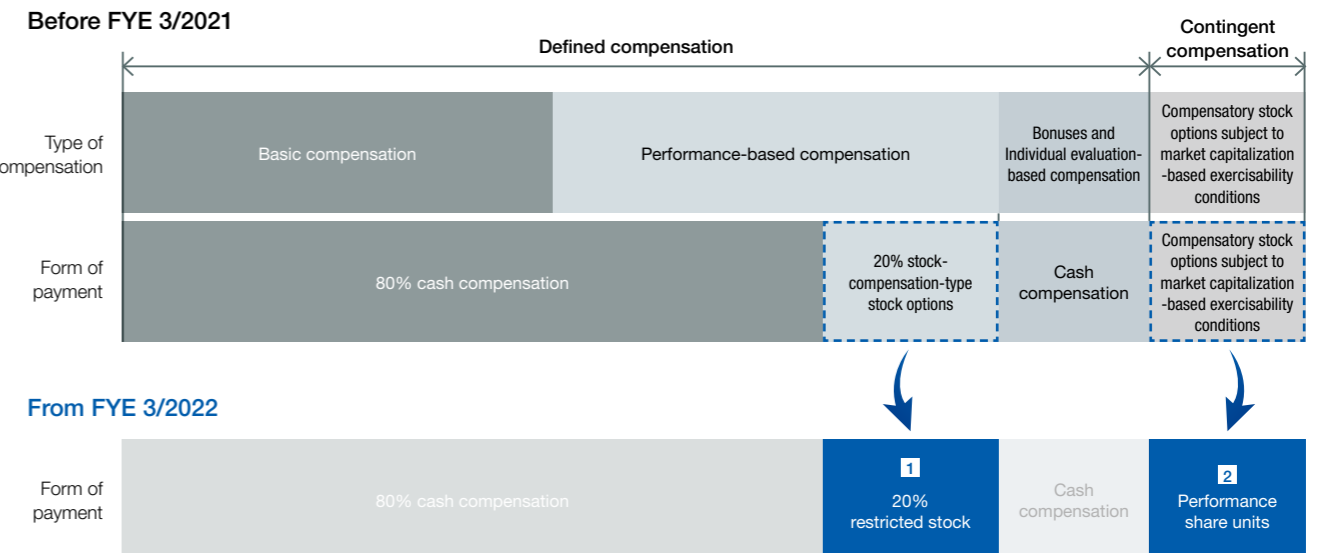


### Revision of Executive Compensation System

At the 97th General Meeting of Shareholders held on June 24, 2021, a resolution for a share-based compensation system for directors (excluding outside directors) was approved.

- Purpose**
- The purpose of the compensation system is to give eligible directors an incentive to work to sustainably enhance the corporate value of the Corporation in the medium to long term, thereby enhancing future market value, and promoting greater value sharing with shareholders. To this end, the system was changed from paying two types of stock-compensation-type stock options to granting restricted stock (shares with restriction on transfer) and performance share units (shares issued or disposed in accordance with the achievement of targets linked to market value growth rate and other performance indicators).
- The previous stock-compensation-type stock option system was a mechanism in which shares could not be held until the rights were exercised at least three years after being granted or until after retirement. The change will encourage direct shareholding by directors.
  - The transfer restriction period for restricted stock is set as the period until the director's retirement. The resulting mechanism encourages directors to commit to sharing value with shareholders even while in office, and gives incentives to work for the more sustainable improvement of corporate value.

\* This revision changes the form of payment and does not represent additional compensation.



- Major Changes**
- Change from stock-compensation-type stock options to restricted stock**  
Stock-compensation-type stock options are a mechanism for allocating stock in which option rights can be exercised three years after being granted or at any time after retirement. With restricted stock, common stock is allocated at the same time as cash compensation, with the transfer restriction period set until the director's retirement.
  - Change from compensatory stock options subject to market capitalization based exercisability conditions to performance share units**  
Previously, up to 15% of basic compensation was granted as compensatory stock options subject to market capitalization based exercisability conditions. This has been changed to a mechanism in which the market-capitalization-based exercisability conditions remain, and restricted stock is granted which cannot be transferred until after the conditions are satisfied and the director retires.

Please refer to Directors' and Audit & Supervisory Board Members' Compensation on PP.88-89 for more information on executive compensation.



# Sustainability



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## Message from the CSDO



**We aim to improve corporate value by creating environmental and social value based on activities that sincerely address societal issues.**

### Takayuki Furuya

Managing Executive Officer, Member of the Board  
CFO;  
Chief Operating Officer, Investor Relations and Credit Ratings;  
Chairman of Investment and Credit Committee;  
Chief Sustainable Development Officer; Chairman of Disclosure Committee

Marubeni's Company Creed is "Fairness, Innovation, and Harmony." In accordance with the spirit grounded in our Company Creed, our Management Philosophy expresses that the Marubeni Group is proudly committed to social and economic development and safeguarding the global environment by conducting fair and upright corporate activities. Sustainability is then about putting this management philosophy into practice. The foundation of the Marubeni Group's value creation narrative is addressing societal issues sincerely to create economic, environmental and social value as part of our efforts to maximize corporate value.

Within environmental and social issues, climate change ranks as highly important and urgent. We announced the Long-Term Vision on Climate Change in March 2021 to outline how the Marubeni Group plans to contribute to medium-term and long-term measures to address climate change under the Paris Agreement. We are committed to achieving net-zero emissions of greenhouse gases (GHGs) across the Marubeni Group by 2050. By working with business partners to create businesses that can contribute to reductions in global GHG emissions, we are targeting a positive impact both within the Marubeni Group and across society. Based on a shared set of Marubeni Group values, this is about monitoring and following up the progress made through frontline initiatives. At the same time, we will continue to

develop a constructive dialogue with all stakeholders based on the appropriate and transparent disclosure of such processes.

Amid a global COVID-19 pandemic where we cannot yet foresee an ending, we face a rapidly changing world where risks tend to diversify and multiply. Companies are now expected to assume a greater role in social and economic development and in creating a sustainable society. This means we must build sustainable, resilient supply chains, while stepping up activities to respect human rights. At the same time, we aim to develop an appropriate risk management system so that we can respond properly to environmental changes and enhance the resilience of our management.

Human capital is the source of value creation by the Marubeni Group, supported by a corporate culture that makes the most of these human capital; a strong business foundation; and governance structures that provide the correct discipline. By strengthening each of these elements to reinforce the foundation for value creation, we will enhance Group capabilities to respond to environmental changes. Going forward, we are focused on addressing societal and customer issues and on creating new business models as we seek to create value and target sustainable growth in corporate value.

## Material Issues for Sustainability (Materiality)

For the Marubeni Group, sustainability is about putting our Management Philosophy into practice by anticipating environmental and social demands and then proactively providing solutions. We identify three categories of Fundamental Materiality relating to the creation of environmental and social value. Building on Fundamental Materiality, we also identify four categories of Environmental and Social Materiality.

### Fundamental Materiality



#### Human Capital with High Social Value

The sources of value creation for the Marubeni Group are the insight, the ability to predict, and the ability to self-transform to anticipate environmental and social demands and to proactively provide solutions. These capabilities are derived from human capital. We will develop and strengthen human capital with high social value and lead to sustainable growth.

See PP.37-41 for details of the GC2021 Group HR Strategy.



#### Robust Management Foundation

Enabling human capital to use our management foundation to the fullest will ultimately lead to maximizing corporate value. Marubeni's innovation is based on the corporate culture that fosters value creation, as well as the strong brand presence and sales foundation we have built up through our business and the financial footing that support our operations.

See PP.24-28 for details of rebuild and strengthen the financial foundation; PP.37-39 on initiatives to promote innovation; and PP.40-41 for more on Diversity & Inclusion.



#### Governance for Coexistence with Society

By deepening our engagement with diverse stakeholders, enhancing the effectiveness of oversight by directors, and targeting greater management transparency, we are working to achieve sustainability based on a governance framework that allows for improved coexistence with society.

See PP.70-97 for more information on corporate governance and P.56 for details of how the governance framework relates to sustainability.

### Environmental & Social Materiality



#### Climate Change

(Disclosure in line with the recommendations of the TCFD)

PP.52-64



#### Sustainable Forestry

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#### Human Rights & Co-Development with Communities

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#### Sustainable & Resilient Value Chains

P.69

### Process for Identifying/Reviewing Environmental and Social Materiality

Our view is that Environmental and Social Materiality requires us to constantly review the environmental and social changes affecting the Marubeni Group. Specifically, we perform regular reviews through dialogs with stakeholders and checks of the expectations from society, as well as constantly analyzing the impact on the company.

#### • Extract existing/potential environmental and social issues

#### • Identify material issues for sustainability (materiality) for the Marubeni Group, based on the following criteria:

- Importance to stakeholders
- Impact and scope of our business activities on the environment and society
- Impact on our earnings

#### • Reflect in operational goals/targets, implement and review periodically

# Climate Change

## Climate Change and Marubeni Group Value Creation

### Marubeni Group's Recognition on the Current Climate-Related Issues

The Marubeni Group recognizes climate change as a global and highly urgent societal issue, and identifies it as one of its Environmental and Social Materiality issues. Recognizing the growing expectations and needs for the role to be played by the private sector under the Paris Agreement, in which the international community cooperates to abate GHG emissions, we believe that contributing to climate change countermeasures through our business will lead to the sustainable growth of the Marubeni Group.

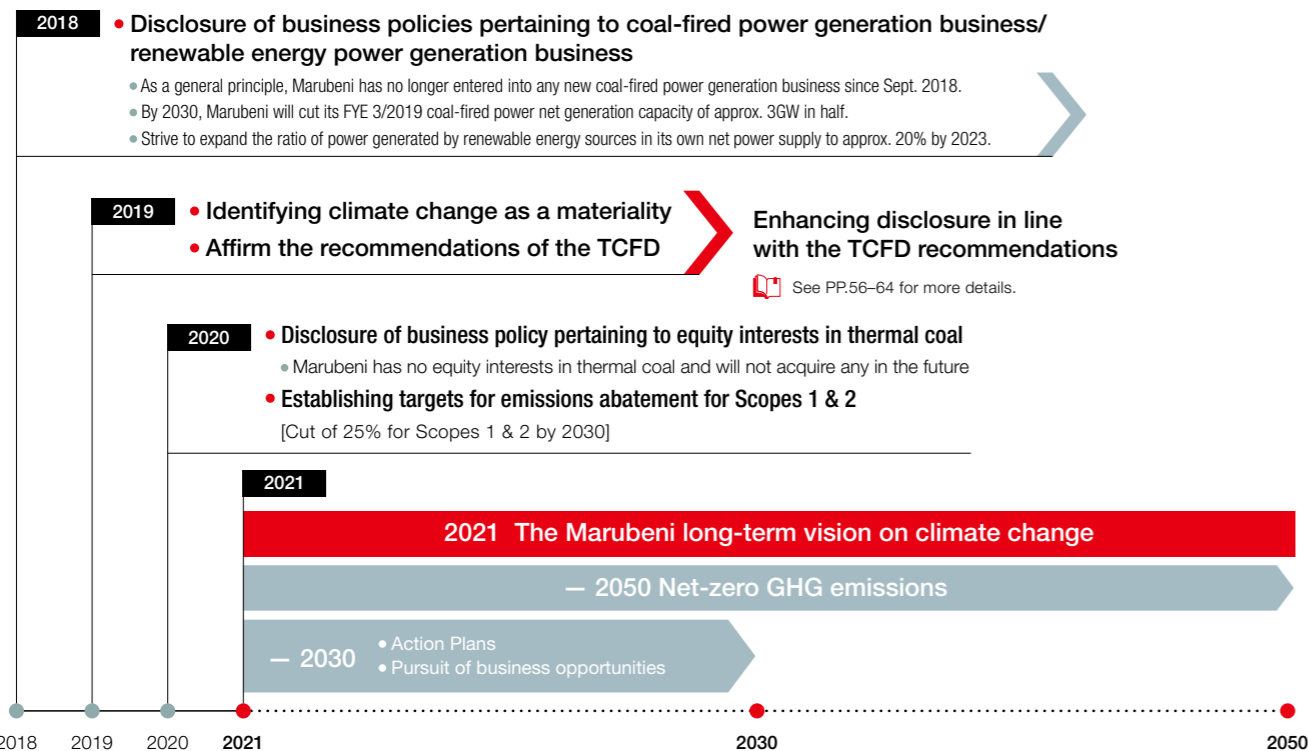
### Basic Stance on Climate Change

The Marubeni Group is striving to anticipate shifts in society linked to climate change and to create growth opportunities while mitigating related risks.

<b>1. Reductions in Marubeni Group GHG emissions</b>	The Marubeni Group is targeting net-zero GHG emissions by 2050. We are engaged in various initiatives aimed at reducing the Group's GHG emissions.
<b>2. Contributions through Marubeni Group businesses to support the transition to a low-carbon or decarbonized society</b>	The Marubeni Group views the transition to a low-carbon or decarbonized society as a business opportunity. Through Group businesses and other initiatives relating to energy supply and demand, land use, and other fields, we are contributing to efforts to reduce GHG emissions, both within the Marubeni Group and across society.
<b>3. Dynamic business portfolio flexibility</b>	We will consider alternatives, including exiting a sector, in cases where Marubeni Group businesses are expected to face obsolescence or downward earnings pressure due to climate change. We see appropriately scaled and timed revisions to our business portfolio as supporting the growth in corporate value over time.
<b>4. Increased resilience</b>	The highly diversified nature of the Group's business portfolio provides a high degree of resilience to climate change. While the potential impacts on the Group's finances due to the risks within specific industries or businesses are expected to be limited, we will continue to improve risk management on an ongoing basis.

## Contributions to Measures Addressing Climate Change

(Marubeni Group's efforts so far and the direction of future initiatives)



Note: Data in the above chart match those in the original announcement.

## Climate Change-Related Metrics and Targets

The Marubeni Group has formulated the following metrics and targets as part of our response to the opportunities and risks associated with climate change.

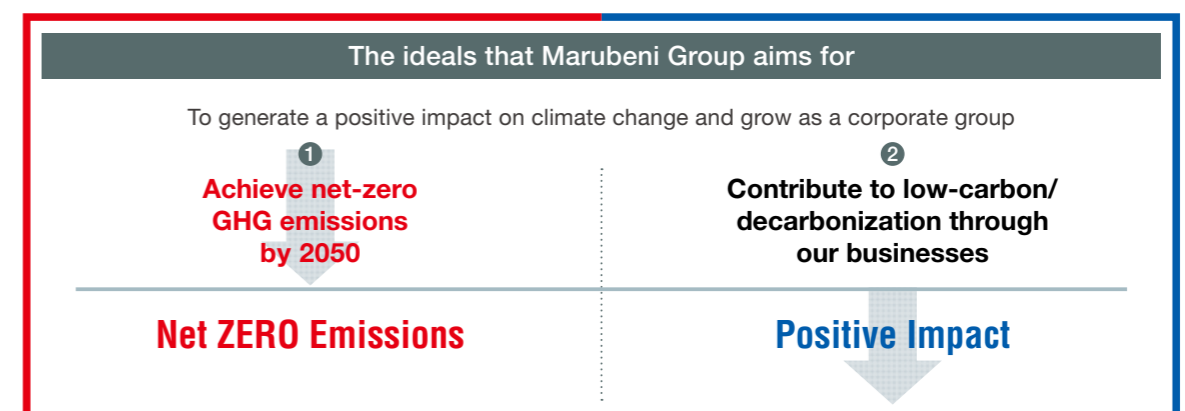
Metrics and targets	Progress and status
1. Cut Group's coal-fired power net generation capacity from FYE 3/2019 value of approx. 3GW in half by 2025, with further abatement to approx. 1.3GW by 2030, and aim for zero by 2050	Approx. 2.6GW (as of March 31, 2021)
2. Expand the ratio of power generated by renewable energy source in Group's own net power supply to approx. 20% by 2023	Approx. 15% (as of March 31, 2021)
3. Expand "Green Revenue" to around ¥1,300 billion by FYE 3/2024	Approx. ¥740 billion (FYE 3/2021)
4. Achieve net-zero GHG emissions*1 by 2050 By 2030: (1) Reduction of 50% in Scope 1 & 2 CO <sub>2</sub> emissions from FYE 3/2020 level (about 1 million t-CO <sub>2</sub> ) (2) Reduction of 20% in Scope 3 CO <sub>2</sub> emissions (Category 15: Investment) from FYE 3/2020 level (estimated CO <sub>2</sub> emissions about 36 million t-CO <sub>2</sub> *2)	(1) Scope 1 & 2 CO <sub>2</sub> emissions: approx. 0.97 million t-CO <sub>2</sub> (FYE 3/2021) (2) Scope 3 CO <sub>2</sub> emissions (Category 15: Investment): approx. 26 million t-CO <sub>2</sub>  Breakdown Power generation approx. 22 million t-CO <sub>2</sub> Resource projects approx. 3 million t-CO <sub>2</sub> Other businesses approx. 1 million t-CO <sub>2</sub> (FYE 3/2020)  Figures for FYE 3/2021 will be available on our website at a later date.

\*1. Includes Scope 1, Scope 2, and Scope 3 (Category 15: Investment) emissions  
\*2. This emissions volume comprises the FYE 3/2020 performance of existing investees plus the estimated emissions from projects already contracted as of March 2021 (as for power generation projects, projects for which associate investees of the Marubeni Group have entered into power purchase agreements but have not yet achieved commercial operations.)

## The Long-Term Vision on Climate Change

In accordance with the Paris Agreement, the Marubeni Group recognizes the importance and urgency of limiting the increase in mean global temperature to 1.5°C by 2100 (hereinafter, the "1.5°C pathways"). We have formulated a long-term vision on climate change to help us contribute to global measures to address climate change over the medium and long term. As part of this vision, we have set a goal for the Marubeni Group of net-zero GHG emissions by 2050. We have also formulated action plans with the measures we plan to implement heading towards 2030 to make the goal of net-zero GHG emissions by 2050 more effective.

Our long-term vision envisages two pillars: first, to achieve net-zero GHG emissions by the Marubeni Group; second, contribute to the transition to a low-carbon or decarbonized society through business activities. By proceeding with both at the same time, we hope that our business activities will have a positive environmental impact in overall terms.



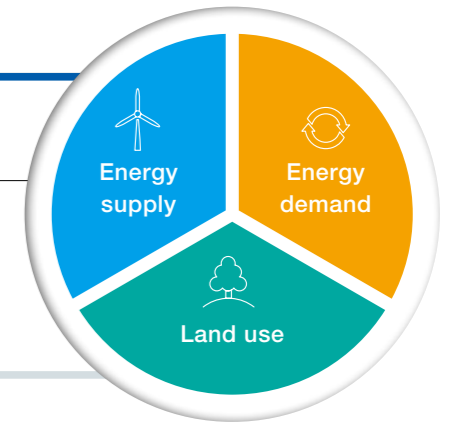
## Net ZERO Emissions ① Achieve net-zero GHG emissions by 2050

Marubeni will abate GHG emissions at a level consistent with the said 1.5°C pathways. Any residual emissions that cannot be abated will be neutralized (GHG elimination) through internationally recognized nature-based solutions (e.g., forests, farmland, etc.), or through technological solutions, with the aim of achieving net-zero GHG emissions by 2050.\*

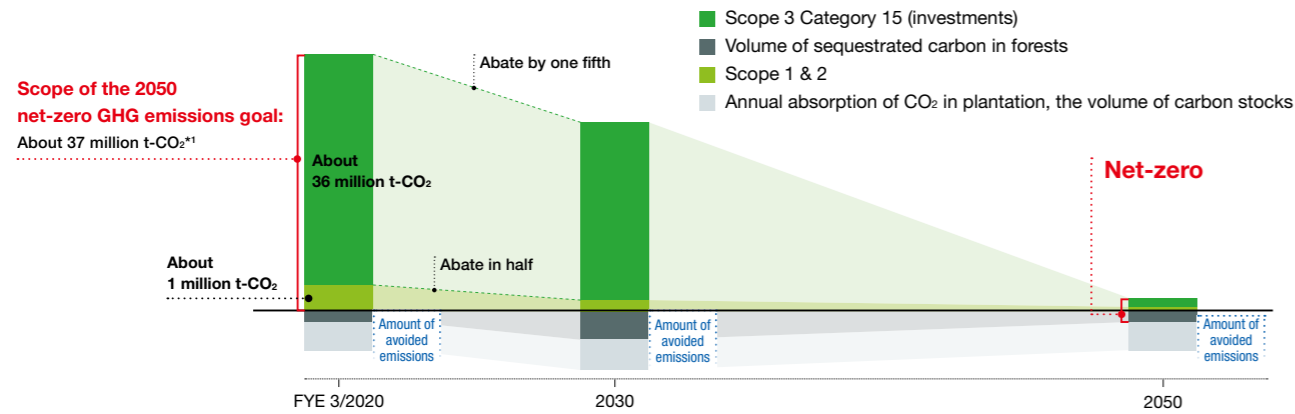
\* Boundary of net-zero GHG emissions:  
 Scope 1: Direct emissions from owned or controlled sources of Marubeni and its consolidated subsidiaries, such as through burning of fuel, industrial process, etc.  
 Scope 2: Indirect emissions from the generation of purchased energy consumed by Marubeni and its consolidated subsidiaries.  
 Scope 3 Category 15 (Investments): Among all other indirect emissions that occur in the Marubeni Group's value chain, Scope 1 and Scope 2 for associate investees account for using the equity method (hereinafter, "associate investees").

## Positive Impact ② Contribute to low-carbon/decarbonization through our businesses

We see supporting the transition to a low-carbon or decarbonized society as representing major business opportunities. We contribute to low-carbon/decarbonization through our businesses.



### Net-Zero GHG Emissions



\*1. Includes GHGs that are biological in origin (in tons of CO<sub>2</sub> equivalents)

### Action Plans towards 2030

Marubeni has formulated the following action plans heading towards 2030 in order to make the 2050 net-zero GHG emissions effective. By executing these actions, by 2030 the Marubeni Group will try to abate its FYE 3/2020 emissions by one-fifth over the total scope covered by our net-zero GHG emissions goal. This plan was formulated to apply to the Marubeni Group's business portfolio as of March 2021 and is based on certain assumptions about current international recognition and foreseeable changes in system and technological innovations. Marubeni will revise them appropriately in light of any future changes to these premises.

- 1 Halve the CO<sub>2</sub> emissions of FYE 3/2020, about one million tons of CO<sub>2</sub>, emitted by Marubeni and its consolidated subsidiaries (Scope 1 and Scope 2)**  
 Marubeni has revised the targeted abatement figure released in September 2020 (25% abatement from FYE 3/2019 levels by 2030) to make it at a more consistent level to the 1.5°C pathways, and will halve its total volume of emissions, which was about one million tons of CO<sub>2</sub> in FYE 3/2020 by 2030.
- 2 Reduce by one-fifth the CO<sub>2</sub> emissions of FYE 3/2020, about 36 million tons of CO<sub>2</sub> \*2, emitted by associate investees of the Marubeni Group (Scope 3, Category 15 (Investments))**  
 Changes in the emissions volume associated with increased emissions from new investments and fluctuations in the emissions volume by plant load factors, as well as reductions in the emissions volume due to the utilization of new technologies (CCS\*3, co-combustion of hydrogen and ammonia, etc.), are not included in the assumptions for the above estimation. In the interest of meeting the needs of society as it makes the low-carbon transition, the development of new gas-related projects such as gas-fired power generation businesses will continue. For aspects that could affect the emissions volume by associate investees going forward, we will monitor the progress of abatement of GHG emissions and conduct reviews thereof. In addition, we will continually perform studies with the aim of establishing milestones towards net-zero GHG emissions by 2050 that are consistent with the 1.5°C pathways.  
 \*2. This emissions volume comprises the FYE 3/2020 performance of existing investees plus the estimated emissions from projects already contracted as of March 2021 (as for power generation projects, projects for which associate investees of the Marubeni Group have entered into power purchase agreements but have not yet achieved commercial operations).  
 \*3. Carbon dioxide Capture and Storage
- 3 Move up the timetable to halve the net power generation capacity of our coal-fired power generation businesses**  
 Based on our Business Policies Pertaining to Sustainability (In Relation to Our Coal-Fired Power Generation Business and Renewable Energy Generation Business) that Marubeni released in September 2018, and taking into account the progress made so far in pulling out of coal-fired power generation, with regard to coal-fired power net generation capacity, we will accelerate our goal of cutting FYE 3/2019 capacity in half by 2030 to 2025, and aim for capacity of approximately 1.3 GW in 2030 (included in the above reduction figure ② for associate investees), and further, aim for zero capacity by 2050.
- 4 Absorb and sequester CO<sub>2</sub> through our forests**  
 Marubeni will strive to expand the volume of carbon stocks in our forests (about 11 million tons of CO<sub>2</sub> equivalents\*\*4 as of March 2021) and, at the same time, expand the sequestered volume of carbon through the multi-purpose utilization of afforested assets.  
 \*4. By enlarging some of our plantation areas, improving stock volume per-unit area, and through the proper management of managed forests, estimated volume of carbon stocks in our forests will be about 19 million tons of CO<sub>2</sub> equivalents in 2030.

### Energy supply: Energy systems to serve as the foundations for a decarbonized society

#### Supply of power from renewable energy (power generation business and power retail business) a

- Strive to expand the ratio of power generated by renewable energy sources in our own net power supply to approx. 20% by 2023 (approx. 15% as of March 31, 2021)
- Fully owned subsidiary SmartestEnergy Ltd., a power retail provider in the U.K., derives approx. 80% of its contracted power capacity from renewable energy sources

#### Alternative energy businesses, including new energy sources such as hydrogen/ammonia b

- Participate in demonstration projects to develop CO<sub>2</sub>-free fuel supply chain
- Invest in U.S.-based biojet fuel producer, Fulcrum BioEnergy, Inc.

#### Develop distributed energy systems

#### Carbon-free mobility and EV- infrastructure/battery related businesses

- Supply cobalt, nickel and other raw materials for lithium batteries for EVs

### Energy demand: Control/abate GHG emissions over a broad range of industries

#### Initiatives contributing to recycling and the circular economy c

- Invest in U.S.-based Circ LLC (formerly known as Tyton BioSciences LLC), which has technologies to recycle textile products such as textile and used clothes into raw textile materials
- Develop in the lithium-ion battery recycling business

#### Supply energy-saving materials, products, and services

#### Solutions using decarbonization technologies such as CCUS\*5 d

- \*5. Carbon dioxide Capture, Utilization and Storage
- Invest in the U.K.'s Carbon Clean Ltd., which develops CO<sub>2</sub> capture technology

#### Responding to modal shifts

### Land use: Sustainable agri-input businesses and forest management

#### Improve agricultural productivity by environmentally conscious agri-input business e

- Marubeni owns North America's 2nd-largest agri-input retailer Helena Agri-Enterprises, LLC. Develop environmentally conscious agri-input businesses in Europe

#### Sustainable forest management and utilization of forest assets f

- Around 300,000 hectares in forest assets, expertise and knowhow in forest management

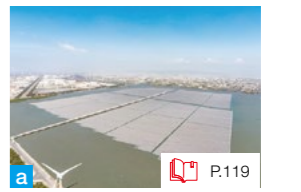


Image a: Floating solar power plant in Changhua (Taiwan) P.119



Image b: Biofuel production (U.S., etc.) P.115

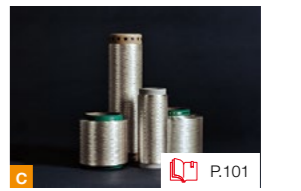


Image c: Circ LLC (U.S. - Manufacture and sale of recycled textile materials) P.101



Image d: Facility that uses CO<sub>2</sub> capture technologies supplied by Carbon Clean Ltd. P.121



Image e: Agri-input business Helena Agri-Enterprises, LLC (U.S.) P.110



Image f: PT. Musi Hutan Persada (Indonesia - forest plantation business) P.104

## Disclosure in Line with the Recommendations of the TCFD

In February 2019, recognizing the importance of climate-related financial disclosures, the Marubeni Group affirmed the TCFD\* recommendations. We are committed to enhancing related disclosure as we work to anticipate shifts in society linked to climate change and to create growth opportunities while mitigating related risks.

In line with the Long-Term Vision on Climate Change announced in March 2021 (see PP.53-55), besides working to mitigate risk by abating the Group's GHG emissions, we are looking to increase the resilience of our business portfolio through appropriately timed revisions to avoid damaging corporate value, which could face obsolescence or downward earnings pressure due to climate change.

The Marubeni Group views the transition to a low-carbon or decarbonized society as a business opportunity. On the supply side, there are opportunities to build the energy systems to serve as the foundations for a decarbonized society. On the demand side, we also promote efforts to control and abate GHG emissions in a wide range of industries. We are also contributing to efforts to cut GHG emissions through sustainable land use in the Group's agri-input and forest management businesses.

\* The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB).

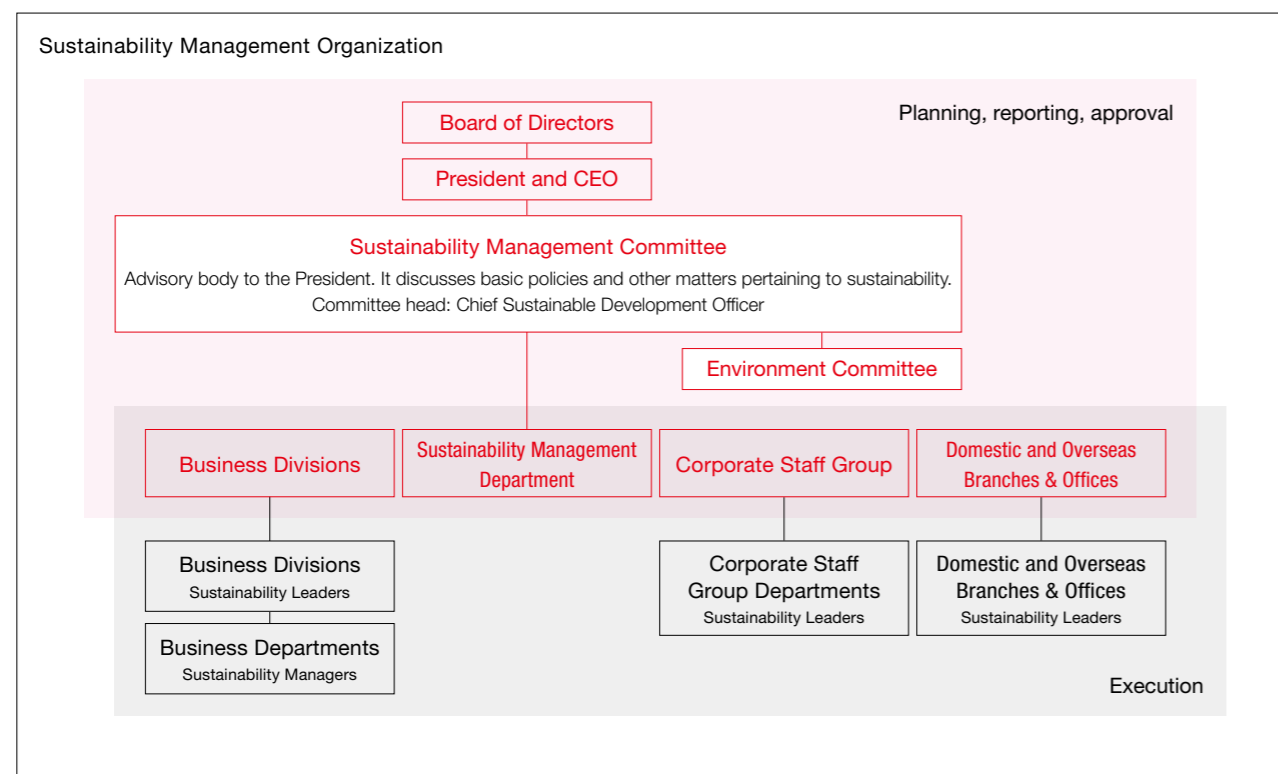
## Governance

Our governance structure ensures adequate Board supervision of important climate change-related issues.

Specifically, the Sustainability Management Committee, an advisory body to the President, leads the process of evaluating opportunities and risks as identified in our TCFD climate-related disclosure; formulating, revising and monitoring strategy, risk management, metrics, and targets; and reviewing progress in climate-related innovation and changes in the external environment. The committee reports regularly on these matters to the Board of Directors. Important matters are deliberated and voted on by the Corporate Management Committee and the Board of Directors.

Chaired by the CSDO, the Sustainability Management Committee counts external directors and Audit & Supervisory Board members among its advisory members to support the management and supervision of sustainability-related matters from an independent external perspective.

At the execution, the system is set up to support discussion and promotion of sustainability-related matters. A Sustainability Leader in charge of sustainability management is appointed in each business division, each department within the Corporate Staff Group, and at each domestic or overseas branch and office. A Sustainability Manager is also appointed in each business department.



## Strategy and Specific Initiatives (Scenario Analysis)

In line with our Basic Stance on Climate Change (see P.52), the Marubeni Group is striving to take a strategic approach to climate-related opportunities and risks.

### Scenario selection:

Climate-related risks and opportunities differ significantly across the Marubeni Group's business portfolio because of its broad diversification. In line with TCFD disclosure recommendations, we perform scenario analysis to study the businesses that will be relatively more susceptible to the impacts of climate change. Unless otherwise stated, using a time horizon to 2030, we use this process to consider related business conditions, risks and opportunities under baseline and transition scenarios.

To facilitate an objective assessment of new business opportunities and resilience of operations amid significant change in business conditions, we mainly reference the scenarios outlined below. These are taken from the International Energy Agency (IEA) publications "Energy Technology Perspectives 2017/2020," "World Energy Outlook 2020," and "Net Zero by 2050," as well as the Fifth Assessment Report and the 1.5°C Special Report released by the Intergovernmental Panel on Climate Change (IPCC).

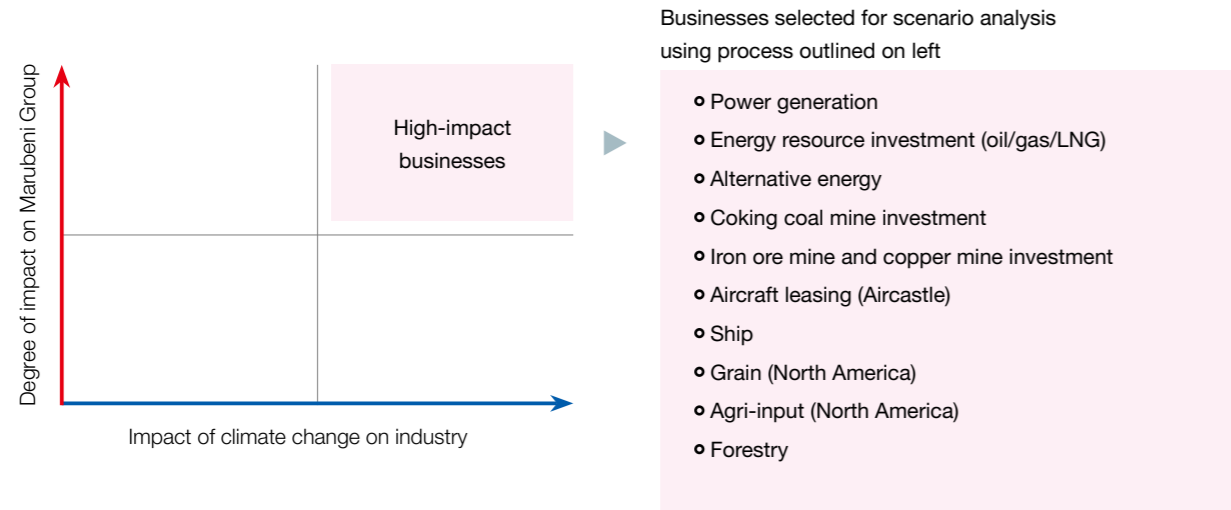
Baseline scenarios	
IEA RTS [Reference Technology Scenario]	Taken from IEA Energy Technology Perspectives 2017, this scenario reflects countries' existing policies and targets (+2.7°C).
IEA STEPS [Stated Policies Scenario]	Taken from the IEA reports Net Zero by 2050 and World Energy Outlook 2020, this scenario reflects countries' existing policies and targets (+2.7°C).
IPCC RCP 8.5/6.0/4.5 [Representative Concentration Pathways]	As detailed in the IPCC Fifth Assessment Report, the RCPs are scenarios describing rises in mean temperature of up to 4°C or so by 2100 compared to pre-industrial levels (+4.3°C/+2.8°C/+2.4°C).
Transition scenarios	
IEA B2DS [Beyond 2°C Scenario]	Taken from IEA Energy Technology Perspectives 2017, this scenario describes efforts to limit the rise in temperature to well below 2°C (+1.75°C).
IEA SDS [Sustainable Development Scenario]	As outlined in publications such as the IEA reports World Energy Outlook 2020 and Energy Technology Perspectives 2020, this scenario describes a sustainable growth pathway consistent with the well below 2°C goal of the Paris Agreement and SDGs. (+1.65°C).
IEA NZE [Net Zero Emissions Scenario]	As outlined in the IEA report Net Zero by 2050, this scenario shows the changes that would be required in energy demand and the energy mix to achieve net-zero global emissions by 2050 and to limit the rise in temperature to 1.5°C (+1.5°C).
IPCC RCP 2.6/1.9 [Representative Concentration Pathways]	Taken from the IPCC's Fifth Assessment Report and the 1.5°C Special Report, the scenario describes low-emissions pathways to attain the goal of limiting future rises in temperature to well below 2°C (+1.6°C/+1.5°C).

Note: Figures in parentheses correspond to the projected temperature rise by 2100 under each scenario. IEA RTS/STEPS/B2DS/SDS/NZE are referenced mainly for Marubeni Group businesses in power generation, energy resource investment (oil/gas/LNG), alternative energy, coking coal mine investment, iron ore mine and copper mine investment, aircraft leasing, ship, and forestry. IPCC RCP is referenced mainly for the Group's grain/agri-input, ship, and forestry businesses.

**Business selection for scenario analysis:**

Businesses in the upper-right quadrant of the matrix shown below are selected for the scenario analysis.

**Horizontal axis** Business domains with high financial impact due to climate change  
**Vertical axis** Degree of impact on Marubeni Group (scale of assets/earnings, etc.)



**Results of scenario analysis:**

The chart below summarizes the results of the scenario analysis for each business selected.

The scenarios and business environment overviews represent the understanding of the Marubeni Group based on major scenarios as developed by the IEA and other international organizations, but do not provide an outlook for the Group.

**How to read the charts**

**Business environment overview**

**Baseline scenarios**  
Expected changes in conditions for the selected businesses based on demand projections under baseline scenarios

**Transition scenarios**  
Expected changes in conditions for the selected businesses based on demand projections under transition scenarios

The data show demand projections for the selected business under each scenario as conditions evolve (all data are global, unless otherwise noted).

**Example: coal-fired power generation**

**Baseline scenarios:**  
 IEA RTS (+2.7°C)  
 IEA STEPS (+2.7°C)  
 IPCC RCP8.5 (+4.3°C)  
 IPCC RCP6.0 (+2.8°C)  
 IPCC RCP4.5 (+2.4°C)

**Transition scenarios:**  
 IEA B2DS (+1.75°C)  
 IEA SDS (+1.65°C)  
 IPCC RCP2.6 (+1.6°C)  
 IEA NZE (+1.5°C)  
 IPCC RCP1.9 (+1.5°C)

Figures in parentheses correspond to the projected temperature rise by 2100 under each scenario.  
 Note: Data for IEA RTS referenced from 2014 rather than 2020.  
 Note: Data for IEA SDS referenced from 2019 rather than 2020.  
 Note: Data for 2020 are scenario-based projections rather than actual figures.

**Responses to future business risks/opportunities**

This section outlines Group policies and initiatives for the businesses, based on the business environment overview from the scenarios.

**Impact on performance up to 2030**

The impact on the performance of the selected businesses up to 2030 is summarized graphically in overall terms. This section explains the assessment in more detail.

One of seven possible arrows is used to indicate the overall assessment.

Positive (High) ↑ (Med) ↗ (Low) →  
 Neutral →  
 Negative (Low) ↘ (Med) ↓ (High) ↓

**Financial information**

This section shows the net profit/loss attributable to owners of the parent for the selected businesses of the relevant segment (division) and the financial exposure\* or segment assets.

\* Exposure includes investments, loans receivable, tangible fixed assets, and guarantees.

Power generation business

**Business environment overview**

**Coal-fired power generation**

**Gas-fired power generation**

**Renewable energy power generation**

\* Refer to chart legend below.

**Responses to future business risks/opportunities**

Note: Unless otherwise stated, the analysis target is up to 2030.

- We will respond to rising global electric power demand by expanding the Group's power generation business, focusing especially on the renewables sector.
- We will expand the renewable power generation businesses and increase the ratio of renewable energy sources of net generation capacity to approx. 20% by 2023 (as of March 2021, the ratio is approx. 15%). We will promote greater use of renewable energy in the power wholesale and retail business and in the de-centralized power generation business to help contribute to a low-carbon society.
- Marubeni will no longer enter into any new coal-fired power generation business. By 2025, we also aim to cut our FYE 3/2019 coal-fired power net generation capacity of approx. 3GW in half, with further abatement to approx. 1.3GW by 2030, and aim for zero by 2050.
- We will continue to develop gas-fired power generation businesses in response to the needs of society transitioning to a low-carbon society. We will also seek to mitigate CO<sub>2</sub> emissions from thermal power generation utilizing new technologies based on the co-combustion of hydrogen and ammonia.
- The analysis identifies the risk of higher costs of CO<sub>2</sub> emissions due to the adoption of carbon taxes or emissions trading schemes. The risk of regulatory change is already hedged in the long-term power purchase agreements that govern most of our power generation business.

**Impact on performance up to 2030**

Coal-fired power	→ Negative (Low)	The impact of lower demand on existing businesses is limited by the long-term power purchase agreements governing most of our power generation business. However, earnings from coal-fired power generating businesses will diminish as assets are retired.
Gas-fired power	→ Positive (Low)	New project development should have a positive impact on earnings since electric power demand is projected to increase under the baseline scenarios and some new demand is projected over the short and medium term under the transition scenarios.
Renewable energy	↑ Positive (High)	New project development should have a significantly positive impact on earnings since power demand is projected to rise under the baseline scenarios and expand rapidly under the transition scenarios.

**Financial information**

Power Business Division

- Relevant segment net profit (FYE 3/2021): approx. ¥10 billion (power IPP business reported a net profit\* of approx. ¥35.9 billion)
- Relevant segment assets (as of March 31, 2021): approx. ¥741.2 billion

\* Total net profits of consolidated subsidiaries and share of associates and joint ventures of our IPP business.  
 Reference: Capacity of power generation assets was approx. 2.6GW for coal-fired power generation, approx. 1.8GW for renewable energy power generation, and approx. 7.5GW for gas-fired power generation, and others (as of March 31, 2021)

Baseline scenarios: IEA RTS (+2.7°C), IEA STEPS (+2.7°C), IPCC RCP8.5 (+4.3°C)  
 Transition scenarios (below 2°C): IEA B2DS (+1.75°C), IEA SDS (+1.65°C), IPCC RCP2.6 (+1.6°C), IEA NZE (+1.5°C), IPCC RCP1.9 (+1.5°C)  
 Figures in parentheses correspond to the projected temperature rise by 2100 under each scenario. Note: Data for IEA RTS referenced from 2014 rather than 2020. Note: Data for IEA SDS referenced from 2019 rather than 2020. Note: Data for 2020 are scenario-based projections rather than actual figures.

Energy resource investment business (oil/gas/LNG) and alternative energy business	<p><b>Business environment overview</b></p> <p><b>Baseline scenarios</b></p> <ul style="list-style-type: none"> <li>The share of oil and natural gas in total primary energy is expected to be on the rise.</li> <li><b>Oil</b> demand and production are expected to increase until 2030, then flatten out, with demand and supply in equilibrium.</li> <li><b>Gas</b> demand and production are expected to increase until 2040, with supplies of gas generally tightening over time.</li> <li>Demand for <b>alternative energy</b> will remain on a gradual uptrend.</li> </ul> <p><b>Transition scenarios</b></p> <ul style="list-style-type: none"> <li>The share of oil and natural gas in total primary energy is expected to be on a declining trend.</li> <li><b>Oil</b> demand and production are expected to decrease slightly until 2030 and then decline. The supply and demand balance will see a slight shift to oversupply.</li> <li>Demand for <b>gas</b> will remain almost flat until 2030 and then decline. Production of gas will decrease. Supply and demand will be in equilibrium or shift slightly to undersupply.</li> <li>Demand for <b>alternative energy</b> will gradually increase until 2030, and then rise steadily after 2030.</li> </ul> <p><b>Oil demand</b></p> <p><b>Natural gas demand</b></p> <p><b>Hydrogen demand</b></p> <p><b>Bioenergy demand</b></p> <p>* Refer to chart legend below.</p>
	<p><b>Responses to future business risks/opportunities</b></p> <p>Note: Unless otherwise stated, the analysis target is up to 2030.</p> <ul style="list-style-type: none"> <li>We will consider an appropriate and timely review of our oil upstream portfolio by comprehensively taking into account a variety of factors, including future supply and demand trends and progress in climate change countermeasures.</li> <li>With natural gas and LNG interests, we will assess trends in transition needs, particularly in Asia, and seek to increase customers' value by increasing value throughout the value chain.</li> <li>With new energy, we will actively develop, secure, produce, and handle new energy resources, such as hydrogen and ammonia, which will be needed in large quantities in the future, aiming at improving profitability and taking steps to play an appropriate role in society.</li> <li>In addition, we will actively consider and promote the production and sales of other alternative energies, such as biofuels and bio-methane and synthetic fuels, along with the development of the CCUS* business.</li> </ul> <p>* Carbon dioxide Capture, Utilization and Storage</p>
	<p><b>Impact on performance up to 2030</b></p> <p><b>Oil</b> → Neutral The impact of decreasing demand on the Group's performance is expected to be limited until 2030, even under the transition scenarios.</p> <p><b>Natural gas/LNG</b> → Positive (Low) As demand is expected to remain almost unchanged or even slightly increase until 2030, the impact on our business affected by the external environment will be neutral or slightly positive.</p> <p><b>Alternative energy</b> → Positive (Med) We plan to engage more deeply in this sector in anticipation of the expansion of the market over the medium and long term. The impact on earnings is expected to be fairly positive, depending on technological progress.</p>
	<p><b>Financial information</b></p> <ul style="list-style-type: none"> <li>Relevant segment net profit including energy resource investment business (oil/gas/LNG) (FYE 3/2021): approx. ¥11.9 billion for Energy Division (including net profit of approx. ¥5.4 billion for LNG projects and net loss of approx. ¥7.8 billion for oil/gas exploration and production business)</li> <li>Exposure of energy resource investment business (oil/gas/LNG) (as of March 31, 2021): approx. ¥140 billion for oil/gas interests and approx. ¥40 billion for LNG interests</li> <li>Our alternative energy businesses are operated by multiple segments, including Energy Division, Infrastructure Project Division, Power Business Division, Forest Products Division, and Chemicals Division.</li> </ul>

Baseline scenarios: IEA RTS (+2.7°C), IEA STEPS (+2.7°C), IPCC RCP8.5 (+4.3°C), IPCC RCP6.0 (+2.8°C), IPCC RCP4.5 (+2.4°C)  
 Transition scenarios (below 2°C): IEA B2DS (+1.75°C), IEA SDS (+1.65°C), IPCC RCP2.6 (+1.6°C), IEA NZE (+1.5°C), IPCC RCP1.9 (+1.5°C)  
 Figures in parentheses correspond to the projected temperature rise by 2100 under each scenario. Note: Data for IEA RTS referenced from 2014 rather than 2020. Note: Data for IEA SDS referenced from 2019 rather than 2020. Note: Data for 2020 are scenario-based projections rather than actual figures.

Coking coal mine investment business	<p><b>Business environment overview</b></p> <p><b>Baseline scenarios</b></p> <ul style="list-style-type: none"> <li>Steel production is expected to increase as populations and economies grow.</li> <li>Demand for coking coal will increase slightly to 2030, before growing further.</li> </ul> <p><b>Transition scenarios</b></p> <ul style="list-style-type: none"> <li>Steel production is expected to increase more slowly than in the baseline scenario, due to efforts such as extending the life of buildings and reducing the weight of vehicles.</li> <li>Demand for coking coal will decline slightly to 2030, before falling faster.</li> </ul> <p><b>Coal demand in steel industry</b></p> <p>* Refer to chart legend below.</p>
	<p><b>Responses to future business risks/opportunities</b></p> <p>Note: Unless otherwise stated, the analysis target is up to 2030.</p> <ul style="list-style-type: none"> <li>We plan to maintain and continue existing businesses as we head towards 2030, based on projected growth in steel demand and progress in new technological development. In the long term, we will flexibly consider our portfolio, based on progress on decarbonization by the steel industry.</li> </ul>
	<p><b>Impact on performance up to 2030</b></p> <p>→ Neutral The impact of decreasing demand on the Group's performance is expected to be limited until 2030, even under the transition scenarios.</p>
	<p><b>Financial information</b></p> <p>Metals &amp; Mineral Resources Division</p> <ul style="list-style-type: none"> <li>Relevant segment net profit (FYE 3/2021): approx. ¥61.4 billion (including net profit of approx. ¥5.0 billion by Marubeni Resources Development*)</li> <li>Exposure (as of March 31, 2021): approx. ¥70 billion for coking coal mine investment business</li> </ul> <p>* Australia-based Group company managing investments in coking coal mining business</p>

Iron ore mine and copper mine investment business	<p><b>Business environment overview</b></p> <p><b>Baseline scenarios</b></p> <ul style="list-style-type: none"> <li>Demand for <b>steel</b> is expected to be firm as populations and economies grow.</li> <li>Demand for <b>copper</b> is expected to increase due to population and economic growth, as well as boosts from progress on decarbonization and electrification.</li> </ul> <p><b>Transition scenarios</b></p> <ul style="list-style-type: none"> <li>Demand for <b>steel</b> is expected to be firm as populations and economies grow.</li> <li>Demand for <b>copper</b> is expected to increase significantly due to population and economic growth, as well as boosts from progress on decarbonization and electrification.</li> </ul> <p><b>Steel production</b></p> <p><b>Steel/copper demand related to energy technologies such as power infrastructure (rate of change)</b></p> <p>* Refer to chart legend below.</p>
	<p><b>Responses to future business risks/opportunities</b></p> <p>Note: Unless otherwise stated, the analysis target is up to 2030.</p> <ul style="list-style-type: none"> <li>We plan to contribute to stable supplies of iron ore and copper to cater to growing demand through our iron ore mining business in Australia and copper mining business in Chile.</li> <li>We are involved in initiatives to reduce the environmental impact of our mining operations such as switching to renewable power sources and using processed seawater for operational use in Chile.</li> <li>We will pursue the possibility of the replenishment and future expansion of ore reserves to respond to the increase in demand over the medium to long term and to strengthen cost competitiveness.</li> </ul>
	<p><b>Impact on performance up to 2030</b></p> <p><b>Iron ore</b> → Positive (Low) Led by the iron ore mining business in Australia, we expect a positive impact on earnings due to rising demand.</p> <p><b>Copper</b> → Positive (Med) Led by the copper mining business in Chile, we expect a positive impact on earnings due to rising demand. Further boosts to earnings are anticipated under the transition scenarios due to increased demand for copper from electrification trends.</p>
	<p><b>Financial information</b></p> <p>Metals &amp; Mineral Resources Division</p> <ul style="list-style-type: none"> <li>Relevant segment net profit (FYE 3/2021): approx. ¥61.4 billion (including net profits of approx. ¥30.1 billion by the Roy Hill Iron Ore Project** and approx. ¥16.4 billion by Marubeni LP Holding**)</li> <li>Exposure (as of March 31, 2021): approx. ¥170 billion for iron ore mine investment business and approx. ¥230 billion for copper mine investment business</li> </ul> <p>*1. Iron ore mining business in Australia *2. Chile-based Group company managing investments in copper mining business</p>

Baseline scenarios: IEA RTS (+2.7°C), IEA STEPS (+2.7°C), IPCC RCP8.5 (+4.3°C), IPCC RCP6.0 (+2.8°C), IPCC RCP4.5 (+2.4°C)  
 Transition scenarios (below 2°C): IEA B2DS (+1.75°C), IEA SDS (+1.65°C), IPCC RCP2.6 (+1.6°C), IEA NZE (+1.5°C), IPCC RCP1.9 (+1.5°C)  
 Figures in parentheses correspond to the projected temperature rise by 2100 under each scenario. Note: Data for IEA RTS referenced from 2014 rather than 2020. Note: Data for IEA SDS referenced from 2019 rather than 2020. Note: Data for 2020 are scenario-based projections rather than actual figures.



Airplane leasing business (Aircastle)	<p><b>Baseline scenarios</b></p> <ul style="list-style-type: none"> <li>Further growth in demand for air transportation is expected, led by Asia-Pacific and North America.</li> </ul> <p><b>Transition scenarios</b></p> <ul style="list-style-type: none"> <li>Further growth in demand for air transportation is expected, led by Asia-Pacific and North America.</li> <li>Reduced use of air transportation is expected due to changes in people's behavior.</li> <li>Use of biofuels and synthetic fuels is expected to increase within the aviation sector.</li> </ul>
	<p><b>Business environment overview</b></p> <p>Distance transported by air</p> <p>* Refer to chart legend below.</p>
	<p><b>Responses to future business risks/opportunities</b></p> <p>Note: Unless otherwise stated, the analysis target is up to 2030.</p> <ul style="list-style-type: none"> <li>Based on projected growth in passenger air travel in the medium and long term, our business management policy focuses on the use of narrow-body aircraft, which have a lower environmental impact, in the countries and regions where demand is expected to recover post-pandemic.</li> <li>Our aircraft leasing business could see a fall in profitability due to lower demand for leased aircraft, if airlines as our customers are negatively affected under any of the transition scenarios.</li> <li>Since the airline industry is susceptible to the impact of carbon pricing, we will monitor related trends closely.</li> </ul>
	<p><b>Impact on performance up to 2030</b></p> <p>Positive (Med)</p> <p>With demand expected to grow even under the transition scenarios, we expect a positive impact on earnings as we seek to mitigate environmental impact.</p>
<p><b>Financial information</b></p> <p>Finance &amp; Leasing Business Division</p> <ul style="list-style-type: none"> <li>Relevant segment net profit (FYE 3/2021): approx. ¥8.9 billion (including net loss of approx. ¥7.8 billion by Aircastle)</li> <li>Exposure (as of March 31, 2021): approx. ¥140.4 billion for Aircastle (carrying amount of interests)</li> </ul>	

Ship business	<p><b>Baseline scenarios</b></p> <ul style="list-style-type: none"> <li>Demand for freight (ton-km) is expected to increase.</li> <li>Demand for bulk carriers is projected to grow slightly. Demand for LNG carriers will peak in 2040 and fall gradually thereafter.</li> </ul> <p><b>Transition scenarios</b></p> <ul style="list-style-type: none"> <li>Demand for freight (ton-km) is expected to increase.</li> <li>Demand for bulk carriers is projected to be flat. Demand for LNG carriers will tend to decline.</li> <li>Carbon pricing will push up the costs of using fossil fuels.</li> <li>Conversion to alternative fuels such as ammonia, biofuels, and hydrogen will be gradually implemented and these are expected to become the main fuels in the longer term.</li> </ul>
	<p><b>Business environment overview</b></p> <p>Distance transported by sea</p> <p>* Refer to chart legend below.</p>
	<p><b>Responses to future business risks/opportunities</b></p> <p>Note: Unless otherwise stated, the analysis target is up to 2030.</p> <ul style="list-style-type: none"> <li>We will target higher earnings in this field, with growth in freight (ton-km).</li> <li>In accordance with the IMO (International Maritime Organization) GHG emission reduction target and the strategy with regard to fuel efficiency performance regulations, we will improve fuel efficiency by implementing high-efficiency vessels, improving the efficiency of ship allocation, and introducing energy-saving technology for existing vessels.</li> <li>We will support ongoing programs to develop and introduce next-generation vessels powered by carbon-recycled, bio-methane, hydrogen or ammonia fuels.</li> <li>Besides monitoring carbon pricing trends closely, we aim to create new businesses in the ship sector relating to green technologies, based on collaboration within the Group.</li> </ul>
	<p><b>Impact on performance up to 2030</b></p> <p>Positive (Med)</p> <p>With demand expected to grow even under the transition scenarios, we expect a positive impact on earnings as we seek to mitigate environmental impact.</p>
<p><b>Financial information</b></p> <p>Aerospace &amp; Ship Division</p> <ul style="list-style-type: none"> <li>Relevant segment net profit (FYE 3/2021): approx. ¥3.2 billion</li> <li>Relevant segment assets (as of March 31, 2021): approx. ¥265.7 billion</li> </ul>	

Baseline scenarios: IEA RTS (+2.7°C), IEA STEPS (+2.7°C), IPCC RCP8.5 (+4.3°C), IPCC RCP6.0 (+2.8°C), IPCC RCP4.5 (+2.4°C)  
 Transition scenarios (below 2°C): IEA B2DS (+1.75°C), IEA SDS (+1.65°C), IPCC RCP2.6 (+1.6°C), IEA NZE (+1.5°C), IPCC RCP1.9 (+1.5°C)  
 Figures in parentheses correspond to the projected temperature rise by 2100 under each scenario. Note: Data for IEA RTS referenced from 2014 rather than 2020. Note: Data for IEA SDS referenced from 2019 rather than 2020. Note: Data for 2020 are scenario-based projections rather than actual figures.

Grain/agri-input businesses (North America)	<p><b>Baseline scenarios</b></p> <ul style="list-style-type: none"> <li>Global grain demand is expected to rise.</li> <li>In line with rising grain demand, cultivation area is also expected to expand by deforestation.</li> <li>In North America, it is expected that the cultivable period will be extended mainly in the western and southern regions due to the rise in temperature.</li> <li>Overall, there are many regions with precipitation increases, and this tendency is more remarkable in the baseline scenarios.</li> <li>The water stress across North America is expected to be high in the western region, but relatively low in the eastern region.</li> </ul> <p><b>Transition scenarios</b></p> <ul style="list-style-type: none"> <li>Global grain demand is expected to rise.</li> <li>In line with rising grain demand, cultivation area is also expected to expand by converting land from other applications.</li> <li>In North America, it is expected that the cultivable period will be extended mainly in the western and southern regions due to the rise in temperature.</li> <li>Overall, there are many regions with precipitation increases, but it will tend to decline in the southwestern and central regions.</li> <li>The water stress across North America is expected to be high in the western region, but relatively low in the eastern region. However, its impact will be smaller than the one in baseline scenarios.</li> </ul>
	<p><b>Business environment overview</b></p> <p>Grain demand</p> <p>* Refer to chart legend below.</p> <p>Cultivation area</p> <p>* Refer to chart legend below.</p>
	<p><b>Responses to future business risks/opportunities</b></p> <p>Note: Unless otherwise stated, the analysis target is up to 2030.</p> <ul style="list-style-type: none"> <li>We will continue to grow earnings by capturing the increase of grain and food demand. The extension of the cultivable period caused by global warming is also expected to contribute to our earnings increase.</li> <li>We will increase our competitiveness and expand our business by providing goods and services that support higher crop yields and lower environmental impact.</li> <li>We will work on reducing physical risks by diversifying and expanding our procurement and sales networks for logistical impacts caused by the increase and intensification of natural disasters, and by expanding our networks in the regions that are relatively less affected by water stress.</li> </ul>
	<p><b>Impact on performance up to 2030</b></p> <p>Positive (Low)</p> <p>We expect a positive impact on our earnings due to rising grain demand. In baseline scenarios, the impact of physical risks could potentially slow the growth of our grain business. In the transition scenarios, the need for higher crop yields could bring fast growth to our agri-input business.</p>
<p><b>Financial information</b></p> <p>Agri Business Division</p> <ul style="list-style-type: none"> <li>Relevant segment net profit (FYE 3/2021): approx. ¥42.4 billion (net profits of approx. ¥21.5 billion by Gavilon Agriculture Investment*1, approx. ¥3.6 billion by Columbia Grain International*2, and approx. ¥22.8 billion by Helena*3)</li> <li>Relevant segment assets (as of March 31, 2021): approx. ¥1,402.9 billion</li> </ul> <p>*1. Holding company of Gavilon Group (handling/sales of grain, fertilizer, etc.) *2. Group company engaged in handling, storage, export and domestic sales of grain produced in North America *3. Group company engaged in sales of agri-input materials and supply of various agri-related services in the U.S.</p>	

Forestry business	<p><b>Baseline scenarios</b></p> <ul style="list-style-type: none"> <li>Paper/pulp-related production is expected to rise gradually.</li> <li>Forest area is expected to decrease.</li> </ul> <p><b>Transition scenarios</b></p> <ul style="list-style-type: none"> <li>Paper/pulp-related production is expected to rise gradually.</li> <li>Supplies of wood-derived biomass fuels are expected to increase.</li> <li>Forests and cultivated areas for bioenergy are expected to grow.</li> <li>Introduction and stricter enforcement of carbon pricing regimes from 2030 will boost the importance of forests for absorption and sequestration of CO<sub>2</sub>. This will focus attention on approaches that use plantation forests and bioenergy technologies such as BECCS*1.</li> </ul> <p>*1. Bioenergy with Carbon Capture and Storage *2. Refer to chart legend below.</p>
	<p><b>Business environment overview</b></p> <p>Forest area</p>
	<p><b>Responses to future business risks/opportunities</b></p> <p>Note: Unless otherwise stated, the analysis target is up to 2030.</p> <ul style="list-style-type: none"> <li>We will improve the sustainability of our forest plantation businesses and seek to increase the value of long-term stable supplies of forestry resources.</li> <li>By raising the carbon sequestration of our plantation and managed forests and utilizing the plantation forests for multiple purposes, we will boost carbon sequestration volumes, increase environmental value, and lead to the building of asset value.</li> </ul>
	<p><b>Impact on performance up to 2030</b></p> <p>Positive (Med)</p> <p>Under the transition scenario, climate change measures will improve forest value, and the expansion of forest area will increase opportunities for business expansion, which will have a positive impact on earnings.</p>
<p><b>Financial information</b></p> <p>Forest Products Division</p> <ul style="list-style-type: none"> <li>Relevant segment net profit/loss (FYE 3/2021): net loss of approx. ¥2.1 billion (including net losses of approx. ¥4.4 billion by Musi Pulp Project*1 and approx. ¥0.3 billion by WA Plantation Resources*2)</li> <li>Relevant segment assets (as of March 31, 2021): approx. ¥285.9 billion</li> </ul> <p>*1. Indonesia-based Group company engaged in forestry (hardwood plantation) and manufacture/sales of pulp *2. Australia-based Group company engaged in plantation forest management and manufacture/sales of wood chips for use in production of paper and biomass fuels</p>	

Baseline scenarios: IEA RTS (+2.7°C), IEA STEPS (+2.7°C), IPCC RCP8.5 (+4.3°C), IPCC RCP6.0 (+2.8°C), IPCC RCP4.5 (+2.4°C)  
 Transition scenarios (below 2°C): IEA B2DS (+1.75°C), IEA SDS (+1.65°C), IPCC RCP2.6 (+1.6°C), IEA NZE (+1.5°C), IPCC RCP1.9 (+1.5°C)  
 Figures in parentheses correspond to the projected temperature rise by 2100 under each scenario. Note: Data for IEA RTS referenced from 2014 rather than 2020. Note: Data for IEA SDS referenced from 2019 rather than 2020. Note: Data for 2020 are scenario-based projections rather than actual figures.

Physical risks	The Marubeni Group conducts business activities globally and in a wide range of sectors. Our performance and financial position may be adversely affected due to the emergence of physical risks associated with climate change, such as increases in the intensity of natural disasters, extreme weather, shifting rainfall and weather patterns, rising average temperatures, and rising sea levels.	
	We anticipate impacts on every business, including on the infrastructure for power generation and resource projects, in our logistics businesses, and across supply chains. We are taking varied measures to mitigate risks, including the formulation of business continuity plans and disaster countermeasures, and the use of various types of insurance. Specific measures are outlined below for two sectors where we expect great impact: (1) our North American grain and agri-input business, and (2) our forestry business.	
	<b>Grain/agri-input business (North America)</b>	
	<b>Anticipated business impacts</b>	<ul style="list-style-type: none"> <li>Poor harvests due to the change of climate patterns in North America, our main areas, could have significant impact on earnings of our grain handling and agri-input business.</li> <li>Paralysis of logistics functions due to extreme weather conditions could affect our business.</li> </ul>
	<b>Risk mitigation responses</b>	<ul style="list-style-type: none"> <li>Expansion of agricultural support business through sales of agri-input materials and providing services that contribute to improving productivity.</li> <li>We will comprehensively manage risks by geographically diversifying and expanding the procurement and sales network, and diversifying production areas and crops.</li> </ul>
	<b>Forestry business</b>	
<b>Anticipated business impacts</b>	<ul style="list-style-type: none"> <li>Wildfires across areas of Southeast Asia and Western Australia due to the drier and stormier conditions associated with climate change and global warming could have a significant impact on the earnings from our plantation forestry and wood-derived resources businesses.</li> </ul>	
<b>Risk mitigation responses</b>	<ul style="list-style-type: none"> <li>To address the threat from wildfires, we are installing fire-fighting equipment, investing in systems for fire prevention and monitoring, and conducting activities to raise awareness in local communities.</li> <li>We are installing meters-wide firebreaks (gaps where trees are not planted) to help create separate blocks of plantation forest to better prevent fire from spreading.</li> </ul>	
Besides the above, we are also evaluating whether individual measures are optimal and are considering building a system to respond to any crisis.		

### Risk Management

The Marubeni Group manages and monitors climate change-related and other opportunities and risks that are highly important from the perspective of sustainability by the Sustainability Management Committee.

Besides climate change, the Marubeni Group is assessing potential risks from a business sustainability perspective as well. We have developed an assessment framework to support the multifaceted analysis of 27 items across the three risk categories of environmental, health and safety, and social. We define the risk evaluation criteria based on relevant laws and regulations, international standards, and historical case studies drawn from similar sectors. In addition, we assess the importance and impact of potential risks in line with the specifics of the business, its sector, and the country or region where it is operating.

We use this risk assessment approach in sustainability assessment methods. It is also part of the process used to make any investment and financing decisions. Besides monitoring existing businesses, we use this approach to gauge the value of Group businesses on an ongoing basis from a sustainability perspective. Where necessary, our business domains judged high-risk are deliberated by the Investment and Credit Committee, the Corporate Management Committee, and the Board of Directors.

While monitoring sustainability-related trends in Japan and overseas as driven by international institutions, governments, business sectors and industry groups, we review our risk assessment approach periodically based on information from stakeholders, including investors, financial institutions, and NGOs.

We are continually reviewing efforts to develop our systems for managing risks from sustainability and other varied perspectives.

<b>Risk assessment items by category</b> (27 items across 3 categories)	
<b>Environmental</b>	Climate change / environmental pollution / biodiversity / resource management / mitigation measures and administrative procedures
<b>Health and Safety</b>	Machine safety / fires and explosions / toxic substance exposure / infection / hazardous operations / mitigation measures and administrative procedures
<b>Social</b>	Forced labor and human trafficking / child labor / working hours / wages and employment contracts / discrimination / harassment at work and disciplinary measures / respect for diversity / freedom of association / land issues / negative social impact on local communities / indigenous peoples and cultural heritage / conflict minerals / privacy / animal welfare / responsible marketing / mitigation measures and administrative procedures (supply chain)

### Metrics and Targets

For further details, refer to section on “Climate change-related metrics and targets” (P.53).

## Enhancing Our Resilience to Changes in the External Environment — COVID-19 response —

The COVID-19 pandemic has not only led to many infected people globally and put increased pressure on healthcare systems, but has also seen many governments respond using mobility restrictions such as lockdowns and immigration controls. These measures have had a serious impact on the lives and economic activity of people worldwide.

Under such conditions, the Marubeni Group maintained a strong operating base by focusing on countermeasures and other COVID-19 responses at each global site (including all Group companies and corporate subsidiaries). This section looks at the COVID-related risks faced by the Marubeni Group in the fiscal year ended March 31, 2021, and the specific measures that were successful in helping to mitigate these risks.

### Major Risks Faced by Marubeni Relating to COVID-19 Crisis

- 1 Workplace infections (risks to physical and mental health of employees)
- 2 Shutdown caused by COVID-19 outbreaks (risk of cessation of operations)
- 3 Impacts on local communities due to non-functioning infrastructure (risk of erosion of community trust, or of socioeconomic losses affecting local communities)

### Five key aspects of risk mitigation

<b>1. Stringent infection controls</b>	<b>Episode</b>	Measures to protect employees' lives and to give physical and mental health support while preventing infection spreading to the local community included onsite measures such as temperature testing, disinfection, hygiene controls, PCR testing, and strict site access management, as well as the use of working-from-home arrangements.
<b>2. Use of worker rotations and shift work</b>		We strove to ensure business continuity by developing systems to prevent generalized operational stoppages in the event of any Group employees contracting COVID-19, including the use of staggered work times, shift work and worker rotations.
<b>3. Community support initiatives</b>		Our local community support initiatives included providing medical assistance and economic support for measures to prevent the spread of infection in the community, including donations of hygiene supplies. Improved community protection from COVID-19 infection in turn enhanced our business continuity.
<b>4. Maintenance of rigorous internal controls</b>		Our efforts to prevent economic loss based on strong compliance and internal controls included promoting good communications using teleconferencing, email and phone; efficiency measures to prevent compliance issues and to maintain proper management standards; anti-fraud measures related to telework arrangements; supplier checks to prevent double payments; and steps (such as teleconferencing) to maintain the same frequency of Board meetings.
<b>5. Focus on resilient business assets/models</b>		The essential socioeconomic nature of the Marubeni Group's operations across many basic industries was another key aspect of resilience against COVID-19, with state governments and other authorities quick to provide support for operational continuity, including impact from lockdown and other mobility restrictions.

The measures outlined above supported operational continuity across many parts of the world by preventing workplace clusters at Marubeni Group sites. By supporting healthcare and other social infrastructure, they also helped to keep local communities going through the pandemic.

Amid a continuing threat from COVID-19 due to emerging variants, the Marubeni Group is responding dynamically to risks and environmental shifts in partnership with local stakeholders. The resilience of the Group to the COVID-19 pandemic is the result of many detailed measures and initiatives showing the collective power of our frontline employees. Going forward, we plan to share the varied local responses to COVID-19 with Head Office and within the Group so these experiences can be used to identify issues, upgrade BCPs across the company, and improve risk management systems.

### Infection Controls at PT. Tanjungenim Lestari Pulp and Paper (TEL: hardwood pulp manufacturing and sales, based in Indonesia)

**Episode**

Before COVID-19 spread to Indonesia, managers at TEL took steps to assess the risks and develop internal rapid-response systems to help minimize the projected operational impact of the pandemic on the company, including potential infections among employees. Local outbreaks were identified as a major operational risk. TEL took steps to prevent the spread of infection and to secure critical supplies at an early stage. This enabled TEL to provide supplies and other support to the local community.

TEL's efforts in the pandemic have been recognized with an award for outstanding social contribution, which was sponsored by a major local media company.



TEL supplied masks, thermometers, PPE and other infection control supplies, along with food and nutritional supplements


## Sustainable Forestry

### Forests and Value Creation by Marubeni Group

Forests are a precious resource and enrich life on Earth in various ways. The Marubeni Group currently owns around 130,000 hectares of tree plantations across the world (total gross project area: around 300,000 ha), operated using sustainable forestry management methods. Managing these forests through coexistence and co-prosperity with local communities, we strive to create value by addressing societal issues, based on the supply of sustainable forestry resources that meet the needs of consumers and business partners. We also aim to contribute to the establishment of a circular economy by fostering innovation in the utilization of forest resources while working to cater to the increasingly diverse environmental needs of society.

Wood resources have high socioeconomic value since they are recyclable and do not impair environmental value if they are properly managed. Through the sustainable management of forests, the Marubeni Group is working to promote forest conservation while increasing the value of our operations.

<b>Forest Management Policy</b>	We formulated the Forest Management Policy to drive our commitments to sustainable forest management and the protection of forests with high conservation value in our business activities.
<b>Product Procurement Policy (Forest-derived Products)</b>	We formulated the Product Procurement Policy to promote the procurement of timber and related products produced from appropriately managed forests, thereby realizing the sustainable use of forest resources.

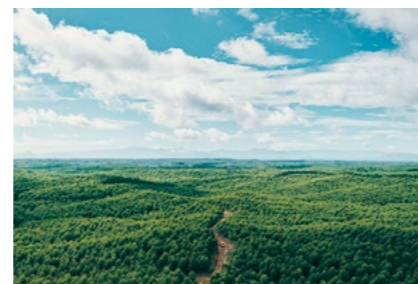
 For more details, see the “Sustainable Forestry” section of our website.  
<https://www.marubeni.com/en/sustainability/environment/forest/>



### Sustainable Forest Management

The Marubeni Group currently owns forest plantation businesses in the two countries of Indonesia and Australia. Using a controlled cycle of planting, cultivation and management and harvesting focused on eucalyptus hardwoods that mature quickly in 6-10 years, we provide a stable and sustainable supply of wood resources for pulp and paper production. Based on the principle of No Deforestation, our sustainable forestry management practices prioritize natural and social capital by not harvesting natural forests. We also undertake proactive programs jointly with local communities.

The Marubeni Group will continue to manage the supply chain for manufacturing pulp and paper in a sustainable manner, encompassing everything from forest plantation through paper end-product sales.



Forest plantation business in south Sumatra (MHP)

### Forest Management and Forestry Certification at Marubeni Group

Group company	Location	Nature of business	Forestry certification
<b>PT. Musi Hutan Persada (MHP)</b>	Indonesia	Forest plantation business	<b>Indonesian Forestry Certification Cooperation<sup>1</sup></b> • Sustainable Forest Management certification
<b>WA Plantation Resources Pty., Ltd. (WAPRES)</b>	Australia	Forest plantation/wood chips production business	<b>FSC<sup>®</sup> certification<sup>3</sup></b> • FM (Forest Management) certification • CoC (Chain of Custody, processing/distribution processes) certification <b>Responsible Wood<sup>4</sup></b> • Sustainable Forest Management certification

\*1. Indonesian Forestry Certification Cooperation is a forest certification system in Indonesia endorsed and mutually recognized under the PEFC<sup>2</sup>.  
 \*2. The Programme for the Endorsement of Forest Certification (PEFC) is an international system for forest certification that is based on a framework for mutual recognition of national forestry certification schemes.  
 \*3. The Forest Stewardship Council<sup>®</sup> (FSC<sup>®</sup>) is a non-profit organization that operates an international forest certification scheme with the aim of promoting the worldwide adoption of responsible forest management practices. (FSC<sup>®</sup> C016260)  
 \*4. Responsible Wood is an Australian forest certification scheme endorsed and mutually recognized under the PEFC<sup>2</sup>.

### Promoting Innovation in the Forestry Sector

In June 2021, in partnership with our Australia-based Group company, which operates forest plantation, WAPRES, the inaugural “Marubeni Forest Innovation Business Contest” (MFIBC) was launched as part of an initiative to create new businesses utilizing forestry resources. The MFIBC challenges companies, start-up ventures, NPOs, entrepreneurs, educational institutions and students to come up with novel ideas for businesses utilizing forestry resources. NELIS<sup>\*5</sup>, an NPO involved in developing young leaders worldwide, is acting as an advisor for the contest and will provide related support. The entries will be evaluated and judged by a panel of experts from fields such as sustainability and forestry management.

Forest-based ecosystems can play a vital role in carbon recycling and the protection of water resources. By leveraging this in a business setting, the Marubeni Group aims to address environmental and social issues to help tackle climate change and realize a circular economy.

\*5. NELIS: Next Leaders’ Initiative for Sustainability



Forest plantation business in Australia (WAPRES)

### Initiatives Related to Product Procurement Policy (Forest-Derived Products)

In line with the Product Procurement Policy (Forest-derived Products), we investigate the environmental and social considerations of suppliers as well as their compliance with laws and regulations. We review business relationships with suppliers if our surveys identify any issues that need to be addressed. In the fiscal year ended March 31, 2021, we selected 11 companies in the Group’s supply chain for timber and related products based on certain quantitative and qualitative criteria and conducted

written surveys at those companies. No issues were identified within the scope of the survey. Procedures were reviewed at the end of the survey process as part of a continuous PDCA improvement cycle. Going forward, besides the regular disclosure of information on how our procurement policy operates, we will maintain appropriate communications with our suppliers and other stakeholders.

### Using Forests and Plantations as Carbon Sinks

Reducing CO<sub>2</sub> and other greenhouse gas (GHG) emissions is a major international issue to prevent global warming, one of the key aspects of climate change. The ability of trees to use photosynthesis to sequester carbon as part of their natural growth, thus absorbing CO<sub>2</sub> from the atmosphere, has refocused global attention on the potential role of forests as carbon sinks.

The Marubeni Group owns and manages a total of around 130,000 ha of plantation forest in Indonesia and Australia, an area roughly equivalent to 220% of that of the 23 wards of Tokyo. The stock volume of this area of forest is about 11 million tons of CO<sub>2</sub> equivalents (as of March 2021). The stock volume of

Group owned forest plantations will be estimated about 19 million tons of CO<sub>2</sub> equivalents by 2030 through a combination of expanding total plantation acreage, increasing stock volume per-unit area, and the appropriate management of plantation forests.

International thinking on the capacity of plantation forests to absorb and sequester CO<sub>2</sub> through repeated afforestation cycles continues to advance. While monitoring this global trend closely, the Marubeni Group is committed to developing ways of creation of negative emissions based on sustainable forestry management practices.

## Human Rights & Co-Development with Communities

### Human Rights and Value Creation by Marubeni Group

The Marubeni Group conducts business from 133 locations\*1 across 68 countries and regions, employing over 40,000 people\*2 from a diverse range of nationalities and ethnicities. Moreover, our multi-faceted and global business activities span a wide range of sectors. With a view to contributing to achieving the goals set out in the SDGs and building a sustainable society, we are fully committed to respecting the human rights of stakeholders\*3 who are related to the Marubeni Group's business and to closely monitoring relevant circumstances. We view it as an important social responsibility for the Marubeni Group to institute corrective measures to provide redress in cases where our business activities have been involved with adverse impacts in human rights terms. By fulfilling this social obligation, we see respect for human rights through our business activities as part of the sustained creation of value.

<b>The Marubeni Group Basic Policy on Human Rights</b>	The Marubeni Group Basic Policy on Human Rights incorporates three basic principles from the UN Guiding Principles on Business and Human Rights, namely: 1) respect for human rights, 2) due diligence on human rights, and 3) redress.
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For more details, see the "Respect for Human Rights" section of our website.  
[https://www.marubeni.com/en/sustainability/social/human\\_rights/](https://www.marubeni.com/en/sustainability/social/human_rights/)



\*1. As of April 1, 2021 \*2. As of March 31, 2021  
 \*3. Stakeholders include: business partners, including customers and suppliers, whether direct or indirect; employees of Marubeni Group and our business partners; residents and members of local communities.

### Sustainability Assessment, Human Rights Due Diligence, and Grievance Mechanism

#### Sustainability assessment

As part of managing the risks involved in the development of sustainable and resilient supply chains and respecting human rights, the Marubeni Group has developed and applied methods to assess potential risks from a business sustainability perspective. An external consultant with specialized expertise in the field was engaged to advise on methodological development. Risk evaluation criteria were defined based on relevant laws and regulations, international standards, and business case studies from related sectors.

Specifically, this approach evaluates the degree of potential risk under each of the three categories of "Environmental," "Health and Safety," and "Social," factoring in (1) the business sector and type, and (2) the country or region where each business operates. The degree of risk is estimated in various terms by considering relevant factors such as the scale, scope, and irremediable character. We are introducing sustainability assessments in sustainability surveys sent to consolidated subsidiaries and suppliers, and as part of the risk analysis conducted for new investments.

\* Refer to P.69 for details.

#### Human rights due diligence

The "Social" category of risks that we use in our sustainability assessments comprises a comprehensive list of items related to social, human rights and labor-related aspects of international standards relevant to corporate social responsibility. We also

include supply chain risk management items that reference other guidelines such as the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct that are based on the OECD Guidelines for Multinational Enterprises. The Marubeni Group will continue to conduct human rights due diligence based on these types of risk evaluation going forward.

#### Risk assessment items by category

<b>Environmental</b>	Climate change / environmental pollution / biodiversity / resource management / mitigation measures and administrative procedures
<b>Health and Safety</b>	Machine safety / fires and explosions / toxic substance exposure / infection / hazardous operations / mitigation measures and administrative procedures
<b>Social</b>	Forced labor and human trafficking / child labor / working hours / wages and employment contracts / discrimination / harassment at work and disciplinary measures / respect for diversity / freedom of association / land issues / negative social impact on local communities / indigenous peoples and cultural heritage / conflict minerals / privacy / animal welfare / responsible marketing / mitigation measures and administrative procedures (supply chain)

#### Development of grievance mechanism

In the fiscal year ended March 31, 2021, in line with the Marubeni Group Basic Policy on Human Rights, we instituted an internal process that serves as a grievance mechanism for complaints relating to human rights (redress). Furthermore, we plan to conduct a study for setting up a contact point dedicated to human rights issues.

## Sustainable & Resilient Value Chains

### Supply Chains and Value Creation by Marubeni Group

Our diverse global business operations are based on relationships with thousands of Marubeni Group business partners. The importance of building sustainable supply chains has increased in recent years. Both internally and in partnership with business partners, the Group is engaged in initiatives to conserve the global environment while promoting sustainable development of society throughout supply chains. We see such efforts contributing directly to the enhanced competitiveness and differentiation of the Marubeni Group.

Respect for human rights is an essential element of building sustainable supply chains. By building sustainable and resilient supply chains, the Group aims to foster stakeholder confidence in Marubeni and expand business opportunities.

<b>Basic Supply Chain Sustainability Policy</b>	We have formulated the Basic Supply Chain Sustainability Policy to promote sustainability in a highly effective way in cooperation with business partners.
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For more details, see the "Basic Supply Chain Sustainability Policy" section of our website.  
[https://www.marubeni.com/en/sustainability/social/supply\\_chain/](https://www.marubeni.com/en/sustainability/social/supply_chain/)



### Expanded and Deeper Focus on Supply Chain Management

#### Sustainability surveys for consolidated subsidiaries

Marubeni Group supply chains for products and services originate with our consolidated subsidiaries around the world. Recognizing that safeguarding the sustainability of these business operations is a critical element of building sustainable and resilient supply chains, we conducted written survey-based sustainability assessments of approximately 200 of our 400 consolidated subsidiaries (selected via a business content-based screening procedure) using our sustainability assessment methods\*. In addition, we conducted on-site inspections at a further five consolidated subsidiaries. The surveys confirmed operations are being managed sustainably at each subsidiary. We plan to follow up these surveys on an ongoing basis and seek to make related improvements.

\* Refer to P.68 for details.

### Working with our supply-chain partners

Starting in the fiscal year ending March 31, 2022, we plan to begin surveying our Tier 1 (direct) suppliers to identify sustainability risks in our supply chains. Initially, we plan to focus mainly on the supply chains for 25 products where we believe there are major potential risks relating to sustainability.

In the fiscal year ended March 31, 2021, we reaffirmed the Marubeni Group's policy on sustainability to 2,590 Tier 1 suppliers in writing, and requested their understanding and cooperation. Going forward, based on the use of surveys and monitoring, we will seek the cooperation of Tier 1 suppliers to define and address the sustainability risks in supply chains for 25 products where we see major potential risks relating to this issue. Where surveys identify specific issues, we aim to take steps to improve and enhance management systems in cooperation with suppliers.



# Corporate Governance



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Corporate Management

## Roundtable Discussion with Outside Directors

**Kyohei Takahashi**  
Outside Director



**Yuri Okina**  
Outside Director



**Takashi Hatchoji**  
Outside Director



### Building highly transparent governance systems to help realize medium- to long-term enhancement in corporate value

Marubeni Group is executing new strategies and undertaking reforms to enhance corporate value further amid transformational change in society and the business environment. The following is a roundtable discussion among three of our outside directors that is focused on three themes: “Management of the Marubeni Group during the pandemic,” “Enhancing the effectiveness and transparency of the Board of Directors,” and “Sustainability initiatives.”

## Management of the Marubeni Group during the pandemic

**Takahashi** At Marubeni, we realized at an extremely early stage that the spread of COVID-19 would have a huge impact on our business activities. Using our global presence as a *Sogo Shosha*, we gathered information from all around the world to help us formulate worst-case scenarios and related countermeasures. The Board of Directors debated these issues frequently.

While we were discussing how to contend with the impacts of the pandemic, we also had a duty to explain to investors how we planned to rebuild Marubeni following the major impairment losses that we had just posted. As a result, we announced that, while the direction of the Medium-Term Management Strategy had not changed, we were pivoting to place the emphasis on cash flow management so we could rebuild and strengthen our financial foundation. In the end, we managed to improve our results through the collective efforts of all Marubeni Group employees. I think the way that President Kakinoki explained to every employee in his own words what policies Marubeni would pursue to respond to the pandemic in the short term and revisions to the Medium-Term Management Strategy motivated everybody to overcome all the difficulties presented by COVID-19. The internal Opinion Box system enabled President Kakinoki and employees to directly exchange points of view, and the numerous responses from employees made me feel that people had a good understanding of what President Kakinoki wanted to communicate. In this way, we acted quickly to respond to the pandemic, employees understood what management was saying and what we had to do, and we managed to keep morale high across the front lines of our businesses. I believe management did a great job to engineer the recovery we saw in the fiscal year ended March 31, 2021.



**Okina** While the substantial impairment losses in the fiscal year ended March 31, 2020 had a profound impact within the Marubeni Group, each of its businesses also had to gauge whether and to what extent it would be affected by the emerging COVID-19 pandemic, and respond appropriately. The Group's financial performance in the fiscal year ended March 31, 2021 was extremely impressive. As Mr. Takahashi noted, I think this was due to the consistent messaging from management, and it also reflected how executives and employees worked hard together to limit the spread of COVID-19 while still carrying out business operations. I think these factors explain how we overcame the crisis better than anticipated.

While everyone was affected by the spread of COVID-19, the pandemic has allowed us to get used to new work styles such as working from home or the use of hot desk arrangements at our new Head Office. Times of crisis actually provide a great opportunity to rethink established practices and move in different directions. I believe we have made real progress in positive work style reform, which is a major ongoing theme.

**Hatchoji** The core mission of an enterprise is to continuously develop a business that is needed by society. What has impressed me over the course of the pandemic is the way Marubeni has reaffirmed the importance of its business operations to society under the leadership of President Kakinoki and the senior management team. Marubeni's operations across areas such as food, agriculture, and infrastructure provide essential products and services that people need in their daily lives. It is essential that these businesses continue to operate, even under varied and challenging conditions. Marubeni has fulfilled the role that society demands of it, even during the COVID-19 pandemic, through its proactive development of businesses based on the analysis of business conditions and the discussion of new ideas. Through a good understanding of President Kakinoki's messages and strong communications, Marubeni employees have collectively remained calm and kept on working. I want to commend all Marubeni Group employees for focusing on their core mission, which has both contributed to society and helped Marubeni to improve the financial performance.

## Enhancing the effectiveness and transparency of the Board of Directors


**Takahashi** Every year the Governance and Remuneration Committee evaluates the effectiveness of the Board of Directors, and reports its findings to the Board. The fiscal year ended March 31, 2021 marked the fifth time that the committee has executed this function. In addition to the questionnaires we have used in past years, we also conducted interviews with every director and Audit & Supervisory Board member to afford them an opportunity to express their views freely. Multiple respondents to our surveys expressed the view that Marubeni should institute a forum for directors and other executives to hold discussions about the direction and strategy of the Marubeni Group over the medium and long term, and related external business conditions.

Separate to evaluating the effectiveness of the Board of Directors, others expressed a view that, while there were opportunities for the CEO, Chairperson, and the outside directors to get together for less formal discussions, it was still necessary to review Board composition from the perspective of optimizing the mix of skills and experience and of boosting diversity. This is less about the format of the Board of Directors, and more about the company's overall direction, which should be accordingly reflected in the composition of the Board. This is an issue for ongoing discussion.

My feeling is that this repeated cycle of evaluation is helping to improve Board effectiveness year by year.

We have also been involved in the efforts to strengthen investment discipline and to revise the executive remuneration system\*1 from the standpoint of enhancing corporate value over the medium and long term. In terms of enforcing investment discipline, a report on the factors underlying the asset write-downs and related circumstances was discussed by the Board of Directors, after which we instituted a rigorous process for re-establishing investment discipline and making investment decisions. We expect to review and revise the process as the global situation evolves and conditions change. I think the fact we had an open debate about the factors underlying the asset impairment losses and measures to address this issue, without shrinking from the problem, is a sign that the Board operates with a high degree of transparency. The changes to executive remuneration have revised the system to create fair and proper incentives for executives, building on the concept of aligning their viewpoint with the interests of shareholders. I think the new system is more transparent and easier to understand as well. However, it will probably require periodic review moving forward because the world changes so quickly.

In last year's roundtable discussion, we talked about increasing the opportunities for direct dialogue with shareholders and investors. Compared with last year, we have more contact with the CEO, CFO and IR managers who provide us with detailed feedback directly from investors. The Board of Directors also receives reports on the needs and responses of investors. I hope we can continue to have more opportunities to hear opinions from a variety of channels.

 \*1. Further details on PP.46-47 of the Special Feature: Corporate Governance section.



**Okina** It is important to have an improvement process based on PDCA cycles in evaluating the effectiveness of the Board. Prior to making important decisions, the Board Chairperson ensures the views of each Board member are heard, and I think this is done in an excellent fashion. From the perspective of sustainability and other longer-term considerations, though, we need to put more emphasis on the monitoring function of the Board. ESG is not simply about 'E' for the environment, but also about 'S' for society, including diversity and other related matters. I think the Board needs to spend more time discussing sustainability.

Also, as Mr. Takahashi mentioned, there should be more discussion of the composition of the Board so that members collectively have an optimal mix of skills, experience, and diversity. President Kakinoki has talked about this topic, but it is also important for us to recognize the importance of promoting diversity across the Marubeni Group, and not just within the parent company. The corporate buzzwords of late have been “flexibility,” “toughness,” and “resilience.” But if we are to address the issues and be a source of innovation, it is vital that we have access to varied views from a range of people of different backgrounds. In the future, as we work to enhance corporate value and address societal issues, I believe the management teams involved in making the decisions need to be diverse, not just in terms of gender but also in terms of age and skills.

In an era characterized by uncertainty, I think it is critical that we be able to appropriately respond to any changes in the business environment. Marubeni’s Board of Directors showcased its transparency again in the meetings after we announced impairment losses for the fiscal year ended March 31, 2020, which featured extensive discussions of the causative factors and what measures were to be taken. There was a frank discussion about historical data when we considered how best to enforce investment discipline. However, there are still issues that need to be discussed in this area. For example, given the need to consider both financial and non-financial aspects in the drive for greater sustainability, a major issue becomes how to develop the required human resources to manage the process. Succession planning will become a more important part of this too, I think. Having served on the Nomination Committee since 2020, I began chairing it in 2021. President Kakinoki is one of the members of the committee, and I will be seeking a discussion with him on the issue of how to develop Marubeni’s management resources over the long term.

**Hatchoji** I agree with Ms. Okina that one of the key points going forward will be HR development to foster the next generation of management. As a major general trading company, Marubeni develops various businesses on a global scale, from infrastructure and transportation machinery to food businesses. The operational scale and variety of the company’s business activities provide a great platform to develop people who can understand the characteristics, potential, and diversity of each business. In this environment, the challenge is to give people opportunities to work hard and acquire the experience to provide visionary leadership in the future.

For example, Marubeni has introduced the 15% Rule<sup>\*2</sup>. This grants employees time at work to dedicate to self-development or to collaborate with another part of Marubeni. The system helps employees to grow. The role of senior management is to challenge employees to engage with global concepts and strategies. I hope employees will take the opportunity to work hard and grow so Marubeni can find and optimize solutions to thrive in a highly competitive business environment.

The core prerequisites for Marubeni’s next generation of leaders are to actively gain a range of experience across global markets; learn how to navigate the difficult times in management, including understanding the expectations and pressures of shareholders and investors; and to display leadership so the Group is guided in the right direction. In addition, managers need the vision and expertise to manage across multiple fields of business, not just one area. They must be able to ensure businesses with different characteristics can all generate reliable profits. Finally, we need people who are fully committed to supporting both a sustainable future for the whole world and the core concept of taking on challenges.

<sup>\*2</sup> Further details on PP.37-39 of the Special Feature: GC2021 Group HR Strategy.



## Sustainability initiatives

**Okina** Marubeni has a strong track record in this area. We were one of the first firms to commit to a policy of halving coal-fired power generation, and we are also engaged in various other sustainability initiatives. To guide us in the longer-term challenge of contributing to climate change action, we have formulated the Marubeni Long-Term Vision on Climate Change<sup>\*3</sup>. Sustainability is an issue that affects the whole of society. The Marubeni executive team realizes this issue is closely tied to enhancing corporate value, and we are discussing it from varied angles in the Sustainability Management Committee. As an early adopter, Marubeni has taken big strides in moving towards more sustainable operations, and I hope that we will continue to do so in the future. I think there also needs to be some discussion of how the Board of Directors is involved with sustainability initiatives.

Having defined “human capital with high social value” as one aspect of fundamental materiality, I expect Marubeni to be the kind of company that provides employees with opportunities to grow through lifelong learning or on-the-job training programs. Believing the job supports personal growth can be a strong motivator for the employee. Rather than just providing training opportunities, it is critical to approach HR development in a visionary way. In an age where open innovation is the way forward, the people we develop will need to collaborate with employees joining Marubeni mid-career as well as with people outside the company. In addition, if we are to benefit from having more women in the workforce, we will need systems to support men in balancing work life with domestic duties. I expect to see Marubeni address these issues going forward.

The topics discussed by the Sustainability Management Committee have included the Marubeni Long-Term Vision on Climate Change, which I mentioned earlier, and the TCFD<sup>\*4</sup>. Going forward, I hope the scope of discussions widens to include questions such as how we empower women at work and promote diversity.

<sup>\*3</sup> Further details on PP.53-55 of the Marubeni Long-Term Vision on Climate Change.

<sup>\*4</sup> The Taskforce on Climate-related Financial Disclosures (TCFD) was set up by the Financial Stability Board (FSB).

**Hatchoji** As an outside director of Marubeni, I value two-way communications with employees. We have the forums and internal culture to support good communication on the issues that we mutually recognize.

Our discussions within the Sustainability Management Committee about examples that would showcase the Company Creed of “Fairness, Innovation, and Harmony” helped us to appreciate the importance of human capital in promoting sustainability, and so we defined it as one aspect of materiality. The Committee’s discussions on coal-fired power generation, which is more closely ESG-linked from a business perspective, were serious, leading to the decision for Marubeni to exit the sector. The move was significant in that it was an ESG initiative based on the motivation and ideas of the people on the front line and members of the Sustainability Management Committee.

Another of the company’s sustainability initiatives involves management of forests in Indonesia and Australia, covering an area of about 130,000 hectares in total. I expect Marubeni to examine how it contributes to the environment through forest-related activities and new business initiatives.

We still have work to do to develop unique ways for the Marubeni Group to promote sustainability. I hope there will be a range of related discussions, notably with those working in overseas bases and with our business partners. I expect this process to help us develop distinctive sustainability concepts and ideas for the Marubeni Group.

Corporate Governance

# Corporate Governance System

## Basic View on Corporate Governance

In accordance with the spirit of “Fairness, Innovation, and Harmony,” Marubeni believes in responding to the expectations of all its stakeholders — shareholders, customers, local communities, and employees — by increasing its corporate value to become a proud corporate group that contributes to social and economic development and helps to safeguard the global environment. To this end, Marubeni is making efforts to enhance corporate governance as the foundation for ensuring the soundness, transparency and efficiency of management.

In accord with this fundamental mindset, Marubeni has set

independence standards for outside directors and Audit & Supervisory Board members and is upgrading its management oversight functions through its outside directors and Audit Supervisory Board members. Marubeni believes that constructive engagement with shareholders and investors plays an important role in medium- to long-term corporate value enhancement. Through such engagement, Marubeni seeks to understand and appropriately respond to shareholders and investors’ perspectives while gaining their understanding of its management policies.

### Corporate Governance Chart

<b>Organizational design</b>	Company with auditor system
<b>Directors</b> (including outside)	13 (six)
<b>Audit &amp; Supervisory Board members</b> (including outside)	Five (three)
<b>Term of office for directors</b>	One year
<b>Executive officer system adopted</b>	Yes
<b>Number of meetings of the Board of Directors</b> (FYE 3/2021)	18
<b>Number of meetings of the Audit &amp; Supervisory Board</b> (FYE 3/2021)	16
<b>Advisory bodies to the Board of Directors</b> (voluntary)	Nomination Committee, Governance and Remuneration Committee
<b>Executive compensation system</b>	① Basic compensation / ② Performance-based compensation / ③ Bonuses / ④ Individual evaluation-based compensation / ⑤ Performance share units
<b>Independent auditor</b>	Ernst & Young ShinNihon LLC

### Roles and functions of Outside Directors and Outside Audit & Supervisory Board Members

- 1. Contributing various outside perspectives**  
Bring new vitality to the Board of Directors and the Audit & Supervisory Board by offering advice and suggestions based on a wealth of experience in various areas of origin and insights thereby gained, and share meaningful opinions from viewpoints not bound by Marubeni’s particular corporate culture or customs
- 2. Strengthening check and supervisory functions**  
Strengthen check and oversight functions with regard to representative directors by ensuring deliberation and decision-making based on fair, clear reasoning and standards acceptable to those outside the Company
- 3. Check for conflicts of interest**  
In situations where a conflict of interest exists between management and shareholders or other stakeholders, ascertain whether management is conducting business fairly in due consideration of the interests of such stakeholders

For more details, see our website.

Corporate Governance Report:  
[https://www.marubeni.com/en/company/governance/data/cg\\_en.pdf](https://www.marubeni.com/en/company/governance/data/cg_en.pdf)

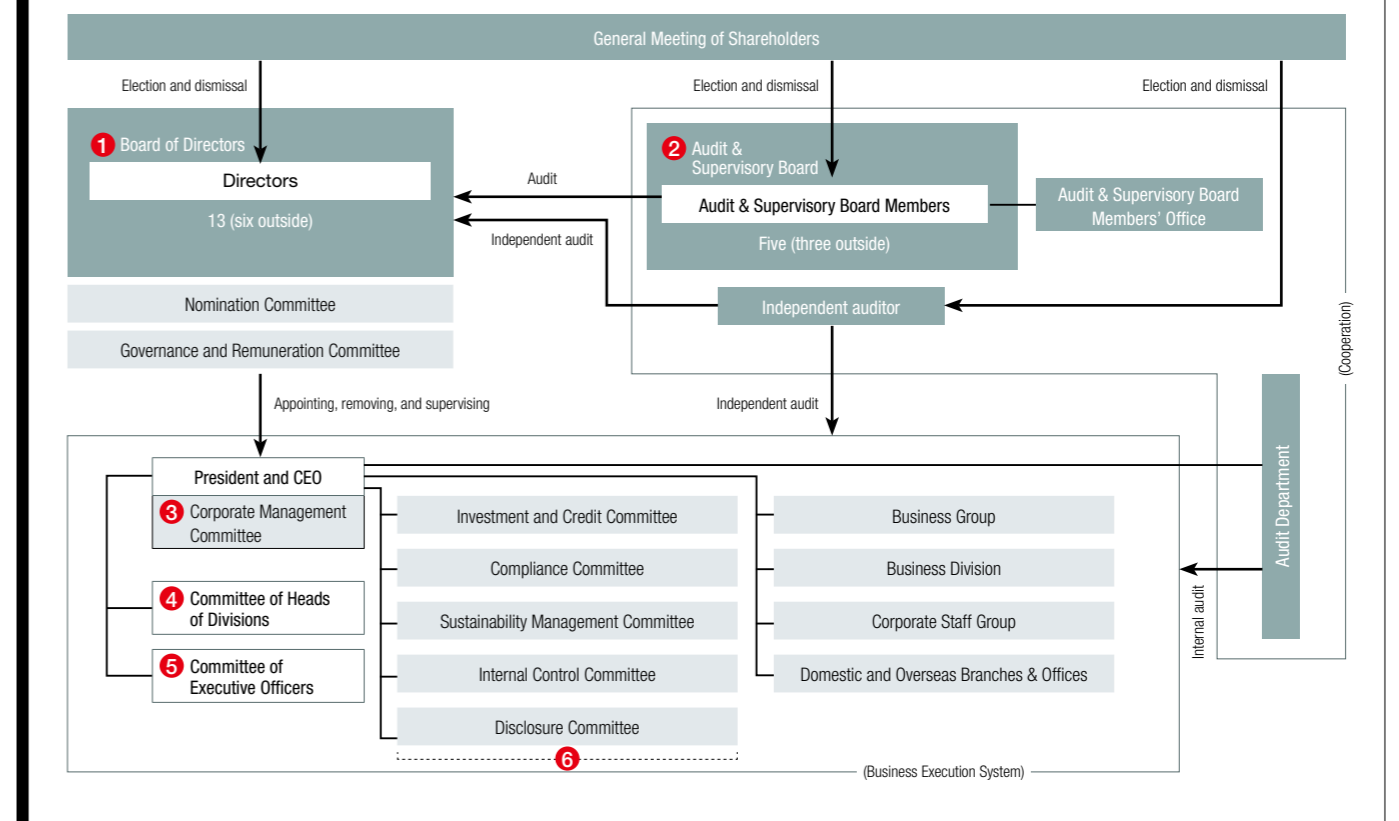


Marubeni’s Corporate Governance Code Initiatives (the Previous Version of the Code):  
[https://www.marubeni.com/en/company/governance/data/cgcord\\_en.pdf](https://www.marubeni.com/en/company/governance/data/cgcord_en.pdf)



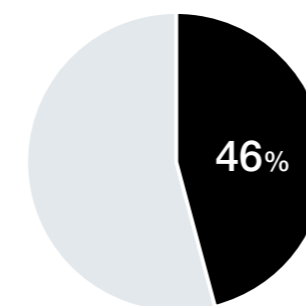
# Corporate Governance System

## Corporate Governance Structure



### ① Board of Directors

#### Percentage of Outside Directors



### Overview of the Board of Directors

<b>Composition</b>	13 directors (six outside)
<b>Number of Board meetings</b> (FYE 3/2021)	18
<b>Purpose</b>	<ul style="list-style-type: none"> <li>In accordance with laws and regulations and the Articles of Incorporation, the Board decides important management matters and supervises the business conduct of directors. In principle, the Chairman of the Board, who does not have representative rights or the authority to conduct business, chairs meetings of the Board of Directors.</li> <li>Directors, based on business duties determined by the Board of Directors, conduct business in accordance with laws and regulations and the Articles of Incorporation, and provide status reports to the Board at least once every three months.</li> <li>Outside directors are appointed to ensure the effectiveness of corporate governance.</li> <li>Marubeni adopts an executive officer system to improve the efficiency of conducting business. Also, Group CEOs participate in the Company’s overall management, and supervise overall operations of the business groups under their direction in accordance with the Company’s management policies.</li> </ul>
<b>Term of office for directors</b>	Set at one year, to clarify management responsibilities and flexibly build an optimal management system that can address changes in the business environment.



### Specialty and Experience of Members of the Board and Audit & Supervisory Board Members

The Corporation conducts business activities in a wide range of fields in a multifaceted manner through domestic and overseas networks, and the Board of Directors needs to deliberate on the appropriateness of management strategies, etc., and risks and so on associated with implementation, in an objective and multifaceted manner, and to appropriately supervise the status of execution. As such, with the aim of boosting the effectiveness of the Board of Directors, the Corporation appoints personnel who have diverse experience, knowledge, expertise, and insight, etc., and are well-versed in business activities, as Directors. The Corporation also appoints Audit & Supervisory Board members based on separate appointment criteria it has formulated.

For the appointment criteria, please see P.86: "Appointment of Directors and Audit & Supervisory Board Members candidates, policies and procedure for appointment and dismissal of the senior management."

(As of June 24, 2021)

Name	Position	No. of years in office (cumulative No. of years in office)	Corporate management	Finance and accounting	Legal affairs, compliance, risk management	Digital/IT	International experience	Public institutions
Fumiya Kokubu	Chairman of the Board	9 years (10 years and 9 months)	○				○	
Ichiro Takahara	Vice Chairman, Member of the Board	2 years (4 years)	○					○
Masumi Kakinoki	President and CEO, Member of the Board	3 years (3 years and 9 months)	○				○	
Akira Terakawa	Senior Executive Vice President, Member of the Board	— (2 years)	○				○	
Mutsumi Ishizuki	Senior Managing Executive Officer, Member of the Board	1 year	○		○		○	
Kenichiro Oikawa	Managing Executive Officer, Member of the Board	1 year	○			○	○	
Takayuki Furuya	Managing Executive Officer, Member of the Board	1 year	○	○			○	
Takao Kitabata	Outside Director	8 years / 3 years as Outside Audit & Supervisory Board Member *1					○	○
Kyohei Takahashi	Outside Director	5 years / 2 years as Outside Audit & Supervisory Board Member *1	○				○	
Yuri Okina	Outside Director	4 years		○		○	○	○
Takashi Hachoji	Outside Director	1 year / 3 years as Outside Audit & Supervisory Board Member *1	○			○	○	
Masato Kitera	Outside Director	1 year					○	○
Shigeki Ishizuka	Outside Director	—	○			○	○	
Hikaru Minami	Full-time Audit & Supervisory Board Member	2 years / 3 years as Member of the Board*2	○	○	○		○	
Toshiaki Kida	Full-time Audit & Supervisory Board Member	—			○		○	
Tsuyoshi Yoneda	Outside Audit & Supervisory Board Member	4 years			○	○		○
Yoichi Kikuchi	Outside Audit & Supervisory Board Member	1 year			○		○	○
Shigeru Nishiyama	Outside Audit & Supervisory Board Member	1 year		○			○	

\*1. Number of years served as Outside Audit & Supervisory Board Member of the Corporation before assuming office as Member of the Board  
 \*2. Number of years served as Member of the Board of the Corporation before assuming office as Audit & Supervisory Board Member

### Main Agenda Items of the Board of Directors

Purpose	<ul style="list-style-type: none"> <li>• Medium-term management strategies, investment and financing projects, management strategy including risk scenario analysis</li> <li>• Financial results and other finance-related matters</li> <li>• Executive compensation</li> <li>• Evaluation of the Effectiveness of the Board of Directors</li> <li>• Internal control-related matters</li> <li>• Policies for enhancing the corporate governance system, etc.</li> </ul>
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### Evaluation of the Effectiveness of the Board of Directors

Target	All Directors (11 people) and Audit and Supervisory Board members (five people) * As of December 2020
Frequency	Once a year
Implementation	A questionnaire survey and interviews were conducted. (anonymous responses) * An external specialized agency was utilized for implementation. As for the effectiveness evaluation regarding the Board of Directors in the fiscal year ended March 31, 2021, in order to extract more specific issues, the Corporation held interviews with all Directors and Audit & Supervisory Board Members in addition to conducting the questionnaire as in previous years.
Evaluation items	<ol style="list-style-type: none"> <li>1. Roles and responsibilities of the Board of Directors</li> <li>2. Relationship between the Board of Directors and senior executives</li> <li>3. Organizational design and composition of the Board of Directors and other bodies; Quality and expertise of Directors and of the Board of Directors</li> <li>4. Deliberation by the Board of Directors</li> <li>5. Relationship and dialogue with shareholders</li> <li>6. Engagement with stakeholders other than shareholders</li> <li>7. General and other items</li> </ol>
Evaluation process	The Board of Directors deliberated in view of the results of evaluation and review concerning the overall Board of Directors by the Governance and Remuneration Committee, including its composition and operation, based on the responses to the questionnaire and the results of the interviews.



Overview of the results of evaluation for the fiscal year ended March 31, 2021	The Board of Directors deliberated in view of the results of evaluation and review by the Governance and Remuneration Committee and confirmed that, overall, the Board of Directors is effectively operated. In particular, the Corporation's support for Outside Officers was highly regarded in that it provided sufficient education opportunities and information; the proceedings and the operation of the meetings of the Board of Directors has an atmosphere which is conducive to the expression of opinions by Outside Officers; sufficient time is provided to consider each item on the agenda; and information and issues regarding business execution are shared with sufficient content and frequency at the Board of Directors.
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Response to issues identified by the evaluation of effectiveness of the Board of Directors conducted in the fiscal year ended March 31, 2020	<p><b>(1) Strengthening of oversight and monitoring concerning management policies from the viewpoint of enhancement of corporate value over the medium to long term</b>                  Members of the Board of Directors discussed the business environment under the COVID-19 crisis and confirmed the Basic Policy of the Management Strategy in GC2021. Apart from Board of Directors meetings, the Corporation provided opportunities for open discussion and members of the Board freely discussed how best to enhance the supervision and monitoring functions of the Board. Taking into account the results of questionnaires and interviews, evaluation of these items was improved compared to evaluation results in the fiscal year ended March 31, 2020.</p> <p><b>(2) Enrichment of discussion, reflecting feedback of shareholders' expectations of the Corporation to the Board of Directors</b>                  Expectations from shareholders (obtained through earnings briefings and group meetings for institutional investors and briefings for individual investors) and related policy and status updates were reported in a timely manner by the President and CFO, as Director in charge of IR, to the Board of Directors. Taking into account the results of the questionnaire and interviews, evaluation of these items was improved compared to evaluation results in the fiscal year ended March 31, 2020.</p> <p>In order to enhance the corporate governance system, the Board of Directors discussed "Practical Guidelines for Group Governance Systems" published by the Japanese Ministry of Economy, Trade and Industry ("METI") on June 28, 2019, as well as "Practical Guidelines for Independent Directors" and "Practical Guidelines for Business Transformations," both published by METI on July 31, 2020. The Board of Directors conducted analysis and assessment of these guidelines, comparing them to the Corporation's own corporate governance system.</p> <p>For group governance, the Corporation established Marubeni Group Governance Policy on April 1, 2017 with the goal of sharing and disseminating the Marubeni Group's management policies and strengthening governance by clarifying the roles, authorities, and responsibilities of the Corporation and Marubeni Group companies. The Corporation continues to implement measures for maximizing the corporate value of the Marubeni Group and achieving sustainable growth, and the Board of Directors will continue to reach further and do more with their monitoring activities.</p>
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Major issues identified by the evaluation conducted in the fiscal year ended March 31, 2021 and the policy for future initiatives	<p><b>(1) Enhancement of discussion regarding material management issues at Board of Directors meetings and through free discussion</b></p> <p>The Board of Directors will enhance discussion of material management issues, not only internally but also outside of the Board, through conducting discussions regarding the medium- and long-term business environment and risk.</p> <p><b>(2) Policy for stakeholders (sustainability management and response to shareholders' and investors' expectations)</b></p> <p>The fact that the Board of Directors discusses reports from the Sustainability Management Committee and measures for providing information for stakeholders is highly valued. In terms of enhancing discussions based on feedback to the Board of Directors on expectations from shareholders, which was cited as an issue in the fiscal year ended March 31, 2020, the situation has been improved.</p> <p>Considering the increasing significance of sustainability and policy for expectations from stakeholders, including shareholders and investors, the Corporation will continue to implement measures for improvement by updating and monitoring execution in the Board of Directors from medium- and long-term perspectives.</p> <p><b>(3) Discussion regarding diversity of members of the Board of Directors</b></p> <p>The Board of Directors discussed functions of the Board of Directors and formation of members of the Board of Directors in the fiscal year ended March 31, 2021. The Board of Directors will consider the best combination of skills and experience, aiming to enhance functionality of the Board by discussing policy for diversity of skills and experience of Board members and by regularly reviewing it based on the business environment surrounding the Corporation.</p> <p>Referring to the results of effectiveness evaluations regarding the Board of Directors in the fiscal year ended March 31, 2021, the Corporation will continue to work on maintaining and improving the effectiveness of the Board of Directors going forward, and to pursue improvements in long-term corporate value.</p>
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The following committees have been established as advisory bodies to the Board of Directors. Outside directors make up the majority of members of these committees, which are also chaired by outside directors.

**Nomination Committee**

<b>Composition</b> <small>(As of June 24, 2021)</small>	<b>Chair:</b> Yuri Okina, Director (Outside) <b>Members:</b> Masumi Kakinoki, President and CEO, Member of the Board Takashi Hatchoji, Director (Outside) Shigeki Ishizuka, Director (Outside)
<b>Purpose</b>	<ul style="list-style-type: none"> <li>The Nomination Committee deliberates on candidates proposed for appointment as directors and Audit &amp; Supervisory Board members as well as for the next CEO, and on succession plans formulated and enacted by the CEO (including qualifications, requirements, successor candidate groups, and training and development plans), and reports its findings to the Board.</li> </ul>
<b>Number of meetings</b> (FYE 3/2021)	Five (all members attended all meetings)
<b>Main topics of deliberation for the fiscal year ended March 2021</b>	<ul style="list-style-type: none"> <li>Candidates for directors and Audit &amp; Supervisory Board members</li> <li>Successor development plan</li> </ul>

**Governance and Remuneration Committee**

<b>Composition</b> <small>(As of June 24, 2021)</small>	<b>Chair:</b> Kyohei Takahashi, Director (Outside) <b>Members:</b> Masumi Kakinoki, President and CEO, Member of the Board Mutsumi Ishizuki, Senior Managing Executive Officer, Member of the Board Masato Kitera, Director (Outside) Tsuayoshi Yoneda, Audit & Supervisory Board Member (Outside) Yoichi Kikuchi, Audit & Supervisory Board Member (Outside)
<b>Purpose</b>	<ul style="list-style-type: none"> <li>The Governance and Remuneration Committee deliberates on decision-making policies and the suitability of standards regarding compensation for directors and executive officers, and reports its findings to the Board.</li> <li>Also assesses and reviews the Board of Directors as a whole, including Board composition and operations, and reports its findings to the Board.</li> </ul>
<b>Number of meetings</b> (FYE 3/2021)	Four (all members attended all meetings)
<b>Main topics of deliberation for the fiscal year ended March 2021</b>	<ul style="list-style-type: none"> <li>Compensation for directors and executive officers</li> <li>Review of stock-based compensation plans</li> <li>Evaluation of the effectiveness of the Board of Directors</li> <li>Enhancing disclosure of information on directors and Audit &amp; Supervisory Board members</li> </ul>

**Reason for Appointment and Main Activities**

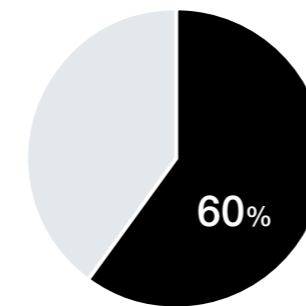
(As of June 24, 2021)

Name	Independent	Reason for Appointment/Main Activities	Advisory Committee	Biography
Chief Outside Director <b>Takao Kitabata</b>	○	<p><b>Reason for Appointment</b></p> <p>Mr. Kitabata served in key positions in government and has profound insight into economic trends in Japan and overseas. He vigorously stated opinions at meetings of the Board of Directors from an objective, specialist viewpoint. As the Chief Outside Director of the Corporation, he has been providing advice to management and appropriately supervising business execution. He is also well-versed in corporate governance. In the fiscal year ended March 31, 2021, as chairman of the Nomination Committee, he vigorously stated opinions in order to enhance soundness, transparency, and efficiency of the Corporation's management. Because he is expected to continue to fulfill the roles stated above, the Board of Directors reappointed him as Outside Director.</p> <p><b>Main Activities</b></p> <p>Mr. Kitabata participated in 17 out of a total of 18 Board meetings held during the fiscal year ended March 31, 2021, providing advice to management and appropriately supervising business execution as the Chief Outside Director of the Corporation, drawing on his profound insight into economic trends in Japan and overseas gained through a career serving in key positions in government as well as profound insight into corporate governance. As chairman, he attended all five meetings of the Nomination Committee held during the fiscal year ended March 31, 2021, leading discussions on the appointment of executives and succession development plans.</p>	—	2002: Deputy Vice-Minister, Ministry of Economy, Trade and Industry 2004: Director-General, Economic and Industrial Policy Bureau 2006: Vice-Minister of Economy, Trade, and Industry (Resigned in Jul. 2008) 2010: Audit & Supervisory Board Member, Marubeni Corporation Director, Kobe Steel, Ltd. (current) 2013: Chairman of the Board, Sanda Gakuen 2014: Principal, Sanda Gakuen Director, Seiren Co., Ltd. (current) Director, Zeon Corporation (current) 2020: President, KAISHI PROFESSIONAL UNIVERSITY, Niigata Sogo Gakuin Academic Corporation (current)
<b>Kyohei Takahashi</b>	○	<p><b>Reason for Appointment</b></p> <p>Mr. Takahashi has profound insight cultivated through involvement in corporate management at an international company. He vigorously stated opinions at meetings of the Board of Directors from a practical viewpoint. As an Outside Director of the Corporation, he has been providing advice to management and appropriately supervising business execution. He is also well-versed in corporate governance. As the chairman of the Governance and Remuneration Committee, he vigorously stated opinions in order to enhance soundness, transparency, and efficiency of the Corporation's management. Because he is expected to continue to fulfill the roles stated above, the Board of Directors reappointed him as Outside Director.</p> <p><b>Main Activities</b></p> <p>Mr. Takahashi participated in all 18 meetings of the Board of Directors held during the fiscal year ended March 31, 2021, providing advice to management and appropriately supervising business execution, drawing on his profound insight into corporate governance gained through experience in corporate management at an international company. As chairman, he attended all four meetings of the Governance and Remuneration Committee held during the fiscal year ended March 31, 2021, demonstrating strong leadership in discussions of areas such as the construction of a governance framework to enhance the soundness, transparency, and efficiency of the Corporation's management.</p>	Chairman of Governance and Remuneration Committee	2002: Managing Director, Showa Denko K.K. 2004: Senior Managing Director, Showa Denko K.K. 2005: Representative Director, President, Showa Denko K.K. 2007: Representative Director, President and Chief Executive Officer (CEO), Showa Denko K.K. 2011: Representative Director, Chairman of the Board, Showa Denko K.K. 2014: Audit & Supervisory Board Member of Marubeni Corporation 2015: Director, Chairman of the Board, Showa Denko K.K. 2016: Audit & Supervisory Board Member, Fukoku Mutual Life Insurance Company (current) 2016: Audit & Supervisory Board Member, Fukoku Mutual Life Insurance Company (current)
<b>Yuri Okina</b>	○	<p><b>Reason for Appointment</b></p> <p>Ms. Okina has profound insight into economic and financial matters cultivated through many years of research at a research institute. She also has experience as an outside officer at various companies, and experience based on extensive activities as a member of government committees, such as the Industrial Structure Council, the Financial System Council and the Tax Commission. She vigorously stated opinions at meetings of the Board of Directors from a specialist and multifaceted viewpoint. As an Outside Director of the Corporation, she has been providing advice to management and appropriately supervising business execution. Additionally, in the fiscal year ended March 31, 2021, she has been proactively expressing her opinions as a Nomination Committee member in order to enhance soundness, transparency, and efficiency of the Corporation's management and as an advisor to the Sustainability Management Committee to reinforce the sustainability promotion structure. Because she is expected to continue to fulfill the roles stated above, the Board of Directors reappointed her as Outside Director.</p> <p><b>Main Activities</b></p> <p>Ms. Okina participated in 17 out of a total of 18 Board meetings held during the fiscal year ended March 31, 2021, providing advice to management and supervising business execution, drawing on her profound insight gained in economic and financial matters cultivated through many years of research at a research institute. As a member, she attended all five meetings of the Nomination Committee held during the fiscal year ended March 31, 2021, actively expressing her opinions in discussions on the appointment of executives and succession development plans. In addition, as an advisor to the Sustainability Management Committee, she actively expressed her opinions regarding ways of reinforcing the sustainability promotion structure.</p>	Chairman of Nomination Committee	2006: Research Director, The Japan Research Institute, Limited 2014: Director, Bridgestone Corporation (current) Vice Chairman, The Japan Research Institute, Limited 2018: Chairman, The Japan Research Institute, Limited (current)

Name	Independent	Reason for Appointment/Main Activities	Advisory Committee	Biography
Takashi Hatchoji	○	<p><b>Reason for Appointment</b> Mr. Hatchoji has profound insight cultivated through his involvement in corporate management at an international company and has a wealth of experience in providing advice for and supervising business execution, serving as an outside officer of other companies. He was an Outside Audit &amp; Supervisory Board Member of the Corporation from June 2017 to June 2020 and has a good knowledge of the Corporation's business. He vigorously stated opinions at meetings of the Board of Directors from objective and specialist perspectives with an emphasis on practicality. As an Outside Director of the Corporation, he has been providing advice to management and appropriately supervising business execution. Additionally, he has been proactively expressing his opinions as a Nomination Committee member in order to enhance soundness, transparency, and efficiency of the Corporation's management and as an advisor to the Sustainability Management Committee to reinforce the sustainability promotion structure. Because he is expected to continue to fulfill the roles stated above, the Board of Directors reappointed him as Outside Director.</p> <p><b>Main Activities</b> Mr. Hatchoji participated in all 12 meetings of the Board of Directors held following his appointment as Outside Director during the fiscal year ended March 31, 2021, providing advice to management and supervising business, drawing on his profound insight cultivated over many years of experience in corporate management at an international company and a wealth of experience in providing advice for and supervising business execution as an outside officer of other companies. As a member, he attended all five meetings of the Nomination Committee held during the fiscal year ended March 31, 2021, actively expressing his opinions in discussions on the appointment of executives and succession development plans. In addition, as an advisor to the Sustainability Management Committee, he actively expressed his opinions regarding ways of reinforcing the sustainability promotion structure.</p>	Nomination Committee	<p>2007: President and Representative Director, Hitachi Research Institute 2009: Representative Executive Officer, Executive Vice President and Executive Officer, Hitachi, Ltd. 2011: Director, Hitachi, Ltd. (~ June 2015) 2015: Director, Nitto Denko Corporation (current) 2017: Audit &amp; Supervisory Board Member, Marubeni Corporation Director, Konica Minolta, Inc.</p>
Masato Kitera	○	<p><b>Reason for Appointment</b> Mr. Kitera served in key positions in the government, mainly in the Ministry of Foreign Affairs. He has a wealth of international experience and profound insight concerning international affairs cultivated through his involvement in diplomacy. He also has in-depth understanding and experience related to diversity, which is indispensable in management of the Corporation. He vigorously stated opinions at meetings of the Board of Directors from objective and specialist perspectives in light of the rapidly changing world situation. As an Outside Director of the Corporation, he has been providing advice to management and appropriately supervising business execution. Additionally, he has been proactively expressing his opinions as a Governance and Remuneration Committee member in order to enhance soundness, transparency, and efficiency of the Corporation's management. Because he is expected to continue to fulfill the roles stated above, the Board of Directors reappointed him as Outside Director.</p> <p><b>Main Activities</b> Mr. Kitera participated in all 12 meetings of the Board of Directors held following his appointment as Outside Director during the fiscal year ended March 31, 2021, providing advice to management and supervising business execution, drawing on his wealth of international experience and profound insight concerning international affairs cultivated through his important roles in public service centered on the Ministry of Foreign Affairs. After his appointment as a member of the Governance and Remuneration Committee, he attended all four meetings of the Committee held during the fiscal year ended March 31, 2021, contributing to discussions of areas such as the construction of a governance framework to enhance the soundness, transparency, and efficiency of the Corporation's management.</p>	Governance and Remuneration Committee	<p>2008: Director-General, International Cooperation Bureau, Ministry of Foreign Affairs 2010: Deputy Minister 2012: Assistant Chief Cabinet Secretary Ambassador and Plenipotentiary to People's Republic of China 2016: Ambassador to France, Andorra, and Monaco (Resigned in Dec. 2019) 2020: Member of the Board, NIPPON STEEL CORPORATION (current) 2021: Member of the Board, Japan Tobacco Inc. (current)</p>
Shigeki Ishizuka	○	<p><b>Reason for Appointment</b> Mr. Ishizuka has profound insight cultivated through his involvement in corporate management at an international company. As he has a background as a technology and development engineer, he has in-depth understanding and experience in the digital and IT fields, which are indispensable in management of the Corporation. The Corporation expects him to provide advice to management and appropriately supervise business execution from objective and specialist perspectives in light of the rapidly changing world situation in order to enhance soundness, transparency, and efficiency of the Corporation's management. In view of the above, the Board of Directors newly appointed him as Outside Director.</p> <p><b>Main Activities</b> —</p>	Nomination Committee	<p>2017: Representative Director and President, Sony Imaging Products &amp; Solutions Inc. 2018: Senior EVP, Sony Corporation 2020: Representative Director and President, CEO, Sony Electronics Corporation Vice Chairman, Representative Corporate Executive Officer, Sony Corporation (Currently, Sony Group Corporation) (current) 2021: Director, Sony Corporation (current)</p>

## 2 Audit & Supervisory Board

### Percentage of Outside Audit & Supervisory Board members



### Overview of Audit & Supervisory Board

<b>Composition</b>	Five auditors (three outside)
<b>Number of meetings</b> (FYE 3/2021)	16
<b>Activities</b>	<ul style="list-style-type: none"> <li>As a company with auditors, Marubeni has an Audit &amp; Supervisory Board. Audit &amp; Supervisory Board members oversee directors' execution of their duties by attending Board of Directors meetings and other important management gatherings and investigating operations and the status of assets pursuant to audit policies and audit plans formulated at Audit &amp; Supervisory Board meetings (including viewing important approval documents and monitoring documents for domestic and overseas business projects).</li> <li>The Audit &amp; Supervisory Board meets every other month, and as needed.</li> <li>Main areas considered by the Board are the preparation of audit reports, appointment and dismissal of full-time Audit &amp; Supervisory Board members, methods of examining auditing policies and operations and the status of assets, and other matters related to carrying out duties of Audit &amp; Supervisory Board members. Other areas considered include the appointment, dismissal, and non-reappointment of independent auditors, approval of compensation for independent auditors, and other matters brought up for resolution by the Audit &amp; Supervisory Board.</li> </ul>










### Reason for Appointment and Main Activities

(As of June 24, 2021)

Name	Independent	Reason for Appointment/Main Activities	Advisory Committee	Biography
Tsuyoshi Yoneda	○	<p><b>Reason for Appointment</b> Mr. Yoneda has a wealth of experience serving in key positions in the government from which he gained profound insight. He also has experience of serving as an outside officer of another company. As an Outside Audit &amp; Supervisory Board Member of the Corporation, he has been appropriately supervising management from objective and specialist perspectives in light of the rapidly changing world situation in order to enhance soundness, transparency, and efficiency of the Corporation's management. Additionally, he vigorously stated opinions as a Governance and Remuneration Committee member. In view of the above, the Board of Directors reappointed him as Outside Audit &amp; Supervisory Board Member.</p> <p><b>Main Activities</b> Participated in all 18 meetings of the Board of Directors and all 16 meetings of the Audit &amp; Supervisory Board held during the fiscal year ended March 31, 2021 and made appropriate remarks based primarily on his broad experience in government service and the deep insight he gained through such experience.</p>	Governance and Remuneration Committee	<p>2009: Commissioner-General's Secretariat, National Police Agency 2011: Deputy Directors-General, National Police Agency 2013: Commissioner General, National Police Agency (Retired in Jan. 2015) 2015: Director, Japan Exchange Group, Inc. (current)</p>
Yoichi Kikuchi	○	<p><b>Reason for Appointment</b> Mr. Kikuchi has a wealth of experience in legal circles and excellent expertise and profound insight cultivated through his experience. The Corporation believes that he will appropriately fulfill duties as an Outside Audit &amp; Supervisory Board Member from a professional, neutral, and objective perspective in monitoring and supervision of management and contribute to improvement of corporate governance of the Corporation and enrichment of audits by the Audit &amp; Supervisory Board. In view of the above, the Board reappointed him as Outside Audit &amp; Supervisory Board Member.</p> <p><b>Main Activities</b> Participated in all 12 meetings of the Board of Directors following his appointment as Outside Audit &amp; Supervisory Board Member and all 10 meetings of the Audit &amp; Supervisory Board held during the fiscal year ended March 31, 2021 and made appropriate remarks based primarily on his broad experience in legal circles and the deep insight he gained through such experience.</p>	Governance and Remuneration Committee	<p>2010: Head of Tokushima District Court &amp; Family Court 2011: Head of Kyoto District Court 2013: Chief Judge of Division, Tokyo High Court 2017: Head of Hiroshima High Court (Retired in Aug. 2018) 2018: Registered as attorney-at-law (current)</p>
Shigeru Nishiyama	○	<p><b>Reason for Appointment</b> Mr. Nishiyama has a high degree of expertise and a wealth of experience in accounting and finance and profound insight cultivated through such experience, as well as abundant experience as outside director/auditor of various companies. The Corporation believes that he will appropriately fulfill duties as an Outside Audit &amp; Supervisory Board Member in monitoring and supervision of management and contribute to improvement of corporate governance of the Corporation and enrichment of audits by the Audit &amp; Supervisory Board. In view of the above, the Board reappointed him as Outside Audit &amp; Supervisory Board Member.</p> <p><b>Main Activities</b> Participated in all 12 meetings of the Board of Directors following his appointment as Outside Audit &amp; Supervisory Board Member and all 10 meetings of the Audit &amp; Supervisory Board held during the fiscal year ended March 31, 2021 and made appropriate remarks based primarily on sophisticated expertise and wealth of experience in accounting and finance, and the high level of insight he has cultivated through such experience.</p>		<p>2006: Professor, Waseda University Graduate School (Business School) (Currently, Waseda Business School (Graduate School of Business and Finance)) (current) 2010: Auditor of the Board (Outside), Mitsui Sumitomo Insurance Company, Limited (current) 2016: Member of the Board/Audit and Supervisory Committee Member, UNIPRES CORPORATION (current) 2018: Specially Appointed Professor, Shizenkan University Graduate School of Leadership &amp; Innovation (current) Director, Chairman of the Audit Committee, Macromill, Inc. (current)</p>

### 3 Corporate Management Committee

The Corporation has put in place the following business execution framework.

<p><b>Composition</b> (As of June 24, 2021)</p>	<p>A total of nine directors, including five representative directors including the President, one senior managing executive officer, and three managing executive officers, as well as one full-time Audit &amp; Supervisory Board member</p>	
	 <p><b>Masumi Kakinoki</b> Representative Director, President and CEO</p>	 <p><b>Akira Terakawa</b> Representative Director, Senior Executive Vice President Chief Executive Officer, Food, Agriculture &amp; Chemicals Group; Vice Chairman of Investment and Credit Committee</p>
	 <p><b>Mutsumi Ishizuki</b> Representative Director, Senior Managing Executive Officer CAO; Senior Operating Officer, Audit Dept.; Senior Operating Officer, Executive Secretariat; Senior Operating Officer, New Office Building Project Dept.; Vice Chairman of Investment and Credit Committee; Chief Compliance Officer; Chairman of Internal Control Committee; Chief Information Officer</p>	 <p><b>Kenichiro Oikawa</b> Representative Director, Managing Executive Officer CDIO; CSO; Regional CEO for East Asia; Regional CEO for Japan Business; Vice Chairman of Investment and Credit Committee</p>
	 <p><b>Takayuki Furuya</b> Representative Director, Managing Executive Officer CFO; Chief Operating Officer, Investor Relations and Credit Ratings; Chairman of Investment and Credit Committee; Chief Sustainable Development Officer; Chairman of Disclosure Committee</p>	 <p><b>Hajime Kawamura</b> Senior Managing Executive Officers Chief Executive Officer, Transportation &amp; Industrial Machinery, Financial Business Group</p>
	 <p><b>Akihiko Sagara</b> Managing Executive Officers Chief Executive Officer, Energy &amp; Metals Group</p>	 <p><b>Jun Hirasawa</b> Managing Executive Officers Chief Executive Officer, Consumer Products Group</p>
	 <p><b>Yoshiaki Yokota</b> Managing Executive Officers Chief Executive Officer, Power Business &amp; Infrastructure Group</p>	
	<p><b>Number of meetings</b> (FYE 3/2021)</p>	40
<p><b>Purpose</b></p>	<ul style="list-style-type: none"> <li>Established as an advisory committee to the President to deliberate on management policies and important Group-wide management matters.</li> </ul>	

### 4 Committee of Heads of Divisions

<b>Composition</b>	President, representative directors, Division COOs, and regional CEOs and COOs appointed by the President.
<b>Number of meetings</b> (FYE 3/2021)	Three
<b>Purpose</b>	<ul style="list-style-type: none"> <li>Deliberates on matters related to management performance, including budgets, financial results, and funding plans.</li> </ul>

### 5 Committee of Executive Officers

<b>Composition</b>	37 executive officers (Five of whom are also directors)
<b>Number of meetings</b> (FYE 3/2021)	Three
<b>Purpose</b>	<ul style="list-style-type: none"> <li>Directs management policies issued by the President, exchanges information, and reports on financial performance, internal audits, and other issues related to management performance.</li> </ul>

Marubeni has established various committees for strengthening of corporate governance.

Main committees and their roles are as follows:

### 6 Various Committees

Committee	Role	Chair	Meeting Frequency
<b>Investment and Credit Committee</b>	Discusses and approves projects pending approval, such as investments. The Chair forwards items discussed in the committee for inclusion on Corporate Management Committee agendas.	Representative Director and Managing Executive Officer <b>Takayuki Furuya</b>	In principle, held one time a week Number of meetings in the fiscal year ended March 31, 2021: 16
<b>Compliance Committee</b>	Provides support and guidance with regard to practicing compliance and as such develops, maintains, and manages the Marubeni Group's compliance structure.	Representative Director and Senior Managing Executive Officer <b>Mutsumi Ishizuki</b>	In principle, held four times a year and as needed. Number of meetings in the fiscal year ended March 31, 2021: four
<b>Sustainability Management Committee</b>	The committee deals with the identification and periodic review of "Materiality" which takes into account the ESG (environmental value, social value and governance) point of view as it pertains to business fields as a whole and also deliberates matters related to sustainability, including ESG support and reports it to the Board of Directors.	Representative Director and Managing Executive Officer <b>Takayuki Furuya</b>	In principle, held one time a year and as needed. Number of meetings in the fiscal year ended March 31, 2021: five
<b>Internal Control Committee</b>	Monitors the development and implementation of basic internal control policies under the Companies Act, as well as drafting revisions when necessary. Also establishes, operates, and verifies the effectiveness of internal control systems for financial reports in accordance with the Financial Instruments and Exchange Act, and drafts internal control reports.	Representative Director and Senior Managing Executive Officer <b>Mutsumi Ishizuki</b>	Held as needed Number of meetings in the fiscal year ended March 31, 2021: two
<b>Disclosure Committee</b>	Creates disclosure principles and policies, ensures that internal systems concerning legally mandated and timely disclosure are in place, and decides the importance and appropriateness of the information targeted for legally mandated or timely disclosure.	Representative Director and Managing Executive Officer <b>Takayuki Furuya</b>	Held as needed Number of meetings in the fiscal year ended March 31, 2021: 15

## Appointment of Directors and Audit & Supervisory Board Member Candidates, Policies and Procedure for Appointment and Dismissal of Senior Management

### Appointment Criteria for Director Candidates

For directors, the Corporation appoints internal and external human resources having considerable insight and expertise fostered through ample experience in the Corporation's diversified business activities or in the respective industries to ensure swift and efficient decision-making and appropriate supervisory function in its management.

### Appointment Criteria for Audit & Supervisory Board Member Candidates

For Audit & Supervisory Board members, the Corporation appoints internal and external human resources having insight of the Corporation's management and considerable expertise and ample experience in financial affairs, accounting, law and risk management fields to ensure appropriate supervisory function.

Based on the deliberations and reports of the Nomination Committee, the proposal of candidates for directors and members of the Audit & Supervisory Board finalized through the resolution by the Board of Directors is submitted to the General Meeting of Shareholders.

### Appointment Criteria for Group CEOs, the CDIO, CAO, CFO, and CSO

The Corporation appoints Group CEOs, the CDIO, the CAO, the CFO, and the CSO from a pool of individuals both internally and externally. Those appointed from both inside and outside the Corporation are recognized as having outstanding expert knowledge, abundant business experience, and insight into the general management of trading companies and global business, and as being able to play appropriate roles such as making decisions on important matters for the Corporation, supervising business execution, and other such roles. The appointment of Executive Officers is decided through a resolution by the Board of Directors.

### Appointment Criteria for Executive Officers

The Corporation appoints executive officers from human resources responsible primarily for roles that maximize the medium- to long-term value of the Marubeni Group. The appointment of executive officers is decided through a resolution by the Board of Directors.

Decisions on the dismissal of the President or other executive officers and the removal from office of the representative director shall be made by the Board of Directors in case any of them violates laws or regulations, or in cases it is clearly acknowledged that their functions are not being manifested.

## Policy on the Holding and Reduction of Cross-Shareholdings (Listed General Investment Shares\*)

Marubeni Group conducts diversified business activities across a broad range of sectors through domestic and overseas networks. Cooperative relationships with a variety of companies are essential to its operations. The Company annually reviews the overall significance of holding each of its cross-shareholdings based on a comprehensive assessment of quantitative metrics (return on investment (income/loss divided by acquisition cost) compared against the Company's weighted-average cost of capital) and qualitative factors (e.g., maintaining or strengthening relationships with investee companies through equity ownership). The Board of Directors verifies the findings of this review. In principle, cross-shareholdings are sold if it is decided that holding them is no longer significant. Sales of cross-shareholdings are reported to the Board of Directors in the fiscal year following the decision to sell.

\* General investment shares are equity investments owned for a purpose other than as a pure investment.

## Standard on Exercising Voting Rights for Cross-Shareholdings (Listed General Investment Shares)

When exercising voting rights on listed shares owned as cross-shareholdings, the Company makes voting decisions primarily from the standpoint of medium- to long-term improvement in the investee company's corporate value.

## Marubeni Group Governance Policy

The Corporation has many group companies that span a wide variety of businesses all across the globe. As such, the Corporation respects the autonomy of these group companies, while also remaining responsible for the business management and monitoring of them as shareholder and business owner, and striving for the improvement and optimization of corporate value for the entire Marubeni Group. Furthermore, the group companies are also responsible for executing management, based on the policies, strategies and goals of the Marubeni Group, that will contribute to improving and optimizing corporate value. The Corporation (i) shares and disseminates Marubeni Group management policy, (ii) builds and strengthens group governance through the clarification of the abovementioned responsibilities, and (iii) maintains and plans the codification of necessary systems, policies and rules. As such, the Corporation established and adopted the "Marubeni Group Governance Policy" in April 2017 for group companies, and is advancing the dissemination and credentials of group governance.

## Training for Directors and Audit & Supervisory Board Members

Directors and Audit & Supervisory Board members are provided with the information they need to perform their duties in an appropriate and timely manner, by the Corporate Planning & Strategy Department, Executive Department, Audit & Supervisory Board Members' Office, and so on, playing central roles in this regard. Also, directors and Audit & Supervisory Board members are able to participate in meetings and seminars as necessary, at the Corporation's cost. In addition, in advance of meetings of the Board of Directors, outside officers are given briefings regarding management issues, execution status, agenda, and so on.

Furthermore, at the Committee of Executive Officers and so on, reports on the economic situation are given on a regular basis by Economic Research Institutes, and an effort is made to share information. Outside officers are also given opportunities to receive explanations from COOs regarding distributions of operations, issues, and project implementation status at each division.

### FYE 3/2021 Key Achievements

#### Training and provision of information to deepen understanding of the external environment

- Lecture from outside lawyer to outside officers about "The general shareholder meeting with COVID-19 and after" (June 2020)
- DX program for directors and Audit & Supervisory Board members from the CTO (Chief Technical Officer) of an external corporation (February 2021)
- Provision of information to directors and Audit & Supervisory Board members about the economic environment from the Economic Research Institute (at least quarterly, more frequently if necessary)

#### Training and provision of information to deepen understanding of the Corporation

- Explanation from each business division and each corporate staff department to new outside officers of distributions of operations, issues, and project implementation status at each division (May-June 2020)
- Status updates on the Corporation and promotion of mutual understanding through Audit & Supervisory Board members' regular meetings with the Chairman of the Board, the President, CSO/CDIO, CFO, and CAO respectively (outside directors attend as appropriate), and through free discussion among outside directors, the Chairman of the Board and the President (held 12 times in total)
- Explanation of agendas in advance of Board of Directors meetings to outside officers from the Corporate Planning & Strategy Department and Legal Department (as necessary)
- Sharing of details of interviews of executive departments conducted by inside Audit & Supervisory Board members to outside Audit & Supervisory Board members (as necessary)

\* Site visits held in FYE 3/2020 are noted below (not held in FYE 3/2021 due to the COVID-19 pandemic).

- Visited Senoko Energy company in Singapore (September 2019)  
Held meetings with management members and representatives of Senoko, a power generation and retail power and gas company, and visited related facilities, as well as staff dispatched to Singapore by the Company. Four outside officers participated.

## Directors' and Audit & Supervisory Board Members' Compensation

### Compensation for Directors and Audit & Supervisory Board Members

Maximum total remuneration shall be determined for all directors and all Audit & Supervisory Board members, respectively, by resolution at a General Meeting of Shareholders. As for policies to decide compensation and other payment for individual directors, the Governance and Remuneration Committee, with the majority of its members consisting of independent outside directors and Audit & Supervisory Board members, deliberates on the policies for compensation decisions and the appropriateness of compensation levels, and reports to the Board of Directors. The compensation amount is determined by resolution of the Board of Directors. The remuneration amount for Audit & Supervisory Board members is determined through discussions among the Audit & Supervisory Board members.

The composition of, and policies for setting, directors' and Audit & Supervisory Board members' compensation are as follows:

(As of June 24, 2021)

Position	Applicable Individuals	Compensation Policies	Compensation-Setting Method
Directors: 13	(Inside) Directors: seven	Directors and executive officers are compensated in part with performance-based compensation <ul style="list-style-type: none"> <li>To better align compensation with the GC2021 Medium-Term Management Strategy's management targets, the indicator used is the sum of 50% of consolidated net profit and 50% of core operating cash flow*.</li> <li>Beginning in FYE 3/2022, to give eligible directors an incentive to work to sustainably enhance the corporate value of the Corporation in the medium to long term, thereby enhancing future market value, and promoting greater value sharing with shareholders, directors and executive officers are paid 20% of their total basic and performance-based compensation in the form of restricted stock (shares with restriction on transfer) instead of cash. (At the same time, the Corporation discontinued the former stock-compensation-type stock options.)</li> </ul> Introduced Performance Share Units (shares issued or disposed in accordance with the achievement of targets linked to market value growth rate and other performance indicators) <ul style="list-style-type: none"> <li>Beginning in FYE 3/2022, to give eligible directors further incentive to enhance future market value, the Corporation is granting Performance Share Units. (At the same time, the Corporation discontinued the former compensatory stock options subject to market-capitalization-based exercisability conditions.)</li> </ul>	<ul style="list-style-type: none"> <li>The annual remuneration pool is not to exceed ¥1,100 million for directors (including pool of ¥120 million for outside directors) (Resolution of the 96th General Meeting of Shareholders on June 19, 2020)</li> <li>The total amount of compensation and other payment to directors (excluding outside directors) for the granting of Restricted Stock and Performance Share Units is up to a maximum of ¥180 million per year for Restricted Stock and up to a maximum of ¥120 million per year for Performance Share Units (Resolution of the 97th General Meeting of Shareholders on June 24, 2021)</li> </ul>
	Outside Directors: six		
Audit & Supervisory Board Member: Five	(Inside) Audit & Supervisory Board members: two	<ul style="list-style-type: none"> <li>Outside non-executive directors and Audit &amp; Supervisory Board members' compensation consists solely of fixed basic compensation. They receive no performance-based compensation.</li> <li>They are not eligible for the granting of Restricted Stock or Performance Share Units.</li> </ul>	<ul style="list-style-type: none"> <li>The monthly remuneration pool is not to exceed ¥12 million for Audit &amp; Supervisory Board members. (Resolution of the 88th General Meeting of Shareholders on June 22, 2012)</li> </ul>
	Outside Audit & Supervisory Board members: three		

\* Core operating cash flow: Operating cash flow excluding net increase/decrease in working capital and others.

### (Inside) Directors' Compensation

Compensation Type	Description	Fixed/Variable	Form of Payment
① Basic compensation	<ul style="list-style-type: none"> <li>Basic compensation that varies based on individual directors' positions</li> </ul>	Fixed	
② Performance-based compensation	<ul style="list-style-type: none"> <li>Compensation linked to consolidated business performance in the previous business year</li> <li>Performance-based compensation is an amount of basic compensation multiplied by a factor</li> <li>The factor to be applied is determined based on the "sum of 50% of the consolidated net income and 50% of the core operating cash flow for the previous business year." If the sum is below ¥100 billion, the factor is 0. If the sum is ¥100 billion or more, the factor proportionally increases (an increase of approx. 2 percentage points per increase of 5 billion yen)</li> </ul>	Variable	80% cash 20% Restricted Stock
③ Bonuses	<ul style="list-style-type: none"> <li>Director bonuses</li> <li>Representative directors are paid representative director bonuses in addition to director bonuses</li> </ul>	Fixed	
④ Individual evaluation-based compensation	<ul style="list-style-type: none"> <li>Organization's performance evaluation: The evaluation item is whether the consolidated net income target is achieved or not. The amount in which organization's performance evaluation is reflected is calculated by multiplying basic compensation by the ratio determined by the Board of Directors corresponding to the achievement/non achievement</li> <li>Qualitative evaluation by the President: Qualitative evaluation by the President takes into consideration business results in the fiscal year, medium- to long-term contribution, such as efforts and initiatives for new value creation toward the future, etc. The amount in which qualitative evaluation by the President is reflected is calculated by multiplying basic compensation by the ratio to reflect the qualitative evaluation by the President, which is within the range determined by the Board of Directors</li> </ul>	Variable	Cash
⑤ Performance Share Units	<ul style="list-style-type: none"> <li>Up to 1.5 times an amount equivalent to 10% of base annual compensation is allotted as Performance Share Units on top of the base compensation. Performance Share Units refers to the Corporation's common shares that the Corporation will issue to Eligible Directors (or dispose of) in accordance with the achievement of targets linked to market value growth rate and other performance indicators predetermined by the Corporation's Board of Directors</li> <li>(i) When Marubeni's market value growth rate** does not exceed the TOPIX (Tokyo Stock Price Index) growth rate*: zero</li> <li>(ii) When Marubeni's market value growth rate is equal to or exceeds the TOPIX growth rate: percentage determined by the following categories                             <ul style="list-style-type: none"> <li>When Marubeni's market value growth rate exceeds 150%: 1</li> <li>When Marubeni's market value growth rate exceeds 100% and does not exceed 150%: Marubeni's market value growth rate / 150%</li> <li>When Marubeni's market value growth rate does not exceed 100%: zero</li> </ul> </li> </ul>	Variable	Performance Share Units Restricted Stock

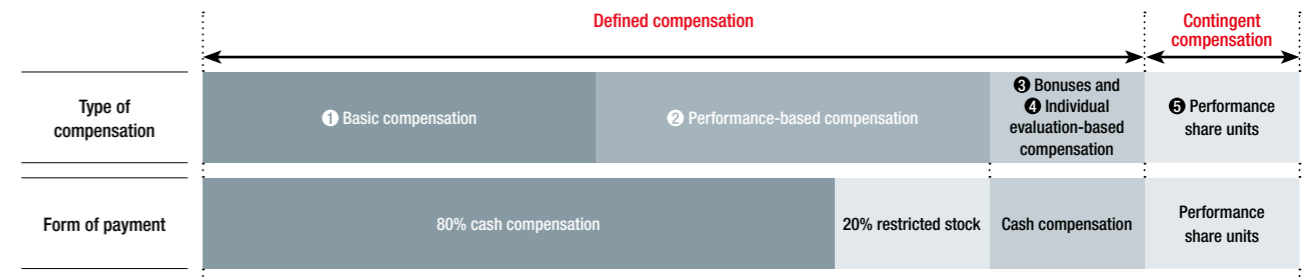
\*1. "Market value growth rate" refers to Marubeni's market value growth rate during the Performance Evaluation Period and is calculated by the following formula:  
Marubeni's market value growth rate = A / B

A: The average of the market value which is calculated by multiplying the closing price of Marubeni's common stocks on the Tokyo Stock Exchange by the number of issued shares after subtracting treasury shares on each day for the three months immediately preceding the last date (inclusive) of the Performance Evaluation Period.  
B: The average of the market value which is calculated by multiplying the closing price of Marubeni's common stocks on the Tokyo Stock Exchange by the number of issued shares after subtracting treasury shares on each day for the three months immediately preceding the day before the first date (inclusive) of the Performance Evaluation Period.

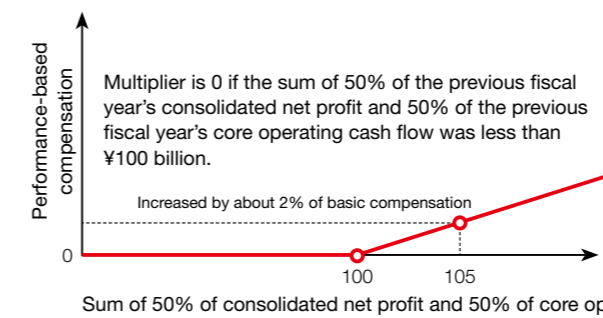
\*2. "TOPIX (Tokyo Stock Price Index) growth rate" refers to the TOPIX growth rate during the Performance Evaluation Period and shall be calculated by the following formula:  
The TOPIX growth rate = C / D

C: The average of the closing price for the TOPIX on the Tokyo Stock Exchange on each day for the three months immediately preceding the last date (inclusive) of the Performance Evaluation Period.  
D: The average of the closing price for the TOPIX on the Tokyo Stock Exchange on each day for the three months immediately preceding the day before the first date (inclusive) of the Performance Evaluation Period.

### (Inside) Directors' Compensation Mix



### Performance-based Compensation Formula



If the sum of 50% of the previous fiscal year's consolidated net profit (profit attributable to owners of the parent) and 50% of the previous fiscal year's core operating cash flow was at least ¥100 billion, performance-based compensation is equal to basic compensation multiplied by a multiplier that increases in proportion to said sum (i.e., by approximately 2 percentage points per ¥5 billion)

### Total Compensation and Other Payment for Directors and Audit & Supervisory Board Members in the FYE 3/2021

Category	Number of recipients	Amount of payment (Millions of yen)	Breakdown (Millions of yen)				
			Basic compensation*	Performance-based compensation*	Stock-compensation-type stock options	Stock-compensation-type stock options subject to market-capitalization-based exercisability conditions	
Directors	inside directors	7	374	292	—	70	12
	Outside directors	6	86	86	—	—	—
	Total	13	460	378	—	70	12
Audit & Supervisory Board members	Inside Audit & Supervisory Board members	2	80	80	—	—	—
	Outside Audit & Supervisory Board members	5	51	51	—	—	—
	Total	7	131	131	—	—	—

\* The amounts presented for basic compensation and performance-based compensation are the total amounts of cash compensation and do not include stock-compensation-type stock options.

\*1. Rounded to the nearest million.

\*2. Basic compensation includes bonuses and individuals' evaluation-based compensation.

\*3. Limits to the amount of executive compensation determined by a resolution of the General Meeting of Shareholders are as follows: "Annual pool not to exceed ¥1,100 million for directors (including pool of ¥120 million for outside directors)" (at the 96th General Meeting of Shareholders held on June 19, 2020, applicable to 11 directors (of which five are outside directors)); "Monthly pool not to exceed ¥12 million for Audit & Supervisory Board members" (at the 88th General Meeting of Shareholders held on June 22, 2012, applicable to five Audit & Supervisory Board members); and annual stock-compensation-type stock options" not to exceed ¥220 million for directors (excluding outside directors)" (at the 92nd General Meeting of Shareholders held on June 24, 2016, applicable to six directors). At the 97th General Meeting of Shareholders held on June 24, 2021, a resolution to newly introduce a system for paying Restricted Shares and Performance Share Units to directors (excluding outside directors) was approved, applicable to 18 directors.

\*4. The above numbers include two directors who retired during the fiscal year ended March 31, 2021 (including one outside director) and two outside Audit & Supervisory Board members. As of the end of the fiscal year ended March 31, 2021, there were 11 directors (including five outside directors) and five Audit & Supervisory Board members (including three outside Audit & Supervisory Board members).

\*5. The above compensation and other payment amounts indicate the amount of compensation related to stock acquisition rights granted as stock options to seven directors (excluding outside directors) that were recorded as accounting expenses in the fiscal year ended March 31, 2021.

\*6. The Company submitted a resolution to abolish its system of retirement bonuses for executives at the conclusion of the 83rd General Meeting of Shareholders, held on June 22, 2007, with abolishment accompanied by the decision to close out and pay any remaining retirement bonuses associated with the system. The Company will make these payments to directors and Audit & Supervisory Board members who are eligible under the resolution, paying directors when they have retired both from their directorship and any held post as executive officer, and paying Audit & Supervisory Board members upon their retirement. Regarding directors and Audit & Supervisory Board members eligible to receive a final payment in relation to the abolition of the Retirement Remuneration plan, no retirement remuneration was paid in the fiscal year ended March 31, 2021.

### Individuals to Whom the Total Amount of Compensation Paid Exceeded ¥100 Million for the Fiscal Year Ended March 31, 2021

No individuals to whom the total amount of compensation paid exceeded ¥100 million in the fiscal year ended March 31, 2021.

# Internal Control

Marubeni seeks to steadily increase and maximize corporate value through business activities that are in accordance with its Company Creed and Management Philosophy, and to steadily and continuously build and expand the entire Group's business foundation. To this end, Marubeni has established internal control systems.

## Basic Policy

Marubeni's internal control systems serve as a rational process to ensure improvement of efficiency of business operations, accurate financial reporting to stakeholders, compliance with applicable laws and regulations, safeguarding of assets, and appropriateness of corporate activities. Marubeni regularly reviews this internal control systems based on its structure and operation status to respond to changes in social conditions and the business environment.

In accordance with the Companies Act and its implementation guidelines, Marubeni has established a Basic Internal Control Policy, which helps to ensure that all business activities are conducted appropriately. Each year, Marubeni confirms the content and implementation of this policy, and implements improvements when necessary. With regard to the internal control report mandated under the Financial Instruments and Exchange Act, the Internal Control Committee conducts evaluations as stipulated in the practical standards. As in the year ended March 31, 2020, we submitted our internal control report for the year ended March 31, 2021, which concluded that, "internal control is effective."

Please refer to the corporate website for information on the Company's Basic Internal Control Policy.  
[https://www.marubeni.com/en/company/governance/measure/internal\\_control/](https://www.marubeni.com/en/company/governance/measure/internal_control/)



### Basic Internal Control Policy (Key Items)

- ① Systems necessary to ensure that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation
- ② Systems to preserve and manage information related to the execution of duties by Directors
- ③ Internal regulations for the risk management of losses and other related systems
- ④ Systems necessary to ensure the efficient execution of duties by Directors
- ⑤ Systems necessary to ensure the appropriateness of operations by the Group
- ⑥ Matters concerning employees assisting the duties of Audit & Supervisory Board Members, and matters concerning the independence of these employees from Directors
- ⑦ Systems for Directors and employees to report to Audit & Supervisory Board Members, and other systems for reports to Audit & Supervisory Board Members
- ⑧ Other systems necessary to ensure effective audits by Audit & Supervisory Board Members

# Risk Management

As the business environment surrounding Marubeni changes daily and uncertainties increase, Marubeni's competitiveness is key to appropriately responding to change and clearly identifying opportunities and risks as they appear.

As it engages in a broad range of business activities globally, Marubeni manages diverse risks from multiple approaches, such as macro, micro, quantitative and qualitative perspectives. The Company has created a basic policy and internal rules for managing risks from each perspective, and keeps up to date its organizations, management structures and management methods to enable effective risk management.

## Basic Policy

### 1 Management Framework for Business Projects

For individual deals such as significant business investments, Marubeni has a risk management regime spanning every step from entry through exit-based consensus decision-making and monitoring.

With regard to new deals, business groups must first submit project summaries and business plans. In response, the relevant corporate staff groups submit opinions on the result of risk analyses from both a quantitative and qualitative perspective. They are then discussed by the Investment and Credit Committee.

The Investment and Credit Committee applies PATRAC\*, the risk-adjusted profit after tax, as one guideline for quantitatively evaluating the deal while taking into account the feasibility of individual deals, risk analyses and company-wide concentration risks. The deal is then forwarded to the Corporate Management Committee for further scrutiny and approved by the President. Deals that exceed a certain materiality threshold are approved by a Board of Directors' resolution.

Once an investment has been made, the business group monitors it. Highly material investments, however, are monitored

\* PATRAC (Profit After Tax less Risk Asset Cost): A performance indicator developed by Marubeni to measure the extent to which returns exceed a minimum risk-adjusted return target

more closely to facilitate early problem detection and corrective action. The Investment and Credit Committee, Corporate Management Committee and the Board of Directors periodically receive reports on the current status of investments. The strategic, growth and profit potential of these investments is examined, with necessary investments considered from a variety of multifaceted angles and the determination regarding whether to revise and move forward or with-draw made in accordance with a consensus-based decision-making process.

For more details, please refer to Concerning the Decision-making Processes for New Investments and Asset Recycling on P.27.

## 2 Addressing Quantitative Risks

### Integrated Risk Management

Marubeni practices integrated risk management across its diverse operations spanning a broad range of sectors and geographic areas. Its integrated risk management incorporates both a macro view of the entire Group and a micro focus on individual risks. In conducting integrated risk management encompassing all of its Group assets, Marubeni prepares for unforeseen circumstances by measuring maximum downside risk (risk assets) in the value of assets owned by the Marubeni Group, classifying risk attributes in terms of risk exposure by country, industry and customer credit rating.

### Credit Risk Management

Marubeni analyzes counterparties' credit risk both quantitatively and qualitatively and manages its credit risk in accordance with the degree of risk involved. Specifically, Marubeni uses a credit scoring model based on its own proprietary algorithms and ranks customers in terms of creditworthiness based on their financial statement data and other relevant considerations, such as country risk and creditworthiness, including that of the parent company.

Utilizing these creditworthiness rankings together with qualitative assessments, Marubeni sets credit limits for individual counterparties. Marubeni also calculates allowances for credit losses based on collection periods, seeks to earn returns commensurate with risk and takes precautions against losses.

### Market Risk Management

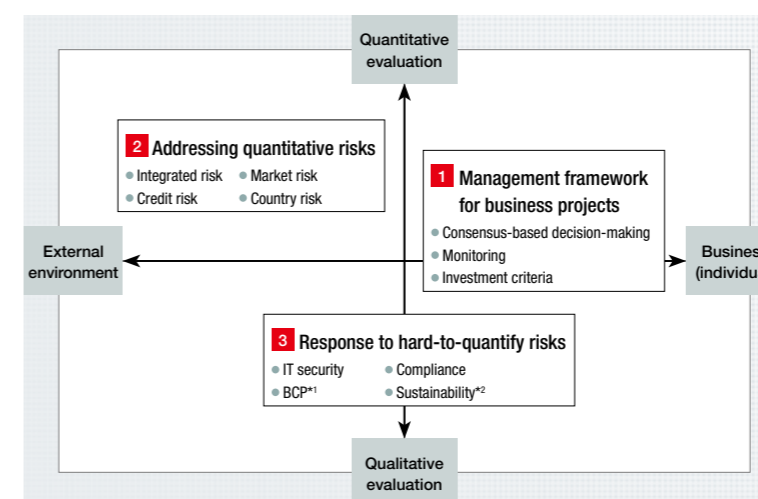
Marubeni's operations are exposed to the risk of fluctuations in market factors, such as commodities, foreign exchange rates and interest rates. Marubeni has designated departments in charge of managing risks, and each one measures the potential impact of each risk on earnings, and ways to deal with these risks.

Crude oil, natural gas, grains and other commodities pose a risk of substantial earnings volatility due to market price fluctuations. To avoid excessive risk exposure to any single commodity market, Marubeni manages the risk of such commodity price fluctuations by managing its commodity market positions that have commodity-by commodity basis limits, and by regularly monitoring its positions in every commodity it trades.

### Country Risk Management

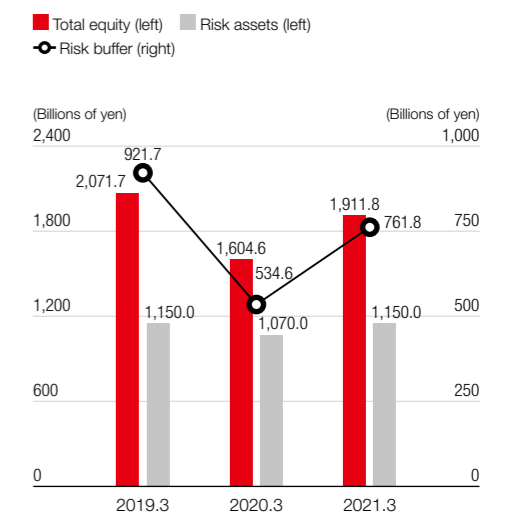
Recognizing and managing the positive or negative impacts of unfolding events on individual countries and businesses amid an ever-changing, increasingly complex global business environment has become more important than ever for Marubeni, given its ongoing aggressive investment in overseas businesses. Marubeni currently categorizes countries based on their degree of risk in hypothetical scenarios in which financial risk escalates simultaneously across multiple countries. Marubeni manages both its overall exposure to each category of countries and the risk of concentrated exposure to any single country or region, the latter by controlling its exposure to individual countries. The Company aims to balance risks and returns by setting earnings standards for each country classification.

## Overview of Marubeni's Risk Management



\*1. For details, please refer to Building Resilience to Changes in the Operating Environment: Our Response to COVID-19 on P.65.  
 \*2. For details, please refer to Sustainability section on PP.48-69.

## Risk Assets and Risk Buffer



### 3 Response to Hard-to-Quantify Risks

For hard-to-quantify risks, such as compliance risk, Marubeni has structures in place to prevent such risks from materializing, by reinforcing corporate governance, updating internal control systems and strengthening the compliance structure.

#### 3-1. IT Security

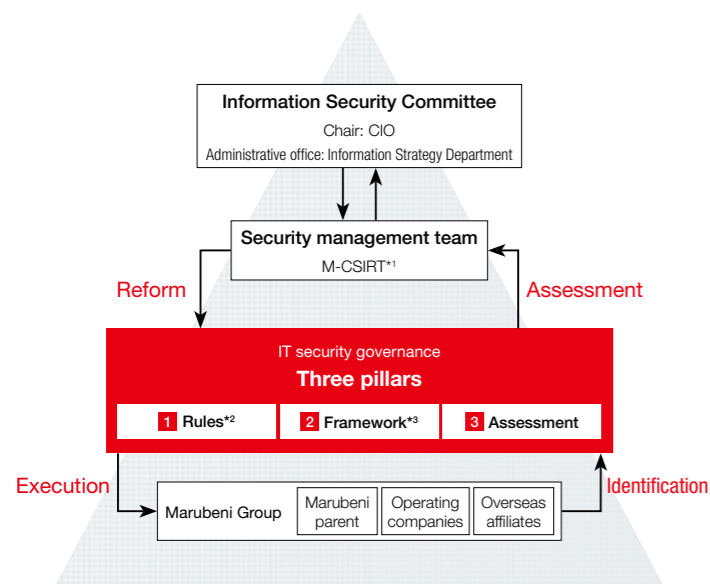
Marubeni aims to reduce Groupwide security risks through an IT security governance framework.

Marubeni has established the Information Security Committee, chaired by the CIO, to formulate response policies and identify security issues. The Company has also created systems for responding to security incidents with security management teams (M-CSIRT) that comprehensively take care of incidents.

Marubeni recognizes the importance of appropriately managing information assets and ensuring a high level of IT security.

(1) IT governance rules for information security are shared among and strictly followed by Group companies. (2) In principle, all Group companies are provided with secure, shared IT services based on these rules. (3) Assessments of compliance with IT governance rules are periodically conducted.

#### IT Security Governance Framework



\*1 Dedicated security team for the entire Marubeni Group, in charge of planning measures and responding cyberattacks.  
 \*2 IT governance rules shared among the Group are IT and security rules that the Marubeni Group must follow.  
 \*3 IT services shared among the Group, comprising networks, services that ensure the security of PCs, and sales support services.

### 3-2. Compliance

#### Basic Policy

As it advances its global operations, Marubeni acts in accordance with the belief that compliance goes beyond merely following the letter of the law. In its truest sense, compliance means corporations—as good members of society—practicing high levels of ethics, living up to the expectations of stakeholders, and fulfilling their social responsibilities. To achieve this type of compliance, Marubeni is reinforcing and regularly improving its compliance systems through reviewing and sharing violation cases under the guidance of the Compliance Committee, which is overseen by the President and CEO. We have also established the specialized Compliance Control Department and are constructing compliance systems and spreading awareness with an emphasis on preventing the occurrence of serious economic crimes within the Group. Going forward, we will continue to strengthen global compliance systems that encompass all Group companies.

#### Stringent Application of the Compliance Manual

Part of the Marubeni Group's Company Creed is "Fairness." This symbolizes our pledge to always conduct ourselves in a fair and upright manner. We have defined Marubeni's stance on compliance as: "When you are faced with a choice between integrity and profit, choose integrity without hesitation." Based on this stance, Marubeni has compiled the Marubeni Group Compliance Manual, which specifies the standards of behavior that Group employees are expected to follow in all their daily work activities. Every year, the Company's executives and employees, as well as the presidents of all domestic Marubeni Group companies, make a written statement to adhere to the code expressed in this manual. As of October 2020, the Compliance Manual, now in its 17th edition, is available in English as well as Japanese, and can be viewed on the Company's website.



Compliance Manual

For details on the Compliance Manual, visit our website: [https://www.marubeni.com/en/company/governance/measure/compliance/manual/pdf/compliance\\_manual\\_2020\\_en.pdf](https://www.marubeni.com/en/company/governance/measure/compliance/manual/pdf/compliance_manual_2020_en.pdf)



#### Marubeni Group Anti-Corruption Policy

The Marubeni Group places utmost priority on compliance and deems trade which requires corrupt practice to win orders is not only unnecessary for but also contrary to the interest of the Group.

As a member of global corporations, the Marubeni Group is seriously committed to prevention of bribe-giving. With the aim of helping officers and employees of the Marubeni Group all over the world to soundly deliver on their anti-bribery commitment, we have established the "Anti-Corruption Handbook" which should be commonly observed by all officers and employees. In addition, in order to thoroughly manage the bribery risk, we distribute the following policy to our business partners and ask for their cooperation in our anti-corruption due diligence. Moreover, Group companies are subject to periodic audits and theme-based audits by the Audit Department in order to ensure measures to prevent bribery are being properly implemented across the Marubeni Group.

For details on the Marubeni Group Anti-Corruption Policy, visit our website: [https://www.marubeni.com/en/company/governance/measure/compliance/policy\\_en.pdf](https://www.marubeni.com/en/company/governance/measure/compliance/policy_en.pdf)



#### Compliance Access Points

If any director or employee of a Marubeni Group Company becomes aware of any conduct that is (or that is suspected of being) contrary to the compliance system, that conduct should be reported in accordance with the established guidelines of the appropriate organization. If the usual lines of reporting are not functioning properly for any reason, the following access points.

#### (1) Marubeni Hotline (formerly, "Door of Courage")

The "Marubeni Hotline" (formerly, "Door of Courage") is the Compliance Access Point for general compliance matters. It is available to the directors and employees of our Group Companies. To make a report or seek a consultation using the "Marubeni Hotline," you may contact any of the below.

- Compliance Committee
- Outside legal counsel

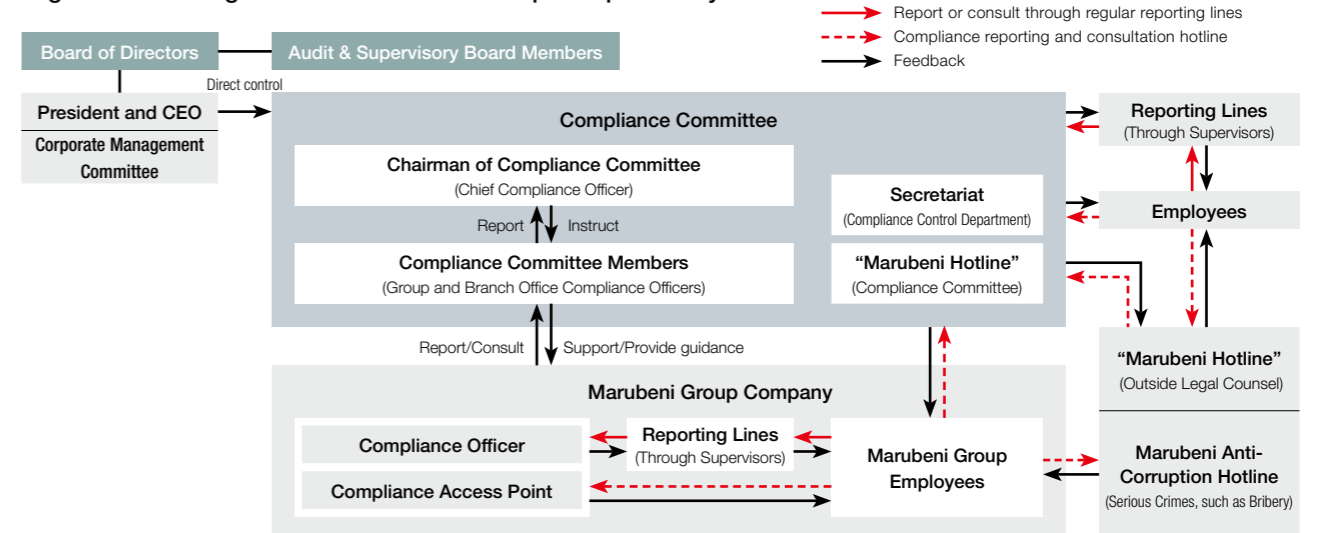
#### (2) Marubeni Anti-Corruption Hotline

The "Marubeni Anti-Corruption Hotline" is the Compliance Access Point for concerns relating to bribery and other serious crimes. It is available to the directors and employees of Marubeni Group Companies and our business partners.

#### Compliance Education and Training

The Marubeni Group conducts compliance education and training programs throughout its organization. Specifically, Marubeni conducts training programs in accordance with the Marubeni Group Compliance Manual. We conduct e-Learning programs, role playing, case studies and group training sessions to teach employees about general compliance topics, anti-bribery precautions, and cartel countermeasures. In addition, the Chairman of the Compliance Committee and representatives from the Compliance Control Department make periodic visits to Group companies and overseas offices to raise awareness of compliance through dialogue and other measures. With operations around the world, Marubeni engages in cross-border projects, and must strictly comply with the anti-corruption laws and competition laws of each country. The executives and employees involved in these projects constantly shared the latest information about laws and regulations, by publishing memos, and so on.

#### Organizational Diagram for the Marubeni Group Compliance System





# Corporate Management

As of June 24, 2021

## Members of the Board



### Fumiya Kokubu

Director, Chairman of the Board

No. of years served as Director	9 years
Attendance at meetings of the Board of Directors	100% (18/18)
Current shareholdings in the Corporation*1	213 thousand shares
Potential shareholdings in the Corporation*1	207 thousand shares
Total shareholdings in the Corporation*1	421 thousand shares

Apr. 1975: Joined Marubeni Corporation  
 Apr. 2005: Executive Officer  
 Jun. 2008: Managing Executive Officer, Member of the Board  
 Apr. 2010: Senior Managing Executive Officer  
 Jun. 2012: Senior Executive Vice President, Member of the Board  
 Apr. 2013: President and CEO, Member of the Board  
 Apr. 2019: Chairman of the Board (Current)  
 Status of Important Concurrent Occupations or Positions at Other Organizations:  
 Member of the Board, TAISEI CORPORATION  
 Director, Honda Motor Co., Ltd.



### Ichiro Takahara

Director, Vice Chairman

No. of years served as Director	2 years
Attendance at meetings of the Board of Directors	100% (18/18)
Current shareholdings in the Corporation*1	21 thousand shares
Potential shareholdings in the Corporation*1	147 thousand shares
Total shareholdings in the Corporation*1	168 thousand shares

Apr. 1979: Joined the Ministry of International Trade and Industry (MITI)  
 Jul. 2009: Director-General, Kanto Bureau of Economy, Trade and Industry, METI  
 Jul. 2010: Commission, Small and Medium Enterprise Agency, METI  
 Sep. 2011: Commission, Agency for Natural Resources and Energy, METI (Resigned in Jun. 2013)  
 Oct. 2013: Advisor of Marubeni Corporation  
 Jun. 2014: Managing Executive Officer, Member of the Board  
 Jun. 2016: Managing Executive Officer  
 Apr. 2017: Senior Managing Executive Officer  
 Jun. 2019: Senior Executive Vice President, Member of the Board  
 Apr. 2020: Vice Chairman, Member of the Board (Current)



### Takao Kitabata

External (Independent) Director

No. of years served as Director	8 years
Attendance at meetings of the Board of Directors	94.4% (17/18)
Current shareholdings in the Corporation*1	—
Potential shareholdings in the Corporation*1	—
Total shareholdings in the Corporation*1	—

Jul. 2002: Deputy Vice-Minister, the Ministry of Economy, Trade and Industry  
 Jun. 2004: Director-General, Economic and Industrial Policy Bureau  
 Jul. 2006: Vice-Minister of Economy, Trade, and Industry (Resigned in Jul. 2008)  
 Jun. 2010: Audit & Supervisory Board Member of Marubeni Corporation  
 Director, Kobe Steel, Ltd. (Current)  
 Jun. 2013: Member of the Board of Marubeni Corporation (Current)  
 Chairman of the Board, Sanda Gakuen  
 Apr. 2014: Principal, Sanda Gakuen  
 Jun. 2014: Director, Seiren Co., Ltd. (Current)  
 Director, Zeon Corporation (Current)  
 Apr. 2020: President, KAISHI PROFESSIONAL UNIVERSITY, Niigata Sogo Gakuin Academic Corporation (Current)



### Kyohei Takahashi

External (Independent) Director

No. of years served as Director	5 years
Attendance at meetings of the Board of Directors	100% (18/18)
Current shareholdings in the Corporation*1	—
Potential shareholdings in the Corporation*1	—
Total shareholdings in the Corporation*1	—

Mar. 2002: Managing Director, Showa Denko K.K.  
 Mar. 2004: Senior Managing Director, Showa Denko K.K.  
 Jan. 2005: Representative Director, President, Showa Denko K.K.  
 Jan. 2007: Representative Director, President and Chief Executive Officer (CEO), Showa Denko K.K.  
 Jan. 2011: Representative Director, Chairman of the Board, Showa Denko K.K.  
 Jun. 2014: Audit & Supervisory Board Member of Marubeni Corporation  
 Mar. 2015: Director, Chairman of the Board, Showa Denko K.K.  
 Jun. 2016: Member of the Board of Marubeni Corporation (Current)  
 Jul. 2016: Audit & Supervisory Board Member, Fukoku Mutual Life Insurance Company (Current)  
 Mar. 2017: Executive Advisor, Showa Denko K.K. (Current)



### Masumi Kakinoki

Representative Director, President and CEO

No. of years served as Director	3 years
Attendance at meetings of the Board of Directors	100% (18/18)
Current shareholdings in the Corporation*1	107 thousand shares
Potential shareholdings in the Corporation*1	174 thousand shares
Total shareholdings in the Corporation*1	281 thousand shares

Apr. 1980: Joined Marubeni Corporation  
 Apr. 2010: Executive Officer  
 Jun. 2013: Managing Executive Officer, Member of the Board  
 Apr. 2014: Managing Executive Officer  
 Apr. 2017: Senior Managing Executive Officer  
 Apr. 2018: Senior Executive Vice President, Member of the Board  
 Apr. 2019: President and CEO, Member of the Board (Current)



### Akira Terakawa

Representative Director, Senior Executive Vice President

No. of years served as Director	—
Current shareholdings in the Corporation*1	66 thousand shares
Potential shareholdings in the Corporation*1	122 thousand shares
Total shareholdings in the Corporation*1	189 thousand shares

Apr. 1981: Joined Marubeni Corporation  
 Apr. 2010: Executive Officer  
 Apr. 2013: Managing Executive Officer  
 Jun. 2014: Managing Executive Officer, Member of the Board  
 Jun. 2016: Managing Executive Officer  
 Apr. 2018: Senior Managing Executive Officer  
 Apr. 2021: Senior Executive Vice President, Member of the Board, Chief Executive Officer, Food, Agriculture & Chemicals Group; Vice Chairman of Investment and Credit Committee (Current)  
 Status of Important Concurrent Occupations or Positions at Other Organizations:  
 Director, United Super Markets Holdings Inc.



### Yuri Okina

External (Independent) Director

No. of years served as Director	4 years
Attendance at meetings of the Board of Directors	94.4% (17/18)
Current shareholdings in the Corporation*1	—
Potential shareholdings in the Corporation*1	—
Total shareholdings in the Corporation*1	—

Jun. 2006: Research Director, The Japan Research Institute, Limited  
 Mar. 2014: Director, Bridgestone Corporation (Current)  
 Jun. 2014: Vice Chairman, The Japan Research Institute, Limited  
 Jun. 2017: Member of the Board of Marubeni Corporation (Current)  
 Apr. 2018: Chairperson, The Japan Research Institute, Limited (Current)



### Takashi Hatchoji

External (Independent) Director

No. of years served as Director	1 years
Attendance at meetings of the Board of Directors	100% (12/12)
Current shareholdings in the Corporation*1	—
Potential shareholdings in the Corporation*1	—
Total shareholdings in the Corporation*1	—

Jun. 2007: President and Representative Director, Hitachi Research Institute  
 Apr. 2009: Representative Executive Officer, Executive Vice President and Executive Officer, Hitachi, Ltd.  
 Jun. 2011: Director, Hitachi, Ltd.  
 Jun. 2015: Director, Nitto Denko Corporation (Current)  
 Jun. 2017: Audit & Supervisory Board Member of Marubeni Corporation  
 Director, Konica Minolta, Inc. (Current)  
 Jun. 2020: Member of the Board of Marubeni Corporation (Current)



### Mutsumi Ishizuki

Representative Director, Senior Managing Executive Officer

No. of years served as Director	1 years
Attendance at meetings of the Board of Directors	100% (12/12)
Current shareholdings in the Corporation*1	92 thousand shares
Potential shareholdings in the Corporation*1	90 thousand shares
Total shareholdings in the Corporation*1	182 thousand shares

Apr. 1981: Joined Marubeni Corporation  
 Apr. 2011: Executive Officer  
 Apr. 2014: Managing Executive Officer  
 Jun. 2020: Senior Managing Executive Officer, Member of the Board; CAO; Senior Operating Officer, Audit Dept.; Senior Operating Officer, Executive Secretariat; Senior Operating Officer, New Office Building Project Dept.; Vice Chairman of Investment and Credit Committee; Chief Compliance Officer (CCO); Chairman of Internal Control Committee; Chief Information Officer (CIO) (Current)



### Takayuki Furuya

Representative Director, Managing Executive Officer

No. of years served as Director	1 years
Attendance at meetings of the Board of Directors	100% (12/12)
Current shareholdings in the Corporation*1	14 thousand shares
Potential shareholdings in the Corporation*1	73 thousand shares
Total shareholdings in the Corporation*1	88 thousand shares

Apr. 1987: Joined Marubeni Corporation  
 Apr. 2018: Executive Officer  
 Jun. 2020: Managing Executive Officer, Member of the Board; CFO; Chief Operating Officer, Investor Relations and Credit Ratings; Chairman of Investment and Credit Committee; Chief Sustainable Development Officer (CSDO); Chairman of Disclosure Committee (Current)



### Masato Kitera

External (Independent) Director

No. of years served as Director	1 years
Attendance at meetings of the Board of Directors	100% (12/12)
Current shareholdings in the Corporation*1	—
Potential shareholdings in the Corporation*1	—
Total shareholdings in the Corporation*1	—

Jul. 2008: Director-General, International Cooperation Bureau, the Ministry of Foreign Affairs  
 Jan. 2010: Deputy Minister  
 Sep. 2012: Assistant Chief Cabinet Secretary  
 Nov. 2012: Ambassador and Plenipotentiary to People's Republic of China  
 Jun. 2016: Ambassador to France, Andorra, and Monaco (Resigned in Dec. 2019)  
 Jun. 2020: Member of the Board of Marubeni Corporation (Current)  
 Member of the Board, Nippon Steel Corporation (Current)  
 Mar. 2021: Member of the Board, Japan Tobacco Inc. (Current)



### Shigeki Ishizuka

External (Independent) Director

No. of years served as Director	—
Current shareholdings in the Corporation*1	—
Potential shareholdings in the Corporation*1	—
Total shareholdings in the Corporation*1	—

Apr. 2017: Representative Director and President, Sony Imaging Products & Solutions Inc.  
 Jun. 2018: Senior EVP, Sony Corporation  
 Apr. 2020: Representative Director and President, CEO, Sony Electronics Corporation  
 Jun. 2020: Vice Chairman, Representative Corporate Executive Officer, Sony Corporation (Currently, Sony Group Corporation) (Current)  
 Apr. 2021: Director, Sony Corporation (Current)  
 Jun. 2021: Member of the Board of Marubeni Corporation (Current)



### Kenichiro Oikawa

Representative Director, Managing Executive Officer

No. of years served as Director	1 years
Attendance at meetings of the Board of Directors	100% (12/12)
Current shareholdings in the Corporation*1	75 thousand shares
Potential shareholdings in the Corporation*1	81 thousand shares
Total shareholdings in the Corporation*1	157 thousand shares

Apr. 1986: Joined Marubeni Corporation  
 Apr. 2016: Executive Officer  
 Apr. 2019: Managing Executive Officer  
 Jun. 2020: Managing Executive Officer, Member of the Board; CDIO; CSO; Regional CEO for East Asia; Regional CEO for Japan Business; Vice Chairman of Investment and Credit Committee (Current)

**Audit & Supervisory Board Members**



**Hikaru Minami**

Audit & Supervisory Board Member

No. of years served as Director	2 years
Attendance at meetings of the Board of Directors	100% (16/16)
Current shareholdings in the Corporation*1	113 thousand shares
Potential shareholdings in the Corporation*1	2 thousand shares
Total shareholdings in the Corporation*1	116 thousand shares

Apr. 1979: Joined Marubeni Corporation  
Apr. 2010: Executive Officer  
Apr. 2013: Managing Executive Officer  
Jun. 2015: Managing Executive Officer, Member of the Board  
Jun. 2018: Managing Executive Officer  
Jun. 2019: Audit & Supervisory Board Member of Marubeni Corporation (Current)



**Toshiaki Kida**

Audit & Supervisory Board Member

No. of years served as Director	—
Current shareholdings in the Corporation*1	33 thousand shares
Potential shareholdings in the Corporation*1	—
Total shareholdings in the Corporation*1	33 thousand shares

Apr. 1984: Joined Marubeni Corporation  
Apr. 2021: Audit & Supervisory Board Member of Marubeni Corporation (Current)



**Tsuyoshi Yoneda**

External (Independent) Audit & Supervisory Board Member

No. of years served as Director	4 years
Attendance at meetings of the Board of Directors	100% (16/16)
Current shareholdings in the Corporation*1	—
Potential shareholdings in the Corporation*1	—
Total shareholdings in the Corporation*1	—

Jun. 2009: Commissioner-General's Secretariat, National Police Agency  
Oct. 2011: Deputy Directors-General, National Police Agency  
Jan. 2013: Commissioner General, National Police Agency (Retired in Jan. 2015)  
Jun. 2015: Director, Japan Exchange Group, Inc. (Current)  
Jun. 2017: Audit & Supervisory Board Member of Marubeni Corporation (Current)



**Yoichi Kikuchi**

External (Independent) Audit & Supervisory Board Member

No. of years served as Director	1 years
Attendance at meetings of the Board of Directors	100% (10/10)
Current shareholdings in the Corporation*1	—
Potential shareholdings in the Corporation*1	—
Total shareholdings in the Corporation*1	—

Mar. 2010: Head of Tokushima District Court & Family Court  
Sep. 2011: Head of Kyoto District Court  
Jun. 2013: Chief Judge of Division, Tokyo High Court  
Oct. 2017: Head of Hiroshima High Court (Resigned in Aug. 2018)  
Nov. 2018: Registered as attorney-at-law (Current)  
Jun. 2020: Audit & Supervisory Board Member of Marubeni Corporation (Current)



**Shigeru Nishiyama**

External (Independent) Audit & Supervisory Board Member

No. of years served as Director	1 years
Attendance at meetings of the Board of Directors	100% (10/10)
Current shareholdings in the Corporation*1	0 thousand shares
Potential shareholdings in the Corporation*1	—
Total shareholdings in the Corporation*1	0 thousand shares

Apr. 2006: Professor, Waseda University Graduate School (Business School) (Currently, Waseda Business School (Graduate School of Business and Finance)) (Current)  
Jun. 2010: Auditor of the Board (Outside), Mitsui Sumitomo Insurance Company, Limited (Current)  
Jun. 2016: Member of the Board/Audit and Supervisory Committee Member, UNIPRES CORPORATION (Current)  
Aug. 2018: Specially Appointed Professor, Shizenkan University Graduate School of Leadership & Innovation (Current)  
Sep. 2018: Director, Chairman of the Audit Committee, Macromill, Inc. (Current)  
Jun. 2020: Audit & Supervisory Board Member of Marubeni Corporation (Current)

\*1. As of the end of May 2021 (rounded down to the nearest thousand). Potential shareholdings correspond to unexercised subscription rights to shares granted as stock-compensation-type stock options and stock-compensation-type stock options subject to market-capitalization-based exercisability conditions.  
\*2. The attendance at meetings held following his assumption of office as Director on June 19, 2020.  
\*3. This applies to Audit & Supervisory Board meetings held after his assumption of office on June 19, 2020.

**Senior Managing Executive Officers**

**Hajime Kawamura**

Chief Executive Officer, Transportation & Industrial Machinery, Financial Business Group

**Nobuhiro Yabe**

Regional CEO for Europe & CIS; Regional COO for Europe; Managing Director and CEO, Marubeni Europe plc

**Managing Executive Officers**

**Akihiko Sagara**

Chief Executive Officer, Energy & Metals Group

**Shinichi Kobayashi**

Regional CEO for Oceania; Managing Director, Marubeni Australia Ltd.

**Jun Horie**

Regional CEO for the Americas; Regional COO for North & Central America; President and CEO, Marubeni America Corporation; President and CEO, Marubeni Canada Ltd.

**Jun Hirasawa**

Chief Executive Officer, Consumer Products Group

**Yoshiaki Yokota**

Chief Executive Officer, Power Business & Infrastructure Group

**Hidekazu Futai**

Chief Operating Officer, Agri Business Div.

**Executive Officers**

**Soji Sakai**

General Manager, Chubu Branch

**Minoru Tomita**

General Manager, Osaka Branch

**Jiro Itai**

Chief Operating Officer, Construction, Industrial Machinery & Mobility Div.

**Kosuke Takechi**

Chief Operating Officer, Aerospace & Ship Div.

**Takao Ando**

General Manager, Risk Management Dept.

**Tsuyoshi Teragaki**

Chief Operating Officer, Forest Products Div.

**Satoru Ichinokawa**

Chief Operating Officer, Chemicals Div.

**Takashi Imamura**

General Manager, Research Institute

**Tatsuya Abe**

Chief Operating Officer, ICT & Real Estate Business Div.

**Takashi Yao**

Chief Operating Officer, Infrastructure Project Div.

**Yoshinori Ogawa**

Regional CEO for China; President, Marubeni (China) Co., Ltd.

**Koichi Ariizumi**

General Manager, Legal Dept.

**Seiichi Kuwata**

Chief Operating Officer, Metals & Mineral Resources Div.

**Koji Kashima**

General Manager, Human Resources Dept.

**Taro Kawabe**

Chief Operating Officer, Finance & Leasing Business Div.

**Koichi Uchida**

Chief Operating Officer, Energy Div.

**Satoru Harada**

Chief Operating Officer, Power Business Div.

**Masayuki Omoto**

Chief Operating Officer, Next Generation Business Development Div.

**Takeshi Mamiya**

Regional CEO for ASEAN & Southwest Asia; Regional COO for ASEAN; Managing Director, Marubeni ASEAN Pte. Ltd.

**Satoru Yokoshiki**

General Manager, Business Accounting Dept.

**Hideyoshi Iwane**

General Manager, Corporate Accounting Dept.

**Chijo Tajima**

General Manager, Finance Dept.































**Hiromitsu Morishima**

Chief Operating Officer, Lifestyle Div.

**Hiromichi Mizuno**

General Manager, Corporate Planning & Strategy Dept.

# Business Divisions At a Glance

Consumer Products Group	 <b>Lifestyle Division</b>  p.100 <b>Major Products and Areas</b> Apparel, footwear / Lifestyle products / Textile materials, industrial materials, lifestyle materials	Food, Agriculture & Chemicals Group	 <b>Food Division- I</b>  p.106 <b>Major Products and Areas</b> Consumer-use food products, commercial-use food materials, dairy products / Raw ingredients for food (flour, sugar, oils and fats, etc.) / Raw materials for beverages (coffee, tea, fruit juice, etc.) / Marine products, agricultural products, and processed seafood	Energy & Metals Group	 <b>Energy Division</b>  p.114 <b>Major Products and Areas</b> New energy-related business (hydrogen, ammonia, biofuels, environmental value trading, etc.) / Natural gas business (production, liquefaction, and trade) / Exploration, development and production of oil and gas / Petroleum & LPG trade, distribution and marketing business / Nuclear energy business (development of uranium mining, nuclear fuel cycle, related equipment sales & services)	Transportation & Industrial Machinery, Financial Business Group	 <b>Aerospace &amp; Ship Division</b>  p.122 <b>Major Products and Areas</b> Aircraft, engine & parts trading business, asset management business, development investment / Sales representatives for commercial aircraft and defense equipment / Business jet sales agency & business / Airport-related businesses / Sale and purchase, chartering, and ownership of merchant ships / Shipping pool and asset management business / Ownership and chartering of LNG carriers / Investments in offshore businesses / New pivotal ship-related businesses
	 <b>ICT &amp; Real Estate Business Division</b>  p.102 <b>Major Products and Areas</b> Systems solutions / Network / Mobile sales / Domestic and overseas housing development / J-REIT, private placement REIT, private real estate fund management / Property management / Logistics / Insurance		 <b>Food Division- II</b>  p.108 <b>Major Products and Areas</b> Fresh and processed meat / Grains in general (corn, soybeans, wheat, rapeseed, etc.) / Feed ingredients (soybean meal, rapeseed meal, fish meal, etc.) / Compound feed		 <b>Metals &amp; Mineral Resources Division</b>  p.116 <b>Major Products and Areas</b> Development of iron ore, coking coal, and copper mines / Smelting and refining of aluminum and magnesium / Trading of iron ore, coal, ferroalloy, ferrous raw materials, and cement-related materials / Trading of non-ferrous metals, ingots, and related products / Steel product trading and business investment / Leasing of temporary steel construction materials		 <b>Finance &amp; Leasing Business Division</b>  p.124 <b>Major Products and Areas</b> Auto finance business / Aircraft and aircraft engine leasing business / General leasing business / Leasing of various commercial vehicles and freight railcars / Private equity investment and asset management / Next-generation finance business
	 <b>Forest Products Division</b>  p.104 <b>Major Products and Areas</b> Wood chips and biomass fuel / Pulp and waste paper / Paper, paperboard, and hygiene products / Building & construction materials and wood products		 <b>Agri Business Division</b>  p.110 <b>Major Products and Areas</b> Sales of agri-inputs (crop protection products, fertilizers, seeds, proprietary products) / Subcontracting services for fertilization and crop protection product application / Provision of precision agriculture and other technical services / Contract crop protection product formulation / Procurement and sales of fertilizer / Handling and export of grain & oilseed (corn, wheat, barley, soy, rapeseed, edible beans, etc.) from the U.S.		 <b>Power Business Division</b>  p.118 <b>Major Products and Areas</b> Power generation business (Renewable energy generation / LNG to Power and other Fuel to Power*1 businesses / Gas-fired thermal power generation) / Power service and retail business (Retail power sales / De-centralized power generation / Smart cities and community-based utilities services / Storage, VPP, V2X, and aggregation business / New businesses / EPC*2 business and O&M business)		 <b>Construction, Industrial Machinery &amp; Mobility Division</b>  p.126 <b>Major Products and Areas</b> Sales, services, and financing of construction and mining equipment / Automotive trade, distributor & dealer business, and aftermarket services / Retail sale of tires & automobile aftermarket service business / Sales of conveyor belts and other rubber materials & raw materials / Sales and peripheral businesses related to automotive production lines and machine tools / Sales of industrial machinery and investment in related business / Mobility services & related businesses
	 <b>Chemicals Division</b>  p.112 <b>Major Products and Areas</b> Basic petrochemical products and plastic derivatives / Salt and chlor-alkali products / Life science-related products such as functional ingredients for foods, functional feed additives, oleochemicals and personal care ingredients / Electronic materials, inorganic mineral resources, fertilizer materials and inorganic chemicals	 <b>Infrastructure Project Division</b>  p.120 <b>Major Products and Areas</b> Social and industrial infrastructure business (water supply, wastewater treatment, desalination, railways, roads, ports, airports, gas distribution and retail, etc.) / Decarbonization and circular economy business (waste-to-energy power plants, fuel conversion, etc.) / EPC*2, operation and maintenance for various infrastructure and plants (railway systems, water, energy, industrial plants, waste-to-energy power plants, etc.) / Management of infrastructure funds	 <b>Next Generation Business Development Division</b>  p.128 <b>Major Products and Areas</b> Chinese children education business / Next generation retail business / Smart city infrastructure business / New decarbonization technologies business / Offshore DX business / Pharmaceuticals and medical devices business / Medical services business / Esports and media / Wellness and beauty business / Other businesses in high-growth domains / Corporate venture capital investments				

\*1. Fuel to Power: Energy value chain-type business from procurement of fuel (gas) to operation of storage facilities and power generation using this fuel  
 \*2. EPC: Engineering, Procurement and Construction



Consumer Products Group

# Lifestyle Division



**Hiromitsu Morishima**

Chief Operating Officer,  
Lifestyle Div.

The Lifestyle Division globally provides everyday consumer products and services optimized to the end-user across a wide range of markets and industries.

A core business of the Lifestyle Division is OEM\*1/ODM\*2 manufacturing of products such as apparel and footwear. By weaving together functionality from companies across the Group, we can seize upon market trends quickly and within a short lead-time, plan and produce promising products, and we have also established a system whereby we deliver these products to retailers in a right-sized supply on a timely basis. Focusing mainly on the growing middle class, we will expand OEM/ODM sales in the global fashion market.

Aiming to build new businesses that will be pillars for further growth and revenue, we are leveraging digital technologies and expanding points of contact with customers with a focus on the direct-to-consumer sales businesses. We are at the same time advancing efforts to contribute to sustainability, such as by building a circular-type business centered on the technology of Circ LLC (formerly TYTON BioSciences LLC), in which we invested in 2019.

\*1. OEM: Original Equipment Manufacturer; manufacturing of products sold under the contractee's name or brand.  
\*2. ODM: Original Design Manufacturer. An ODM does everything from the development and design to the production of a product that is eventually sold under another firm's name or brand.

## Lifestyle Division Strengths

- Ability to keep abreast of the diversification of consumer lifestyles and accurately identify changing trends/needs; advanced design-oriented merchandise planning capabilities
- Asia-centric production network with stable, timely, right-sized supply
- Supply chains vertically integrated from raw material sourcing through end-product production
- Diverse product lines, including apparel, footwear, lifestyle products, industrial materials and textile materials

## Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
<ul style="list-style-type: none"> <li>• Expansion of the consumer class in the wake of global population growth and rising standards of living in emerging economies</li> <li>• Diversifying customer and consumer needs, purchasing behavior and methods</li> <li>• Growth in demand for environmentally friendly materials, products and services amid a trend toward sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen efforts with Global SPAs* to revolve around planning proposals and short lead-time production capabilities</li> <li>• Strengthen direct-to-consumer sales business, promote utilization of digital technology</li> <li>• Develop a circular supply chain centered on the technology of U.S.-based Circ</li> </ul> <p>* Specialty store retailer of private label apparel: Apparel retail businesses that handle everything from product planning to manufacturing and sales.</p>

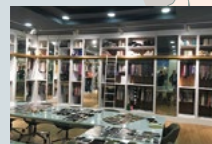
## Anticipated Risks and Countermeasures

Anticipated Risks	Countermeasures
<ul style="list-style-type: none"> <li>• Rising costs in key production regions amid economic growth in emerging economies</li> <li>• Relative weakening of existing functions and rapid structural changes in distribution networks amid digitalization and IoT proliferation</li> <li>• Impact on procurement on account of potential country risks in major production regions</li> </ul>	<ul style="list-style-type: none"> <li>• Cultivate new production regions, promote production automation</li> <li>• Streamline production and sales by using digital technology, change business model</li> <li>• Decentralize supply chains, global expansion</li> </ul>

### Global Business Development (Representative example)

#### OEM/ODM Business

**Saide Tekstil Sanayi ve Ticaret Anonim Sirketi**  
(Turkey – ODM business for European SPA)



Saide Tekstil, planning, manufacture and sale of apparel and goods

Short lead-time ODM business development in Asia with the base in Shanghai

Building a circular supply chain and developing business in the Americas, Europe, Japan, and Asia

**Textile Products Recycling Business**  
**Circ LLC**  
(U.S. – Manufacture and sale of recycled textile materials)



Circular supply chain

#### Brand Marketing Business

**Marubeni Footwear Inc.**  
(Japan – Import and export of various footwear and domestic sales)



IFME, Marubeni's own brand of children's shoes



MERRELL, an American outdoor brand

Strengthening direct-to-consumer sales business, expanding overseas sales

### Examples of Initiatives that Embody the GC2021 Business Strategy

#### Building a circular supply chain for clothing and textiles

Marubeni in 2019 invested in Circ, a U.S.-based startup that developed the technology to recycle fabrics and other textile goods into textile raw materials. In recent years, the problems surrounding disposal of garments and other textile goods by incineration or in landfills have drawn widespread attention. Circ's technology can reduce the environmental cost of clothing by recycling waste cotton and polyester into polyester raw materials and cellulose fiber raw materials through a hydrolysis method that keeps the use of chemicals to a bare minimum. In addition, the high fiber regeneration efficiency of the process makes it well-suited to addressing social issues, helping to reduce waste and support a circular economy\*. Marubeni has strong relationships with leading Asian companies at every stage of the supply chain, and has sales channels with major SPAs in Japan and Europe. By linking these global networks with Circ's technological capabilities, we aim to build a global circular supply chain serving the huge American and European apparel markets and the growing Asian market.



Thread made from recycled cellulose at Circ

\* Circular economy: Rather than a unidirectional economic system that gathers and disposes of resources, an economic system that uses resources cyclically or a business model that fully utilizes products, parts and resources, and continues to recycle and reuse them.



Consumer Products Group

# ICT & Real Estate Business Division



**Tatsuya Abe**

Chief Operating Officer,  
ICT & Real Estate Business Div.

The ICT & Real Estate Business Division provides a wide range of high-added-value services and solutions in operating domains related to consumers' everyday lives, including ICT, real estate, logistics, and insurance.

In the ICT business, to solve the business issues faced by our customers, our system solutions and network businesses provide consulting services, business solutions, high-speed/high-quality telecommunications services, and internet connection services. Our mobile phone-related businesses entail mobile phone sales agents and reuse.

In the real estate business, we operate domestic and overseas real estate development businesses, as well as real estate asset management and property management businesses.

In the logistics business, we seek to expand digital SCM\*1 services with a 3PL\*2 business at their core, and in the insurance business, our main priorities are insurance brokerage businesses, insurance agency operations, and the captive insurance business.

In each of these domains, we provide services and solutions that organically combine our expertise in each field to help customers with their digital transformations (DX), addressing customer needs for DX that have increased in recent years amid accelerating advancements in digital technology.

\*1. Digital SCM: Digital Supply Chain Management. A business that leverages digital technologies to provide solutions that help improve the supply chain, including inventory optimization and improved logistics efficiency.  
\*2. 3PL: Third Party Logistics. A business that takes a bird's-eye view of the shipper's entire logistics process to design and plan a logistics strategy from a management perspective and thereby take charge of logistics operations.

## ICT & Real Estate Business Division Strengths

- Ability to provide comprehensive ICT services that address customer needs from many angles, including consulting services for solving business issues faced by customers, and system solutions featuring the latest technologies
- Ability to broadly provide mobile phone-related services centered on an industry's top-class mobile phone sales agency business
- Ability to provide global real estate development and real estate investment services as part of a comprehensive real estate business that leverages functions as a trading company
- Ability to develop and provide optimal logistics solutions utilizing data and field surveys based on years of expertise and a solid track record
- Ability to provide comprehensive solutions for insurance distribution, from customer risk consultation to reinsurance procurement

## Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
<ul style="list-style-type: none"> <li>• Growth in opportunities to provide new DX solutions in response to changes in the everyday environment and the economy amid advances in 5G, AI, IoT, and other digital and new technologies</li> <li>• Increasing demand for offices, commercial facilities, rental housing, logistics facilities, and other cash-generating real estate, and global growth in the real estate asset management business</li> </ul>	<ul style="list-style-type: none"> <li>• Expand the earnings base and the scope of business activities among major operating companies in the fields of ICT, real estate, logistics, and insurance, as well as contribute to internal cooperation and improved groupwide earnings that leverage the Division's core technologies and business infrastructure</li> <li>• Develop and implement initiatives for next-generation innovative businesses, services, and solutions related to advancements in digital transformation</li> </ul>

## Anticipated Risks and Countermeasures

Anticipated Risks	Countermeasures
<ul style="list-style-type: none"> <li>• Contraction in domestic demand and markets in the wake of low birthrates, societal aging, and a shrinking population in Japan</li> <li>• Obsolescence of offered products and services</li> </ul>	<ul style="list-style-type: none"> <li>• Further raise the added value of provided services and solutions, and identify new demand</li> <li>• Promote digital transformation that leverages digital and new technologies</li> </ul>

## Examples of Initiatives that Embody the GC2021 Business Strategy

### Establishment of DOLBIX CONSULTING Inc. for the promotion and support of DX

DOLBIX CONSULTING Inc. (DOLBIX) was established and began operating in January 2021 for the purpose of providing customers with professional consulting services for advancing DX projects amid growing needs for DX in recent years.

DOLBIX sees the diverse business domains in which Marubeni operates as opportunities to develop DX around the globe. By working on every strategic or technological project concerning DX, from business/IT strategies to system implementation and maintenance, DOLBIX aims to provide DX consulting services that generate tangible results. Those accomplishments in turn will be shared widely across the industry, and while DOLBIX will be assisting clients with DX and creation of new value for their businesses, it will also build an ecosystem by organically connecting its clients with one another, aspiring to establish a new value chain in the industry.



## Global Business Development

- Real estate field
- Logistics field
- ICT field





Consumer Products Group

# Forest Products Division



## Tsuyoshi Teragaki

Chief Operating Officer,  
Forest Products Div.

The Forest Products Division includes the Indonesian forest plantation business and pulp manufacturing business, and the domestic paper and paperboard manufacturing and sales operation.

In Vietnam, where demand for packaging has grown strongly, we launched the containerboard manufacturing business. In Brazil, we acquired a hygiene product manufacturer, moving forward on the development of new business domains.

Furthermore, we aim to realize a low-carbon society by building business models that envision sales of non-plastic products, and using biomass fuels in power stations. We are also keen to develop business in new materials fields, such as cellulose nanofiber (CNF), demand for which is expected to increase. We will also focus on a wide range of forest-derived materials and expand Sustainable, Renewable and Recyclable businesses that contribute to society and the environment.

### Forest Products Division Strengths

- Value chain encompassing everything from forest plantation through paper end-product sales
- Massive forest plantation and pulp plant in Sumatra, Indonesia, that is in proximity to Asian markets
- Sales networks in paper, paperboard, pulp and woodchip markets
- Containerboard manufacturing/sales subsidiaries' production technology/know-how
- Feedstock supply network for biomass power plants that help promote the spread of renewable energy
- Manufacturing/sales business for burgeoning sanitary paper market

### Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
<ul style="list-style-type: none"> <li>• Growing packaging demand in emerging economies</li> <li>• Burgeoning sanitary paper market</li> <li>• Trend toward ESG and SDGs, most notably decarbonization and reduction of plastic usage</li> <li>• Eco-friendly materials that effectively utilize wood components</li> </ul>	<ul style="list-style-type: none"> <li>• Development of containerboard manufacturing and sales business centered on Asian market</li> <li>• Acquisition of sanitary paper business, expansion into other markets</li> <li>• Supply of biomass fuel through wood pellet manufacturing and sales as well as handling of products relating to reduction of plastic usage</li> <li>• CNF, biorefinery businesses</li> </ul>

### Anticipated Risks and Countermeasures

Anticipated Risks	Countermeasures
<ul style="list-style-type: none"> <li>• Contraction in domestic demand in the wake of low birthrate and societal aging</li> <li>• Decreased demand for printing and information paper caused by COVID-19</li> <li>• Risk of change in profitability due to fluctuations in pulp prices</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen fields in which strong demand is expected in years to come, such as packaging and sanitary paper fields, business development in growth markets</li> <li>• Initiatives to capture demand for paper products aligned with trends toward decarbonization and reduction of plastic usage</li> <li>• Cost reductions in forest plantation and pulp manufacturing business</li> </ul>

### Global Business Development



### Examples of Initiatives That Embody the GC2021 Business Strategy

#### Joint Investment with Daio Paper Corporation in Santher - Fábrica de Papel Santa Therezinha S.A., a hygiene products maker in Brazil

In June 2020, Marubeni and Daio Paper Corporation acquired, via a joint investment company, all shares in Santher - Fábrica de Papel Santa Therezinha S.A., a hygiene products manufacturer in Brazil. Brazil boasts the world's fourth-largest sanitary products market, and a growing middle class as its population and economy expands. Santher has the No. 1 share of the toilet paper market in Brazil, No. 4 share of the disposable diaper market, and No. 1 share of the specialty paper market. Demand has been robust for hygiene products, which are necessary items during the pandemic, and should grow further as standards of living and awareness of hygiene improves. Santher aims to increase business value further by increasing the value of the Santher brand by introducing new products, expanding production lines for premium products, and enhancing marketing. The division will contribute to sanitary environments and safe, comfortable lifestyles by combining its functions, resources and networks as a diversified trading company, including the utilization of DX, while expanding exports and other sales channels and reducing raw material costs.



Santher's production facility



**Food, Agriculture & Chemicals Group**

# Food Division- I



**Tomonobu Miki**

Chief Operating Officer,  
Food Div.- I

In the field of food, which supports the lifestyles of consumers, The Food Division- I's strategic priorities are strengthening specialty product marketing and upgrading manufacturing functions. Our aim is to sustainably expand the business.

By participating in the management of downstream operations, we are able to identify the latest market trends in a timely manner. Feeding back this information to producers, food processors, and distributors in midstream and upstream operations, Marubeni is building supply chains that reflect sophisticated and multi-faceted consumer needs in product procurement and development. With the aim of contributing to the development of a sustainable society, we are also proactively advancing environmentally friendly projects.

Looking ahead, Marubeni will provide compelling products to customers while reliably supplying food through its global network, nurtured over many years in this essential field.

## Food Division- I Strengths

- No. 1 in sales in Japan among Tokyo metropolitan area supermarkets (United Super Markets Holdings Inc.)
- No. 1 in sales in Japan in confectionery wholesaling sector
- Sales network through operating companies based on global procurement capabilities in oils and fats, marine products, and agricultural products
- Roughly 30% share of Japan's coffee bean imports

## Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
<ul style="list-style-type: none"> <li>• Growing need for high-quality food products (e.g., coffee) in emerging market economies (e.g., China, Asia)</li> <li>• Growth in global demand for foods</li> <li>• Rising demand for environmentally friendly products spurred by the Sustainable Development Goals (SDGs)</li> </ul>	<ul style="list-style-type: none"> <li>• Use newly established Iguacu Vietnam Co., Ltd. to move into the China and ASEAN markets</li> <li>• Leverage our global network to reinforce the sourcing, production and sales of safe and trusted food products</li> <li>• Implement initiatives, such as participation in a land-based recirculating aquaculture business, to realize the Sustainable Development Goals (SDGs)</li> </ul>

## Anticipated Risks and Countermeasures

Anticipated Risks	Countermeasures
<ul style="list-style-type: none"> <li>• Changes in political or economic conditions in end-market countries (country risk)</li> <li>• Risk of natural disasters such as crop failures due to abnormal weather</li> <li>• Global pandemics such as COVID-19</li> </ul>	<ul style="list-style-type: none"> <li>• Diversify sourcing and selling regions, develop new producing areas and customers</li> <li>• Research and develop alternative products and new materials</li> <li>• Further reinforce supply chains, collaborate with business partners</li> <li>• Create a stable food supply framework through appropriate risk management and steps to prevent endemic infection</li> </ul>

## Global Business Development



## Examples of Initiatives that Embody the GC2021 Business Strategy

### Investment in FoodTech Startup DAIZ Inc.

In December 2020, Marubeni invested in DAIZ Inc., a startup that develops and produces plant-based meat ingredients made from soybeans, to enter the plant-based meat market. Together, the two companies will conduct marketing in the U.S., the largest market for plant-based meat, while expanding sales channels in Japan.

If the meat consumption continues increase due to diversification of eating habits in the emerging countries, it is projected that a protein crisis will occur by 2030, which there will be a shortage of protein source to meet the demand. Under such circumstances, plant-based meat has drawn attention as an eco-friendly, sustainable source of food to complement traditional meat from livestock.

By combining DAIZ's innovative technology and Marubeni's global grain procurement and marketing capabilities, Marubeni will supply sustainable and delicious plant-based meat ingredients in Japan and the rest of the world. In addition, Marubeni will contribute to achieve SDGs by promoting plant-based meats which will help solve global warming.



A hamburger made with "Miracle Meat" supplied by DAIZ



**Food, Agriculture & Chemicals Group**

# Food Division- II



**Hidefumi Oya**

Chief Operating Officer,  
Food Div.- II

The Food Division- II's strategic priorities are strengthening specialty product marketing (for premium beef, etc.) and upgrading manufacturing functions. Our aim is to sustainably expand the business by building value-added food production and processing businesses, while providing markets around the world with safe, reliable, high-quality products.

In the livestock field, Marubeni produces, processes, and sells premium beef through a two-region structure in the U.S. and Australia, in order to satisfy growing cravings for high-quality beef around the world. In Japan, we sell safe and worry-free fresh meat products through our stringent production management system at operating companies.

In the grains field, Marubeni provides infrastructure for farm-to-table food, having built reliable supply structures near areas of demand in Japan and across the globe for delivering internationally competitive grains from grain-production regions, mainly in North America and South America.

## Food Division-II Strengths

- Owns high-quality beef suppliers in the U.S. and Australia, two top beef-producing countries
- 98% share of breeding hen supply for domestically produced poultry, owns production and sales bases for poultry and pork
- A global network extending from collection through sales of grain
- Reliable supply of large volumes of grains to customers from grain silos positioned throughout Japan

## Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
<ul style="list-style-type: none"> <li>• Growing need for high-quality food products (e.g., beef) in emerging market economies (e.g., China, Asia)</li> <li>• Growth in global demand for grains and other foods</li> <li>• Changes in the business environment and demand due to environmental problems and rising awareness of health</li> <li>• DX* Technological advancement</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen marketing of specialty products, expand presence in food manufacturing</li> <li>• Leverage our global network to reinforce the sourcing, production and sales of safe and trusted food products</li> <li>• Business development in China in aqua-feed field</li> <li>• Rationalization and greater efficiency in grain trading with DX</li> </ul>

## Anticipated Risks and Countermeasures

Anticipated Risks	Countermeasures
<ul style="list-style-type: none"> <li>• Changes in political or economic conditions in end-market countries (country risk)</li> <li>• Risk of natural disasters such as crop failures due to abnormal weather</li> <li>• Global pandemics such as COVID-19</li> </ul>	<ul style="list-style-type: none"> <li>• Diversify sourcing and selling regions, develop new producing areas and customers</li> <li>• Research and develop alternative products and new materials</li> <li>• Further reinforce supply chains, collaborate with business partners</li> <li>• Create a stable food supply framework through appropriate risk management and steps to prevent endemic infection</li> </ul>

## Global Business Development



Please refer to P.33 "Special Feature: Business Policy for SPP at Beef Processing Business" for details about our strategy for the beef processing business.

## Examples of Initiatives that Embody the GC2021 Business Strategy

### Launch of production and marketing operations for aqua-feed in China

Marubeni Nisshin Feed Co., Ltd., which produces and sells formulated feed, is leveraging its accumulated know-how in aqua-feed production to start supplying aqua-feed in China from January 2021 following the establishment of Marubeni Nisshin Feed Technology (Tianjin) Co., Ltd. to produce and market aqua-feed in the country. The marine product farming market in China is poised to expand further as health awareness increases, and demand for aqua-feed should expand accordingly.

Marubeni Nisshin Feed has been producing high-quality aqua-feed in Japan for more than 60 years, and it has the top share in Japan in terms of sales volume for aqua-feed. Marubeni Nisshin Feed Technology (Tianjin) will take advantage of Marubeni Nisshin Feed's aqua-feed production know-how to develop and market safe, worry-free, and high-quality products in China.

Through this business, Marubeni is addressing demand in the growing Chinese marketplace.



Marubeni Nisshin Feed Technology (Tianjin) Co., Ltd.





**Food, Agriculture & Chemicals Group**

# Agri Business Division



## Hidekazu Futai

Chief Operating Officer,  
Agri Business Div.

The Agri Business Division is involved in agri-input product development, tolling and production, retail business and services, as well as the origination and trading of grain and specialty products. We are expanding the business by helping farmers increase their profits by providing optimal solutions to farmers around the world.

In the agri-input business, we are expanding our agri-input retailing business to support sustainable agricultural production in the Americas, Europe, and Asia, led by Helena Agri-Enterprises, LLC (Helena).

In the North American grain business, we are upgrading grain origination, storage, and transportation capacity at Gavilon Agriculture Investment, Inc. (Gavilon) and Columbia Grain International, LLC (CGI) to maintain and strengthen earnings capabilities. We intend to expand collaboration in downstream fields by improving cooperation between the two businesses.

### Agri Business Division Strengths

- Helena, an agri-input retailer, is ranked second by market share in North America; Marubeni offers the capabilities gained through Helena to provide excellent solutions for farmers in other countries
- Stable worldwide grain supply capacity using a global network extending from grain origination through sales

### Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
<ul style="list-style-type: none"> <li>• Synergies through integration of agri-input and North American grain businesses</li> <li>• Need to improve agricultural productivity as global demand for foodstuffs increases while the area of arable land can only be expanded so much</li> <li>• Changes in food-related needs due to environmental issues and concerns about healthy lifestyles</li> </ul>	<p><b>Agri-input business</b></p> <ul style="list-style-type: none"> <li>• Expand and strengthen existing businesses with M&amp;A and capital investment, supply agri-input products and services that meet the needs of customers (farmers), and provide solutions by utilizing IT and precision farming technologies to lift productivity and margins at customers</li> <li>• Add value to our business by deploying Helena's service model at other operating companies in the Marubeni Group</li> </ul> <p><b>North American grain business</b></p> <ul style="list-style-type: none"> <li>• Upgrade North American grain origination facilities and improve efficiency at Gavilon and CGI, and continue to implement broad-based marketing activities targeting key areas of grain demand</li> <li>• Move into downstream food processing and retailing areas to address rising market needs for healthy food products</li> </ul>

### Anticipated Risks and Countermeasures

Anticipated Risks	Countermeasures
<ul style="list-style-type: none"> <li>• Risk of changes in farmer income levels due to deterioration in markets, weather risks</li> <li>• Country risk due to changes in political or economic conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Contribute to agricultural production that is highly resilient to climate change by providing agri-input products and services that help farmers increase productivity</li> <li>• Diversify business office locations and create a geographically optimized portfolio</li> </ul>

### Examples of Initiatives that Embody the GC2021 Business Strategy

#### Advancing the agri-input retailing business in Brazil

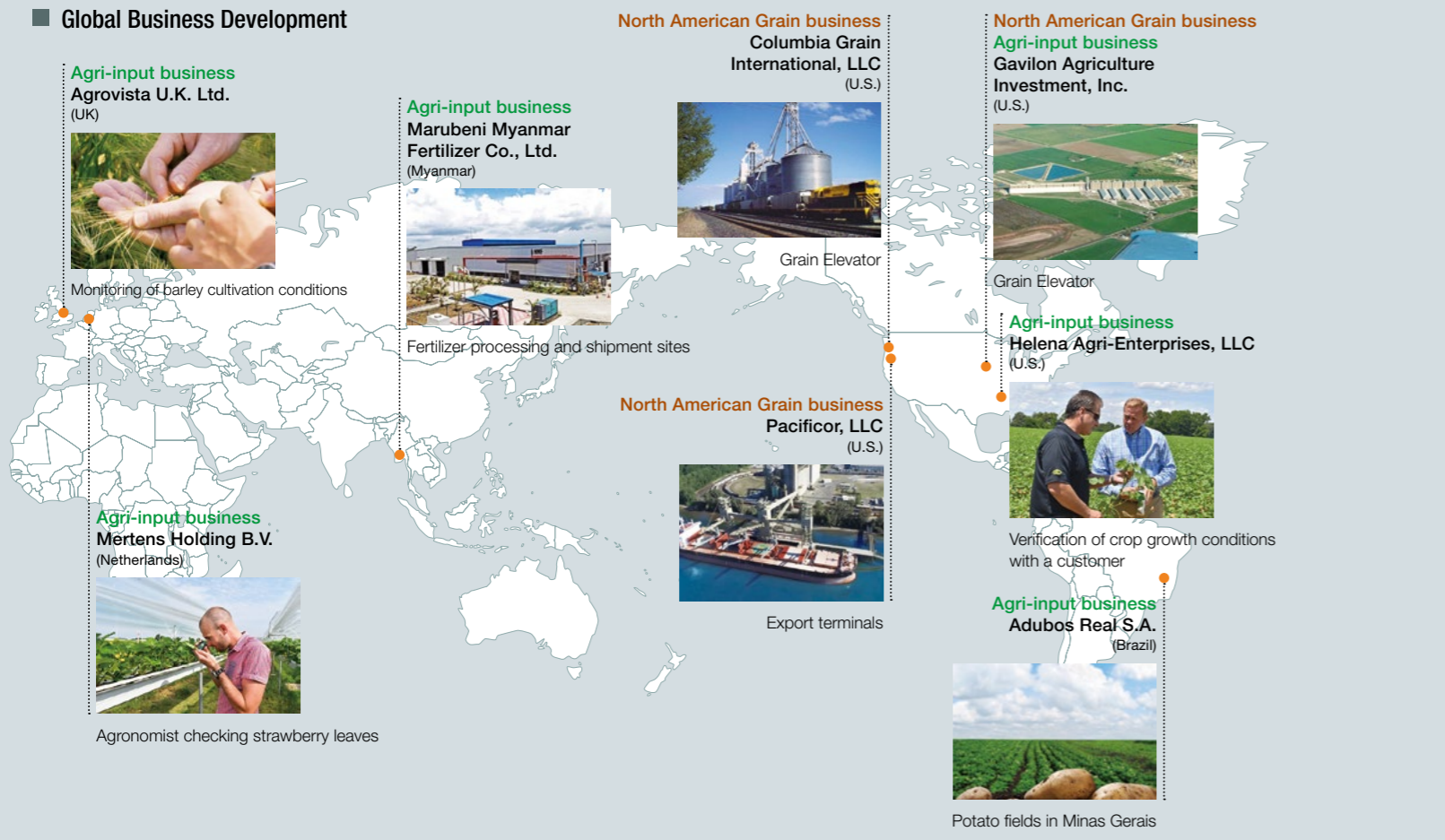
In October 2019, Marubeni acquired Adubos Real S.A. (AR) in Brazil, and began to develop the agri-input retailing business there. AR has 17 bases, mainly in Minas Gerais State (as of June 2021). Through sales of agri-input products and consulting services on best practices, AR helps local farmers increase their income and furthers the development of the agriculture sector. With significant market potential, Brazil contributes strongly to meeting global demand for grains, and domestic demand for agricultural products is also considerable. We also expect Helena's know-how to be applicable in Brazil because the style of farming is similar to that in the U.S. While leveraging its accumulated experience and expertise from around the world, the Agri Business Division will contribute to the growth and development of Brazil's agriculture industry through sales of agri-input products, mainly in Minas Gerais State, and come up with solutions for the complex issues faced by farmers.



Application of fertilizer in corn fields

Please refer to Special Feature: Business Strategies Based on SPP Business Policies (Helena) on P.31 for more information on our business strategy in agri-input retailing business.

### Global Business Development





**Food, Agriculture & Chemicals Group**

# Chemicals Division

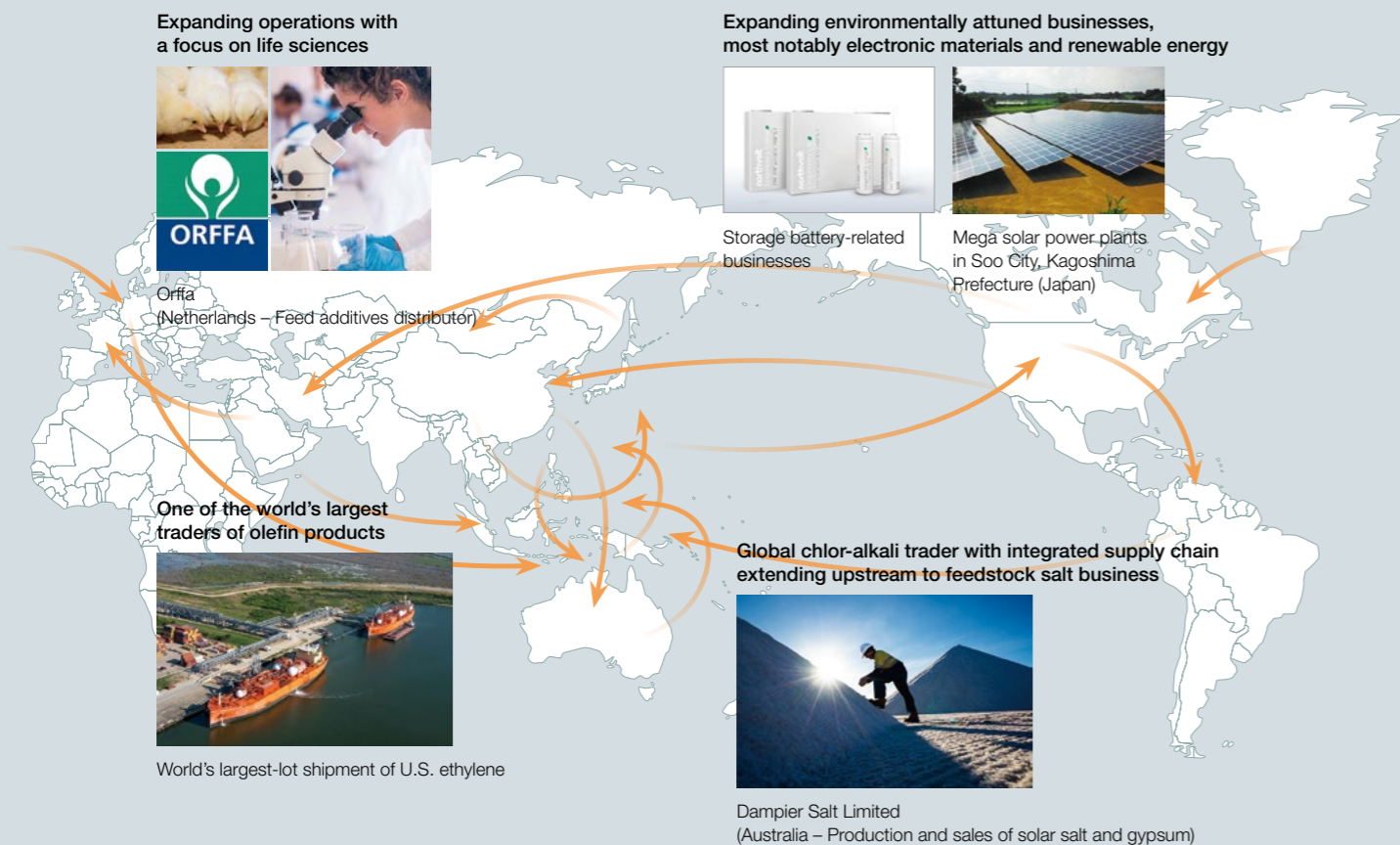


**Satoru Ichinokawa**

Chief Operating Officer,  
Chemicals Div.

The Chemicals Division is enhancing its ability to adjust supply and demand in petrochemicals trading, where it has been one of the top-ranked players in the industry for many years. In the specialty products field, which covers electronics such as storage batteries, displays and solar power equipment, the division is augmenting its solutions-oriented business in Japan and overseas. Centering around the efforts of feed additives distributor Orffa International Holding B.V. (Orffa), we are targeting further business expansion in the life sciences field, which promises sustained expansion in line with population growth. We are also working to create new frameworks that go beyond the boundaries of conventional chemicals businesses, such as AI-based diagnostic imaging and other inroads into the digital healthcare field, and tapping into new customer needs in markets emerging out of the shift toward a sustainable society.

## Global Business Development



## Chemicals Division Strengths

- Broad trading platform with links to many industries
- Roughly 30% share of global ethylene trade
- PVC, chlor-alkali trade with capacity to respond to changes in global markets
- Dutch subsidiary Orffa's strong presence in European feed additives market
- Electronics value-chain businesses extending downstream from scarce resources
- Partnerships with top industry players in diverse chemical product trading markets

## Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
<ul style="list-style-type: none"> <li>• Development of life sciences and related businesses set to grow in tandem with population growth</li> <li>• Entry into solar power-related businesses that will spur uptake of renewable energy</li> <li>• Development of AI-based diagnostic support businesses to solve social challenges such as doctor shortages and regional gaps in healthcare provision</li> </ul>	<ul style="list-style-type: none"> <li>• Expand value-added sales service businesses in feed additives and other fields</li> <li>• Capture corporate demand for solar power and storage batteries to help realize low-carbon societies</li> <li>• Accelerate initiatives in the digital healthcare field, starting with Enlitic, Inc. (Enlitic) partnership</li> </ul> <p><small>① Please refer to the section below, Examples of Initiatives That Embody the GC2021 Business Strategy.</small></p>

## Anticipated Risks and Countermeasures

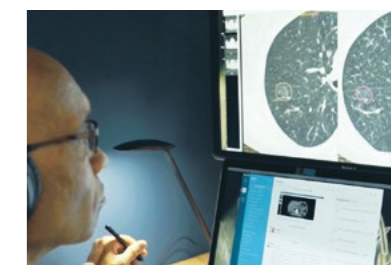
Anticipated Risks	Countermeasures
<ul style="list-style-type: none"> <li>• Trade in petrochemical and other products highly sensitive to market price changes</li> <li>• Downturn in trade due to political or economic risks in the U.S. and/or China, both of which are major importers of chemicals</li> <li>• Decline in operating rates at trading partners due to global economic slowdown and emerging credit risks caused by deteriorating earnings</li> </ul>	<ul style="list-style-type: none"> <li>• Support customers by adding and enhancing petrochemical trading functions</li> <li>• Develop and create markets in new regions</li> <li>• Closely monitor economic trends and respond more flexibly and rapidly, such as by adjusting supply chains</li> </ul>

## Examples of Initiatives that Embody the GC2021 Business Strategy

### Developing an AI-based diagnostic support business for medical institutions in the digital healthcare field

The Chemicals Division is focusing on growing markets in the digital healthcare field, which has the potential to solve social challenges in healthcare.

In January 2019, Marubeni invested in U.S.-based Enlitic, a developer of AI-based medical diagnostic imaging systems, and is moving toward product development and commercialization for the Japanese market. In April 2020, we established wholly owned subsidiary Clairvo Technologies, Inc. to further develop our presence in the digital healthcare field. We also entered into new tie-ups with U.S.-based Vida Diagnostics, Inc. (VIDA), which is active in the field of respiratory care diagnostic support, and with Medimaging Integrated Solution Inc. (MiIS) in Taiwan, a manufacturer of diabetic retinopathy screening devices, preparing for commercialization of these and other technologies in Japan. Marubeni will partner with many other companies engaging in groundbreaking products and technologies to help drive growth in the digital healthcare field in Japan through the development of AI-based diagnostic platforms for medical institutions.



Top: Medical diagnostic imaging system developed by Enlitic  
Bottom: Clairvo Technologies, Inc. corporate logo

\* The technologies of Enlitic, VIDA, and MiIS have not obtained medical device approval in Japan, and are currently not manufactured or sold in Japan (as of the end of June 2021).  
\*\* The technologies of Enlitic and MiIS are not approved by the FDA (U.S. Food and Drug Administration) for the diagnosis, cure, mitigation, treatment, or prevention of any disease.



Energy & Metals Group

# Energy Division



**Koichi Uchida**

Chief Operating Officer,  
Energy Div.

The Energy Division is strengthening and developing its business foundation with an eye on issues and needs in society and on customers on the path toward a low-carbon society, while also continuing to focus on existing businesses.

In the new energy business, the Energy Division is developing its environmental solutions business, which includes biofuels and CO<sub>2</sub>-free energy supply chains for hydrogen, ammonia, and other carriers.

With the energy sector entering a transition period on the path to a carbon-free society, where natural gas and LNG continue to play an important role, we will expand and increase the value of existing businesses from upstream to downstream in the supply chain.

In the trading and marketing field, we aim to utilize our infrastructure and networks in Japan and overseas to expand trading in oil, natural gas, LNG, and other fuels to meet demand for energy.

In the nuclear energy business, we will provide total solutions by reinforcing our presence across all areas of the supply chain.

## Energy Division Strengths

- New energy business focused on realizing low-carbon and carbon-free societies
- Ability to meet energy demand in Japan and overseas through production, trade, logistics, and marketing of oil, natural gas, LNG, and other fuels
- Nuclear energy business that adds value throughout the supply chain

## Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
<ul style="list-style-type: none"> <li>• Growth in natural gas/LNG and new energy businesses such as hydrogen and ammonia amid transition to low-carbon and carbon-free societies</li> </ul>	<ul style="list-style-type: none"> <li>• Develop the CO<sub>2</sub>-free energy supply chain and environmental solutions</li> <li>• Expand the natural gas supply chain</li> <li>• Reinforce production, trade, logistics, and marketing of oil, natural gas, LNG, and other fuels</li> <li>• Strengthen the nuclear energy supply chain</li> </ul>

## Anticipated Risks and Countermeasures

Anticipated Risks	Countermeasures
<ul style="list-style-type: none"> <li>• Volatilities in natural resource prices and changes in the regulatory framework and geopolitical conditions</li> <li>• Changes in business environment from shift to renewable energy and low-carbon energy</li> </ul>	<ul style="list-style-type: none"> <li>• Build a diversified portfolio and maximize asset value in all interests through necessary cost management, stable operation, and improvements to operational efficiency</li> <li>• Create SDGs based business strategies, including developing the new energy businesses</li> </ul>

## Global Business Development

### New energy business



Biofuel production (U.S., etc.) Low-carbon hydrogen supply chain (Japan, etc.) Hydrogen and ammonia supply chain (Australia, etc.)\*



LNG plants Oil & gas field interests Uranium mining interests

\* Hydrogen liquefaction and loading facilities (photo courtesy of HEA)

## Examples of Initiatives that Embody the GC2021 Business Strategy

### Developing the CO<sub>2</sub>-free energy supply chain and environmental solutions with energy transition on the horizon

The Energy Division is developing its new energy business in preparation for the advent of low-carbon and carbon-free societies. Specifically, we are focusing on the environmental solutions business, which covers biofuels and CO<sub>2</sub>-free energy supply chains for hydrogen, ammonia and other carriers. In the hydrogen field, we are part of an Australian project that is building a liquefaction and transportation supply chain for hydrogen made from brown coal. We are also stepping up efforts to build a supply chain for ammonia, another promising CO<sub>2</sub>-free new energy carrier, with preparations under way to supply ammonia to Japan from overseas production sites. The Energy Division is also pursuing a range of other new energy initiatives. We have moved into the supply chain for the production and supply of sustainable jet fuel through an investment in U.S. company Fulcrum BioEnergy Inc., which has technology for producing bio jet fuel from municipal waste, and we are involved in the trading of carbon credits, a form of environmental value created through reducing greenhouse gas emissions.



Hydrogen liquefaction and loading facilities in Australia (photo courtesy of HEA)



Energy & Metals Group

# Metals & Mineral Resources Division



**Seiichi Kuwata**

Chief Operating Officer,  
Metals & Mineral Resources Div.

The Metals & Mineral Resources Division is involved in a wide range of businesses. In addition to interests in iron ore, coking coal, copper mines, and aluminum smelting through its investment business, the trading business deals in various metal products, from steel raw materials, non-ferrous metal and related products, to steel products through steel distributor Marubeni-Itochu Steel Inc.

In the investment business, we are focusing on building an earnings structure that contributes to stable Group earnings through the expansion of our existing projects and development of new deposits based on medium- and long-term perspectives, while also enhancing the stability and profitability of our existing mining operations by deploying advanced technologies.

In the trading business, we are stepping up efforts in environmental and circular businesses to target demand generated by societal shifts, such as the reuse and recycling of lithium-ion batteries, production of magnesium ingots from tailings (mine waste), and recycling of solar panels.

## Metals & Mineral Resources Division Strengths

- Strong earnings foundation anchored by ownership of multiple projects that are highly cost-competitive globally
- Partners committed to increasing asset values with Marubeni
- Handling a wide range of products as one of the world's top-ranked metal traders by unit volume
- Worldwide steel distribution network leveraging a business base, know-how and networks built up over many years

## Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
<ul style="list-style-type: none"> <li>• Long-term growth in demand for metals and mineral resources supported by global economic growth</li> <li>• Growth in demand for non-ferrous metals driven by the advent of the digital society and the diffusion of renewable energy and electric vehicles</li> <li>• Growing emphasis on sustainability worldwide</li> </ul>	<ul style="list-style-type: none"> <li>• Improve cost-competitiveness of existing mines and smelters, develop new mines, expand portfolio of prime assets</li> <li>• Strengthen trading operations</li> <li>• Step up environmental and circular business initiatives</li> <li>• Develop new products</li> </ul>

## Anticipated Risks and Countermeasures

Anticipated Risks	Countermeasures
<ul style="list-style-type: none"> <li>• Changes in market prices and other market fluctuations that directly impact earnings</li> <li>• National policies and geopolitical factors that impede the investment and trading businesses</li> <li>• Changes in the business environment amid the transition to a carbon-free, circular society</li> </ul>	<ul style="list-style-type: none"> <li>• Optimize production, rigorously control costs and introduce advanced technologies at existing mines and smelters to increase earnings</li> <li>• Build a business portfolio to mitigate country risk</li> <li>• Generate environmental and circular businesses from the perspective of sustainability</li> </ul>

## Global Business Development

- ◆ Iron ore
- ▲ Coking coal
- Copper
- Aluminum
- ☆ Magnesium



## Examples of Initiatives that Embody the GC2021 Business Strategy

### Operations that align with trends toward sustainability at mines in which Marubeni is involved

At mines in which Marubeni invests, we have implemented various operational measures in line with worldwide trends toward greater sustainability.

At the Roy Hill Iron Ore Project in Australia, the company is working to improve the stability, safety, and efficiency of its operations and to reduce fuel consumption and greenhouse gas emissions in its mining operations through the introduction of remote management of operations and automation of drilling machines and large dump trucks.

We are also incorporating remote management and automated operations into our copper mining business in Chile as well. Moreover, for electricity purchased at all the copper mines in which Marubeni invests, we plan to transition to 100% power derived from renewable energy sources from 2022.

We will continue to work proactively with our business partners to reduce the environmental impact of our mining operations.



Large dump truck used to carry iron ore and dirt (Roy Hill Iron Ore Project, Australia)



Power Business & Infrastructure Group

# Power Business Division



**Satoru Harada**

Chief Operating Officer,  
Power Business Div.

Contributing to measures addressing climate change, the Power Business Division endeavors to broaden and deepen its power generation business\*1 and power service and retail business\*2. As an energy solutions provider harmonizing both of these businesses, we are committed to contribute toward building a sustainable society through delivering safe and stable electric power infrastructure and services.

In the power generation business, we strive to expand the ratio of power generated by renewable energy sources in our net generation capacity by increasing offshore wind power generation, etc. and intend to focus on the needs in the transition to a low-carbon society, such as LNG-to-Power projects. Moreover, we are evaluating new technologies for reducing CO<sub>2</sub> emissions.

In the power service and retail business, we aim to expand EPC business, retail power sales, and de-centralized power generation business. We are also engaged in online sales of storage battery equipment, evaluation of services for buildings and power grids that use solar power and EV storage batteries, trials of AI projects for optimizing EV dispatch and recharge timing, and other DX-driven initiatives in the power service and retail business. Our initiatives also include the development of smart cities and the building of new energy supply chains.

\*1. Power generation business: Renewable energy generation/fuel-to-power projects such as LNG-to-Power/gas-fired and other thermal power generation.

\*2. Power service and retail business: Retail power sales / de-centralized power generation / smart cities and community-based utilities services / storage, VPP, V2X, and aggregation businesses / new businesses / EPC and O&M business.

## Power Business Division Strengths

- Strong regional business & marketing forces, project development hubs and asset management teams, IPP\* business of world-class scale
- Proven track record of IPP business with competitiveness, in-house development and problem-solving know-how/capabilities
- Project management skills in EPC business in and outside of Japan and unique EPC management capabilities
- Global extensive experience in power wholesale and retail
- Diverse power service portfolio, such as retail power sales, de-centralized power generation, and others

\* IPP: Independent Power Producers.

## Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
<ul style="list-style-type: none"> <li>• Stronger demand for renewable energy worldwide</li> <li>• Changes in energy policy, such as expansion of liberalization in electric power sector</li> <li>• Introduction of digital technologies in electric power sector</li> <li>• Transition to a carbon neutral society</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen renewable energy power generation business with offshore wind power generation</li> <li>• Strengthen and expand retail power sales business and de-centralized power generation business in and outside of Japan</li> <li>• Initiatives in electric power business with digital technologies such as storage batteries, V2X* and smart cities</li> <li>• Initiatives in hydrogen and other new energy</li> </ul>

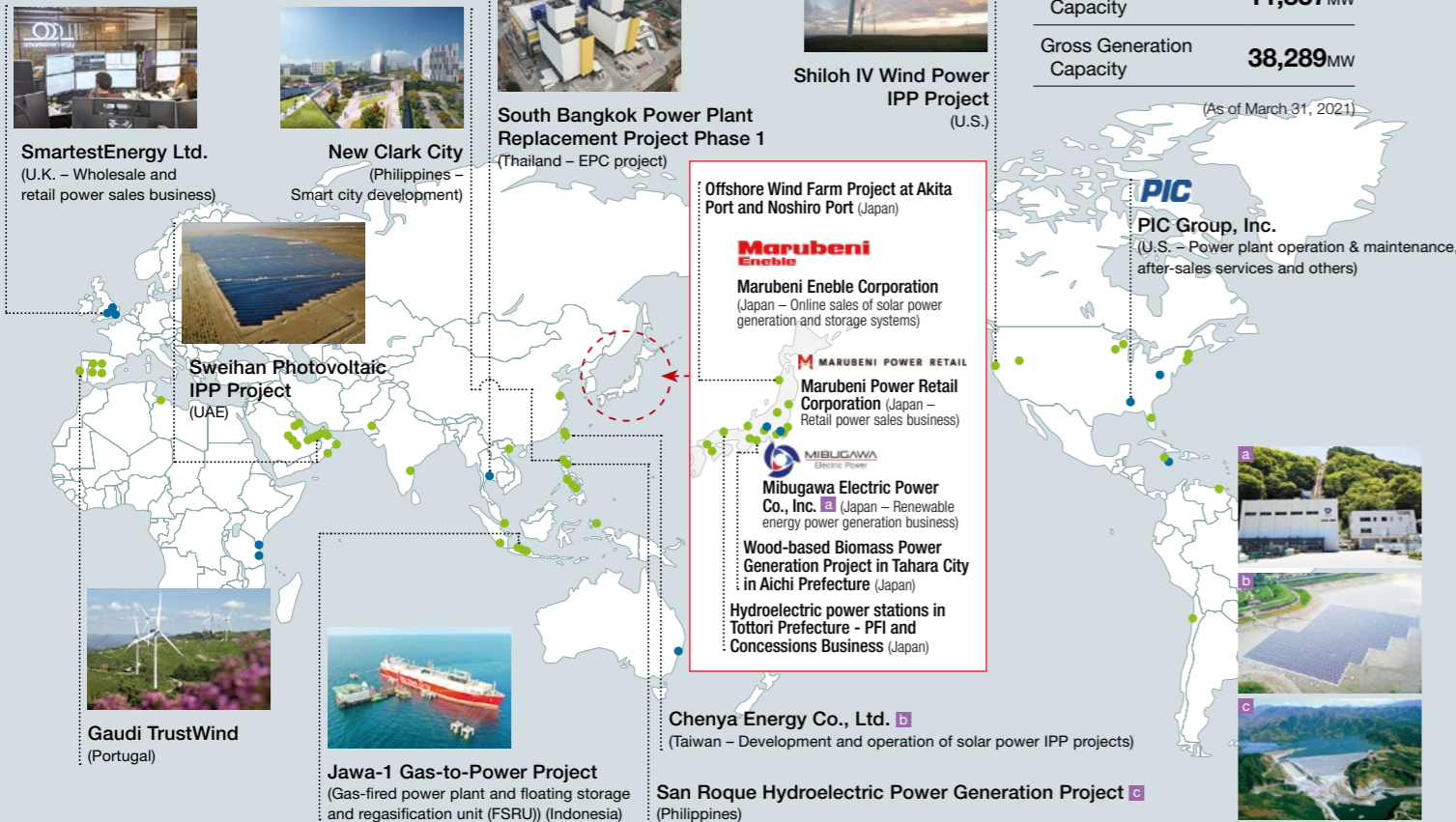
\* V2X: Using the storage batteries of EVs to supply electricity to buildings (Vehicle to Building; V2B) at optimal times, and to control frequencies and adjust the supply-demand balance on power grids (Vehicle to Grid; V2G).

## Anticipated Risks and Countermeasures

Anticipated Risks	Countermeasures
<ul style="list-style-type: none"> <li>• Rapid shift to low-carbon energy in society</li> <li>• High volatility of fuel energy and/or natural resource prices</li> <li>• Weather variation risks that would affect the power supply-demand balance and electric power market prices</li> </ul>	<ul style="list-style-type: none"> <li>• Initiatives for low-carbon and zero-carbon society based on "The Marubeni Long-Term Vision on Climate Change"</li> <li>• Strengthen risk management, with contractual hedges against risk of fluctuations in fuel costs</li> <li>• Acquire technology for forecasting demand volumes and power generation volumes with digital technology</li> </ul>

## Global Business Development

- Power generation business
- Power service and retail business



### Marubeni's Global Generation Assets

Net Generation Capacity	11,857MW
Gross Generation Capacity	38,289MW

(As of March 31, 2021)

## Examples of Initiatives that Embody the GC2021 Business Strategy

### Participating in numerous renewable energy projects in and outside of Japan

In the power generation business, we are promoting renewable energy initiatives by participating in several renewable energy projects in and outside of Japan.

More specifically, through subsidiary Chenya Energy Co., Ltd. in Taiwan, we have commenced the operation of Changhua, one of the largest floating solar power plants in the world. Moreover, we were awarded for a solar power generation project in Rabigh, Saudi Arabia, and a wood-based biomass power generation facility in Tahara City, Aichi Prefecture. In Godo-cho, Anpachi-gun, Gifu Prefecture, we entered into a loan agreement for a wood-based biomass power generation project that incinerates unused lumber from forest thinning in Gifu Prefecture. In Tottori Prefecture, we were awarded for the first PFI\* and concession projects for hydroelectric power plants in Japan. In these and other ways, we have been expanding our business base.



Floating solar power generation plant in Changhua, Taiwan

\* PFI: Private Finance Initiative. Means of financing public works projects, such as constructing and operating public facilities, with private-sector funds and technologies.



Power Business & Infrastructure Group

# Infrastructure Project Division



**Takashi Yao**

Chief Operating Officer,  
Infrastructure Project Div.

In the Infrastructure Project Division, we aim to continue evolving our business across the world, contributing to the enhancement of social infrastructure to enrich society and people's daily lives. We cover a wide range of infrastructure including railway, road, water and sewerage utility, desalination plant, gas transmission, distribution and retail, and also carbon capture.

Responding to the growing demands of society and industry, we globally invest in various projects that generate stable profit and pursue the maximization of the value of our businesses. We will also seek to expand the operation of the infrastructure investment funds and achieve synergies between the fund management and infrastructure businesses. Additionally, we continue building a track record in the fields of EPC\*1 and O&M\*2 through a selective focus on sectors and regions in which we can demonstrate our strengths.

Furthermore, we are promoting decarbonization and circular economy businesses, and are conducting projects by utilizing DX\*3 with the aim of achieving sustainable development in harmony with the global environment and society. Seeing changes in the market as opportunities, we will take on the challenges of solving new social issues and contribute to society by achieving safe and stable infrastructure operations.

\*1. EPC: Engineering, Procurement and Construction. Full turnkey contract for equipment and plant.  
\*2. O&M: Operating and Maintenance of infrastructure equipment.  
\*3. DX: Digital Transformation

## Global Business Development



## Infrastructure Project Division Strengths

- Project development, structuring, execution, and management capabilities backed by extensive track records of investment, EPC, and trade in infrastructure
- Wide range of functions covering the entire value chain from project planning, feasibility studies, financing, EPC, O&M, business operation, to asset (including fund) management

## Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
<ul style="list-style-type: none"> <li>• Growing demand for development and renewal of social infrastructure as well as know-how and financial resources from private sector</li> <li>• Provision of long-term, stable investment opportunities for institutional investors</li> <li>• Rise in environmental awareness</li> <li>• Increase in value of infrastructure service linked with technological innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Expand the stable earnings base by strengthening existing businesses, as well as investing in new projects</li> <li>• Accelerate asset recycling through the utilization of infrastructure funds</li> <li>• Promote the projects of decarbonization and circular economy</li> <li>• Leveraging DX to strengthen existing businesses and expand business in new fields</li> </ul>

## Anticipated Risks and Countermeasures

Anticipated Risks	Countermeasures
<ul style="list-style-type: none"> <li>• Decline in asset value and business opportunities due to economic slowdown</li> <li>• National policies and regulations that impact business development in the infrastructure field</li> <li>• Decline in demand for fossil fuels (including natural gas) as progress is made on decarbonization</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen the existing businesses while promoting initiatives to utilize new technologies</li> <li>• Adapt to changes in national policies and regulations, and pursue business opportunities arising from market transition</li> <li>• Step up efforts to supply hydrogen using existing gas infrastructure and use renewable fuels</li> </ul>

## Examples of Initiatives that Embody the GC2021 Business Strategy

### Contributions to sustainable development in decarbonization and circular economy fields

The Infrastructure Project Division is strengthening our efforts in the decarbonization and circular economy fields, which are essential for sustainable development, such as countermeasures against global warming, effective use of resources and reduction of the environmental impact of social and industrial activities.

To combat global warming, we are collaborating with Carbon Clean Ltd. in the U.K. to efficiently capture and reuse CO<sub>2</sub> emitted from power generation and industrial activities.

In the circular economy field, we are working in the fields of waste-to-energy and waste-to-fuel which can reduce the environmental load and recycle resources by proper treatment of various kinds of waste such as general waste, industrial waste, and agricultural residue.

In the hydrogen field, which is attracting attention as a new energy source in the era of decarbonization, we are promoting efforts to supply green hydrogen along with natural gas to general households while using the existing gas distribution infrastructure of gas distribution companies in Portugal and Chile that we have invested in.



Facility that uses CO<sub>2</sub> capture technologies supplied by Carbon Clean Ltd.



**Transportation & Industrial Machinery, Financial Business Group**

# Aerospace & Ship Division



**Kosuke Takechi**

Chief Operating Officer,  
Aerospace & Ship Div.

In the aerospace and defense sectors, the Aerospace & Ship Division operates aircraft, engine and parts trading and maintenance services as well as asset management businesses as a value-up trader for aircraft-related assets. We also operate defense-related business for the security environment sector, including defense equipment distributorship business and airport ground handling services, and business jet service businesses. Furthermore, we will be branching out into intra-airport autonomous vehicle as well as the space-related sector while promoting the expansion of our business domain.

In the ship sector, in addition to the trading and financing businesses, such as the sale and purchase of various types of ship, charter brokerage and marine equipment trading, we engage in the fleet ownership/operation of merchant ships and LNG carriers, and we newly started the shipping pool business. Providing a wide range of functions, from ownership structuring to ship management, securing operating income, and boldly taking on the challenge of developing new “environmentally friendly” businesses, we are aiming to evolve as a comprehensive ship service provider.

Through creating new value by organically connecting Marubeni’s functions with customers’ needs, we will lead the industry as a comprehensive provider of aero-marine solutions.

## Global Business Development

● Business base

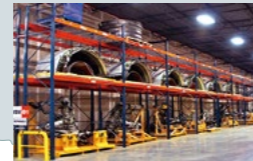
### Civil Aviation Sector



**Swissport Japan Ltd.**  
(Japan – Ground handling business)



**HondaJet Elite**



**Magellan Aviation Group LLLP**  
(U.S. – Aircraft parts trading business)

### Ship Sector



**Merchant ships**  
(trading, fleet ownership/operation)



**LNG carriers**  
(fleet ownership/operation)



**MaruKlav**  
(shipping pool business)

### Defense/Security Environment/Space Sector



**Interstellar Technologies Inc.**  
(Japan – Development and manufacture of small rockets and launch service business)

## Aerospace & Ship Division Strengths

- Asset value-up function by business development according to each stage of an aircraft’s lifecycle, such as development, operation, aftermarket, asset management and airport ground handling
- Deep insights into customer/market needs and solutions proposal capabilities gained from operating a broad array of businesses in the aerospace and defense industries
- Management capabilities in businesses that own and operate ships ranging from general merchant ships to LNG carriers
- Solution functions and proposal capabilities in ship trading, investing and financing services, based on advanced knowledge and networks
- Operational capabilities allowing rapid expansion into new business domains while seizing as opportunities the changes in the aerospace and shipping business environment

## Growth Opportunities and Business Strategies Based on GC2021

### Growth Opportunities

- Recovery in demand for aircraft passenger and operating & maintenance (O&M)-related services
- Possibility of space-related business expected to be utilized in the future
- Growth in ship demand driven by growth in seaborne cargo amid trend toward borderless global economy
- Business initiatives utilizing innovative green and digital technologies in the ship sector

### Business Strategies Based on GC2021

- Reinforce the aviation-related asset value-up business
- Growth of airport-related business, acquisition and commercialization of new technologies
- Improve quality/profitability of ship-related assets, promote new LNG carrier business
- Strengthen comprehensive ship service provider functions, build new pivotal business

## Anticipated Risks and Countermeasures

### Anticipated Risks

- Event risks, including the risk of terrorism, regional conflicts and war, epidemics or other changes in international conditions and resultant increases in jet fuel prices
- Volatility in new-build ship pricing and/or marine freight rates

### Countermeasures

- In preparation should an event in which risk specific to each business domain become an issue, diversified businesses deployed
- Promote asset superiority and strengthen resilience to market risks by continuing to replace assets in a timely manner

## Examples of Initiatives That Embody the GC2021 Business Strategy

### Unmanned operation and autonomy initiatives in aerospace and ship sectors

Marubeni views changes in the business environment of the aerospace and ship sectors as opportunities for creating new businesses in response to latent needs. We are keen to develop new business in the field of unmanned operation and autonomy by utilizing new technologies.

In the aerospace sector, we established AiRO Inc. as a joint venture with ZMP Inc. with the objective of autonomous airport vehicles. We conducted self-driving Proof of Concept (PoC) tests with passenger transportation buses at Chubu Centrair International Airport and towing tractor at Narita International Airport. We are currently examining the feasibility of autonomous road surface inspection vehicles at airports, and will continue efforts at commercializing these vehicles.

In the ship sector, we formed a consortium with Tryangle Inc., Mitsui E&S Shipbuilding Co., Ltd., and the City of Yokosuka, and commenced Proof of Concept (PoC) tests with financial support from the Nippon Foundation to verify technologies for the unmanned operation of ships near the Sarushima Island in Yokosuka, Kanagawa Prefecture. Based on the outcome of these experiments, we aim to commercialize autonomous ship operations and take it to the global market in the future.



Self-driving towing tractor used in the airport Proof of Concept (PoC) test



**Transportation & Industrial Machinery, Financial Business Group**

# Finance & Leasing Business Division



**Taro Kawabe**

Chief Operating Officer,  
Finance & Leasing Business Div.

With operations in this division revolving around finance and leasing, we aim to expand revenue through the joint management of group businesses by mutually sharing our strengths, know-how and resources with our leading partners inside and outside Japan, including Mizuho Leasing Company, Limited. In the fiscal year ended March 31, 2021, we reinforced our U.S. auto finance business by advancing DX\* platforms and enhancing IT functions through a reorganization. Furthermore, we entered the Fintech field via an investment in AND Global Pte. Ltd., and re-entered the vendor finance business in the U.S. through the acquisition of an interest in Auxilior Capital Partners, Inc. via Mizuho Marubeni Leasing Corporation. Amid increasing uncertainties in the business environment, as seen by the impact from COVID-19 variants on countries, regions and counterpart industries, in addition to changes in global industrial structures on the path to decarbonization, we aim to further strengthen and expand the earnings base while improving our ability to adapt to change in this new normal.

\* DX = Digital Transformation

## Global Business Development

- Auto finance business
- Aircraft/aircraft engine leasing business
- General leasing business
- Leasing of various commercial vehicles and freight railcars
- Private equity (PE) investment/asset management
- Next-generation finance business



## Finance & Leasing Business Division Strengths

- Alliances with top-caliber partners worldwide, including Mizuho Leasing Company, Limited
- Horizontal collaborative capabilities with other business divisions and overseas offices of Marubeni that cover all industries on a global basis
- Business management expertise and geographic expansion in the auto finance sector
- Product knowledge, business management know-how from aircraft and aircraft engine leasing
- Specialized leasing expertise cultivated in specific products, such as refrigerated trailers and freight railcars
- A pioneer in Japan's private equity field, with more than 20 years of investment and management experience of private equity funds.

## Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
<ul style="list-style-type: none"> <li>● Expansion of market share in used auto finance business in North America</li> <li>● Continued expansion of digital financial services market post COVID-19</li> <li>● Growth in cold chain logistics market in the U.S and China, the two largest markets</li> <li>● Recovery in air passenger travel demand as vaccinations increase</li> </ul>	<ul style="list-style-type: none"> <li>● Growth in earnings in joint businesses with global top-caliber partners including Mizuho Leasing Company, Limited around the world</li> <li>● Continuous development of next-generation finance initiatives such as online lending. Strengthen earning base through acceleration of DX in existing businesses.</li> <li>● Deployment of successful business models nurtured in developed countries to emerging markets.</li> </ul>

## Anticipated Risks and Countermeasures

Anticipated Risks	Countermeasures
<ul style="list-style-type: none"> <li>● Higher credit risk and increase in interest rates as monetary easing policies change direction around the world</li> <li>● Irreversible change in customer needs and behavior patterns as environmental awareness increases</li> <li>● Disruptions of existing business models and erosion of competitive advantages caused by DX</li> <li>● Slow recovery in demand for air passenger travel due to a prolonged the pandemic</li> </ul>	<ul style="list-style-type: none"> <li>● Diversify financing sources and strengthen risk management</li> <li>● Establish higher capability for innovation and transformation</li> <li>● Development of an advanced business management system by collaborating with top-caliber partners</li> <li>● Development of new businesses field such as next-generation finance in response to rapid market changes</li> </ul>

## Examples of Initiatives That Embody the GC2021 Business Strategy

### Investment in FinTech Company AND Global Pte. Ltd.

Since our establishment in 2019, we have been investigating opportunities to enter the next-generation finance business. As the pandemic has accelerated digital transformation, demand for digital consumer finance services is likely to increase around the world. As such, in December 2020, we invested in AND Global, which has its head office and FinTech development base in Mongolia. AND Global develops and provides FinTech solutions\* and small-ticket lending services to consumers via a smartphone app, mainly in Mongolia. Through its investment in AND Global, Marubeni Group will leverage its expertise in overseas business development and worldwide networks to help AND Global's digital finance service and FinTech solutions overseas, with the aim of adding further value to consumer businesses in the Marubeni Group and partners.

\* FinTech solutions: AI-driven credit scoring systems and connectivity with external apps



AND Global's mobile lending app





**Transportation & Industrial Machinery, Financial Business Group**

# Construction, Industrial Machinery & Mobility Division



**Jiro Itai**  
Chief Operating Officer, Construction, Industrial Machinery & Mobility Div.

The Construction, Industrial Machinery & Mobility Division will maximize operating efficiency based on conventional trading and direct investment businesses in four sectors while further strengthening its earnings foundation through expansion of peripheral businesses. In the construction machinery sector, we sell construction machinery products from world-leading Japanese manufacturers on a global scale. We aim to evolve and become an all-round construction/heavy machinery service provider by integrating new functions and services with those products. In the tire and rubber materials sector, we have built a rubber value chain that extends from upstream (rubber raw material sales) to downstream (trading in tires and other rubber products, overseas retail businesses) with the aim of rising to the top of every market in which we operate by developing new merchandise and geographic markets and globally expanding existing businesses. In the industrial systems and mobility sector, we aim to build sustainable social infrastructure by integrating our business foundation, accumulated from existing trading and sales businesses, with next-generation technologies, such as EVs and distributed power sources. In the industrial machinery sector, we are capitalizing on the broad company networks that we have cultivated over decades to expand our efforts not only in industrial machinery but also to a wide range of industries. In all four of these sectors, we will diversify our operations with the aim of creating new businesses that transcend boundaries between existing industries.

## Global Business Development



## Construction, Industrial Machinery & Mobility Division Strengths

- Sales, investment and operational know-how amassed over decades through global business activities
- Workforce of professionals well versed in their respective industries
- Fast information network linking domestic and overseas operating companies, overseas corporate subsidiaries and the Tokyo Head Office
- Strong relationships of trust with global top-tier manufacturers
- Diverse lineup of products and services, including trading, wholesaling, and retailing, that meet a wide range of customer needs domestically and internationally

## Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
<ul style="list-style-type: none"> <li>• Expansion of new demand due to market fluctuations, including EV infrastructure, resource constraints, increasing concern about environmental issues</li> <li>• Growing diversity of business domains in which AI, IoT, automation and other new technologies are used</li> </ul>	<ul style="list-style-type: none"> <li>• Utilizing existing knowledge, expand existing emission reduction-related businesses in response to market fluctuations. Specifically, sales of distributed power sources and pursuit of renewable energy-related businesses</li> <li>• Integrating existing businesses and new technology, create a new business model. Specifically, focus on AI-monitoring business</li> </ul>

## Anticipated Risks and Countermeasures

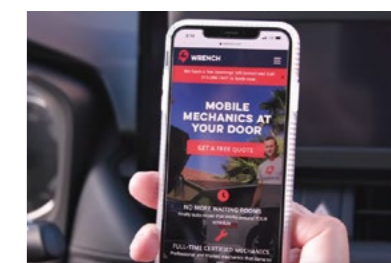
Anticipated Risks	Countermeasures
<ul style="list-style-type: none"> <li>• Obsolescence of existing markets due to technological innovation; risk of competition from new entrants from other sectors</li> <li>• Country risks in the regions and countries where we operate, including deterioration in economic and social conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Utilizing our wide-ranging knowledge, we review our businesses and build new ones in response to market changes</li> <li>• The Company assesses the degree of risk in the countries in which we operate and we manage our business activities based on those standards</li> </ul>

## Examples of Initiatives that Embody the GC2021 Business Strategy

### Investment in Wrench, Inc. in the U.S.

In October 2019, Marubeni invested in Wrench, Inc., a U.S. company that offers on-demand automobile management and repair services at the customers' desired location and time. Wrench analyzes massive amounts of automobile repair data to diagnose the broken area and select the correct parts for the repair job. It has developed AI that creates price estimates based on work hours and market prices. The company provides novel value by enhancing convenience for customers, improving transparency on prices and reducing downtime for automobiles.

Marubeni supports Wrench's business by leveraging the knowledge and data achieved from its automotive dealership and parts wholesale business for expansion of Wrench's parts procurement automation and service offerings. We will pursue greater levels of customer convenience and value propositions amid changes in the automobile repair and maintenance services sector, alongside growth in connected vehicles (cars with internet access) and electric vehicles (EVs).



Next-generation aftermarket business (U.S.)



CDIO

# Next Generation Business Development Division



**Masayuki Omoto**

Chief Operating Officer, Next Generation Business Development Div.

Having adopted growth themes in domains where explosive growth is expected in the years ahead, the Next Generation Business Development Division is drawing on the global network that a general trading company has at its disposal. At the same time, the Division is working to create new business models by anticipating the world's most advanced business models.

Specifically, the Division is incorporating cutting-edge business models from innovation hubs around the world by collaborating with the corporate venture capital firm Marubeni Ventures Inc. and Vertex Venture Holdings Ltd., a global venture fund owned by the Singaporean sovereign wealth fund Temasek Holdings (Private) Ltd. We will be focusing on business development along 10 adopted growth themes that cover: (1) Chinese children's education, (2) next generation retail, (3) smart city/infrastructure, (4) new decarbonization technologies, (5) offshore DX, (6) pharmaceuticals/medical devices, (7) medical services, (8) esports/media, (9) wellness/beauty, and (10) other high-growth domains.

Through efforts such as these, we are confronting the challenges of delivering new products, services, and solutions to Marubeni Group customers and partners. Regarding "creating business that will be valued by the next generation" as the Division's unwavering common goal, we will carefully select promising businesses for the next generation and develop business with an emphasis on speed while pursuing the development of next generation businesses that will form a major future earnings foundation.

## Next Generation Business Development Division Strengths

- Agile organizations that emphasize lightness and speed, systems that enable specialization in growth domains
- Development and construction of new business models focusing on solving social/customer issues regardless of the product verticals of existing businesses
- Systems capable of drawing on Marubeni's strengths (company-wide optimal business promotion through collaboration with existing business divisions)
- Access to/incorporation of the world's most advanced and innovative technologies

## Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
<ul style="list-style-type: none"> <li>• Expansion of consumption power due to the rise of the middle-income demographic in Asia</li> <li>• Expansion of next generation social infrastructure (urbanization/smartification)</li> <li>• Carbon-free society/circular economy</li> <li>• Expansion in high-quality medical needs and rise in health awareness</li> <li>• Transformation of values in millennials/new normal</li> <li>• Acceleration of contactless technologies (digitalization, shift to online access, shift to remote operation)</li> </ul>	<ul style="list-style-type: none"> <li>• Construction of digital platforms to build points of contact with end-customers</li> <li>• Response to needs for social infrastructure that will be overwhelmingly lacking in the future, accumulation of user data</li> <li>• Anticipation of the technological infrastructure (blockchain, next generation batteries, etc.) that will be required in the future</li> <li>• Development in Asia of innovative business models that have been proven in Europe and the U.S.</li> </ul>

## Anticipated Risks and Countermeasures

Anticipated Risks	Countermeasures
<ul style="list-style-type: none"> <li>• Risk of players with innovative technologies and business models appearing faster than expected</li> <li>• Return to short-term orientation due to stagnation in next generation business development</li> </ul>	<ul style="list-style-type: none"> <li>• Accumulate knowledge and know-how relating to the world's most advanced innovative technologies and innovation through startup ecosystem and innovation hubs</li> <li>• Pursue a high-speed learning mechanism that involves learning from small-scale projects and leads to large-scale projects</li> </ul>

## Global Business Development

Please see P.35 "Special Feature: Initiatives in Next Generation Business Development Division for more details about our strategy for the medical checkup service in Russia."

- ◆ Business base
- Innovation hub



Investment examples by Marubeni Ventures Inc.

- De-Identification Ltd. a** (AI-driven image data processing) (Israel)
- Floadia Corporation b** (developing flash memory for CPUs) (Japan)
- Willbox, Inc. c** (provides digital international logistics platform "Giho") (Japan)
- Lit Live, Inc. d** (provides "Shop LIT Live" shopping platform for live commerce) (U.S.)

## Examples of Initiatives that Embody the GC2021 Business Strategy

### Investment and strategic alliance with global esports team Fnatic

In April 2021, Marubeni led the most recent investment round in Sannpa Limited, the parent company of the global esports organization Fnatic, based in London, U.K., and entered into a strategic partnership to support Fnatic in the growing Japanese esports sector.

Esports competitions are streamed and watched widely online, and are attracting attention as new media content that combines video games and such social media functions as messages from players and viewer feedback. The number of esports fans and viewers is expected to grow from 474 million today to 577 million in 2024 globally. Because of its large millennial\*1 and Gen Z\*\*2 fan base, many companies around the world are actively deploying their ad budgets in an effort to reach and engage with these fans.

Marubeni is creating a new strategic partnership with Fnatic to accelerate Fnatic's growth in Japan. The collaboration will support the expansion of the Fnatic brand and the growth of Fnatic's base of operations in Japan and Fnatic's Rainbow 6 Siege team, who are relocating to Japan. Marubeni aims to create an internet media business highly recognized by Millennials and Gen Z.



Esports World Championship

\*1. Millennials: General term for the generation of people born between the early 1980s to the mid-1990s.  
 \*\*2. Gen Z: General term for the generation of people born after the mid-1990s.

## Analysis of Financial Position and Business Results

Information in this section is based on the Group's operating segments for the fiscal year ended March 31, 2021.

### Overview of Business Results

In the first six months of the fiscal year ended March 31, 2021, 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.

From the second half, a divergence in economic conditions around the world began to emerge, with the world's two great economic powers, the U.S. and China, achieving relatively strong recoveries, while the Japanese economy and European economies deteriorated due to the retightening of restrictions. Vaccinations are now underway in many countries but there are disparities in the pace of vaccination rollouts, with some countries facing supply issues and other problems.

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. The pace of long-term interest rate increases picked up owing to upward revisions to economic forecasts and inflation expectations, particularly in the U.S., where a massive additional economic stimulus package bill was passed at the start of the year.

As for primary commodity prices, the price of crude oil saw a temporary sharp decline in April 2020 but then gradually recovered thereafter on production cuts, expectations for the resumption of economic activity and the global monetary easing. In contrast, prices for copper and iron ore and others, which are strongly influenced by the Chinese economy, increased on the whole.

	(Billions of yen)		
	FYE 3/2020	FYE 3/2021	Change
Revenue	6,827.6	6,332.4	-495.2
<b>Gross trading profit</b>	696.8	675.4	-21.4
Selling, general and administrative expenses	(558.5)	(529.3)	+29.2
Provision for doubtful accounts	(4.4)	(4.5)	-0.1
<b>Operating profit<sup>*1</sup></b>	133.9	141.6	+7.7
Interest expense, net of interest income	(31.4)	(12.5)	+18.9
Dividend income	27.6	16.2	-11.4
Non-operating other—net <sup>*2</sup>	(240.9)	(4.8)	+236.2
Share of profits of associates and joint ventures	(55.2)	141.3	+196.4
<b>Profit (loss) before tax</b>	(165.9)	281.8	+447.7
Corporate income tax	(24.3)	(48.7)	-24.4
Profit (loss) for the year	(190.2)	233.1	+423.3
<b>Profit (loss) attributable to owners of the parent (Net profit)<sup>*3</sup></b>	(197.5)	225.3	+422.8
Profit attributable to non-controlling interests	7.3	7.7	+0.5

\*1. "Operating profit" is presented in accordance with Japanese accounting practice for investors' convenience and is not required by IFRS.

\*2. "Non-operating other—net" is the sum of "Gains (losses) in investment securities," "Gains (losses) on property, plant and equipment" and "Other—net."

\*3. "Profit (loss) attributable to owners of the parent" is shown as "Net profit."

(Billions of yen [change year on year])		
	FYE 3/2021	Change
<b>Gross trading profit</b>	675.4	-21.4
<b>Power Business</b>	11.5	(-12.1)
Profit decrease in the domestic electricity retailing business due to the impact of price surges in the electricity market and others.		
<b>Aerospace &amp; Ship</b>	14.6	(-11.6)
Sluggish sales in aircraft parts and engines and a decrease in revenue from the vessel operations.		
<b>Metals &amp; Mineral Resources</b>	14.6	(-11.6)
Profit decrease in the Australian coal business due to the fall in coal prices and others.		
<b>Agri Business</b>	14.6	(-11.6)
Profit increase in Gavilon against the backdrop of higher grain and fertilizer prices.		

(Billions of yen [change year on year])		
	FYE 3/2021	Change
<b>Non-operating other—net</b>	7.7	(-17.4)
<b>Gains (losses) on investment securities</b>	7.7	(-17.4)
Non-recurrence of gains recognized on the partial sale of the U.S. refrigerated trailer leasing and rental business.		
<b>Gains (losses) on property, plant and equipment</b>	(8.8)	(+242.1)
Non-recurrence of impairment losses on oil and gas E&P businesses and the Gavilon's grain business.		
<b>Other—net</b>	(3.7)	(+11.4)
Non-recurrence of losses associated with an overseas infrastructure business, reinsurance business, and the prior-period adjustments at Gavilon.		

(Billions of yen (change year on year))		
Share of profits (losses) of associates and joint ventures	FYE 3/2021	Change
<b>Metals &amp; Mineral Resources</b>	61.4	(+78.0)
Non-recurrence of impairment loss on investment in Chilean copper mining business, etc.		
<b>Finance &amp; Leasing Business</b>	20.8	(+40.9)
Non-recurrence of impairment loss on investment in the aircraft leasing business in the U.S., etc.		
<b>Agri Business</b>	3.0	(+28.0)
Non-recurrence of impairment loss on investment in a grain export business on the U.S. West Coast.		
<b>Infrastructure Project</b>	11.0	(+27.9)
Non-recurrence of impairment losses on infrastructure business in the Philippines and North American oil and gas E&P related business.		

(Billions of yen (change year on year))		
Net profit	FYE 3/2021	Change
<b>Consolidated net</b>	225.3	(+422.8)
Resources	64.9	(+231.0)
Non-resources	157.0	(+176.0)
Other	3.4	(+15.8)

### Revenue

Revenue was down ¥495.2 billion (7.3%) from the fiscal year ended March 31, 2020 to ¥6,332.4 billion, due mainly to a decrease in the Food segment.

### Gross trading profit

Gross trading profit decreased ¥21.4 billion (3.1%) from the fiscal year ended March 31, 2020 to ¥675.4 billion. Main increases/decreases by operating segment are the following.

<b>Power Business</b>	Decrease by ¥12.1 billion	Profit decrease in the domestic electricity retailing business due to the impact of price surges in the electricity market and others
<b>Aerospace &amp; Ship</b>	Decrease by ¥11.6 billion	Sluggish sales in aircraft parts and engines and a decrease in revenue from the vessel operations
<b>Metals &amp; Mineral Resources</b>	Decrease by ¥9.4 billion	Profit decrease in the Australian coal business due to the fall in coking coal prices and others
<b>Agri Business</b>	Increase by ¥29.5 billion	Profit increase in Gavilon against the backdrop of higher grain and fertilizer prices

### Selling, general and administrative expenses

Selling, general and administrative expenses decreased ¥29.2 billion (5.2%) from the fiscal year ended March 31, 2020 to ¥529.3 billion, as a result of cost-cutting efforts and a decrease in overhead expenses due to COVID-19.

### Provision for doubtful accounts

Provision for doubtful accounts stayed at the same level as the fiscal year ended March 31, 2020 at ¥4.5 billion.

As a result of the above, operating profit for the fiscal year ended March 31, 2021 increased ¥7.7 billion (5.7%) year on year to ¥141.6 billion.

### Interest expense, net of interest income

Interest expenses—net of interest income decreased ¥18.9 billion (60.1%) from the fiscal year ended March 31, 2020 to ¥12.5 billion due to the lower U.S. dollar interests.

### Dividend income

Dividend income decreased ¥11.4 billion (41.3%) from the fiscal year ended March 31, 2020 to ¥16.2 billion, due mainly to a decrease in Energy.

### Gains (losses) on investment securities

Gains on investment securities totaled ¥7.7 billion, a decline of ¥17.4 billion (69.2%) from the fiscal year ended March 31, 2020. The main factor was the non-recurrence of gain recognized in the year-earlier period on the partial sale of the U.S. refrigerated trailer leasing and rental business.

### Gains (losses) on property, plant and equipment

Losses on property, plant and equipment totaled ¥8.8 billion, an improvement of ¥242.1 billion (96.5%) from the fiscal year ended March 31, 2020. The main factors were the non-recurrence of the year-earlier impairment losses on oil and gas E&P businesses and Gavilon's grain business.

### Other—net

Other—net losses totaled ¥3.7 billion, an improvement of ¥11.4 billion (75.6%) from the fiscal year ended March 31, 2020, mainly reflecting the non-recurrence of losses recognized in the year-earlier period associated with an overseas infrastructure business, reinsurance business and the prior-period adjustments at Gavilon.

**Share of profits (losses) of associates and joint ventures**

Share of profits of associates and joint ventures improved ¥196.4 billion (– %) from the fiscal year ended March 31, 2020 to ¥141.3 billion, as a result of the non-recurrence of impairment losses recognized in the previous fiscal year. Main improvements by operating segment are the following.

<b>Metals &amp; Mineral Resources</b>	Improvement by ¥78.0 billion	Non-recurrence of impairment loss on investment in Chilean copper mining business, etc.
<b>Finance &amp; Leasing Business</b>	Improvement by ¥40.9 billion	Non-recurrence of impairment loss on investment in the aircraft leasing business in the U.S., etc.
<b>Agri Business</b>	Improvement by ¥28.0 billion	Non-recurrence of impairment loss on investment in a grain export business on the U.S. West Coast.
<b>Infrastructure Project</b>	Improvement by ¥27.9 billion	Non-recurrence of impairment losses on infrastructure business in the Philippines and North American oil and gas E&P related business.

As a result of the above, profit before tax for the fiscal year ended March 31, 2021 totaled ¥281.8 billion, an improvement of ¥447.7 billion (– %) year on year.

**Cash Flows**

(Billions of yen)

	FYE 3/2020	FYE 3/2021
Cash flow from operating activities	327.0	<b>397.1</b>
Core operating cash flow <sup>4</sup>	363.8	<b>369.6</b>
Increase/decrease in working capital and others	(36.8)	<b>27.5</b>
Cash flow from investing activities	(209.8)	<b>(116.3)</b>
Free Cash Flow	117.2	<b>280.8</b>
Free cash flow after delivery of shareholder returns	57.3	<b>231.3</b>

<sup>4</sup> Core operating cash flow: Operating cash flow excluding net increase/decrease in working capital and others.

**Income taxes**

Income taxes increased ¥24.4 billion (100.8%) year on year to ¥48.7 billion.

As a result, profit attributable to owners of the parent for the fiscal year ended March 31, 2021 (also referred to below as net profit for the fiscal year under review) improved ¥423.3 billion (– %) to ¥225.3 billion relative to the year-earlier period.

**Financial Position**

(Billions of yen)

	March 31, 2020	March 31, 2021
Total assets	6,320.0	<b>6,939.0</b>
Net interest-bearing debt	1,859.1	<b>1,687.9</b>
Total equity	1,604.6	<b>1,911.8</b>
Net DE ratio	1.16 times	<b>0.88 times</b>

**Cash Dividends**

	FYE 3/2020	FYE 3/2021
Annual dividend	¥35 per share (Interim dividend ¥17.50 per share) (Year-end dividend ¥17.50 per share)	<b>¥33 per share</b> (Interim dividend <b>¥11.00</b> per share) (Year-end dividend <b>¥22.00</b> per share)

**Business Results by Segment**

Results for each operating segment for the fiscal year ended March 31, 2021 are as follows:

**Net Profit and Adjusted Net Profit by Segments**

(Billions of yen)

Operating Segment <sup>5</sup>	Net profit			Adjusted net profit <sup>7</sup>		
	FYE 3/2020	FYE 3/2021	Change	FYE 3/2020	FYE 3/2021	Change
Lifestyle	4.1	<b>2.1</b>	–2.1	3.0	<b>2.0</b>	–1.0
ICT & Real Estate Business	11.9	<b>18.6</b>	+6.6	18.0	<b>18.0</b>	–
Forest Products	3.3	<b>(2.1)</b>	–5.4	7.0	<b>1.0</b>	–6.0
Food	19.5	<b>28.3</b>	+8.9	22.0	<b>33.0</b>	+11.0
Agri Business	(77.1)	<b>42.4</b>	+119.5	23.0	<b>44.0</b>	+21.0
Chemicals	4.1	<b>15.3</b>	+11.2	6.0	<b>15.0</b>	+9.0
Energy	(149.3)	<b>11.9</b>	+161.3	18.0	<b>12.0</b>	–6.0
Metals & Mineral Resources	(5.7)	<b>61.4</b>	+67.1	54.0	<b>62.0</b>	+8.0
Power Business	9.0	<b>10.0</b>	+1.0	21.0	<b>15.0</b>	–6.0
Infrastructure Project	(28.6)	<b>7.3</b>	+35.9	11.0	<b>8.0</b>	–3.0
Aerospace & Ship	11.6	<b>3.2</b>	–8.5	15.0	<b>5.0</b>	–10.0
Finance & Leasing Business	(7.4)	<b>8.9</b>	+16.3	18.0	<b>15.0</b>	–3.0
Construction, Industrial Machinery & Mobility	19.6	<b>14.7</b>	–4.9	16.0	<b>14.0</b>	–2.0
Next Generation Business Development	(1.9)	<b>(2.1)</b>	–0.2	(2.0)	<b>(2.0)</b>	–
Other	(10.5)	<b>5.5</b>	+16.0	(6.0)	<b>1.0</b>	+7.0
Consolidated	(197.5)	<b>225.3</b>	+422.8	225.0	<b>242.0</b>	+17.0
Resources <sup>6</sup>	(166.0)	<b>64.9</b>	+231.0	61.0	<b>64.0</b>	+3.0
Non-resources <sup>6</sup>	(19.0)	<b>157.0</b>	+176.0	172.0	<b>179.0</b>	+7.0
Other <sup>6</sup>	(12.4)	<b>3.4</b>	+15.8	(8.0)	<b>(1.0)</b>	+7.0

<sup>5</sup> Effective as of April 2020, "Plant" and "Construction, Auto & Industrial Machinery" were renamed as "Infrastructure Project" and "Construction, Industrial Machinery & Mobility," respectively. Moreover, part of "Plant" was reorganized into "Finance & Leasing Business," part of "Plant" and "Other" was reorganized into "Next Generation Business Development," and part of "Next Generation Business Development" was reorganized into "Other." In conjunction with these organizational changes, operating segment information for the fiscal year ended March 31, 2020 and information by business fields such as Resources and Non-resources have been reclassified.

<sup>6</sup> Business fields

Resources: Total for "Energy" and "Metals & Mineral Resources" excluding the "Steel Products" sub-segment

Other: Total for "Next Generation Business Development" and "Other" segments

Non-resources: Other than the above

<sup>7</sup> Adjusted net profit: Net profit excluding one-time items is an approximate figure. Amount may not agree with total for segments and consolidated total due to rounding.

**Lifestyle**

Gross trading profit decreased ¥4.4 billion (19.3%) year on year to ¥18.2 billion and operating profit decreased ¥2.2 billion (51.3%) year on year to ¥2.0 billion, in response to reduced sales of apparel and others due to COVID-19. Share of profits of associates and joint ventures decreased ¥0.4 billion (87.4%) year on year, to ¥0.1 billion. As a result, net profit was down ¥2.1 billion (50.2%) from the fiscal year ended March 31, 2020 to ¥2.1 billion.

**ICT & Real Estate Business**

Gross trading profit decreased ¥2.2 billion (1.9%) year on year to ¥115.1 billion due to a decline in domestic mobile phone sales business owing to the impact of COVID-19. Operating profit decreased ¥0.9 billion (3.3%) year on year to ¥27.0 billion. Share of profits of associates and joint ventures decreased ¥1.3 billion (65.9%) year on year to ¥0.7 billion due to a decline in the profit of a Chinese real estate sales business. Despite the above, net profit increased ¥6.6 billion (55.4%) from the fiscal year ended March 31, 2020 to ¥18.6 billion, due to the non-recurrence of loss on the reinsurance business posted in the previous year.

### Forest Products

Gross trading profit decreased ¥8.4 billion (25.9%) year on year to ¥24.0 billion 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. In addition to the above, the overseas bad debt expense increased, and operating profit declined ¥9.0 billion (76.6%) year on year to ¥2.7 billion. Share of losses of associates and joint ventures deteriorated ¥0.2 billion (17.4%) year on year to ¥1.4 billion. As a result, net profit (loss) deteriorated ¥5.4 billion (– %) from the fiscal year ended March 31, 2020 to negative ¥2.1 billion.

### Food

Gross trading profit increased ¥6.8 billion (6.6%) year on year to ¥109.1 billion due to strong performance in the meat processing and sales business, improved margins in grain trading and others. In addition to the above, overhead expenses decreased, and operating profit increased ¥11.7 billion (37.2%) year on year to ¥43.3 billion. Share of profits of associates and joint ventures increased ¥1.8 billion (29.0%) year on year to ¥8.1 billion due to profit increase in domestic retail businesses. Net profit for the year increased ¥8.9 billion (45.5%) from the fiscal year ended March 31, 2020 to ¥28.3 billion.

### Agri Business

Gross trading profit increased ¥29.5 billion (17.5%) year on year to ¥198.7 billion due to stronger profits at Gavilon against the backdrop of higher grain and fertilizer prices. Operating profit increased ¥24.0 billion (88.1%) year on year to ¥51.2 billion. Share of profits of associates and joint ventures improved ¥28.0 billion (– %) year on year to ¥3.0 billion due to the non-recurrence of impairment loss on investment in the grain export business on the U.S. West Coast. In addition, due to the non-recurrence of impairment losses on the Gavilon's grain business booked in the year-earlier period, net profit (loss) improved ¥119.5 billion (– %) from the fiscal year ended March 31, 2020, to positive ¥42.4 billion.

### Chemicals

Gross trading profit increased ¥9.0 billion (30.2%) year on year to ¥39.0 billion, 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 ¥12.9 billion (239.0%) year on year to ¥18.3 billion accordingly. Share of profits of associates and

joint ventures stayed at the same level as the year-earlier period at ¥1.4 billion. As a result, net profit increased ¥11.2 billion (273.9%) from the fiscal year ended March 31, 2020, to ¥15.3 billion.

### Energy

Gross trading profit stayed at the same level as the year-earlier period at ¥37.3 billion and operating profit increased ¥0.2 billion (5.9%) year on year to ¥3.5 billion. Share of profits of associates and joint ventures improved ¥14.3 billion (– %) year on year, to ¥1.1 billion. The improvement is attributable to the non-recurrence of impairment loss recognized in the previous fiscal year on investment in LNG business in Papua New Guinea. Net profit (loss) improved ¥161.3 billion (– %) year on year to positive ¥11.9 billion, due to the non-recurrence of impairment losses on the oil and gas E&P in the U.S., and reversal of deferred tax assets, both recognized in the year-earlier period.

### Metals & Mineral Resources

Gross trading profit decreased ¥9.4 billion (31.0%) year on year to ¥21.0 billion as a result of fall of coking coal prices in the Australian coal business and others. Operating profit decreased ¥8.8 billion (75.0%) year on year to ¥2.9 billion. Share of profits of associates and joint ventures improved ¥78.0 billion (– %) year on year, to ¥61.4 billion as a result of profit increase in the Chilean copper business and in the Australian iron ore business, along with the non-recurrence of impairment loss recognized in the previous fiscal year on the Chilean copper business, that more than offset profit declines in the Australian coal business. As a result, net profit (loss) improved ¥67.1 billion (– %) from the fiscal year ended March 31, 2020 to positive ¥61.4 billion.

### Power Business

Gross trading profit decreased ¥12.1 billion (51.3%) year on year to ¥11.5 billion, as a result of the declined profits in retail power sales business and others affected by the soaring electricity market prices and others. Operating loss worsened ¥11.1 billion (79.6%) year on year to ¥25.0 billion. Share of profits of associates and joint ventures increased ¥10.6 billion (59.7%) year on year to ¥28.4 billion due to the non-recurrence of impairment loss on investment in offshore wind power installation business in the U.K. As a result, net profit increased ¥1.0 billion (11.1%) from the fiscal year ended March 31, 2020 to ¥10.0 billion.

### Infrastructure Project

Even though gross trading profit decreased ¥1.9 billion (15.9%) year on year to ¥10.0 billion mainly owing to lower profits from overseas plant projects and others, the operating loss improved ¥0.4 billion (6.9%) year on year to ¥5.5 billion as a result of lower overhead expenses. Share of profits of associates and joint ventures improved ¥27.9 billion (– %) year on year to ¥11.0 billion due to the non-recurrence of impairment losses posted in the previous fiscal year on investment in infrastructure business in the Philippines and North American oil and gas E&P related business. In addition to the above, owing to the non-recurrence of loss in overseas infrastructure business recognized in the previous year, net profit (loss) improved ¥35.9 billion (– %) year on year to positive ¥7.3 billion.

### Aerospace & Ship

Gross trading profit decreased ¥11.6 billion (44.3%) year on year to ¥14.6 billion, 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 ¥9.9 billion (70.2%) year on year to ¥4.2 billion. Share of profits of associates and joint ventures increased ¥0.2 billion (8.0%) year on year to ¥3.1 billion as a result of the non-recurrence of impairment loss recognized in the year-earlier period on investment in offshore wind power installation business in the U.K., that more than offset 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 ¥8.5 billion (72.6%) from the fiscal year ended March 31, 2020 to ¥3.2 billion.

### Finance & Leasing Business

Gross trading profit decreased ¥7.1 billion (64.6%) year on year to ¥3.9 billion, because a consolidated subsidiary in the U.S. refrigerated trailer leasing and rental business was converted into an equity-method associate. Operating loss accordingly worsened ¥3.8 billion (764.9%) year on year to ¥4.3 billion. Share of profits of associates and joint ventures improved ¥40.9 billion (– %) year on year to ¥20.8 billion, as a result of profit increase in the used car retail financing business in U.S. and the non-recurrence of impairment loss recognized in the previous year on the aircraft leasing business in U.S., despite a decline in profit of the aircraft leasing business in U.S. due to the impact of COVID-19. Net profit (loss) improved ¥16.3 billion (– %) year on year to positive

¥8.9 billion, according to the improvement in share of profits of associates and joint ventures, despite the non-recurrence of gain recognized in the year-earlier period on the partial sale of the U.S. refrigerated trailer leasing and rental business.

### Construction, Industrial Machinery & Mobility

Gross trading profit decreased ¥8.7 billion (9.8%) year on year to ¥80.8 billion, as results of profit decrease in the construction machinery, industrial equipment, tires and rubber materials related businesses due to the impact of COVID-19. Operating profit decreased ¥3.9 billion (19.7%) year on year to ¥16.1 billion. Share of profits of associates and joint ventures decreased ¥2.5 billion (40.7%) year on year to ¥3.6 billion. As a result, net profit decreased ¥4.9 billion (24.8%) from the fiscal year ended March 31, 2020, to ¥14.7 billion.

### Next-Generation Business Development

Gross trading profit decreased ¥0.6 billion (24.3%) year on year to ¥1.8 billion and operating loss worsened ¥0.4 billion (17.4%) year on year to ¥2.5 billion. As a result, net loss worsened ¥0.2 billion (10.0%) from the fiscal year ended March 31, 2020, to ¥2.1 billion.

## Net Profit of Major Group Companies

As for the category of Group companies, consolidated subsidiaries are described as "Consolidated" and associate companies accounted for using the equity-method as "Equity method."

Company Name	Consolidated/ Equity method	Equity Portion	FYE 3/2020	FYE 3/2021	Change	Description of business	(Billions of yen)
<b>Lifestyle Division</b>							
Saide Tekstil Sanayi ve Ticaret	Equity method	45.5%	0.1	0.2	+0.1	Planning, manufacturing and sale of apparel and goods	
Marubeni Fashion Link	Consolidated	100%	0.9	0.2	-0.7	Planning, manufacturing and sale of apparel and goods	
Marubeni Intex	Consolidated	100%	1.2	1.4	+0.2	Sale of industrial materials, lifestyle materials and products	
<b>ICT &amp; Real Estate Business Division</b>							
Marubeni Information Systems	Consolidated	100%	1.7	1.6	-0.2	IT solution provider for full range of IT lifecycle in every industry	
Marubeni IT Solutions	Consolidated	80.0%	0.9	0.9	+0.0	Sales planning of information and communication systems, design, and development of software	
MX Mobiling	Consolidated	100%	6.6	5.8	-0.7	Sales, repair and maintenance of mobile handsets and related equipment	
ARTERIA Networks	Consolidated	50.0%	2.2	2.2	+0.0	Provision of various network services for businesses and condominiums	
Marubeni Real Estate Management	Consolidated	100%	0.7	0.3	-0.4	Leasing and subleasing of real estate, management of office buildings and complex facilities	
Marubeni Logistics	Consolidated	100%	1.0	1.2	+0.1	International combined transport operation (NVOCC), 3PL (Third-party Logistics), ocean & air freight forwarding, consultancy relating to logistics	
Marubeni Safenet	Consolidated	100%	0.4	0.4	-0.1	Insurance agency and lending business	
<b>Forest Products Division</b>							
MUSI Pulp Project	Consolidated	TEL 85.1% MHP 100%	(3.7)	(4.4)	-0.7	Forestry (Afforestation of hardwood), production and sales of pulp in Indonesia	
WA Plantation Resources	Consolidated	100%	1.6	(0.3)	-2.0	Wood chip production and plantation in Australia	
Koa Kogyo	Consolidated	80.0%	2.0	2.4	+0.4	Manufacture and sale of corrugating medium and linerboard	
Fukuyama Paper	Consolidated	55.0%	1.3	1.2	-0.1	Manufacture and sale of corrugating medium and core board	
Marubeni Pulp & Paper	Consolidated	100%	2.3	1.6	-0.7	Sale of paper products	
Marusumi Paper	Equity method	32.2%	(1.5)	(1.6)	-0.1	Manufacture and sale of paper	
<b>Food Division</b>							
Yamaboshiya	Consolidated	75.6%	1.3	0.7	-0.6	Wholesale of confectionery products to mass-retail and convenience stores	
United Super Markets Holdings Inc.*1	—	—	0.2	1.3	+1.1	Supermarket operators in the Tokyo metropolitan area	
Cia.Iguacu de Cafe Soluvel	Consolidated	100%	0.8	1.1	+0.3	Manufacturing and sale of instant coffee	
Marubeni Foods	Consolidated	100%	0.7	0.7	-0.0	Imports, exports and sales of food products	
Benirei	Consolidated	98.8%	0.3	0.6	+0.3	Wholesale of seafood products and warehousing	
Creekstone Holding	Consolidated	100%	4.3	9.5	+5.2	Holding company of Creekstone Farms Premium Beef LLC, which conducts production, processing and sales of beef, etc.	
Wellfam Foods	Consolidated	100%	2.4	4.2	+1.9	Marketing of livestock, meats and processed products	
Rangers Valley Cattle Station	Consolidated	100%	0.9	(0.6)	-1.5	Cattle raising and beef sales business in Australia	
S FOODS*2	Equity method	15.3%	1.0	1.5	+0.5	Wholesale, retail, and restaurant business of meats	
Marubeni Nisshin Feed	Consolidated	60.0%	1.8	2.1	+0.4	Manufacture and sales of livestock feed	
Pacific Grain Terminal	Consolidated	78.4%	0.6	0.7	+0.1	Warehousing, stevedoring and transportation operations	
The Nisshin Oil/O Group*2	Equity method	16.0%	1.3	1.4	+0.1	Processing and sale of edible oil business	
<b>Agri Business Division</b>							
Helena	Consolidated	100%	24.9	22.8	-2.1	Sales of agricultural materials and provision of various services in the U.S.	
Gavilon Agriculture Investment			(87.9)	21.5	+109.3		
Grain Business	Consolidated	100%	(87.5)	16.4	+103.9	Parent company of Gavilon Group (collection/sales of grain, fertilizer, etc.)	
Fertilizer Business			(0.4)	5.0	+5.4		
Columbia Grain International	Consolidated	100%	(9.0)	3.6	+12.6	Collection, storage, exporting and domestic sales of grain produced in North America	

Company Name	Consolidated/ Equity method	Equity Portion	FYE 3/2020	FYE 3/2021	Change	Description of business	(Billions of yen)
<b>Chemicals Division</b>							
Marubeni Plax	Consolidated	100%	0.8	0.8	+0.0	Sales and foreign trade of plastic products and resins	
Olympus Holding (Orffa)	Consolidated	80.0%	0.4	1.0	+0.6	Sales of feed additives	
Marubeni Chemix	Consolidated	100%	0.9	0.9	+0.1	Sales and foreign trade of organic chemicals and fine chemicals	
<b>Energy Division</b>							
LNG Projects	—	—	6.9	5.4	-1.5	Liquefaction of natural gas in overseas	
ENEOS GLOBE	Equity method	20.0%	0.6	1.9	+1.4	Import and sale of LPG, and sale of new energy-related equipment	
MIECO	Consolidated	100%	3.3	4.1	+0.9	Sale of all types of petroleum products and natural gas	
Oil & Gas E&P	Consolidated	100%	(164.1)	(7.8)	+156.2	Total of oil and gas interests at Gulf of Mexico (U.S.), North Sea (U.K.), Indian Sea	
<b>Metals &amp; Mineral Resources Division</b>							
Marubeni Coal	Consolidated	100%	25.2	5.0	-20.1	Investment in coal mines in Australia	
Roy Hill Iron Ore Project	Equity method	15.0%	15.4	30.1	+14.7	Investment in iron ore mine in Australia	
Marubeni LP Holding	Consolidated	100%	(59.5)	16.4	+75.9	Investment in copper mines in Chile	
Marubeni Aluminium Australia	Consolidated	100%	(0.4)	(0.3)	+0.1	Refining and sales of aluminum ingots in Australia	
Marubeni Metals & Minerals (Canada)	Consolidated	100%	2.8	0.9	-1.8	Refining and sales of aluminum ingots in Canada	
Marubeni-Itochu Steel	Equity method	50.0%	11.2	8.7	-2.5	Sales and business management of steel products	
<b>Power Business Division</b>							
Overseas IPP Projects*3	—	—	35.6	35.9	+0.3	Overseas power generation	
SmartestEnergy	Consolidated	100%	(0.8)	1.7	+2.5	Electricity aggregation and retail business in the U.K.	
<b>Infrastructure Project</b>							
FPSO Projects*4	—	—	1.6	3.2	+1.6	FPSO project investment and management	
Overseas Water and Wastewater Services*5	—	—	(18.3)	6.1	+24.4	Overseas water and wastewater services	
<b>Aerospace &amp; Ship Division</b>							
Marubeni Aviation Parts Trading	Consolidated	100%	2.6	(0.8)	-3.4	Investment in aircraft parts trading business in the U.S.	
<b>Finance &amp; Leasing Business Division</b>							
Nowlake (Westlake) business*6	Equity method	21.8%	11.0	22.6	+11.6	Investment in used car retail financing businesses in the U.S.	
PLM Fleet*7	Equity method	50.0%	2.5	1.6	-0.9	Leasing and rental of refrigerated trailers in the U.S.	
Marubeni SuMIT Rail Transport	Equity method	50.0%	1.1	0.8	-0.3	Investment in railcar leasing business in the U.S.	
Aircastle Business*8	Equity method	—	(39.8)	(7.8)	+32.0	Aircraft operating lease business in the U.S.	
<b>Construction, Industrial Machinery &amp; Mobility Division</b>							
B-Quik	Consolidated	90.0%	2.3	2.5	+0.3	Tire retailer in the ASEAN	
Automotive Aftermarket Business	—	—	2.0	2.0	+0.0	Automotive aftermarket business in the U.S.	
Marubeni Auto Investment (U.K.)	Consolidated	100%	0.7	0.9	+0.2	Investment in retail sales business of automobiles in the U.K.	
Kono Electronics	Consolidated	100%	0.5	0.6	+0.1	Sales of electrical equipment connecting parts and materials	
Marubeni Techno-Systems	Consolidated	100%	2.0	1.3	-0.7	Sale, export and import of industrial machinery	

\*1. We hold outstanding shares of this company through a holding company. Stated figures that are multiplications of disclosed figures of this company and our equity portion, are shown for reference. Adjustments of accounting standard variances have been applied to our IFRS consolidated statements.

\*2. Stated figures that are multiplications of disclosed figures of this company and our equity portion, are shown for reference. Adjustments of accounting standard variances have been applied to our IFRS consolidated statements.

\*3. Total profits of consolidated subsidiaries and share of profits of associates and joint ventures of our overall IPP business.

\*4. Total profits of consolidated subsidiaries and share of associates and joint ventures of our FPSO projects.

\*5. Total profits of consolidated subsidiaries and share of associates and joint ventures of our overseas water and wastewater services.

\*6. In line with organizational restructuring implemented in January 2021, the business name was changed from Westlake business to Nowlake business.

\*7. Completed transfer of equity interests (100% → 50%) on March 30, 2020. Listed figures of consolidated net profit for FYE 3/2020 are figures before the transfer (former MAC Trailer Leasing (PLM), 100% consolidated). However, profits related to organizational restructuring within the group not reported in the consolidated financial statements are adjusted.

\*8. Completed additional acquisition (29% → 75%) on March 27, 2020. Listed figures of consolidated net profit for FYE 3/2019 and 3/2020 are both figures before the additional acquisition, including the impairment loss recognized in FYE3/2020.

## Business Risks

Major risks that could have a serious impact on investor decisions associated with the business operations and other activities of Marubeni Corporation and its consolidated subsidiaries are outlined below. The risks discussed, however, are not inclusive of the full range of possible risks faced in the broad range of activities engaged in by the Group. Any number of additional risks other than those discussed below could also impact business performance. Forward-looking statements with respect to the risks discussed below reflect the reasonable judgment of the Company's management based on information available as of March 31, 2021.

### (1) Risk Management Policy

In conducting their diverse business activities, Marubeni and its consolidated subsidiaries manage risks through a multifaceted approach, encompassing micro and macro as well as quantitative and qualitative perspectives. For each of these approaches, Marubeni has in place a basic policy for risk management and internal rules and has established the organizations, management systems, and management methods to carry out those policies.


Incorporating a micro focus on individual risk, Marubeni and its consolidated subsidiaries make decisions on certain matters (e.g., investments, credit extensions) through a consensus-based decision-making process. Highly material investments are monitored more closely to facilitate early problem detection and corrective action. The Investment and Credit Committee, Corporate Management Committee and the Board of Directors periodically receive reports on the current status of investments. The strategic, growth and profit potential of these investments is examined, with necessary investments considered from a variety of multifaceted angles and the determination regarding whether to revise and move forward or withdraw made in accordance with the consensus-based decision-making process.

In an environment where exchange rates, resource prices and other financial and commodity market variables remain prone to substantial volatility, Marubeni practices integrated risk management from a macro view that spans the entire Group. Its integrated risk management encompasses all of its Group assets, classifying by exposure risk attributes, such as market risk, credit risk and investment risk, and quantifying the maximum risk amount using the VaR (Value at Risk) method that takes into account the diversification effect and the correlation coefficient. Marubeni then confirms that the exposure is

within the range of its total equity, which represents its risk-bearing capacity.

With regard to risks that are difficult to quantify, such as compliance risk, Marubeni has put in place systems to prevent such risks from manifesting themselves in the form of improved corporate governance and internal control systems and an upgraded compliance system.

However, Marubeni and its consolidated subsidiaries' risk management framework may not be capable of fully dealing with all of the various risks that could arise in their wide-ranging business activities today or in the future. In such an event, Marubeni and its consolidated subsidiaries' earnings performance and/or financial condition could be adversely affected.

 Please refer to Concerning the Decision-making Processes for New Investments and Asset Recycling on P.27.

### (2) Individual Risks

#### ① Impact of Changes in the Global Economy and Industrial Structure on the Marubeni Group

The Company is a general trading company engaged in a wide range of business activities through bases in Japan and over 60 other countries. Examples include the production and procurement of primary commodities, as well as the manufacture and sale of finished goods, the provision of services and various commercial and investing activities in Japan and other countries and regions in many industrial fields.

Consequently, it is necessary for Marubeni to examine the impact on business activities and to respond to events that affect the global economy, as exemplified by growing tensions between the U.S. and China, the situation in the Middle East, as well as climate change and natural disasters, on business activities. The Company also works to develop new business models and revamp existing ones in response to changes in the industrial structure driven by technological innovation, such as AI, blockchain, and 5G services, and changes in and the diversification of values, including sustainability and decarbonization. A global economic downturn or slowdown or failure to adequately adapt to changes in the industrial structure could adversely affect the Company and its consolidated subsidiaries' operating activities, business results and/or financial condition.

#### ② Credit Risks Regarding Business Partners

Marubeni and its consolidated subsidiaries extend credit to business partners in the form of accounts receivable, advances, loans, guarantees, and other means. In addition, as a part of its sales activities, the Group concludes merchandise supply, subcontracting, operational outsourcing, and other types of contracts with business partners. The incurrence of credit risk due to the inability of business partners to fulfill their credit obligations or a breach of contract by these business partners could adversely affect the Group's business results and financial condition.

To prevent credit risks from materializing, the Group sets credit limits, which represent the maximum limit of credit provided to any one customer, while carefully ascertaining the customer's credit standing, the profit margin of the transaction, strategic consistency and other factors. Operating within the range of that credit limit then serves as the basis of the Company's credit management.

In preparation for the incurrence of possible losses when credit risk becomes apparent, the Group establishes allowances for doubtful accounts based on the estimated amount of loss, an internal rating determined in accordance with the business partner's credit standing, collateral value, and other set factors. In the event of such losses, however, the Company cannot guarantee that actual losses will not exceed these established allowances.

#### ③ Investment Risk

Marubeni and its consolidated subsidiaries, both independently and in collaboration with other companies, establish new companies and purchase existing enterprises in the course of their business operations. Most of these business investments require sizable amounts of capital. The Group may be unable to withdraw from such businesses in an optimal manner or time frame, in which case it would be obliged to commit additional capital.


In an effort to prevent the occurrence of risks associated with investments and other activities, Marubeni and its consolidated subsidiaries conduct extensive risk management, including checking the quantitative and qualitative aspects of new investments to determine whether the expected returns are commensurate with the risks involved. The checking process is based on investment standards established within the Company, such as internal rate of return (IRR), payback period, and PATRAC\*1. Nevertheless, a decline in the value of these investments or the necessity of additional expenditures

of capital could adversely affect the Group's business results and financial condition.

\*1. PATRAC (Profit After Tax less Risk Asset Cost): A performance indicator developed by Marubeni to measure the extent to which returns exceed a minimum risk-adjusted return target. Calculated based on the following formula.

PATRAC = Profit after tax – Risk assets (= required shareholders' equity) x 10%\*2

\*2. Hurdle rate based on cost of capital

 Please refer to Concerning the Decision-making Processes for New Investments and Asset Recycling on P.27.

#### ④ Ability to Procure Funds and Funding Cost

Marubeni and its consolidated subsidiaries engage in fund procurement with an emphasis on maintaining an optimal mix of funding in line with the requirements of their respective asset portfolios and ensuring liquidity. However, significant disruptions in major global capital markets, shortages of cash flows from operating activities, declining profitability, failure in asset-liability management, or a sharp downgrade in the credit rating of the Group by ratings agencies could constrain fund procurement or lead to an increase in funding cost, which could adversely affect the Group's business results and financial condition.

 Please refer to the Message from the CFO on PP.24–27.

#### ⑤ Market Risks

Unless otherwise stated, in this section the amount of impact on the profit attributable to owners of the parent (hereinafter, profit) shown is the amount for the fiscal year ending March 31, 2022, calculated based on the Company's business results for the fiscal year ended March 31, 2021.

##### (a) Fluctuations in the Prices of Goods and Merchandise

Marubeni and its consolidated subsidiaries handle a variety of merchandise. With regard to certain merchandise, the Group enters into commodity futures transactions and/or forward transactions in order to mitigate the price fluctuation risk related to inventories, contracts, and scheduled contracts of such merchandise. However, price fluctuations especially in the commodities could adversely affect the Group's business results and financial condition. Such commodities include, but are not limited to the following:

- the grains, such as corn and wheat, and chicken handled by the Food Division
- the chemicals, such as ethylene and propylene, handled by the Chemicals Division

- the crude oil and gas handled by the Energy Division
- the non-ferrous metals handled by the Metals & Mineral Resources Division
- and the wood pulp handled by Forest Products Division

Marubeni also utilizes vessels, such as dry bulk carriers and tankers, to transport these merchandises, and the market conditions for these vessels could also adversely affect the Group's business results and financial condition. To address such price fluctuation risks in commodities trading and to avoid taking excessive risk exposure, Marubeni employs a position management framework to establish position limits on a commodity-by-commodity basis and to regularly monitor its compliance.

In addition to the effects of these price fluctuations in commodities trading, Marubeni and its consolidated subsidiaries participate in energy and natural resource exploration and production (E&P) businesses and other manufacturing businesses. Fluctuations in the markets of the products sold through these activities could adversely affect the Group's business results and financial condition.

The effects of price fluctuations on the major products in the mineral resources and the oil and gas E&P businesses in which Marubeni and its consolidated subsidiaries participate are set out below.

If the commodity price of crude oil changes by US\$1 per barrel, the effect on profit for the year is estimated to be about ¥500 million per year. However, since profit for the year is affected by factors other than price fluctuations—including production/operation status, operating expenses, development expenses for drilling production wells, constructing production facilities, etc., exploration expenses, and abandonment expenses—there are cases in which it cannot be determined simply by the commodity price of crude oil.

If the commodity price of copper fluctuates by US\$100 per ton, the impact on profit for the year is estimated to be about ¥1.1 billion per year. However, since profit for the year is affected by factors other than price fluctuations—production/operational status, capital expenditure and operating expenditure associated with the maintenance of production and transportation facilities—there are cases in which it cannot be determined simply by the commodity price of copper.

#### (b) Market Liquidity (Liquidity Risk)

Marubeni and its consolidated subsidiaries hold a variety of assets that are subject to market trading, including financial instruments. Financial market turmoil and other factors can cause the market liquidity of held assets to decline dramatically, a situation that could potentially trigger a precipitous drop in the value of held assets. Such an occurrence could adversely affect the Group's business results and financial condition.

#### (c) Fluctuations in Foreign Currency Exchange Rates

Marubeni and its consolidated subsidiaries conduct transactions in a variety of currencies and under a variety of terms. In order to mitigate the risk of exchange rate fluctuations associated with transactions, receivables, and liabilities denominated in foreign currencies, the Group enters into forward exchange contracts and other derivative transactions. Despite these measures, fluctuations in exchange rates could adversely affect the Group's business results and financial condition. In addition, the proportion of profits and losses of overseas consolidated subsidiaries and equity-method affiliates and dividends received from overseas businesses in net income is relatively high. Most of these earnings are denominated in foreign currencies, and our reporting currency is yen. Therefore, exchange rate fluctuations will affect the business performance and financial position of the Company and its consolidated subsidiaries. If the Japanese yen changes by 1 yen against the U.S. dollar, the impact on profit for the year is estimated to be about ¥1.3 billion per year.

#### (d) Fluctuations in Interest Rates

Marubeni and its consolidated subsidiaries procure necessary business funds through borrowings from financial institutions, the issuance of corporate bonds, and other methods of procuring from capital markets. A large portion of floating rate liabilities is proportionate to operating assets that can counteract adverse impacts of interest rate fluctuations. However, interest rate fluctuation risks cannot be completely eliminated, and a certain degree of exposure remains.

Among the liabilities procured for interest-insensitive assets, such as investment securities and property, plant and equipment, the portion at procured floating rates is categorized as unhedged through the asset-liability management practices of Marubeni and its consolidated

subsidiaries. Monitoring market movements in interest rates, the Group utilizes interest rate swaps and other measures to mitigate the risk of interest rate fluctuations.

There is no guarantee that the Group will be able to completely avoid interest rate risk, even after having implemented these management measures. Therefore, changes in market interest rates could adversely affect the Group's business results and financial condition.

#### (e) Fluctuations in Values of Marketable Securities Subject to Market Volatility

To strengthen business relationships and for other purposes, Marubeni and its consolidated subsidiaries invest in marketable securities that are subject to market volatility. Such securities held by the Group carry the risk of fluctuations in original value due to changes in fair value. Drops in the fair value of these securities could adversely affect the Group's business results and financial condition.

#### (f) Risks Regarding Employees' Retirement Benefits

Marubeni and its consolidated subsidiaries' pension assets include domestic and foreign stocks and bonds. In the management of those assets, the internally established Pension Asset Management Committee conducts regular monitoring and constantly strives to maximize pension assets within the allowable risk range. However, sluggish performance in the securities markets could decrease the value of those assets beyond expectations, increase retirement benefit costs or require the accumulation of additional pension assets. In addition, the current value of defined benefit obligations is calculated based on assumptions, including those for discount rates and wage hikes, but if the actual values differ from those assumptions, the amount of defined benefit obligations may change. Such events could adversely affect the Group's business results and financial condition.

#### ⑥ Risks Associated with Long-lived Assets

Among the long-lived assets held by the Company and its consolidated subsidiaries, in addition to business assets such as real estate, machinery, and equipment, are included investments in resource development interests, intangible assets including goodwill recognized at the time of business acquisition, and those in which the Company is involved through investment accounted for under the equity method (equity-method investment) without having a majority.

In accordance with IFRS, the Company and its consolidated subsidiaries estimate the recoverable amount of such long-lived assets when there is any indication that the assets may be impaired. If the recoverable amount is less than the carrying amount, the carrying amount of the asset is written down to the recoverable amount and an impairment loss is recognized. Intangible assets with indefinite useful lives and goodwill are tested for impairment annually, regardless of whether or not there is an indication of impairment.

However, if the value of an asset drops significantly compared to current assumptions due to changes in the economic and industry environment, revision of business plans, change of ownership policy, or other factors, impairment losses, the inability to recover invested funds, or additional losses at the time of business withdrawal may occur, an impairment loss may be incurred and may adversely affect the Group's business results and financial condition.

#### <Investment in Resource Development Interests>

Concerning investment in resource development interests at the end of the fiscal year ended March 31, 2021, the financial exposure by product is as follows:

Product(s)	Amount of exposure	Main assets
Copper	Approx. ¥230 billion	Equity-method investments (Chile)
Iron ore	Approx. ¥170 billion	Equity-method investments (Australia)
Oil and gas	Approx. ¥140 billion	Property, plant and equipment (the Gulf of Mexico, the U.S., the North Sea, the U.K., etc.)
Coking coal	Approx. ¥70 billion	Equity-method investments/Property, plant and equipment (Australia)
LNG	Approx. ¥40 billion	Equity-method investments (Papua New Guinea, etc.)/other investments (Qatar, etc.)
<b>Resource investment total</b>	Approx. ¥660 billion	

Note: As they are displayed as approximate numbers, the total values may not match.

With regard to investments in the oil and gas E&P businesses as well as the copper and iron ore businesses, which may have a significant impact on the business performance and financial condition of Marubeni and its consolidated subsidiaries, asset value fluctuations may be caused due to the factors listed below.



### Oil and Gas E&P Businesses

The prices of the oil and natural gas produced and sold by the oil and gas E&P businesses in which the Group is involved are subject to change due to factors that the Group cannot control, including but not limited to worldwide supply/demand imbalance or supply/demand imbalance in each region, economic fluctuations, inventory adjustments, foreign currency exchange rate fluctuations, political and geopolitical situations in major oil-producing countries, and the impact of the spread of COVID-19.

Deposits, production output, operating expenses, development expenses for boring production wells, constructing production facilities, etc., exploration expenses, and expenses for mine closures, etc., and business plans that are based on assumptions of these items may be revised owing to product price fluctuations and technological and economic factors, as well as the policies of the partners leading the projects, the weather and the environment, procurement, financing, the impact of regulations by the authorities, etc.

### Copper and Iron Ore Businesses

In the copper and iron ore businesses in which the Group is involved, the commodity prices, such as copper and iron ore prices, are subject to change due to factors that the Group cannot control, including but not limited to, worldwide supply/demand imbalance or supply/demand imbalance in each region, economic fluctuations, foreign currency exchange rate fluctuations, geopolitical situations, and the impact of the spread of COVID-19.

The long-lived assets of the copper business in which the Group is involved consist mainly of equity-method investments (in Los Pelambres Copper Mine, Centinela Copper Mine, and Antucoya Copper Mine in Chile). The long-lived assets of the iron ore business consist mainly of equity-method investments (in Roy Hill Iron Mine in Australia).

The Group evaluates these equity-method investments based on the business plans formulated by the Group, using price forecasts, taking into consideration data provided by third parties, market conditions, fundamentals, and other factors. However, in the event of fluctuations of product prices and production outputs, sharp increases in capital expenditure and operating expenditure associated with maintenance of production and transportation facilities, changes in the business environment, or an occurrence of operational problems attributable to

infrastructure, such as electricity and water, the business plans may be revised.

### <Investment in Aircastle>

Aircastle, an equity-method affiliated company of the Group, leases aircraft to airlines worldwide. Therefore, if air passenger demand deteriorates, if the solvency of the airlines deteriorates significantly due to sharp increases in fuel prices, foreign exchange rate fluctuations, etc., or they go bankrupt, or if lease rates decrease and the asset value of the aircraft owned by Aircastle significantly decreases, the business results and financial condition of Aircastle may be adversely affected.

Factors that could bring about a deterioration in air passenger demand include wars, terrorism, infectious diseases, natural disasters, and aircraft accidents. Moreover, airlines that are lessees of Aircastle are based in various countries worldwide and may be affected by changes in the local laws and regulations of the countries in which they are based or international laws and regulations and geopolitical risks such as economic sanctions. Regarding investment in Aircastle, the Group conducted an evaluation based on the business plan, assuming that growth of Aircastle will continue, supported by medium- to long-term growth of air passenger demand, while taking into consideration a temporary deterioration of financial performance due to the factors mentioned above. If air passenger demand remains sluggish for a long time owing to the spread of COVID-19, Aircastle's profitability deteriorates due to intensifying competition and a decline in the aircraft value in line with such a situation, and Aircastle's growth becomes slower than the Corporation's assumption, the business plan may be revised.

The Group's investment in Aircastle as of March 31, 2021 amounts to approximately ¥140.3 billion.

### <Projects that Include Contract Extension in the Business Plan>

Some of the business plans of the Company and its consolidated subsidiaries, such as in the electric power IPP business, overseas infrastructure concession business, or long-term charter business, may be premised on the extension of contracts, such as long-term sales contracts that have already been concluded after confirming appropriate probability in consideration of the business environment at the time of formulation. However, since these assumptions are affected by a variety of factors, such as changes in the business environment, imbalances in supply and demand in the


world or in regions, economic fluctuations, in reality it may not be possible to extend the contract, or the contract conditions after the extension may be worse than expected under the original business plan. As a result, a review of the business plan may cause a significant decline in asset value, which may adversely affect business results and the financial condition of the Company and its consolidated subsidiaries.

### ⑦ Laws and Regulations

The businesses of Marubeni and its consolidated subsidiaries are subject to a broad range of laws and regulations both in Japan and other applicable countries. Covering a wide range of fields, these laws and regulations include: permits and licenses relating to business and investment; regulations pertaining to exports and imports, including national security regulations; tariffs and various tax laws; unfair trade regulations, including antitrust laws; money laundering regulations; anti-corruption and bribery laws; privacy protection laws; EU General Data Protection Regulations (GDPR); and environmental protection laws. Examples of the main permits and licenses relating to business and investment in Japan include: the Act against Unjustifiable Premiums and Misleading Representation in the Lifestyle Division; the Building Lots and Buildings Transaction Business Act and the Telecommunications Business Act in the ICT and Real Estate Business Division; the Food Sanitation Act and the Act on Safety Assurance and Quality Improvement of Feeds in the Food Division; the Poisonous and Deleterious Substances Control Law in the Chemicals Division; the Oil Stockpiling Act in the Energy Division; the Electricity Business Act in the Power Business Division; the Civil Aeronautics Law and Marine Transportation Act in the Aerospace & Ship Division; and Act on Investment Trusts and Investment Corporations in the Finance & Leasing Business Division. The same or similar laws and regulations exist in other countries.

The Company regards compliance as not only compliance with laws and regulations, but also maintaining high ethical standards as a corporate citizen, meeting the expectations of all stakeholders, and fulfilling its social responsibility. The Company has established a Compliance Committee under the direct control of the President and CEO to implement compliance, including compliance with laws and regulations.

However, depending on the country or region in which the Company or a consolidated subsidiary is operating, there are instances in which the legal system might not be fully functioning, and thus unanticipated changes in laws, regulations, and interpretations, the inconsistent application/interpretation of laws and regulations by regulatory authorities and judicial institutions or unilateral changes in their operation may occur. The businesses (including those based on completely new business models) conducted by the Company and its consolidated subsidiaries may also include business fields for which laws and regulations have not been adequately established. Although the Company and its consolidated subsidiaries thoroughly implement compliance risk management based on a risk-based approach, the possibility remains that compliance violations will occur due to an extremely wide range of business activities they conduct, and the compliance burden placed on them may increase. If a situation of this nature were to arise, punitive measures, including the interruption of operations, may be applied, which could lower the Company's credibility and adversely affect the Group's business results and financial condition.

 Please refer to the Corporate Governance System on PP.76–89 for more details on the Compliance Committee.

### <Tax System/Tax Risks>

Since Marubeni and its consolidated subsidiaries are expanding a variety of business activities globally, they are obligated to pay taxes in Japan and other countries. Therefore, if taxation by the tax authorities of each country is strengthened and rule changes, such as the expansion of the tax base and to tax rates, are imposed, the amount of tax payable by the Company and its consolidated subsidiaries may increase.

The Company and its consolidated subsidiaries file appropriate tax returns in accordance with the tax laws of each country, but unanticipated taxation may occur due to differences in interpretation with the authorities of each country. If a taxation problem occurs, we will take measures, such as appointing an external expert to solve the problem, but the Company is unable to completely eliminate the possibility of additional taxation. In such an event, Marubeni and its consolidated subsidiaries' earnings performance and/or financial condition could be adversely affected.

### 8 Significant Lawsuits

In the course of business activities in Japan and overseas, the Group may be a party to litigation, disputes, and other legal proceedings (collectively, "Lawsuits"). When the Group is a party to Lawsuits, predicting the outcome is impossible given the inherent uncertainty of Lawsuits. Lawsuits may adversely affect the Group's business results and financial condition of the Group.

The Sugar Group, comprised of a group of Indonesian companies, filed a lawsuit against the Corporation, and the Supreme Court of Indonesia ("Supreme Court") ruled in favor of the Corporation in 2011 ("Previous Case"). However, Sugar Group filed another series of lawsuits against the Corporation in which substantially the same claims as those in the Previous Case were made ("South Jakarta Case" and "Gunung Sugih Case"). The Supreme Court ruled against the Corporation in the South Jakarta Case and the Gunung Sugih Case in 2017 and the decisions by the Supreme Court were (and the decision on the Gunung Sugih Case is) formally binding on the Corporation. However, the Corporation filed applications for judicial review ("Judicial Review") before the Supreme Court concerning the South Jakarta Case and the Gunung Sugih Case. With respect to the Corporation's application for Judicial Review of the South Jakarta Case, the Corporation received on December 30, 2020, the official decision on Judicial Review by the Supreme Court. This decision ruled that the Corporation's application for Judicial Review was granted on August 24, 2020; i.e., the Supreme Court's ruling on the South Jakarta Case against the Corporation which the Corporation received on May 17, 2017 was revoked, and all the claims of Sugar Group, as the plaintiffs, were dismissed. With respect to the Corporation's application for Judicial Review of the Gunung Sugih Case, the Corporation received on February 3, 2020, the official decision on Judicial Review by the Supreme Court that the Corporation's application for Judicial Review was not accepted on October 8, 2018. The Corporation filed an application for second Judicial Review of the Gunung Sugih Case before the Supreme Court on May 18, 2020. However, on May 20, 2020, the Gunung Sugih District Court, to which the application documents of the Corporation for second Judicial Review of the Gunung Sugih Case was submitted, decided not to accept the Corporation's application and not to refer the Corporation's application to the Supreme Court because of no contradiction between the decision on Judicial Review of

Gunung Sugih Case by the Supreme Court and the ruling of the Supreme Court on the Previous Case.

In view of the result of Judicial Review of the South Jakarta Case ruled in favour of the Corporation as stated above, the Corporation filed again an application for second Judicial Review before the Supreme Court regarding the Gunung Sugih Case on May 31, 2021, and the application was accepted by the Gunung Sugih District Court.

Separately, the Corporation filed a lawsuit against Sugar Group to seek compensation for damages for, among other matters, reputational damages suffered by the Corporation caused by Sugar Group's torts ("New Case"). In response to the Corporation's claims in the New Case, Sugar Group filed a counterclaim against the Corporation seeking damages on the grounds that the Corporation's filing of the New Case allegedly constitutes a tort against Sugar Group ("Counterclaim"). On December 3, 2020, the Central Jakarta District Court ruled to dismiss both the Corporation's claims in the New Case and the Counterclaim. The Corporation filed an appeal concerning the Corporation's claims in the New Case to the Jakarta High Court on December 15, 2020, which is pending.

Depending on developments in the Gunung Sugih Case (where the Supreme Court ruled against the Corporation) and other lawsuits against Sugar Group and judicial procedure, the Corporation might be obliged to pay damages based on the rulings against the Corporation, interest, and court costs (in whole or in part) and suffer losses which may adversely affect the Corporation's business results and financial condition\*.

\*The South Jakarta Case's defendants include Marubeni Europe PLC.

### 9 Climate-related and Environmental Risks

The Company and its consolidated subsidiaries engage in sales activities related to a wide range of global industrial fields. If physical risks were to arise, such as natural disasters and extreme weather of increased severity, changes in precipitation and weather patterns, rising mean temperatures and rising sea levels due to climate change, these could adversely affect the Group's business results and financial condition. For example, crop failures due to changes in climate patterns and the paralysis of logistics functions due to extreme weather conditions could bring about a deterioration in earnings in the grain origination and agri-input businesses.

In addition, the transition to a decarbonized society carries with it the risk of greenhouse gas emission regulations, such as the introduction and strengthening of

a carbon tax, and technological improvements or rapid development of renewable energy technologies. There is a possibility that this shift could adversely affect the business performance and financial condition of the Company and its consolidated subsidiaries, especially those engaged in fossil fuel-related businesses such as power generation and resource development interest and sales businesses. The likelihood of these climate-related risks is largely dependent on the status of efforts to prevent climate change under the Paris Agreement.

Following the establishment of the Sustainability Management Committee under the direct control of the president, the Company is working to reduce the climate-related risk. Marubeni's basic policy is to achieve net zero greenhouse gas emissions\* associated with its business activities by 2050. In addition, we have established the following policies for specific businesses.

- No longer enter into any new coal-fired power generation businesses, cut coal-fired power net generation capacity in half by 2025 compared to the fiscal year ended 2018, and discontinue it altogether by 2050.
- Acquire no new equity interests in thermal coal.

However, if these efforts do not succeed, or if climate change progresses at a speed or scale that exceeds expectations, it could adversely affect the performance and financial condition of the Company and its consolidated subsidiaries.

Furthermore, if the business activities of Marubeni and its consolidated subsidiaries cause environmental pollution, such as of the air, soil or water, this could result in business stoppage, pollution remediation expenses, and legal fees in response to litigation by local residents. In addition, the Group's social reputation could be damaged. In addition to having introduced an environmental management system in the year ended March 31, 2000, to cope with such environmental risks, the Company is working to assess the potential environmental burden and reduce environmental risk by conducting audits at its consolidated subsidiaries and suppliers. In the event, however, that some form of environmental impact occurs, it could adversely affect the Group's business results and financial condition.

\* After reducing greenhouse gas emissions, remaining emissions that cannot be reduced will be eliminated by natural or technological means, and artificial greenhouse gas emissions into the atmosphere will be reduced to net zero. Emissions subject to the net zero emissions goal will be Scope 1 direct emissions and Scope 2 indirect emissions of the Company and its consolidated subsidiaries, as well as equity investments included in Category 15: Investments of Scope 3 other indirect emissions/supply chain emissions.

For more details on the Sustainability Management Committee please see Sustainability Promotion Committee on P.56. Please refer to Climate Change on PP.52–64. Please refer to Sustainability Assessment and Human Rights Due Diligence and Relief Mechanisms on P.68 and Deepening and Expanding Supply Chain Management on P.69.

### 10 Risks from Natural and Other Disasters

If a natural disaster—such as an earthquake, tsunami, excessive rainfall or a typhoon—were to occur, or were there to be an outbreak of an infectious disease, such as a new strain of influenza, in a country or region where the Company or a consolidated subsidiary is developing business activities, these events could cause injuries to employees and damage to and the loss of the Group's offices, facilities, and systems. These effects and disruption to public infrastructure, such as transport, telecommunications, water, gas, and electricity, would inhibit the normal business activities of Marubeni and its consolidated subsidiaries.

While every effort has been made to implement appropriate countermeasures, such as the formulation of business continuity plans, earthquake countermeasures, fire prevention drills, the stockpiling of the necessary materiel, and coverage by means of various types of insurance, the potential for damage from and the impact of natural disasters cannot be completely mitigated. Consequently, there remains the possibility that such disasters could adversely affect the Group's business results and financial condition.

### 11 Country Risks

As they conduct sales activities globally, the Company and its consolidated subsidiaries are exposed to a variety of country risks, such as changes in the political situation in the region/country concerned, the deterioration of social conditions, including terrorism/violent groups, changes in the economic environment, changes in the legal systems and policies related to sales activities as well as natural disasters. A deteriorating operating environment in these markets or regions could adversely affect the Group's business results and financial condition.

Therefore, the Company assesses and classifies those countries in which operations are conducted according to their level of risk and has established country risk management criteria.

Under these criteria, the Company defines the policy for each country classification or country, quantifies the risk exposure for each country, and conducts management to prevent exposure concentration in a specific country classification or country.

In addition, when considering new investment projects, we have set investment criteria that take into consideration whether an appropriate risk-reward ratio will be obtained in accordance with the country classification or country risk of each country.

The Company also makes every effort to take appropriate risk hedging measures, such as taking out trade insurance, investment insurance or letter of guarantee via third parties, depending on the nature of the project.

Concerning investment in resource development interests at the end of the fiscal year ended March 31, 2020, the financial exposure\* by product is as follows:

\* Of the assets held by Marubeni and its consolidated subsidiaries, the total amount of long-lived assets, such as long-term credit, fixed assets, and investments. Extracted countries and regions with exposure of ¥100 billion or more.

U.S.	¥850.6 billion
Australia	¥318.3 billion
Chile	¥281.6 billion
Indonesia	¥157.8 billion
Brazil	¥136.8 billion
Singapore	¥134.1 billion
Taiwan	¥117.3 billion
Philippines	¥100.2 billion

## 12 Risks Related to Information Systems and Information Security

The Company and its consolidated subsidiaries recognize as matters of priority the proper management of information assets and the ensuring of a high level of information security. Maintaining the relevant regulations, the Company conducts educational and awareness activities for its officers and employees while implementing security inspection activities. In addition to offering secure IT environments and services to the Group and monitoring the network, Marubeni is taking steps to strengthen security risk countermeasures, such as establishing an organization (CSIRT) to oversee security incidents for the entire Group.

In addition, we have overhauled the IT environment to support the increase in people working from home amid the COVID-19 pandemic. Actions to ensure business continuity

while preventing damage to business efficiency or security include rolling out a virtual desktop environment\*, changing internal rules and introducing a new workflow system to promote paperless operations, and providing IT guidelines for remote work environments in the Group.

However, with cyber attacks growing more sophisticated every year, and with attacks targeting the inadequate security of remote work environments also on the rise, it is impossible to completely eliminate all possibility of, for example, unauthorized access from outside, the leakage of confidential/personal information due to computer virus intrusion, or IT service interruptions due to equipment/communication system malfunctions. In any one of these events, Marubeni and its consolidated subsidiaries' earnings performance and/or financial condition could be adversely affected.

\* System infrastructure that enables secure access to internal information assets without leaving data on the connection source, such as a home computer.

## 13 Risk from Significant Accounting Policies and Estimates

The Company's consolidated financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board. Preparation of the consolidated financial statements requires management to make accounting estimates and assumptions, as necessary that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the end of the reporting period as well as the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates and assumptions due to their inherent uncertainty. Accounting estimates and assumptions that could significantly affect the consolidated financial statements are as follows:

- Write-down of inventory assets
- Impairment of property, plant and equipment
- Impairment loss on intangible assets
- Impairment loss on investments in associates and joint ventures
- Recoverability of deferred tax assets
- Defined benefit obligation
- Provisions
- Valuation of financial instruments
- Contingent liabilities

The management of the Company considers these estimates to be reasonable, but in the event of, for example, an unexpected change, they could have a material impact on its consolidated financial statements.



Please refer to 3. Significant Accounting Policies in the Notes to Consolidated Financial Statements for the fiscal year under review for details of the estimates and assumptions of significant accounting policies.  
[https://ssl4.eir-parts.net/doc/8002/ir\\_material\\_for\\_fiscal\\_ym19/103071/00.pdf](https://ssl4.eir-parts.net/doc/8002/ir_material_for_fiscal_ym19/103071/00.pdf)



## Medium-Term Management Strategy

The Company and its consolidated subsidiaries began the three-year Medium-Term Management Strategy GC2021 in the year ended March 31, 2020, but are revising the quantitative targets after having determined that the top priority is on rebuilding and strengthening the financial foundation that was damaged by the significant loss incurred in the first year of the strategy.

Formulated on the basis of certain economic conditions, industrial trends and various other premises, assumptions and forecasts that were considered appropriate at the time of formulation, these quantitative targets may not be achieved due to changes in the business environment, an occurrence of an above-mentioned individual risk, and various other factors.

Please refer below for the content of the Medium-Term Management Strategy GC2021 revisions.



PP.20-23 "Our Vision and Implementation of the GC2021 Medium-Term Management Strategy"



Medium-Term Management Strategy  
<https://www.marubeni.com/en/company/plan/>



## Financial Data

	SG-12					GC2015		GC2018			GC2021		(Millions of yen)	(Thousands of U.S. dollars) <sup>3</sup>	
	U.S. GAAP					IFRS									
Fiscal years ended March 31,	2010.3	2011.3	2012.3	2013.3	2014.3	2015.3	2016.3	2017.3	2018.3	2019.3	2020.3	2021.3	2021.3		
<b>For the year:</b>															
Revenue, Total volume of trading transactions <sup>*1</sup>	¥7,965,055	¥9,020,468	¥10,584,393	¥10,509,088	¥7,055,700	¥7,834,295	¥7,300,299	¥7,128,805	¥7,540,337	¥7,401,256	¥6,827,641	¥6,332,414	\$57,048,775		
Gross trading profit	491,673	522,152	541,454	528,194	651,063	707,318	670,086	613,880	677,237	729,675	696,808	675,418	6,084,847		
Operating profit <sup>*2</sup>	118,926	145,774	157,315	122,932	157,462	160,688	104,231	91,597	118,054	173,009	133,875	141,553	1,416		
Dividend income	23,561	19,200	27,351	30,112	34,917	34,957	18,555	17,512	21,254	37,336	27,631	16,209	146,027		
Share of profits of associates and joint ventures	28,864	71,452	81,528	87,790	99,405	89,919	31,824	114,725	148,503	85,278	(55,150)	141,285	1,272,838		
Profit for the year attributable to owners of the parent (Net profit)	95,312	136,541	172,125	205,696	210,945	105,604	62,264	155,350	211,259	230,891	(197,450)	225,343	2,030,117		
<b>At year-end:</b>															
Total assets	¥4,586,572	¥4,679,089	¥ 5,129,887	¥ 5,965,086	¥7,256,085	¥7,673,064	¥7,117,686	¥6,896,733	¥6,877,117	¥6,809,077	¥6,320,037	¥6,938,958	\$62,513,135		
Net interest-bearing debt	1,706,397	1,615,634	1,755,705	1,785,247	2,491,043	2,887,608	2,762,453	2,099,939	1,915,824	1,858,839	1,859,125	1,687,885	16,879		
Total equity	799,746	831,730	915,770	1,188,379	1,531,231	1,678,713	1,415,202	1,742,758 <sup>*3</sup>	1,835,637 <sup>*3</sup>	2,071,726 <sup>*3</sup>	1,604,600 <sup>*3</sup>	1,911,769 <sup>*3</sup>	17,223,144		
<b>Amounts per share (¥, \$U.S.):</b>															
Basic earnings <sup>*5</sup>	¥ 54.89	¥ 78.63	¥ 99.13	¥ 118.48	¥ 121.52	¥ 60.85	¥ 35.88	¥ 88.08	¥ 119.43	¥ 130.74	¥ (116.03)	¥ 127.52	\$ 1.15		
Cash dividends	8.50	12.00	20.00	24.00	25.00	26.00	21.00	23.00	31.00	34.00	35.00	33.00	0.30		
<b>Cash flows:</b>															
Net cash provided by operating activities	¥ 280,610	¥ 210,044	¥ 172,599	¥ 295,734	¥ 291,188	¥ 170,943	¥ 359,132	¥ 324,263	¥ 253,423	¥ 284,895	¥ 326,981	¥ 397,069	\$ 3,577,198		
Net cash provided by (used in) investing activities	(35,207)	(128,495)	(273,689)	(210,878)	(706,585)	(331,411)	(174,596)	46,504	(49,742)	22,528	(209,790)	(116,256)	(1,047,351)		
Free cash flow	245,403	81,549	(101,090)	84,856	(415,397)	(160,468)	184,536	370,767	203,681	307,423	117,191	280,813	2,808		
Net cash provided by (used in) financing activities	(254,655)	(17,010)	171,913	129,030	196,779	(70,705)	(36,268)	(258,123)	(269,507)	(427,420)	(93,261)	(68,503)	(617,144)		
Cash and cash equivalents at end of year	570,789	616,003	677,312	919,475	665,498	469,106	600,840	704,972	625,834	509,288	522,523	745,858	6,719,441		
<b>Ratios:</b>															
ROA (%)	2.05	2.95	3.51	3.71	3.15	1.41	0.84	2.22	3.07	3.37	(3.01)	3.40			
ROE (%)	14.52	17.98	21.17	20.74	16.67	7.28	4.39	11.09	13.97	13.92	(13.41)	15.57			
Net debt-equity (DE) ratio (Times)	-2.13	1.94	1.92	1.50	1.63	1.72	1.95	1.20	1.04	0.90	1.16	0.88			
Total shareholder return <sup>*6</sup> (%)	-	-	-	-	-	-	-	124.3	144.5	149.6	116.1	188.9			

\*1. Reflecting "Total volume of trading transactions" until FYE 3/2013 and "Revenue" from FYE 3/2014 onward.

"Total volume of trading transactions" includes all transactions involving the Company and its consolidated subsidiaries regardless of transaction type.

\*2. Operating profit = Gross trading profit + SGA expenses + Provision for doubtful accounts. "Operating profit" is presented in accordance with Japanese accounting practices for investors' convenience and is not required by IFRS.

\*3. U.S. dollar amounts above and elsewhere in this report are converted from yen, for the convenience of readers only, at ¥111 to U.S.\$1, the exchange rate prevailing on March 31, 2021.

\*4. Including financing through perpetual subordinated loans in the amount of ¥250.0 billion in August 2016. The loans are classified as Total equity (other equity instruments) under IFRS.

\*5. "Basic earnings per share attributable to owners of the parent" is based on "Profit attributable to owners of the parent" excluding the amount not attributable to ordinary shareholders.

\*6. Total shareholder return for fiscal year N = (Share price at the end of fiscal year N + cumulative amount of dividends per share of up to fiscal year N from four fiscal years prior to FYE 3/2021)/share price at the end of the five fiscal years prior to FYE 3/2021 (fiscal year N = any fiscal year between FYE 3/2017 - FYE 3/2021)

## Non-Financial Data

## Environmental Data

Greenhouse Gas Emissions*1			2019.3	2020.3	2021.3
Total			1,034,922	1,083,698	<b>1,080,146</b> (Including non-energy related GHG emissions) (965,196 (Excluding non-energy related GHG emissions))
Components	Marubeni Corporation's principal offices	Scope 1	4	4	<b>12</b>
		Scope 2	2,439	2,307	<b>2,146</b>
	Marubeni Corporation's other offices + consolidated subsidiaries	Scope 1	726,704	773,194	<b>797,963</b>
		Scope 2	305,776	308,193	<b>280,025</b>

Scope 1 Greenhouse Gas Emissions (Components of non-energy related GHG emissions**)							
2021.3							
Total amount	Components						
	Carbon dioxide (CO <sub>2</sub> )	Methane (CH <sub>4</sub> )	Dinitrogen monoxide (N <sub>2</sub> O)	Hydrofluorocarbons (HFCs)	Perfluorocarbons (PFCs)	Sulphur hexafluoride (SF <sub>6</sub> )	Nitrogen trifluoride (NF <sub>3</sub> )
<b>114,950</b>	<b>5,203</b>	<b>72,081</b>	<b>36,602</b>	<b>1,064</b>	<b>0</b>	<b>0</b>	<b>0</b>

Energy and Electricity Consumption*3			2019.3	2020.3	2021.3
Electricity consumption of Marubeni Corporation's principal offices (MWh)			5,180	5,227	<b>4,629</b>
Energy consumption of Marubeni Corporation and consolidated subsidiaries (TJ)			14,384	15,303	<b>13,771</b>

Waste Generated*4			2019.3	2020.3	2021.3
Marubeni Corporation's principal offices			8	39	<b>4</b>
Marubeni Corporation's other offices + consolidated subsidiaries			115,759	148,154	<b>119,015</b>
Total			115,767	148,192	<b>119,019</b>

Environmental Impact of Transport*5			2019.3	2020.3	2021.3
Amount transported (Thousand ton-km)			508,498	484,678	<b>364,538</b>
CO <sub>2</sub> emissions (t-CO <sub>2</sub> )			22,705	22,617	<b>17,516</b>
Intensity (kl crude oil eq per thousand ton-km)			0.0165	0.0173	<b>0.0178</b>

- \*1 · CO<sub>2</sub> emission factors for fuels and steam  
CO<sub>2</sub> emission factors stipulated by the Act on Promotion of Global Warming Countermeasures are used.  
· CO<sub>2</sub> emission factors for electricity  
Emission factors for each electric power provider released by the Ministry of the Environment are used for Marubeni Corporation. Until FYE 3/2019, fundamental emission factors (actual emission factors) are used, from FYE 3/2020, adjusted emission factors are used. Alternative emission factor stipulated by Act on Promotion of Global Warming Countermeasures was replaced by Emission factors (adjusted emission factors) for each electric power provider for the domestic consolidated subsidiaries from FYE 3/2021. The impact on emissions due to the change in emission factors is a decrease of 7,627 tons of CO<sub>2</sub>.  
Country-specific emission factors (CO<sub>2</sub> emissions per kWh from electricity generation) published by International Energy Agency are used for the international consolidated subsidiaries. Electricity derived from renewable energy is excluded from calculation of Scope 2 greenhouse gas emissions since FYE 3/2021.  
· Emission factors of non-energy related GHG  
Emission factors stipulated by the Act on Promotion of Global Warming Countermeasures are used.  
· From FYE 3/2021 non-energy related GHG emissions are included in GHG emissions.
- \*2 · Non-energy related GHG emissions cover carbon dioxide from the use of dry ice, fuel use in facilities and machinery used for fuel combustion, livestock feeding (fermentation in the digestive tract of livestock), livestock waste management, waste incineration or use in the manufacture of products, methane and dinitrogen monoxide from the use of waste fuels, hydrofluorocarbons in the recovery and encapsulation of HFCs in the maintenance of commercial refrigeration and air-conditioning equipment, and sulfur hexafluoride in the use of electrical machinery and equipment such as transformers. There are no emissions of perfluorocarbons and nitrogen trifluoride. For sulfur hexafluoride, there are no companies obliged to report based on Act on Promotion of Global Warming Countermeasures.
- \*3 · 3.6 GJ/MWh is used for heat value per unit for electricity.  
· For fuels, the heat values stipulated by the Act on Promotion of Global Warming Countermeasures are used.  
· Biomass energy is not included.
- \*4 · Materials with resale or reuse value are not included.
- \*5 · This table shows the impacts associated with the outsourced shipment of goods consigned by Marubeni Corporation from FYE 3/2019 to FYE 3/2021.

The boundary of the environmental data  
· Marubeni Corporation's principal offices  
Until FYE 3/2019, we covered six main branches (Tokyo Head Office, Hokkaido Branch, Chubu Branch, Osaka Branch, Kyushu Branch, and Shizuoka Branch), but from FYE 3/2020, we covered five main Branches (Tokyo Head Office, Hokkaido Branch, Chubu Branch, Osaka Branch, and Kyushu Branch).  
· Consolidated subsidiaries  
The subsidiaries that are designated to be liquidated or sold are excluded.  
From FYE 3/2019, grain collection and exporting company based in the northern United States is included.  
From FYE 3/2020, GHG emissions and energy consumption figures include an agricultural material sales company based in the southeastern United States (waste generated does not include it).

## Social Data

	2019.3	2020.3	2021.3
No. of employees (Consolidated)*6	42,882	45,635	<b>45,470</b>
No. of employees (Non-Consolidated)*7	4,418	4,404	<b>4,389</b>
Of which, Male	3,227	3,218	<b>3,203</b>
Of which, Female	1,191	1,186	<b>1,186</b>
Average service years*8	17.2	17.3	<b>17.5</b>
No. of career-track positions*8	3,346	3,324	<b>3,318</b>
Ratio of female in career-track positions (%)*8	9.6	10.2	<b>10.8</b>
No. of managerial-track employees*8	2,424	2,357	<b>2,304</b>
Ratio of female in managerial-track positions (%)*8	5.9	6.0	<b>6.4</b>
Directors, Audit & Supervisory Board Members	15	16	<b>18</b>
Of which, Male	14	15	<b>17</b>
Of which, Female	1	1	<b>1</b>
Employment rate of persons with disabilities (%)*9	2.57	2.69	<b>2.58</b>
Average overtime hours per month*10	20.0	19.0	<b>20.0</b>
Usage of annual paid leave (%)*10	56.3	54.0	<b>41.0</b>
No. of employees who took maternity leave*11	43	55	<b>58</b>
No. of employees who took childcare leave*12	54	105	<b>100</b>
Of which, Male	14	51	<b>48</b>
Return rate (after childcare leave) (%)*13	91.5	96.8	<b>98.9</b>
No. of hires	141	154	<b>146</b>
No. of new graduate recruitment	119	106	<b>116</b>
Of which, Male	79	70	<b>79</b>
Of which, Female	40	36	<b>37</b>
No. of mid-career recruitment	22	48	<b>30</b>
Of which, Male	16	43	<b>27</b>
Of which, Female	6	5	<b>3</b>
Turnover rate (%)	3.1	3.3	<b>3.0</b>

- \*6. As of March 31.  
\*7. Total figures include the number of Marubeni employees assigned to other companies and exclude secondees to Marubeni Corporation from other companies (as of March 31).  
\*8. Figures for Marubeni Corporation (as of March 31).  
\*9. Figures are the combined total for Marubeni Corporation and the certified special-purpose subsidiary, Marubeni Office Support Corporation (as of March 1).  
\*10. Figures for Marubeni Corporation.  
\*11. Figures for Marubeni Corporation. Indicates the total number of people who used leave in the fiscal year, including those who used the leave continuously from the previous fiscal year.  
\*12. Figures for Marubeni Corporation. Indicates the cumulative total number of people who started using leave in the fiscal year. The leave taken within eight weeks after childbirth (so-called "Paternity Leave") and subsequent Parental Leave shall be counted as one person each.  
\*13. Figures for Marubeni Corporation. Indicates the ratio of people who returned to work of those who ended using the childcare leave in the fiscal year.

## Consolidated Financial Statements

### Consolidated Statement of Financial Position

Marubeni Corporation  
As of March 31, 2020 and 2021

	Millions of yen		Thousands of U.S. dollars
	March 31, 2020	March 31, 2021	March 31, 2021
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	¥ 522,523	¥ 745,858	\$ 6,719,441
Time deposits	140	113	1,018
Investment securities	67	6	54
Notes, trade accounts and loans receivable	1,056,938	1,057,245	9,524,730
Other current financial assets	315,861	341,928	3,080,432
Inventories	852,927	988,004	8,900,937
Assets classified as held for sale	19,344	24,865	224,009
Other current assets	235,255	223,573	2,014,171
Total current assets	3,003,055	3,381,592	30,464,793
<b>Non-current assets:</b>			
Investments in associates and joint ventures	1,601,298	1,730,680	15,591,712
Other investments	229,080	256,621	2,311,901
Notes, trade accounts and loans receivable	103,367	94,803	854,081
Other non-current financial assets	98,002	89,205	803,649
Property, plant and equipment	902,423	1,001,853	9,025,703
Intangible assets	288,992	296,910	2,674,865
Deferred tax assets	32,555	25,435	229,144
Other non-current assets	61,265	61,859	557,288
Total non-current assets	3,316,982	3,557,366	32,048,342
Total assets	¥6,320,037	¥6,938,958	\$62,513,135

See "Consolidated Financial Statements with Independent Auditors' Report for Fiscal Year Ended March 31, 2021" on our website "To Investors, IR Library" for more details on the consolidated financial statements.  
[https://www.marubeni.com/en/ir/reports/security\\_reports/](https://www.marubeni.com/en/ir/reports/security_reports/)



	Millions of yen		Thousands of U.S. dollars
	March 31, 2020	March 31, 2021	March 31, 2021
<b>Liabilities and equity</b>			
<b>Current liabilities:</b>			
Bonds and borrowings	¥ 620,020	¥ 623,501	\$ 5,617,126
Notes and trade accounts payable	1,085,616	1,187,719	10,700,171
Other current financial liabilities	367,971	465,244	4,191,387
Income tax payable	16,360	14,998	135,117
Liabilities directly associated with assets held for sale	417	2,854	25,712
Other current liabilities	370,566	398,036	3,585,910
Total current liabilities	2,460,950	2,692,352	24,255,423
<b>Non-current liabilities:</b>			
Bonds and borrowings	1,761,768	1,810,355	16,309,505
Notes and trade accounts payable	5,245	3,215	28,964
Other non-current financial liabilities	231,116	264,752	2,385,153
Accrued pension and retirement benefits	109,143	70,394	634,180
Deferred tax liabilities	63,073	94,445	850,856
Other non-current liabilities	84,142	91,676	825,910
Total non-current liabilities	2,254,487	2,334,837	21,034,568
Total liabilities	4,715,437	5,027,189	45,289,991
<b>Equity:</b>			
Issued capital	262,686	262,686	2,366,541
Capital surplus	143,189	143,667	1,294,297
Other equity instruments	243,589	243,589	2,194,495
Treasury stock	(1,172)	(772)	(6,955)
Retained earnings	866,140	1,071,639	9,654,405
Other components of equity:			
Gains (losses) on financial assets measured at fair value through other comprehensive income	22,718	43,864	395,171
Foreign currency translation adjustments	41,247	123,789	1,115,216
Gains (losses) on cash flow hedges	(62,922)	(69,407)	(625,288)
Equity attributable to owners of the parent	1,515,475	1,819,055	16,387,883
Non-controlling interests	89,125	92,714	835,261
Total equity	1,604,600	1,911,769	17,223,144
Total liabilities and equity	¥6,320,037	¥6,938,958	\$62,513,135



## Consolidated Statement of Changes in Equity

Marubeni Corporation

Year ended March 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 April 1, 2019	¥262,686	¥139,898	¥243,589	¥(1,384)	¥1,163,472	¥ 71,912	¥131,178
Cumulative effect of applying new accounting standards and interpretations					(6,674)		
Profit (loss) for the year					(197,450)		
Other comprehensive income						(58,875)	(89,931)
Purchases and sales of treasury stock		(14)		212			
Dividends					(59,878)		
Equity transactions with non-controlling interests and others		3,305			(42)		
Distribution to owners of other equity financial instruments					(3,902)		
Transfer from other components of equity to retained earnings					(29,386)	9,681	
Transfer to non-financial assets or non-financial liabilities							
Balance at March 31, 2020	¥262,686	¥143,189	¥243,589	¥(1,172)	¥ 866,140	¥ 22,718	¥ 41,247

Year ended March 31, 2021	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 April 1, 2020	¥262,686	¥143,189	¥243,589	¥(1,172)	¥ 866,140	¥22,718	¥ 41,247
Profit (loss) for the year					225,343		
Other comprehensive income						26,334	82,542
Purchases and sales of treasury stock		39		400			
Dividends					(49,481)		
Equity transactions with non-controlling interests and others		439			(111)		
Distribution to owners of other equity financial instruments					(3,942)		
Transfer from other components of equity to retained earnings					33,690	(5,188)	
Transfer to non-financial assets or non-financial liabilities							
Balance at March 31, 2021	¥262,686	¥143,667	¥243,589	¥(772)	¥1,071,639	¥43,864	¥123,789

	Millions of yen					
	Equity attributable to owners of the parent			Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	Other components of equity					
	Gains (losses) on cash flow hedges	Remeasurements of defined benefit plan	Other components of equity			
Balance at April 1, 2019	¥(33,610)	¥ —	¥ 169,480	¥1,977,741	¥93,985	¥2,071,726
Cumulative effect of applying new accounting standards and interpretations				(6,674)		(6,674)
Profit (loss) for the year				(197,450)	7,259	(190,191)
Other comprehensive income	(28,394)	(19,705)	(196,905)	(196,905)	(1,233)	(198,138)
Purchases and sales of treasury stock				198		198
Dividends				(59,878)	(6,640)	(66,518)
Equity transactions with non-controlling interests and others				3,263	(4,246)	(983)
Distribution to owners of other equity financial instruments				(3,902)		(3,902)
Transfer from other components of equity to retained earnings		19,705	29,386	—		—
Transfer to non-financial assets or non-financial liabilities	(918)		(918)	(918)		(918)
Balance at March 31, 2020	¥(62,922)	¥ —	¥ 1,043	¥1,515,475	¥89,125	¥1,604,600

	Millions of yen					
	Equity attributable to owners of the parent			Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	Other components of equity					
	Gains (losses) on cash flow hedges	Remeasurements of defined benefit plan	Other components of equity			
Balance at April 1, 2020	¥(62,922)	¥ —	¥ 1,043	¥1,515,475	¥89,125	¥1,604,600
Profit (loss) for the year				225,343	7,725	233,068
Other comprehensive income	(7,244)	28,502	130,134	130,134	846	130,980
Purchases and sales of treasury stock				439		439
Dividends				(49,481)	(6,229)	(55,710)
Equity transactions with non-controlling interests and others				328	1,247	1,575
Distribution to owners of other equity financial instruments				(3,942)		(3,942)
Transfer from other components of equity to retained earnings		(28,502)	(33,690)	—		—
Transfer to non-financial assets or non-financial liabilities	759		759	759		759
Balance at March 31, 2021	¥(69,407)	¥ —	¥98,246	¥1,819,055	¥92,714	¥1,911,769



Thousands of U.S. dollars							
Year ended March 31, 2021	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 April 1, 2020	\$2,366,541	\$1,289,991	\$2,194,495	\$(10,559)	\$7,803,063	\$204,667	\$ 371,595
Profit (loss) for the year					2,030,117		
Other comprehensive income						237,243	743,622
Purchases and sales of treasury stock		351		3,604			
Dividends					(445,775)		
Equity transactions with non-controlling interests and others		3,955			(1,000)		
Distribution to owners of other equity financial instruments					(35,514)		
Transfer from other components of equity to retained earnings					303,514	(46,739)	
Transfer to non-financial assets or non-financial liabilities							
Balance at March 31, 2021	\$2,366,541	\$1,294,297	\$2,194,495	\$(6,955)	\$9,654,405	\$395,171	\$1,115,216

Thousands of U.S. dollars						
	Equity attributable to owners of the parent			Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	Gains (losses) on cash flow hedges	Remeasurements of defined benefit plan	Other components of equity			
Balance at April 1, 2020	\$(566,865)	\$ —	\$9,396	\$13,652,928	\$802,928	\$14,455,856
Profit (loss) for the year				2,030,117	69,595	2,099,712
Other comprehensive income	(65,261)	256,775	1,172,378	1,172,378	7,622	1,180,000
Purchases and sales of treasury stock				3,955		3,955
Dividends				(445,775)	(56,117)	(501,892)
Equity transactions with non-controlling interests and others				2,955	11,234	14,189
Distribution to owners of other equity financial instruments				(35,514)		(35,514)
Transfer from other components of equity to retained earnings		(256,775)	(303,514)	—		—
Transfer to non-financial assets or non-financial liabilities	6,838		6,838	6,838		6,838
Balance at March 31, 2021	\$(625,288)	\$ —	\$ 885,099	\$16,387,883	\$835,261	\$17,223,144

## Consolidated Statement of Cash Flows

Marubeni Corporation  
Fiscal years ended March 31, 2020 and 2021

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2021
<b>Operating activities:</b>			
Profit (loss) for the year	¥(190,191)	¥ 233,068	\$ 2,099,712
Adjustments to reconcile profit for the year to net cash provided by (used in) operating activities:			
Depreciation and amortization	166,922	144,417	1,301,054
(Gains) losses on property, plant and equipment	250,961	8,825	79,505
Finance (income) expenses	(21,399)	(11,433)	(103,000)
Share of (profit) loss of associates and joint ventures	55,150	(141,285)	(1,272,838)
Income taxes	24,256	48,695	438,694
Changes in notes and accounts receivable	231,157	18,721	168,658
Changes in inventories	32,103	(116,365)	(1,048,333)
Changes in notes and trade accounts payable	(188,141)	132,064	1,189,766
Other—net	(92,406)	1,318	11,874
Interest received	11,701	8,990	80,991
Interest paid	(48,890)	(24,305)	(218,964)
Dividends received	120,504	128,533	1,157,955
Income taxes paid	(24,746)	(34,174)	(307,874)
Net cash provided by (used in) operating activities	326,981	397,069	3,577,198
<b>Investing activities:</b>			
Net (increase) decrease in time deposits	108	28	252
Proceeds from sale of property, plant and equipment	8,712	7,058	63,586
Proceeds from sale of investment property	154	—	—
Collection of loans receivable	32,584	13,062	117,676
Proceeds from sale of subsidiaries, net of cash and cash equivalents disposed of	15,778	8,830	79,550
Proceeds from sale of investments in associates and joint ventures, and other investments	66,413	79,377	715,108
Purchase of property, plant and equipment	(109,878)	(124,090)	(1,117,928)
Purchase of investment property	(114)	(115)	(1,036)
Loans provided to customers	(8,920)	(11,528)	(103,856)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(15,414)	(18,788)	(169,261)
Purchase of investments in associates and joint ventures, and other investments	(199,213)	(70,090)	(631,441)
Net cash provided by (used in) investing activities	(209,790)	(116,256)	(1,047,351)
<b>Financing activities:</b>			
Net increase (decrease) in short-term borrowings	74,877	(9,464)	(85,261)
Proceeds from long-term bonds and borrowings	258,016	398,599	3,590,982
Repayments of long-term bonds and borrowings	(347,484)	(398,238)	(3,587,730)
Dividends paid to shareholders of the parent	(59,878)	(49,481)	(445,775)
Net cash outflows on purchases and sales of treasury stock	(7)	(10)	(90)
Capital contribution from non-controlling interests	116	667	6,009
Acquisition of additional interests in subsidiaries from non-controlling interests	(7,727)	(380)	(3,423)
Distribution to owners of other equity instruments	(3,902)	(3,942)	(35,514)
Other	(7,272)	(6,254)	(56,342)
Net cash provided by (used in) financing activities	(93,261)	(68,503)	(617,144)
Effect of exchange rate changes on cash and cash equivalents	(10,695)	11,922	107,405
Net increase (decrease) in cash and cash equivalents	13,235	224,232	2,020,108
Cash and cash equivalents at beginning of year	509,288	522,523	4,707,414
Increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale	—	(897)	(8,081)
Cash and cash equivalents at end of year	¥ 522,523	¥ 745,858	\$ 6,719,441

# Global Network

As of April 1, 2021

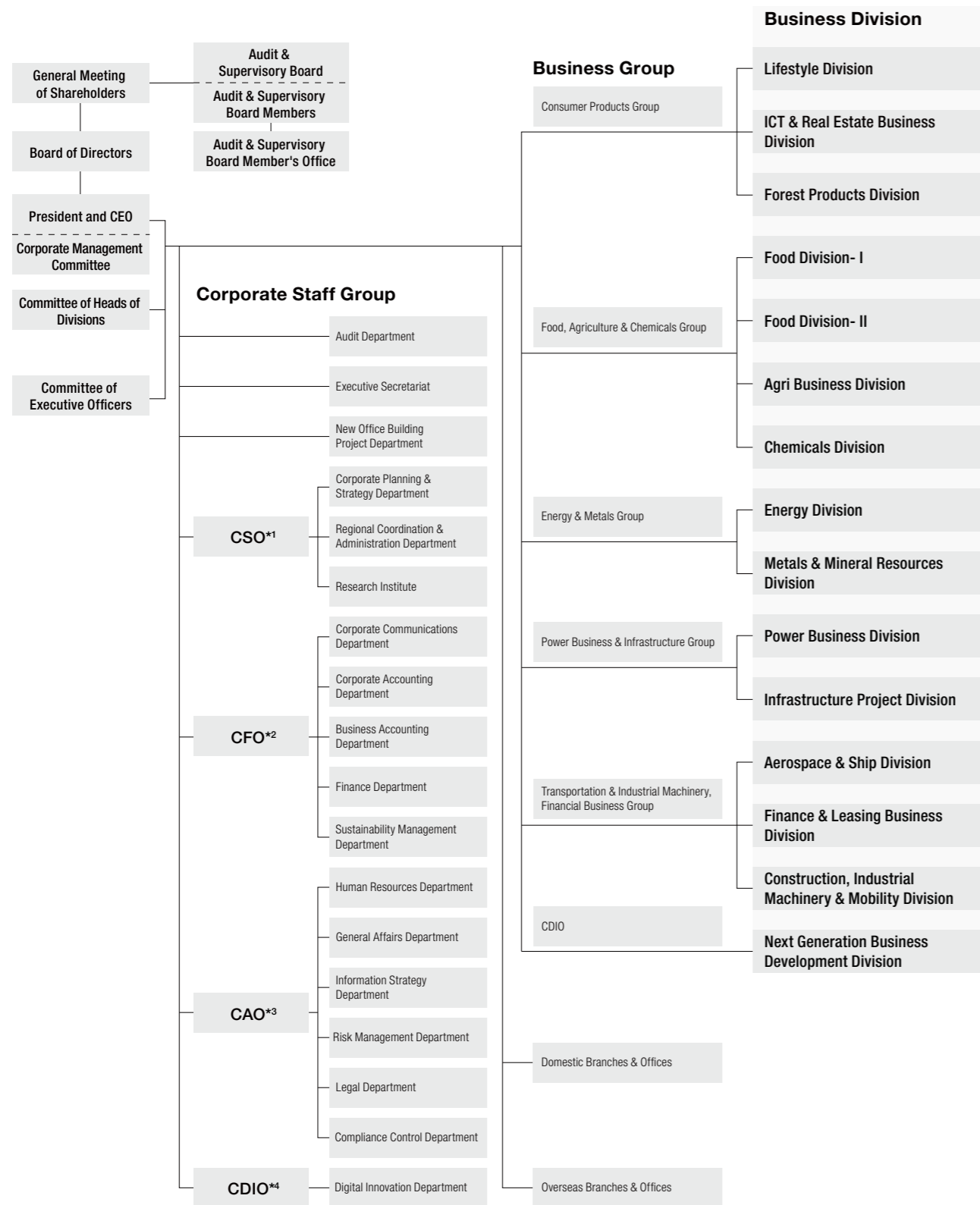


Locations of Branches and Offices

Middle East & Africa	Europe & CIS	Southwest Asia	Japan	ASEAN	China / East Asia	Oceania	North & Central America	South America
Abidjan	Almaty	Bengaluru	Sapporo	Bangkok	Beijing	Auckland	Guatemala City	Belo Horizonte
Abu Dhabi	Athens	Chattogram	Sendai	Hanoi	Changchun	Melbourne	Havana	Bogota
Accra	Bucharest	Dhaka	Tokyo	Ho Chi Minh City	Chengdu	Perth	Houston	Buenos Aires
Addis Ababa	Budapest	Goa	Shizuoka	Jakarta	Dalian	Port Moresby	Los Angeles	Caracas
Algiers	Düsseldorf	Islamabad	Hamamatsu	Kuala Lumpur	Guangzhou	Sydney	Mexico City	Lima
Amman	Hamburg	Kuwait City	Nagoya	Kuching	Hefei		New York	Rio de Janeiro
Ankara	Helsinki	Doha	Toyama	Manila	Kunming		Omaha	Salvador
Baghdad	Khobarovsk	Riyadh			Nanjing		Queretaro	Santiago
Cairo	Kiev	Cairo			Qingdao		Silicon Valley	Toronto
Casablanca	Lisbon	Johannesburg					Toronto	Washington, D.C.
Doha	London	Maputo						
Dubai	Milan							

## Organization




As of April 1, 2021



\*1. CSO: Chief Strategy Officer  
 \*2. CFO: Chief Financial Officer  
 \*3. CAO: Chief Administrative Officer  
 \*4. CDIO: Chief Digital Innovation Officer

## Company Profile

As of March 31, 2021

<b>Company Name</b>	Marubeni Corporation
<b>Securities Code</b>	8002
<b>Head Office</b> <small>(As of May 24, 2021)</small>	4-2, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8088, Japan Tel: 81-3-3282-2111 E-mail: tokb138@marubeni.com
<b>Number of Branches and Offices</b> <small>(Including Tokyo Head Office) (As of April 1, 2021)</small>	133 locations in 68 countries/regions Consisting of 13 domestic branches and offices, 58 overseas branches and offices and 29 overseas corporate subsidiaries with 62 offices
<b>Founded</b>	May 1858
<b>Incorporated</b>	December 1, 1949
<b>Paid-in Capital</b>	¥262,686 million
<b>Number of Employees</b>	4,389 (Marubeni Group: 45,470)
<b>Corporate Website</b>	<a href="https://www.marubeni.com/en/">https://www.marubeni.com/en/</a>  <b>IR page</b> <a href="https://www.marubeni.com/en/ir/">https://www.marubeni.com/en/ir/</a>  <b>Sustainability page</b> <a href="https://www.marubeni.com/en/sustainability/">https://www.marubeni.com/en/sustainability/</a> 
<b>Business Year</b>	April 1 to March 31 of the following year
<b>Regular General Meeting of Shareholders</b>	June of each year

## IR Activities

In keeping with the corporate creed of Fairness, Innovation, and Harmony, we strive to build relationships of trust with all stakeholders, including shareholders and investors, by providing information properly, fairly and in a timely manner, as well as in ways that are easy to understand. This information includes financial and business performance information as well as non-financial information needed to make investment

decisions such as management strategy, in addition to the information that must be disclosed for statutory compliance. We aim to achieve sustainable growth in corporate value by obtaining remarks from stakeholders through an effective two-way dialogue, and sharing them within the Company including the management and directors.

IR Policy		
<p><b>Fairness: Highly transparent IR</b></p> <p>Provide fair and clear disclosure of information based on the precepts of the Fair Disclosure Rules stipulated in the Financial Instruments and Exchange Act, as well as statutory and timely disclosures. Through this, we will fulfill our responsibility for accountability to all stakeholders while engaging in a sincere dialogue.</p>	<p><b>Innovation: Progressive and Creative IR</b></p> <p>The management, including the President, CFO and directors, will actively participate in various IR events to increase the opportunities for dialogue with shareholders and investors. For the planning and operation of IR events, and the creation of publications and IR website content, we keep ourselves innovative in making the content easy to understand for participants/viewers, while maintaining a broad perspective.</p>	<p><b>Harmony: IR through two-way dialogues</b></p> <p>The opinions and requests obtained through dialogue with shareholders and investors, mainly by the President, CFO and department responsible for investor relations, will be collected and shared as feedback within the Company including the management and directors. The department responsible for IR will lead the organic coordination within the Company through timely sharing of information among relevant departments.</p>

## External Evaluation

### Inclusion in ESG Indexes

FTSE4Good Global Index Series\*1



FTSE Blossom Japan Index\*2



MSCI Japan Empowering Women Index (WIN)\*3

2021 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

\*1. FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Marubeni Corporation has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

\*2. FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Marubeni Corporation has been independently assessed according to the FTSE Blossom Japan Index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

\*3. The inclusion of Marubeni Corporation in any MSCI Index, and the use of MSCI Logos, Trademarks, Service Marks or Index Names herein, do not constitute a sponsorship, endorsement or promotion of Marubeni Corporation by MSCI or any of its affiliates. The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI Index Names and Logos are Trademarks or Service Marks of MSCI or its affiliates.

### Outside certification and evaluation

Selected as Nadeshiko Brand



Received "Eruboshi" certification



Received "Platinum Kurumin" certification



Recognized as 2021 Health and Productivity Management Outstanding Organization ("White 500" organization)



Inclusion in Health & Productivity Stock Selection



Selected as a "Digital Transformation Certified Business Operator"



## Stock Information

As of March 31, 2021

<b>Number of Shares Authorized</b> 4,300,000,000	<b>Share Unit</b> 100 shares
<b>Number of Shares Issued and Outstanding</b> 1,737,940,900	<b>Record Date for Year-End Dividend</b> March 31 of each year
<b>Stock Listings</b> Tokyo	<b>Record Date for Interim Dividend</b> September 30 of each year
<b>Number of Shareholders</b> 209,517	<b>Transfer Agent of Common Stock</b> Mizuho Trust & Banking Co., Ltd.

### Long-Term Credit Rating (As of August 31, 2021)

Credit Rating Agency	Long Term (Outlook)
Japan Credit Rating Agency (JCR)	A+ (Stable)
Rating and Investment Information (R&I)	A (Stable)
S&P Global Ratings	BBB (Stable)
Moody's	Baa2 (Stable)

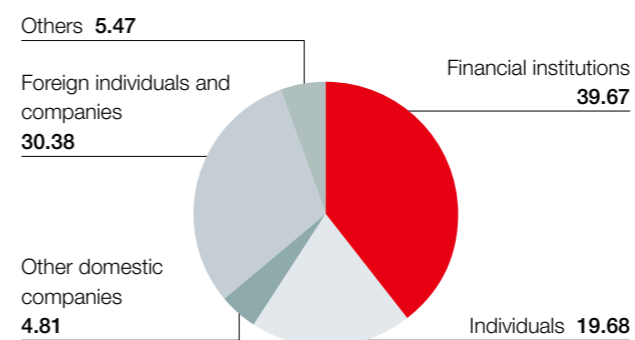
### Major Shareholders

Name of Shareholder	Stake in the Corporation	
	Number of Shares Held (Thousands)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	165,540	9.53
Custody Bank of Japan, Ltd. (Trust account)	123,732	7.12
BNYM AS AGT/CLTS NON TREATY JASDEC	98,570	5.68
Meiji Yasuda Life Insurance Company	41,818	2.41
Mizuho Bank, Ltd.	30,000	1.73
Sompo Japan Insurance Inc.	30,000	1.73
Custody Bank of Japan, Ltd. (Trust account 5)	29,781	1.71
Custody Bank of Japan, Ltd. (Trust account 6)	26,399	1.52
STATE STREET BANK WEST CLIENT - TREATY 505234	25,448	1.47
The Dai-ichi Life Insurance Company, Limited	24,859	1.43

\*1. The number of shares owned is rounded down to the nearest thousand.

\*2. The shareholding ratios are calculated after deducting the treasury stock from the number of shares issued and outstanding. The percentages are rounded to the nearest two decimal points.

### Distribution of Shares by Type of Shareholder (%)



Note: The sum of each ratio may not be 100%, because each ratio has been rounded.

For details, please see our website:  
<https://www.marubeni.com/en/sustainability/evaluation/>

