

[Translation]

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

## Corporate Governance Report

Last Update: June 23, 2023

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

The corporate governance of Marubeni Corporation (the “Corporation” or “Marubeni”) is described below.

### **I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information**

#### **1. Basic Views**

The officers and employees of the Marubeni Group shall comply with laws, regulations and internal rules in accordance with the spirit grounded in the Corporation’s Company Creed of “Fairness, Innovation, and Harmony” as well as the Marubeni Corporate Principles and engage in corporate activities conforming to business ethics and the Marubeni Management Philosophy while endeavoring to enhance corporate governance. Further, the Corporation’s Board of Directors resolved on the Basic Internal Control Policy regarding the system, etc. for ensuring that the execution of duties by the Directors comply with laws, regulations and the articles of incorporation, an overview of which is described in IV.1 Basic Views on Internal Control System and the Progress of System Development in this report.

##### 1- Company Creed and Marubeni Management Philosophy

Company Creed: Fairness (To be fair and bright)

Innovation (To be active and innovative)

Harmony (To respect each other and cooperate)

Marubeni 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.”

##### 2- Marubeni Corporate Principles

The Corporation, as a business enterprise, will actively pursue its business interests through the exercise of fair and lawful competition. As a company, the Corporation will also continue to play its part in the growth of the global economy, while always striving to enrich the society within which it operates. In order to achieve these goals, the Corporation is committed to the following six basic principles of business:

(a) Conduct Fair and Open Business Activities

Comply with laws and promote fair transactions.

Maintain sound relationship with the politics and administration in Japan and abroad and ensure sales activities in free competition.

Take a firm stand against antisocial activities and forces.

(b) Develop a Globally Connected Company

Respect the culture of all countries and regions and contribute to the prosperity of local economies through business activities.

Aim for development that is in harmony with the local communities through a management system that is accepted globally.

(c) Create New Value Through Business Vision

In addition to responding to changes in markets and industries, create changes ourselves and offer new products and services to markets and customers.

Always take on new challenges without being constrained by existing practices or frameworks.

(d) Respect and Encourage Individuality and Originality

Foster a free and vibrant corporate culture that respects the individuality of each person and allows them to fully demonstrate their originality.

Act proactively, under self-management, to achieve goals.

(e) Promote Good Corporate Governance

Proactively disclose information to the shareholders and society and improve the transparency of management.

Respect proposals related to improvement, etc. of management and aim for a management that is open to the shareholders and society.

(f) Safeguard Ecological and Cultural Diversity

Recognize the responsibility as a corporate citizen in international society and engage positively in social contribution activities.

Pay attention to environmental problems to pass on a sound global environment to the future generations.

### 3- Stakeholders

The Marubeni Group conducts business with the support of various stakeholders throughout the world. The Marubeni Group recognizes the importance of diligently listening to the opinions of stakeholders, and working together to move forward, based on an understanding of stakeholder interests and concerns, as well as the impact of the Marubeni Group's activities on society and the environment. The Marubeni Group's concept of each stakeholder is as follows:

(a) Customers and Business Partners

The Marubeni Group aims to become a company that can be trusted and relied upon by its customers and business partners. The Marubeni Group will develop and offer socially useful products and services, by giving full consideration to safety and striving at all times to improve the satisfaction and earn the trust of its customers and business partners through conducting sincere and honorable business practices.

(b) Shareholders and Investors

The Marubeni Group is dedicated to meeting shareholders' expectations. The Marubeni Group strives thus to enhance its corporate value by responding to changes in the business environment and maintaining stable profitability. In addition, the Marubeni Group works to boost corporate value from social and environmental perspectives, and also disclose pertinent information in a fair and timely manner.

(c) Local Community

The Marubeni Group aims to become a valued member of the local communities where it practices business, and to contribute to the creation of robust local districts through improvement of living standards, creation of job opportunities for the local community, including youth, and offering employment incorporating diversity and inclusion, being aware of gender and disabilities.

Overseas, the Marubeni Group respects local laws, cultures, and customs, and strives to operate its businesses in a way that contributes to local development. Furthermore, the Marubeni Group is firmly opposed to antisocial forces and groups that threaten the order and safety of society.

(d) Employees

The Marubeni Group shall respect the individual values and life goals of each and every employee. The Marubeni Group also works to eliminate all forms of discrimination and foster an atmosphere that is pleasant for all.

**[Reasons for Non-compliance with the Principles of the Corporate Governance Code]**

The Corporation is implementing all the principles of the Corporate Governance Code dated June 11, 2021, including principles for the Prime Market, based on the above-mentioned basic concepts.

**[Disclosure Based on the Principles of the Corporate Governance Code]**

Please refer to the Corporation's status of initiatives and policies related to all the 83 principles that make up the Basic Principles, Principles, and Supplementary Principles and include disclosure items based on the principles of the Corporate Governance Code dated June 11, 2021, including principles for the Prime Market. This information is attached to this report and is posted on the Corporation's website.

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

In addition to the above, for "Action to Implement Management that is Conscious of Cost of Capital and Stock Price," please refer to Principle 5.2 in the attached to this report.

Also, for “Dialogue with Shareholders,” please refer to III.2. IR Activities of this report and the Corporation’s policy for constructive dialogues with shareholders described in Principle 5.1 and Supplementary Principles 5.1.1 and 5.1.2 in the attached to this report.

## 2. Capital Structure

|                            |               |
|----------------------------|---------------|
| Foreign Shareholding Ratio | More than 30% |
|----------------------------|---------------|

### [Status of Major Shareholders]

| Name / Company Name                                  | Number of Shares Owned | Percentage (%) |
|--|------------------------|----------------|
| The Master Trust Bank of Japan, Ltd. (Trust account) | 269,050,200            | 15.86          |
| EUROCLEAR BANK S.A./N.V.                             | 127,969,315            | 7.54           |
| Custody Bank of Japan, Ltd. (Trust account)          | 97,798,300             | 5.77           |
| Meiji Yasuda Life Insurance Company                  | 37,636,918             | 2.22           |
| JPMorgan Securities Japan Co., Ltd.                  | 32,661,050             | 1.93           |
| Mizuho Bank, Ltd.                                    | 30,000,000             | 1.77           |
| STATE STREET BANK WEST CLIENT-TREATY 505234          | 27,975,303             | 1.65           |
| Sompo Japan Insurance Inc.                           | 26,250,000             | 1.55           |
| Nippon Life Insurance Company                        | 23,400,585             | 1.38           |
| JP MORGAN CHASE BANK 385632                          | 20,749,812             | 1.22           |

|   |      |
|---|------|
| Controlling Shareholder (except for Parent Company) | —    |
| Parent Company                                      | None |

### Supplementary Explanation

The [Status of Major Shareholders] sets forth the information as of March 31, 2023. On June 19, 2023, National Indemnity Company submitted a Statement of Changes to the Statement of Large-Volume Holdings, which states that as of June 12, 2023, National Indemnity Company holds the following shares of the Corporation:

- Name of Shareholder: National Indemnity Company
- Address of Shareholder: 1314 Douglas Street, Suite 1400, Omaha, Nebraska, United States
- Number of Shares Owned: 141,000,200
- Percentage: 8.30%

## 3. Corporate Attributes

|   |                       |
|---|-----------------------|
| Listed Stock Market and Market Section  | Tokyo Prime           |
| Fiscal Year-End   | March                 |
| Type of Business  | Wholesale Trade       |
| Number of Employees (consolidated) as of the End of the Previous Fiscal Year  | More than 1000        |
| Sales (consolidated) as of the End of the Previous Fiscal Year                | More than ¥1 trillion |
| Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year | More than 300         |

## 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

—

## **5. Other Special Circumstances which may have Material Impact on Corporate Governance**

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.

ARTERIA Networks Corporation, a listed subsidiary of the Corporation (“ARTERIA”), uses its own high-capacity optical fiber networks to provide cutting edge services to domestic corporations and condominiums in Japan. ARTERIA, as a listed company, maintains a strong and transparent governance system. Meanwhile, the Corporation guarantees ARTERIA’s ability to execute flexible decision making, and also believes that synergy creation between access to the Corporation’s customers and partners and ARTERIA’s network assets and cutting-edge services, and collaboration across a diversity of industries, including those in which the Corporation’s subsidiaries operate, are all connected to raising and optimizing corporate value for the entire Marubeni Group.

As consideration is given to ARTERIA’s independence as a listed subsidiary, the “Marubeni Group Governance Policy” does not apply to them. However, avoiding a conflict of interest with ARTERIA’s general stockholders, the Corporation gives appropriate guidance and advice as the parent company, propagates the appropriate level of governance as the Marubeni Group, and plans for the improvement and optimization of corporate value for the entire Marubeni Group.

Furthermore, in order to ensure effective governance policy building and execution, a written agreement was concluded between the Corporation and ARTERIA. By virtue of this agreement, important information for internal controls is reported by ARTERIA to the Corporation, and ARTERIA receives opinions on these items from the Corporation in advance of decision making. Additionally, the Corporation provides ARTERIA with support and guidance necessary for ARTERIA’s internal controls system maintenance. It should be noted that advice and opinions by the Corporation to ARTERIA as per the aforementioned agreement is not meant to be restrictive, but to be used as reference in ARTERIA’s own final decision-making process, thereby guaranteeing autonomy. ARTERIA maintains a governance policy that protects the interests of minority shareholders from unfair treatment through such measures as appointing independent outside directors and voluntarily establishing a Nomination and Remuneration Committee of which the majority of members are independent outside directors.

In order to realize further enhancement of the corporate value of ARTERIA, the Corporation and SECOM CO., LTD. plan to jointly acquire the shares of common stock of ARTERIA by tender offer and delist the same. For more details, please refer to “Notice Concerning Planned Commencement of Tender Offer for Shares of ARTERIA Networks Corporation” posted on our website on May 11, 2023.

## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

### 1. Organizational Composition and Operation

|                   |                       |
|-------------------|-----------------------|
| Organization Form | Company with auditors |
|-------------------|-----------------------|

#### [Directors]

|   |   |
|---|---|
| Maximum Number of Directors Stipulated in Articles of Incorporation | No upper limit has been set forth.                  |
| Term of Office Stipulated in Articles of Incorporation              | 1 year  |
| Chairperson of the Board  | Chairperson (except when also serving as President) |
| Number of Directors   | 10  |
| Appointment of Outside Directors                                    | Appointed   |
| Number of Outside Directors   | 6   |
| Number of Independent Directors                                     | 6   |

#### Outside Directors' Relationship with the Company (1)

| Name             | Attribute            | Relationship with the Company* |   |   |   |   |   |   |   |   |   |   |  |
|------------------|----------------------|--------------------------------|---|---|---|---|---|---|---|---|---|---|--|
|                  |                      | a                              | b | c | d | e | f | g | h | i | j | k |  |
| Kyohei Takahashi | From another company |                                |   |   |   |   |   |   |   | △ |   |   |  |
| Yuri Okina       | From another company |                                |   |   |   |   |   |   |   |   |   |   |  |
| Masato Kitera    | Other                |                                |   |   |   |   |   |   |   |   |   |   |  |
| Shigeki Ishizuka | From another company |                                |   |   |   |   |   |   |   | △ |   |   |  |
| Hisayoshi Ando   | Other                |                                |   |   |   |   |   |   |   | ○ |   |   |  |
| Mutsuko Hatano   | Other                |                                |   |   |   |   |   |   |   | ○ |   |   |  |

\* Categories for "Relationship with the Company"

\* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

\* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past

a. Executive of the company or its subsidiaries

b. Non-executive director or executive of a parent company of the company

c. Executive of a fellow subsidiary company of the company

d. A party whose major client or supplier is the company or an executive thereof

e. Major client or supplier of the listed company or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the company besides compensation as a director/Audit & Supervisory Board Members

g. Major shareholder of the company (or an executive of the said major shareholder if the shareholder is a legal entity)

h. Executive of a client or supplier company of the company (which does not correspond to any of d, e, or f) (the director himself only)

i. Executive of a company, between which and the company outside directors/ Audit & Supervisory Board Members are mutually appointed (the director himself only)

- j. Executive of a company or organization that receives a donation from the company (the director themselves only)  
k. Others

Outside Directors' Relationship with the Company (2)

| Name             | Designation as Independent Director | Supplementary Explanation of the Relationship  | Reasons of Appointment   |
|------------------|-------------------------------------|--|--|
| Kyohei Takahashi | Yes                                 | <p>Mr. Takahashi was an executive of former Showa Denko K.K. (currently, Resonac Holdings K.K.). There is a continuous transaction relationship between Showa Denko and the Corporation, in which the Corporation sells raw materials to Showa Denko and the Corporation purchases Showa Denko's products and so on. Net sales of the Corporation to Showa Denko for the three business years from FY2019 to FY2021 account for 0.06% of the consolidated revenue of the Corporation during said three-year period, whereas net sales of Showa Denko to the Corporation account for 0.07% of the consolidated revenue of the Corporation during said three-year period; both of these percentages are insignificant.</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 demonstrated strong leadership in discussion on establishment of a governance structure etc. in order to enhance soundness, transparency, and efficiency of the Corporation's management. Because he is expected to continue to fulfill the role stated above and in view of the report by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Outside Director, and then he was appointed as an Outside Director by resolution of the General Meeting of Shareholders. No personal, capital or transaction relationships between Mr. Takahashi and the Corporation result in conflicts of interest that could harm the interests of the general shareholders, and he satisfies the requirements in the "Standards and Policies for the Independence of Outside Directors/ Audit &amp; Supervisory Board Members of the Corporation" (as set forth on II.3). Hence, the Corporation has appointed him as an Independent Director stipulated by Tokyo Stock Exchange, Inc., which is the financial instruments exchange on which the Corporation's stock is listed, and notified the said exchange of such designation.</p> |
| Yuri Okina       | Yes                                 | Not applicable   | <p>Ms. Okina has profound insight about economic and financial matters cultivated through her 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</p>  |



|               |     |                |  |
|---------------|-----|----------------|--|
|               |     |                | <p>supervising business execution. Additionally, as the chair of the Nomination Committee, she led discussion in order to enhance soundness, transparency, and efficiency of the Corporation's management.</p> <p>Because she is expected to continue to fulfill the role stated above and in view of the report by the Nomination Committee, the Board of Directors decided to reappoint her as a candidate for Outside Director, and then she was appointed as an Outside Director by resolution of the General Meeting of Shareholders.</p> <p>No personal, capital or transaction relationships between Ms. Okina and the Corporation existed in the past or exist currently, and she satisfies the requirements in the "Standards and Policies for the Independence of Outside Directors/ Audit &amp; Supervisory Board Members of the Corporation" (as set forth on II.3). Hence, the Corporation has appointed her as an Independent Director stipulated by Tokyo Stock Exchange, Inc., which is the financial instruments exchange on which the Corporation's stock is listed, and notified the said exchange of such designation.</p>   |
| Masato Kitera | Yes | Not applicable | <p>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.</p> <p>Because he is expected to continue to fulfill the role stated above and in view of the report by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Outside Director, and then he was appointed as an Outside Director by resolution of the General Meeting of Shareholders.</p> <p>No personal, capital or transaction relationships between Mr. Kitera and the Corporation existed in the past or exist currently, and he satisfies the requirements in the "Standards and Policies for the Independence of Outside Directors/ Audit &amp; Supervisory Board Members of the Corporation" (as set forth on II.3). Hence, the Corporation has appointed him as an Independent Director stipulated</p> |

|                      |     |  |   |
|----------------------|-----|--|---|
|                      |     |  | by Tokyo Stock Exchange, Inc., which is the financial instruments exchange on which the Corporation's stock is listed, and notified the said exchange of such designation.  |
| Shigeeki<br>Ishizuka | Yes | Mr. Ishizuka was an executive of Sony Group Corporation (former Sony Corporation), former Sony Imaging Products & Solutions Inc. and former Sony Electronics Corporation (now integrated into the current Sony Corporation). There were no transactions between these companies and the Corporation during the three business years from FY2019 to FY2021. | 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. 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 Nomination Committee member in order to enhance soundness, transparency, and efficiency of the Corporation's management. Because he is expected to continue to fulfill the role stated above and in view of the report by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Outside Director, and then he was appointed as an Outside Director by resolution of the General Meeting of Shareholders. No personal, capital or transaction relationships between Mr. Ishizuka and the Corporation result in conflicts of interest that could harm the interests of the general shareholders, and he satisfies the requirements in the "Standards and Policies for the Independence of Outside Directors/ Audit & Supervisory Board Members of the Corporation" (as set forth on II.3). Hence, the Corporation has appointed him as an Independent Director stipulated by Tokyo Stock Exchange, Inc., which is the financial instruments exchange on which the Corporation's stock is listed, and notified the said exchange of such designation. |
| Hisayoshi<br>Ando    | Yes | Mr. Ando is an executive of Tokyo Small and Medium Business Investment & Consultation CO., LTD. There were no transactions between this company and the Corporation during the three business years from FY2019 to FY2021.   | Mr. Ando served in key positions in the government and has profound insight about economic, industrial, and political trends in Japan and overseas. As an Outside Director of the Corporation, he has been providing 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. Additionally, as an advisor to the Sustainability Management Committee, he has been proactively expressing his opinions of overall sustainability matters from an independent, external perspective. Because he is expected to continue to fulfill the role stated above and in view of the report by the Nomination Committee, the Board of Directors  |

|                |     |  |   |
|----------------|-----|--|---|
|                |     |  | <p>decided to reappoint him as a candidate for Outside Director, and then he was appointed as an Outside Director by resolution of the General Meeting of Shareholders.</p> <p>No personal, capital or transaction relationships between Mr. Ando and the Corporation result in conflicts of interest that could harm the interests of the general shareholders, and he satisfies the requirements in the “Standards and Policies for the Independence of Outside Directors/ Audit &amp; Supervisory Board Members of the Corporation” (as set forth on II.3). Hence, the Corporation has appointed him as an Independent Director stipulated by Tokyo Stock Exchange Inc., which is the financial instruments exchange on which the Corporation’s stock is listed, and notified the said exchange of such designation.</p>   |
| Mutsuko Hatano | Yes | <p>Ms. Hatano is Senior Aide to the President and Professor at the Department of Electrical and Electronic Engineering, School of Engineering of Tokyo Institute of Technology. There were no transactions between the institute and the Corporation during the three fiscal years from FY2019 to FY2021.</p> <p>In addition, Ms. Hatano was Representative Director and President of the Japan Society of Applied Physics. There were no transactions between the organization and the Corporation.</p> | <p>After having been engaged in fundamental research at a large manufacturer, Ms. Hatano assumed the office of Professor at the Department of Electrical and Electronic Engineering, School of Engineering of Tokyo Institute of Technology, which is one of the leading universities in Japan and has been working on quantum-related research for many years. Through her abundant experience in academic societies and government agencies, she has been contributing to the advancement of science and technology. In addition, serving as Outside Director of a global company for many years, she has been making a contribution to the enhancement of its corporate governance as the chairperson of the Board of Directors.</p> <p>She is expected to provide advice to the Corporation’s management and proper supervision of the execution of duties appropriately since she has a wide breadth of experience and expertise in science, technology and human resource development as mentioned above. Therefore, in view of the report by the Nomination Committee, the Board of Directors decided to appoint her as a new candidate for Outside Director, and then she was appointed as an Outside Director by resolution of the General Meeting of Shareholders.</p> <p>No personal, capital or transaction relationships between Ms. Hatano and the Corporation existed in the past or exist currently, and she satisfies the requirements in the “Standards and Policies for the Independence of Outside Directors/Audit &amp; Supervisory Board Members of the Corporation” (as set forth on II.3). Hence, the Corporation has appointed her as an Independent Director stipulated by Tokyo Stock Exchange Inc., which is the financial instruments exchange on which the Corporation’s stock is listed, and notified the said exchange of such designation.</p> |

|   |             |
|---|-------------|
| Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee | Established |
|---|-------------|

Committee's Name, Composition, and Attributes of Chairperson

|                       | Committee Corresponding to Nomination Committee | Committee Corresponding to Remuneration Committee |
|-----------------------|---|---|
| Committee's Name      | Nomination Committee                            | Governance and Remuneration Committee             |
| All Committee Members | 4   | 6   |
| Full-time Members     | 1   | 2   |
| Internal Directors    | 1   | 2   |
| Outside Directors     | 3   | 3   |
| Outside Experts       | 0   | 0   |
| Other                 | 0   | 1   |
| Chairperson           | Outside Director                                | Outside Director                                  |

Supplementary Explanation

- A voluntary committee equivalent to the Nomination Committee
  - Nomination Committee (to be convened as necessary): The memberships of the committee are composed so as to ensure independence, as Independent Outside Directors/Audit & Supervisory Board Members constitute the majority of the members and the committee is chaired by an Independent Outside Director as well. The Nomination Committee mainly deliberates on proposals regarding the selection of candidates for Director and Audit & Supervisory Board Member, proposals regarding the selection of the President for the next term, and successor plans formulated and operated by the President (including plans related to necessary qualities and requirements, successor candidate groups, and training), and reports to the Board of Directors. In FY2022, 6 Committee meetings were held for deliberations regarding candidates of Director and Audit & Supervisory Board Member and succession plans etc., and all the Committee members attended all the meetings.
  - Composition of Committee
 

|             |                  |  |
|-------------|------------------|--|
| Chairperson | Yuri Okina       | Outside Director                       |
| Members     | Masumi Kakinoki  | President and CEO, Member of the Board |
|             | Shigeki Ishizuka | Outside Director                       |
|             | Mutsuko Hatano   | Outside Director                       |
  
- A voluntary committee equivalent to the Remuneration Committee
  - Governance and Remuneration Committee (to be held as necessary): The memberships of the committee are composed so as to ensure independence, as Independent Outside Directors/Audit & Supervisory Board Members constitute the majority of the members and the committee is chaired by an Independent Outside Director as well. The Governance and Remuneration Committee deliberates on the policy for determining remuneration for Directors and Executive Officers as well as appropriateness of the level of remuneration, and reports to the

Board of Directors. Furthermore, it deliberates on important matters related to corporate governance and conducts assessments and reviews of the Board of Directors as a whole, including on its structure, operation, etc., and reports thereon to the Board of Directors. In FY2022, 7 Committee meetings were held for deliberations regarding remuneration for Directors and Executive Officers, review of compensation plans, evaluation of the effectiveness of the Board of Directors, and disclosure of information on Directors/Audit & Supervisory Board Members. All Committee members attended all of the meetings.

- Composition of Committee

|             |                  |  |
|-------------|------------------|--|
| Chairperson | Kyohei Takahashi | Outside Director                                     |
| Members     | Masumi Kakinoki  | President and CEO, Member of the Board               |
|             | Akira Terakawa   | Senior Executive Vice President, Member of the Board |
|             | Masato Kitera    | Outside Director                                     |
|             | Hisayoshi Ando   | Outside Director                                     |
|             | Tsuyoshi Yoneda  | Outside Audit & Supervisory Board Member             |

- Committee members falling under “Other” in the committee composition are Outside Audit & Supervisory Board Members.

#### [Audit & Supervisory Board Members]

|   |                                    |
|---|------------------------------------|
| Establishment of Audit & Supervisory Board  | Established                        |
| Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation | No upper limit has been set forth. |
| Number of Audit & Supervisory Board Members   | 5                                  |

|   |
|---|
| Cooperation among Audit & Supervisory Board Members, Accounting Auditors and Internal Audit Departments |
|---|

The Audit & Supervisory Board Members and the Accounting Auditor exchange information and their opinions concerning, for instance, audit plans, audit status and results of the Corporation and each of its group companies (including quarterly review), each audit matter (including selection of key audit matters), important aspects of the financial results, and trends on accounting audits, etc. at monthly meetings. The Corporation’s Accounting Auditor for FY2022 was Ernst & Young ShinNihon LLC. The Audit & Supervisory Board Members and the Audit Department, a department which performs internal audits, exchange opinions at regular meetings (9 times a year) and implement audit operations through close cooperation. In FY2022, the Audit & Supervisory Board met 17 times, and all Audit & Supervisory Board Members were present at all meetings of the Audit & Supervisory Board during their terms of office, excluding Mr. Kikuchi, who was absent for 1 meeting.

|   |           |
|---|-----------|
| Appointment of Outside Members of Audit & Supervisory Board | Appointed |
|---|-----------|

|   |   |
|---|---|
| Number of Outside Members of Audit & Supervisory Board  | 3 |
| Number of Outside Members of Audit & Supervisory Board who are designated as an Independent Audit & Supervisory Board Members | 3 |

#### Audit & Supervisory Board Members' Relationship with the Company (1)

| Name              | Attribute | Relationship with the Company* |   |   |   |   |   |   |   |   |   |   |   |   |
|-------------------|-----------|--------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|
|                   |           | a                              | b | c | d | e | f | g | h | i | j | k | l | m |
| Tsuyoshi Yoneda   | Other     |                                |   |   |   |   |   |   |   |   |   |   |   |   |
| Yoichi Kikuchi    | Lawyer    |                                |   |   |   |   |   |   |   |   |   |   |   |   |
| Shigeru Nishiyama | Professor |                                |   |   |   |   |   |   |   |   |   |   |   |   |

\* Categories for "Relationship with the company"

\* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

\* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past

a. Executive of the company or its subsidiaries

b. Non-executive director or accounting advisor of the company or its subsidiaries

c. Non-executive director or executive of a parent company of the company

d. Audit & Supervisory Board Members of a parent company of the company

e. Executive of a fellow subsidiary company of the company

f. A party whose major client or supplier is the company or an executive thereof

g. Major client or supplier of the listed company or an executive thereof

h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the company besides compensation as a director/Audit & Supervisory Board Members

i. Major shareholder of the company (or an executive of the said major shareholder if the shareholder is a legal entity)

j. Executive of a client or supplier company of the company (which does not correspond to any of f, g or h) (the director himself only)

k. Executive of a company, between which and the company outside directors/Audit & Supervisory Board Members are mutually appointed (the director himself only)

l. Executive of a company or organization that receives a donation from the company (the director himself only)

m. Others

#### Audit & Supervisory Board Members' Relationship with the Company (2)

| Name            | Designation as Independent Director | Supplementary Explanation of the Relationship | Reasons of Appointment  |
|-----------------|-------------------------------------|---|---|
| Tsuyoshi Yoneda | Yes                                 | Not applicable                                | 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 & Supervisory Board |

|                |     |                |  |
|----------------|-----|----------------|--|
|                |     |                | <p>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.</p> <p>In view of the above and the report by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Outside Audit &amp; Supervisory Board Member, and then he was appointed as an Outside Director by resolution of the General Meeting of Shareholders. Further, no personal, capital or transaction relationships existed between Mr. Yoneda and the Corporation in the past or exist currently, and he satisfies the requirements in the "Standards and Policies for the Independence of Outside Directors/ Audit &amp; Supervisory Board Members of the Corporation" (as set forth on II.3). Hence, the Corporation appointed him as an Independent Auditor stipulated by the financial instruments exchanges and notified the said exchanges of such appointment.</p> |
| Yoichi Kikuchi | Yes | Not applicable | <p>Mr. Kikuchi has a wealth of experience in legal circles and excellent expertise and profound insight cultivated through his experience. The Corporation expects that he will appropriately fulfill duties as an Outside Audit &amp; Supervisory Board Member from a specialist, objective and neutral viewpoint in order to enhance soundness, transparency and efficiency in the Corporation's management, by monitoring and supervising management, contributing to improvement of corporate governance and the enrichment of audits by the Audit &amp; Supervisory Board.</p>  |

|                   |     |                |  |
|-------------------|-----|----------------|--|
|                   |     |                | <p>In view of the above and the report by the Nomination Committee, the Board of Directors decided to appoint Mr. Kikuchi as a candidate for Outside Audit &amp; Supervisory Board Member, and then he was appointed as an Outside Audit &amp; Supervisory Board Member by resolution of the General Meeting of Shareholders. No personal, capital or transaction relationships between Mr. Kikuchi and the Corporation existed in the past or exist currently, and he satisfies the requirements in the “Standards and Policies for the Independence of Outside Directors/ Audit &amp; Supervisory Board Members of the Corporation” (as set forth on II.3). Hence, the Corporation appointed him as an Independent Auditor stipulated by the financial instruments exchanges and notified the said exchanges of such appointment.</p>  |
| Shigeru Nishiyama | Yes | Not applicable | <p>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 expects that he will appropriately fulfill duties as an Outside Audit &amp; Supervisory Board Member from a specialist, objective and neutral viewpoint in order to enhance soundness, transparency and efficiency in the Corporation’s management 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.</p> <p>In view of the above and the report by the Nomination Committee, the Board of Directors decided to appoint Mr. Nishiyama as a candidate for Outside Audit &amp; Supervisory Board Member, and then he was appointed as an Outside Audit &amp; Supervisory Board Member by resolution of the</p> |



|  |  |  |   |
|--|--|--|---|
|  |  |  | General Meeting of Shareholders. Further, no personal, capital or transaction relationships existed between Mr. Nishiyama and the Corporation in the past or exist currently, and he satisfies the requirements in the “Standards and Policies for the Independence of Outside Directors/ Audit & Supervisory Board Members of the Corporation” (as set forth onII.3). Hence, the Corporation has appointed him as an Independent Director stipulated by the financial instruments exchanges and notified the said exchanges of such appointment. |
|--|--|--|---|

**[Independent Directors/Audit & Supervisory Board Members]**

|   |   |
|---|---|
| Number of Independent Directors/Audit & Supervisory Board Members | 9 |
|---|---|

**Matters relating to Independent Directors/Audit & Supervisory Board Members**

The Corporation appoints all Outside Directors/Audit & Supervisory Board Members who satisfy the requirements for Independent Directors/Audit & Supervisory Board Members as Independent Directors/Audit & Supervisory Board Members.

**[Incentives]**

|                                  |   |
|----------------------------------|---|
| Incentive Policies for Directors | Performance-linked Remuneration / Other |
|----------------------------------|---|

**Supplementary Explanation**

The Corporation revised the remuneration plan for Directors of the Corporation with the aim of encouraging management practices that are in line with the vision for the Marubeni Group of the future to create new value together with our stakeholders, further enhancing linkage with medium- to long-term corporate value, and further promoting value sharing with our shareholders.

From FY2023

As Performance-based compensation, the Corporation introduced compensation based on performance evaluation and TSR-linked performance share units with shares transfer restrictions. For the target persons and overview of the said compensation, please refer to “Overview of the Corporation’s Policy to Determine the Remuneration And Other Payments for Directors” at the bottom of this report.

Until FY2022

The remuneration of Directors other than Outside Directors (“Eligible Directors”) consists of basic remuneration, which is a fixed amount that is in accordance with the roles of the Eligible Directors, performance-linked remuneration, which is linked to consolidated business results in the previous fiscal year, additional pay and personal evaluation pay, and shares with restriction on transfer subject to market-capitalization-based exercisability conditions (“Market Capitalization-linked Performance Share Units”). Form of payment consists of cash, shares with restriction on transfer (“Restricted Stock”) and Market Capitalization-linked Performance Share Units.

Performance based compensation:

If the “sum of 50% of consolidated net income (profit attributable to the owners of the parent) and 50% of core operating cash flow in the previous business year” is below 100 billion yen, performance-linked remuneration is made 0, and if it is 100 billion yen or more, it is made an amount calculated by multiplying the amount of base annual compensation by a multiplication factor that proportionally increases (an increase of approximately 2% per increase of 5 billion yen). In order to achieve a balanced format for compensation that is linked with the Corporation’s performance, up to FY2018, only consolidated net income (profit attributable to owners of the parent) for the previous business year was used as an indicator. From FY2019 the “sum of 50% of consolidated net income (profit attributable to owners of the parent) and 50% of core operating cash flow in the previous business year” is used an indicator, and the aim of this is to further strengthen alignment between the compensation system and the management targets of the previous Mid-Term Management Strategy “GC2021.” As for consolidated net income (profit attributable to owners of the parent) and core operating cash flow in FY2021, which were used for the calculation of performance-linked remuneration in FY2022, the target value of each at the beginning of the year (announced on May 6, 2021) was 230 billion yen and 350 billion yen. The actual value was 424.3 billion yen and 570.5 billion yen.

Stock-Based Compensation:

Beginning in FY2021, the Corporation has introduced Restricted Stock and Market Capitalization-linked Performance Share Units to Eligible Directors. The purpose of this is to give the 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.

#### 1. Restricted Stock

20% of the base annual remuneration and performance-based compensation is granted as Restricted Stock to the Eligible Directors with a certain no transfer period. An Eligible Director may not transfer, create security interest over, or otherwise dispose of the Corporation’s common shares which were allotted to them under the Allotment Agreement during the period from the day the shares were allotted to them under the Allotment Agreement until immediately after the time the Eligible Director resigns or retires from their position as Director, Executive Officer, or other officer or employee of the Corporation or the Corporation’s subsidiary that the Corporation’s Board of Directors designates. The purpose of the no transfer period is to promote greater value sharing with shareholders in the medium to long term.

#### 2. Market Capitalization-linked Performance Share Units

Up to 1.5 times an amount equivalent to 10% of base annual compensation is allotted as Market Capitalization-linked Performance Share Units on top of the base compensation. Market Capitalization-linked 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.

|                             |   |
|-----------------------------|---|
| Recipients of Stock Options | — |
|-----------------------------|---|

|                           |
|---------------------------|
| Supplementary Explanation |
|---------------------------|

**[Director Remuneration]**

|  |                    |
|--|--------------------|
| Disclosure of Individual Directors' Remuneration | Selected Directors |
|--|--------------------|

|                           |
|---------------------------|
| Supplementary Explanation |
|---------------------------|

(a) For the total of remuneration and other payments for Directors and Audit & Supervisory Board Members in FY2022, please refer to “Total of Remuneration And Other Payments for Directors and Audit & Supervisory Board Members in FY2022” at the bottom of this report.

(b) For the individuals to whom the total amount of compensation paid exceeded 100 million yen in FY2022, please refer to “Total of Remuneration And Other Payments for Directors and Audit & Supervisory Board Members in FY2022” at the bottom of this report.

|  |             |
|--|-------------|
| Policy on Determining Remuneration Amounts and Calculation Methods | Established |
|--|-------------|

|  |
|--|
| Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods |
|--|

The maximum total remuneration shall be determined for all Directors by resolution at a General Meeting of Shareholders. The Governance and Remuneration Committee chaired by an Outside Director/Audit & Supervisory Board Member, with the majority of its members consisting of Outside Directors/Audit & Supervisory Board Members, deliberates on the policies for compensation decisions and the appropriateness of the compensation levels, and provides reports to the Board of Directors. The remuneration amount is determined by resolution of the Board of Directors.

From FY2023

Please refer to “Overview of the Corporation's Policy to Determine the Remuneration And Other Payments for Directors” at the bottom of this report.

Until FY2022

The remuneration of Directors other than Outside Directors consists of basic remuneration, which is a fixed amount that is in accordance with the roles of the Directors, performance-linked remuneration, which is linked to consolidated business results in the previous fiscal year, additional pay, and personal evaluation pay, Market Capitalization-linked Performance Share Units. Additional Pay consists of director bonuses and representative director bonuses, and personal evaluation pay consists of an organization performance evaluation and a qualitative evaluation. For the organization performance evaluation, the evaluation item is whether the consolidated net income target and the core operating cash flow target are achieved or not. The amount in which the organization performance evaluation is reflected is calculated by multiplying base annual compensation by the ratio determined by the Board of Directors corresponding to the achievement/non achievement of the target. Qualitative evaluation takes into consideration business results in the fiscal year, medium- to long-term contributions (such as efforts and initiatives for new value creation toward the future) and other such measures. The amount in which qualitative evaluation is reflected is calculated by multiplying base annual compensation by a ratio which has been determined by the Board of Directors to reflect the qualitative evaluation. Concerning the individuals' evaluation-based compensation, the President who is the chief executive officer is judged to be most suitable for conducting qualitative evaluation and the Board of Directors has given President & CEO Masumi Kakinoki the authority for the said evaluation (the "qualitative evaluation by the President"). In order to ensure appropriate exercise of this authority, the ratio to reflect the qualitative evaluation by the President is within the range determined by the Board of Directors.

The performance-based compensation is described in the above Incentive Policies for Directors, all of whom are independent from business execution, consists entirely of base annual compensation, and does not include performance-linked remuneration.

**[Supporting System for Outside Directors and/or Independent Audit & Supervisory Board Members]**

System for supporting Outside Directors: The General Managers of Corporate Planning & Strategy Department and Legal Department explain all the agenda items for the Board of Directors Meeting in advance, and secretaries are assigned to support in daily communication, etc. with Outside Directors as in the case with other Directors.

System for supporting Outside Audit & Supervisory Board Members: The General Managers of the Corporate Planning & Strategy Department and Legal Department explain all the agenda items for the Board of Directors Meeting in advance, and the Audit & Supervisory Board Member's Office supports in daily communication, etc. with the Outside Audit & Supervisory Board Members as in the case with other Audit & Supervisory Board Members.

**[Status of Retired President and CEO, etc.]**

Name, etc. of Advisors, Counselors, etc. Who Were Formerly President and CEO, etc.

| Name | Title | Duties | Working form, conditions<br>(Full-time, part-time,<br>compensation, etc.) | Date of retirement as<br>President, etc. | Term |
|------|-------|--------|---|--|------|
|      |       |        |   |  |      |

|                    |                                  |      |                            |   |         |
|--------------------|----------------------------------|------|----------------------------|---|---------|
| Toru Tsuji         | Honorary<br>Corporate<br>Advisor | None | Part-time, no compensation | March 2008<br>(Retirement as<br>Chairman of the<br>Board) | Not set |
| Nobuo<br>Katsumata | Honorary<br>Corporate<br>Advisor | None | Part-time, no compensation | March 2013<br>(Retirement as<br>Chairman of the<br>Board) | Not set |
| Teruo Asada        | Honorary<br>Corporate<br>Advisor | None | Part-time, no compensation | March 2019<br>(Retirement as<br>Chairman of the<br>Board) | Not set |

|  |   |
|--|---|
| Number of Advisors, Counselors, etc. Who Were Formerly President and CEO, etc. | 3 |
|--|---|

Matters relating to Former Presidents and CEOs, etc.

- The Corporation abolished the advisor system on April 1, 2019 by resolution of the meeting of the Board of Directors on June 22, 2018.
- The Corporation may appoint a Corporate Advisor, who will not engage in business execution but will engage in activities in the business community and activities with high social significance.
- The President appoints retired officers of the Corporation as Corporate Advisors. When persons who retired from the posts of Chairman or President of the Corporation are appointed to the post of Corporate Advisor, they are titled Honorary Corporate Advisors.

## 2. Matters Relating to Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration

The details of the organizations of the Corporation are as follows:

### (a) Board of Directors

The Board of Directors comprises 10 Directors (including 6 Outside Directors; 8 males and 2 female), and makes decisions regarding management policy and other important matters and supervises the execution of duties by Directors. To clearly segregate management and execution, in principle, the Chairman of the Board, who does not have representative rights or the authority for business execution, serves as the chair of Board of Directors Meetings.

### (b) Audit & Supervisory Board

The Audit & Supervisory Board comprises 5 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board Members), and Mr. Toshiaki Kida, a Full-time Audit & Supervisory Board Member, serves as the chair. The Corporation adopts a corporate audit governance system and each of the Audit & Supervisory Board Members is responsible for overseeing Directors in the execution of their duties by attending important meetings,

such as the Board of Directors Meetings, and by monitoring business activities and financial conditions in accordance with the auditing policies and plans set by the Audit & Supervisory Board.

(c) Corporate Management Committee

The Corporate Management Committee has been established as an advisory committee for the President, and consists of 3 Representative Directors including the President, 3 Senior Managing Executive Officers, 3 Managing Executive Officers, and 1 Executive Officer. It deliberates management-related policies and important company-wide matters.

(d) Committee of Chief Operating Officers

The members of the Committee of Chief Operating Officers are the President, alongside Executive Officers and Chief Operating Officers appointed by the President. They discuss matters pertaining to budgeting, account settlement and financial planning as well as other issues related to the execution of business.

(e) Committee of Executive Officers

The Committee of Executive Officers consists of 40 Executive Officers (3 of whom also serve as Director). The Committee of Executive Officers communicates management information and gives reports on matters that affect business execution such as financial performance and the results of internal audits.

Further, the Corporation has established various committees as the organization directly under the President for dealing with important matters related to business execution and internal control, etc. The main committees and their roles are as follows:

- Investment and Credit Committee (in principle, weekly; 22 times in FY2022)

The Investment and Credit Committee discusses projects subject to the internal approval (“Ringi”) system. The Chairman of the Investment and Credit Committee makes decisions on proposals to be submitted to the Corporate Management Committee through discussions at the Investment and Credit Committee.

- Compliance Committee (in principle, 4 times a year, and as needed; 4 times in FY2022)

The Compliance Committee provides enlightenment activities such as training as well as establishment, maintenance and management of the compliance system of the Marubeni Group.

- Sustainability Management Committee (in principle, once a year, and as needed; 4 times in FY2022)

The Sustainability Management 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 on this to the Board of Directors.

- Internal Control Committee (as needed; 2 times in FY2022)

The Internal Control Committee confirms and reviews status of formulation and operation of basic internal control policy in accordance with the Companies Act, drafts their revision proposals, develops and operates system and evaluates effectiveness regarding financial reporting in accordance with the Financial Instruments and Exchange Act and prepares internal control report drafts.

- Disclosure Committee (as needed; 13 times in FY2022)

The Disclosure Committee formulates principles and basic policy drafts regarding disclosure, establishes and improves the internal system regarding statutory disclosure and timely disclosure, and judges significance and appropriateness regarding statutory disclosure and timely disclosure.

Moreover, the status of holding the Corporation's organization and committee meetings in FY2022 is as follows: in the said fiscal year, the Board of Directors met 16 times to make decisions regarding execution of duties by the Corporation and all members of the Board of Directors were present at all meetings during their terms of office, excluding Mr. Kikuchi, who was absent for 1 meeting. At the same time, the Board of Directors received reports regularly from Directors to supervise their execution of duties. In FY2022, the Board of Directors mainly deliberated as below:

- Policy to enhance the corporate governance system (revision of criteria for submission to the Board of Directors, improvement of organizational capability in business investments, etc.)
- Investment and financing projects (establishment of a wholly-owned subsidiary through a corporate spinoff in ICT field, etc.)
- Financial results and other finance related matters (share repurchases, etc.), remuneration for Directors/Audit & Supervisory Board Members
- Evaluation of the effectiveness of the Board of Directors, internal control related matters, etc.

The Audit & Supervisory Board met 17 times to formulate audit policy and plan and report audit results. In accordance with the auditing policies and plans, each Audit & Supervisory Board member audited Directors' execution of duties by attending the Board of Directors Meetings and other important meetings and investigating the status of operation and assets. The Corporate Management Committee met 31 times and discussed and made decisions regarding management-related policies and important company-wide matters. In addition, the Committee of Chief Operating Officers met 3 times, and the Committee of Executive Officers met 3 times.

#### Status of Measures Related to Enhancement of the Functions of the Audit & Supervisory Board Members

##### (1) Human resources and system supporting the Audit & Supervisory Board Members

The Corporation has in place the Audit & Supervisory Board Member's Office (3 dedicated staff members as of April 1, 2023) to support the Audit & Supervisory Board Members, which work together with the Audit Department (86 people as of April 1, 2023) directly under the President and the Accounting Auditor, ensuring the human resources and systems for supporting the audits by the Audit & Supervisory Board Members.

##### (2) Knowledge regarding finance and accounting

The following Audit & Supervisory Board Member is judged to have considerable knowledge regarding finance and accounting as described below:

(Audit & Supervisory Board Member Mr. Shigeru Nishiyama)

Mr. Nishiyama is a certified public accountant and a professor of Waseda Business School (Graduate School of Business and Finance). Hence, he has considerable knowledge about finance and accounting.

In order to enable (i) each of the Outside Directors, namely Mr. Kyohei Takahashi, Ms. Yuri Okina, Messrs. Masato

Kitera, Shigeki Ishizuka, and Hisayoshi Ando, and Ms. Mutsumi Hatano, (ii) the Director Mr. Fumiya Kokubu, (iii) each of the Outside Audit & Supervisory Board Members, who are Messrs. Tsuyoshi Yoneda, Yoichi Kikuchi, and Shigeru Nishiyama, and (iv) the Internal Audit & Supervisory Board Members, who are Messrs. Takao Ando and Toshiaki Kida, to fully perform their duty as Director (excluding Executive Director) or Audit & Supervisory Board Member, the Corporation has entered into an agreement with each of them in which the liability for damages provided for in Article 423, Paragraph 1 of the Companies Act is limited to the sum of the amounts specified in each item of Article 425, Paragraph 1 of the Companies Act, if they have acted in good faith and without gross negligence in performing their duties.

### **3. Reasons for Adoption of Current Corporate Governance System**

The Corporation conducts a diverse range of business globally. Accordingly, the Corporation has established a corporate governance model of a company with auditors in which the Board of Directors is composed of Internal Directors and Outside Directors in order to ensure rapid and efficient decision-making and appropriate supervisory functions in management. The Corporation has determined that this governance model is functioning effectively as set forth in items (a) and (b) below. Therefore, the Corporation will retain the current governance structure.

#### **(a) Rapid and efficient decision-making**

The Corporation ensures rapid and efficient decision-making by appointing Directors who serve concurrently as Executive Officers and are well-versed in the Corporation's diverse business activities.

#### **(b) Appropriate supervisory functions**

The Corporation ensures appropriate supervisory functions by implementing various measures. These include appointing Outside Directors that account for the majority of candidates for the Board of Directors; establishing the Audit & Supervisory Board Member's Office; fostering collaboration among the Audit & Supervisory Board Members, the Audit Department, and the Accounting Auditor; and carrying out advance briefings, on the same occasion, on matters referred to the Board of Directors for both Outside Directors and Outside Audit & Supervisory Board Members.

The Corporation sets forth the roles and functions of Outside Directors and Outside Audit & Supervisory Board Members as follows:

#### **(a) Introduction of diverse outside perspectives**

Vitalize the Board of Directors and Audit & Supervisory Board by receiving advices and recommendations based on profound insight and expertise cultivated in their professional field, and useful opinions from a perspective independent of the corporate culture and custom of the Corporation.

#### **(b) Enhancement of check and supervisory functions**

Enhance the function of check and supervision over Representative Directors through discussions and decision-making that are based on fair and clear logics and standards convincing to those Outside Directors and Outside Audit & Supervisory Board Members.

#### **(c) Check of conflict of interest**



In a situation where conflict of interest exists between the management and stakeholders including shareholders, check whether the management is executing their duties fairly by fully taking into consideration the interest of the stakeholders.

The Corporation appoints Outside Directors and Outside Audit & Supervisory Board Members based on the Standards and Policies for the Independence of Outside Directors/Audit & Supervisory Board Members of the Corporation so as to facilitate Outside Directors and Outside Audit & Supervisory Board Members to appropriately exercise the above roles and functions.

Standards and Policies for the Independence of Outside Directors/Audit & Supervisory Board Members of the Corporation

The Corporation shall determine that a person who is an Outside Director or Audit & Supervisory Board Member is not independent if he/she currently falls, or in the past 3 business years has fallen, under any of the following items 1 to 7, as well as any provision of the standards for independence set forth by the Tokyo Stock Exchange, on which the Corporation's stock is listed.

1. A major shareholder of the Corporation (who directly or indirectly holds 10% or more of the voting rights in the Corporation) or an executive person thereof\*.
2. An executing person of a lender, from which the borrowed amount exceeds 2% of the Corporation's consolidated total assets.
3. An executing person of a business partner with which the transaction amount exceeds 2% of the Corporation's consolidated revenue.
4. A representative partner or a partner of the auditing firm that is the Accounting Auditor of the Corporation.
5. A person who receives money from the Corporation of which the value exceeds 10 million yen per business year, which derives from a business consultancy and/or an advisory agreement.
6. A person who belongs to an organization that has received a donation from the Corporation of which the amount exceeds 10 million yen per business year.
7. A Director/Executive Officer/Audit & Supervisory Board Member among the executing persons of the Corporation and its subsidiaries, as well as a coresident or relative within the second degree of kinship of such Director/Executive Officer/Audit & Supervisory Board Member.

Even if a person falls under any of the items 1 to 7 above, if the Corporation judges that said person substantially maintains his/her independence, the Corporation shall explain and disclose the reason for his/her election as a candidate for Outside Director/Audit & Supervisory Board Member.

\*An "executing person" refers to an Executive Director, an Executive Officer, an employee or any other personnel.

### III. Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

|   | Supplementary Explanations  |
|---|---|
| Early Notification of General Shareholder Meeting | Will have been sent about 3 weeks ahead of a General Meeting of Shareholders.   |
| Scheduling AGMs to Avoid Peak Day                 | Held to avoid peak day on which many companies hold general meetings of shareholders.   |
| Allowing Electronic Exercise of Voting Rights     | The Corporation utilizes a system operated by the administrator of shareholders' register.  |
| Participation in Electronic Voting Platform       | The Corporation uses the voting platform for institutional investors by ICJ.  |
| Providing Convocation Notice in English           | English translations of the convocation notice, business report, financial statements, and so on are posted on the Corporation's website on or before the date of sending out the convocation notice.   |
| Other   | <p>The Corporation is also implementing the following measures to vitalize General Meetings of Shareholders and ensure smooth exercising of voting rights.</p> <ul style="list-style-type: none"> <li>• Post the convocation notice, business report and financial statements on the Corporation's website ahead of sending them to the shareholders</li> <li>• Live distribution of the General Meetings of Shareholders on the Internet</li> <li>• On-demand distribution of the reporting items on the day of the General Meeting of Shareholders on the Internet</li> </ul> |

#### 2. IR Activities

|   | Supplementary Explanations  | Explanation by the representative |
|---|---|-----------------------------------|
| Preparation and Publication of Disclosure Policy                    | <p>The basic policies regarding information disclosure and policies regarding IR activities are posted on the Corporation's website.<br/> <a href="https://www.marubeni.com/en/company/governance/disclosure/">https://www.marubeni.com/en/company/governance/disclosure/</a></p> <p>The Corporation also stipulates the Disclosure Committee Regulations to inculcate thorough awareness thereof at the Corporation.</p> |                                   |
| Regular Investor Briefings for Individual Investors                 | <p>Approximately three times yearly, the Corporation holds briefings for individual investors.</p> <p>The materials used in the previous briefings are disclosed on our website (Japanese language only).<br/> <a href="https://www.marubeni.com/en/ir/individual/meeting/">https://www.marubeni.com/en/ir/individual/meeting/</a></p>  | Yes                               |
| Regular Investor Briefings for Analysts and Institutional Investors | <p>In addition to quarterly earnings briefings (four times yearly), the President and/or Director in charge of IR holds regular meetings for securities analysts and institutional investors. In FY2022, 390 securities analysts and institutional investors, in total, joined the meetings.</p> <p>&lt;Main Interests of Securities Analysts and Institutional Investors&gt;</p>   | Yes                               |

|  |  |     |
|--|--|-----|
|  | <ul style="list-style-type: none"> <li>• Impacts of the global inflation and economic recession on the business results/performance;</li> <li>• Cash allocation plan;</li> <li>• Policy on shareholder returns (e.g., dividends, share buybacks);</li> <li>• Investment policy and status of investment pipeline;</li> <li>• Drivers of growth and focus areas;</li> <li>• Usages of the funds collected through the sale of Gavilon's grain business;</li> <li>• Status of the core businesses and actions to improve unprofitable businesses;</li> <li>• Impacts of market-fluctuations on the business results/performance; and</li> <li>• Policy on holding and reduction of cross-shareholdings.</li> </ul> |     |
| Regular Investor Briefings for Overseas Investors          | English translations of materials used in quarterly earnings briefings (including conference calls) are posted on the Corporation's website. The President and/or Director in charge of IR holds in-person or virtual regular meetings for overseas investors. In FY2022, the President and/or Director in charge of IR made business trips to North America, the EU, and Asia and held the in-person or online meetings with 165 overseas investors (in total).   | Yes |
| Posting of IR Materials on Website                         | Business results information, integrated reports, shareholder reports, quarterly reports, annual securities reports, earnings result briefing materials, the convocation notice of General Meetings of Shareholders, and business operation materials are posted on the Corporation's website.<br><a href="https://www.marubeni.com/en/ir/">https://www.marubeni.com/en/ir/</a>  |     |
| Establishment of Department and/or Manager in Charge of IR | The Corporation appoints a Director in charge of IR and has in place the IR Section, Finance Department as a division in charge of IR.   |     |

### 3. Measures to Ensure Due Respect for Stakeholders

|   | Supplementary Explanations   |
|---|--|
| Stipulation of Internal Rules for Respecting the Position of Stakeholders | Described in 1. of I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information of this report.   |
| Implementation of Environmental Activities, CSR Activities etc.           | <p>In each field of CSR, including environment, the Corporation is engaged in a wide range of activities.</p> <p>Creation of environmental and social values through business activities<br/>In FY2018, the Corporation established the Sustainability Management Committee. Outside Directors and Outside Audit &amp; Supervisory Board Members are appointed as advisors, providing the system an external point of view. In April 2019, as part of system strengthening, the Chair of the Sustainability Management Committee was made the Chief Sustainable Development Officer, and the Sustainability Management Department was newly established. Furthermore, Sustainability Leaders and Sustainability Managers overseeing sustainability management were appointed at each organization, and thus the entire group is working together to push forward</p> |

|  |   |
|--|---|
|  | <p>initiatives regarding sustainability. The details of such activities are introduced in the Integrated Report issued every year.</p> <p>Social contribution activities, etc.<br/> The Corporation has been actively promoting social contribution activities by supporting the activities of the social welfare corporation, Marubeni Foundation, established in 1974 with donations from the Corporation. For details of these activities, please see the following URL on the Corporation’s website.<br/> <a href="https://www.marubeni.com/en/sustainability/contribution/">https://www.marubeni.com/en/sustainability/contribution/</a></p>   |
| Development of Policies on Information Provision to Stakeholders | The Marubeni Corporate Principles and the Compliance Manual stipulate proactive, timely, and appropriate information disclosure to the society in general including stakeholders and disclose this information.   |
| Other  | <p>Our employees are the Marubeni Group’s greatest capital and the source of value creation. In the Mid-Term Management Strategy “GC2024”, the Corporation will further develop the “Marubeni HR Ecosystem” set forth in the previous Mid-Term Management Strategy “GC2021”. The “Marubeni HR Ecosystem” is the fundamental human capital strategy to achieve the Global crossvalue platform, the vision for Marubeni of the future, and provides the direction for reforms. This strategy describes how the Marubeni Group will create an attractive ecosystem where employees with diverse backgrounds and high social value gather, thrive, connect, and combine various insights to take on the challenge of creating new value for society and our customers. By doing so, the Corporation will further promote the creation of a culture and work environment where diverse human capital play an active role.</p> <p>The Corporation promotes work-life management as the foundation for employees with diverse backgrounds to create results. Regardless of an employee’s stage in life or individual circumstances, the Corporation is developing measures to ensure that employees can utilize necessary systems as needed in order to aim for sustainable career development and sustained performance. For details regarding the “GC2024” Marubeni Group HR Strategy, please refer to the Corporation website and Integrated Report. The headcounts, ratios and scores shown in this item are those of the Corporation (non-consolidated basis).</p> <p>Striving to Understand and Promote Diversity<br/> From FY2021, “Marubeni Diversity Days” were held under the themes of the importance of diversity, unconscious bias, people with disabilities, multicultural co-creation, and LGBTQ, providing an opportunity for all employees to consider diversity from various perspectives. In addition to these events, the Corporation will continue its efforts to understand and promote diversity in the future.</p> <p>Promoting the Empowerment of Female Employees<br/> In the second phase of its 5-year action plan (phase 2) enacted on April 1, 2021, the Corporation set 4 quantitative targets, including increasing the ratio of women in all career-track positions to at least 15% (13.2% as of March 31, 2023) and the ratio of women in all management positions to at least 10% (8.2% as of March 31, 2023), by the end of March 2026 as means to focus on further promoting the empowerment of female employees.<br/> Action Plan for Empowering Female Employees (Japanese language only):<br/> <a href="https://positive-ryouritsu.mhlw.go.jp/positivedb/planfile/202103251414514613827_1.pdf">https://positive-ryouritsu.mhlw.go.jp/positivedb/planfile/202103251414514613827_1.pdf</a></p> |

In FY2022, the Corporation established a new policy for promoting the empowerment of female employees: “Female Empowerment at Work 2.0.” Aiming for a workplace where female employees are more deeply involved in management and decision making in business, the Corporation will further enhance growth opportunities for female employees and expand and strengthen their career paths towards decision-making positions. The Corporation is strengthening female recruitment for career-track positions, and in December 2020, the target for increasing the ratio of female employees in career-track positions among new graduates hired was set to around 40-50%. In FY2022, the ratio of female employees in career-track positions among new graduates hired was approximately 40%. Going forward, the Corporation intends to further raise this target and aim to increase the ratio of female employees in all recruitment channels to around 50%, a ratio that reflects societal demographics.

In addition, in conjunction with International Women’s Day, the Corporation is making group-wide efforts to foster a corporate culture that supports the activities of women by holding Marubeni International Women’s Day since 2017 and deploying initiatives such as providing a message from the CEO at this event.

Female Empowerment at Work 2.0:

<https://www.marubeni.com/en/news/2022/release/data/20220812E.pdf>

Promoting the Participation of Foreign National Employees

As of March 2023, the Corporation has approximately 60 non-Japanese employees, of whom 30 are in managerial positions. Going forward, the Corporation will ensure diversity in managerial and core positions in accordance with the Marubeni Group HR Strategy. Having a large number of group companies in various countries and regions, the Marubeni Group has an array of human capital, diverse in terms of nationality and other aspects of identity, who play an active role in their respective workplaces and contribute to the enhancement of the Group's corporate value.

Promoting the Participation of Mid-Career Hires

The Corporation conducts mid-career hiring throughout the year and employs human capital from diverse age tiers and backgrounds. Mid-career recruits accounted for 21.7% of its total hires for FY2022, and as of October 2022, mid-career hires accounted for 16.5% of management positions. The Corporation’s mid-career hiring is based on the needs of the workforce, and although the Corporation does not have a numerical target, it will continue to promote diversity in management and core human capital in accordance with the Marubeni Group HR Strategy.

Promoting the Advancement of Late-Career Employees and Employees Involved in Digital Transformation

In order to further promote the activities of its senior human capital, the Corporation introduced a continued employment scheme and established the Career Counselling Section within the Human Resources Department. Additionally, the Corporation enhanced measures to support senior careers in the personnel management reform for FY2021. For another initiative, the Corporation disclosed a series of programs designed to develop and enhance our digital human resources infrastructure in “GC2021 >> DX,” its DX strategy, which was released in February 2021.

Initiatives for Supporting Diverse Human Capital

The Corporation will focus on creating an environment where each employee can maximize their potential. In FY2021, the Corporation introduced a “mission-based HR system.” This system encourages the execution of the organization’s strategy and human capital growth by assigning merit-based missions and challenging larger missions. 80-90% of our employees in a survey conducted for FY2022 provided a positive response to this system.

Through multifaceted observations and self-assessment, the Corporation visualizes the characteristics of each employee’s behaviors, strengths, challenges, etc. The scope of these assessments is being expanded, and in FY2022, approximately 64.9% of all employees (more than 82.5% of career-track employees) were assessed, and the Corporation will continue to further expand the target of these assessments. Visualized information is used by each organization for considering personnel transfers/assignments, mission assignments, and day-to-day team management and by individuals for self-reflection, future skill development, and career plans. Additionally, to promote and support autonomous work styles that enable diverse human capital to create new value, the Corporation is maximizing organizational and individual performance through a company-wide “work from anywhere” policy (a system where employees are allowed to work from home or satellite offices), which increases work location options and helps employees pursue the best mix between working from the office and other locations.

In order to position the maintenance and promotion of employee health as an important management issue and to support our employees, the source of the Marubeni Group’s growth, the director in charge of the Human Resources Department, as the individual with the highest responsibility, promotes health management measures such as improving health literacy; countermeasures towards cancer, lifestyle-related diseases, and mental health; and strengthening efforts for maintaining and promoting women’s health. Marubeni’s efforts have been recognized by external organizations, and in 2015 and 2023, Marubeni was selected as a “Health & Productivity Stock,” a recognition jointly selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. Furthermore, Marubeni has been recognized as a “Health and Productivity Management Organization (White 500)” by the Ministry of Economy, Trade and Industry and the Japan Health Council for six consecutive years since 2018.

Comparing Marubeni’s employee engagement score with other companies, in FY2022, Marubeni’s score was 59.2\* compared to an average of 50.0 at other companies. Marubeni was awarded third place in the large company category (2,000 or more employees) in the Best Motivation Company Awards 2023 by Link and Motivation Inc. (Marubeni was awarded fourth place in FY2021.) The Corporation’s efforts to support the activities of a diverse range of human capital links with improving employee satisfaction and motivation.

To deepen human capital management, it is necessary for management to become more involved in bringing out the strengths of employees and promoting human capital strategies linked to management strategies. The Talent Management Committee, a committee focused on human capital strategies and comprised of the CEO, CAO, CSO, and CHRO, meets 5 to 10 times a year to discuss various issues related to human capital management. This committee continually discusses optimal human capital allocations and structures and personnel systems and measures that include planning for human capital training for the entire Marubeni Group. Reforms are implemented promptly by this committee as well.

|  |   |
|--|---|
|  | <p>*Engagement score (deviation) that indicates organizational status. A deviation of 50 is the average for companies using services provided by Link and Motivation Inc.</p> |
|--|---|

## **IV. Matters Related to the Internal Control System**

### **1. Basic Views on Internal Control System and the Progress of System Development**

In accordance with the Companies Act and the Regulation for Enforcement of the Companies Act, the Corporation has established a basic policy for systems necessary to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation and other systems necessary to ensure the properness of company's operations as described below.

#### Basic Internal Control Policy

The Corporation seeks to steadily increase and maximize corporate value through business activities that are in accordance with its Company Creed and Management Philosophy\*, and to build a stable and sustainable group business foundation. To this end, the Corporation, in accordance with the Companies Act and the Regulation for Enforcement of the Companies Act, establishes the policy described below (the “Basic Internal Control Policy”) to ensure that all business activities of the Corporation and the business group (the “Marubeni Group”) made up of the Corporation and all Marubeni Group companies (the Corporation’s consolidated subsidiaries and companies deemed as equivalent to subsidiaries; the same shall apply hereinafter) are conducted appropriately. The Corporation regularly reviews the Basic Internal Control Policy in response to changes in social conditions so as to realize a system that is more appropriate and efficient.

\*Company Creed: Fairness (To be fair and bright)

Innovation (To be active and innovative)

Harmony (To respect each other and cooperate)

#### Marubeni 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.”

1. System necessary to ensure that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation

#### (1) Corporate governance

##### 1- Directors and Board of Directors

The Board of Directors, in accordance with laws and regulations and the Articles of Incorporation, sets the important matters related to management and supervises the execution of duties by Directors. To clearly segregate execution and supervision, the Chairman of the Board without representative rights and the authority for business execution, in principle, chairs the Board of Directors Meetings. Executive Directors execute business operations decided by the Board of Directors, in accordance with the laws, regulations and Articles of Incorporation and report the situation of their duty execution to the Board of Directors once every three months or more often. The term of office of Directors



is one year to clarify management responsibility and flexibly build optimum management structure in response to the changing management environment. The Corporation appoints Outside Directors to ensure effectiveness of corporate governance. The Corporation adopts the executive officer system to improve efficiency of business execution, and adopts a system whereby its Group CEOs and its CDIO participate in the company's overall management, and instruct, supervise, support, and manage the overall operation of the respective business divisions in charge by complying with the company's management policy.

## 2- Audit & Supervisory Board Members and the Audit & Supervisory Board

Audit & Supervisory Board Members audit execution of duties by the Directors in accordance with the Rules of the Audit & Supervisory Board and the Standards for Audit by the Audit & Supervisory Board Members by exercising their statutory authority in collaboration with the Audit Department and Accounting Auditor.

## (2) Compliance

### 1- Compliance system

The Corporation sets forth codes of conduct common for the Marubeni Group such as Marubeni Corporate Principles and Compliance Manual for its Directors and Executive Officers (the "officers") and employees to practice corporate activities in accordance with compliance. To achieve the goal, it establishes various committees, including the Compliance Committee, and takes various measures.

### 2- Internal whistle-blowing system

To provide for a situation in which a person learns of a questionable act from the perspective of compliance and the organizational reporting line does not function for some reason, the Corporation establishes the following compliance reporting and consulting points for the entire Marubeni Group.

#### (a) Marubeni Hotline (Compliance Committee line and external legal counsel line)

The Compliance Access Point for general compliance matters for the Marubeni Group.

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

The Compliance Access Point for concerns relating to bribery and other serious crimes involving the Marubeni Group and its business partners.

### 3- Rejecting relationships with anti-social forces

The Corporation will stand firm against anti-social activities and forces to social order and public security, and will never form or foster relationships with any organization that poses such threats.

## (3) Internal audit

The Corporation establishes the Audit Department as an organization directly under the President to study the appropriateness of duty execution by executing persons and compliance status, and implements internal audits through the Audit Department and company-wide self-inspections with support, cooperation, and advisement from the Audit Department. The results of internal audits are reported to the Board of Directors on a regular basis.

#### (4) Disciplinary actions

When the execution of duty by an officer or employee results in violation of law or regulation, the Corporation shall seek judgement of the Governance and Remuneration Committee, an advisory committee to the Board of Directors with the majority of members being Outside Directors/Audit & Supervisory Board Members, in the case of an officer, and the Award and Disciplinary Committee, in the case of an employee, and take strict actions in accordance with relevant regulations.

### 2. Systems to preserve and manage information related to the execution of duties by Directors

#### (1) Preservation and management of information and prevention of information leakage

Based on the Regulation for Management of Information Assets, the Corporation sets forth the assets subject to storage, storage period, and employees in charge of managing the information regarding information related to execution of duties by officers and employees, to develop a system to store and manage information and prevent information leakage.

#### (2) Browsing information

The officers and Audit & Supervisory Board Members may browse such information assets at all times.

### 3. Internal regulations for the risk management of losses and other related systems

#### (1) Principle of authority and duties

Officers and employees with titles are given necessary authority for executing their duties based on the resolution by the Board of Directors and the Regulation of Authority and Duties, and manage risks associated with execution of duties within the given scope and take responsibility for the result.

#### (2) Approval system

Individual projects such as important investment are deliberated by the Investment and Credit Committee, submitted to the Corporate Management Committee, and approved by the President, based on the Regulations of Job Authority and Ringi Approval Procedure Regulations. However, in the case of any special provisions set forth in these regulations applying, such special provisions shall take precedence in application. Projects become subject to approval by the Board of Directors depending on laws and regulations, the Articles of Incorporation, and the importance of the project. The progress of important projects such as a new business is required to be reported on a regular basis to the Corporate Management Committee to strengthen individual risk management.

#### (3) Risk evaluation

Risk management such as credit risk, country risk, market risk, foreign exchange and interest rate risk, investment risk, etc. shall be conducted under the management policy and rules for each risk. In addition, the Corporation continues to implement integrated risk management in order to grasp the amount of risk to which the Marubeni Group is exposed. The Corporation implements management of qualitative risks, including reputation risks and information security risks, which are difficult to quantify, through enhancement of compliance structure.

#### (4) Emergency management

In preparation for occurrence of a serious issue such as a natural disaster, terrorist incident/public disorder/violence, epidemics of infectious diseases and situations in which the Tokyo Head Office loses its ability to function, the Corporation formulates initial response guidelines and a business continuity plan. When a serious situation actually occurs, the Corporation establishes an emergency task force with the President as the head based on the said plan and makes decisions on and implements concrete measures to limit the damage and loss to the minimum.

#### 4. Systems necessary to ensure the efficient execution of duties by Directors

##### (1) Management policy, management strategy and management plan

To ensure efficient execution of duties by Directors, the Corporation sets forth goals shared by all officers and employees at the Marubeni Group such as management policy, management strategy, and management plan and instills them, while establishing concrete targets which individual officers and employees should implement for achieving the goals.

##### (2) Corporate Management Committee

To ensure efficient execution of duties, the Corporation establishes the Corporate Management Committee and deliberates on the highest-order policies regarding management and important company-wide matters.

##### (3) Business Group and Corporate Staff Group

The Corporation delegates authority to Group CEOs, the CDIO, and Division COOs to create a system that enables swift decision-making regarding jurisdictional products in Japan and abroad. Further, the Corporate Staff Group manages, checks, and supports the Business Group in each specialized field to enable efficient execution of duties.

##### (4) Clarification of authorities, duties, and responsibilities

The Board of Directors decide Directors in charge and clearly stipulates on each officer's and employee's roles, authorities, responsibilities, and rules for decision-making in various regulations.

#### 5. Systems necessary to ensure the appropriateness of operations by the Group

##### (1) Marubeni Group operation structure

The Corporation shall stipulate necessary systems including a system for appropriate reporting to the Corporation regarding managers in charge of achieving an understanding of the business status of Marubeni Group companies, giving instructions and supervising, guidelines regarding the management system of Marubeni Group companies, and execution of duties by Directors etc. of each Marubeni Group company, a system regarding appropriate management of risk of losses at Marubeni Group companies, a system for ensuring efficient execution of duties by Directors, etc. of Marubeni Group companies and a system for ensuring Marubeni Group companies' compliance with laws and regulations in order to enhance internal control of the entire Marubeni Group, improve business

performance, and progress management. Marubeni Group companies shall ask for advice from the Corporation regarding important management-related matters and report to the Corporation.

#### (2) Compliance

The Compliance Committee and other committees shall support and give guidance regarding compliance activities by Marubeni Group companies. Marubeni Hotline and Marubeni Anti-Corruption Hotline shall be available for officers and employees of all Marubeni Group companies.

#### (3) Development of system for ensuring appropriateness of financial reporting and safeguarding of assets

Marubeni Group shall develop, through activities, etc. of the Internal Control Committee, necessary systems for ensuring reliability and continuous monitoring of financial reporting such as consolidated financial statements as well as a system for ensuring appropriate acquisition, storage, and disposal of assets held by Marubeni Group companies. It shall also establish the Disclosure Committee and develop any necessary system for information disclosure in an appropriate and timely manner.

#### (4) Audit

The Audit Department carries out audit at Marubeni Group companies and reports the result to the Board of Directors. The Audit & Supervisory Board Members and Accounting Auditor independently carry out audit or accounting audit at Marubeni Group companies.

6. Matters concerning employees assisting the duties of Audit & Supervisory Board Members, and matters concerning the independence of these employees from Directors

##### (1) Establishment of Audit & Supervisory Board Member's Office

The Corporation establishes the Audit & Supervisory Board Member's Office and appoints dedicated staff members to assist in the duties of the Audit & Supervisory Board Members.

##### (2) Personnel affairs of the Audit & Supervisory Board Member's Office staff

The Officer in charge of personnel affairs shall implement personnel affairs of the Audit & Supervisory Board Member's Office (personnel changes, evaluation, disciplinary actions, etc.) by hearing the opinions of the Audit & Supervisory Board Members in advance and upon receiving their consent.

7. Systems for Directors and employees to report to Audit & Supervisory Board Members and other systems for reports to Audit & Supervisory Board Members

##### (1) The Audit & Supervisory Board Members attending important meetings

The Audit & Supervisory Board Members shall attend the Board of Directors Meetings and receive reports from Directors on execution of duties and other important matters, and also attend the Corporate Management Committee and other important meetings.

## (2) Reporting by officers and employees to the Audit & Supervisory Board Members

The President holds meetings with the Audit & Supervisory Board Members on a regular basis, reports on execution of duties, and exchanges opinions. Other Directors, Group CEOs, the CDIO, Division COOs and Corporate Staff Group General Managers report their duty execution status to the Audit & Supervisory Board Members every year. Officers immediately report to the Audit & Supervisory Board Members when they discover that there is a concern that the Corporation will suffer significant damage. The Corporation develops a system for Directors, Audit & Supervisory Board Members, and employees of Marubeni Group companies, or those who received a report from them, to report directly or indirectly to the Audit & Supervisory Board Members. Notwithstanding the above, the Audit & Supervisory Board Members may seek report from officers and employees whenever necessary. The Corporation has in place a system to ensure that the person who made a report to the Audit & Supervisory Board Members would not be treated unfairly at the Corporation or Marubeni Group companies because of the said report.

## 8. Other systems necessary to ensure effective audits by Audit & Supervisory Board Members

### (1) Collaboration with the Audit Department, Accounting Auditor, and Audit & Supervisory Board Members of Marubeni Group companies

The Audit & Supervisory Board Members receive respective audit plans in advance from the Audit Department and Accounting Auditor, hold regular meetings to exchange opinions regarding audit policy and audit result reports. The Audit & Supervisory Board Members collaborate with Audit & Supervisory Board Members of Marubeni Group companies through the Group Auditor Liaison Meeting and exchange information regarding the development of internal control at each company and their operations.

### (2) Appointment of external experts

The Audit & Supervisory Board Members can appoint lawyers, certified public accountants, and other external advisors when they deem it necessary.

### (3) Audit-related expenses

The Corporation shall pay expenses arising from the execution of duties by the Audit & Supervisory Board Members, including the cost of using external experts described above at the request of the Audit & Supervisory Board Members, through a prescribed procedure and allocate for it in budget.

## **2. Basic Views on Eliminating Anti-Social Forces**

The Corporation's basic policies for eliminating anti-social forces and the status of their improvement are as follows:

### Basic policy for eliminating anti-social forces

The Corporation's basic policy towards eliminating anti-social forces is to stand firm against anti-social activities and forces that threaten the social order and public security and never to form or foster relationships with any organization that poses such threats.

#### Status of development towards elimination of anti-social forces

The Corporation clearly states its basic policy towards elimination of anti-social forces (an official term used by the Japanese government to refer to organized crime) in the Basic Internal Control Policy and has been implementing measures to block relationships with anti-social forces based on the Marubeni Corporate Principles and the Compliance Manual. The Corporation encourages the introduction of a contract clause for the purpose of eliminating anti-social forces (in other words, an organized crime elimination clause) and is working with external advisors on improving its systems for taking quick action against unexpected events, including creating a policy for eliminating anti-social forces and responding to wrongful demands.

## V. Other

### 1. Adoption of Anti-Takeover Measures

|                                    |             |
|------------------------------------|-------------|
| Adoption of Anti-Takeover Measures | Not Adopted |
|------------------------------------|-------------|

|                           |
|---------------------------|
| Supplementary Explanation |
|---------------------------|

Nothing particular to be mentioned.

### 2. Other Matters Concerning to Corporate Governance System

#### Corporate Governance System

The Corporation aims to realize a more appropriate and efficient system by constantly reviewing its corporate governance system in response to changes in the society. Please refer to Figure 1 for Corporate Governance System of the Corporation.

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

Please refer to Figure 2 for Specialty and experience of Members of the Board and Audit & Supervisory Board Members (skill matrix).

#### Overview of Timely Disclosure

##### 1. Purpose

The Corporation has a basic policy on information disclosure to all our stakeholders, including investors, regarding the appropriate disclosure of information concerning the Marubeni Group. Please refer to Figure 3 for information on the disclosure system.

##### 2. Basic Policy of Disclosure

The following is the Corporation's basic policy when it discloses information.

##### **(1) Compliance with Relevant Laws and Regulations**

Comply with relevant laws such as the Financial Instruments and Exchange Act and Companies Act and regulations of stock exchanges.

##### **(2) Timeliness**

Disclose in a timely manner without delay any facts which should be disclosed when found.

##### **(3) Transparency**

Always disclose factual information regardless of its content.

##### **(4) Accuracy**

Disclose necessary and sufficient information without creating misunderstanding.

##### **(5) Integrity/Fairness**

Consistently disclose information by a method which is equally accessible to stakeholders, while giving full consideration to prevent any selective disclosure.

##### **(6) Continuity**

Maintain continuity of content of disclosed information.

## **(7) Confidentiality**

No information is to be leaked to a third party before an official disclosure is made.

### 3. Information Subject to Disclosure

This basic policy applies to the following information disclosure.

#### **(1) Statutory Disclosure**

1- Disclosure in accordance with Financial Instruments and Exchange Act

- Disclosure of corporate information (securities reports, quarterly reports, internal control reports and extraordinary reports, etc.)
- Disclosure of tender offer (tender offer notification and position statements, etc.)
- Disclosures related to ownership of a large volume of shares (large shareholding reports and holdings change reports, etc.)
- Disclosures based on Fair Disclosure Rule

2- Disclosure in accordance with Companies Act (notices of ordinary General Meetings of Shareholders, financial statements, consolidated financial statements, business reports and supplementary schedules, etc.)

#### **(2) Timely Disclosure**

Disclosures in accordance with regulations of stock exchanges

- Decision Information (issuance of stock, acquisition of own stock, dividends, mergers, demergers, stock swap, business transfer, acquisitions, business alliances, takeover bids, etc.)
- Occurrence Information (loss or damage caused by disaster, filing of lawsuits or court decisions, bad debts, suspension of trade with business partners, etc.)
- Earnings Information (content of financial results, revision of earnings and dividends forecasts, etc.)
- Information on subsidiaries
- Information on corporate governance

#### **(3) Voluntary Disclosure**

Integrated Reports/Annual Reports, Shareholders' Reports, Mid-Term Management Strategy, etc.

### 4. Disclosure Committee

The Corporation's Disclosure Committee has been set up in order to construct, maintain and manage a proper information disclosure system. The committee is chaired by a representative Director nominated by the President, and operates under the direct control of the President. The committee formulates general rules and basic policies for disclosure, constructs and adjusts the company structure concerning statutory disclosure and timely disclosure, and also assesses the significance and validity of statutory disclosure and timely disclosure.

### 5. Other

#### **(1) Dealing with Rumors in the Market**



In principle, the Corporation does not comment on inquiries regarding rumors in the market. However, if it is determined that there may be a significant impact on the Corporation caused by ignoring a specific rumor, appropriate action will be taken, such as issuing voluntary news releases.

**(2) Handling of Information Related to Forecasts and Future Projections**

In order to enable investors to make appropriate assessments of the Corporation's business and future performance, information related to business result forecasts and other future projections will be accompanied by a forward-looking statements disclaimer to clearly indicate that the actual future results may differ.

Figure 1: Corporate Governance System

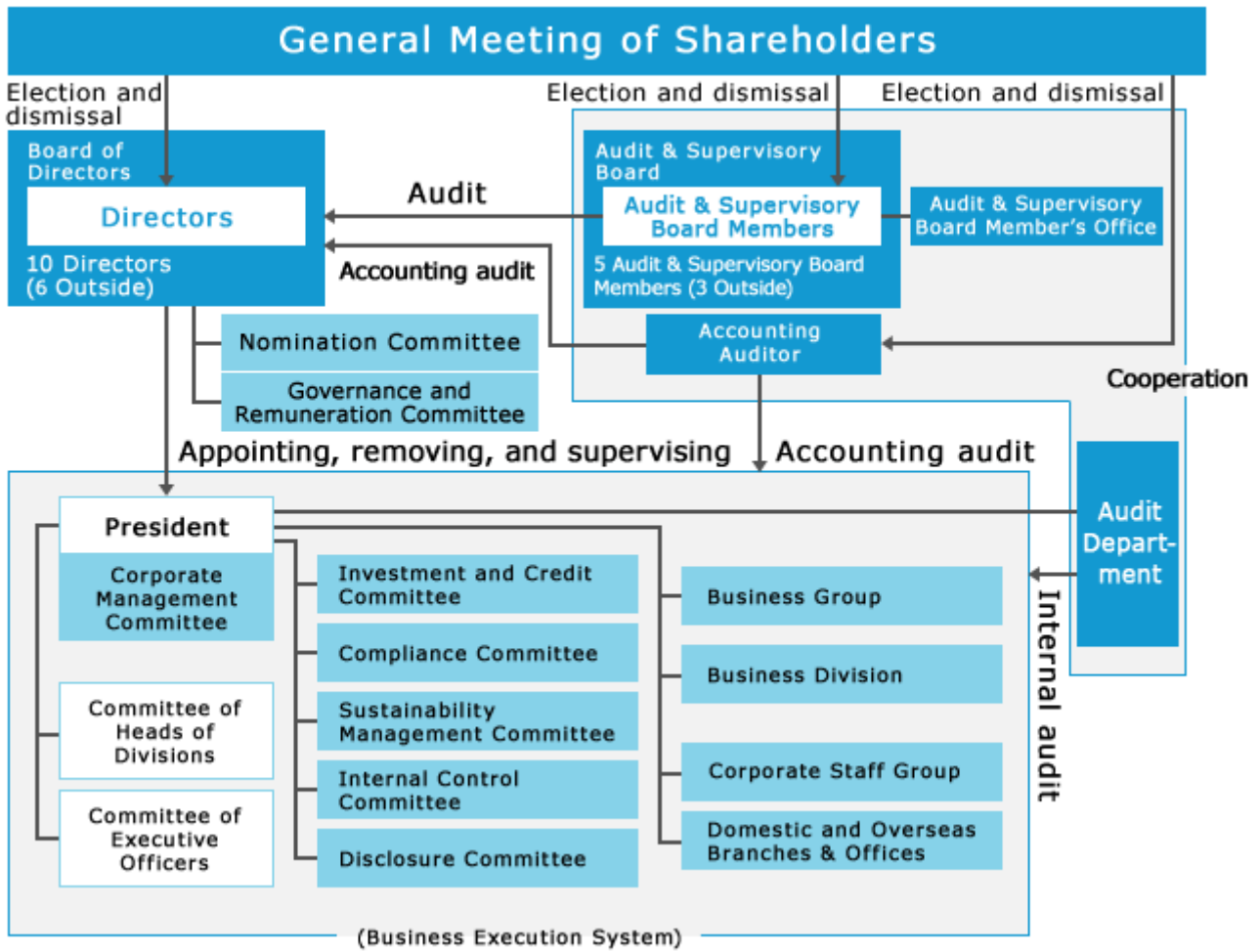
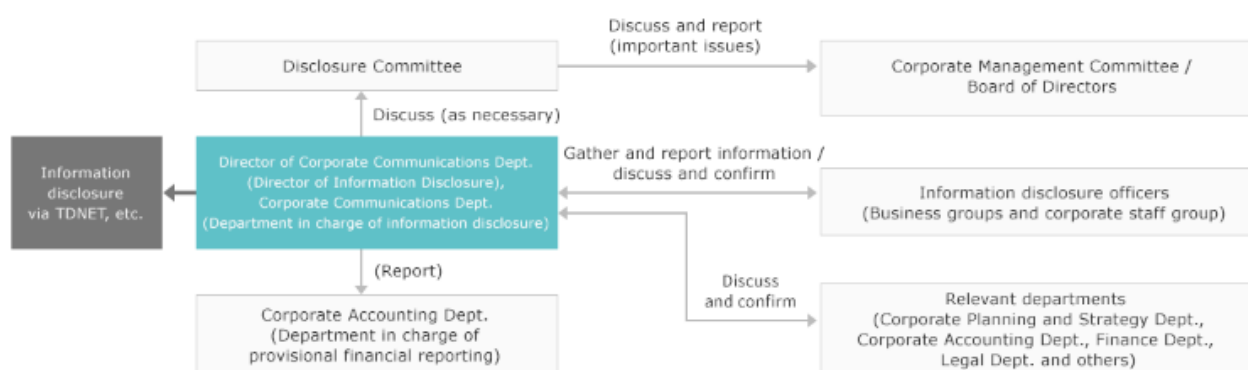


Figure 2: Specialty and experience of Members of the Board and Audit & Supervisory Board Members

| Position                         | Name   | Responsibilities / Main career and qualifications | No. of years in office (cumulative No. of years in office)   | Specialty and experience  |                        |                                       |                          |                          |                     |   |
|----------------------------------|--|---|--|---|------------------------|---------------------------------------|--------------------------|--------------------------|---------------------|---|
|                                  |  |   |  | Corporate management  | Finance and accounting | Legal, compliance and risk management | Science & Technology /DX | International experience | Public institutions |   |
| Director                         | Full-time  | Fumiya Kokubu                                     | Chairman of the Board  | 11 years (12 years and 9 months)                                | ○                      |                                       |                          |                          | ○                   |   |
|                                  |  | Masumi Kakinoki                                   | President and CEO  | 5 years (5 years and 9 months)                                  | ○                      |                                       |                          |                          | ○                   |   |
|                                  |  | Akira Terakawa                                    | Senior Executive Vice President; Chief Executive Officer, Consumer Products Group                            | 2 year (4 years)  | ○                      |                                       |                          |                          | ○                   |   |
|                                  |  | Takayuki Furuya                                   | Senior Managing Executive Officer, CFO   | 3 years   | ○                      | ○                                     |                          |                          | ○                   |   |
|                                  | Out-side   | Kyohei Takahashi                                  | former CEO, Showa Denko (currently, Resonac)   | 7 years<br>2 years as Outside Audit & Supervisory Board Member* | ○                      |                                       |                          |                          | ○                   |   |
|                                  |  | Yuri Okina  | Formerly with Bank of Japan; Chairman, The Japan Research Institute  | 6 years   |                        | ○                                     |                          | ○                        | ○                   | ○ |
|                                  |  | Masato Kitera                                     | Former Deputy Minister, Ministry of Foreign Affairs; Former Ambassador to China; Former Ambassador to France | 3 years   |                        |                                       |                          |                          | ○                   | ○ |
|                                  |  | Shigeki Ishizuka                                  | Former Vice Chairman, Representative Corporate Executive Officer, Sony (Currently, Sony Group)               | 2 years   | ○                      |                                       |                          | ○                        | ○                   |   |
|                                  |  | Hisayoshi Ando                                    | Former Vice-Minister of Economy, Trade and Industry  | 1 year  |                        |                                       |                          |                          | ○                   | ○ |
| Mutsuko Hatano                   | Former Chief Researcher, Hitachi; Professor, School of Engineering / Senior Aide to the President, Tokyo Institute of Technology | —   |  |   |                        | ○                                     | ○                        | ○                        |                     |   |
| Audit & Supervisory Board Member | Full-time  | Takao Ando  | Former Managing Executive Officer / Former General Manager, Risk Management Dept. of the Company             | —   |                        |                                       | ○                        |                          | ○                   |   |
|                                  |  | Toshiaki Kida                                     | Former General Manager, Audit Dept. of the Company   | 2 years   |                        |                                       | ○                        |                          | ○                   |   |
|                                  | Out-side   | Tsuyoshi Yoneda                                   | Former Commissioner General, National Police Agency  | 6 years   |                        |                                       | ○                        | ○                        |                     | ○ |
|                                  |  | Yoichi Kikuchi                                    | Former Head of Hiroshima High Court, Attorney-at-law   | 3 years   |                        |                                       | ○                        |                          | ○                   | ○ |
|                                  |  | Shigeru Nishiyama                                 | Certified Public Accountant; Professor, Waseda University Graduate School                                    | 3 years   |                        | ○                                     |                          |                          | ○                   |   |

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

Figure 3: Information Disclosure System



### (1) Information Gathering Process

Officers responsible for information disclosure will make efforts to gather information. If any information requiring timely disclosure is grasped, the officer will report it to the Corporate Communications Department (department in charge of information disclosure).

The Corporate Communications Department reports all information requiring timely disclosure to the Corporate Accounting Department in charge of provisional financial reporting.

### (2) Analysis and Decision Process

The necessity to disclose information is discussed and confirmed with the relevant divisions and departments. If necessary, the matter is discussed by the Disclosure Committee.

Important matters are discussed by the Corporate Management Committee and/or Board of Directors.

### (3) Disclosure Process

After obtaining approval by the director of the Corporate Communications Department (and after being resolved by the Corporate Management Committee and/or the Board of Directors on important matters), timely disclosure information is submitted to securities exchanges via TDNET. Statutory disclosures excluding disclosures based on Fair Disclosure Rules are provided via EDINET. The information that is disclosed in accordance with Fair Disclosure Rules is posted on the Corporation website.

## Total of Remuneration And Other Payments for Directors and Audit & Supervisory Board Members in FY2022

(a) The total of remuneration and other payments for Directors and Audit & Supervisory Board Members in FY2022 are as follows:

| Category                          | Number of recipients                       | Total amount of payment (Millions of yen) | Breakdown (Millions of yen) |                                 |                  |  |  |    |
|-----------------------------------|--|---|-----------------------------|---------------------------------|------------------|--|--|----|
|                                   |  |   | Basic compensation*         | Performance-based compensation* | Restricted Stock | Market Capitalization-linked Performance Share Units | [Former plan] Stock-compensation-type stock options subject to market-capitalization-based exercisability conditions |    |
| Directors                         | Internal Directors                         | 11  | 1,136                       | 295                             | 529              | 170  | 93   | 50 |
|                                   | Outside Directors                          | 7   | 104                         | 104                             | —                | —  | —  | —  |
|                                   | Total                                      | 18  | 1,240                       | 399                             | 529              | 170  | 93   | 50 |
| Audit & Supervisory Board Members | Internal Audit & Supervisory Board Members | 2   | 80                          | 80                              | —                | —  | —  | —  |
|                                   | Outside Audit & Supervisory Board Members  | 3   | 51                          | 51                              | —                | —  | —  | —  |
|                                   | Total                                      | 5   | 131                         | 131                             | —                | —  | —  | —  |

\* The amounts presented for “basic compensation” and “performance-based compensation” are the total amounts of cash compensation and do not include “Restricted Stock.”

Note 1. The amounts below 1 million yen are rounded off.

Note 2. “Basic compensation” includes “bonuses” and “individuals’ evaluation-based compensation.”

Note 3. The above-stated number of recipients includes 8 Directors (including 1 Outside Director) who retired by the last day of FY2022. As of March 31, 2023, the Corporation had 10 Directors (including 6 Outside Directors) and 5 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board Members). Directors’ total amount of payment above includes the amount charged to expense, etc., during FY2022 regarding Market Capitalization-linked Performance Share Units that will be allocated in FY2024 or later and “[Former plan] stock-compensation-type stock options subject to market capitalization-based exercisability conditions” that was allocated in FY2019, as listed in Notes 6 and 7 below.

Note 4. The Corporation will revise performance-based compensation from FY2023. In the performance-based compensation before the revision of the compensation plan, performance evaluation was based on business performance in the previous business year, but will be changed to a manner in which compensation based on performance evaluation in the fiscal year corresponding to the period of execution of duties will be paid in a lump-sum after the close of the relevant fiscal year as performance-based compensation, aiming to match the periods of execution of duties and performance evaluation. As a transitional measure for the revision of the said plan, the difference that compensation for FY2023 (based on the business performance in FY2022), which is calculated by a calculation method of performance-based compensation before the revision (including the amount that will be paid by Restricted Stock), exceeds the compensation for FY2022 (based on the business performance in FY2021) will be

additionally paid as compensation for FY2022 by August 2023, within the approved total amount of remuneration up to a maximum of 1,100 million yen per year (including a maximum of 120 million yen for Outside Directors, and excluding employee salaries paid to Directors who concurrently serve as employees) as resolved at the 96th Ordinary General Meeting of Shareholders held on June 19, 2020. The above-stated performance-based compensation amounts include the said compensation amounts. The Governance and Remuneration Committee has deliberated appropriateness and reasonableness of the said transitional measure, and provided reports to the Board of Directors for its determination.

Note 5. The Corporation allocates “Restricted Stock” to Directors (excluding Outside Directors) as non-monetary compensation. The above-stated amounts are the amounts charged to expenses during FY2022. During FY2022, based on the resolution by the Board of Directors on June 24, 2022, 128,455 shares of common stock of the Corporation were issued to 4 Directors (excluding Outside Directors) by setting a no transfer period.

Note 6. The Corporation allocates “Market Capitalization-linked Performance Share Units” to Directors (excluding Outside Directors) as non-monetary compensation. The above-stated amounts are the amounts charged to expenses during FY2022 by calculating the estimated amount of monetary remuneration claims corresponding to the estimated number of shares to be granted in FY2024 and FY2025. This compensation plan was introduced in FY2021, and the first evaluation period will end in July 2024. Therefore, there are no results for FY2022 regarding the performance indicators.

Note 7. “[Former plan] stock-compensation-type stock options subject to market-capitalization-based exercisability conditions” was non-monetary compensation allocated as the remuneration of FY2019. It is a stock acquisition right of which the number of exercisable shares will be determined in accordance with the growth rate of the market-capitalization-based exercisability conditions during three years of the evaluation period after the grant. The above-stated amount is the amount charged to expenses during FY2022 for the stock acquisition rights of which the exercisable number was confirmed during FY2022 after three years of the evaluation period. The actual record of the Corporation’s growth rate of the market-capitalization-based exercisability conditions used to calculate the number of exercisable stock acquisition rights for stock-compensation-type stock options subject to the market-capitalization-based exercisability conditions of which the evaluation period is completed during FY2022 is 183%. After its introduction in FY2019, the remuneration system was abolished, excluding those already granted due to the introduction of Market Capitalization-linked Performance Share Units in FY2021.

Note 8. The agenda to abolish the retirement remuneration plan at the close of the 83rd Ordinary General Meeting of Shareholders held on June 22, 2007, and make a final payment of retirement remuneration was duly resolved. In accordance with the resolution, the Corporation decided to pay retirement remuneration to each Director who is eligible to receive the final payment either at the time of retirement as Director or at the time of retirement as Executive Officer, whichever is later, and to each Audit & Supervisory Board Member who is eligible to receive the final payment at the time of retirement as Audit & Supervisory Board Member. Regarding Directors/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 FY2022.

(b) Individuals to whom the total amount of compensation paid exceeded 100 million yen in FY2022 are as follows:

(Millions of yen)

| Name            | Category | Total amount of payment | Breakdown          |                                |                  |  |  |
|-----------------|----------|-------------------------|--------------------|--------------------------------|------------------|--|--|
|                 |          |                         | Basic compensation | Performance-based compensation | Restricted Stock | Market Capitalization-linked Performance Share Units | [Former plan] Stock-compensation-type stock options subject to market-capitalization-based exercisability conditions |
| Fumiya Kokubu   | Director | 291                     | 72                 | 142                            | 46               | 20   | 11   |
| Masumi Kakinoki | Director | 346                     | 87                 | 168                            | 55               | 24   | 13   |
| Akira Terakawa  | Director | 203                     | 59                 | 98                             | 32               | 14   | -  |
| Takayuki Furuya | Director | 149                     | 43                 | 72                             | 24               | 10   | -  |

Note. For details of the amounts, basic compensation, Restricted Stock, Market Capitalization-linked Performance Share Units, and stock-compensation-type stock options subject to market-capitalization-based exercisability conditions, please refer to Notes to the table in (a) above.

## **Overview of the Corporation's Policy to Determine the Remuneration And Other Payments for Directors**

Overview of the Corporation's policy from FY2023 to determine the remuneration and other payments for Directors is as follows:

### **1. Remuneration policy**

The remuneration for Directors of the Corporation is determined based on the following policy.

- 1- The remuneration plan shall encourage Directors to face issues of society and customers and create new value with all stakeholders in accordance with the spirit grounded in the Company Creed of "Fairness, Innovation and Harmony" and reward them.
- 2- The remuneration plan shall place emphasis on the linkage with business results and shareholder value and encourage the enhancement of corporate value over the medium to long term.
- 3- The remuneration plan shall acquire, maintain and reward excellent human capital, the critical source of corporate value.
- 4- The remuneration plan shall be a fair and just system by which decisions are made based on a highly transparent process according to responsibilities and performance.

### **2. Remuneration framework**

The target persons of each type of remuneration and other payments are determined by their expected role. Please refer to the table below for details.



A: Executive Director, B: Chairman of the Board, C: Outside Director

| Type  |  | Form of Payment |          | Description  | A             | B<br>(Note 1) | C<br>(Note 2) |
|---|--|-----------------|----------|--|---------------|---------------|---------------|
| Monthly remuneration                          | Basic compensation                         | Fixed           |          | ○Fixed consumption corresponding to each Director's position   | •             | •             | •             |
|   | Bonuses                                    |                 |          | ○Directors who have representative authority are paid representative director bonuses for their responsibilities<br>○Directors are paid director bonuses for their responsibilities  | •             | -             | -             |
| Short-term incentive remuneration<br>(Note 4) | Performance-based bonuses                  | Variable        | Monetary | ○Remuneration and other payments for business performance of each business year<br>• The evaluation indicators shall be consolidated net profit (profit attributable to owners of the parent) and core operating cash flow, which are important KPIs.<br>• The amount of payment is calculated using the actual values of the coefficient by position and the evaluation indicators, and it fluctuates within the range between 0% and 230% of the basic compensation by position.<br>• Business performance ranges are set between 170 billion yen and 700 billion yen for consolidated net profit and between 270 billion yen and 800 billion yen for core operating cash flow.  | •             | -             | -             |
|   | Individuals' evaluation-based compensation |                 |          | [Organization's performance evaluation]<br>○Remuneration and other payments according to the achievement of financial targets by headquarters for each business year<br>• The evaluation indicators shall be net profit and core operating cash flow of each business division.<br>• The amount of payment is derived by multiplying the ratio to reflect the evaluation determined by the Board of Directors based on the rate of achievement of evaluation indicators against the basic compensation by position.  | -<br>(Note 3) | -             | -             |
|   |  |                 |          | [Individuals' qualitative evaluation]<br>○Remuneration and other payments for new value creation looking toward the future<br>• As commissioned by the Board of Directors, the President shall evaluate each Director's performance considering his/her contribution to the plans and efforts (sustainability measures including "Green Strategy," etc.) to create new value for the future of the Corporation during the fiscal year.<br>• The amount of payment is derived by multiplying the ratio to reflect evaluation within the range determined by the Board of Directors against the basic compensation.<br>• The Governance and Remuneration Committee checks whether the evaluation is appropriately conducted within the scope delegated by the Board of Directors and provides reports to the Board of Directors. | •             | -             | -             |
| Medium and long-term incentive remuneration   | Restricted Stock                           |                 | Shares   | ○Remuneration and other payments to promote linkage and sharing with shareholder value<br>• The Corporation's common stock of the number suitable to the standard amount determined for each position is allotted every year with restriction on transfer for the period from the date of stock allotment until the retirement from a position of Director and Executive Officer or other positions predefined by the Board of Directors of the Corporation or the resignation from the Corporation.   | •             | •             | -             |

| Type  |                                    | Form of Payment |        | Description  | A | B<br>(Note 1) | C<br>(Note 2) |
|---|------------------------------------|-----------------|--------|--|---|---------------|---------------|
| Medium and long-term incentive remuneration | TSR-linked Performance Share Units | Variable        | Shares | <ul style="list-style-type: none"> <li>○ Remuneration and other payments for enhancing corporate value over the medium to long term</li> <li>• Relative TSR is used as the evaluation indicator. Relative TSR is calculated using the following formula by which the Corporation's Total Shareholder Return (TSR) for a period of three years (evaluation period) is compared with the TOPIX Dividend growth rate for the same period.<br/>Relative TSR = the Corporation's TSR for the evaluation period / TOPIX Dividend growth rate</li> <li>• The number of standard units corresponding to the base amount determined by position is allotted every year, and the Corporation's common stock is allotted according to the magnitude of achievement of relative TSR during the three-year evaluation period. Restriction on transfer is set on the allotted Corporation's common stock from the date of share issuance to the time of retirement from a position of the Corporation's Director, Executive Officer or other position predetermined by the Corporation's Board of Directors, or resignation from the Corporation.</li> <li>• The number of allotted shares fluctuates within the range between 0% and 150% of the number of shares corresponding to the standard unit according to the magnitude of achievement of relative TSR. <ul style="list-style-type: none"> <li>1) If relative TSR is 150% or above: 150%</li> <li>2) If relative TSR is 50% or above and below 150%: Same percentage as relative TSR</li> <li>3) If relative TSR is below 50%: 0%</li> </ul> </li> </ul> <p>Note, however, that if the Corporation's TSR is 100% or below, the maximum shall be 100% even when the relative TSR is 100% or above.</p> | • | •             | -             |

Note 1. Remuneration and other payments for the Chairman of the Board consist of the monthly remuneration as the basic compensation and the medium- and long-term incentive remuneration, considering that the Chairman of the Board is in the position to substantially contribute to the enhancement of corporate value over the medium to long term through leveraging the business expertise gained through managing the Corporation on supervision.

Note 2. Remuneration and other payments for Outside Directors consist entirely of the monthly remuneration as the basic compensation (including remuneration for responsibilities as the chairperson, member, etc., of each respective committee), considering that Outside Directors are in the position to supervise management with independence.

Note 3. The Executive Officer & Chief Operating Officer of business division is eligible to receive the individuals' evaluation-based compensation based on the organization's performance evaluation, and currently there is no Executive Director eligible for the payment.

Note 4. Short-term incentive remuneration will be paid in a lump sum at the end of each fiscal year.

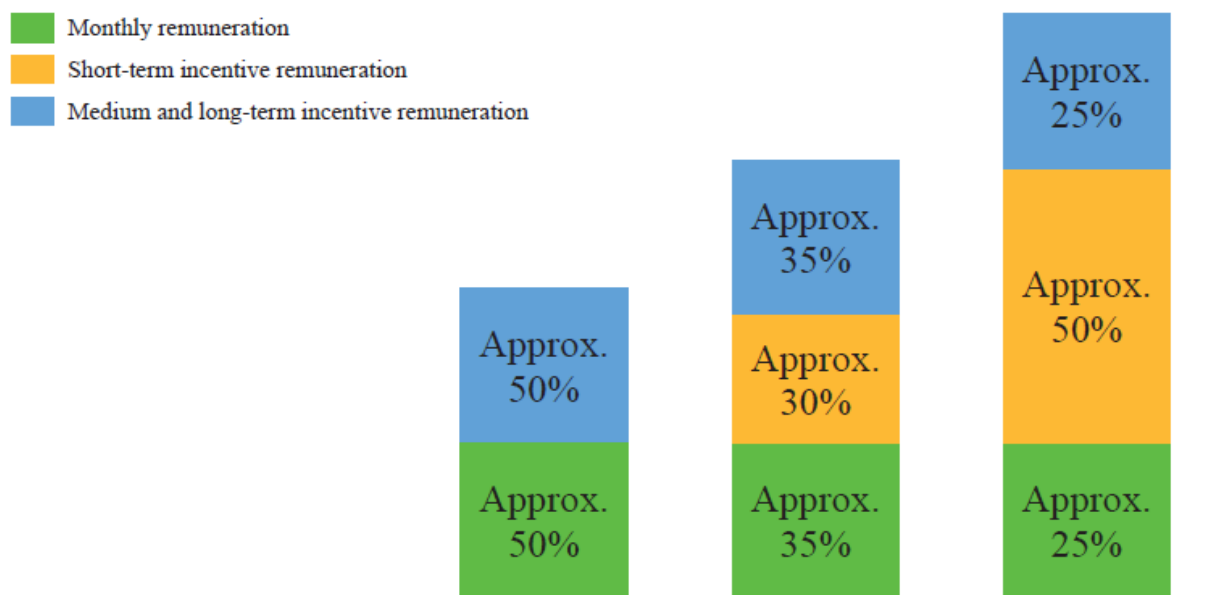
### 3. Remuneration levels and composition ratio

To ensure that remuneration levels of Directors are competitive so as to secure and maintain excellent human capital, the remuneration levels are examined by comparing them with objective research data on remuneration provided by outside specialized organizations and other sources to determine the appropriate remuneration levels.

As for the composition ratio of remuneration and other payments, it shall focus on the medium- and long-term improvement of corporate value by increasing the composition ratio of the medium- and long-term incentive remuneration. For the President & CEO, its composition ratio of monthly remuneration/the short-term incentive

remuneration/the medium- and long-term incentive remuneration shall be set as 1:1:1 when consolidated net profit is 400 billion yen and core operating cash flow is 500 billion yen. For other internal Directors, based on the remuneration composition ratio of the President and CEO, the Corporation shall set up the ratio considering the role and responsibilities of each position.

### [Composition of remuneration for President and CEO]



|                          |                          |                 |                          |
|--------------------------|--------------------------|-----------------|--------------------------|
| Consolidated net profit  | 170 billion yen or below | 400 billion yen | 700 billion yen or below |
| Core operating cash flow | 270 billion yen or below | 500 billion yen | 800 billion yen or below |

Note: Excluding individuals' evaluation-based compensation and when the payment coefficient of TSR-linked Performance Share Units is 100%.

#### 4. Malus and Clawback

The short-term and the medium- and long-term incentive remuneration shall be the subject of the clauses that allow the Corporation to reduce or cancel the remuneration (Malus) and request the return of the paid remuneration (Clawback) based on the resolution of the Board of Directors when there was an adjustment of financial results after an announcement due to a significant revision of financial statements or there was a significant violation or breach of internal rules by an officer.

#### 5. Method to determine the remuneration and other payments for individual Directors

As for the policy to determine the remuneration and other payments for Directors (including the method to determine individual payments. Hereinafter referred to as the "Determination Policy"), the Governance and Remuneration Committee chaired by an Outside Director with the majority of its members consisting of independent Outside Directors/Audit & Supervisory Board Members deliberates on the Determination Policy, including the appropriateness of the remuneration levels, and provides reports to the Board of Directors for its determination of the Policy.

As for the determination of individual payments for Directors, the Governance and Remuneration Committee confirms the conformity to the Determination Policy and provides reports. Within the range of the maximum amount of remuneration resolved at a General Meeting of Shareholders, the payments are resolved at a meeting of the Board of Directors. However, as for the individual evaluation remuneration of the short-term incentive, the determination of payment for individual quantitative evaluation is commissioned to the President because it is judged that the person at the head of business execution is the most appropriate person. To improve the objectiveness, fairness and transparency, as for the amounts to be paid, the Governance and Remuneration Committee shall confirm that the evaluation has been conducted within the scope commissioned by the Board of Directors, and report them to the Board of Directors.

(Supplementary matter)

The process regarding remuneration for Executive Officers who do not concurrently serve as Director is the same remuneration framework and determination process as those for Directors.

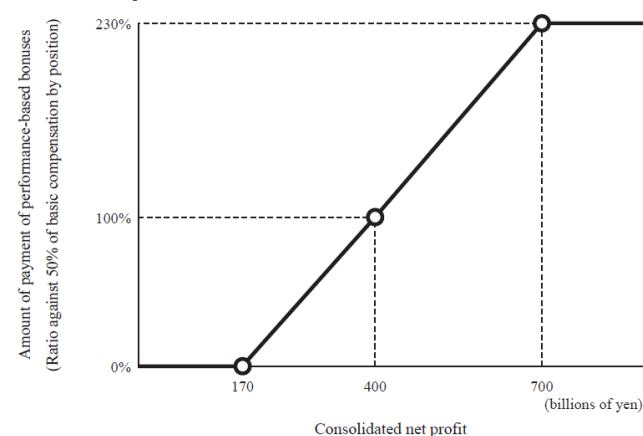
Reference: Performance-based compensation, Restricted Stock, and TSR-linked Performance Share Units

## 1. Overview of Performance-based compensation

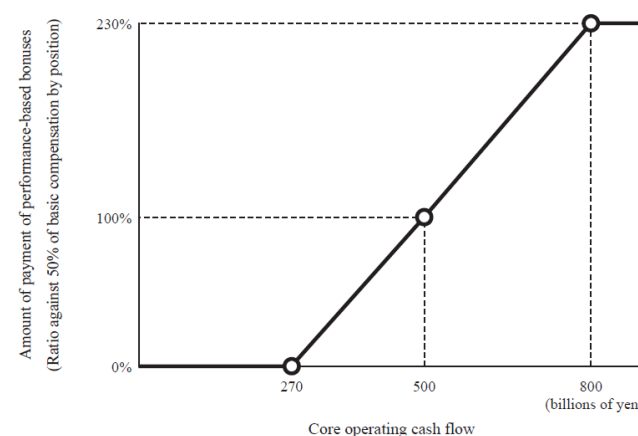
Performance-based compensation is a monetary compensation granted to the Corporation's eligible Executive Directors, the amount of which is calculated based on the evaluation indicators of each fiscal year. The evaluation indicators shall be consolidated net profit (profit attributable to owners of the parent) and core operating cash flow, which are important KPIs for each fiscal year. The amount is calculated using the actual values of the coefficient by position and the evaluation indicators, and it fluctuates within the range between 0% and 230% of the basic compensation by position. It will be paid in a lump sum at the end of each fiscal year.

### [Performance-based bonuses / Incentive curve]

<Amount of payment of performance-based bonuses according to the results of consolidated net profit>



<Amount of payment of performance-based bonuses according to the core operating cash flow>



## 2. Overview of Restricted Stock

The Corporation's common stock of the number suitable to the standard amount determined for each position is allotted to the Eligible Directors every year with restriction on transfer. The Eligible Directors will receive the issue

or disposition of the shares in exchange for a contribution in kind of all of the monetary remuneration claims to be paid by the Corporation. In addition, the grant of the shares is subject to the execution of an allotment agreement between the Corporation and the Eligible Directors, which contains the terms and conditions for free acquisition by the Corporation, etc., and the shares granted are subject to a transfer restriction period from the date of stock allotment until the retirement from a position of Director and Executive Officer or other positions predefined by the Board of Directors of the Corporation or the resignation from the Corporation.

### 3. Overview of TSR-linked Performance Share Units

The plan of TSR-linked Performance Share Units grants to the Eligible Directors a number of reference units equivalent to the reference amounts separately determined for each position each year, and according to the degree of achievement of the relative TSR over a three-year period (the “Evaluation Period”), grants thereto after the end of the Evaluation Period shares of common stock of the Corporation for which a certain transfer restriction period is provided. The Eligible Directors will receive the issue or disposition of the shares in exchange for a contribution in kind of all of the monetary remuneration claims to be paid by the Corporation according to the achievement of the relative TSR. In addition, the grant of the shares under this plan is subject to the execution of an agreement between the Corporation and the Eligible Directors with contents equivalent to the allotment agreement pertaining to Restricted Stock, and the shares granted are subject to a transfer restriction accordingly.

#### (1) Method of calculating the amount of monetary remuneration claims

The amount of monetary remuneration claims for the grant of the shares to be paid to the Eligible Directors (in this (1), including persons who, during the Evaluation Period, come to hold the position of Directors or Executive Officers of the Corporation, or any other position predetermined by the Board of Directors of the Corporation) is calculated by multiplying the number of the shares ultimately to be allotted to the Eligible Directors (the “Final Number of Allotted Shares”) by the value that is not particularly favorable to the Eligible Directors based on the closing price of the Corporation’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors to be held after the end of the Evaluation Period determining the issue or disposition of shares for the allotment.

#### Method of calculating the Final Number of Allotted Shares

1- The Final Number of Allotted Shares shall be calculated by multiplying the number of reference units corresponding to the reference amounts determined by the Board of Directors in advance for each position by the ratio corresponding to the degree of achievement of the relative TSR during the Evaluation Period as follows:

Final Number of Allotted Shares = the number of reference units multiplied by the following ratio

2- The ratio shall be determined according to the achievement of relative TSR as follows:

| <b>Relative TSR</b> | <b>Ratio</b> |
|---------------------|--------------|
| 150% or above       | 150%         |

|                             |                                 |
|-----------------------------|---------------------------------|
| 50% or above and below 150% | Same percentage as relative TSR |
| Below 50%                   | 0%                              |

Note, however that if the Corporation's TSR is 100% or below, the maximum shall be 100% even when the relative TSR is 100% or above.

3- Relative TSR is calculated using the following formula by which the Corporation's Total Shareholder Return (TSR) for the Evaluation Period is compared with the TOPIX (including dividends) growth rate for the same period.

$$\text{Relative TSR} = \frac{\text{the Corporation's TSR}}{\text{TOPIX (including dividends) growth rate}} = \frac{(B + C) / A}{E / D}$$

A: The average of the closing price of the Corporation's common stock on the Tokyo Stock Exchange on each day for the three months immediately preceding the day before the first date (inclusive) of the Evaluation Period

B: The average of the closing price of the Corporation's common stock on the Tokyo Stock Exchange on each day for the three months immediately preceding the last date (inclusive) of the Evaluation Period

C: The total amount of dividends per share of the Corporation's stock corresponding to the dividend record date during the Evaluation Period

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

E: The average of the closing price for the TOPIX (including dividends) on the Tokyo Stock Exchange on each day for the three months immediately preceding the last date (inclusive) of the Evaluation Period

## (2) Terms and conditions of allotment of the shares to Eligible Directors

The Corporation will allot the shares of the Final Number of Allotted Shares to the Eligible Directors after the end of the Evaluation Period if the Eligible Directors meet all of the requirements in the following items or if the Board of Directors of the Corporation deems it necessary to achieve the purpose of the TSR-linked Performance Share Units Plan:

- (i) The Eligible Directors held the positions of Director or Executive Officer of the Corporation, or other positions predetermined by the Board of Directors of the Corporation on an ongoing basis during the Evaluation Period; and
- (ii) There was no certain misconduct as determined by the Board of Directors of the Corporation.

If the Eligible Directors resign or retire from their positions prescribed in advance by the Board of Directors of the Corporation due to expiration of their terms of office, death, or other justifiable reasons during the Evaluation Period, the Corporation may reasonably adjust the number of the shares to be allotted to those who resigned or retired (or their successors in the event of resignation or retirement due to death) in light of such factors as their terms of office.

4- The maximum total amount of remuneration and other payments for Directors and that for Audit & Supervisory Board Members for and after FY2023

The maximum total amount of remuneration and other payments for Directors and that for Audit & Supervisory Board Members for and after FY2023 are determined as follows by the resolutions at the 99th Ordinary General Meetings of Shareholders held on June 23, 2023.

| <b>Eligible Persons</b>           | <b>Type</b>   | <b>Resolution</b>   | <b>Number at the time of Resolution</b>         |
|-----------------------------------|---|---|---|
| Directors                         | Monthly remuneration                                    | Up to 650 million yen per year<br>(Outside Directors; Up to 150 million yen per year) | 10 Directors<br>(including 6 Outside Directors) |
|                                   | Short-term incentive remuneration                       | Up to 700 million yen per year  | 3 Internal Directors                            |
|                                   | Restricted Stock  | Up to 200 million yen per year<br>Up to 450,000 shares per year (*)                   | 4 Internal Directors                            |
|                                   | TSR-linked Performance Share Units                      | Up to 850 million yen per year<br>Up to 650,000 shares per each Evaluation Period(*)  |   |
| Audit & Supervisory Board Members | Maximum total amount of remuneration and other payments | Up to 170 million yen per year  | 5 Audit & Supervisory Board Members             |

(\*If any event arises that requires an adjustment of the total number of shares of common stock of the Corporation to be issued or disposed of, such as a stock split, gratis allotment, or consolidation of shares of common stock of the Corporation, such total number shall be adjusted to the extent reasonable.)