



Notice of the 98th Ordinary General Meeting of Shareholders

10:00 A.M., Friday, June 24, 2022

● Matters for Resolution:

Agenda No. 1: To Partially Amend the Articles of Incorporation

Agenda No. 2: To elect 10 Directors (Members of the Board)

No gifts will be provided

Marubeni

(Stock Exchange Code No.8002)

To Our Shareholders



I would like to express my sincere gratitude to our valued shareholders for their unwavering support.

Amid continuing uncertainty about the outlook for the COVID-19 pandemic, situations in major countries and various other factors, numerous social issues and gaps between “the now” and “the future” will arise. While pushing ahead with our transformation, we will keep taking on the challenge of responding to these issues as your everlasting partner to close these gaps and create new values with our stakeholders. Thank you for your continuous support.

June 2022

Masumi Kakinoki, President and CEO, Member of the Board

Company Creed

Marubeni puts up the Company Creed of “Fairness, Innovation and Harmony.”



The Marubeni Management Philosophy

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

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Disclosure via the Internet

◎If any revisions are required to matters contained in the Reference Materials for the General Meeting of Shareholders, the Business Report and the Consolidated and the Non-consolidated Financial Statements, such revisions will be posted on the Corporation's website.

◎As for the Business Report and the Consolidated and the Non-consolidated Financial Statements (excluding (Reference)), which have been audited by the Audit & Supervisory Board and the Accounting Auditor, this Notice of the General Meeting of Shareholders does not contain the items listed below.

Pursuant to the relevant laws and regulations and Article 14 of the Articles of Incorporation of the Corporation, these items are posted on the Corporation's website.

Business Report: Systems necessary to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation; Other systems necessary to ensure the properness of operations; Summary of Operating Status of Internal Control Systems; Matters Concerning the Corporation's Subscription Rights to Shares; Matters Concerning Accounting Auditor

Consolidated Financial Statements: Consolidated Statement of Changes in Equity, Notes to Consolidated Financial Statements, (Reference) Consolidated Statements of Cash Flows

Non-consolidated Financial Statements: Non-consolidated Statement of Changes in Equity, Notes to Non-consolidated Financial Statements

The Corporation's website <https://www.marubeni.com/en/ir/stock/meeting/>



Cover:
Nuihaku (Noh robe with embroidery and stenciled gold leaf) with design of higaki (cypress fence patterns), senmen (fan leaf patterns) and yugao (evening faces or bottle gourds) on red silk satin
First half of the 18th century
Collection of Marubeni Corporation
Marubeni Gallery Opening
Exhibition II/1st half of the exhibition period

To our shareholders:

Masumi Kakinoki
Representative Director
President and CEO
Marubeni Corporation
4-2, Ohtemachi 1-chome, Chiyoda-ku, Tokyo

Notice of the 98th Ordinary General Meeting of Shareholders

We wish to inform you that the 98th Ordinary General Meeting of Shareholders will be held as set forth below.

From the viewpoint of preventing the spread of COVID-19, you are advised to refrain from attending the General Meeting of Shareholders regardless of your health condition and instead to exercise your voting rights in writing or via the Internet in advance. Please review the attached Reference Materials for the General Meeting of Shareholders attached hereto, and exercise your voting rights by 5:30 P.M., Thursday, June 23, 2022.

■ **If exercising your voting rights in writing:**

Please indicate your vote for or against the items on the agenda on the enclosed voting form and return it by mail so that it arrives at the Corporation by the exercise deadline set forth above.

■ **If exercising your voting rights via the Internet:**

Please refer to the “Guide to Exercising Your Voting Rights Via the Internet” on Page 5 and exercise your voting rights by the exercise deadline set forth above.

Date and Time:	10:00 A.M., Friday, June 24, 2022 (Doors open at 9:00 A.M.)
Venue:	Palace Hotel Tokyo, Aoi Room (2F) 1-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo (In the case that Aoi Room is filled to capacity, please note that you will be escorted to another conference room.)
Agenda:	Matters to Report: 1. Reports on Business Report for the 98th Business Year (from April 1, 2021 to March 31, 2022) and Consolidated Financial Statements and the Audit Reports of the Accounting Auditor and the Audit & Supervisory Board for Consolidated Financial Statements for the 98th Fiscal Year (from April 1, 2021 to March 31, 2022) 2. Reports on Non-consolidated Financial Statements for the 98th Business Year (from April 1, 2021 to March 31, 2022)

Agenda:**Matters for Resolution:**

- Agenda No. 1: To Partially Amend the Articles of Incorporation
Agenda No. 2: To elect 10 Directors (Members of the Board)

- If you are attending the meeting, please bring the enclosed voting form and submit it to the receptionist for the purpose of your identification. You are also requested to bring with you this booklet for your reference at the meeting.
- To exercise voting rights through a proxy, you may exercise your voting rights through a single proxy who is a shareholder of the Corporation with voting rights upon submitting power of attorney.
- This Ordinary General Meeting of Shareholders will be livestreamed via the Internet.
- **The Corporation will not provide gifts to shareholders who are attending the meeting. We appreciate your understanding.**

Payment of Year-end Dividends for the 97th Business Year

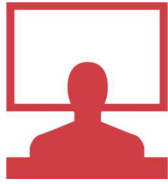
In accordance with the provisions of the Articles of Incorporation, at the Board of Directors meeting of May 12, 2022, the Corporation decided that the year-end dividend will be 36.5 yen per share and that the effective date (the payment commencement date) will be June 6, 2022.

If you have requested to remit dividends to your bank account or your savings account of Japan Post Bank Co., Ltd., please confirm the details specified in the enclosed “Statement of Year-end Dividends for the 98th Business Year” and “Bank Accounts in Which to Remit.”

If you have requested Allocation Based on the Number of Shares Method (kabushikisu hirei haibun hoshiki), then please confirm the details specified in the enclosed “Statement of Year-end Dividends for the 98th Business Year” and “Method of Receiving your Year-end Dividends.”

If you have not indicated either of the above, then please collect the dividends at your local post office or Japan Post Bank headquarters, branch, or sub-branch office by using the enclosed “Receipt of Year-end Dividends for the 98th Business Year” during the period from Monday, June 6, 2022 to Friday, July 15, 2022.

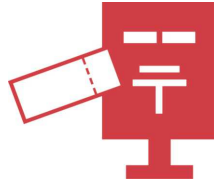
Guide to Exercising Your Voting Rights



Exercise of voting rights by attending the meeting

Please submit the enclosed voting form at the reception desk.

*If you are attending the meeting, you do not need to submit the voting form by mail or exercise your voting rights via the Internet.



Exercise of voting rights in writing

Please indicate your vote for or against the agendas on the enclosed voting form and return it by mail so that it arrives at the Corporation by **5:30 p.m. on Thursday, June 23, 2022.**



Exercise of voting rights via the Internet

Please refer to the Guide to Exercising Your Voting Rights Via the Internet on the next page and exercise your voting rights by **5:30 p.m. on Thursday, June 23, 2022.**

For nominee shareholders, such as trust and banking corporations responsible for administration (including standing proxy):

If shareholders apply in advance for the use of the electronic voting platform operated by a joint venture incorporated by the Tokyo Stock Exchange and other parties, they may be able to utilize said platform as a method for exercising voting rights for the General Meeting of Shareholders of the Corporation in electronic media in addition to the exercise of voting rights via the Internet as specified above.

Inquiries

Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.

Inquiries regarding the method of operation of a personal computer in order to exercise voting rights via the Internet

Telephone: **(0120) 768—524**
(9:00 A.M. to 9:00 P.M.)

Other Inquiries

Telephone: **(0120) 288—324**
(9:00 A.M. to 5:00 P.M., except Saturdays, Sundays and national holidays)

Guide to Exercising Your Voting Rights Via the Internet

Exercising Your Voting Rights Via the Internet

When exercising your voting rights via the Internet, the Corporation requests your understanding on the following matters.

- Your voting rights may be exercised by PC or mobile phone only via the website that the Corporation specifies (hereinafter referred to as the “Website to Exercise Voting Rights”). If you exercise your voting rights via the Internet, you will need the voting right code and the password described in the enclosed voting form.
- Exercise of voting rights via the Internet will be accepted **until 5:30 P.M., Thursday, June 23, 2022**, a day before the General Meeting of Shareholders. Please also be aware that you will not be able to exercise your voting rights via the Internet after 5:30 P.M. on June 23, 2022 (Thursday) and therefore you will need to complete the input by such time. We ask you to exercise your voting rights promptly.
- ▶ If you exercise multiple votes via the Internet for the same agenda, then the last vote which arrives at the Corporation shall be deemed the valid vote.
- ▶ If you exercise your votes both by way of submitting the voting form and via the Internet, for the same agenda, then the vote via the Internet shall be deemed the valid vote.

Specific Method to Exercise Voting Rights via the Internet

The Corporation requests you to exercise your voting rights via the Internet using either of the following methods:

Exercise of Voting Rights by Accessing the Website to Exercise Voting Rights (URL below)

Please access the **Website to Exercise Voting Rights.**

Website to Exercise Voting Rights <https://soukai.mizuho-tb.co.jp/>



*You can access the Website to Exercise Voting Rights by using mobile phones with barcode reader function and by reading the QR code at the right side. Please see the instruction manual of your mobile phone for details of operations.

Please enter your voting right code and click the “Proceed” button.

Please enter your password following the instructions on the screen.

*To ensure security, you need to change the password when you first log into the website.

Please follow the instructions on the screen in order to exercise your voting rights.

Notes

- Please be assured that voting information will not be manipulated or wiretapped, as we use encryption technology (SHA-2). The voting right code and the password described in the voting form are important in authenticating each shareholder. Please do not divulge this information to anyone. There will be no occasions where the Corporation asks a shareholder about his/her password.
- If you use a commercial Internet provider, you need to bear the communication expenses, including those to connect to the Internet provider and to communicate with telecommunication companies (such as phone charges), for using the Website to Exercise Voting Rights.

Exercise of Voting Rights by Reading the QR Code for Smartphones (“Smart Exercise”)

Please scan the QR Code printed on the lower right of the enclosed Voting Rights Exercise Form with your smartphone, access “Smart Exercise,” follow the instructions on the screen, and exercise your voting rights. (You need to enter neither the code for exercising voting rights (ID) nor the password.)

You can exercise your voting rights by “Smart Exercise” only once.

*For details, please refer to the enclosed leaflet.

Reference Materials for the General Meeting of Shareholders

Agenda and Related Matters

Agenda No. 1: To Partially Amend the Articles of Incorporation

We propose partial amendments to the Articles of Incorporation as described below.

1. Reasons for amendments

Article 2:

It is proposed that a business purpose be added to respond to diversification of business from now on.

Article 14 and Supplementary Provisions:

The amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will come into force on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Corporation shall be amended as follows.

- (1) The proposed Article 14, Paragraph 1, stipulates that information contained in the reference materials for the general meeting of shareholders, etc. shall be provided electronically.
- (2) The proposed Article 14, Paragraph 2 establishes a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the internet disclosure and deemed provisions of the reference materials for the general meeting of shareholders, etc. (Article 14 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
Article 2. Purposes The purposes of the Corporation shall be to engage in the following businesses: 1. through to 5. (Omitted) 6. Import, export and sale of: (1) Coal, petroleum, gas (including pressurized gas and liquefied gas) and products derived therefrom, nuclear fuel substance, radioisotopes, (2) through to (4) (Omitted) 7. through to 30. (Omitted)	Article 2. Purposes (Unchanged) 1. through to 5. (Unchanged) 6. Import, export and sale of: (1) Coal, petroleum, gas (including pressurized gas and liquefied gas), <u>other fuels</u> and products derived therefrom, nuclear fuel substance, radioisotopes, (2) through to (4) (Unchanged) 7. through to 30. (Unchanged)

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 14. Disclosure of reference materials for the General Meeting of Shareholders and other materials on the internet, and deemed provision</u></p> <p><u>In connection with the convocation of a General Meeting of Shareholders, the Corporation may be deemed to have provided to its shareholders information related to matters to be described or indicated in reference materials for the General Meeting of Shareholders, business reports, financial statements and consolidated financial statements by way of disclosure on the internet in accordance with the regulations of the Ministry of Justice.</u></p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>(Deleted)</p> <p><u>Article 14. Measures for electronic provision of information for General Meeting of Shareholders and other related matters.</u></p> <p><u>1. The Corporation shall, when convening a General Meeting of Shareholders, provide information contained in the reference materials for the General Meeting of Shareholders and other related materials electronically.</u></p> <p><u>2. Among the matters to be provided electronically, the Corporation may choose not to include all or part of the matters stipulated in Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p style="text-align: center;"><u>Supplementary Provisions</u></p> <p><u>1. The deletion of Article 14 (Disclosure of reference materials for the General Meeting of Shareholders and other materials on the internet, and deemed provision) of the Articles of Incorporation before the amendment and the establishment of Article 14 (Measures for electronic provision of information, etc.) of the Articles of Incorporation after the amendment shall come into effect on September 1, 2022.</u></p> <p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 14 (Disclosure of reference materials for the General Meeting of Shareholders and other materials on the internet, and deemed provision) of the Articles of Incorporation before the amendment shall remain in force with respect to a General Meeting of Shareholders to be held on or before February 28, 2023.</u></p> <p><u>3. These supplementary provisions shall be deleted after March 1, 2023 or the lapse of three months from the date of the General Meeting of Shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Agenda No. 2: To elect 10 Directors (Members of the Board)

The terms of office of all 13 incumbent Directors will expire at the time of close of this General Meeting of Shareholders in accordance with the Articles of Incorporation. Accordingly, we propose the election of 10 Directors. If this agenda is approved and passed as originally proposed, 6 out of the 10 Directors of the Corporation will be Outside Directors. Having Outside Directors constitute the majority of the Directors will further strengthen the supervisory function of the Corporation's management, leading to further strengthening of corporate governance.

The candidates for Director are as follows:

No.	Name		Present Positions and Responsibilities at the Corporation	Attendance at meetings of the Board of Directors	No. of years served as Director
1	Fumiya Kokubu	Reappointment	Chairman of the Board	100% (17/17)	10 years
2	Masumi Kakinoki	Reappointment	President and CEO, Member of the Board	100% (17/17)	4 years
3	Akira Terakawa	Reappointment	Senior Executive Vice President, Member of the Board, Chief Executive Officer, Consumer Products Group; Vice Chairman of Investment and Credit Committee	100% (13/13)	1 year
4	Takayuki Furuya	Reappointment	Managing Executive Officer, Member of the Board, CFO; Chief Operating Officer, Investor Relations and Credit Ratings; Chairman of Investment and Credit Committee; Chief Sustainable Development Officer (CSDO); Chairman of Disclosure Committee	100% (17/17)	2 years
5	Kyohei Takahashi	Reappointment Outside Director Independent Director	Member of the Board	100% (17/17)	6 years
6	Yuri Okina	Reappointment Outside Director Independent Director	Member of the Board	100% (17/17)	5 years
7	Takashi Hatchoji	Reappointment Outside Director Independent Director	Member of the Board	100% (17/17)	2 years
8	Masato Kitera	Reappointment Outside Director Independent Director	Member of the Board	100% (17/17)	2 years
9	Shigeki Ishizuka	Reappointment Outside Director Independent Director	Member of the Board	100% (13/13)	1 year
10	Hisayoshi Ando	New appointment Outside Director Independent Director	-	-	-

Notes: 1. Meetings of the Board of Directors for written resolutions are excluded from the number of the meetings of the Board of Directors indicated above.

2. The attendance at meetings of the Board of Directors indicated for Mr. Akira Terakawa and Mr. Shigeki Ishizuka pertains to the Meetings of the Board of Directors held following their assumption of office as Director on June 24, 2021.

3. The number of years served as Director indicates the most recent continuous term of office as Director.

1. Fumiya Kokubu (Date of Birth: Oct. 6, 1952)

Reappointment



No. of years served as
Director (at the close of this
General Meeting of Shareholders):
10 years

Current shareholdings in
the Corporation:
246,348 shares

Potential shareholdings*
in the Corporation:
200,500 shares

Total shareholdings in the
Corporation:
446,848 shares

Attendance at meetings of
the Board of Directors:
100%
(17/17)

■ Career Overview

Apr. 1975: Joined the Corporation
Apr. 2005: Executive Officer
Apr. 2008: Managing Executive Officer
Jun. 2008: Managing Executive Officer, Member of the Board
Apr. 2010: Senior Managing Executive Officer
Apr. 2012: Senior Executive Vice President
Jun. 2012: Senior Executive Vice President, Member of the Board
Apr. 2013: President and CEO, Member of the Board
Apr. 2019: Chairman of the Board (Present Position)

■ Status of Important Concurrent Occupations or Positions at Other Organizations

Member of the Board, TAISEI CORPORATION
Director, Honda Motor Co., Ltd.

Reasons for the appointment of the candidate for the position of Director

Since Mr. Kokubu joined the Corporation, he has mainly engaged in energy-related operations, and served as the President and CEO, Member of the Board from April 2013 to March 2019 after having served as Managing Executive Officer, Senior Managing Executive Officer and Senior Executive Vice President, Member of the Board. He has been the Chairman of the Board since April 2019. He has excellent expertise and in-depth knowledge of overall global management of a general trading company, in addition to abundant business experience, past achievements and significant contributions to the Corporation. Moreover, he has a sufficient track record as a Director. In fiscal year 2021, Mr. Kokubu supervised management of the Corporation, taking into consideration all stakeholders, as the Chairman of the Board without representative rights and authority for business execution.

In view of the above and the report by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Director.

* Potential shareholdings correspond to unexercised subscription rights to shares granted as stock-compensation-type stock options and stock-compensation-type stock options subject to market-capitalization-based exercisability conditions.

2. Masumi Kakinoki (Date of Birth: Apr. 23, 1957)

Reappointment



No. of years served as
Director (at the close of this
General Meeting of Shareholders):

4 years

Current shareholdings in
the Corporation:

167,900 shares

Potential shareholdings*
in the Corporation:

151,600 shares

Total shareholdings in the
Corporation:

319,500 shares

Attendance at meetings of
the Board of Directors:

100%
(17/17)

■ Career Overview

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

■ Reasons for the appointment of the candidate for the position of Director

Since Mr. Kakinoki joined the Corporation, he has mainly engaged in power- and machinery-related operations, and has been the President and CEO, Member of the Board since April 2019 after having served as Managing Executive Officer; Managing Executive Officer, Member of the Board; Managing Executive Officer; Senior Managing Executive Officer; Senior Executive Vice President; and Senior Executive Vice President, Member of the Board. He has excellent expertise and in-depth knowledge of overall global management of a general trading company, in addition to abundant business experience, past achievements and significant contributions to the Corporation. Moreover, he has a sufficient track record as a Director. In fiscal year 2021, as President and CEO, Mr. Kakinoki continued the implementation of the Medium-Term Management Strategy “Global crossvalue platform” whose objective is to realize “a value creation company going beyond the boundaries of the current Sogo Shosha.” Furthermore, he led the formulation of two basic policies of the Mid-Term Management Strategy GC2024 announced in February 2022, “strengthen current business domains and explore new business models” and the “Green Strategy,” and played an appropriate role as a Director, including in decision-making and supervision of business execution.

In view of the above and the report by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Director.

3. Akira Terakawa (Date of Birth: Feb. 8, 1958)

Reappointment



■ Career Overview

Apr. 1981: Joined the Corporation
Apr. 2010: Executive Officer
Apr. 2013: Managing Executive Officer
Jun. 2014: Managing Executive Officer, Member of the Board
Jun. 2016: Managing Executive Officer
Apr. 2018: Senior Managing Executive Officer
Apr. 2020: Senior Executive Vice President
Jun. 2021: Senior Executive Vice President, Member of the Board
Apr. 2022: Senior Executive Vice President, Member of the Board,
Chief Executive Officer, Consumer Products Group; Vice Chairman of Investment and
Credit Committee (Present Position)

■ Status of Important Concurrent Occupations or Positions at Other Organizations
Director, United Super Markets Holdings Inc.

No. of years served as
Director (at the close of this
General Meeting of Shareholders):
1 year

Current shareholdings in
the Corporation:
88,687 shares

Potential shareholdings*
in the Corporation:
122,700 shares

Total shareholdings in the
Corporation:
211,387 shares

Attendance at meetings of
the Board of Directors:
100%
(13/13)

*The attendance at meetings held following
his assumption of office as Director on June
24, 2021

Reasons for the appointment of the candidate for the position of Director

Since Mr. Terakawa joined the Corporation, he has mainly engaged in chemicals-related operations, and is presently Senior Executive Vice President, Member of the Board, Chief Executive Officer, Consumer Products Group; Vice Chairman of Investment and Credit Committee after having served as Managing Executive Officer; Managing Executive Officer, Member of the Board; Managing Executive Officer; Senior Managing Executive Officer; and Senior Executive Vice President. He has in-depth knowledge of overall global management of a general trading company, in addition to abundant business experience, past achievements and significant contributions to the Corporation. In fiscal year 2021, utilizing his expertise, he played an appropriate role as a Director, including in decision-making and supervision of business execution.

In view of the above and the report by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Director.

4. Takayuki Furuya (Date of Birth: Aug. 16, 1964)

Reappointment



■ Career Overview

Apr. 1987: Joined the Corporation

Apr. 2018: Executive Officer

Apr. 2020: Managing Executive Officer

Jun. 2020: Managing Executive Officer, Member of the Board; CFO; Chief Operating Officer, Investor Relations and Credit Ratings; Chairman of Investment and Credit Committee; Chief Sustainable Development Officer (CSDO); Chairman of Disclosure Committee (Present Position)

No. of years served as
Director (at the close of this

General Meeting of Shareholders):

2 years

Current shareholdings in
the Corporation:

44,350 shares

Potential shareholdings*
in the Corporation:

60,300 shares

Total shareholdings in the
Corporation:

104,650 shares

Attendance at meetings of
the Board of Directors:

100%

(17/17)

Reasons for the appointment of the candidate for the position of Director

Since Mr. Furuya joined the Corporation, he has mainly engaged in finance- and accounting-related operations and is presently Managing Executive Officer, Member of the Board; CFO; Chief Operating Officer, Investor Relations and Credit Ratings; Chairman of Investment and Credit Committee; Chief Sustainable Development Officer (CSDO); and Chairman of Disclosure Committee after having served as Managing Executive Officer. He has excellent expertise and in-depth knowledge of overall global management of a general trading company, in addition to abundant business experience, past achievements and significant contributions to the Corporation. In fiscal year 2021, utilizing his expertise, he played an appropriate role as a Director, including in decision-making and supervision of business execution.

In view of the above and the report by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Director.

Note: The “Chief Financial Officer (CFO)” is the Chief Operating Officer of Corporate Communication Dept., Corporate Accounting Dept., Business Accounting Dept., Finance Dept., and Sustainability Management Dept.

5. Kyohei Takahashi (Date of Birth: Jul. 17, 1944)

Outside Director

Reappointment

Independent Director



No. of years served as
Director (at the close of this
General Meeting of Shareholders):

6 years

Current shareholdings in
the Corporation:

0 shares

Attendance at meetings of
the Board of Directors:

100%
(17/17)

■ Career Overview

Apr. 1968: Joined Showa Denko K.K.

Oct. 1995: General Manager of Planning Department of the Headquarters, Japan Polyolefins Corporation

Jun. 1996: President & CEO, Montell JPO Co., Ltd.

Jun. 1999: Executive Vice President, Montell SDK Sunrise Ltd. (Currently, SunAllomer Ltd.)

Mar. 2002: Managing Director, Showa Denko K.K.

Mar. 2004: Senior Managing Director, Showa Denko K.K.

Jan. 2005: Representative Director, President, Showa Denko K.K.

Jan. 2007: Representative Director, President and Chief Executive Officer (CEO), Showa Denko K.K.

Jan. 2011: Representative Director, Chairman of the Board, Showa Denko K.K.

Jun. 2014: Audit & Supervisory Board Member of the Corporation

Mar. 2015: Director, Chairman of the Board, Showa Denko K.K.

Jun. 2016: Member of the Board of the Corporation (Present Position)

Jul. 2016: Audit & Supervisory Board Member, Fukoku Mutual Life Insurance Company (Present Position)

Jan. 2017: Director, Showa Denko K.K.

Mar. 2017: Advisor, Showa Denko K.K. (Present Position)

■ Status of Important Concurrent Occupations or Positions at Other Organizations

Audit & Supervisory Board Member, Fukoku Mutual Life Insurance Company

Special notes on the candidate for the position of Outside Director

(1) Submission of the "Independent Director/Auditor Notification":

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 & Supervisory Board Members of the Corporation" (as set forth on page 20). 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. If his reappointment is approved at this General Meeting of Shareholders, the Corporation plans to reappoint him as an Independent Director and notify the exchange of such designation.

(2) Attributes of Independent Director/Auditor:

Mr. Takahashi was an executive of Showa Denko 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 fiscal year 2018 to fiscal year 2020 account for 0.02% of the consolidated revenue of the Corporation during the said three-year period, whereas net sales of Showa Denko to the Corporation account for 0.09% of the consolidated revenue of the Corporation during the said three-year period; both of these percentages are insignificant.

Reasons for the appointment of the candidate for the position of Outside Director and overview of the expected role

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.

6. Yuri Okina (Date of Birth: Mar. 25, 1960)

Outside Director

Reappointment

Independent Director



■ Career Overview

Apr. 1984: Joined the Bank of Japan
Apr. 1992: Joined The Japan Research Institute, Limited
Apr. 1994: Senior Researcher, The Japan Research Institute, Limited
Jul. 2000: Executive Researcher, The Japan Research Institute, Limited
Jun. 2006: Counselor, The Japan Research Institute, Limited
Jun. 2008: Director, Nippon Yusen Kabushiki Kaisha
Jun. 2013: Director, Seven Bank, Ltd.
Mar. 2014: Director, Bridgestone Corporation (Present Position)
Jun. 2014: Vice Chairman, The Japan Research Institute, Limited
Jun. 2017: Member of the Board of the Corporation (Present Position)
Apr. 2018: Chairman, The Japan Research Institute, Limited (Present Position)

■ Status of Important Concurrent Occupations or Positions at Other Organizations

Chairman, The Japan Research Institute, Limited
Director, Bridgestone Corporation

No. of years served as
Director (at the close of this
General Meeting of Shareholders):

5 years

Current shareholdings in
the Corporation:

0 shares

Attendance at meetings of
the Board of Directors:

100%
(17/17)

Special notes on the candidate for the position of Outside Director

(1) Submission of the “Independent Director/Auditor Notification”:

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 & Supervisory Board Members of the Corporation” (as set forth on page 20). 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. If her reappointment is approved at this General Meeting of Shareholders, the Corporation plans to reappoint her as an Independent Director and notify the exchange of such designation.

(2) Ms. Okina served as an Outside Director of Nippon Yusen Kabushiki Kaisha (NYK) from June 2008 to June 2017. NYK received a cease and desist order etc. from the Japan Fair Trade Commission in 2014 concerning violation of the Antimonopoly Act related to ocean shipping services for vehicles. NYK entered into a plea agreement with the U.S. Department of Justice, agreeing to pay a fine concerning its violation of U.S. anti-trust laws. In 2015, NYK was notified by the National Development and Reform Commission (NDRC) of China that NYK’s action violated China’s anti-monopoly law. Although Ms. Okina had been unaware of such violations until they came to light, she had been stating her opinions about legal compliance. After the fact was recognized, she strove, for instance, to further strengthen NYK’s legal compliance systems in order to eliminate and prevent recurrence of any violations of anti-trust laws of Japan and other jurisdictions and fulfilled her duties.

Reasons for the appointment of the candidate for the position of Outside Director and overview of the expected role

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 supervising business execution. Additionally, as the chair of the Governance and Remuneration Committee since fiscal year 2021, she led discussion in order to enhance soundness, transparency, and efficiency of the Corporation’s management and as an advisor to the Sustainability Management Committee to reinforce the sustainability promotion structure. Because she is expected to continue to fulfill the 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.

7. Takashi Hatchoji (Date of Birth: Jan. 27, 1947)

Outside Director

Reappointment

Independent Director



No. of years served as
Director (at the close of this
General Meeting of Shareholders):
2 years
Current shareholdings in
the Corporation: 0 shares
Attendance at meetings of
the Board of Directors:
100%
(17/17)

■ Career Overview

Apr. 1970: Joined Hitachi, Ltd.

Feb. 1995: General Manager, Business Planning Department, Electrical Apparatus Division, Hitachi, Ltd.

Jun. 2003: Vice President and Executive Officer, Hitachi, Ltd.

Apr. 2004: Senior Vice President and Executive Officer, Hitachi, Ltd.

Apr. 2006: Representative Executive Officer, Executive Vice President and Executive Officer, Hitachi, Ltd.

Jun. 2007: President and Representative Director, Hitachi Research Institute

Apr. 2009: Representative Executive Officer, Executive Vice President and Executive Officer, Hitachi, Ltd.

Jun. 2011: Director, Hitachi, Ltd.

Jun. 2015: Director, Nitto Denko Corporation (Present Position)

Jun. 2017: Director, KONICA MINOLTA, INC.

Audit & Supervisory Board Member of the Corporation

Jun. 2020: Member of the Board of the Corporation (Present Position)

■ Status of Important Concurrent Occupations or Positions at Other Organizations
Director, Nitto Denko Corporation

Special notes on the candidate for the position of Outside Director

(1) Submission of the “Independent Director/Auditor Notification”:

No personal, capital or transaction relationships between Mr. Hatchoji 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 page 20). 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. If his reappointment is approved at this General Meeting of Shareholders, the Corporation plans to reappoint him as an Independent Director and notify the exchange of such designation.

(2) Attributes of Independent Director/Auditor:

Mr. Hatchoji was an executive of Hitachi, Ltd. There is a continuous transaction relationship between the Hitachi Group and the Corporation in diverse areas, such as sales and purchases of products and construction contracts. Net sales of the Corporation to Hitachi, Ltd. for the three business years from fiscal year 2018 to fiscal year 2020 account for 0.01% of the consolidated revenue of the Corporation during the said three-year period, whereas net sales of Hitachi, Ltd. to the Corporation account for 0.02% of the consolidated revenue of the Corporation during the said three-year period; both of these percentages are insignificant.

Reasons for the appointment of the candidate for the position of Outside Director and overview of the expected role

Mr. Hatchoji has profound insight cultivated through his involvement in corporate management at an international company and has a wealth of experience in providing advice for and supervising business execution, serving as an outside officer of other companies. He was an Outside Audit & Supervisory Board Member of the Corporation from June 2017 to June 2020 and has a good knowledge of the Corporation’s business. He vigorously stated opinions at meetings of the Board of Directors from objective and specialist perspectives with an emphasis on practicality. As an Outside Director of the Corporation, he has been providing advice to management and appropriately supervising business execution. Additionally, he has been proactively expressing his opinions as a Nomination Committee member in order to enhance soundness, transparency, and efficiency of the Corporation’s management and as an advisor to the Sustainability Management Committee to reinforce the sustainability promotion structure.

Because he is expected to continue to fulfill the 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.

8. Masato Kitera (Date of Birth: Oct. 10, 1952)

Outside Director

Reappointment

Independent Director



No. of years served as Director (at the close of this General Meeting of Shareholders):

2 years

Current shareholdings in the Corporation:

0 shares

Attendance at meetings of the Board of Directors:

100%
(17/17)

■ Career Overview

Apr. 1976: Joined the Ministry of Foreign Affairs
Apr. 1993: General Manager, ODA Division, Economic Cooperation Bureau
Jul. 1995: Minister's Secretariat; Cabinet Official; Secretary to Minister of State Igarashi
Aug. 1995: Secretary to Minister of State Nosaka
Jan. 1996: Secretary to Minister of State Kajiyama
Jul. 1997: Minister, Japanese Embassy in Thailand
May 2000: General Manager, Accounts Division, Minister's Secretariat
Mar. 2001: Minister's Secretariat
May 2001: Minister, Japanese Embassy in France
Mar. 2002: Minister, The Permanent Mission of Japan to the International Organizations in Geneva
Sep. 2005: Deputy Assistant Minister, Minister's Secretariat; Economic Affairs Bureau
Aug. 2006: Deputy Assistant Minister, Minister's Secretariat; Ambassador, Foreign Policy Bureau
Jan. 2008: Deputy Assistant Minister for Africa, Middle Eastern and African Affairs Bureau; Secretary-General for TICAD4
Jul. 2008: Director-General, International Cooperation Bureau
Jan. 2010: Deputy Minister
Sep. 2012: Assistant Chief Cabinet Secretary
Nov. 2012: Ambassador and Plenipotentiary to People's Republic of China
Apr. 2016: Ambassador to France
Jun. 2016: Ambassador to France, Andorra, and Monaco (Resigned in Dec. 2019)
Jun. 2020: Member of the Board of the Corporation (Present Position)
Director, Member of the Board, NIPPON STEEL CORPORATION (Present Position)
Mar. 2021: Member of the Board, Japan Tobacco Inc. (Present Position)

■ Status of Important Concurrent Occupations or Positions at Other Organizations

Director, Member of the Board, NIPPON STEEL CORPORATION (Director, Audit & Supervisory Committee Member from June 2022 onward)
Member of the Board, Japan Tobacco Inc.

Special notes on the candidate for the position of Outside Director

- (1) Submission of the "Independent Director/Auditor Notification":
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 & Supervisory Board Members of the Corporation" (as set forth on page 20). 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. If his reappointment is approved at this General Meeting of Shareholders, the Corporation plans to reappoint him as an Independent Director and notify the exchange of such designation.
- (2) Mr. Kitera is scheduled to retire from his position as Director, Member of the Board of NIPPON STEEL CORPORATION at the time of close of the ordinary general meeting of shareholders of NIPPON STEEL CORPORATION to be held in June 2022, and is to take office as its Director, Audit & Supervisory Committee Member.

Reasons for the appointment of the candidate for the position of Outside Director and overview of the expected role

Mr. Kitera served in key positions in the government, mainly in the Ministry of Foreign Affairs. He has a wealth of international experience and profound insight concerning international affairs cultivated through his involvement in diplomacy. He also has in-depth understanding and experience related to diversity, which is indispensable in management of the Corporation. He vigorously stated opinions at meetings of the Board of Directors from objective and specialist perspectives in light of the rapidly changing world situation. As an Outside Director of the Corporation, he has been providing advice to management and appropriately supervising business execution. Additionally, he has been proactively expressing his opinions as a Governance and Remuneration Committee member in order to enhance soundness, transparency, and efficiency of the Corporation's management.

Because he is expected to continue to fulfill the 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.

9. Shigeki Ishizuka (Date of Birth: Nov. 14, 1958)

Outside Director

Reappointment

Independent Director



No. of years served as
Director (at the close of this
General Meeting of Shareholders):

1 year

Current shareholdings in
the Corporation:

0 shares

Attendance at meetings of
the Board of Directors:

100%
(13/13)

*The attendance at meetings held following
his assumption of office as Director on June
24, 2021

■ Career Overview

- Apr. 1981: Joined Sony Corporation
- Aug. 2004: Managing Director, Corporate Executive, Sony EMCS Corporation
- Jun. 2007: SVP, Corporate Executive, Sony Corporation
- Apr. 2015: EVP, Corporate Executive Officer, Sony Corporation (Currently, Sony Group Corporation)
- Apr. 2017: Representative Director and President, Sony Imaging Products & Solutions Inc.
- Jun. 2018: Senior EVP, Sony Corporation
- Apr. 2020: Representative Director and President, CEO, Sony Electronics Corporation
- Jun. 2020: Vice Chairman, Representative Corporate Executive Officer, Sony Corporation (Currently, Sony Group Corporation) (Present Position)
- Apr. 2021: Director, Sony Corporation (Present Position)
- Jun. 2021: Member of the Board of the Corporation (Present Position)

■ Status of Important Concurrent Occupations or Positions at Other Organizations
Vice Chairman, Representative Corporate Executive Officer, Sony Group Corporation
(Vice Chairman, Sony Group Corporation, from June 2022 onward)

Special notes on the candidate for the position of Outside Director

- (1) Submission of the “Independent Director/Auditor Notification”:
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 page 20). 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. If his reappointment is approved at this General Meeting of Shareholders, the Corporation plans to reappoint him as an Independent Director and notify the exchange of such designation.
- (2) Attributes of Independent Director/Auditor:
Mr. Ishizuka is an executive of Sony Group Corporation (former Sony Corporation). There were no transactions between former Sony Corporation and the Corporation during the three business years from fiscal year 2018 to fiscal year 2020.
In addition, Mr. Ishizuka was an executive of 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 fiscal year 2018 to fiscal year 2020.
- (3) Mr. Ishizuka is scheduled to retire from his position as Representative Corporate Executive Officer of Sony Group Corporation at the time of close of the ordinary general meeting of shareholders of Sony Group Corporation to be held in June 2022, but he will continue to be Vice Chairman of Sony Group Corporation. Moreover, he is scheduled to retire from his position as Director of Sony Corporation at the time of close of the ordinary general meeting of shareholders of Sony Corporation to be held in June 2022.

Reasons for the appointment of the candidate for the position of Outside Director and overview of the expected role

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 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.

10. Hisayoshi Ando (Date of Birth: Apr. 24, 1960)

Outside Director

New appointment

Independent Director



No. of years served as Director (at the close of this General Meeting of Shareholders):

Current shareholdings in the Corporation:

0 shares

■ Career Overview

- Apr. 1983: Joined the Ministry of International Trade and Industry
- Jul. 2005: General Manager, Iron and Steel Division of Manufacturing Industries Bureau of Ministry of Economy, Trade and Industry
- Jul. 2007: General Manager, General Policy Division, Director-General's Secretariat of Agency for Natural Resources and Energy of Ministry of Economy, Trade and Industry
- Jul. 2008: General Manager, Economic and Industrial Policy Division of Economic and Industrial Policy Bureau of Ministry of Economy, Trade and Industry
- Dec. 2008: General Manager, Policy Planning and Coordination Division of Minister's Secretariat of Ministry of Economy, Trade and Industry
- Sep. 2009: Executive Secretary to the Prime Minister
- Jul. 2010: Director-General of Natural Resources and Fuel Department of Agency for Natural Resources and Energy of Ministry of Economy, Trade and Industry
- Jun. 2013: Director-General of Kanto Bureau of Economy, Trade and Industry of Ministry of Economy, Trade and Industry
- Jul. 2015: Director-General of Commerce and Information Policy Bureau of Ministry of Economy, Trade and Industry
- Jul. 2017: Director-General of Small and Medium Enterprise Agency of Ministry of Economy, Trade and Industry
- Jul. 2019: Vice-Minister of Economy, Trade and Industry of Ministry of Economy, Trade and Industry (Resigned in Jul. 2021)
- Dec. 2021: Executive Advisor, Nippon Life Insurance Company (Present Position)
- May 2022: Director, Audit & Supervisory Committee Member, Nitro Holdings Co., Ltd. (Present Position)

■ Status of Important Concurrent Occupations or Positions at Other Organizations

Executive Advisor, Nippon Life Insurance Company
Director, Audit & Supervisory Committee Member, Nitro Holdings Co., Ltd.

Special notes on the candidate for the position of Outside Director

Submission of the "Independent Director/Auditor Notification":

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 & Supervisory Board Members of the Corporation" (as set forth on page 20). Hence, if his appointment is approved at this General Meeting of Shareholders, the Corporation plans to appoint 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 notify the exchange of such designation.

Reasons for the appointment of the candidate for the position of Outside Director and overview of the expected role

Mr. Ando served in key positions in the government and has profound insight about economic, industrial, and political trends in Japan and overseas. The Corporation expects him to provide advice to management and appropriately supervise business execution from objective and specialist perspectives in light of the rapidly changing world situation in order to enhance soundness, transparency, and efficiency of the Corporation's management.

In view of the above and the report by the Nomination Committee, the Board of Directors decided to appoint him as a new candidate for Outside Director.

Notes: 1. The above candidates have no specific interests with the Corporation.

2. In accordance with Article 17 of the current Articles of Incorporation, the election of Directors shall not be conducted by cumulative voting.

3. Limitation of Liability Agreement with candidates for the position of Outside Director:

In order to enable Mr. Kyohei Takahashi, Ms. Yuri Okina, Mr. Takashi Hatchoji, Mr. Masato Kitera, and Mr. Shigeki Ishizuka to fully perform their duties as Outside Directors, 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 the person in question has acted in good faith and without gross negligence in performing his/her duties. If this agenda is approved, the Corporation intends to continue the said limitation of liability agreement with each of Mr. Kyohei Takahashi, Ms. Yuri Okina, Mr. Takashi Hatchoji, Mr. Masato Kitera, and Mr. Shigeki Ishizuka and enter into a limitation of liability agreement with Mr. Hisayoshi Ando.

4. Directors and officers liability insurance contract:

The Corporation has entered into a directors and officers liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company under which Directors, Audit & Supervisory Board Members, and Executive Officers (hereinafter referred to as "directors and officers") of the Corporation are designated as the insured. The insurance covers legal damages and litigation expenses to be borne by the insured in the event that a claim for damages is made against the insured due to an act committed (or failure to act) by the insured in his/her capacity as a director or officer of the Corporation. The Corporation bears the entire premium for the insured. However, there are certain exemptions, such as damages arising from the insured's criminal act, such as bribery, willful illegal act, or act that exceeds his/her authority. The candidates will be insured under the said insurance contract. The Corporation intends to retain the contract with the same terms and conditions when the contract is to be renewed.

(Reference)

Specialty and experience of Members of the Board and Audit & Supervisory Board Members if Agenda No. 2 is approved

Name	Position	No. of years in office (cumulative No. of years in office)	Corporate management	Finance and accounting	Legal, compliance and risk management	Digital/IT	International experience	Public institutions
Fumiya Kokubu	Chairman of the Board	10 years (11 years and 9 months)	○				○	
Masumi Kakinoki	President and CEO, Member of the Board	4 years (4 years and 9 months)	○				○	
Akira Terakawa	Senior Executive Vice President, Member of the Board	1 year (3 years)	○				○	
Takayuki Furuya	Managing Executive Officer, Member of the Board	2 years	○	○			○	
Kyohei Takahashi	Outside Director	6 years 2 years as Outside Audit & Supervisory Board Member*1	○				○	
Yuri Okina	Outside Director	5 years		○		○	○	○
Takashi Hatchoji	Outside Director	2 years 3 years as Outside Audit & Supervisory Board Member*1	○			○	○	
Masato Kitera	Outside Director	2 years					○	○
Shigeki Ishizuka	Outside Director	1 year	○			○	○	
Hisayoshi Ando	Outside Director	—					○	○
Hikaru Minami	Full-time Audit & Supervisory Board Member	3 years 3 years as Member of the Board*2	○	○	○		○	
Toshiaki Kida	Full-time Audit & Supervisory Board Member	1 year			○		○	
Tsuyoshi Yoneda	Outside Audit & Supervisory Board Member	5 years			○	○		○
Yoichi Kikuchi	Outside Audit & Supervisory Board Member	2 years			○		○	○
Shigeru Nishiyama	Outside Audit & Supervisory Board Member	2 years		○			○	

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

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

(Reference)

Policy for Election of Candidates for the Positions of Members of the Board and Audit & Supervisory Board Members

[Election Standards of Member of the Board]

In order to ensure swift and efficient decision-making and appropriate supervisory function of the Corporation's management, a person who has a wealth of experience of the Corporation's diverse business activities or in his/her professional field and who has profound insight and expertise cultivated through such experience shall be elected as a Director from inside or outside the Corporation.

[Election Standards of Audit & Supervisory Board Members]

In order to ensure appropriate supervisory function, a person who has knowledge of the Corporation's management or a high degree of expertise in such fields as finance, accounting, law, and risk management as well as a wealth of experience shall be elected as an Audit & Supervisory Member from inside or outside the Corporation.

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 a candidate for Outside Director/Audit & Supervisory Board Member is not independent if he/she currently falls, or in the past three business years has fallen, under any of the following items 1–7, 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 executing 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/Corporate Officer 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 1–7 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.

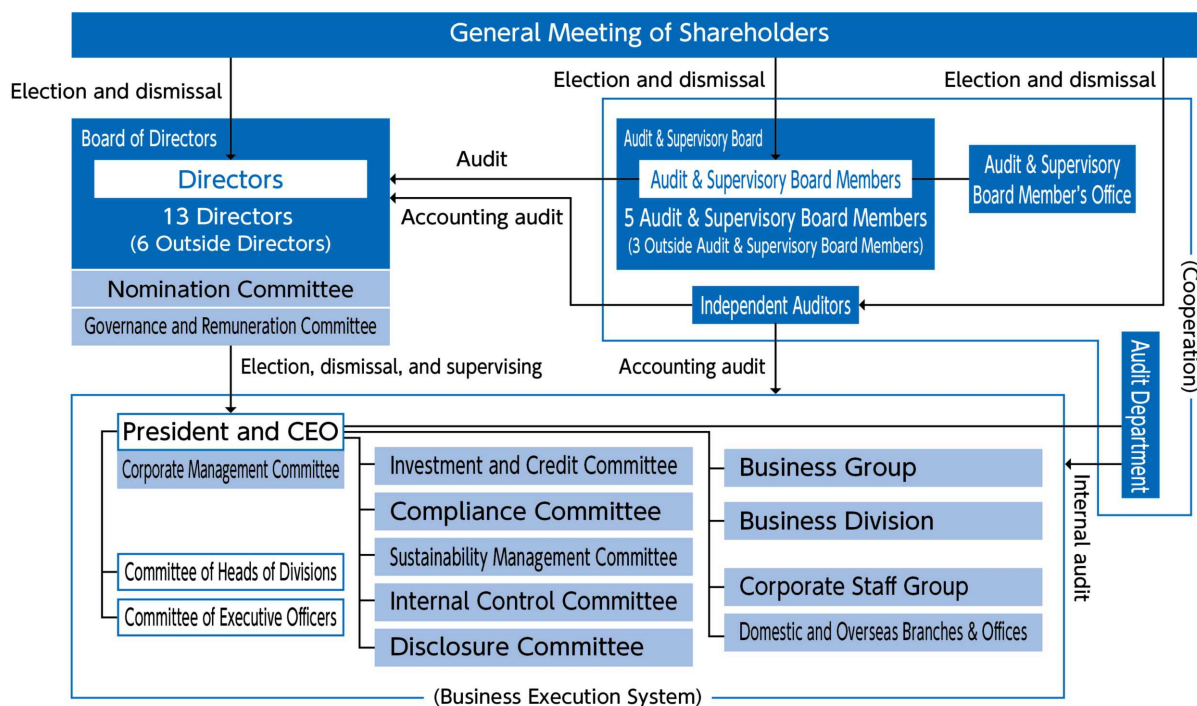
*An "executing person" refers to an Executive Director, an Executive Officer, an employee or any other personnel.

(Reference)

Corporate Governance Structure

The Corporation operates under a corporate audit governance system, adhering closely to the Companies Act, with a control structure designed to facilitate a clearly defined decision-making process, business execution system, and supervisory system. The Corporation has established the structure as shown in the diagram below.

Corporate Governance Structure Diagram (as of April 1, 2022)



The Corporation conducts a diverse range of businesses globally. Accordingly, the Corporation has established a corporate audit governance model with a Board of Directors consisting 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) Ensuring rapid and efficient decision-making

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

(b) Ensuring appropriate supervisory functions

The Corporation ensures appropriate supervisory functions by implementing various measures, including appointing candidates for Outside Directors sufficient to account for one-third or more of the members of the Board; establishing the Audit & Supervisory Board Member's Office; fostering collaboration among the Audit & Supervisory Board Members, the Audit Department, and the Accounting Auditor; and implementing advance briefings on matters referred to the Board of Directors for both Outside Directors and Outside Audit & Supervisory Board Members on the same occasions.

(Reference)

Evaluation of the effectiveness of the Board of Directors

The Governance and Remuneration Committee, the majority of whose members are Independent Outside Directors/Audit & Supervisory Board Members, assesses and reviews the Board of Directors as a whole, including its composition and operation, etc., and then reports to the Board of Directors. Then, based on deliberations in meeting of the Board of Directors, an overview of the evaluation results is disclosed, and this is utilized to make improvements regarding the operation, etc. of the Board of Directors.

As for the effectiveness evaluation regarding the Board of Directors in FY2021, the Corporation held an interview with all Directors and Audit & Supervisory Board Members in addition to conducting the questionnaire that was conducted until last year. The questionnaire was revised under the intention to focus on key management issues while continuing to adhere to the revised corporate governance code.

I. Evaluation framework and techniques

1. Target persons

All Directors (13 people) and Audit & Supervisory Board Members (5 people)

Current posts as of December 2021

2. Implementation method

Questionnaire and interview (responded to anonymously)

Utilization of outside specialized organization for implementation

3. Evaluation items

(1) Growth strategy and mid-term management plan

(2) Group governance

(3) Increasing corporate value through divestment of non-profitable businesses

(4) Risk management

(5) Allocation of management resources

(6) Utilization of discretionary committees

(7) Diversity, skills, and attributes of the Board of Directors

(8) Training the Board members and Audit & Supervisory Board members

(9) HR strategy (diversity of core human capital)

(10) Responding to sustainability issues

(11) Policies regarding communication with shareholders

(12) Understanding expectations from shareholders

(13) Operation of Board of Directors meetings (selection of topics, providing information, following up on issues pointed out by Board members, etc.)

(14) Utilization of Outside Directors

4. Evaluation process

With the content of the questionnaire responses and interviews as a basis, the Board of Directors carried out deliberations based on assessments and reviews by the Governance and Remuneration Committee regarding the Board of Directors as a whole including its composition and operation, etc.

II. Overview of evaluations results

1. Overview

Based on assessments and reviews by the Governance and Remuneration Committee, the Board of Directors has deliberated, and it has been confirmed that an effective Board of Directors is being operated.

In particular, the activeness of discussions among the directors, including the Outside Directors, and the Corporation's provision of sufficient education opportunities and information to Outside Directors/Audit & Supervisory Board Members was seen as highly valuable. Also highly valued was the deliberation of issues such as sustainability and the mid-term management plan, which took place with sufficient content and frequency to the Board of Directors.

2. Handling issues in effectiveness evaluations pertaining to the Board of Directors in FY2020

(1) Enhancement of deliberation of key issues through board meetings and free discussions

Members of the Board of Directors discussed issues such as the mid-term management strategy "GC2024", responses to the revised corporate governance code, and shareholder returns through board meetings and free discussion meetings separate from the board meetings. Taking into account the results of questionnaires and interviews, evaluation scores regarding the quality of the discussions have improved compared to evaluation results in FY2020.

(2) Discussions regarding expectations from stakeholders (promotion of sustainability, expectations from shareholders and investors)

The Board of Directors discussed the corporation's "Green Strategy" as one of the key components of mid-term management strategy "GC2024", based on the recognition of the global trend emphasizing the importance of sustainability and ESG issues. Expectations from shareholders were also discussed as one of the key issues during the Board of Directors meetings. Taking into account the results of questionnaire and interview, evaluation of these items has significantly improved compared to evaluation results in FY2020.

(3) Discussions regarding the diversity of Board members

The Board of Directors has discussed issues such as the function of the Board and the composition of the group, as the Corporation has publicly revealed the skill matrix regarding each Board member's expertise and experience. Taking the results of the questionnaire and interview into account, evaluation of these items has improved compared to evaluation results in FY2020. Aiming to materialize the Corporation's aspirations and growth strategy, the Corporation will be exploring ways to improve the functions of the Board of Directors through the pursuit of the ideal composition of skills and experience in the group with regards to changes in the external environment surrounding the Corporation.

3. Handling issues in effectiveness evaluations pertaining to the Board of Directors in FY2021

(1) Enhancement of discussions in the Board of Directors meetings regarding key material management issues, changes in external environment, and risks

The Board of Directors has positively evaluated the discussions regarding the Corporation's mid-term management policies and the monitoring of the actions taken based on these policies. Notably, issues related to the influence of COVID-19 to the Corporation's operations and countermeasures to the situation have been discussed on various occasions, and the result of the discussions were reflected in the Corporation's operations. The Board of Directors will enhance discussion of material management issues through conducting discussions regarding the changes in the external environment and risk related to the key management issues.

(2) Discussions regarding HR strategy and allocation of management resources to human capital

The Board of Directors discussed the Corporation's HR strategy and the appropriate allocation of management resources to human capital as one of the key components of mid-term management strategy "GC2024". The Board of Directors will continue to deliberate and monitor the progress of the Corporation's HR strategy and the allocation of management resources to human capital.

(3) Supporting the Outside Directors to further utilize their expertise

The Corporation has generally received high evaluations from Outside Directors for its support, such as the sharing of information. As the Corporation plans to make Outside Directors the majority of the Board of Directors subject to approval in this General Meeting of Shareholders, the Corporation will further enhance support for Outside Directors in order to assist them in fulfilling their duties through the facilitation of meetings outside of ordinary Board of Directors meetings and further provision of information.

Referring to the results of effectiveness evaluations regarding the Board of Directors in FY2021, the Corporation will continue to work on maintaining and improving the effectiveness of the Board of Directors going forward, and to pursue improvements in long term corporate value.

(Reference)

Advisory bodies to the Board of Directors (voluntary committees)

Nomination Committee (to be held as necessary):

The Nomination Committee is chaired by an Independent Outside Director/Audit & Supervisory Board Member and the majority of its members are Independent Outside Directors/Audit & Supervisory Board Members. The Nomination Committee mainly deliberates on nomination of candidates for the positions of Director and Audit & Supervisory Board Member and the successor development plan and reports to the Board of Directors.

In fiscal year 2021, two Committee meetings were held and all the Committee members attended all the meetings.

Nomination Committee's composition (as of April 1, 2022)

Chairperson: Yuri Okina, Outside Director

Committee members: Masumi Kakinoki, President and CEO, Member of the Board
Takashi Hatchoji, Outside Director
Shigeki Ishizuka, Outside Director

Governance and Remuneration Committee (to be held as necessary):

The Governance and Remuneration Committee is chaired by an Independent Outside Director/Audit & Supervisory Board Member and the majority of its members are Independent Outside Directors/Audit & Supervisory Board Members. The Governance and Remuneration Committee deliberates on matters concerning remuneration and stock-based compensation plan for Directors and Executive Officers, disclosure of information on Directors/Audit & Supervisory Board Members, etc., and reports to the Board of Directors. The Governance and Remuneration Committee also conducts evaluation and review concerning the overall Board of Directors, including its composition and operation, and reports to the Board of Directors.

In fiscal year 2021, five Committee meetings were held and all the Committee members attended all the meetings.

Governance and Remuneration Committee's composition (as of April 1, 2022)

Chairman: Kyohei Takahashi, Outside Director

Committee members: Masumi Kakinoki, President and CEO, Member of the Board
Mutsumi Ishizuki, Senior Managing Executive Officer, Member of the Board
Masato Kitera, Outside Director
Tsuyoshi Yoneda, Outside Audit & Supervisory Board Member
Yoichi Kikuchi, Outside Audit & Supervisory Board Member

Business Report (from April 1, 2021 to March 31, 2022)

I. Current Status of the Group

Business progress and results of the Group

Business Environment

The following is an overview of the economic environment for the fiscal year ended March 31, 2022.

The world's two great economic powers—the U.S. and China—continued to demonstrate relatively strong economic growth, but consumer spending was limited for a time in the U.S. owing mainly to the impact of COVID-19, while in China, there were phases during which business activity was weighed down by strict infection prevention measures and electric power shortages. Economic conditions in other regions differed from country to country, depending on whether restrictions on activities to prevent the spread of COVID-19 were tightened or relaxed, but overall the global economy continued to see solid growth. As inflation became evident in many countries, major developed economies in North America and Europe as well as emerging economies began to normalize monetary policy, including through policy interest rate hikes.

Many primary commodity prices rose sharply amid a general upward trend driven by tight supply and demand and heightened tensions between Russia and Ukraine. WTI crude oil prices reached the highest level since 2008, while the prices of copper, coking coal, aluminum, etc. reached record highs in March. Iron ore also reached a record high before dropping back down after the Chinese government announced a policy of curbing steel production, but it trended up again thereafter.

Consolidated Business Results

Revenue

Revenue was up 2,176.2 billion yen (34.4%) from the year-earlier period to 8,508.6 billion yen. The main increase was in the Agri Business segment.

Gross trading profit

Gross trading profit increased 219.9 billion yen (32.6%) from the year-earlier period to 895.3 billion yen. By operating segment, profits increased mainly in Agri Business, Metals & Mineral Resources, and Energy, and profits decreased in Power Business.

Operating profit*1

Operating profit for the year under review increased 142.9 billion yen year on year (101.0%) to 284.5 billion yen.

Share of profits of associates and joint ventures

Share of profits of associates and joint ventures increased 95.3 billion yen (67.5%) from the year-earlier period to 236.6 billion yen.

Profit attributable to owners of the parent

Profit attributable to owners of the parent (net profit) for the fiscal year ended March 31, 2022, increased 201.1 billion yen year on year (90.1%) to 424.3 billion yen.

Consolidated Cash Flows

Cash flows from operating activities

Net cash provided by operating activities was 311.9 billion yen due to operating revenue and dividend income, despite the increases in working capital and others. Cash inflow decreased 85.2 billion yen from the previous fiscal year. Core operating cash flow, which is operating cash flow excluding net increase/decrease in working capital and others, amounted to 570.5 billion yen.

Cash flows from investing activities

Net cash used in investing activities was 79.7 billion yen mainly due to the outflow of a capital expenditure in overseas businesses, despite the inflow from sales of investment securities. Cash outflow decreased 36.6 billion yen from the previous fiscal year. Cash inflow from divestment amounted to 129.5 billion yen. Cash outflow by new investments, capital expenditure (CAPEX) and others amounted to 209.2 billion yen.

As a result of the above-mentioned activities, free cash flow for the fiscal year under review was an inflow of 232.3 billion yen. Cash inflow decreased 48.6 billion yen from the previous fiscal year.

Cash flows from financing activities

Net cash used in financing activities amounted to 419.6 billion yen as results of repayment of corporate bonds and borrowings, an optional repayment of the perpetual subordinated loan*2, and dividend payment. Cash outflow increased 351.1 billion yen from the previous fiscal year. As for the progress of share repurchases that had been resolved at the meeting of the Board of Directors held on February 3, 2022, aggregate repurchased amount totaled 19.2 billion yen as of March 31, 2022.

Consolidated Financial Position

Total assets, net interest-bearing debt*3, total equity, and net DE ratio

Total assets at the end of the fiscal year under review increased 1,319.8 billion yen from the end of the previous fiscal year to 8,255.6 billion yen, mainly due to an increase in operating assets with the higher commodity prices, and Japanese yen depreciation. Net interest-bearing debt increased 172.1 billion yen from the end of the previous fiscal year to 1,860.0 billion yen, mainly due to the optional repayment of the perpetual subordinated loan*2 and dividend payment despite the increased free cash inflow. Total equity increased 430.8 billion yen from the end of the previous fiscal year to 2,338.3 billion yen, mainly as a result of increases in retained earnings by net profit accumulation and foreign currency translation adjustments due to Japanese yen depreciation, despite a decrease by the optional repayment of the perpetual subordinated loan*2. Consequently, Net DE ratio stood at 0.80 times.

Notes: 1. Operating profit (loss) is presented in accordance with Japanese accounting practice for investors' convenience and is not required by the International Financial Reporting Standards (IFRS).

Operating profit (loss) is the sum of "Gross trading profit" and "Selling, general and administrative expenses" including "Provision for doubtful accounts" in the consolidated statement of comprehensive income.

2. For details, please refer to "Fund procurement" on page 44 of this booklet. Perpetual subordinated loans are classified as equity instruments under the IFRS. Therefore, as a result of the above repayment, total equity decreased 100.0 billion yen.

3. Net interest-bearing debt is calculated as cash and cash equivalents and time deposits subtracted from the sum of corporate bonds and current and non-current borrowings.

4. From the fiscal year ended March 31, 2022, Marubeni Group early adopted the International Accounting Standard 12 "Income Taxes" (revised in May 2021, hereinafter "IAS 12 "Income Taxes"). Year-on-year comparisons and analyses are based on figures after the accounting standard was retrospectively applied.

Reorganization of Gavilon and Transfer of Gavilon's Shares

At the meeting of its Board of Directors held on January 26, 2022, it was resolved that the Corporation will transfer the grain business of Gavilon Agriculture Investment, Inc. ("Gavilon") to Viterra Limited ("Viterra"), following a reorganization of Gavilon's structure. Currently, Gavilon is a subsidiary of Marubeni America Corporation ("MAC"), a subsidiary of the Corporation, and its main businesses are the handling of grain and ingredients and fertilizer wholesaling in the United States. On January 26, 2022, the Corporation entered into a contract concerning the transfer of Gavilon's shares to Viterra after the reorganization of Gavilon's structure. The transfer is subject to closing conditions and the required regulatory approvals, and is expected to close during the fiscal year ending March 31, 2023.

The Corporation is looking to further accelerate the growth of its grain business and agri-input (agricultural chemicals and fertilizers) business. As part of this, Marubeni will transfer the shares of Gavilon to Viterra after conducting an internal business reorganization involving the following three steps:

1. Eight of the grain elevators held and operated by Gavilon in the northern United States will be transferred to Columbia Grain International, LLC ("CGI"), a subsidiary of the Corporation.
2. Part of the equity interest of a JV grain export terminal business on the U.S. West Coast (or Pacific Northwest, hereafter "PNW") that is held by Gavilon will also be transferred to CGI*
3. Gavilon's fertilizer business will be transferred to MAC.

* Both Gavilon and CGI hold an equity interest in the JV grain export terminal business, Kalama Holdco, LLC ("KHC"), in the U.S. PNW. Part of the equity interest held by Gavilon in KHC will be transferred to CGI.

As a result, the business to be transferred will be Gavilon's grain business (excluding the eight grain elevators transferred to CGI through the internal business reorganization) and the 25% equity interest in KHC held by Gavilon.

The Corporation expects to record a gain from the share transfer in the fiscal year ending March 31, 2023. The Corporation also expects to recover approximately 300 to 400 billion yen, including the collection of loans receivable from Gavilon Group.

Trends in assets, profits and losses

Trends in assets, profits and losses of the Group

(Millions of yen, unless otherwise stated)

Item	95th Business Year	96th Business Year	97th Business Year	98th Business Year
Revenue	7,401,256	6,827,641	6,332,414	8,508,591
Profit (loss) attributable to owners of the parent	230,891	(197,450)	223,256	424,320
Basic earnings (loss) per share attributable to owners of the parent	¥130.74	(¥116.03)	¥126.32	¥242.89
Total assets	6,809,077	6,320,037	6,935,749	8,255,583
Equity	2,071,726	1,604,600	1,907,507	2,338,328

Notes: 1. The Corporation's consolidated financial statements are prepared in accordance with the IFRS pursuant to the provisions of Article 120, Paragraph 1 of the Ordinance on Accounting of Companies.

2. "Basic earnings (loss) per share attributable to owners of the parent" has been calculated based on the average number of outstanding common shares during the period (after deducting the number of treasury shares) and "profit (loss) attributable to owners of the parent" excluding the amount not attributable to ordinary shareholders.

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

4. From the 98th business year, Marubeni Group early adopted the amendments to IAS 12 "Income Taxes." Accordingly, figures for the 97th business year have been reclassified retrospectively.

Trends in assets, profits and losses of the Corporation

(Millions of yen, unless otherwise stated)

Item	95th Business Year	96th Business Year	97th Business Year	98th Business Year
Revenue	—	—	—	1,755,653
Sales	5,500,313	4,545,685	3,531,917	—
Net income	119,302	10,447	85,579	41,807
Net income per share	¥68.74	¥6.02	¥49.28	¥24.09
Total assets	3,392,806	3,262,380	3,470,822	3,401,021
Net assets	677,638	619,819	656,495	564,655

Notes: 1. Net income per share has been calculated based on the average number of outstanding common shares during the business year (after deducting the number of treasury shares) and net income.

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

3. From the 98th business year, the Corporation adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other standards, and for the 98th business year figures reflecting the application of the said standard and other standards are presented.

Main Businesses of the Group

The Group conducts diversified business activities such as importing and exporting (including offshore trading) and domestic business transactions, while providing various services and making domestic and overseas business investment and resource development in Lifestyle, ICT & Real Estate Business, Forest Products, Food, Agri Business, Chemicals, Energy, Metals &

The Group's business by operating segment

	Lifestyle	ICT & Real Estate Business	Forest Products	Food I	Food II	Agri Business	Chemicals	Energy	
98th Business Year	Revenue	94,441	376,987	200,599	740,203	796,007	4,087,726	558,816	714,719
	Gross trading profit (loss)	17,473	114,364	38,176	51,444	71,674	288,118	42,167	66,990
	Operating profit (loss)	1,392	23,618	15,787	8,563	43,711	108,879	20,479	34,330
	Share of profits of associates and joint ventures	335	2,358	642	4,694	2,050	4,568	2,115	5,205
	Profit (loss) attributable to owners of the parent	1,810	17,943	7,625	14,509	35,357	70,774	17,203	37,711
	Segment assets	94,149	456,137	315,535	403,281	376,018	1,957,045	313,061	718,198
97th Business Year	Revenue	123,058	360,105	231,800	643,314	633,476	2,795,466	403,569	447,840
	Gross trading profit	18,233	115,108	24,035	49,078	60,055	198,680	38,955	37,295
	Operating profit (loss)	2,048	27,013	2,728	8,870	34,431	51,233	18,253	3,554
	Share of profits of associates and joint ventures	55	683	(1,441)	5,448	2,677	3,014	1,375	1,088
	Profit (loss) attributable to owners of the parent	2,058	18,556	(2,127)	7,125	21,199	42,426	15,297	11,063
	Segment assets	94,159	449,829	285,931	379,010	313,012	1,402,869	283,728	546,622

Notes: 1. Effective as of the 98th business year, "Food" was divided into "Food I" and "Food II" segments, parts of "Energy" and "Infrastructure Project" were reorganized, parts of "Infrastructure Project" and "Aerospace & Ship" were incorporated into "Metals & Mineral Resources," and a part of "Construction, Industrial Machinery & Mobility" was incorporated into "Finance & Leasing Business." In line with these changes, the figures of operating segments for the 97th business year have been reclassified accordingly.

2. "Operating profit (loss)" is presented in accordance with Japanese accounting practice for investors' convenience and is not required by the IFRS. "Operating profit (loss)" is the sum of "Gross trading profit" and "Selling, general and administrative expenses" including "Provision for doubtful accounts" in the consolidated statement of comprehensive income.

Mineral Resources, Power Business, Infrastructure Project, Aerospace & Ship, Finance & Leasing Business, Construction, Industrial Machinery & Mobility, and Next Generation Business Development operating segments and other diverse fields, through its worldwide business bases and information network.

								(Millions of yen)
Metals & Mineral Resources	Power Business	Infrastructure Project	Aerospace & Ship	Finance & Leasing Business	Construction, Industrial Machinery & Mobility	Next Generation Business Development	Other	Consolidated
425,106	187,489	23,086	85,998	11,438	400,392	3,062	(197,478)	8,508,591
67,732	(9,013)	10,594	31,321	7,108	105,367	2,051	(10,235)	895,331
48,620	(48,762)	(5,898)	19,940	(3,169)	27,516	(2,107)	(8,409)	284,490
158,881	16,308	10,484	7,836	15,670	5,315	12	82	236,555
190,660	(26,889)	7,309	26,642	(1,774)	25,363	(683)	760	424,320
1,070,061	1,122,415	237,836	296,020	389,470	377,020	27,802	101,535	8,255,583
295,380	169,336	22,152	56,490	6,864	290,286	2,759	(149,481)	6,332,414
20,979	11,515	9,992	14,615	3,903	80,826	1,762	(9,613)	675,418
2,935	(24,993)	(5,480)	4,190	(4,264)	16,081	(2,501)	7,455	141,553
61,436	28,396	11,010	3,059	20,781	3,571	110	2	141,264
61,382	9,971	6,803	3,190	8,903	14,709	(2,095)	4,796	223,256
871,790	741,162	227,780	265,651	341,219	353,782	16,598	362,607	6,935,749

3. Inter-segment transactions are generally priced in accordance with the prevailing market prices.

4. The "Other" segment includes headquarters expenses that are not allocated to the operating segments, inter-segment eliminations, and assets for general corporate purposes that are not allocated to the operating segments. The assets for general corporate purposes mainly consist of cash and cash equivalents related to financing, other investments and non-current assets for general corporate purposes.

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

6. From the 98th business year, Marubeni Group adopted earlier application of the amendments to IAS 12 "Income Taxes." Accordingly, figures for the 97th business year have been re-presented retrospectively.

Consumer Products Group

Lifestyle

■ Revenue
94,441 million yen

■ Profit attributable to owners of the parent
1,810 million yen



Circ LLC with textile products recycling technology (U.S.)

Circ LLC, which has textile products recycling technology, is partnering with several brands in product development. The Group seeks to construct a global, circular supply chain by combining the Corporation's global network at every stage of the supply chain and Circ's technological capabilities.

Moreover, the Group strengthened its Direct to Consumer (D2C) business, including the launch of Lit library, an e-commerce site, through tie-ups with social media influencers to sell their original products directly to consumers. Also, Marubeni Footwear launched the e-commerce site of "IFME" children's shoes brand.

ICT & Real Estate Business

■ Revenue
376,987 million yen

■ Profit attributable to owners of the parent
17,943 million yen



Tokiwamatsu House (Minamiaoyama, Minato-ku, Tokyo)

In the ICT field, the Corporation entered into a capital and business alliance agreement with Yoshidumi Holdings Inc., the parent company of Cloud Ace Inc., which is the leading cloud integrator in Japan specializing in Google Cloud™*, a global public cloud service. With the aim of reforming the supply chain of the Japanese publishing Industry to make it more sustainable by accelerating Digital Transformation, the Group established a joint venture company, PubteX Co., Ltd., with Kodansha Ltd., Shueisha Inc., and Shogakukan Inc.

In the real estate field, Tokiwamatsu House (Minamiaoyama, Minato-ku, Tokyo) was completed. Moreover, the Corporation, in collaboration with Yamada Consulting Group Co., Ltd., launched U.S. multi-family residential asset management and master lease services for Japanese corporations and institutional investors.

*Google Cloud is a trademark of Google LLC of the U.S.

Forest Products

■ Revenue
200,599 million yen

■ Profit attributable to owners of the parent
7,625 million yen



Santher's main products (Brazil)

Competitiveness of the afforestation and pulp production and sales business in Indonesia was strengthened through steady operation. The paperboard manufacturing and sales business in Japan achieved robust growth by capturing the recovered demand despite increased costs of raw materials and fuel.

As part of efforts to promote efficient use of forest resources, the Corporation is addressing the biomass fuel business, through means such as the development of its own sources for wood pellets, and is promoting business development in the field of new materials, such as cellulose nanofiber. The containerboard manufacturing plant in Vietnam began commercial operation in the fourth quarter of 2021. In the sanitary paper field, the Corporation is engaged in manufacturing and sales of sanitary paper through Santher - Fábrica de Papel Santa Therezinha S.A., a sanitary goods manufacturer in Brazil, the fourth largest home & personal care market in the world. The Corporation intends to promote sales of premium products and expand sales channels.

Food, Agriculture & Chemicals Group

Food I

■ Revenue
740,203 million yen

■ Profit attributable to owners of the parent
14,509 million yen



Danish Salmon's land-based salmon farming using a recirculating aquaculture system (Denmark)

Amid the COVID-19 pandemic, the public awareness of the importance of well-being and the role of food environments has been reaffirmed, and therefore, the role of foods is expanding, and needs for foods are getting more diversified. The Corporation strives to meet various needs of customers, by strengthening trading functions and marketing of specialty products, and reinforcing production functions.

In the ASEAN region, in order to meet increasing demand for coffee, Iguacu Vietnam Co., Ltd. is scheduled to start commercial operation in fiscal year 2022.

The Corporation will continue initiatives to address the Social Development Goals (SDGs), including through the land-based salmon farming business and the vegetable protein business, so as to offer attractive products attuned to consumer needs.

Food II

■ Revenue
796,007 million yen

■ Profit attributable to owners of the parent
35,357 million yen



Beef processed by Creekstone

The Corporation is committed to contributing to sustainable agriculture, feed manufacturing and sales, and livestock production and offering comprehensive solutions through the stable supply of grains, which constitute staples, oilseeds, animal protein, and feed for livestock. In the grains field, taking advantage of the expertise in manufacturing aquafeed of Marubeni Nisshin Feed Co., Ltd., Marubeni Nisshin Feed Technology (Tianjin) Co., Ltd. was established in China, which began sales in 2021. The aim is to build a system to expand supply in China to meet the ever-increasing demand for farmed fish in China. In the livestock field, the Corporation will strive to expand its business base and ensure a stable supply of animal protein, which is indispensable for the human diet, centering on Creekstone Farms Premium Beef LLC, which processes and sells high-quality premium beef.

Agri Business

■ Revenue
4,087,726 million yen

■ Profit attributable to owners of the parent
70,774 million yen



Providing solutions to customers by IT-based precision agriculture (U.S.)

In the agri-input business field, the Corporation has been promoting further business expansion to contribute to development of agriculture in each country through further enhancement of solution capability for customers by providing IT-based precision agriculture and by utilizing know-how accumulated in North America.

In order to accelerate the growth strategy of the grain business and the agri-input business, the Corporation decided to separate Gavilon's fertilizer business and the grain business and divest the grain business*. The Corporation will continue to hold a stake in Gavilon's fertilizer business and will work to further strengthen the overall agri-input business.

In the grain business, the Corporation will focus on strengthening the supply chain for Japan and Asia and handling of specialty products with high growth potential to achieve further growth.

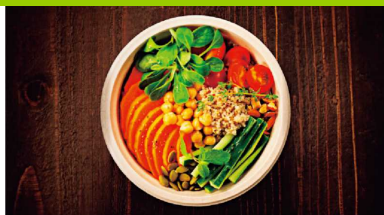
*For details, please refer to "Reorganization of Gavilon and Transfer of Gavilon's Shares" on page 27 of this booklet.

Food, Agriculture & Chemicals Group

Chemicals

■ Revenue
558,816 million yen

■ Profit attributable to owners of the parent
17,203 million yen



Environmentally friendly molded pulp containers

The Corporation is sharpening the effectiveness of its functions to adjust supply and demand for the trade of petroleum chemicals for which it has been maintaining a leading position in the industry and is enriching its solutions-provision business inside and outside Japan for specialty products in the electronics field, such as batteries, displays, and solar power generation modules. The Corporation is also working to expand business in the life sciences field where sustainable growth is expected in line with population increase and in the digital health field, such as AI-based image diagnoses, while also responding to new customer needs emerging from the reorientation of the market toward a sustainable society, such as for environmentally friendly containers. The Corporation continues its initiatives to create new products and systems, going beyond the boundary of conventional chemical products.

Energy & Metals Group

Energy

■ Revenue
714,719 million yen

■ Profit attributable to owners of the parent
37,711 million yen



Liquefied hydrogen carrier (Australia) (photo courtesy of Kawasaki Heavy Industries)

In order to contribute to climate change countermeasures over the medium to long term, in the alternative energy field, the Corporation is conducting projects for production, transportation and supply of hydrogen and ammonia in Japan and overseas, which will lead to elimination of greenhouse gas emissions, and is promoting initiatives for commercialization of a biomass fuel business etc. in the pursuit of reduction of environmental impacts. Regarding conventional energy, revenue grew steadily in the natural gas and LNG business field. Natural gas and LNG are relatively low-carbon energy sources and their importance is increasing at a time of energy transition. Revenue also increased from trading of petroleum and nuclear fuel. The Corporation is striving to strengthen and develop the business foundation by identifying the issues and needs of society and customers, through the demonstrating of its unique functions, while contributing to stable supply of energy and raw materials needed in various business fields.

Metals & Mineral Resources

■ Revenue
425,106 million yen

■ Profit attributable to owners of the parent
190,660 million yen



Centinela Copper Mine (Chile)

In its mainstay mining business at Roy Hill Iron Mine in Australia; Jellinbah East Coal Mine in Australia and other coal mines for coking coal; and copper mines, such as Centinela Copper Mine and other copper mines in Chile, the Corporation is striving to enhance operational stability and profitability through optimization of production, strict cost control, and introduction of advanced technologies, such as AI and IoT. The Corporation is also promoting expansion of the existing business and development of new mining areas for future expansion. In addition, the Corporation is addressing resolution of global social issues through the involvement in aluminum production using 100% hydro power and magnesium production from mine tailings in Canada, and environmental and circular businesses, such as recycling of solar panels and lithium-ion batteries, and supply of battery materials.

Power Business & Infrastructure Group

Power Business

■ Revenue
187,489 million yen

■ Loss attributable to owners of the parent
-26,889 million yen



Offshore wind farm at Noshiro Port in Akita Prefecture (artist's impression courtesy of Akita Offshore Wind Corporation)

In the power generation business, the Corporation expanded the business foundation, including award of seabed rights for development of a floating offshore wind farm in Scotland, commencement of offshore foundation installation for offshore wind farm projects at Akita Port and Noshiro Port, commencement of commercial operation of the Rantau Dedap Geothermal Independent Power Project in Indonesia, and receipt of an order for the Tanajib Cogeneration and Desalination Project in Saudi Arabia. In the power service and retail business, the Corporation is promoting de-centralized power generation business in Mexico, Thailand, and Vietnam and is involved in a battery business through secondary use of end-of-life vehicle batteries in the U.S. Regarding renewable energy, the Corporation commenced proof of concept (PoC) of hydrogen utilization in Wales, the UK, in addition to PoC of green hydrogen production, transportation, and utilization in Australia and Indonesia. The Corporation is promoting projects contributing to decarbonization.

Infrastructure Project

■ Revenue
23,086 million yen

■ Profit attributable to owners of the parent
7,309 million yen



Smart meter-based sales of liquefied petroleum gas (Kenya)

In the energy infrastructure project field, the Corporation participated in the business of selling liquified petroleum gas in Kenya on a pay-as-you-go basis by utilizing smart meters and mobile payment systems. In the transportation infrastructure field, construction of the Manila Light Rail Transit Line 2 East Extension Project in the Philippines, funded by a Japanese-government-backed yen loan, was completed and commercial operation started. In the water infrastructure field, construction of the Shuqaiq 3 Independent Water Project in Saudi Arabia was completed and commercial operation started. In the circular economy field, the Corporation launched production and sale of biomethane from livestock residues in the U.S. In the infrastructure funds field, the Corporation is steadily carrying out management of assets in which it invested.

Transportation & Industrial Machinery, Financial Business Group

Aerospace & Ship

■ Revenue
85,998 million yen

■ Profit attributable to owners of the parent
26,642 million yen



Vertical Aerospace's eVTOL

In the aerospace field, despite the persisting challenging business environment due to the COVID-19 pandemic, the Corporation maintained and enriched existing businesses, such as trading of aircraft and engine components, asset management, and airport ground handling. The Corporation also entered new business fields, including engagement of a business partnership with Vertical Aerospace Group Ltd. of the UK a pioneer in the development of electric Vertical Take-Off and Landing (eVTOL). In the ship field, the Corporation steadily linked the surge in market prices against the backdrop of tight shipping supply and demand to revenue, and performance of the trade and independent ship businesses was brisk. In addition, the Corporation has been proactive in creating new innovative businesses. A PoF project to test autonomous ship operation of passenger boats was successfully completed. Another example is the launch of a capital and business alliance with MarCoPay, which operates a digital currency platform for ship crews.

Finance & Leasing Business

■ Revenue
11,438 million yen

■ Loss attributable to owners of the parent
-1,774 million yen



Automotive finance business by Nowlake Technology (U.S.)

In the auto finance business, the Corporation expanded the scale of business in the U.S. through digital transformation and expansion of sales channels and by capturing robust demand for pre-owned vehicles. The Corporation transferred a part of its equity interest in a subsidiary in Australia to Mizuho Leasing Co., Ltd. and further strengthened joint development of overseas business with Mizuho Leasing.

In the private equity and fund management business, iSigma Business Advancement Funds executed share transfer of two companies and newly invested in four companies. A fund management model utilizing the function and network of a general trading company steadily evolved.

Japan Infrastructure Fund Investment Corporation, which went public in 2020 invests in renewable power generation facilities in Japan. It conducted the second public offering and achieved a total panel output of 90 MW. It is expanding business in the clean energy field.

Construction, Industrial Machinery & Mobility

■ Revenue
400,392 million yen

■ Profit attributable to owners of the parent
25,363 million yen



Q-Quik tire retail store (Thailand)

In the construction machinery field, in addition to strengthening and expansion of the earnings foundation of the distributor business, the Corporation is expanding the provision of new services that go beyond sales of equipment, such as intelligent-construction-related services using digital technology. In the industrial systems and mobility field, as well as working to expand the automobile after-market business in the U.S., the Corporation is making multifaceted efforts, such as sales of chargers for electric vehicles (EVs) and feasibility study of EV battery recycling. In the tire and rubber materials field, the Corporation is expanding networks of tire retail stores in Thailand and Indonesia. In the industrial machinery field, the Corporation is working to expand the range of products it handles, functions, and the customer base, going beyond conventional sales of industrial machinery and machine tools.

CDIO

Next Generation Business Development

■ Revenue
3,062 million yen

■ Loss attributable to owners of the parent
-683 million yen



SHIGETA PARIS's skincare products

The Corporation is promoting new business development and business investment in the fields with dramatic growth potential through 2030. As well as embracing innovative business models from the world through a corporate venture capital (CVC) firm, the Corporation is emphasizing business development targeting next-generation consumers (Generation Z and Millennials) and invested in a Japanese corporation of a French clean beauty brand "SHIGETA PARIS," and in the UK-based e-sports team Fnatic. Furthermore, the Corporation is also vigorously promoting the pharmaceuticals sales business, the healthcare service business, development of smart cities and next-generation industrial parks in Southeast Asia, and businesses related to new technology fields, such as decarbonization, offshore DX, and blockchain.

Future issues for the Group

Economic overview

Looking at the economic environment for the fiscal year ending March 31, 2023, consumption-driven economic growth is expected worldwide as further strict restrictions on economic activity may largely be avoided due to progress with COVID-19 vaccinations and treatments. That being said, stringent restrictions in China to limit the spread of COVID-19 may inhibit consumption. Relatively solid economic growth is expected in the U.S., underpinned by a favorable employment situation, but economic expansion is likely to lose momentum due to the dropping out of the positive effects of fiscal policy, and other factors. Due to the Russia/Ukraine situation, the economic outlook for Europe and other regions with close economic ties with the two countries remains uncertain. Inflation has also remained steep in many parts of the world as primary commodities prices remain at high levels, and there are concerns that this may weigh on consumption and investment.

As for the financial environment, central banks of developed economies are expected to tighten monetary policy in response to high inflation, increasing the risk of capital flight from emerging economies with fragile economic structures. In this environment, the global economy is expected to continue to see solid growth, but at a slower pace.

Update on the Group's Russia-related business given the crisis situation in Ukraine

We, Marubeni Group, are deeply concerned about the situation in Russia and Ukraine, and we are terribly saddened that numerous innocent civilians are having their safety threatened and being forced to endure extreme anxiety. We hereby express our deep condolences to the many people who have lost loved ones or suffered displacement, illness, or injury due to this crisis. We are strongly supporting international diplomatic efforts to reach a peaceful solution, and we sincerely hope that the situation improves and is resolved quickly through these efforts.

We will continue to monitor and strictly comply with all sanctions imposed on Russia by the Japanese government in cooperation with the international community. Furthermore, we will not engage in any new Russia-related business, and we will negotiate terminations of existing transactions wherever possible.

As we continue to gather information and carefully examine the situation, including responses to individual projects, we will take appropriate measures consulting with related parties, including government entities, while keeping the safety of people worldwide our top priority.

Risk exposure*1 to Russia of the Group was 12.3 billion yen at the end of the fiscal year ended March 31, 2022.

*1: Among the assets held by the Corporation and its consolidated subsidiaries, the total amount of long-lived assets such as long-term credit, fixed assets, and investments.

(Reference)

At the end of the fiscal year under review, the book value of aircrafts owned by Aircastle Limited contracted with Russian lessees (equity method affiliate in the aircraft leasing business in the U.S.) was 5.1 billion yen*2 (on a consolidated basis).

*2: The amount of the book value of aircrafts contracted with Russian lessees minus the deposits, etc. deposited from the lessees, was 2.9 billion yen (on a consolidated basis).

Medium-Term Management Strategy

(a) Achievement of the financial targets of GC2021

Results compared with the financial targets of the former Medium-Term Management Strategy GC2021 are indicated below.

KPIs	Financial targets	Results for FYE 3/2022
Consolidated net profit (FYE 3/2022)	300.0 billion yen	424.3 billion yen
Core operating cash flow (Three-year cumulative)	1,200.0 billion yen	1,303.9 billion yen
Free cash flow after delivery of shareholder returns (Three-year cumulative)	+100.0 billion yen or more	+419.2 billion yen
Net D/E ratio	Around 0.7 times*	0.8 times
New investments including CAPEX (Three-year cumulative)	Approx. 900.0 billion yen	Approx. 740.0 billion yen
ROE	10% or more	23.0%

*Revised to around 1.0 times in the revised GC2021

(b) Medium-Term Management Strategy GC2024

Under Medium-Term Management Strategy GC2024, Marubeni Group will maintain its long-term direction, defined by the former Medium-Term Management Strategy GC2021, keeping the focus on our corporate value toward 2030, and will aim at creating value through innovative solutions for its customers and for the world.

<Basic Policy of GC2024>

- Develop and establish a stable earnings base by strengthening current business domains and exploring new business models
- Lead the transition to a Green economy, by expanding “Green business*¹” and “Greening” in all business domains

“Green business”

- Expanding Green Business based on the current business base, which is already strong and profitable
- Creating new Green Business through cross-sectional approaches and utilization of business connections
 - *1. Sustainable businesses which have positive effects on the environment such as decarbonization and the circular economy, and adjacent businesses which supply those businesses with non-substitutable materials, etc.

“Greening”

- Reducing negative impacts on the environment and contributing to the transition to a Circular Economy
- Building sustainable supply chains through cooperation with business partners
- Businesses essential for transition to a decarbonized society (natural gas, LNG, etc.)

■ Business Policies “SPP”

In accordance with the SPP business policies, we strategically shortlist the targets for new investment and promote strengthening of existing businesses and collection of funds and asset replacement with the aim of maximizing the value of the business portfolio of Marubeni Group as a whole.

Strategy

- “Strategy-Focused”, closing the gap between our future vision and the present
- Exploiting dynamic value creation via digital transformation (“DX”)*

Prime

- Taking the initiative to execute the strategy
- Pursuing business through majority investment or mutually complementing partnerships, and proactively contributing to enhancing business value

Platform

- Value creation by utilizing and expanding Marubeni's platform, combining a wide variety of internal and external expertise
- Pursue platform type businesses that provide synergies and long-term growth

■ Improving Profitability

We periodically monitor capital efficiency and risk/return ratio by ROIC*², CROIC*³, and RORA*⁴ so as to achieve improvement in ROE through better asset quality.

*2 ROIC: Return on Invested Capital

*3 CROIC: Cash Return on Invested Capital

*4 RORA: Return on Risk Asset

■ Marubeni Group HR Strategy

We will enhance the Marubeni HR Ecosystem to promote the growth and success of Marubeni Group's human capital, the critical source of our corporate value.

- Mission oriented HR System: Merit based and encourages a challenge mindset
- Developing and Empowering Diversified Human Capital: Optimization of the working environment and strengthening HR development
- Talent Management Committee: Promotion of HR strategy led by core members of the executive team (CEO, CAO, CSO)

<Financial targets of GC2024>

The financial targets of GC2024 are indicated below. We pursue long-term growth of corporate value.

KPIs	Financial targets
Consolidated net profit (FYE 3/2025)	400.0 billion yen
Core operating cash flow (Three-year cumulative)	1,300.0 billion yen
ROE	15% (Net D/E ratio of around 0.7-0.8 times)

<Capital allocation policy and shareholder returns policy of GC2024>

- Capital Allocation Policy: While working to strengthen and enhance our financial foundation, the focus will be on Growth and Shareholder Returns.
 - Maximizing Core operating cash flow
 - Maintaining positive free cash flow after delivery of shareholder returns
(Three-year cumulative free cash flow, excluding effects from changes in working capital)

The plan for new investments including CAPEX for the three horizons are as follows.

Horizon 1: Improvement of existing businesses

Horizon 2: Pursuit of strategies in existing business domains

Horizon 3: White Space = New business models and unapproached business domains

Horizons 1 & 2: 800.0-900.0 billion yen

Horizon 3: 100.0-200.0 billion yen

Free cash flow to be generated by maximization of core operating cash flow will be allocated to new investments, share buybacks or retained for future investment, etc.

- Shareholder Returns Policy: Set a dividend payment floor over the next three years and carry out flexible share buybacks

Dividends

- Aim to increase dividends through profit growth, while maintaining a consolidated dividend payout ratio of 25% or more of consolidated net profit
- Setting the annual dividend announced at the beginning of FYE 3/2023 as the minimum through the GC2024 period

Share Repurchase

- Targeting improved capital efficiency and performance per share, etc.
- The timing and amount of share repurchase to be determined considering the overall business environment

Sustainability at the Group

History to date

The Corporation believes that sustainability for Marubeni Group (The “Group”) means anticipating environmental and social demands, proactively providing solutions, thereby continuing to take up the challenge of creating value.

As the most important elements of sustainability, the Group identified three categories of “Fundamental Materiality,” namely “Human Capital with High Social Value”, “Robust Management Foundation” and “Governance for Coexistence with Society”. As “Environmental and Social Materiality” to be addressed by utilizing the Fundamental Materiality, the Group identified four fields: climate change, sustainable forestry, human rights & co-development with communities, and sustainable & resilient value chains. We believe Group-wide initiatives to address these issues will create environmental and social value and lead to the Group’s sustainable growth and enhancement of corporate value.

Marubeni Long-Term Vision on Climate Change

Climate change is an urgent global issue and crucially important in terms of the Group’s efforts to achieve sustainability. The Group announced “the Marubeni Long-Term Vision on Climate Change” in March 2021 in view of medium- to long-term impacts of climate change on the Group’s business. The Group’s goal under the Long-Term Vision on Climate Change is to achieve net-zero greenhouse gas (GHG) emissions from the Group by 2050 and to contribute to low-carbon and decarbonization. The Group aims to generate a positive impact on climate change issues and achieve growth as a corporate group.



*For details of the Marubeni Long-Term Vision on Climate Change, please refer to the release “The Marubeni Long-Term Vision on Climate Change: Towards Net-Zero GHG Emissions” issued on March 9, 2021.

<https://www.marubeni.com/en/news/2021/release/00022.html>

The Group is also endeavoring to evaluate opportunities and risks for the Group’s business engendered by climate change and to enhance related disclosure. In fiscal year 2021, The Group performed scenario analysis for 10 businesses, which will be relatively more susceptible to the impacts of climate change, and disclosed the policies on responses and strategies based on the results of the scenario analysis in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).



*For details of Disclosure in Line with the Recommendations of the TCFD, please refer to the following.

https://marubeni.disclosure.site/en/themes/15/?id=anc_02



*For details of the Group’s wider sustainability initiatives, please refer to the third Marubeni Sustainability Information Session held in April 2022.

https://marubeni.disclosure.site/en/themes/11/?id=anc_04_02

Specific risks to which the Group's businesses are exposed

Specific risks that may have significant impacts on the Group's business results and financial condition are described below.

<Risks associated with long-lived assets>

Long-lived assets held by the Group include investment in resource development interests, intangible assets, including goodwill as a result of acquisitions, and investment accounted for under the equity method (equity-method investment) without having a majority, in addition to real estate, machinery and equipment, and other property, plant and equipment for business use.

In accordance with IFRS, when impairment indicators exist for a long-lived asset, the Group estimates the recoverable amount of the asset, and if the recoverable amount is below the carrying amount, the carrying amount of the asset is reduced to the recoverable amount and an impairment loss is recognized. The testing for impairment of intangible assets with indefinite useful lives and goodwill is performed regularly at least once a year to determine whether the carrying amount of an asset exceeds the recoverable value regardless of the existence of impairment indicators.

However, if, for reasons such as change in the economic environment and the environment of the industry, revision to the business plan, and change of the policy on holding of such assets, an asset's value has declined significantly more than currently expected, an impairment loss may be incurred, investment may become irrecoverable, or an additional loss may be incurred upon withdrawal. Such decline in asset value may adversely affect the Group's consolidated subsidiaries' business results and financial condition.

Oil and gas development businesses

Prices of oil and natural gas produced and sold by oil and gas development businesses in which the Group is involved are subject to change due to factors that the Group cannot control, including but not limited to worldwide supply/demand imbalance or supply/demand imbalance in each region, economic fluctuations, inventory adjustment, foreign currency exchange rate fluctuations, political and geopolitical situations in major oil producing countries, and the impact of the spread of COVID-19.

Long-lived assets of the oil and gas development businesses in which the Group is involved amount to approx. 100 billion yen, consisting mainly of property, plant and equipment (in the Gulf of Mexico, the U.S., etc.)

Deposits, production output, operating expenses, development expenses for boring production wells, constructing production facilities, etc., exploration expenses, and expenses for mine closures, etc. and business plans that are based on assumptions of these items may be revised owing to fluctuation of product prices and technological and economic factors, as well as the policies of the partners leading the projects, the weather and the environment, procurement, financing, the impact of regulations by the authorities, etc.

Copper and iron ore businesses

In the copper and iron ore businesses in which the Group is involved, commodity prices, such as copper prices and iron ore prices are subject to change due to factors that the Group cannot control, including but not limited to, worldwide supply/demand imbalance or supply/demand imbalance in each region, economic fluctuations, foreign currency exchange rate fluctuations, geopolitical situations, and the impact of the spread of COVID-19.

Long-lived assets of the copper business in which the Group is involved amount to approx. 260 billion yen, consisting mainly of equity-method investments (in Los Pelambres Copper Mine, Centinela Copper Mine, and Antucoya Copper Mine in Chile). Long-lived assets of the iron ore business amount to approx. 180 billion yen, consisting mainly of equity-method investments (in Roy Hill Iron Mine in Australia).

The Group evaluates these equity-method investments based on the business plans formulated by the Group, using price forecasts, taking into consideration data provided by third parties, market conditions, fundamentals, and other factors. However, in the event of fluctuations of product prices and production outputs, sharp increases in capital expenditure and operating expenditure associated with maintenance of production and transportation facilities, change in the business environment, or occurrence of operational problems attributable to infrastructure, such as electricity and water, the business plans may be revised.

Investment in Aircastle Limited (“Aircastle”)

Aircastle, an equity-method affiliated company of the Group, leases aircraft to airlines worldwide. Therefore, if air passenger demand deteriorates, if solvency of the airlines deteriorates significantly due to sharp increases in fuel prices, foreign exchange rate fluctuation, etc., or they go bankrupt, or if lease rates decrease and asset value of aircraft owned by Aircastle significantly decreases, the business results and financial condition of Aircastle may be adversely affected.

Factors that could deteriorate air passenger demand include wars, terrorism, infectious diseases, natural disasters, and aircraft accidents. Moreover, airlines that are lessees of Aircastle are based in various countries worldwide and may be affected by change in local laws and regulations of the countries in which they are based or international laws and regulations and geopolitical risks such as economic sanctions. Regarding investment in Aircastle, the Group conducted an evaluation based on the business plan, assuming that growth of Aircastle will continue, supported by medium- to long-term growth of air passenger demand, while taking into consideration temporary deterioration of financial performance due to the factors mentioned above. If air passenger demand remains sluggish for a long time owing to the spread of COVID-19, Aircastle’s profitability deteriorates due to intensifying competition and a decline in the aircraft value in line with such situation, and Aircastle’s growth becomes slower than the Corporation’s assumption, the business plan may be revised.

The Group’s investment in Aircastle amounts to approx. 131.0 billion yen.

<Significant Lawsuits (Sugar Lawsuits)>

In the course of business activities in Japan and overseas, the Group may be a party to litigation, disputes, and other legal proceedings (collectively, "Lawsuits"). When the Group is a party to Lawsuits, predicting the outcome is impossible given the inherent uncertainty of Lawsuits. Lawsuits may adversely affect the Group's business results and financial condition of the Group.

The Sugar Group, comprised of a group of Indonesian companies, filed a lawsuit against the Corporation, and the Supreme Court of Indonesia ("Supreme Court") ruled in favor of the Corporation in 2011 ("Previous Case"). However, Sugar Group filed another series of lawsuits against the Corporation in which substantially the same claims as those in the Previous Case were made ("South Jakarta Case" and "Gunung Sugih Case"). The Supreme Court ruled against the Corporation in the South Jakarta Case and the Gunung Sugih Case in 2017 and the decisions by the Supreme Court were (and the decision on the Gunung Sugih Case is) formally binding on the Corporation. However, the Corporation filed applications for judicial review ("Judicial Review") before the Supreme Court concerning the South Jakarta Case and the Gunung Sugih Case. With respect to the Corporation's application for Judicial Review of the South Jakarta Case, the Corporation received on December 30, 2020 the official decision on Judicial Review by the Supreme Court. This decision ruled that the Corporation's application for Judicial Review was granted on August 24, 2020; i.e., the Supreme Court's ruling on the South Jakarta Case against the Corporation which the Corporation received on May 17, 2017 was revoked, and all the claims of Sugar Group, as the plaintiffs, were dismissed. With respect to the Corporation's application for Judicial Review of the Gunung Sugih Case, the Corporation received on February 3, 2020 the official decision on Judicial Review by the Supreme Court that the Corporation's application for Judicial Review was not accepted on October 8, 2018. The Corporation filed an application for a second Judicial Review of the Gunung Sugih Case before the Supreme Court on May 18, 2020. However, on May 20, 2020, the Gunung Sugih District Court, to which the application documents of the Corporation for the second Judicial Review of the Gunung Sugih Case was submitted, decided not to accept the Corporation's application and not to refer the Corporation's application to the Supreme Court because of no contradiction between the decision on Judicial Review of the Gunung Sugih Case by the Supreme Court and the ruling of the Supreme Court on the Previous Case. Nevertheless, pursuant to the law by the Supreme Court of Indonesia and relevant laws and regulations, the authority and responsibility to make such decision is granted to the Supreme Court, the institution to implement Judicial Review. Therefore, it is obvious that the decision by the Gunung Sugih District Court not to accept the Corporation's second Judicial Review of the Gunung Sugih Case is unjust. In view of the result of Judicial Review of the South Jakarta Case ruled in favor of the Corporation as stated above, the Corporation filed again an application for the second Judicial Review before the Supreme Court regarding the Gunung Sugih Case on May 31, 2021, and the Gunung Sugih District Court accepted the application.

Separately, the Corporation filed a lawsuit against Sugar Group to seek compensation for damages for, among other matters, reputational damages suffered by the Corporation caused by Sugar Group's torts ("New Case"). In response to the Corporation's claims in the New Case, Sugar Group filed a counterclaim against the Corporation seeking damages on the grounds that the Corporation's filing of the New Case allegedly constitutes a tort against Sugar Group ("Counterclaim"). On December 3, 2020, the Central Jakarta District Court ruled to dismiss both the Corporation's claims in the New Case and the Counterclaim. The Corporation filed an appeal concerning the Corporation's claims in the New Case to the Jakarta High Court on December 15, 2020. On November 8, 2021, the Corporation received a second court decision dismissing both the Corporation's claims in the New Case and the Counterclaim. In response, the Company filed an appeal to the Supreme Court on November 19, 2021, which is pending.

Depending on developments in the Gunung Sugih Case (where the Supreme Court ruled against the Corporation) and other lawsuits against Sugar Group and judicial procedure, the Corporation might be obliged to pay damages based on the rulings against the Corporation, interest, and court costs (in whole or in part) and suffer losses which may adversely affect the Corporation's business results and financial condition. *

*For details of each lawsuit, please refer to "Other important matters concerning the Group's current status."

Note: The South Jakarta Case's defendants include Marubeni Europe PLC.

Fund procurement

The Group procures funds mainly through the Corporation or a domestic financial subsidiary Marubeni Financial Service Corporation. In addition to procuring funds through short-term and long-term borrowings from financial institutions, and issuing of yen-denominated unsecured bonds and short-term bonds (electronic commercial paper), the Corporation issued dollar-denominated unsecured bonds in the total amount of 500 million U.S. dollars in September 2021, which are “green” bonds whose use is limited to projects that help solve environmental problems.

In order to further strengthen the financial foundation, the Corporation issued perpetual subordinated loans in the amount of 250 billion yen (Tranche A 100 billion yen and Tranche B 150 billion yen) in August 2016. The Corporation made an optional repayment for Tranche A in August 2021. To fund Tranche A, the Corporation issued corporate hybrid bonds (subordinated debt) in the total amount of 75 billion yen in March 2021 and completed the closing of financing by withdrawing funds from a hybrid loan (subordinated commitment loan) facility for an aggregate principal amount of up to 25 billion yen in August 2021. Furthermore, the Corporation’s overseas financial subsidiaries, corporate subsidiaries, and other consolidated subsidiaries raised funds through borrowings from financial institutions.

Net interest-bearing debt increased 172.1 billion yen from the end of the previous business year to 1,860.0 billion yen.

Major lenders

(Millions of yen)	
Lender name	Balance of borrowings at end of the business year
Mizuho Bank, Ltd.	192,056
Meiji Yasuda Life Insurance Company	112,220
Development Bank of Japan Inc.	109,800
Sumitomo Mitsui Banking Corporation	103,611
Nippon Life Insurance Company	88,875
MUFG Bank, Ltd.	87,041
The Dai-ichi Life Insurance Company, Limited	76,239
Japan Bank for International Cooperation	51,463
Sumitomo Mitsui Trust Bank, Limited	47,245
SUMITOMO LIFE INSURANCE COMPANY	42,900

Notes: 1. The balances of borrowings are the total balances of borrowings of Marubeni Corporation and Marubeni Financial Service Corporation.
2. The amounts below 1 million yen are rounded off.

Status of capital investment, etc.

The Corporation made no major capital investment within fiscal year 2021.

Status of major subsidiaries and consolidation of major businesses

Status of major subsidiaries and affiliates

Operating Segment

Company name		Holding ratio (%)	Main businesses
Lifestyle			
Marubeni Intex Co., Ltd.	Subsidiary	100.00	Sales of materials for industrial and consumer applications and lifestyle goods
Marubeni Fashion Link, Ltd.	Subsidiary	100.00	Planning, manufacturing and sales of apparel products, and miscellaneous goods.
Saide Tekstil Sanayi ve Ticaret A.S.	Affiliate	45.49	Planning, manufacturing, and sales of apparel and miscellaneous goods
ICT & Real Estate Business			
Japan REIT Advisors Co., Ltd.	Subsidiary	100.00	Asset management services for investment companies
Marubeni Information Systems Co., Ltd.	Subsidiary	100.00	Provision of full range of IT solutions for computing, networking, and information systems
MX Mobiling Co., Ltd.	Subsidiary	100.00	Sales of mobile phones and related products
ARTERIA Networks Corporation	Subsidiary	50.01	Data communication services for business and for condominiums
Forest Products			
Marubeni Forest LinX Co., Ltd.	Subsidiary	100.00	Wholesale of forest products including all types of paper
KOA KOGYO CO., LTD.	Subsidiary	79.95	Manufacturing and sales of paper and paperboard
PT. Tanjungenim Lestari Pulp and Paper	Subsidiary	85.06	Manufacturing and sales of pulp
Food I			
Yamaboshiya Co., Ltd.	Subsidiary	75.62	Wholesale of confectionery products
Aeon Market Investment Inc.	Affiliate	28.18	Investment company for United Super Markets Holdings Inc.
Food II			
Wellfam Foods Corporation	Subsidiary	100.00	Production, processing, and sales of meat products
Marubeni Nisshin Feed Co., Ltd.	Subsidiary	60.00	Manufacturing and sales of feed
Agri Business			
Gavilon Agriculture Investment, Inc.	Subsidiary	100.00	Holding company for the Gavilon Group (collection of goods and sales of grain)
Gavilon Fertilizer, LLC	Subsidiary	100.00	Wholesale and sale of fertilizer
Helena Agri-Enterprises, LLC	Subsidiary	100.00	Sales of agricultural materials and provision of various services
Katakura & Co-op Agri Corporation	Affiliate	22.72	Manufacturing and sales of fertilizer and sales of feed and goods
Chemicals			
Marubeni Chemix Corporation	Subsidiary	100.00	Domestic sales and foreign trade of organic chemicals and functional chemicals
Marubeni Plax Corporation	Subsidiary	100.00	Domestic sales and foreign trade of plastic resins and products
Olympus Holding B.V.	Subsidiary	100.00	Investment in feed additive distribution business
Energy			
Marubeni Energy Corporation	Subsidiary	66.60	Sales of petroleum, petrochemical products and LNG, management and operation of terminals and service stations, etc.
Marubeni Oil & Gas (USA) LLC	Subsidiary	100.00	Exploration, development, production and sales of crude oil and natural gas
Metals & Mineral Resources			
Marubeni Resources Development Pty Ltd	Subsidiary	100.00	Investment in coking coal business in Australia
Marubeni Iron Ore Australia Pty. Ltd.	Subsidiary	100.00	Investment in iron ore business in Australia
Marubeni LP Holding B.V.	Subsidiary	100.00	Investment in copper business in Chile
Marubeni-Itochu Steel Inc.	Affiliate	50.00	Import/export, sales and processing of steel products
Power Business			
Axia Power Holdings B.V.	Subsidiary	100.00	Overseas power assets holding company
TeaM Energy Corporation	Affiliate	50.00	Power generation business in the Philippines
TrustEnergy B.V.	Affiliate	50.00	Investment company for power generation business in Portugal

Company name		Holding ratio (%)	Main businesses
Infrastructure Project			
Marubeni Protechs Corporation	Subsidiary	100.00	Sales of plant and machinery for steel and nonferrous industry, environmental business including sales of environmental equipment, overseas plant construction and engineering work as well as logistics for machinery and equipment
MM Capital Partners Co., Ltd.	Subsidiary	90.00	Management and operation of infrastructure equity fund
Aguas Decima S.A.	Subsidiary	100.00	Provision of full water and wastewater services in Chile
Aerospace & Ship			
Marubeni Aerospace Corporation	Subsidiary	100.00	Import and sales of aircraft and related parts
MMSL Japan Ltd.	Subsidiary	100.00	Operation and management of ships and sales of materials and equipment for ships
Marubeni Aviation Parts Trading LLC	Subsidiary	100.00	Investment in aviation parts trading business
MMSL Pte. Ltd.	Subsidiary	100.00	Ship owning and management
Finance & Leasing Business			
MAI Holding LLC	Subsidiary	100.00	Investment in automotive financing business
Marubeni Aviation Holding Cooperatief U.A.	Subsidiary	100.00	Investment in aircraft operating leasing business
Marubeni SuMiT Rail Transport Inc.	Affiliate	50.00	Holding company for the rolling stock leasing business in North America
PLM Fleet, LLC	Affiliate	50.00	Refrigerated trailer leasing and rental business
Construction, Industrial Machinery & Mobility			
Marubeni Techno-Systems Corp.	Subsidiary	100.00	Domestic sales and import/export of various kinds of industrial machinery
Marubeni Auto Investment (UK) Limited	Subsidiary	100.00	Investment in car dealership business
Temsa Is Makinalari Imalat Pazarlama Ve Satis A.S.	Subsidiary	90.00	Distributor of construction machinery manufactured by Komatsu
Next Generation Business Development			
Marubeni Ventures Inc.	Subsidiary	100.00	Investing in startup companies

- Notes: 1. “Subsidiary” means a consolidated subsidiary and “Affiliate” means an equity-method affiliate.
2. The holding ratio includes the ratio of interests held through the Corporation’s consolidated subsidiaries and equity-method affiliates.
3. The Corporation plans to transfer all the shares of Gavilon Agriculture Investment, Inc. held by the Corporation within fiscal year 2022. For details, please refer to “Reorganization of Gavilon and Transfer of Gavilon’s Shares” on page 27 of this booklet.
4. Olympus Holding B.V. is a holding company of Orffa International Holding B.V. that operates the feed additives distribution business worldwide.
5. Marubeni Iron Ore Australia Pty. Ltd. is a holding company of Roy Hill Holdings Pty Ltd that operates iron ore business in Australia.
6. MAI Holding LLC is a holding company of Nowlake Technology, LLC that invests in Westlake Services, LLC and Nowcom, LLC that operate automotive finance business in the U.S.
7. Marubeni Aviation Holding Cooperatief U.A. is a holding company of Aircastle Limited that operates aircraft operating leasing business in the U.S.

Status of business consolidation

	95th Business Year	96th Business Year	97th Business Year	98th Business Year
Consolidated subsidiaries	282	309	310	315
Equity-method affiliated companies	149	144	146	148

Note: The number of consolidated subsidiaries and equity-method affiliated companies has been representing companies which the Corporation directly consolidates or to which the Corporation applies the equity method. Affiliates consolidated by consolidated subsidiaries are excluded from this number.

Major business bases of the Group

Domestic

The Corporation's Head Office	4-2, Ohtemachi 1-chome, Chiyoda-ku, Tokyo
The Corporation's branches and offices	12 branches and offices including Hokkaido, Tohoku, Chubu, Osaka, Chugoku and Kyushu branches

Overseas

The Corporation's branches and offices	56 branches and offices including Johannesburg, Istanbul, Singapore, Kuala Lumpur, Bangkok and Manila branches
Overseas corporate subsidiaries	29 overseas corporate subsidiaries including Marubeni America Corporation, Marubeni Europe plc, Marubeni ASEAN Pte. Ltd. and Marubeni (China) Co., Ltd., and 34 branches and offices of these subsidiaries

Note: The status of major companies of the Group is as described in "Status of major subsidiaries and consolidation of major businesses" on page 45-46 of this booklet.

Employees of the Group

Number of employees of the Group

Operating Segments		Number of employees of the Group		Number of employees of the Corporation
Consumer Products Group	Lifestyle	913	[75]	166
	ICT & Real Estate Business	8,983	[2,989]	268
	Forest Products	3,096	[467]	176
Food, Agriculture & Chemicals Group	Food I	2,339	[354]	232
	Food II	3,803	[239]	147
	Agri Business	8,324	[970]	60
	Chemicals	1,040	[61]	257
Energy & Metals Group	Energy	955	[1,144]	240
	Metals & Mineral Resources	452	[25]	209
Power Business & Infrastructure Group	Power Business	1,611	[145]	356
	Infrastructure Project	603	[17]	217
Transportation & Industrial Machinery, Financial Business Group	Aerospace & Ship	397	[15]	117
	Finance & Leasing Business	337	[3]	112
	Construction, Industrial Machinery & Mobility	10,364	[281]	245
CDIO	Next Generation Business Development	294	[13]	71
Other	Other (Corporate Staff Group, administration, etc.)	2,589	[247]	1,506
Total		46,100	[7,045]	4,379

- Notes: 1. In the case of certain consolidated subsidiaries, the number of employees is not as of the end of the business year under review.
2. Secondees are included in the number of employees of the segment to which the organizations they are seconded belong.
3. The average annual number of temporary employees is described in the parenthesis without including it in the number of employees.
4. The number of employees of the Corporation including local employees of overseas branches, offices and corporate subsidiaries (378 persons) and secondees from other companies (130 persons) and excluding secondees to other companies (1,384 persons) was 3,503.

Other important matters concerning the Group's current status

Significant Lawsuits

Please be advised of the following summary of the current state of the two lawsuits ("Two Current Cases") involving the Corporation filed before the Indonesian courts by "Sugar Group", an Indonesian corporate group.

Sugar Group filed lawsuits against the Corporation before the South Jakarta District Court and the Gunung Sugih District Court (together, "Two Current Cases", or individually, "South Jakarta Case" and "Gunung Sugih Case"), in which substantially the same claims, including a claim for compensation for damages, were made in a lawsuit on which the Corporation received the ruling of the Supreme Court of Indonesia ("Supreme Court") in favor of the Corporation on March 17, 2011 ("Previous Case"). As the first instance court and the second instance court partially ruled in favor of Sugar Group in the Two Current Cases, the Corporation appealed to the Supreme Court. The Corporation received the Supreme Court's rulings on the South Jakarta Case and the Gunung Sugih Case on May 17, 2017 and September 14, 2017, respectively.

South Jakarta Case

The court found four of the six defendants, including the Corporation and Marubeni Europe PLC, jointly liable for damages in a total amount of US\$250 million to the plaintiffs, i.e., five Sugar Group companies (PT. Indolampung Perkasa ("ILP"), PT. Sweet Indolampung ("SIL"), PT. Gula Putih Mataram ("GPM"), PT. Indolampung Distillery ("ILD") and PT. Garuda Pancaarta ("Garuda")).

Gunung Sugih Case

The court found five of the seven defendants, including the Corporation, jointly liable for damages in a total amount of US\$250 million to the plaintiffs, i.e., four Sugar Group companies (ILP, SIL, GPM and ILD).

The Corporation financed ILP and SIL and demanded repayments as the creditor. In response, the Previous Case and the Two Current Cases were filed by Sugar Group, including ILP and SIL, as the debtors (ILP, SIL, GPM and ILD became group companies of Garuda as a result of public tender under the control of the Indonesian government following the Asian currency crisis in the late 1990s), against the defendants including the Corporation, as the creditor, in an attempt to avoid repaying the debts. As stated above, the Corporation won the Previous Case.

The Corporation notes that the Two Current Cases consist of substantially the same claims as previously decided by the Supreme Court in the Previous Case ruled in favor of the Corporation. Therefore, the Supreme Court's rulings on the Two Current Cases contradict its own ruling on the Previous Case that dismissed all of Sugar Group's claims. Thus, pursuant to Indonesian Supreme Court legislation, the Corporation filed applications for judicial review ("Judicial Review") before the Supreme Court concerning the South Jakarta Case and the Gunung Sugih Case on October 24, 2017 and February 6, 2018, respectively. With respect to the Corporation's application for Judicial Review of the South Jakarta Case, the Corporation received on December 30, 2020 the official decision on Judicial Review by the Supreme Court. This decision ruled that the Corporation's claim for Judicial Review was granted on August 24, 2020; i.e., the Supreme Court's ruling on the South Jakarta Case against the Corporation which the Corporation received on May 17, 2017 was revoked, and all the claims of Sugar Group, as the plaintiffs, were dismissed.

On the other hand, with respect to the Corporation's application for Judicial Review of the Gunung Sugih Case ("Judicial Review Application of the Gunung Sugih Case"), the Corporation, through the Gunung Sugih District Court, received on February 3, 2020 the official decision on Judicial Review by the Supreme Court that the Corporation's Application for Judicial Review of the Gunung Sugih Case was not accepted. As mentioned above, the Corporation received the ruling of the Supreme Court of the Gunung Sugih Case on September 14, 2017 and filed the Judicial Review Application of the Gunung Sugih Case on February 6, 2018, before the deadline for filing a judicial review application, which had to be filed within 180 days from the date of receipt of the ruling. The decision on Judicial Review of the Gunung Sugih Case by the Supreme Court found that the Corporation's receipt of the ruling of the Supreme Court of the Gunung Sugih Case was on December 8, 2016 and the Judicial Review Application of the Gunung Sugih Case was not accepted because the Judicial Review Application of the Gunung Sugih Case was filed on February 6, 2018 after the deadline.

However, although it is obvious from the notice of the ruling received by the Corporation that the date of the Corporation's receipt of the ruling of the Supreme Court of the Gunung Sugih Case was on September 14, 2017, the decision on Judicial Review of the Gunung Sugih Case by the Supreme Court does not present the evidence on which the Supreme Court determined that the date of the Corporation's receipt of the ruling of the Supreme Court of the Gunung Sugih Case is December 8, 2016. Therefore, the Corporation considers the decision on Judicial Review of the Gunung Sugih Case by the Supreme Court to be unjust based on an apparent mistake of fact. The Corporation analyzed the content of the decision on Judicial Review of the Gunung Sugih Case by the Supreme Court and examined available legal measures that it could take with respect to the decision on Judicial Review of the Gunung Sugih Case by the Supreme Court under the judicial review system pursuant to the law by the Supreme Court of Indonesia. Subsequently, the Corporation filed an application for a second Judicial Review of the Gunung Sugih Case before the Supreme Court on May 18, 2020 because of contradiction between the decision on Judicial Review of the Gunung Sugih Case by the Supreme Court and the ruling of the Supreme Court on the Previous Case.

However, on May 20, 2020, the Gunung Sugih District Court, to which the application documents of the Corporation for second Judicial Review of the Gunung Sugih Case was submitted, decided not to accept the Corporation's application and not to refer the Corporation's application to the Supreme Court because of no contradiction between the decision on Judicial Review of the Gunung Sugih Case by the Supreme Court and the ruling of the Supreme Court on the Previous Case. Nevertheless, pursuant to the law by the Supreme Court of Indonesia and relevant laws and regulations, the authority and responsibility to make such decision is granted to the Supreme Court, the institution to implement Judicial Review. Therefore, it is obvious that the decision by the Gunung Sugih District Court not to accept the Corporation's second Judicial Review of the Gunung Sugih Case is unjust. In view of the result of Judicial Review of the South Jakarta Case ruled in favor of the Corporation as stated above, the Corporation filed again an application for the second Judicial Review before the Supreme Court regarding the Gunung Sugih Case on May 31, 2021, and the Gunung Sugih District Court accepted the application.

In light of the above situation, there is no information that requires the Corporation to change its belief that the Supreme Court's ruling on the Gunung Sugih Case will probably become invalid, and the Corporation recognizes no provision for loss on litigation concerning the Gunung Sugih Case as of March 31, 2022.

Sugar Group denied the validity of the finances provided by the Corporation to Sugar Group and the validity of accompanying security interests that were confirmed by the Supreme Court in the Previous Case. In response, the Corporation filed a lawsuit against Sugar Group before the Central Jakarta District Court on April 26, 2017 to seek compensations for damages of approximately US\$1.6 billion for, among other matters, reputational damages suffered by the Corporation caused by Sugar Group's torts ("New Case"). In response to the New Case, on April 30, 2019, Sugar Group filed a counterclaim against the Corporation seeking damages of US\$7.75 billion in the aggregate on the grounds that the Corporation's filing of the New Case allegedly constitutes a tort against Sugar Group ("Counterclaim"). On December 3, 2020, the Central Jakarta District Court ruled to dismiss both the Corporation's claim in the New Case and the Counterclaim. The Corporation filed an appeal concerning the Corporation's claims in the New Case to the Jakarta High Court on December 15, 2020. On November 8, 2021, the Corporation received the decision of the Jakarta High Court dismissing both the Corporation's claims in the New Case and the Counterclaim. In response, the Company filed an appeal to the Supreme Court on November 19, 2021. The Corporation will continue to pursue the New Case and to defend the Counterclaim in due course with a view to obtaining a ruling by the competent Indonesian court in the Corporation's favor to admit the Corporation's claims and to dismiss Sugar Group's Counterclaim.

II. Matters Concerning the Corporation's Shares

Total number of issuable shares 4,300,000,000

Total number of shares issued	95th Business Year	96th Business Year	97th Business Year	98th Business Year
	1,737,940,900	1,737,940,900	1,737,940,900	1,738,475,497

(Note) The total number of shares issued increased (534,597 shares) because the Corporation issued 167,883 shares and 366,714 shares of common stock to Directors (excluding Outside Directors) and Executive Officers, respectively, on July 21, 2021, which are shares with restriction on transfer under the Restricted Stock remuneration plan.

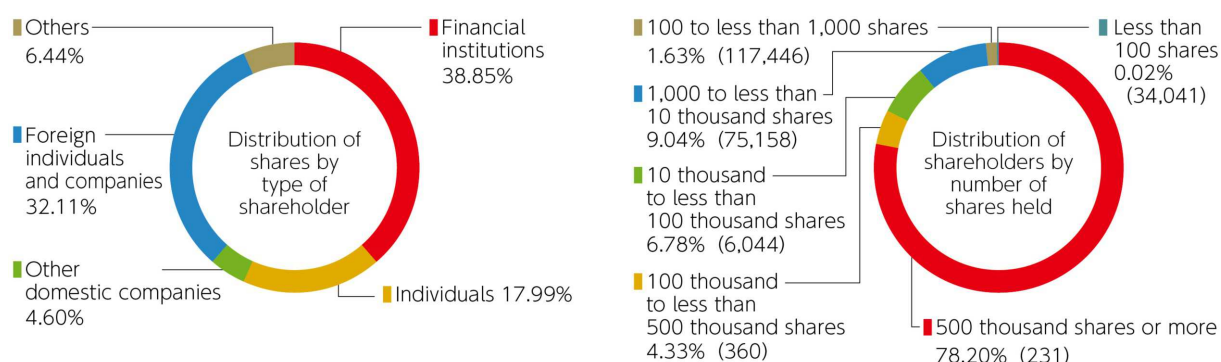
Total number of shareholders	95th Business Year	96th Business Year	97th Business Year	98th Business Year
	171,841	194,719	209,517	233,280

Major shareholders

Name of shareholder	Stake in the Corporation	
	Number of shares held	Shareholding ratio
	thousands of shares	%
The Master Trust Bank of Japan, Ltd. (Trust account)	304,293	17.67
Custody Bank of Japan, Ltd. (Trust account)	115,917	6.73
Euroclear Bank SA/NV	94,315	5.48
Meiji Yasuda Life Insurance Company	37,636	2.19
Mizuho Bank, Ltd.	30,000	1.74
Sompo Japan Insurance Inc.	30,000	1.74
STATE STREET BANK WEST CLIENT - TREATY 505234	28,130	1.63
Nippon Life Insurance Company	23,400	1.36
JP MORGAN CHASE BANK 385781	20,065	1.17
BNYM AS AGT/CLTS NON TREATY JASDEC	18,571	1.08

Notes: 1. The number of shares held of less than 1,000 shares was discarded.
 2. As for the shareholding ratio, all numbers are rounded off to the second decimal place.
 3. The shareholding ratio was calculated by excluding treasury shares.

Distribution of shareholders



Note: The sum of each ratio may not be 100% because each ratio has been rounded off.

Shares granted to the Corporation's officers as compensation for the execution of their duties during the fiscal year under review

	Class and number of shares	Number of persons to whom shares were granted
Directors (excluding Outside Directors)	167,883 shares of the Corporation's common stock	7

(Note) No shares were granted to Outside Directors and Audit & Supervisory Board Members as compensation for the execution of their duties during the fiscal year under review.

III. Matters Concerning the Corporation's Officers

Name and other information of Directors and Audit & Supervisory Board Members

(As of March 31, 2022)

Status	Name	Area(s) of responsibility and Status of important concurrent occupations or positions at other organizations
Chairman of the Board	Fumiya Kokubu	Member of the Board, TAISEI CORPORATION; Director, Honda Motor Co., Ltd.
Vice Chairman, Member of the Board	Ichiro Takahara	
* President and CEO, Member of the Board	Masumi Kakinoki	
* ◇ Member of the Board	Akira Terakawa	Chief Executive Officer, Food, Agriculture & Chemicals Group; Vice Chairman of Investment and Credit Committee Director, United Super Markets Holdings Inc.
* Member of the Board	Mutsumi Ishizuki	Chief Administrative Officer (CAO); Senior Operating Officer, Audit Dept.; Senior Operating Officer, Executive Secretariat; Vice Chairman of Investment and Credit Committee; Chief Compliance Officer (CCO); Chairman of Internal Control Committee; Chairman of IT Strategy Committee (CIO)
* Member of the Board	Kenichiro Oikawa	Chief Digital Innovation Officer (CDIO); Chief Strategy Officer (CSO); Regional CEO for East Asia; Regional CEO for Japan Business; Vice Chairman of Investment and Credit Committee
* Member of the Board	Takayuki Furuya	Chief Financial Officer (CFO); Chief Operating Officer, Investor Relations and Credit Ratings; Chairman of Investment and Credit Committee; Chief Sustainable Development Officer (CSDO); Chairman of Disclosure Committee
Member of the Board	Takao Kitabata	Director, Kobe Steel, Ltd.; Director, SEIREN Co., Ltd.; Director, Zeon Corporation; President, KAISHI PROFESSIONAL UNIVERSITY, Niigata Sogo Gakuin Academic Corporation
Member of the Board	Kyohei Takahashi	Audit & Supervisory Board Member, Fukoku Mutual Life Insurance Company
Member of the Board	Yuri Okina	Chairman, The Japan Research Institute, Limited; Director, Bridgestone Corporation
Member of the Board	Takashi Hatchoji	Director, Nitto Denko Corporation
Member of the Board	Masato Kitera	Director, Member of the Board, NIPPON STEEL CORPORATION; Member of the Board, Japan Tobacco Inc.
◇ Member of the Board	Shigeki Ishizuka	Vice Chairman, Representative Corporate Executive Officer, Sony Group Corporation; Director, Sony Corporation
Full-time Audit & Supervisory Board Member	Hikaru Minami	
◇ Full-time Audit & Supervisory Board Member	Toshiaki Kida	
Audit & Supervisory Board Member	Tsuyoshi Yoneda	Director, Japan Exchange Group, Inc.
Audit & Supervisory Board Member	Yoichi Kikuchi	Attorney at law; Statutory Auditor, Asahi Mutual Life Insurance Company
Audit & Supervisory Board Member	Shigeru Nishiyama	Professor, Waseda Business School (Graduate School of Business and Finance); Auditor of the Board (Outside), Mitsui Sumitomo Insurance Company, Limited; Member of the Board/Audit and Supervisory Committee Member, UNIPRES CORPORATION; Director, Chairman of the Audit Committee, Macromill, Inc.; Director, TOKYO ENERGY & SYSTEMS INC.

Notes: 1. Persons marked with * are Representative Directors.

2. Persons marked with ◇ were newly elected at the 97th Ordinary General Meeting of Shareholders held on June 24, 2021, and assumed office.

3. Mr. Takao Kitabata, Mr. Kyohei Takahashi, Ms. Yuri Okina, Mr. Takashi Hatchoji, Mr. Masato Kitera, and Mr. Shigeki Ishizuka are Outside Directors.

4. Mr. Tsuyoshi Yoneda, Mr. Yoichi Kikuchi, and Mr. Shigeru Nishiyama are Outside Audit & Supervisory Board Members.

5. Mr. Takao Kitabata, Mr. Kyohei Takahashi, Ms. Yuri Okina, Mr. Takashi Hatchoji, Mr. Masato Kitera, Mr. Shigeki Ishizuka, Mr. Tsuyoshi Yoneda, Mr. Yoichi Kikuchi, and Mr. Shigeru Nishiyama meet the requirements for Independent Directors/Auditors set forth by domestic financial instruments exchanges and in the "Standards and Policies for the Independence of Outside Directors/Audit & Supervisory Board Members of the Corporation" on page 20 of this booklet; hence, the Corporation has appointed them as Independent Directors/Auditor and notified their appointment to Tokyo Stock Exchange Inc., which is the financial instruments exchange on which the Corporation's stock is listed.

6. (i) Audit & Supervisory Board Member Mr. Hikaru Minami served as Managing Executive Officer, Member of the Board; CAO; Senior Operating Officer, Audit Dept. Hence, he has considerable knowledge about finance and accounting.

(ii) Audit & Supervisory Board Member Mr. Shigeru 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.

7. Mr. Kazuro Gunji retired from office of Audit & Supervisory Board Member at the close of the 97th Ordinary General Meeting of Shareholders held on June 24, 2021.

8. The “Chief Administrative Officer (CAO)” is the Chief Operating Officer of Human Resources Dept., General Affairs Dept., Information Strategy Dept., Risk Management Dept., Legal Dept. and Compliance Control Dept. The “Chief Digital Innovation Officer (CDIO)” is the Chief Operating Officer of Digital Innovation Dept. and Next Generation Business Development Div. The “Chief Strategy Officer (CSO)” is the Chief Operating Officer of Corporate Planning & Strategy Dept., Regional Coordination & Administration Dept., and Research Institute. The “Chief Financial Officer (CFO)” is the Chief Operating Officer of Corporate Communications Dept., Corporate Accounting Dept., Business Accounting Dept., Finance Dept. and Sustainability Management Dept.

9. The changes in Board Members’ and Audit & Supervisory Board Members’ Status of Important Concurrent Occupations or Positions at Other Organizations during the business year under review are as follows.

Status	Name	Detail of change	Date of change
Member of the Board	Takashi Hatchoji	Retired from office of Director, KONICA MINOLTA, INC.	June 17, 2021
Audit & Supervisory Board Member	Yoichi Kikuchi	Assumed office of Statutory Auditor, Asahi Mutual Life Insurance Company	July 2, 2021
Audit & Supervisory Board Member	Shigeru Nishiyama	Assumed office of Director, TOKYO ENERGY & SYSTEMS INC.	June 29, 2021

10. The status, names, and area(s) of responsibility of Executive Officers as of April 1, 2022 are as follows.

Executive Officers

(As of April 1, 2022)

Name	Area(s) of responsibility	Name	Area(s) of responsibility
President and CEO		Executive Officers	
*Masumi Kakinoki		Minoru Tomita	General Manager, Osaka Branch
Senior Executive Vice President		Tsuyoshi Teragaki	Chief Operating Officer, Forest Products Div.
*Akira Terakawa	Chief Executive Officer, Consumer Products Group; Vice Chairman of Investment and Credit Committee	Satoru Ichinokawa	Chief Operating Officer, Chemicals Div.
Senior Managing Executive Officers		Takashi Imamura	General Manager, Research Institute
Hajime Kawamura	Chief Executive Officer, Transportation & Industrial Machinery, Financial Business Group	Tatsuya Abe	Chief Operating Officer, ICT Business & Logistics Div.
*Mutsumi Ishizuki	Chief Administrative Officer (CAO); Senior Operating Officer, Audit Dept.; Senior Operating Officer, Executive Secretariat; Vice Chairman of Investment and Credit Committee; Chief Compliance Officer (CCO); Chairman of Internal Control Committee; Chief Information Officer (CIO)	Takashi Yao	Regional CEO for Oceania; Managing Director, Marubeni Australia
Managing Executive Officers		Koichi Ariizumi	General Manager, Legal Dept.
Jun Horie	Chief Executive Officer, Materials Group	Koji Kashima	General Manager, Human Resources Dept.
*Kenichiro Oikawa	Chief Strategy Officer (CSO); Regional CEO for East Asia; Regional CEO for Japan Business; Vice Chairman of Investment and Credit Committee	Taro Kawabe	Chief Operating Officer, Finance, Leasing & Real Estate Business Div.
*Takayuki Furuya	Chief Financial Officer (CFO); Chief Operating Officer, Investor Relations and Credit Ratings; Chairman of Investment and Credit Committee; Chief Sustainable Development Officer (CSDO); Chairman of Disclosure Committee	Koichi Uchida	Chief Operating Officer, Energy Div.
Yoshiaki Yokota	Chief Executive Officer, Energy & Infrastructure Solution Group	Satoru Harada	Chief Operating Officer, Power Div.
Hidekazu Futai	Chief Operating Officer, Agri Business Div.	Masayuki Omoto	Chief Digital Innovation Officer (CDIO); Chief Operating Officer, Next Generation Business Development Div.
Jiro Itai	Chief Operating Officer, Construction, Industrial Machinery & Mobility Div.	Takeshi Mamiya	Regional CEO for ASEAN & Southwest Asia; Regional COO for ASEAN; Managing Director, Marubeni ASEAN Pte. Ltd.
Kosuke Takechi	Regional CEO for the Americas; Regional COO for North & Central America; President and CEO, Marubeni America Corporation; President and CEO, Marubeni Canada Ltd.	Satoru Yokoshiki	General Manager, Business Accounting Dept.
Takao Ando	General Manager, Risk Management Dept.	Hideyoshi Iwane	General Manager, Corporate Accounting Dept.
Seiichi Kuwata	Regional CEO for Europe & CIS; Regional COO for Europe; Managing Director and CEO, Marubeni Europe plc	Chijo Tajima	General Manager, Finance Dept.
		Hiroimitsu Morishima	Chief Operating Officer, Lifestyle Div.
		Hiromichi Mizuno	General Manager, Corporate Planning & Strategy Dept.
		Yasuhiko Ogura	General Manager, Executive Secretariat
		Kei Tomomi	Chief Operating Officer, Infrastructure Project Div.
		Toshio Shinoda	Regional CEO for China; President, Marubeni (China) Co., Ltd.; Chairman & CEO, Marubeni (Shanghai) Co., Ltd.
		Tomonobu Miki	Chief Operating Officer, Food Division - I
		Daisuke Tsuchiya	Chief Operating Officer, Metals & Mineral Resources Div.
		Toru Okazaki	Chief Operating Officer, Aerospace & Ship Div.
		Hidefumi Oya	Chief Operating Officer, Food Division - II
		Toshihiro Fukumura	Chief Operating Officer, Next Generation Corporate Development Div.

Notes: 1. The person marked with * is the Representative Director.

2. "Consumer Products Group" collectively refers to Lifestyle Div., ICT Business & Logistics Div., Food Div.-I, Food Div.-II, and Agri Business Div. "Materials Group" collectively refers to Forest Products Div., Chemicals Div., and Metal & Mineral Resources Div. "Energy & Infrastructure Solution Group" collectively refers to Energy Div., Power Div., and Infrastructure Project Div. "Transportation & Industrial Machinery, Financial Business Group" collectively refers to Aerospace & Ship Div., Finance, Leasing & Real Estate Business Div., and Construction, Industrial Machinery & Mobility Div.
3. The "Chief Administrative Officer (CAO)" is the Chief Operating Officer of Human Resources Dept., General Affairs Dept., Information Strategy Dept., Risk Management Dept., Legal Dept. and Compliance Control Dept. The "Chief Digital Innovation Officer (CDIO)" is the Chief Operating Officer of Digital Innovation Dept., Next Generation Business Development Div., and Next Generation Corporate Development Div. The "Chief Strategy Officer (CSO)" is the Chief Operating Officer of Corporate Planning & Strategy Dept., Regional Coordination & Administration Dept., and Research Institute. The "Chief Financial Officer (CFO)" is the Chief Operating Officer of Corporate Communications Dept., Corporate Accounting Dept., Business Accounting Dept., Finance Dept. and Sustainability Management Dept.

11. The Corporation has entered into a directors and officers liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company under which Directors, Audit & Supervisory Board Members, and Executive Officers (hereinafter referred to as "directors and officers") of the Corporation are designated as the insured. The insurance covers legal damages and litigation expenses to be borne by the insured in the event that a claim for damages is made against the insured due to an act committed (or failure to act) by the insured in his/her capacity as a director or officer of the Corporation. The Corporation bears the entire premium for the insured. However, there are certain exemptions, such as damages arising from the insured's criminal act, such as bribery, willful illegal act, or act that exceeds his/her authority. The candidates will be insured under the said insurance contract.

Remuneration and other payments for Directors and Audit & Supervisory Board Members

(1) Policy to determine the remuneration paid to Directors and Audit & Supervisory Board Members

1) Remuneration and other payments for Directors

As for the policy to determine the remuneration and other payments for individual Directors (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 compensation levels, and provides reports to the Board of Directors for its determination of the Policy. The Determination Policy is outlined below.

<Directors (Internal)>

The basic framework for remuneration and other payments for Directors (internal) is the base annual remuneration, which is the sum of i) basic compensation corresponding to the position and ii) performance-based compensation. iii) Bonuses and iv) individuals’ evaluation-based compensation are provided on top of the base annual remuneration. In order to increase incentives for higher market capitalization in the future, v) shares with restriction on transfer subject to market-capitalization-based exercisability conditions are also provided.

In order to realize a flexible remuneration system linked with the Corporation’s business results and strengthen the alignment between financial targets and the compensation plan, consolidated net income (profit attributable to owners of the parent) and core operating cash flow are used as indicators for calculation of performance-based compensation.

20% of the base annual remuneration is granted to eligible persons as the Corporation’s common shares with restriction on transfer and disposal (hereinafter referred to as the “Restricted Stock”) during the period from the share allotment date until the person resigns or retires from the office of the Corporation’s Director, Executive Officer, or other position that the Corporation’s Board of Directors designates. The purpose is to share the benefits and risks of stock price fluctuations with shareholders and heighten the motivation to improve the Corporation’s stock price and corporate value.

Concerning the individuals’ evaluation-based compensation, the President who is the chief executive officer is judged to be most suitable for conducting qualitative evaluation (evaluation, in qualitative aspects, of business results in the fiscal year, medium- to long-term contribution, such as efforts and initiatives for new value creation toward the future, etc.) and the Board of Directors has given President & CEO Masumi Kakinoki the authority for the said evaluation (hereinafter referred to as 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.

Remuneration and other payments for Directors (Internal Directors)

Type	Description	Fixed/Variable	Form of payment
Basic annual remuneration	i) Basic compensation	Fixed	80%: Cash 20%: Shares with restriction on transfer
	ii) Performance-based compensation	Variable	
iii) Bonuses	i) Director bonuses ii) Representative directors are paid representative director bonuses in addition to director bonuses.	Fixed	Cash
iv) Individuals' evaluation-based compensation	i) Organization's 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 organization's performance evaluation is reflected is calculated by multiplying basic compensation by the ratio determined by the Board of Directors corresponding to the achievement/non-achievement of each indicator. ii) Qualitative evaluation by the President: Qualitative evaluation by the President takes into consideration business results in the fiscal year, medium- to long-term contribution, such as efforts and initiatives for new value creation toward the future, etc. The amount in which qualitative evaluation by the President is reflected is calculated by multiplying basic compensation by the ratio to reflect the qualitative evaluation by the President, which is within the range determined by the Board of Directors.	Variable	
v) Shares with restriction on transfer subject to market-capitalization-based exercisability conditions	· Up to 1.5 times an amount equivalent to 10% of basic compensation is allotted as shares with restriction on transfer on or after the vesting date. The final number of allotted shares*2 is determined by a percentage corresponding to the achievement of the performance targets for the three years.	Variable	Shares with restriction on transfer subject to market-capitalization-based exercisability conditions

Notes: 1. Indicators used for calculation of performance-based compensation for fiscal year 2021 are consolidated net income (profit attributable to the owners of the parent) (225.3 billion yen before retrospective application of Amendments to IAS 12 "Income Taxes.") and core operating cash flow (369.6 billion yen) for fiscal year 2020, and the sum of 50% of the consolidated net income and 50% of the core operating cash flow (297.4 billion yen).

2. The final number of allotted shares shall be calculated by multiplying the number of shares predetermined by the Board of Directors for each position by a percentage corresponding to the achievement of the performance targets, which shall be calculated as follows.

- (i) When Marubeni's market value growth rate (Note 1) does not exceed the TOPIX (Tokyo Stock Price Index) growth rate (Note 2): zero
(ii) When Marubeni's market value growth rate is equal to or exceeds the TOPIX growth rate: percentage determined by the following categories

- a) When Marubeni's market value growth rate exceeds 150%: 1
b) When Marubeni's market value growth rate exceeds 100% and does not exceed 150%: Marubeni's market value growth rate / 150%
c) When Marubeni's market value growth rate does not exceed 100%: zero

(Note 1) "Market value growth rate" refers to Marubeni's market value growth rate during the performance evaluation period and is calculated by the following formula:

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

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

Marubeni's market value growth rate = A / B

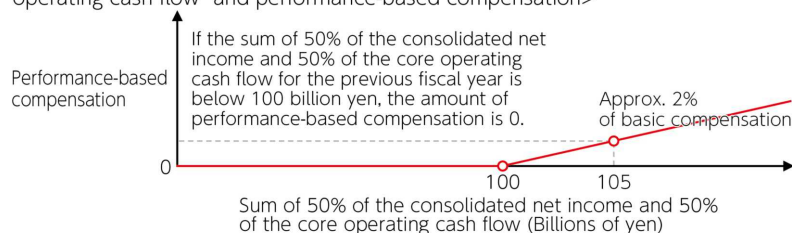
(Note 2) "TOPIX (Tokyo Stock Price Index) growth rate" refers to the TOPIX growth rate during the performance evaluation period and shall be calculated by the following formula:

C: The average of the closing price for the TOPIX on the Tokyo Stock Exchange on each day for the three months immediately preceding the last date (inclusive) of the performance evaluation period.

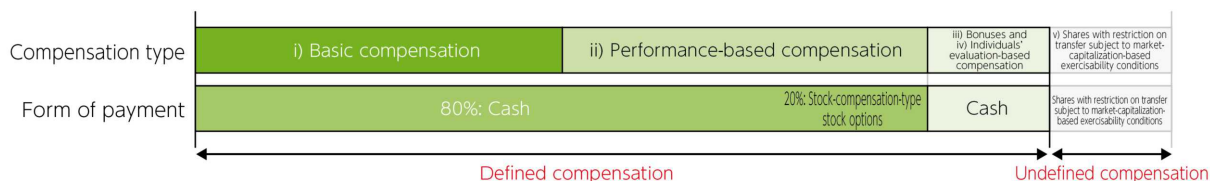
D: The average of the closing price for the TOPIX on the Tokyo Stock Exchange on each day for the three months immediately preceding the day before the first date (inclusive) of the performance evaluation period.

The TOPIX growth rate = C / D

<Reference: Correlation between the "sum of 50% of the consolidated net income and 50% of the core operating cash flow" and performance-based compensation>



<Reference: Composition of remuneration>



<Outside Directors>

Remuneration for Outside Directors, all of whom are completely independent from business execution, consists entirely of fixed compensation and no performance-based compensation is paid. Outside Directors are not eligible for shares with restriction on transfer or shares with restriction on transfer subject to market-capitalization-based exercisability conditions.

The Governance and Remuneration Committee deliberated on the consistency of the remuneration and other payments for individual Directors for the fiscal year under review with the Determination Policy and provided reports to the Board of Directors. The Board of Directors respects the reports and judges that the remuneration and other payments for individual Directors for the fiscal year under review are in accordance with the Determination Policy.

2) Remuneration and other payments for Audit & Supervisory Board Members

Remuneration for Audit & Supervisory Board Members are determined by discussion among Audit & Supervisory Board Members.

Remuneration for Audit & Supervisory Board Members, all of whom are completely independent from business execution, consists entirely of fixed compensation and no performance-based compensation is paid. Audit & Supervisory Board Members are not eligible for shares with restriction on transfer or shares with restriction on transfer subject to market-capitalization-based exercisability conditions.

(2) Remuneration and other payments paid to Directors and Audit & Supervisory Board Members in the business year under review

Category	Number of recipients	Amount of payment (Millions of yen)	Breakdown (Millions of yen)				
			Basic compensation*	Performance-based compensation*	Shares with restriction on transfer	Shares with restriction on transfer subject to market-capitalization-based exercisability conditions	
Directors	Internal Directors	7	892	390	296	158	48
	Outside Directors	6	101	101	—	—	—
	Total	13	993	491	296	158	48
Audit & Supervisory Board Members	Internal Audit & Supervisory Board Members	3	80	80	—	—	—
	Outside Audit & Supervisory Board Members	3	51	51	—	—	—
	Total	6	131	131	0	0	0

* The amounts presented for “basic compensation” and “performance-based compensation” are the total amounts of cash compensation and do not include “shares with restriction on transfer.”

Notes: 1. The amounts below 1 million yen are rounded off.

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

3. The above-stated number of recipients includes one Internal Audit & Supervisory Board Member who retired during fiscal year 2021. As of March 31, 2022 the Corporation had 13 Directors (including 6 Internal Directors) and 5 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board Members).

4. The Corporation allocates “shares with restriction on transfer” to Directors (excluding Outside Directors) as non-monetary compensation. The details of the said compensation are described in “III-(1) 1) Remuneration and other payments for Directors.” The above-stated amounts are the amounts charged to expenses during the business year under review. During the business year under review, based on the resolution by the Board of Directors on June 24, 2021, 167,883 common shares of the Corporation were issued to 7 Directors (excluding Outside Directors) by setting a no transfer period.

5. The Corporation allocates “shares with restriction on transfer subject to market-capitalization-based exercisability conditions” to Directors (excluding Outside Directors) as non-monetary compensation. The details of the said compensation are described in “III-(1) 1) Remuneration and other payments for Directors.” The above-stated amounts are the amounts charged to expenses during the business year under review by calculating the estimated amount of monetary remuneration claims corresponding to the estimated number of shares to be granted in 2024. This compensation plan was introduced in 2021, and the first evaluation period will end in July 2024. Therefore, there are no results for the business year under review regarding the performance indicators.

6. 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 the business year under review.

7. The maximum total amount of remuneration and other payments for Directors and that for Audit & Supervisory Board Members are determined as follows by the resolutions at the Ordinary General Meetings of Shareholders held in the past.

	Resolution		
	Total amount of remuneration and other payments for Directors (Amount for Outside Directors)	Total amount of remuneration and other payments for Audit and Supervisory Board Members	Number of Directors/Audit and Supervisory Board Members at the time of close of the respective Ordinary General Meeting of Shareholders
88th Ordinary General Meeting of Shareholders (held on June 22, 2012)	-	12 million yen per month	5 Audit and Supervisory Board Members
96th Ordinary General Meeting of Shareholders (held on June 19, 2020)	Up to 1,100 million yen per year (up to 120 million yen per year)	-	11 Directors (including 5 Outside Directors)

At the 97th Ordinary General Meeting of Shareholders held on June 24, 2021, the amount of monetary remuneration claims to be paid to Directors (excluding Outside Directors) for granting “shares with restriction on transfer” and “shares with restriction on transfer subject to market-capitalization-based exercisability conditions” within the total amount of remuneration and other payments to Directors stated above and the number of the Corporation’s common shares to be issued or disposed of were resolved. The Corporation had 7 Directors (excluding Outside Directors) at the time of close of the said Ordinary General Meeting of Shareholders.

	Amount of remuneration and other payments	Total number of common shares of the Corporation
Shares with restriction on transfer	Up to 180 million yen per year	Up to 450,000 shares
Shares with restriction on transfer subject to market-capitalization-based exercisability conditions	Up to 120 million yen per year	Up to 300,000 shares

Matters concerning Outside Directors and Outside Audit & Supervisory Board Members

(1) Important concurrent occupations or positions at other organizations and relationships between these organizations and the Corporation

Title	Name	Status of important concurrent occupations or positions at other organizations	Relationships between organizations at which concurrent occupations or positions are held and the Corporation
Outside Director	Takao Kitabata	Director, Kobe Steel, Ltd.; Director, SEIREN Co., Ltd.; Director, Zeon Corporation; President, KAISHI PROFESSIONAL UNIVERSITY, Niigata Sogo Gakuin Academic Corporation	There is no special relationship.
Outside Director	Kyohei Takahashi	Audit & Supervisory Board Member, Fukoku Mutual Life Insurance Company	There is no special relationship.
Outside Director	Yuri Okina	Chairman, The Japan Research Institute, Limited; Director, Bridgestone Corporation	There is no special relationship.
Outside Director	Takashi Hatchoji	Director, Nitto Denko Corporation	There is no special relationship.
Outside Director	Masato Kitera	Director, Member of the Board, NIPPON STEEL CORPORATION; Member of the Board, Japan Tobacco Inc.	There is no special relationship.
Outside Director	Shigeki Ishizuka	Vice Chairman, Representative Corporate Executive Officer, Sony Group Corporation Director, Sony Corporation	There is no special relationship.
Outside Audit & Supervisory Board Member	Tsuyoshi Yoneda	Director, Japan Exchange Group, Inc.	There is no special relationship.
Outside Audit & Supervisory Board Member	Yoichi Kikuchi	Attorney at law; Statutory Auditor, Asahi Mutual Life Insurance Company	There is no special relationship.
Outside Audit & Supervisory Board Member	Shigeru Nishiyama	Professor, Waseda Business School (Graduate School of Business and Finance); Auditor of the Board (Outside), Mitsui Sumitomo Insurance Company, Limited; Member of the Board/Audit and Supervisory Committee Member, UNIPRES CORPORATION; Director, Chairman of the Audit Committee, Macromill, Inc.; Director, TOKYO ENERGY & SYSTEMS INC.	There is no special relationship.

(2) Major activities

Title	Name	Major activities
Outside Director	Takao Kitabata	Participated in 17 meetings of the Board of Directors held during the business year under review. As the Chief Outside Director, he provided advice to management and supervised business execution, utilizing his profound insight about economic trends in Japan and overseas gained through his service in key positions in the government and profound insight about corporate governance.
Outside Director	Kyohei Takahashi	Participated in all 17 meetings of the Board of Directors held during the business year under review. He provided advice to management and supervised business execution, utilizing his profound insight cultivated through involvement in corporate management at an international company and profound insight about corporate governance. He served as the chairman of the Governance and Remuneration Committee, participated in all 5 meetings of the committee held during the business year under review, and, demonstrated strong leadership as the chairman in the discussion on matters such as establishment of a corporate governance structure in order to enhance soundness, transparency, and efficiency of the Corporation's management.
Outside Director	Yuri Okina	Participated in all 17 meetings of the Board of Directors held during the business year under review. She provided advice to management and supervised business execution, utilizing her profound insight about economic and financial matters cultivated through her many years of research at a research institute. She served as the chairman of the Nomination Committee, participated in all 2 meetings of the committee held during the business year under review, and led the discussion as the chairman on the nomination of candidates for the management team and the successor development plan.
Outside Director	Takashi Hatchoji	Participated in all 17 meetings of the Board of Directors held during the business year under review. He provided advice to management and supervised business execution, utilizing his profound insight cultivated through his many years of involvement in corporate management at an international company and a wealth of experience in providing advice for and supervising business execution, serving as an outside officer of other companies. He served as a Nomination Committee member, participated in all 2 meetings of the committee held during the business year under review, and vigorously stated opinions in the discussion on nomination of candidates for the management team and the successor development plan. Furthermore, as an advisor to the Sustainability Management Committee, he has been proactively expressing his opinions to reinforce the Corporation's sustainability promotion structure.
Outside Director	Masato Kitera	Participated in all 17 meetings of the Board of Directors held during the business year under review. He provided advice to management and supervised business execution, utilizing his wealth of international experience and profound insight concerning international affairs cultivated through his service in key positions in the government, mainly in the Ministry of Foreign Affairs. He served as a Governance and Remuneration Committee member, participated in all 5 meetings of the committee held during the business year under review, and contributed to the discussion on matters such as establishment of a corporate governance structure in order to enhance soundness, transparency, and efficiency of the Corporation's management.
Outside Director	Shigeki Ishizuka	Participated in all 13 meetings of the Board of Directors held during the business year under review following his assumption of office as Outside Director. He provided advice to management and supervised business execution, utilizing his in-depth understanding and experience in the digital and IT fields. He served as a Nomination Committee member, participated in all 2 meetings of the committee held during the business year under review, and vigorously stated opinions in the discussion on nomination of candidates for the management team and the successor development plan.
Outside Audit & Supervisory Board Member	Tsuyoshi Yoneda	Participated in all 17 meetings of the Board of Directors and all 16 meetings of the Audit & Supervisory Board held during the business year under review. He made comments as needed based primarily on his wide experience in government services and his profound insight cultivated through such experience.
Outside Audit & Supervisory Board Member	Yoichi Kikuchi	Participated in all 17 meetings of the Board of Directors and all 16 meetings of the Audit & Supervisory Board held during the business year under review. He made comments as needed based primarily on his wealth of experience in legal circles and his profound insight cultivated through such experience.
Outside Audit & Supervisory Board Member	Shigeru Nishiyama	Participated in all 17 meetings of the Board of Directors and all 16 meetings of the Audit & Supervisory Board. He made comments as needed based primarily on his high degree of expertise and a wealth of experience in accounting and finance and his profound insight cultivated through such experience.

(3) Summary of limitation of liability agreement

In order to enable each of the Outside Directors/Audit & Supervisory Board Members to fully perform his or her duty as Outside Director or Outside 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 he or she has acted in good faith and without gross negligence in performing his or her duties.

IV. The Corporation's Systems and Policies

Systems necessary to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation
Other systems necessary to ensure the properness of operations

The Corporation shall develop the basic policies on the systems necessary to ensure the properness of operations of the Corporation and operations of the corporate group, consisting of the Corporation and the Group companies (which refer to consolidated subsidiaries of the Corporation and companies which the Corporation regards as being substantially equivalent to its subsidiaries) (the "Marubeni Group") as described below (the "basic internal control policy"), in accordance with the Companies Act and the Enforcement Regulations of the Companies Act, in order to raise corporate value and build a stable and sustainable group corporate structure through corporate activities conforming to the Company Creed and the Management Philosophy*. The Corporation shall make its systems more appropriate and efficient by constantly reviewing the basic internal control policy in response to changes in society.

(i) System necessary to ensure that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation	(ii) Systems to preserve and manage information related to the execution of duties by Directors	(iii) Internal regulations for the risk management of losses and other related systems	(iv) Systems necessary to ensure the efficient execution of duties by Directors
<p>(1) Corporate governance</p> <p>(i) Directors and Board of Directors</p> <ul style="list-style-type: none"> • Board of Directors' supervision of Directors • In principle, Appointment of Chairman without representative rights and the authority for execution of operations as chairman of the Board of Directors • Board of Directors' decision on responsibilities of areas of Directors • Directors' reports to the Board of Directors on execution of duties (more than once in 3 months) • Terms of office of Directors: 1 year • Election of Outside Directors • Efficient execution under the Executive Officer system, participation in the overall management of the Corporation by Group CEOs and CDIO, and guidance, supervision, support, and management of the overall operations of Divisions for which each Group CEO and CDIO are in charge <p>(ii) Audit & Supervisory Board Members and Audit & Supervisory Board</p> <ul style="list-style-type: none"> • Audits of the appropriateness of Directors' execution of duties by Audit & Supervisory Board Members and the Audit & Supervisory Board <p>(2) Compliance</p> <p>(i) Compliance System</p> <ul style="list-style-type: none"> • Formulation of the norm of conduct commonly applicable to the Group including Company Doctrine and Compliance Manual • Various measures implemented by varied committees such as the Compliance Committee <p>(ii) Internal whistle-blowing system</p> <ul style="list-style-type: none"> • Establishment of the "Marubeni Hotline", "Marubeni Anti-Corruption Hotline" <p>(iii) Cutting off relations with antisocial forces</p> <ul style="list-style-type: none"> • Cutting off all relations with antisocial activities and forces <p>(3) Internal audits</p> <ul style="list-style-type: none"> • Internal audits by Audit Dept. under the direct control of President • Reports to the Board of Directors regarding internal audits by Audit Dept. <p>(4) Disciplinary action</p> <ul style="list-style-type: none"> • Severe punishment after conferring with the Governance and Remuneration Consultative Committee and the Award and Disciplinary Committee 	<p>(1) Preservation and management of information and prevention of information leakage</p> <ul style="list-style-type: none"> • Formulation of "Regulation for Management of Information Assets" of the Corporation; and the designation of documents and other material to be kept, the retention period and administrators of documents and other material. <p>(2) Perusal of information</p> <ul style="list-style-type: none"> • Officers and Audit & Supervisory Board Members permitted to peruse information assets kept at any time 	<p>(1) Principle of authority</p> <ul style="list-style-type: none"> • Clear definition of the authority of officers and employees <p>(2) System for internal approval procedure</p> <ul style="list-style-type: none"> • Deliberation on individual projects at the Investment and Credit Committee in accordance with "Regulation of Authority and Duties" and "Regulation for Internal Approval Procedure" of the Corporation; referring the projects to the Corporate Management Committee for discussion; and approval by President (or as specified by these regulations in the case of matters that come under the exceptional cases specified by these regulations). Further approval by the Board of Directors according to the degree of importance and other matters of the projects. Follow-up of important projects; and reporting the projects regularly to the Corporate Management Committee <p>(3) Risk assessment</p> <ul style="list-style-type: none"> • Risk management under risk-specific management policies and various regulations and comprehensive risk management of measurable risks • Management of qualitative risks through enhancement of the compliance system and other means. <p>(4) Crisis management</p> <ul style="list-style-type: none"> • Formulation of business continuity plans to cope with material events such as natural disasters, infectious disease epidemic and situations in which the Tokyo Head Office loses its ability to function; and prompt drawing up and implementation of specific measures for minimizing damages and losses 	<p>(1) Management policy, strategy and plan</p> <ul style="list-style-type: none"> • Establishment of targets common to all officers and employees of Marubeni Group <p>(2) Corporate Management Committee</p> <ul style="list-style-type: none"> • Establishment of the Corporate Management Committee to deliberate the supreme plan for management and company-wide important matters <p>(3) Business and Corporate Staff Groups</p> <ul style="list-style-type: none"> • Transfer of the authority to Group CEOs, CDIO, and Division COOs • Corporate Staff Group's management, check and support of the business group in each specialty field <p>(4) Clarification of authorities and duties</p> <ul style="list-style-type: none"> • Establishment by the Board of Directors and in various internal regulations of officers' responsibilities of areas, each officer's and each employee's division of rules, authorities and responsibilities, and the decision-making rules

*Company Creed: Fairness (To be fair and bright)
 Innovation (To be active and innovative)
 Harmony (To respect each other and cooperative)

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

(v) Systems necessary to ensure the appropriateness of operations by the group	(vi) Matters concerning employees assisting the duties of Audit & Supervisory Board Members, and matters concerning the independence of these employees from Directors	(vii) Systems for Directors and employees to report to Audit & Supervisory Board Members and other systems for reports to Audit & Supervisory Board Members	(viii) Other systems necessary to ensure effective audits by Audit & Supervisory Board Members
<p>(1) Marubeni Group’s operating system</p> <ul style="list-style-type: none"> • Assignment of the person in charge of grasping the situation of, directing and supervising each Group company’s management • Establishment of the guidelines for Group companies’ management systems • Proper reporting to the Corporation on matters regarding execution of duties by Directors etc., at each Group company • Proper management of risk of loss at each Group company • Ensuring of the efficient execution of duties by Directors etc., at each Group company • Ensuring of legal compliance at each Group company <p>(2) Compliance</p> <ul style="list-style-type: none"> • Support and direction of Group companies’ compliance activities by the Compliance Committee • Opening the “Marubeni Hotline”, “Marubeni Anti-Corruption Hotline” to all Group employees <p>(3) Establishment of a system necessary to ensure the appropriateness of financial reporting and asset safeguarding</p> <ul style="list-style-type: none"> • Establishment of systems necessary to ensure the reliability of, and continued monitoring of financial reports including consolidated financial statements through the activities of the Internal Control Committee and other activities • Establishment of a system to ensure the appropriate acquisition, retention and disposal of assets held by Group companies • Establishment of the Disclosure Committee to disclose information in a timely and appropriate manner <p>(4) Audits</p> <ul style="list-style-type: none"> • Audit Dept.’s on-site audits of Marubeni Group companies • Audits and accounting audits of each Marubeni Group company by Audit & Supervisory Board Members and the Accounting Auditor 	<p>(1) Establishment of Audit & Supervisory Board Member’s office</p> <ul style="list-style-type: none"> • Establishment of the Corporate Auditor’s office and a full-time person to support the duties of Audit & Supervisory Board Members <p>(2) Personnel matters of Audit & Supervisory Board Member’s office</p> <ul style="list-style-type: none"> • Acquisition of prior consent of Audit & Supervisory Board Member on personnel matters (reassignment, appraisal, punishment, etc.) of Audit & Supervisory Board Member’s office 	<p>(1) Audit & Supervisory Board Member’s attendance at important meetings</p> <ul style="list-style-type: none"> • Audit & Supervisory Board Members’ attendance at meetings of Board of Directors, meetings of Corporate Management Committee, and other important meetings <p>(2) Reporting to Audit & Supervisory Board Members by officers and employees</p> <ul style="list-style-type: none"> • Holding of meetings between President and Audit & Supervisory Board Members on a regular basis • Reporting to Audit & Supervisory Board Members on execution of duties by Directors, Group CEOs, CDIO, Division COOs and General Manager of each Department in Corporate Staff Group • Reporting to Audit & Supervisory Board Members by officers in case of discovery of any fact that may cause significant damages to the Corporation • Establishment of a system to provide material reports directly or indirectly to Audit & Supervisory Board Members of the Corporation from Directors, Audit & Supervisory Board Members and employees etc. of each Group company or persons who have received reports from such Directors, Audit & Supervisory Board Members or employees etc. • Cooperation on reporting requested by Audit & Supervisory Board Members • Establishment of a system to ensure that persons, who have provided such reports to Audit & Supervisory Board Members, are not treated unfairly at Marubeni or any Group company because of the report 	<p>(1) Coordination among Audit Dept., the Accounting Auditor and Marubeni Group companies’ Audit & Supervisory Board Members</p> <ul style="list-style-type: none"> • Prior receipt by Audit & Supervisory Board Members of the auditing plans of Audit Dept. and the Accounting Auditor, and exchange of opinions concerning audit policies and audit results reports at regular meetings • Coordination between Audit & Supervisory Board Members and each Marubeni Group company’s Audit & Supervisory Board Members <p>(2) Appointment of outside specialists</p> <ul style="list-style-type: none"> • Appointment by Audit & Supervisory Board Members of outside advisors such as lawyers <p>(3) Audit related expenses</p> <ul style="list-style-type: none"> • Budget setting to cover fees for outside specialists and other expenses for execution of duties by Audit & Supervisory Board Members upon request of Audit & Supervisory Board Members

Enacted on May 12, 2006

Amended on April 1, 2022

Summary of Operating Status of Internal Control Systems

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

Directors execute business in accordance with laws and regulations and the Articles of Incorporation. The Board of Directors, the Audit & Supervisory Board, and Audit & Supervisory Board Members determine important matters and supervise and audit Directors' execution of business. Effective and efficient corporate governance structure is in place and maintained by means of the appointment of Outside Directors, adoption of the executive officer system, and other measures.

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

While improving operational efficiency concerning preparation of information assets, and handling and management of information assets, such as safekeeping, storage, and disposal, the Corporation has established the "Regulation for Management of Information Assets" to enhance the information security level and is working to ensure that it is thoroughly communicated and adhered to. The Corporation has established rules for operation in order to prevent leakage of information assets and has maintained stringent management, by such means as restriction of persons authorized to access confidential information, including information on financial closing, on a high-security file sharing system.

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

The officers and executives of the Corporation implemented risk management related to their duties and business operations in accordance with the areas of responsibility of their business, which is defined by the resolution of the Board of Directors, as well as by the "Regulation of Authority and Duties" and the "Regulation for Segregation of Duties."

The Investment and Credit Committee, which deliberates on individual projects such as important investment projects, met 22 times during the business year under review. In addition to reporting of the status of execution of the projects to be approved, monitoring and follow-up of the projects were performed in order to facilitate early detection of any divergence from the content of the application and the conditions for approval of each project and to ensure swift response to any issues.

The Investment and Credit Committee continued to examine new investment and financing projects with reference to analysis by relevant Corporate Staff Groups, in addition to the quantitative standards such as the PATRAC and IRR guidelines.

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

The Corporation announced the new Medium-Term Management Strategy GC2024 in February 2022. Under GC2024, the Group will maintain Marubeni Group's long-term direction up to 2030, defined by the former Medium-Term Management Strategy GC2021. Adopting a multi-layered approach, the basic policy of GC2024 is to strengthen current business domains and explore new business models and to expand "Green business" and "Greening" in all business domains.

The Corporate Management Committee meetings were held 35 times during the business year under review to deliberate on important matters. In addition, the Divisional Strategy Meetings of each business division were held to manage the specific targets established for each organization and the progress status of such targets.

The area of responsibility of each Director is decided by resolution of the Board of Directors. Efficient decision-making and the execution of duties are done in accordance with rules on roles of individual officers and employees, authority, responsibilities and decision-making stipulated by the "Regulation of Authority and Duties" and other regulations.

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

The Corporation strives to understand the actual management circumstances of the respective Group companies, and then instructs and supervises each Group company in accordance with the “Regulation for Group Company.”

The Group companies are required to comply with the “Marubeni Group Governance Policy” (enforced in April 2017). The Corporation provides support to new Group Companies to establish their respective governance structures in accordance with the said policy. The Corporation has concluded an agreement with its listed subsidiary whereby it is required to report important matters concerning internal control to the Corporation and ask the Corporation’s opinions in advance in order to enhance corporate value and achieve sustainable growth of Marubeni Group.

The Corporation has obtained pledges signed by the presidents of the operating companies in Japan for compliance with the Compliance Manual and the Anti-bribery Handbook. Before signing the pledge, they are required to watch a training video on the Compliance Manual. The Corporation has also obtained pledges signed by presidents of overseas corporate subsidiaries and overseas operating companies for compliance with the Anti-bribery Handbook.

The Corporation strives to thoroughly communicate the rules that the Group companies are required to comply with, such as the IT governance rules and Marubeni Group Accounting Policy, performs visiting audits of the Group companies, information security assessment, etc. Through these initiatives, the Corporation aims to ensure appropriateness of operations throughout the Group.

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

Personnel in the Audit & Supervisory Board Member’s Office assist the Audit & Supervisory Board Members’ execution of duties. Regarding determination of personnel matters of personnel in the Audit & Supervisory Board Member’s Office, Chief Operating Officer in charge of human resources consults Audit & Supervisory Board Members in advance and their consent is obtained.

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

Meetings between the President and Audit & Supervisory Board Members were held on a regular basis to report the execution of duties and exchange opinions.

Directors, Group CEOs, the Chief Operating Officer of each Division and the General Manager of each Department in Corporate Staff Group reported to the Audit & Supervisory Board Members on the execution of duties. Moreover, the Corporate Accounting Dept. provided a briefing on the details of financial closing to Audit & Supervisory Board Members every quarter.

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

Meetings between Audit & Supervisory Board Members and the Accounting Auditor, as well as between Audit & Supervisory Board Members and the Audit Dept., were held monthly for the exchange of information and opinions concerning audit planning, audit implementation status, and results of audits, including those of subsidiaries, as well as the status of internal control over financial reporting.

Liaison meetings between Audit & Supervisory Board Members and their counterparts of the Group companies were also held regularly to facilitate their collaboration and they exchanged information and opinions concerning the status of design and application of internal control at each company.

Policy concerning decision to distribute surplus by way of dividend and other matters

The Corporation will strengthen investment in growth and shareholder returns, while continuing efforts to enhance and reinforce its financial base in the pursuit of enhancement of corporate value over the medium to long term.

Regarding dividends in the period covered by the Medium-Term Management Strategy GC2024 (from fiscal year 2022 to fiscal year 2024), based on the principle of linking dividends to the Corporation's business results for each year, the Corporation's basic policy is that a consolidated payout ratio shall be about 25% or more and a minimum dividend forecast announced at the beginning of each fiscal year, plus the forecast annual dividend of 60 yen announced at the beginning of fiscal year 2022 shall be the lower limit. As for the frequency of dividend distribution of surplus for each business year, the Corporation maintains its traditional policy of paying dividends twice each year, consisting of a mid-year dividend and a year-end dividend. As the Corporation's Articles of Incorporation provide that, pursuant to the provisions of Article 459, paragraph 1 of the Companies Act, its Board of Directors is entitled to resolve dividend distribution of surplus, it is the Corporation's basic policy that payment of each dividend is to be resolved at meetings of the Board of Directors.

The Corporation will carry out flexible repurchase of shares, targeting improved capital efficiency and performance per share, etc. During the business year under review, based on the resolution by the Board of Directors on February 3, 2022, the Corporation repurchased 15,225,400 shares of its own stock at the aggregate repurchase amount of 19,198,266,957 yen*. The timing and amounts of future buybacks will be determined considering the overall business environment.

*The number of shares repurchased and the aggregate repurchase amount are results as of March 31, 2022.

The repurchases of shares based on the resolution by the Board of Directors on February 3, 2022 were completed on April 28, 2022 as follows.

Total number of shares repurchased: 22,882,000 shares

Aggregate repurchase amount: 29,999,889,817 yen

Period for repurchases: From February 4, 2022 to April 28, 2022

Method of repurchases: Purchased on the Tokyo Stock Exchange

V. Matters Concerning the Corporation's Subscription Rights to Shares

Status of subscription rights to shares held by the Corporation's officers, etc. at the end of the business year under review

Year of issuance (Resolution date)	Number of subscription rights to shares	Class and number of shares to be issued	Amount to be paid in for subscription rights to shares	Value of assets to be contributed upon exercise of rights	Exercise period
Fiscal year ended March 31, 2017 (June 24, 2016)	Subscription rights to shares as stock- compensation-type stock options 111 rights	11,100 shares of common stock	41,900 yen for each subscription right to shares	1 yen per share	From July 12, 2016 to July 11, 2049
Fiscal year ended March 31, 2018 (June 23, 2017)	Subscription rights to shares as stock- compensation-type stock options 720 rights	72,000 shares of common stock	67,400 yen for each subscription right to shares	1 yen per share	From July 11, 2017 to July 10, 2050
Fiscal year ended March 31, 2019 (June 22, 2018)	Subscription rights to shares as stock- compensation-type stock options 966 rights	96,600 shares of common stock	75,100 yen for each subscription right to shares	1 yen per share	From July 10, 2018 to July 9, 2051
Fiscal year ended March 31, 2020 (March 27, 2019)	Subscription rights to shares as stock- compensation-type stock options 166 rights	16,600 shares of common stock	69,600 yen for each subscription right to shares	1 yen per share	From April 27, 2019 to April 26, 2052
Fiscal year ended March 31, 2020 (June 21, 2019)	Subscription rights to shares as stock- compensation-type stock options 5,312 rights	531,200 shares of common stock	64,000 yen for each subscription right to shares	1 yen per share	From July 10, 2019 to July 9, 2052
Fiscal year ended March 31, 2020 (June 21, 2019)	Subscription rights to shares as stock- compensation-type stock options subject to market- capitalization-based exercisability conditions 2,161 rights	216,100 shares of common stock	13,600 yen for each subscription right to shares	1 yen per share	From July 10, 2022 to July 9, 2052
Fiscal year ended March 31, 2021 (March 25, 2020)	Subscription rights to shares as stock- compensation-type stock options 1,252 rights	125,200 shares of common stock	40,900 yen for each subscription right to shares	1 yen per share	From April 25, 2020 to April 24, 2053
Fiscal year ended March 31, 2021 (March 25, 2020)	Subscription rights to shares as stock- compensation-type stock options subject to market- capitalization-based exercisability conditions 274 rights	27,400 shares of common stock	3,700 yen for each subscription right to shares	1 yen per share	From April 25, 2023 to April 24, 2053
Fiscal year ended March 31, 2021 (June 19, 2020)	Subscription rights to shares as stock- compensation-type stock options 4,797 rights	494,700 shares of common stock	44,400 yen for each subscription right to shares	1 yen per share	From July 10, 2020 to July 9, 2053

Year of issuance (Resolution date)	Number of subscription rights to shares	Class and number of shares to be issued	Amount to be paid in for subscription rights to shares	Value of assets to be contributed upon exercise of rights	Exercise period
Fiscal year ended March 31, 2021 (June 19, 2020)	Subscription rights to shares as stock- compensation-type stock options subject to market- capitalization-based exercisability conditions 3,942 rights	394,200 shares of common stock	9,600 yen for each subscription right to shares	1 yen per share	From July 10, 2023 to July 9, 2053

Note: The conditions for exercise of subscription rights to shares other than the above are the same as those for <(a) Subscription rights to shares as stock-compensation-type stock options (allotted on April 22, 2021)> and <(b) Subscription rights to shares as stock-compensation-type stock options subject to market-capitalization-based exercisability conditions (allotted on April 22, 2021)>.

<Breakdown by classification>

(Subscription rights to shares as stock-compensation-type stock options)

Year of issuance (Resolution date)	Directors (excluding Outside Directors)		Audit & Supervisory Board Members		Executive Officers	
Fiscal year ended March 31, 2017 (June 24, 2016)	0 rights	0 persons	0 rights	0 persons	111 rights	1 person
Fiscal year ended March 31, 2018 (June 23, 2017)	584 rights	2 persons	0 rights	0 persons	136 rights	1 person
Fiscal year ended March 31, 2019 (June 22, 2018)	579 rights	2 persons	0 rights	0 persons	387 rights	3 persons
Fiscal year ended March 31, 2020 (March 27, 2019)	0 rights	0 persons	0 rights	0 persons	166 rights	1 person
Fiscal year ended March 31, 2020 (June 21, 2019)	2,326 rights	6 persons	0 rights	0 persons	2,986 rights	13 persons
Fiscal year ended March 31, 2021 (March 25, 2020)	438 rights	1 person	0 rights	0 persons	814 rights	2 persons
Fiscal year ended March 31, 2021 (June 19, 2020)	1,563 rights	7 persons	0 rights	0 persons	3,384 rights	23 persons

(Subscription rights to shares as stock-compensation-type stock options subject to market-capitalization-based exercisability conditions)

Fiscal year ended March 31, 2020 (June 21, 2019)	921 rights	6 persons	27 rights	1 person	1,213 rights	13 persons
Fiscal year ended March 31, 2021 (March 25, 2020)	108 rights	1 person	0 rights	0 persons	166 rights	2 persons
Fiscal year ended March 31, 2021 (June 19, 2020)	1,358 rights	7 persons	0 rights	0 persons	2,584 rights	23 persons

Notes: 1. Executive Officers who concurrently serve as Director are included in Directors.

2. The class and number of shares to be issued as of March 31, 2021 (including those held by retired persons) is 1,659,500 shares of common stock for subscription rights to shares as stock-compensation-type stock options and 770,900 shares of common stock for subscription rights to shares as stock-compensation-type stock options subject to market-capitalization-based exercisability conditions.

Status of subscription rights to shares issued to the Corporation's employees, etc. during the business year under review

<(a) Subscription rights to shares as stock-compensation-type stock options (allotted on April 22, 2021)>

Date of resolution for issuance	March 23, 2021
Number of subscription rights to shares	712 rights
Number of persons to whom subscription rights to shares were granted and the number of subscription rights to shares granted	1 Executive Officer of the Corporation: 712 rights
Class and number of shares to be issued	71,200 shares of common stock (100 shares for each subscription right to shares)
Amount to be paid in for subscription rights to shares	82,800 yen for each subscription right to shares
Value of assets to be contributed upon exercise of rights	1 yen per share
Exercise period	From April 23, 2021 to April 22, 2054
Other conditions for exercise of subscription rights to shares	Note 1

Note 1: Other conditions for exercise of subscription rights to shares

- (1) A person holding subscription rights to shares may exercise the subscription rights to shares starting on the date on which three years have passed from the date following the date on which the subscription rights to shares were allotted to him/her or starting on the date following the date on which he/she loses his/her position as Director or Executive Officer of the Corporation, whichever the earlier.
- (2) Notwithstanding (1) above, if an agenda item for approval of a merger agreement under which the Corporation becomes the absorbed company or an agenda item for approval of a share transfer agreement or a share transfer plan under which the Corporation becomes a wholly owned subsidiary is approved at a General Meeting of Shareholders (resolution is passed by a meeting of the Board of Directors in the case that resolution by a General meeting of Shareholders is not required), a person holding subscription rights to shares may exercise the subscription rights within 15 days from the date following the date of approval of such agenda item. (However, this provision shall not apply if the merger agreement, share transfer agreement, or share transfer plan specifies that subscription rights to shares of the surviving company or the parent company will be granted to persons holding subscription rights to shares.)
- (3) The provision in above (1) shall not apply to persons who succeeded to subscription rights to shares by inheritance.
- (4) If a person waives subscription rights to shares, he/she becomes unable to exercise such subscription rights to shares.
- (5) When 10 years have passed from the date following the date on which a person holding subscription rights to shares loses his/her position as Director or Executive Officer of the Corporation, he/she becomes unable to exercise subscription rights to shares, and it is deemed that he/she waives the unexercised subscription rights to shares at this point in time.

<(b) Subscription rights to shares as stock-compensation-type stock options subject to market-capitalization-based exercisability conditions (allotted on April 22, 2021)>

Date of resolution for issuance	March 23, 2021
Number of subscription rights to shares	280 rights
Number of persons to whom subscription rights to shares were granted and the number of subscription rights to shares granted	1 Executive Officer of the Corporation: 280 rights
Class and number of shares to be issued	28,000 shares of common stock (100 shares for each subscription right to shares)
Amount to be paid in for subscription rights to shares	23,400 yen for each subscription right to shares
Value of assets to be contributed upon exercise of rights	1 yen per share
Exercise period	From April 23, 2024 to April 22, 2054
Other conditions for exercise of subscription rights to shares	Note 1

Notes: 1. Other conditions for exercise of subscription rights to shares

- (1) A person holding subscription rights to shares may exercise the subscription rights to shares starting on the date on which three years have passed from the date following the date on which the subscription rights to shares were allotted to him/her.
- (2) Notwithstanding above (1), if, during the above-stated subscription rights to shares exercise period, an agenda item for approval of a merger agreement under which the Corporation becomes the absorbed company or an agenda item for approval of a share transfer agreement or a share transfer plan under which the Corporation becomes a wholly owned subsidiary is approved at a General Meeting of Shareholders (resolution is passed by a meeting of the Board of Directors in the case that resolution by a General meeting of Shareholders is not required), a person holding subscription rights to shares may exercise the subscription rights within 15 days from the date following the date of approval of such agenda item. (However, this provision shall not apply if the merger agreement, share transfer agreement, or share transfer plan specifies that subscription rights to shares of the surviving company or the parent company will be granted to persons holding subscription rights to shares.)

- (3) Exercise of subscription rights to shares by a person who holds subscription rights to shares is subject to market-capitalization-based exercisability conditions (See Note 2 below.).
- (4) The provision in above (1) shall not apply to persons who succeeded to subscription rights to shares by inheritance.
- (5) If a person waives subscription rights to shares, he/she becomes unable to exercise such subscription rights to shares.
- (6) When 10 years have passed from the date following the date on which a person holding subscription rights to shares loses his/her position as Director or Executive Officer of the Corporation, he/she becomes unable to exercise subscription rights to shares, and it is deemed that he/she waives the unexercised subscription rights to shares at this point in time.
2. <Details of the market-capitalization-based exercisability conditions>
- a) If the Corporation's market capitalization growth rate*1 is below the growth rate of TOPIX (Tokyo Stock Price Index)*2, persons holding subscription rights to shares cannot exercise any of the subscription rights to shares allotted.
- b) If the Corporation's market capitalization growth rate equals or exceeds the TOPIX growth rate, persons holding subscription rights to shares can exercise subscription rights to shares under the following conditions:
- (i) When the Corporation's market capitalization growth rate exceeds 150%, persons holding subscription rights to shares can exercise all the subscription rights to shares.
- (ii) When the Corporation's market capitalization growth rate exceeds 100% and does not exceed 150%, persons holding subscription rights to shares can exercise part*3 of the subscription rights to shares allotted.
- (iii) When the Corporation's market capitalization growth rate is 100% or below, persons holding subscription rights to shares cannot exercise any of the subscription rights to shares allotted.
- *1) The Corporation's market capitalization growth rate in three years from the share subscription rights allotment date to the first date of the exercise period calculated by the formula below:
- A: The average market capitalization calculated by multiplying the closing price of shares of the Corporation's common stock on the Tokyo Stock Exchange and the number of outstanding shares excluding the number of shares of treasury stock on each day for the three months immediately before the day before the first date of the exercise period.
- B: The average market capitalization calculated by multiplying the closing price of shares of the Corporation's common stock on the Tokyo Stock Exchange and the number of outstanding shares excluding the number of shares of treasury stock on each day for the three months immediately before the day before the share subscription rights allotment date.
- The Corporation's market capitalization growth rate = A / B
- *2) The TOPIX growth rate in three years from the share subscription rights allotment date to the first date of the exercise period calculated by the formula below:
- A: The average closing price of TOPIX on the Tokyo Stock Exchange on each day for the three months immediately before the day before the first date of the exercise period.
- B: The average closing price of TOPIX on the Tokyo Stock Exchange on each day for the three months immediately before the day before the share subscription rights allotment date.
- The TOPIX growth rate = C / D
- *3) Number of exercisable subscription rights to shares = Number of subscription rights to shares allotted × Corporation's market capitalization growth rate / 150%

VI. Matters Concerning Accounting Auditor

Name of the Accounting Auditor

Ernst & Young ShinNihon LLC

Remuneration to be paid to the Accounting Auditor

1) Amount of remuneration to be paid by the Corporation to the Accounting Auditor for the services under Article 2, Paragraph 1 of the Certified Public Accountants Act	629 million yen
2) Total amount of money or other economic benefits to be paid by the Corporation and its subsidiaries to the Accounting Auditor	1,183 million yen

Notes: 1. The audit agreement between the Corporation and the Accounting Auditor does not separate remuneration concerning the audit under the Companies Act from remuneration concerning the audit under the Financial Instruments and Exchange Act.

2. Among major subsidiaries of the Corporation, Aguas Decima S.A., Axia Power Holdings B.V., Gaviol Agriculture Investment, Inc., Helena Agri-Enterprises, LLC, Marubeni Auto Investment (UK) Limited, Marubeni Iron Ore Australia Pty. Ltd., Marubeni LP Holding B.V., Marubeni Oil & Gas (USA) LLC, Marubeni Resources Development Pty Ltd, MMSL Pte. Ltd., Olympus Holding B.V., PT. Tanjungnim Lestari Pulp and Paper, and Temsa Is Makinalari Imalat Pazarlama Ve Satis A.S. are audited by audit corporations other than the Accounting Auditor of the Corporation.

3. The Audit & Supervisory Board reviewed the audit plans and performance statuses and the trend of the time spent on auditing and other matters in the past years and evaluated the appropriateness of the estimated remuneration for the business year under review. As a result, the Audit & Supervisory Board agreed on the remuneration to be paid to the Accounting Auditor.

Non-audit services

The Corporation commissions the Accounting Auditor to provide non-audit services other than the services under Article 2, Paragraph 1 of the Certified Public Accountants Act, such as “comfort letter preparation services.”

Policy for deciding dismissal or non-reappointment of the Accounting Auditor

If the Accounting Auditor is deemed to fall under any of the items of Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board will dismiss the Accounting Auditor subject to the unanimous consent of the Audit & Supervisory Board Members. In addition, in principle, if it is deemed to be difficult for the Accounting Auditor to perform appropriate audit, the Audit & Supervisory Board will propose the dismissal or non-reappointment of the Accounting Auditor as an agenda item at the General Meeting of Shareholders based on the decision of the majority of the Audit & Supervisory Board Members.

Consolidated Financial Statements

Consolidated Statement of Financial Position

Item	98th Business Year (As of March 31, 2022)	Ref: 97th Business Year (As of March 31, 2021)	Item	98th Business Year (As of March 31, 2022)	Ref: 97th Business Year (As of March 31, 2021)
Assets	Millions of yen	Millions of yen	Liabilities and equity	Millions of yen	Millions of yen
Current assets:			Current liabilities:		
Cash and cash equivalents	578,636	745,858	Bonds and borrowings	742,365	623,501
Time deposits	70	113	Notes and trade accounts payable	1,493,526	1,187,719
Investment securities	10	6	Other current financial liabilities	874,449	465,244
Notes, trade accounts and loans receivable	1,344,966	1,057,245	Income tax payable	28,555	14,998
Other current financial assets	793,012	341,928	Liabilities directly associated with assets held-for-sale	7,558	2,854
Inventories	1,429,006	988,004	Other current liabilities	526,616	398,036
Assets held-for-sale	20,098	24,865	Total current liabilities	3,673,069	2,692,352
Other current assets	264,684	223,573			
Total current assets	4,430,482	3,381,592	Non-current liabilities:		
			Bonds and borrowings	1,696,302	1,810,355
Non-current assets:			Notes and trade accounts payable	1,410	3,215
Investments in associates and joint ventures	1,993,285	1,730,736	Other non-current financial liabilities	322,832	264,752
Other investments	235,219	256,621	Net defined benefit liability	66,139	70,394
Notes, trade accounts and loans receivable	98,431	94,803	Deferred tax liabilities	102,352	95,498
Other non-current financial assets	181,149	89,205	Other non-current liabilities	55,151	91,676
Property, plant and equipment	954,735	1,001,853	Total non-current liabilities	2,244,186	2,335,890
Intangible assets	287,912	296,910	Total liabilities	5,917,255	5,028,242
Deferred tax assets	11,454	22,170			
Other non-current assets	62,916	61,859	Equity:		
Total non-current assets	3,825,101	3,554,157	Issued capital	262,947	262,686
Total assets	8,255,583	6,935,749	Capital surplus	143,653	143,667
			Other equity financial instruments	145,657	243,589
			Treasury stock	(19,738)	(772)
			Retained earnings	1,379,701	1,067,377
			Other components of equity:		
			Gains (losses) on financial assets measured at fair value through other comprehensive income	63,505	43,864
			Foreign currency translation adjustments	330,292	123,789
			Gains (losses) on cash flow hedges	(63,837)	(69,407)
			Equity attributable to owners of the parent	2,242,180	1,814,793
			Non-controlling interests	96,148	92,714
			Total equity	2,338,328	1,907,507
			Total liabilities and equity	8,255,583	6,935,749

Consolidated Statement of Comprehensive Income

Item	98th Business Year (from April 1, 2021 to March 31, 2022)	Ref: 97th Business Year (from April 1, 2020 to March 31, 2021)
	Millions of yen	Millions of yen
Revenue:		
Sales of goods	8,384,760	6,219,878
Commissions on services and trading margins	123,831	112,536
Total revenue	8,508,591	6,332,414
Cost of goods sold	(7,613,260)	(5,656,996)
Gross trading profit	895,331	675,418
Other income (expenses):		
Selling, general and administrative expenses	(606,551)	(529,326)
Gains (losses) on allowance for doubtful accounts	(4,290)	(4,539)
Gains (losses) on property, plant and equipment:		
Impairment losses	(7,520)	(10,114)
Gains (losses) on sales of property, plant and equipment	2,574	1,289
Other-net	(11,971)	(3,683)
Total other income (expenses)	(627,758)	(546,373)
Finance income (expenses):		
Interest income	10,937	10,444
Interest expenses	(21,837)	(22,947)
Dividend income	24,379	16,209
Gains (losses) on investment securities	11,183	7,727
Total finance income (expenses)	24,662	11,433
Share of profits (losses) of associates and joint ventures	236,555	141,264
Profit before tax	528,790	281,742
Income taxes	(93,840)	(50,761)
Profit for the year	434,950	230,981
Profit for the year attributable to:		
Owners of the parent	424,320	223,256
Non-controlling interests	10,630	7,725
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Gains (losses) on financial assets measured at fair value through other comprehensive income	(7,891)	20,443
Remeasurements of defined benefit plan	3,136	29,385
Changes in other comprehensive income of associates and joint ventures	(1,564)	5,600
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	175,838	79,414
Gains (losses) on cash flow hedges	(7,883)	3,097
Changes in other comprehensive income of associates and joint ventures	51,936	(6,959)
Other comprehensive income, net of tax	213,572	130,980
Total comprehensive income for the year	648,522	361,961
Total comprehensive income for the year attributable to:		
Owners of the parent	635,720	353,390
Non-controlling interests	12,802	8,571

Consolidated Statement of Changes in Equity

98th Business Year (from April 1, 2021 to March 31, 2022)

	Equity attributable to owners of the parent						
	Issued capital	Capital surplus	Other equity instruments	Treasury stock	Retained earnings	Other components of equity	
						Gains (losses) on financial assets measured at fair value through other comprehensive income	Foreign currency translation adjustments
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance at beginning of year	262,686	143,667	243,589	(772)	1,067,377	43,864	123,789
Profit (loss) for the year					424,320		
Other comprehensive income						(11,536)	206,503
Share-based payment transactions	261	317					
Purchases and sales of treasury stock		15		(18,966)			
Dividends to owners of the parent					(82,511)		
Equity transactions with non-controlling interests and others		1,722			49		
Distribution to owners of other equity financial instruments					(3,125)		
Redemption of other equity financial instruments		(2,068)	(97,932)				
Transfer to retained earnings					(26,409)	31,177	
Transfer to non-financial assets or non-financial liabilities							
Balance at end of year	262,947	143,653	145,657	(19,738)	1,379,701	63,505	330,292

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity					
	Gains (losses) on cash flow hedges	Remeasurements of defined benefit plan	Other components of equity	Total equity attributable to owners of the parent		
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance at beginning of year	(69,407)	—	98,246	1,814,793	92,714	1,907,507
Profit (loss) for the year				424,320	10,630	434,950
Other comprehensive income	11,665	4,768	211,400	211,400	2,172	213,572
Share-based payment transactions				578		578
Purchases and sales of treasury stock				(18,951)		(18,951)
Dividends to owners of the parent				(82,511)	(7,217)	(89,728)
Equity transactions with non-controlling interests and others				1,771	(2,151)	(380)
Distribution to owners of other equity financial instruments				(3,125)		(3,125)
Redemption of other equity financial instruments				(100,000)		(100,000)
Transfer to retained earnings		(4,768)	26,409	—		—
Transfer to non-financial assets or non-financial liabilities	(6,095)		(6,095)	(6,095)		(6,095)
Balance at end of year	(63,837)	—	329,960	2,242,180	96,148	2,338,328

Ref: 97th Business Year (from April 1, 2020 to March 31, 2021)

	Equity attributable to owners of the parent						
	Issued capital	Capital surplus	Other equity instruments	Treasury stock	Retained earnings	Other components of equity	
						Gains (losses) on financial assets measured at fair value through other comprehensive income	Foreign currency translation adjustments
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance at beginning of year	262,686	143,189	243,589	(1,172)	866,140	22,718	41,247
Cumulative effect of applying new accounting standards and interpretations					(2,175)		
Profit (loss) for the year					223,256		
Other comprehensive income						26,334	82,542
Purchases and sales of treasury stock		39		400			
Dividends to owners of the parent					(49,481)		
Equity transactions with non-controlling interests and others		439			(111)		
Distribution to owners of other equity financial instruments					(3,942)		
Transfer to retained earnings					33,690	(5,188)	
Transfer to non-financial assets or non-financial liabilities							
Balance at end of year	262,686	143,667	243,589	(772)	1,067,377	43,864	123,789

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity					
	Gains (losses) on cash flow hedges	Remeasurements of defined benefit plan	Other components of equity	Total equity attributable to owners of the parent		
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance at beginning of year	(62,922)	—	1,043	1,515,475	89,125	1,604,600
Cumulative effect of applying new accounting standards and interpretations				(2,175)		(2,175)
Profit (loss) for the year				223,256	7,725	230,981
Other comprehensive income	(7,244)	28,502	130,134	130,134	846	130,980
Purchases and sales of treasury stock				439		439
Dividends to owners of the parent				(49,481)	(6,229)	(55,710)
Equity transactions with non-controlling interests and others				328	1,247	1,575
Distribution to owners of other equity financial instruments				(3,942)		(3,942)
Transfer to retained earnings		(28,502)	(33,690)	—		—
Transfer to non-financial assets or non-financial liabilities	759		759	759		759
Balance at end of year	(69,407)	—	98,246	1,814,793	92,714	1,907,507

Notes to Consolidated Financial Statements

<Notes to significant matters which constitute the basis for preparation of the Consolidated Financial Statements>

1. Basis of Consolidated Financial Statements

The Company's Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") pursuant to the first paragraph of Article 120 of the Ordinance for Company Accounting. However, pursuant to the latter part, certain disclosure that is required on the basis of IFRSs is omitted.

2. Scope of consolidation and application of the equity method

(1) Number of consolidated subsidiaries and names of major consolidated subsidiaries

Number of consolidated subsidiaries: 315

Names of major consolidated subsidiaries: See <I. Current Status of the Group "Status of major subsidiaries and consolidation of major businesses"> in Business Report.

(2) Number of associates and joint ventures accounted for under the equity method and names of major companies accounted for under the equity method

Number of associates and joint ventures accounted for under the equity method: 148

Names of major companies accounted for under the equity method: See <I. Current Status of the Group "Status of major subsidiaries and consolidation of major businesses"> in Business Report.

The number above represents those companies which the Company directly consolidates or to which the Company applies the equity method. Companies which are sub-consolidated or accounted for under the equity method by other subsidiaries (375 companies) are excluded from this number.

3. Significant accounting policies

(1) Valuation standards and methods for financial assets

- (i) Debt instrument financial assets measured at amortised cost:
Debt instrument financial assets measured at amortised cost are measured at fair value plus transaction costs at initial recognition. After initial recognition, Debt instrument financial assets measured at amortised cost are measured at amortised cost calculated using the effective interest method less any impairment losses. Interest using the effective interest method is recognised as part of finance income (or expenses) in the Consolidated Statement of Comprehensive Income.
- (ii) Debt instrument financial assets measured at fair value through other comprehensive income ("Debt instrument financial assets measured at FVTOCI"):
Debt instrument financial assets measured at FVTOCI are measured at fair value plus transaction costs at initial recognition. After initial recognition, Debt instrument financial assets measured at FVTOCI are measured at fair value with any change in fair value recognised in other comprehensive income. The cumulative amount of the change in fair value recognised in other comprehensive income is recognised in other components of equity. However, interest

arising from Debt instrument financial assets measured at FVTOCI is recognised as part of finance income (or expenses) in the Consolidated Statement of Comprehensive Income.

- (iii) Debt instrument financial assets measured at fair value through profit or loss ("Debt instrument financial assets measured at FVTPL"):

Debt instrument financial assets measured at FVTPL are measured at fair value. Changes in the fair values are mainly recognised as part of revenue or finance income (or expenses) in the Consolidated Statement of Comprehensive Income.

- (iv) Equity instrument financial assets measured at fair value through other comprehensive income ("Equity instrument financial assets measured at FVTOCI"):

Equity instrument financial assets measured at FVTOCI are measured at fair value plus transaction costs at initial recognition. After initial recognition, Equity instrument financial assets measured at FVTOCI are measured at fair value with any change in fair value recognised in other comprehensive income. The cumulative amount of the change in fair value recognised in other comprehensive income is recognised in other components of equity. However, dividend income arising from Equity instrument financial assets measured at FVTOCI is recognised as part of finance income (or expenses) in the Consolidated Statement of Comprehensive Income.

- (v) Equity instrument financial assets measured at fair value through profit or loss ("Equity instrument financial assets measured at FVTPL"):

Equity instrument financial assets measured at FVTPL are measured at fair value. Changes in the fair values, together with the related dividend, are mainly recognised as part of finance income (or expenses) in the Consolidated Statement of Comprehensive Income.

- (vi) Impairment of Debt instrument financial assets measured at amortised cost and Debt instrument financial assets measured at FVTOCI:

The Company and its consolidated subsidiaries ("The Companies") recognise the allowance for doubtful accounts on expected credit losses for financial assets classified as debt instrument financial assets measured at amortised cost and Debt instrument financial assets measured at FVTOCI, etc. If, at each reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Companies measure the allowance for doubtful accounts at an amount equal to the expected credit losses that result from default events possible within the 12 months after each reporting date ("12-month expected credit losses"). At each reporting date, the Companies measure the allowance for doubtful accounts at an amount equal to the expected credit losses that result from all possible default events over the expected life of the financial instrument. ("lifetime expected credit losses") if the credit risk on the financial instrument has increased significantly since initial recognition. However, the Companies always measure the allowance for doubtful accounts at an amount equal to lifetime expected credit losses for trade accounts receivable, etc.

(2) Valuation standards and methods for inventories

Inventories, which mainly consist of commodities, merchandise, and real estate held for sale, are measured at the lower of cost (mainly specific or moving average cost) and net realisable value.

When the cause of a write-down no longer exists, or when there is clear evidence of an increase in net realisable value due to changes in economic conditions, reversals of such write-downs are recognised.

Inventories held for generating profits from short-term fluctuations in market prices are measured at fair value less costs to sell, with fluctuations in fair value less costs to sell recognised in profit or loss in the period in which such fluctuations occur.

(3) Depreciation methods for assets

The depreciable amount of items of property, plant and equipment is allocated over each period for the useful life of each item through depreciation, mainly on a straight-line basis over the useful life of each item, or the units of production method based on reserve estimation. Land is not depreciated. The amount of intangible assets with finite useful lives subject to amortisation is allocated as an expense over each period for the useful life of each asset through amortisation, mainly on a straight-line basis. Intangible assets judged to have indefinite useful lives and goodwill are not subject to amortisation.

(4) Accounting for leases

(i) Accounting as lessee

At the commencement date of the lease, the Companies recognise a right-of-use asset that represents the Companies' right to use an underlying asset and a lease liability that represents the obligation to pay lease payments. The right-of-use asset is measured at cost, which is comprised of: the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date of the lease; any initial direct costs; and an estimate of costs to be incurred in restoring the underlying asset to the condition required by the lease. The Companies depreciate the right-of-use asset over the lease term in principle. The lease term is determined as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Companies are reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Companies are reasonably certain not to exercise that option. The Companies measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Companies use their incremental borrowing rate.

(ii) Accounting as lessor

For finance leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset, at the commencement date of the lease, the Companies derecognise the underlying asset subject to the lease, and recognises an asset held under a finance lease in the Consolidated Statement of Financial Position. Such assets are presented as lease receivables at an amount equal to the net investment in the lease.

For operating leases, the Companies present underlying assets subject to operating leases in the Consolidated Statement of Financial Position according to the nature of the underlying asset and the depreciation policy for such underlying assets is consistent with the Companies' normal depreciation policy for similar assets.

(5) Impairment of non-financial assets other than inventories

Property, plant and equipment, intangible assets, and goodwill are assessed, at the end of each reporting period, whether there is an indication that an asset may

be impaired. If there is an indication that an asset may be impaired, the recoverable amount of the asset is estimated. Intangible assets with indefinite useful lives and goodwill are evaluated whether the carrying amount of an asset exceeds its recoverable amount on a regular basis (at least annually), irrespective of whether there is any indication that an asset may be impaired. If the recoverable amount of an asset or cash-generating unit is less than its carrying amount, the carrying amount is reduced to the recoverable amount and that reduction is recognised as an impairment loss.

The Companies assess, at the end of each reporting period, whether there is an indication that the recognised impairment losses in prior periods for an asset may no longer exist or may have decreased. If there is such an indication, the Companies estimate the recoverable amount of the asset. If the estimated recoverable amount exceeds the carrying amount of the asset, a reversal of impairment losses is recognised to the extent that the carrying amount after the reversal does not exceed the carrying amount (after deducting accumulated depreciation or accumulated amortisation) that would have been determined had the impairment losses not been recognised previously. However, impairment losses recognised in respect of goodwill are not reversed under any circumstances.

(6) Provisions

The Companies recognise a provision when (i) they have a present obligation (legal or constructive) as a result of a past event, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the amount of a provision is measured at the present value of the expenditure expected to be required to settle the obligation, discounted at a discount rate reflecting the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance expenses.

(7) Post-employment benefits

The effect of the remeasurement of a net defined benefit asset or liability is recognised in other comprehensive income and is immediately reclassified from other components of equity to retained earnings. Such remeasurement consists of actuarial gains and losses on the defined benefit obligation and the return on plan assets (excluding the amount of interest income on plan assets). Past service cost is recognised immediately in profit or loss.

(8) Recognition of revenue

With the exception of interest, dividend and other income recognised in accordance with IFRS 9 Financial Instruments, the Companies recognise revenue based on the following five-step approach if it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

4. Changes in significant accounting policies

(1) Change in the scope of consolidation and application of the equity method

Consolidated subsidiaries: newly included: 17; excluded: 12

Associates and joint ventures accounted for under the equity method: newly included: 11; excluded: 9

(2) Newly applied standards and interpretations

From the year ended March 31, 2022, the Companies have early applied the following standards.:

Standards and Interpretations	Description
IAS 12 <i>Income Taxes (amended in May 2021)</i>	Accounting treatment of deferred tax related to assets and liabilities arising from a single transaction

The application of IAS 12 Income Taxes (amended in May 2021) clarifies the accounting treatment upon initial recognition for transactions that result in taxable temporary differences and deductible temporary differences of the same amount at the time of the transaction, and deferred tax liabilities and deferred tax assets are recognised for the taxable temporary differences and deductible temporary differences, respectively, in the Consolidated Statement of Financial Position.

Due to the application of this standard, the Consolidated Financial Statements for the previous fiscal year have been retrospectively amended. As a result, in the Consolidated Statement of Financial Position at the end of the previous fiscal year, assets decreased by 3,209 million yen due to changes in “Deferred tax assets” and “investments in associates and joint ventures”, liabilities increased by 1,053 million yen due to recognition of “deferred tax liabilities”, and equity decreased by 4,262 million yen due to changes in “retained earnings”. In addition, in the Consolidated Statement of Comprehensive Income for the fiscal year ended March 31, 2021, profit before tax and profit for the year decreased by 21 million yen and 2,087 million yen, respectively, due to changes in “share of profit of associates and joint ventures” and “income taxes”.

“Basic earnings per share attributable to shareholders of the parent” and “diluted earnings per share attributable to shareholders of the parent” decreased by 1.20 yen each for the fiscal year ended March 31, 2021.

The cumulative effect of the application of the above standard resulted in a decrease of 2,175 million yen in the balance of “retained earnings” at the beginning of the fiscal year ended

March 31, 2021 in the Consolidated Statement of Changes in Equity.

(3) Changes in presentation

In accordance with the revision of Ordinance for Company Accounting (Ordinance of the Ministry of Justice No. 27 and No. 45 of 2020), the Companies have changed the presentation of “Notes to Financial instruments” and “Notes to Recognition of revenue” since the year ended March 31, 2022.

(4) Reclassifications

In cases where the presentation method of the Consolidated Financial Statements has been modified, reclassifications and format changes have been made to comparative information.

<Notes to Accounting Estimates>

Valuation of investments in the aircraft leasing business in the U.S. (Aircastle Limited) accounted under the equity method

(1) Amounts recognised in the Consolidated Financial Statements for the year ended March 31, 2022

Investments in associates and joint ventures 131,015 million yen

(2) Information about significant accounting estimates for identified items

The Company has been updating the future business plan for the aircraft leasing business, which was reviewed at March 31, 2021, in light of the impacts of the COVID-19 pandemic on the aviation industry and the termination of aircraft leasing contracts with Russian airlines but determined that there are no indications of impairment for its investments in the business, as the assumption of continued growth driven by growth in demand for aviation passengers in the medium to long term remains unchanged. The future business plan incorporates key assumptions such as the asset portfolios, leasing fees and proceeds from the sale of assets. In the event these key assumptions differ as a result of changes in uncertain future economic conditions, they could have a material impact on investments accounted for under the equity method.

<Notes to the Consolidated Statement of Financial Position>

1. Pledged assets

Notes, trade accounts and loans receivable	52 million yen
Other financial assets	49,157 million yen
Inventories	35,962 million yen
Investments in associates and joint ventures	50,413 million yen
Property, plant and equipment (after deducting accumulated depreciation)	39,716 million yen
Other	1,786 million yen
Total	177,086 million yen

2. Allowance for doubtful accounts directly deducted from assets:

Notes, trade accounts and loans receivable (current)	14,718 million yen
Notes, trade accounts and loans receivable (non-current)	34,318 million yen

3. Accumulated depreciation and impairment losses on property, plant and equipment

1,364,993 million yen

4. Contingent liabilities

Guarantee obligation

The Companies provide various types of guarantees for the obligations of their associates and customers in the ordinary course of business. The guarantees mainly relate to the repayment of borrowings to third parties.

Lawsuits, etc.

“Sugar Group”, an Indonesian corporate group, filed lawsuits against the Company before the South Jakarta District Court and the Gunung Sugih District Court (together, “Two Current Cases”, or individually, “South Jakarta Case” and “Gunung Sugih Case”), in which substantially the same claims, including a claim for compensation for damages, were made in a lawsuit on which the Company received the ruling of the Supreme Court of Indonesia (“Supreme Court”) in favour of the Company on March 17, 2011 (“Previous Case”^{*}). As the first instance court and the second instance court partially ruled in favour of Sugar Group in the Two Current Cases, the Company appealed to the Supreme Court. The Company received the Supreme Court’s rulings on the South Jakarta Case and the Gunung Sugih Case on May 17, 2017 and September 14, 2017, respectively.

^{*} The Company financed PT. Indolampung Perkasa and PT. Sweet Indolampung and demanded repayments as the creditor. In response, the Previous Case was filed by Sugar Group companies, including PT. Indolampung Perkasa, PT. Sweet Indolampung, PT. Gula Putih Mataram, PT. Indolampung Distilley and PT. Garuda Pancarrta, as the debtors, against the defendants including the Company, as the creditor, to seek affirmation of the invalidity of the Company’s credits and security interests and a claim for compensation for damages.

South Jakarta Case

The court found four of the six defendants, including the Company and Marubeni Europe PLC, jointly liable for damages in a total amount of US\$250 million to the plaintiffs, i.e., five Sugar Group companies (PT. Indolampung Perkasa, PT. Sweet Indolampung, PT. Gula Putih Mataram, PT. Indolampung Distillery and PT. Garuda Pancaarta).

Gunung Sugih Case

The court found five of the seven defendants, including the Company, jointly liable for damages in a total amount of US\$250 million to the plaintiffs, i.e., four Sugar Group companies (PT. Indolampung Perkasa, PT. Sweet Indolampung, PT. Gula Putih Mataram and PT. Indolampung Distillery).

The Company notes that the Two Current Cases consist of substantially the same claims as previously decided by the Supreme Court in the Previous Case ruled in favour of the Company. Therefore, the Supreme Court’s rulings on the Two Current Cases contradict its own ruling on the Previous Case that dismissed all of Sugar Group’s claims. Thus, pursuant to Indonesian Supreme Court legislation, the Company filed applications for judicial review (“Judicial Review”) before the Supreme Court concerning the South Jakarta Case and the Gunung Sugih Case on October 24, 2017 and February 6, 2018, respectively. With respect to the Company’s application for Judicial Review of the South Jakarta Case, the Company received on December 30, 2020 the official

decision on Judicial Review by the Supreme Court. This decision ruled that the Company’s claim for Judicial Review was granted on August 24, 2020; i.e., the Supreme Court’s ruling on the South Jakarta Case against the Company which the Company received on May 17, 2017 was revoked, and all the claims of Sugar Group, as the plaintiffs, were dismissed.

On the other hand, with respect to the Company’s application for Judicial Review of the Gunung Sugih Case (“Judicial Review Application of the Gunung Sugih Case”), the Company, through the Gunung Sugih District Court, received on February 3, 2020 the official decision on Judicial Review by the Supreme Court that Judicial Review Application of the Gunung Sugih Case was not accepted on October 8, 2018. As mentioned above, the Company received the ruling of the Supreme Court on the Gunung Sugih Case on September 14, 2017 and filed the Judicial Review Application of the Gunung Sugih Case on February 6, 2018, before the deadline for filing a judicial review application, which had to be filed within 180 days from the date of receipt of the ruling. The decision on Judicial Review of the Gunung Sugih Case by the Supreme Court found that the Company’s receipt of the ruling on the Supreme Court of the Gunung Sugih Case was on December 8, 2016 and the Judicial Review Application of the Gunung Sugih Case was not accepted because the Judicial Review Application of the Gunung Sugih Case was filed on February 6, 2018 after the deadline.

However, although it is obvious from the notice of the ruling received by the Company that the date of the Company’s receipt of the ruling of the Supreme Court on the Gunung Sugih Case was on September 14, 2017, the decision on Judicial Review of the Gunung Sugih Case by the Supreme Court does not present the evidence on which the Supreme Court determined that the date of the Company’s receipt of the ruling of the Supreme Court on the Gunung Sugih Case is December 8, 2016. Therefore, the Company considers the decision on Judicial Review of the Gunung Sugih Case by the Supreme Court to be unjust based on an apparent mistake of fact. The Company analyzed the content of the decision on Judicial Review of the Gunung Sugih Case by the Supreme Court and examined available legal measures that it could take with respect to the decision on Judicial Review of the Gunung Sugih Case by the Supreme Court under the judicial review system pursuant to the law by the Supreme Court of Indonesia. Subsequently, the Company filed an application for second Judicial Review of the Gunung Sugih Case before the Supreme Court on May 18, 2020 because of contradiction between the decision on Judicial Review of the Gunung Sugih Case by the Supreme Court and the ruling of the Supreme Court on the Previous Case.

However, on May 20, 2020, the Gunung Sugih District Court, to which the application documents of the Company for second Judicial Review of the Gunung Sugih Case was submitted, decided not to accept the Company’s application and not to refer the Company’s application to the Supreme Court because of no contradiction between the decision on Judicial Review of the Gunung Sugih Case by the Supreme Court and the ruling of the Supreme Court on the Previous Case. Nevertheless, pursuant to the law by the Supreme Court of Indonesia and relevant laws and regulations, the authority and responsibility to make such decision is granted to the Supreme Court, the institution to implement Judicial Review. Therefore, it is clear that the decision by the Gunung Sugih District Court not to accept the Company’s second

Judicial Review of the Gunung Sugih Case is unjust. In view of the result of Judicial Review of the South Jakarta Case ruled in favour of the Company as stated above, the Company filed again an application for second Judicial Review before the Supreme Court regarding the Gunung Sugih Case on May 31, 2021, and the application was accepted by the Gunung Sugih District Court.

In light of the above situation, there is no information that requires the Company to change its belief that the Supreme Court's ruling on the Gunung Sugih Case will probably become invalid, and the Company recognises no provision for loss on litigation concerning the Gunung Sugih Case as of March 31, 2022.

Sugar Group denied the validity of the finances provided by the Company to Sugar Group and the validity of accompanying security interests that were confirmed by the Supreme Court in the Previous Case. In response, the Company filed a lawsuit against Sugar Group before the Central Jakarta District Court on April 26, 2017 to seek compensations for damages of approximately US\$1.6 billion for, among other matters, reputational damages suffered by the Company caused by Sugar Group's torts ("New Case"). In response to the New Case, on April 30, 2019, Sugar Group filed a counterclaim against the Company seeking damages of US\$7.75 billion in the aggregate on the grounds that the Company's filing of the New Case allegedly constitutes a tort against Sugar Group ("Counterclaim"). On December 3, 2020, the Central Jakarta District Court ruled to dismiss both the Company's claim in the New Case and the Counterclaim. While the Company filed an appeal concerning the Company's claims in the New Case to the Jakarta High Court on December 15, 2020, the Jakarta High Court ruled to dismiss both the Company's claims in the New Case and the Counterclaim on November 8, 2021. In response, the Company filed an appeal concerning the Company's claims in the New Case to the Supreme Court on November 19, 2021.

The Company conducts business activities globally and is involved in transactions that are subject to oversight by various authorities, both in Japan and abroad. Such business activities may be exposed to risk and, the Company may, from time to time, be involved in legal actions, claims or other disputes. Though as of March 31, 2022, there are various unresolved legal actions, claims or other disputes to which the Company is a party, the Company believes that there are no other such legal actions, claims or other disputes that may have a significant impact on the Consolidated Financial Statements in the future, except for the cases described above.

The outstanding balances of guarantees were 315,227 million yen, and 15,788 million yen which exclude the amount secured by secondary guarantees provided for the Company by the third parties of 299,439 million yen at the end of fiscal year.

Outstanding guarantees (total of guarantee payable) represent the maximum potential amount of future payments in which the guarantee could be performed without consideration of the possibilities of fulfilment of the obligations.

<Notes to the Consolidated Statement of Comprehensive Income>

1. Cost of goods sold

For the fiscal year ended March 31, 2022, the Company has recognised a loss of 36,059 million yen including a provision for loss on construction contracts for power stations in Taiwan, as a result of reviewing additional costs that are expected to occur in the future due to construction delays and other factors. The loss is included in "Cost of goods sold" in the Consolidated Statement of Comprehensive Income. The allowance for loss on construction contracts at the end of the current consolidated fiscal year was 15,916 million yen, which is included in "other current liabilities" in the Consolidated Statement of Financial Position.

2. Share of profits (losses) of associates and joint ventures

A loss of 16,417 million yen was recognised through the application of the equity method in connection with the impairment of aircraft assets held in the U.S. aircraft leasing business (Aircastle Limited). This was mainly due to the recognition of impairment losses on the aircraft leased to Russia and Ukraine.

<Notes to the Consolidated Statement of Changes in Equity>

1. Type and number of outstanding shares at March 31, 2022:

Type of shares	Common stock
Number of shares	1,738,475,497 shares

2. Dividends

(1) Amount of dividends paid

Resolution	Types of stock	Total amount of dividends paid	Dividend per share	Record date	Effective date
The Board of Directors meeting held on May 13, 2021	Common stock	38,206 million yen	22.00 yen	March 31, 2021	June 4, 2021
The Board of Directors meeting held on November 2, 2021	Common stock	44,306 million yen	25.50 yen	September 30, 2021	December 1, 2021

(2) Dividends whose record date was included in the current fiscal year, those whose effective date occurs after the current fiscal year.

Resolution	Types of stock	Total amount of dividends paid	Dividend resources	Dividend per share	Record date	Effective date
The Board of Directors meeting held on May 12, 2022	Common stock	62,864 million yen	Retained earnings	36.50 yen	March 31, 2022	June 6, 2022

3. Type and number of shares underlying stock acquisition rights at March 31, 2022 (excluding those yet to become exercisable):

Type of shares	Common stock
Number of shares	491,800- shares

4. Other equity financial instruments

The Company had obtained financing (Tranche A: 100 billion yen, Tranche B: 150 billion yen) from domestic financial institutions through perpetual subordinated loans ("Loans") in order to bolster its balance sheet on August 16, 2016, but made an early repayment of the principal of 100 billion yen of Tranche A on August 16, 2021. As the Loans are classified as equity instruments in accordance with IFRSs, 145,657 million yen (after deducting transaction costs of 4,343 million yen) has been recorded in "Other equity financial instruments" in the "Equity" classification at March 31, 2022.

Overview of the Loans

(i) Total amount of financing obtained	250 billion yen (Tranche A: 100 billion yen, Tranche B: 150 billion yen)
(ii) Due date of final repayment and option to make early repayments	No specific maturity has been set. However, the Company has made early repayments of the principal of Tranche A on August 16, 2021. The Company has the option to make early repayments of the principal of Tranche B on August 16, 2023 and subsequent interest payment dates, by giving prior notice.
(iii) Restrictions on interest	The Company is allowed to suspend and defer interest payments at its discretion by giving prior notice. However, if dividends for common stock, etc. have arisen, feasible and reasonable efforts will be made for the payment of such interest subject to discretionary payment suspension and the additional interest associated therewith.
(iv) Subordination clause	If a subordination event (e.g., liquidation) provided for in the contract has arisen, the order of repayment of the Loans will be subordinated to all senior creditors.
(v) Applicable interest rate	Tranche A: 0.25% increase on and after interest payment dates in August 2026 and another 0.75% increase on and after interest payment dates in August 2041 Tranche B: 0.25% increase on and after interest payment dates in August 2026 and another 0.75% increase on and after interest payment dates in August 2043

<Financial instruments>

1. Conditions of financial instruments

To strengthen business relationships and for other purposes, the Companies invest in various types of financial instruments. Debt instrument financial assets are classified as either Debt instrument financial assets measured at amortised cost or Debt instrument financial assets measured at FVTOCI or Debt instrument financial assets measured at FVTPL, and equity financial assets are classified as either Equity instrument financial assets measured at FVTOCI or Equity instrument financial assets measured at FVTPL. The fair value of financial instruments is measured based on the market price in an active market. If the market in which a financial instrument is traded is not active or no active market exists for the financial instrument, fair value is determined by using an appropriate valuation technique.

The Companies conduct extensive risk management at the credit screening in order to prevent credit risks from materialising regarding customers that relate to Notes, trade accounts and loans receivable.

The fundamental policy of the Companies is to maintain an optimal mix of funding in line with the requirements of the asset portfolio. Funding sources include indirect financial procurement firstly from banks and other financial institutions, as well as direct procurement through the issuance of bonds, commercial paper and other means. The Companies are exposed to market risks such as foreign exchange, interest rate and commodity price and enter into derivative transactions, including non-derivative financial instruments which are designated as hedging instruments, to hedge the risks. The Companies also enter into derivative transactions for trading purposes. The Companies have internal regulations regarding position and loss limits and the actual positions and gains/losses are periodically reported to management.

2. Fair values of financial instruments and breakdown by level of fair value hierarchy

Amounts recognised on the Consolidated Statement of Financial Position and fair values as of the end of fiscal year are as follows:

	Amounts recognised on the Consolidated Statement of Financial Position*	Fair values
Notes, trade accounts and loans receivable (1)	1,443,397 million yen	1,442,357 million yen
Investment securities and other investments (2)	235,229 million yen	235,229 million yen
Bonds and borrowings (3)	(2,438,667) million yen	(2,440,061) million yen

* Amounts recognised as liabilities are shown in parentheses.

Notes: Matters regarding method of calculating fair values of financial instruments and securities and derivative instruments

The estimated fair value of the financial instruments of the Companies have been determined using available market information or other appropriate valuation methodologies.

(1) The fair value of trade receivables and loans receivable is estimated using the discounted future cash flows based on the year-end interest rates applied primarily to trade receivables and loans receivables with identical remaining periods and similar credit ratings. Notes, trade accounts and loans receivable subsequently measured at FVTPL have been classified as such based on the Company's business model and the contractual cash flow characteristics of the financial asset, while all other notes, trade accounts and loans receivable are substantially measured at amortised cost. Of the amounts above, notes, trade accounts and loans receivable measured at FVTPL was 22,226 million yen at March 31, 2022.

Of the amounts above, the fair values of notes, trade accounts and loans receivable measured at amortised cost was 1,420,131 million yen at March 31, 2022, and they were categorised as Level 3.

(2) The fair value of investment securities in active markets is measured on the basis of quoted prices at the year end.

The fair value of equity securities in markets that are not active and debt instruments classified as Financial assets measured at FVTOCI or FVTPL is measured on the basis of discounted future cash flows, third-party valuations and other valuation methods.

The fair value of debt securities measured at amortised cost is estimated using discounted future cash flows based on the market interest rates at the year end applicable to debt securities with identical remaining periods and similar credit ratings. Of the amounts above, the fair value of debt securities measured at amortised cost was 2,611 million yen at March 31, 2022, and they were categorised as Level 3.

(3) The fair value of bonds and borrowings is estimated using discounted future cash flows based on the interest rates at the year end applicable to borrowing agreements with similar maturity profiles, and they were categorised as Level 3.

(4) The carrying amounts of cash and cash equivalents and time deposits in the Consolidated Statement of Financial Position approximated fair value, and, thus, they are not included in the table above.

(5) The carrying amounts of notes and trade accounts payable in the Consolidated Statement of Financial Position approximated fair value, and, thus, they are not included in the table above.

(6) The carrying amounts of derivative assets classified as "Other financial assets" and derivative liabilities classified as "Other financial liabilities" reflected in the Consolidated Statement of Financial Position represent fair value. The carrying amount of non-derivative assets classified as "Other financial assets" and non-derivative liabilities "Other financial liabilities" in the Consolidated Statement of Financial Position approximated fair value, and, thus, they are not included in the table above.

The Companies measure certain assets and liabilities at fair value. The inputs used in the fair value measurement are categorised into three levels based upon the observability of the inputs in markets.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Companies can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly

Level 3: Unobservable inputs for the assets or liabilities

The financial assets and liabilities measured at fair value by the Companies on a recurring basis at March 31, 2022 and 2021 were as follows:

(As of March 31, 2022)

	Level 1	Level 2	Level 3	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Assets:				
Non-derivative financial assets measured at FVTPL:				
Notes, trade accounts and loans receivable	—	21,648	578	22,226
Other investments (equity)	—	—	2	2
Other investments (debt)	—	—	19,458	19,458
Other financial assets	—	—	19,354	19,354
Non-derivative financial assets measured at FVTOCI:				
Other investments (equity)	132,916	—	80,242	213,158
Derivative instruments:				
Interest rate contracts	—	7,829	—	7,829
Forward exchange contracts	—	28,700	—	28,700
Commodity contracts	8,845	581,910	13,412	604,167
Other	—	—	1,218	1,218
Liabilities:				
Derivative instruments:				
Interest rate contracts	—	(11,936)	—	(11,936)
Forward exchange contracts	—	(45,300)	—	(45,300)
Commodity contracts	(32,250)	(521,523)	(14,260)	(568,033)
Other	—	—	(200)	(200)

Other investments categorised as Level 1 mainly consist of marketable equity securities in active markets. Derivative instruments categorised as Level 1 consist of derivatives related to commodity contracts. These assets are measured at quoted prices in active markets without adjustment.

Notes, trade accounts and loans receivable categorised as Level 2 consist of notes and trade accounts receivable that are settled at future market prices. Derivative instruments categorised as Level 2 mainly consist of interest rate swaps, forward exchange contracts and derivatives related to commodity contracts. These assets and liabilities are mainly measured based on quoted prices of identical assets not categorised as Level 1 in markets that are not active or similar assets or liabilities in active markets, and measurement is based mainly on a market approach using observable inputs, such as prices in commodity markets, foreign exchange rates and interest rates.

Other investments categorised as Level 3 mainly consist of equity securities in inactive markets; and derivative instruments categorised as Level 3 mainly consist of derivatives related to commodity contracts. These assets and liabilities are measured mainly based on an income approach using inputs that are reasonably available or inputs many market participants use with reasonable confidence because observable inputs are not available due to a lack of similar assets or liabilities in active markets or distortive market prices resulting from dramatic liquidity decreases and such like.

Significant unobservable inputs used in the fair value measurement of investments whose fair values are measured on a recurring basis categorised as Level 3 are discount rates. Fair value decreases (increases) as the discount rate rises (declines). At March 31, 2022, discount rates used in fair value measurement by the Companies range from 7.2% to 16.4%.

The Companies recognise transfers of assets and liabilities between Levels of the fair value hierarchy at the end of each quarterly period.

During the year ended March 31, 2022, there were no transfers between Levels 1 and 2.

Changes in Level 3 assets and liabilities measured at fair value on a recurring basis by the Companies for the years ended March 31, 2022 and 2021 were as follows:

(As of March 31, 2022)

	Non-derivative financial assets measured at FVTPL			Non-derivative financial assets measured at FVTOCI	Derivative instruments	
	Notes, trade accounts and loans receivable	Other investments	Other financial assets	Other investments	Commodity contracts	Other contracts
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance at beginning of year	849	13,127	16,146	92,806	459	1,055
Gains (losses) in profit or loss	(622)	5,218	4,639	—	3,579	(24)
Gains (losses) in other comprehensive income	—	—	—	(7,171)	—	—
Purchases	270	2,439	—	5,171	—	—
Sales/Redemptions	—	(432)	(3,295)	(12,558)	—	(3)
Settlements	—	—	—	—	(3,842)	—
Transfers	—	(2,080)	—	711	(1,031)	—
Effects of acquisition and divestitures	—	—	—	—	—	—
Net transfers in and/or (out) of Level 3	—	—	—	—	—	—
Other	81	1,189	1,864	1,283	(13)	(10)
Balance at end of year	578	19,461	19,354	80,242	(848)	1,018
Gains (losses) in assets and liabilities held at end of year	(622)	3,434	4,639	—	(829)	(17)

Among gains and losses on the assets and liabilities above gains and losses on other investments are mainly included in “Gains (losses) on investment securities”, gains and losses on other financial assets are included in “Commissions on services and trading margins”, and gains and losses on derivatives are mainly included in “Cost of goods sold” or “Other-net” in the Consolidated Statement of Comprehensive Income.

Additionally, “Other” above mainly consists of “Foreign currency translation adjustments” in the Consolidated Statement of Comprehensive Income.

The relevant division of the Company, upon determining the valuation method of the applicable assets and liabilities, measures the fair value of assets and liabilities categorised as Level 3, according to valuation policies and procedures stipulated by the Company. Additionally, appropriate third-party valuations are obtained, as necessary. The results of fair value measurements are then reviewed by the Corporate Staff Group, which is independent of the division responsible for the fair value measurement.

If the inputs used to measure “Other investments measured at FVTOCI” among the assets categorised as Level 3 were to be changed, there were no significant changes of the fair value at March 31, 2022.

<Recognition of revenue>

The Companies are involved in various forms of transactions including: transactions to provide goods or services to customers and to settle such transactions; and transactions in which the consideration is settled directly between the buyer and the seller, with the Companies receiving commission fees from the buyer, the seller or both.

The Companies separately present revenue arising from these transactions based on the contracts with customers as either “Sales of goods” or “Commissions on services and trading margins”. Revenue is included in “Sales of goods” as principal transactions where the Companies control the goods or services before the transfer thereof to customers, and in all other cases the net amount, after deduction of amounts due to third parties from the transaction consideration is included in “Commissions on services and trading margins” as agent transactions.

Other than IFRS 15 Revenue from Contracts with Customers, the Companies primarily aggregate interest and dividend income as well as revenue related to some commodity contracts in accordance with IFRS 9 Financial Instruments, and revenue with respect to lease contracts in accordance with IFRS 16 Leases as Revenue recognised from other sources.

The breakdown of revenue for the year ended March 31, 2022 was as follows:

(For the year ended March 31, 2022)

	Lifestyle	ICT & Real Estate Business	Forest Products
	Millions of yen	Millions of yen	Millions of yen
Revenue:			
Sales of goods	87,339	368,559	192,305
Commissions on services and trading margins	7,102	7,644	8,294
Revenue recognised from other sources	—	784	—
Total	94,441	376,987	200,599

	Food-I	Food-II	Agri Business
	Millions of yen	Millions of yen	Millions of yen
Revenue:			
Sales of goods	697,578	750,443	1,137,916
Commissions on services and trading margins	3,652	1,380	998
Revenue recognised from other sources	38,973	44,184	2,948,812
Total	740,203	796,007	4,087,726

	Chemicals	Energy	Metals & Mineral Resources
	Millions of yen	Millions of yen	Millions of yen
Revenue:			
Sales of goods	529,429	594,871	218,145
Commissions on services and trading margins	29,387	8,089	16,029
Revenue recognised from other sources	—	111,759	190,932
Total	558,816	714,719	425,106

	Power Business	Infra-structure Projects	Aerospace & Ship
	Millions of yen	Millions of yen	Millions of yen
Revenue:			
Sales of goods	133,158	19,847	39,704
Commissions on services and trading margins	1,942	3,239	4,450
Revenue recognised from other sources	52,389	—	41,844
Total	187,489	23,086	85,998

	Finance & Leasing Business	Construction, Industrial Machinery & Mobility	Next Generation Business Development
	Millions of yen	Millions of yen	Millions of yen
Revenue:			
Sales of goods	—	387,205	2,953
Commissions on services and trading margins	5,038	13,187	109
Revenue recognised from other sources	6,400	—	—
Total	11,438	400,392	3,062

	Other	Consolidated
	Millions of yen	Millions of yen
Revenue:		
Sales of goods	(13,589)	5,145,863
Commissions on services and trading margins	2,107	112,647
Revenue recognised from other sources	(185,996)	3,250,081
Total	(197,478)	8,508,591

Notes:

1. Inter-segment transactions are generally priced in accordance with the prevailing market prices.
2. "Other" includes revenues and inter-segment eliminations, which are not attributable to any particular operating segments.

Revenue recognised from other sources for the years ended March 31, 2022 in the Food-II segment and Agri Business segment represents revenue of the subsidiaries engaged in the grain business. As these transactions had been carried out for the purpose of generating profits from the sales of goods and short-term fluctuations in market prices by entering into forward contracts, they are accounted for as derivatives in accordance with IFRS 9 Financial Instruments. Of such transactions, those involving sales of goods subject to physical settlement, revenue was recognised in gross amounts.

The breakdown of contract balances in the Companies was as follows. In the Consolidated Statement of Financial Position, receivables arising from contracts with customers were included in "Notes, trade accounts and loans receivable" in both Current assets and Non-current assets, and contract liabilities were included in "Other current liabilities". The amount of contract assets was immaterial. The balances of contract liabilities at April 1, 2021 and 2020 were mostly reclassified to revenue by March 31, 2022 and March 31, 2021, respectively, and the amounts carried forward to subsequent fiscal years were immaterial.

	As of March 31, 2022	As of March 31, 2021
	Millions of yen	Millions of yen
Receivables arising from contracts with customers	686,682	547,132
Contract liabilities	166,483	102,415

For sales of goods where the Companies arrange shipping, revenue is recognised when the delivery terms specified in the contract have been fulfilled, i.e., when documents such as the bill of lading, warehouse receipt or delivery order is delivered to the buyer, at a point in time for most transactions. The amount of revenue that includes a variable consideration or repurchase obligations is immaterial.

For construction contracts that create or enhance the value of customers' assets, performance obligations are satisfied as the construction progresses, and revenue is recognised based on the progress of construction over the period in which the Company has performance obligations under construction contracts. Progress towards satisfaction of the performance obligations is generally measured based on the percentage of contract costs incurred by the end of each reporting period compared to the expected total contract costs. If such progress cannot be reasonably measured, the Companies recognise revenue to the extent of incurred costs. Revenue arising from construction contracts is immaterial and is presented within "Sales of goods".

Commissions on services and trading margins are mainly commissions receivable when the Companies are agents in transactions. The Companies recognise revenue upon the completion of service which is judged to give rise to the right to consideration from customers based on contracts and related legislation, legal precedents, customary business practices, etc.

Amounts due are settled normally within three months from the time the transaction is completed (i.e., the time at which the performance obligations are satisfied), in some cases payment is received before the performance obligations are satisfied and recorded as a contract liability. The amount of revenue that includes a variable consideration or repurchase obligations is immaterial.

In the determination of the transaction price, the Companies include the effects of variable consideration due to sales discounts, rebates, etc. If consideration for goods or services, etc. had been expected to be paid within a period of one year or less since the transfer of such goods or services, etc., no adjustments are made with respect to the effects of a significant financing component. Variable consideration is estimated by using the expected value based on past experience or the most likely amount in a range of possible consideration amounts, and revenue is recognised only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

In cases where there are multiple performance obligations identified in a contract, the transaction price is allocated to each performance obligation in proportion to the standalone selling prices.

The main goods and services in each operating segment related to revenue from contracts with customers and when performance obligations are satisfied are as follows:

	Main goods or services and when performance obligations are satisfied
Lifestyle	This segment manufactures and sells apparel, footwear and household goods, and revenue is mainly recognised when the delivery terms specified in the contract have been fulfilled.
ICT & Real Estate Business	With respect to mobile device sales, revenue is mainly recognised when the delivery terms specified in the contract have been fulfilled. With respect to network services, revenue is mainly recognised over multiple accounting periods.
Forest Products	This segment manufactures and sells raw materials for paper production, cardboard, paper and biomass fuels, and revenue is mainly recognised when the delivery terms specified in the contract have been fulfilled.
Food-I	This segment sells food products, including processed food and agricultural and fishery products, and revenue is mainly recognised when the delivery terms specified in the contract have been fulfilled.
Food-II	This segment sells products related to grain and livestock, and revenue is mainly recognised when the delivery terms specified in the contract have been fulfilled.
Agri Business	This segment sells agriculture materials, and revenue is mainly recognised when the delivery terms specified in the contract have been fulfilled.
Chemicals	This segment sells and trades petrochemicals, and revenue is recognised when the delivery terms specified in the contract have been fulfilled and as the service delivery has been completed.
Energy	This segment sells oil products, LNG and other energy-related products, and revenue is mainly recognised when the delivery terms specified in the contract have been fulfilled.
Metals and Mineral Resources	This segment develops raw material resources for steel and manufactures, processes and sells light metals and revenue is mainly recognised when delivery terms specified in the contract have been fulfilled.
Power Business	With respect to contracts for power generation equipment, transmission and transformation, revenue is recognised over multiple accounting periods according to the progress of construction. With respect to maintenance and operation of power plants, revenue is recognised when the service delivery has been completed. With respect to the wholesale · retail of electricity, revenue is mainly recognised when the delivery terms specified in the contract have been fulfilled.
Infrastructure Projects	Revenue from contracts for infrastructure-related equipment is recognised over multiple accounting periods according to the progress of construction, while revenue from services of maintenance and management of equipment is mainly recognised when the service delivery has been completed.
Aerospace and Ship	This segment is engaged in the sale and trading of aerospace and defence systems, and revenue is mainly recognised when the delivery terms specified in the contract have been fulfilled.
Finance & Leasing Business	This segment is engaged in the management and operation of private equity funds and infrastructure funds, and revenue is mainly recognised when the service delivery has been completed.
Construction, Industrial Machinery & Mobility	This segment sells construction machinery, mining machinery, vehicles, rubber materials, industrial machinery and machine tools, and revenue is mainly recognised when the delivery terms specified in the contract have been fulfilled.
Next Generation Business Development	This segment promotes the development and construction of new business models and platform functions in growth areas that the Company is not currently able to capture. In the fiscal year ended March 31, 2022, revenue was recognised mainly from the operation and management of overseas industrial parks when the related service delivery has been completed.

For contracts with a term expected to exceed one year, the transaction prices allocated to unsatisfied (or partially unsatisfied) performance obligations and revenues expected to be recognised for the next fiscal year ending March 31, at March 31, 2022 were as follows. However, these amounts do not include transaction prices regarding remaining performance obligations with an original expected duration of one year or less, and remaining performance obligations for which revenue is recognised in the amount to which the Companies have a right to invoice under contracts such as those in which the Companies bill a fixed amount for each hour of service provided:

	Millions of yen
Transaction prices allocated to unsatisfied (or partially unsatisfied) performance obligations	122,016
Revenues expected to be recognised for the next fiscal year ending March 31	31,772

<Earnings per Share>

1. Equity per share attributable to owners of the parent:

1,217.00 yen

The following sets forth the basis of the calculation of equity per share attributable to owners of the parent.

Numerator (millions of yen)	
Total equity attributable to owners of the parent	2,242,180
Adjustment amount used for the calculation of equity per share attributable to owners of the parent	
Amount not attributable to owners of the parent	147,023
Equity used for calculation of equity per share attributable to owners of the parent	2,095,157
Denominator (number of shares)	
Number of ordinary shares at end of period used for the calculation of equity per share attributable to owners of the parent	1,721,580,564

2. Basic earnings per share attributable to owners of the parent:

242.89 yen

Diluted earnings per share attributable to owners of the parent:

242.44 yen

The following table sets forth the calculation of basic and diluted earnings per share attributable to owners of the parent.

Numerator (millions of yen)	
Profit for the year attributable to owners of the parent	
Adjustment amount used for the calculation of earnings per share attributable to owners of the parent (basic)	424,320
Amount not attributable to owners of the parent	
Profit for the year used for the calculation of earnings per share attributable to owners of the parent (basic)	2,971
Adjustment amount used for the calculation of earnings per share attributable to owners of the parent (diluted)	421,349
Profit for the year used for the calculation of earnings per share attributable to owners of the parent (diluted)	(2)
	421,347
Denominator (number of shares)	
Weighted average number of ordinary shares used for the calculation of earnings per share attributable to owners of the parent (basic)	1,734,758,842
Weighted average number of shares	
Effect of dilution	
Adjustment concerning stock acquisition rights	2,425,755
Adjustments concerning restricted stocks	534,597
Adjustment concerning performance share units	201,943
Weighted average number of ordinary shares used for the calculation of earnings per share attributable to owners of the parent (diluted)	1,737,921,137

<Reorganization and Share Transfer of Gavilon Agriculture Investment, Inc.>

At a meeting of its Board of Directors held on January 26, 2022, the Company resolved that it will reorganise the group under the Gavilon Agriculture Investment, Inc., which is owned through its U.S. subsidiary Marubeni America Corporation and engages in grain and fertilizer businesses (hereinafter referred to as Gavilon), transfer its grain business (hereinafter referred to as Gavilon Grain Business) to a subsidiary of Viterra Limited (hereinafter referred to as Viterra), and signed an agreement to transfer all of its shares after the reorganization of the Gavilon group to Viterra. (hereinafter referred to as Share Transfer) on the same day.

The execution of the Share Transfer is scheduled to be completed by the end of the consolidated fiscal year ending March 31, 2023 after the conditions such as the approval of the relevant authorities have been satisfied, but the conditions such as the approval of the relevant authorities have not been satisfied as of the end of the current consolidated fiscal year, and the assets and liabilities of Gavilon Grain Business have not been classified as held for sale.

Reference: Consolidated Statement of Cash Flows <Unaudited>

Item	98th Business Year (from April 1, 2021 to March 31, 2022)	97th Business Year (from April 1, 2020 to March 31, 2021)
	Millions of yen	Millions of yen
Operating activities:		
Profit (loss) for the year	434,950	230,981
Adjustments to reconcile profit for the year to net cash provided by (used in) operating activities:		
Depreciation and amortisation	143,039	144,417
Gains (losses) on property, plant and equipment	4,946	8,825
Finance income (expenses)	(24,662)	(11,433)
Share of profits (losses) of associates and joint ventures	(236,555)	(141,264)
Income taxes	93,840	50,761
Changes in notes and trade accounts receivable	(190,963)	18,721
Changes in inventories	(341,487)	(116,365)
Changes in notes and trade accounts payable	228,877	132,064
Other-net	61,217	1,318
Interest received	8,905	8,990
Interest paid	(21,592)	(24,305)
Dividends received	213,933	128,533
Income taxes paid	(62,529)	(34,174)
Net cash provided by operating activities	311,919	397,069
Investing activities:		
Net increase (decrease) in time deposits	50	28
Proceeds from sale of property, plant and equipment	14,106	7,058
Proceeds from sale of investment property	20	—
Collection of loans receivable	36,423	13,062
Proceeds from sale of subsidiaries, net of cash and cash equivalents disposed	9,115	8,830
Proceeds from sale of investments in associates and joint ventures, and other investments	69,845	79,377
Purchase of property, plant and equipment	(101,805)	(124,090)
Purchase of investment property	(370)	(115)
Loans provided to customers	(41,630)	(11,528)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(7,804)	(18,788)
Purchase of investments in associates and joint ventures, and other investments	(57,610)	(70,090)
Net cash provided by (used in) investing activities	(79,660)	(116,256)
Financing activities:		
Net increase (decrease) in short-term borrowings	77,224	(9,464)
Proceeds from long-term bonds and borrowings	287,649	398,599
Repayments of long-term bonds and borrowings	(569,406)	(398,238)
Dividends paid to shareholders of the parent	(82,511)	(49,481)
Net cash outflows on purchases and sales of treasury stock	(19,212)	(10)
Capital contribution from non-controlling interests	1,055	667
Acquisition of additional interests in subsidiaries from non-controlling Interests	(4,271)	(380)
Payments of distributions to owners of other equity financial instruments	(3,125)	(3,942)
Redemption of other equity instruments	(100,000)	—
Other	(7,040)	(6,254)
Net cash (used in) financing activities	(419,637)	(68,503)
Effect of exchange rate changes on cash and cash equivalents	19,343	11,922
Net increase (decrease) in cash and cash equivalents	(168,035)	224,232
Cash and cash equivalents at beginning of year	745,858	522,523
Increase (decrease) in cash and cash equivalents resulting from transfer to assets held-for-sale	813	(897)
Cash and cash equivalents at end of year	578,636	745,858

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

Item	98th Business Year (As of March 31, 2022)	Ref: 97th Business Year (As of March 31, 2021)	Item	98th Business Year (As of March 31, 2022)	Ref: 97th Business Year (As of March 31, 2021)
ASSETS	Millions of yen	Millions of yen	LIABILITIES	Millions of yen	Millions of yen
Current assets:	1,111,079	1,185,855	Current liabilities:	1,410,181	1,308,895
Cash on hand and in banks	230,807	432,855	Notes and acceptances payable-trade	138,927	149,353
Notes receivable-trade	3,711	3,059	Accounts payable-trade	295,463	311,714
Accounts receivable-trade	381,876	352,587	Short-term loans payable	461,638	298,578
Marketable investment securities	10	6	Current portion of bonds	15,000	40,000
Inventories	116,845	97,836	Other payables	61,598	60,239
Advance payments to suppliers	33,934	43,892	Advance payments received from customers	28,959	32,691
Short-term loans receivable	235,995	169,625	Provision for loss on construction contracts	16,451	650
Other current assets	145,727	117,817	Deposits received	290,035	349,084
Allowance for doubtful accounts	(37,826)	(31,822)	Other current liabilities	102,110	66,586
Fixed assets:	2,288,286	2,283,254	Long-term liabilities:	1,426,185	1,505,432
Property and equipment	17,505	17,056	Bonds	487,730	408,977
Buildings	6,720	7,985	Long-term loans payable	923,827	1,044,080
Structures	1,036	1,087	Accrued pension and retirement benefits	6,844	6,378
Machinery and equipment	875	621	Allowance for contingency loss	2,103	36,903
Vessels	240	432	Other long-term liabilities	5,681	9,094
Vehicles	441	540	Total liabilities	2,836,366	2,814,327
Furniture and fixtures	3,209	1,407			
Land	4,984	4,984	NET ASSETS		
Intangible assets	19,511	21,459	Shareholders' equity	665,949	725,085
Computer software	19,120	21,006	Capital stock	262,947	262,686
Other intangible assets	391	453	Capital surplus		
Investments and others	2,251,270	2,244,739	Additional paid-in capital	91,333	91,073
Investment securities	144,033	161,398	Other capital surplus	32,129	32,114
Investments in subsidiaries and affiliates	1,743,275	1,695,215	Retained earnings		
Bonds of subsidiaries and affiliates	200	—	Other Retained earnings		
Other investment securities in subsidiaries and affiliates	4,149	2,667	Retained earnings	299,255	339,959
Investments in capital	1,426	2,009	Common stock in treasury	(19,715)	(747)
Other investments in subsidiaries and affiliates	81,168	79,887	Valuation and translation adjustments	(102,350)	(69,830)
Long-term loans receivable	302,987	295,980	Unrealised gains or losses on other securities	37,577	41,939
Doubtful accounts	8,984	8,026	Deferred gains or losses on hedges	(139,927)	(111,769)
Deferred tax assets	46,281	32,609	Stock acquisition rights	1,056	1,240
Other investment	21,584	31,433	Stock acquisition rights	1,056	1,240
Allowance for doubtful accounts	(88,813)	(50,627)	Total equity	564,655	656,495
Allowance for investment loss	(14,004)	(13,858)	Total liabilities and net assets	3,401,021	3,470,822
Deferred charges	1,656	1,713			
Bond issuance costs	1,656	1,713			
Total assets	3,401,021	3,470,822			

Non-consolidated Statement of Income

Item	98th Business Year (from April 1, 2021 to March 31, 2022)		Ref: 97th Business Year (from April 1, 2020 to March 31, 2021)	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Revenue		1,755,653		
Cost of goods sold		1,695,323		
Sales				3,531,917
Cost of sales				3,439,332
Gross profit		60,330		92,585
Selling, general and administrative expenses		145,434		130,245
Operating loss		(85,104)		(37,660)
Non-operating income		171,290		170,876
Interest income	4,779		8,362	
Interest on securities	201		61	
Dividend income	153,407		158,376	
Miscellaneous income	12,903		4,077	
Non-operating expenses		29,483		29,075
Interest expense	9,691		11,565	
Interest on bonds	3,547		2,847	
Exchange loss	4,079		3,024	
Miscellaneous expenses	12,166		11,639	
Ordinary income		56,703		104,141
Extraordinary gains		12,252		13,356
Gain on sales of property and equipment	22		1,389	
Gain on sales of investment securities	7,247		10,719	
Gain on sales of subsidiaries and affiliates' stocks	4,970		1,218	
Gain on transfer of business	13		30	
Extraordinary losses		39,211		44,577
Loss on sales of property and equipment	392		71	
Loss on sales of investment securities	20		1,707	
Loss on sales of subsidiaries and affiliates' stocks	—		160	
Loss on valuation of investment securities	28		383	
Loss on valuation of subsidiaries and affiliates' stocks	846		6,889	
Provision for loss on business of subsidiaries and affiliates	37,921		35,367	
Impairment losses	4		—	
Income before income taxes		29,744		72,920
Provision for income taxes - current		(10,856)		(7,359)
Provision for income taxes - deferred		(1,207)		(5,300)
Net income		41,807		85,579

Non-consolidated Statement of Changes in Net Assets

98th Business Year (from April 1, 2021 to March 31, 2022)

	Shareholders' equity						Valuation and translation adjustments			Stock acquisition rights	Total equity
	Capital stock	Capital surplus		Retained earnings	Common stock in treasury	Total shareholders' equity	Unrealised gains or losses on other securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
		Additional paid-in capital	Other capital surplus	Other Retained earnings							
				Retained earnings brought forward							
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance on March 31, 2021	262,686	91,073	32,114	339,959	(747)	725,085	41,939	(111,769)	(69,830)	1,240	656,495
Changes of items during the Business Year											
Dividends				(82,511)		(82,511)					(82,511)
Net income				41,807		41,807					41,807
Issue of new stock	261	260				521					521
Treasury stock purchased					(19,204)	(19,204)					(19,204)
Treasury stock sold			15		236	251					251
Net changes of items other than shareholders' equity							(4,362)	(28,158)	(32,520)	(184)	(32,704)
Total changes of items during the Business Year	261	260	15	(40,704)	(18,968)	(59,136)	(4,362)	(28,158)	(32,520)	(184)	(91,840)
Balance on March 31, 2022	262,947	91,333	32,129	299,255	(19,715)	665,949	37,577	(139,927)	(102,350)	1,056	564,655

Ref: 97th Business Year (from April 1, 2020 to March 31, 2021)

	Shareholders' equity						Valuation and translation adjustments			Stock acquisition rights	Total equity
	Capital stock	Capital surplus		Retained earnings	Common stock in treasury	Total shareholders' equity	Unrealised gains or losses on other securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
		Additional paid-in capital	Other capital surplus	Other Retained earnings							
				Retained earnings brought forward							
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance on March 31, 2020	262,686	91,073	32,075	303,861	(1,147)	688,548	22,967	(93,032)	(70,065)	1,336	619,819
Changes of items during the Business Year											
Dividends				(49,481)		(49,481)					(49,481)
Net income				85,579		85,579					85,579
Treasury stock purchased					(3)	(3)					(3)
Treasury stock sold			39		403	442					442
Net changes of items other than shareholders' equity							18,972	(18,737)	235	(96)	139
Total changes of items during the Business Year	—	—	39	36,098	400	36,537	18,972	(18,737)	235	(96)	36,676
Balance on March 31, 2021	262,686	91,073	32,114	339,959	(747)	725,085	41,939	(111,769)	(69,830)	1,240	656,495

<Significant Accounting Policies>

1. Valuation standards and methods for inventories

(1) Inventories held for sale in the ordinary course of business:

Inventories held for sale in the ordinary course of business are stated at cost mainly determined by the moving average method or the specific identification method. However, in the case that the net selling value falls below the acquisition cost, inventories are stated at the net selling value on the balance sheet, regarded as the decreased profitability of assets.

(2) Inventories held for trading purposes:

Inventories held for trading purposes are stated at fair value.

2. Valuation standards and methods for assets other than inventories

(1) Securities:

(i) Trading securities:

Trading securities are stated at fair value. Cost of securities sold is determined by the moving average method.

(ii) Held-to-maturity debt securities:

Held-to-maturity debt securities are stated at amortised cost.

(iii) Investments in subsidiaries and affiliates:

Investments in subsidiaries and affiliates are stated at cost determined by the moving average method.

(iv) Other securities:

(Marketable securities other than stocks without market value):

Other marketable securities are stated at fair value primarily based on market value at the date of the fiscal year-end. The unrealised gains or losses, net of applicable income taxes, are reported directly in net assets and costs of securities sold are determined by the moving average method.

(Non-marketable securities):

Other non-marketable securities are stated at cost determined by the moving average method.

(2) Derivative instruments:

Derivative instruments are stated at fair value.

3. Depreciation methods for fixed assets

(1) Property and equipment:

(i) Property and equipment other than lease assets:

Amortisation of intangible assets is determined by the straight-line method.

(ii) Lease assets:

(Lease assets regarding finance leases which transfer ownership):

Depreciation of lease assets regarding finance leases which transfer ownership is determined in the same manner as property and equipment owned by the Company.

(Lease assets regarding finance leases which do not transfer ownership):

Depreciation of lease assets regarding finance leases which do not transfer ownership is determined by the straight-line method, with the lease term substituted for useful lives and zero substituted for salvage value.

(2) Intangible assets:

(i) Intangible assets other than lease assets

Amortisation of intangible assets is determined by the straight-line method. Amortisation of computer software for internal use is determined by the straight-line method over its useful life of mainly 5 years in principle.

(ii) Lease assets

(Lease assets regarding finance leases which transfer ownership):

Depreciation of lease assets regarding finance leases which transfer ownership is determined in the same manner as intangible assets owned by the Company.

(Lease assets regarding finance leases which do not transfer ownership):

Depreciation of lease assets regarding finance leases which do not transfer ownership is determined by the straight-line method, with the lease term substituted for useful lives and zero substituted for salvage value.

4. Stock issuance costs and bond issuance costs

(1) Stock issuance costs:

The Company expenses stock issuance costs as they are incurred.

(2) Bond issuance costs:

The Company amortises bond issuance costs equally until maturity.

5. Allowances

(1) Allowance for doubtful accounts:

Allowance for doubtful accounts is determined based on past experience for normal receivables and on an estimate of the collectability of receivables from companies in financial difficulty.

(2) Allowance for investment loss:

In case the real value of a subsidiary's stock declines, allowance for investment loss is determined based on a review of their recoverability.

(3) Provision for loss on construction contracts:

In preparation for future losses regarding construction contracts, provision for loss on construction contracts is determined based on the estimated loss from the next fiscal year and beyond for constructions which are undelivered at the date of the fiscal year-end.

(4) Employees' retirement benefits:

Employees' retirement benefits are recognised by accrual basis, which is determined based on the projected benefit obligation and estimated fair value of plan assets at the date of the fiscal year-end. The method of attributing expected retirement benefits to accounting periods is determined by the benefit formula basis. Unrecognised actuarial gains or losses are amortised over the defined period, not exceeding the average remaining period of employment (mainly 14.1 years), by the straight-line method and are accounted for as the additions to or the deductions of pension costs from the fiscal year following the fiscal year in which those are incurred.

(5) Allowance for contingency loss:

Allowance for contingency loss from the guarantee of debt for subsidiaries and others is determined based on the financial conditions of guaranteed subsidiaries and others.

6. Accounting for hedges

(1) Accounting for hedges:

The deferred method is generally applied. The special treatment for interest rate swap agreements is applied when the defined conditions are met. When forward foreign exchange contracts are to hedge foreign currency risks on foreign currency denominated receivables and payables, such receivables and payables are recorded at the forward exchange contract rates.

(2) Hedging instruments and hedged items:

Forward foreign exchange contracts, interest rate swap agreements, and commodity future contracts are, separately or collectively, utilised to hedge market risks such as foreign currency exchange rates, interest rates and market price risks.

(3) Hedge policies:

Hedging activities on foreign currency exchange rates, interest rates and commodity price risks are utilised according to the risk management policies established by each Business Group.

(4) Method of assessment of hedge effectiveness:

The Company assesses hedge effectiveness primarily based on the ratio analysis before and after the hedge transactions, depending on the hedged items or hedging instruments.

7. Interest expenses incurred during the ordinary development period of large-sized real estate development projects (projects with development periods of over 2 years and costs exceeding 5,000 million yen) are capitalised as part of the development costs of related real estate.

8. The consolidated taxation system is applied. In regard to the items for which the review of the non-consolidated taxation system was carried out together with the transition to the Group Tax Sharing System established in the "Partial Amendment of the Income Tax Act" (Act No. 8 of 2020), based on Article 3 of the "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (PITF No.39, 31 March 2020) the provisions set forth in Article 44 of the "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, February 16, 2018) are not applied, and the amounts of deferred tax assets and deferred tax liabilities are based on the provisions of the tax law before revisions.

<Notes to Changes in Accounting Policies>

The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020, hereinafter referred to as the Revenue Recognition Standard) and Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30, March 26, 2021) since the beginning of the current fiscal year.

The new accounting standard is applied in accordance with the transitory treatment provided in the paragraph 84 of the new Revenue Recognition Standard and the effect of retrospective application is added to or deducted from retained earnings at the beginning of the fiscal year, and the new accounting policy is applied from the balance at the beginning of the fiscal year. Also, in connection with the application of standards including the new Revenue Recognition Standards, "Sales" and "Cost of sales" have been changed to "Revenue" and "Cost of goods sold" from the current fiscal year.

"Sales" indicates the total amount of consideration received in the transaction, while "Revenue" indicates the total amount of consideration received in the transaction if the Company controls the total amount of consideration received in the transaction before transferring the goods or services to the customer. If the Company does not control the total amount of consideration received in the transaction before transferring the goods or services to the customer, the total amount of consideration received in the transaction is deducted from the total amount of consideration received in the transaction. As a result, "Revenue" and "Cost of goods sold" in the Statement of Income for the current fiscal year decreased by approximately 3.2 trillion yen from "Sales" and "Cost of sales" when the previous standards were applied, respectively. However, this does not affect gross profit on sales and net income before taxes.

In addition, there is no effect on the beginning balance of retained earnings in the Statement of Changes in Shareholders' Equity for the current fiscal year.

<Notes to Accounting Estimates>

Assessment of collectability of long-term loans to Marubeni Aviation

(1) Amounts recognised in the Non-consolidated Financial statements for the year ended March 31, 2022

Long-term loans receivable	183,052 million yen
Allowance for doubtful accounts	(60,000) million yen

(2) Information about significant accounting estimates for identified items

Marubeni Aviation, a 100% owned subsidiary of the Company, owns an equity stake in a U.S. aircraft leasing company Aircastle Limited ("Aircastle") through its subsidiaries and the Company has loans to Aircastle when Marubeni Aviation made an investment in Aircastle. The Company recognised allowance for doubtful accounts against long-term loans to Marubeni Aviation during the year ended March 31, 2022. Allowance for doubtful accounts is calculated based on the consolidated net assets of Marubeni Aviation, reflecting the valuation of investment in the aircraft leasing business in the U.S. based on the future business plan.

Valuation of investment in the aircraft leasing business based on the future business plan of their business is as described in <Notes to accounting estimates> in the notes to Consolidated Financial Statements.

<Notes to Balance Sheet>

1. Accounts receivable from and payable to affiliated companies

Due from subsidiaries and affiliates		
	Current	422,124 million yen
	Non-current	303,075 million yen
Due to subsidiaries and affiliates		
	Current	463,144 million yen
	Non-current	553 million yen

2. Accumulated depreciation on property and equipment

28,131 million yen

3. Assets pledged as collateral

Assets pledged as collateral

Investment securities and investments in subsidiaries and affiliates	50,877 million yen
Other current assets	2,674 million yen

Related liabilities

Other current liabilities	52 million yen
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The Company's assets which were provided as collateral include those for loans payable of subsidiaries and affiliates.

4. Contingent liabilities

Guarantees for bank loans

Marubeni Financial Service	319,950 million yen
Marubeni America	275,346 million yen
Marubeni Petroleum	149,793 million yen
Others (111 companies)	631,937 million yen
<u>Total</u>	<u>1,377,026 million yen</u>

Elimination of duplication (20,783 million yen) is included in "Others".

Commitments to guarantees for bank loans

Marubeni Finance Europe	37,350 million yen
Others (3 companies)	(33,702) million yen
<u>Total</u>	<u>3,648 million yen</u>

Elimination of duplication (37,398 million yen) is included in "Others".

Guarantees for client debt are included above.

Export bills of exchange discounted	15,573 million yen
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The Company loans funds to Marubeni Financial Service Corporation (MFS) which manages intra-group finance. The loans to MFS which are included in the balance of "Guarantee for bank loans" on the balance sheet at March 31, 2022 and on which the Company bears credit risk of domestic subsidiaries and affiliates based on the contract with MFS are as follows:

MC Water Holdings	48,149 million yen
Others (36 companies)	215,802 million yen
<u>Total</u>	<u>263,951 million yen</u>

Lawsuits, etc.

See <Notes to the Consolidated Statement of Financial Position> in Notes to Consolidated Financial Statements 4. Contingent liabilities "Lawsuits, etc.".

<Notes to Statement of Income>

1. Operating and non-operating transactions with subsidiaries and affiliates

Sales	772,700 million yen
Purchases	1,761,587 million yen
Non-operating transactions	151,042 million yen

For certain transactions, "Revenue" and "Cost of Sales" are presented in the net amounts in the Statements of Income.

2. For the fiscal year ended March 31, 2022, the Company has recognised a loss of 36,148 million yen including a provision for loss on construction contracts for power stations in Taiwan, as a result of reviewing additional costs that are expected to occur in the future due to construction delays and other factors. The loss is included in "Cost of goods sold" in the Statement of Income. The allowance for loss on construction contracts at the end of the current fiscal year was 16,414 million yen, which is included in "other current liabilities" in the Balance Sheet.

3. Provision for loss on business of subsidiaries and affiliates

An extraordinary loss of 33,757 million yen was recognised under "Provision for loss on business of subsidiaries and affiliates" as an allowance for doubtful accounts against long-term loans due from Marubeni Aviation in response to a deterioration in its consolidated financial position due to the impairment losses recognised on leased aircrafts for Russia and Ukraine held for the aircraft leasing business in the U.S. (Aircastle Limited).

<Notes to Statement of Changes in Net Assets>

Type and number of treasury stock at March 31, 2022:

Type of shares	Common stock
Number of shares	16,179,955 shares

<Notes to deferred tax assets and deferred tax liabilities>

The major components of deferred tax assets are losses on devaluation of assets, reorganisation transaction and others. The major components of deferred tax liabilities are unrealised gains or losses on other securities.

<Notes to Revenue Recognition>

The information for the basis for understanding revenue is the same as that described in the Notes to Revenue Recognition in the Notes to Consolidated Financial Statements except for the content of major goods or services and the time of fulfilment of obligations described below.

The Company is engaged in a variety of businesses by operating segment. Major goods and services are classified as follows: sale of grain by Food II Segment; sale and trading of petrochemicals by the Chemicals Segment; sale of petroleum products and LNG by the Energy Segment; and sale of light metals by the Metals Segment. Revenue from these operating segments is recognised mainly when the contractual delivery terms are fulfilled and when the service provision is completed.

<Notes to related party transactions>

Subsidiaries and affiliates:

(Unit: millions of yen)

Attribute	Company name	Percentage of voting rights owned (held)	Relationship to related party	Transaction detail	Transaction amount	Line item	Balance as of March 31, 2022
Subsidiary	Columbia Grain International	Indirect: 100%	Import and offshore trade etc.	Import and offshore trade etc. *1	185,908	Notes and acceptances payable-trade Accounts payable-trade Others	19,049 3,780 1
Subsidiary	MARUBENI PETROLEUM	Direct: 100%	Debt guarantee	Debt guarantee *2	149,793	—	—
Subsidiary	Marubeni North Sea	Direct: 100%	Paid-in capital increase	Paid-in capital increase*3	48,616	—	—
Subsidiary	Marubeni Iron Ore Australia	Direct: 100%	Debt guarantee	Debt guarantee *2	107,757	—	—
Subsidiary	Marubeni LP Holding	Direct: 100%	Financial assistance	Lending of funds *4	—	Long-term loans receivable	78,726
Subsidiary	JAPAN OFFSHORE WIND POWER CO., LTD.	Direct: 100%	Financial assistance	Lending of funds *4	—	Short-term loans receivable	40,899
Subsidiary	MMSL	Direct: 100%	Debt guarantee	Debt guarantee *2	65,540	—	—
Subsidiary	MARUBENI AVIATION	Direct: 100%	Financial assistance	Lending of funds *4	—	Long-term loans receivable	183,052
Subsidiary	MARUBENI FINANCIAL SERVICE	Direct: 100%	Debt guarantee	Debt guarantee *2	319,950	—	—
			Borrowing of funds	Borrowing of funds *5	—	Short-term loans payable	40,104
Subsidiary	Marubeni Finance Europe	Direct: 100%	Deposit	Deposit *6	218,221	Deposits received	203,448
			Debt guarantee	Debt guarantee *2	39,186	—	—
Subsidiary	MARUBENI AMERICA	Direct: 100%	Financial assistance	Lending of funds *4	2,346,260	Short-term loans receivable	165,227
				Collection of funds *4	2,301,794	Accounts payable	34,294
			Import and offshore trade etc.	Import and offshore Trade etc. *1	214,947	Other payables	1,634
				Debt guarantee	Debt guarantee *2	275,346	Short-term loans payable
Subsidiary	MARUBENI AUSTRALIA	Direct: 100%	Borrowing of funds	Borrowing of funds *5	93,334	Short-term loans payable	36,800
				Repayment of funds *5	59,957		

Terms and conditions of the transactions and policies in determining terms and conditions of transaction:

1. The trading prices and other terms and conditions are determined by negotiation based on the current market prices, etc.
2. The Company has provided a guarantee for bank loans and other debts of the subsidiary, and the rate of the guarantee premium is determined by considering the creditworthiness and other factors of the subsidiaries.
3. The Company participated in the paid-in capital increase of this subsidiary.
4. The interest rates for lending of funds to the subsidiary are determined based on the market rates. No collateral is required for the lending of funds.
5. The interest rates for funds borrowed from the subsidiary are determined based on the market rates.
6. The interest rates for deposits from the subsidiary are determined based on the market rates. The transaction amount of deposits is displayed as an average balance over this business year.

<Notes to per share>

1. Net assets per share 327.24 yen

The following sets forth the basis of the calculation of net assets per share.

Numerator (millions of yen)	
Total net assets	564,655
Amount deducted from total net assets	
Stock acquisition rights	1,056
Total net assets concerning ordinary shares	563,599
Denominator (number of shares)	
Number of ordinary shares at end of period	1,722,295,542

2. Earnings per share 24.09 yen

Diluted earnings per share 24.05 yen

The following sets forth the basis of the calculation of earnings per share and diluted earnings per share.

Numerator (millions of yen)	
Profit for the year	41,807
Adjustment amount used for the calculation of diluted earnings per share	(2)
Profit for the year used for the calculation of diluted earnings per share	41,805
Denominator (number of shares)	
Average number of ordinary shares during period used for the calculation of earnings per share	1,735,273,387
Adjustment of number of dilutive shares	
Adjustment concerning stock acquisition rights	2,425,755
Adjustment concerning performance share units	201,943
Average number of ordinary shares during period used for the calculation of diluted earnings per share	1,737,901,085

Audit Report of the Accounting Auditor for the Consolidated Financial Statements (COPY)

Independent Auditor's Report

May 11, 2022

The Board of Directors
Marubeni Corporation

Ernst & Young ShinNihon LLC

Tadashi Watanabe
Certified Public Accountant
Designated and Engagement Partner

Kenji Takagi
Certified Public Accountant
Designated and Engagement Partner

Yasutaka Kakoi
Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the notes to the consolidated financial statements of Marubeni Corporation (the "Company") applicable to the fiscal year from April 1, 2021 through March 31, 2022.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group, which consisted of the Company and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2022, in accordance with International Financial Reporting Standards with some omissions of disclosure items pursuant to the latter part of the first paragraph of Article 120 of the Ordinance for Company Accounting.

Basis for opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Group's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Corporate Auditor and Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards with some omissions of disclosure items pursuant to the latter part of the first paragraph of Article 120 of the Ordinance for Company Accounting, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by International Financial Reporting Standards with some omissions of disclosure items pursuant to the latter part of the first paragraph of Article 120 of the Ordinance for Company Accounting, matters related to going concern.

Corporate Auditor and Board of Corporate Auditors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with International Financial Reporting Standards with some omissions of disclosure items pursuant to the latter part of the first paragraph of Article 120 of the Ordinance for Company Accounting.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Corporate Auditor and Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Corporate Auditor and Board of Corporate Auditors with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Conflicts of Interest

We have no interest in the Company and its consolidated subsidiaries which should be disclosed in compliance with the Certified Public Accountants Act.

(Note)

This is an English translation of the Japanese language Independent Auditor's Report issued by Ernst & Young ShinNihon LLC in connection with the audit of the consolidated financial statements of the Company prepared in Japanese, for the year ended March 31, 2022. Ernst & Young ShinNihon LLC have not audited the English language version of the consolidated financial statements for the above-mentioned year.

Audit Report of the Accounting Auditor (COPY)

Independent Auditor's Report

May 11, 2022

The Board of Directors
Marubeni Corporation

Ernst & Young ShinNihon LLC

Tadashi Watanabe
Certified Public Accountant
Designated and Engagement Partner

Kenji Takagi
Certified Public Accountant
Designated and Engagement Partner

Yasutaka Kakoi
Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Marubeni Corporation (the "Company") applicable to the 98th business year from April 1, 2021 through March 31, 2022.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position and results of operations of the Company, applicable to the fiscal year ended March 31, 2022, in accordance with auditing standards generally accepted in Japan.

Basis for opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Group's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Corporate Auditor and Board of Corporate Auditors for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with auditing standards generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by auditing standards generally accepted in Japan, matters related to going concern.

Corporate Auditor and Board of Corporate Auditors are responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with auditing standards generally accepted in Japan.

We communicate with the Corporate Auditor and Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Corporate Auditor and Board of Corporate Auditors with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

(Note)

This is an English translation of the Japanese language Independent Auditor's Report issued by Ernst & Young ShinNihon LLC in connection with the audit of the financial statements of the Company prepared in Japanese, for the year ended March 31, 2022. Ernst & Young ShinNihon LLC have not audited the English language version of the financial statements for the above-mentioned year.

The related supplementary schedules referred to in this report are not included in the attached translated version of financial documents.

Audit Report of the Audit & Supervisory Board (COPY)

Audit Report

The Audit & Supervisory Board discussed on the execution of Directors' duties for the 98th Business Year from April 1, 2021 to March 31, 2022 based on the audit report prepared by each of the Audit & Supervisory Board Members, prepared this report and reports as follows.

1. Audit Method and Details by Audit & Supervisory Board Members and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board established audit policies, plans and other matters, received reports on the status of performance and results of audit from each Audit & Supervisory Board Member, and reports on the status of execution of duties by Directors, the Accounting Auditor and other staff, and requested explanation when necessary.
- (2) In accordance with audit policies, plans and other matters established by the Audit & Supervisory Board, each Audit & Supervisory Board Member held dialogues with Directors, Chief Operating Officer of each Business Division and General Manager of each Department in Corporate Staff Division including Audit Department and other staff, strived to collect information and develop its audit environment and conducted its audit as following method.

- (i) Each Audit & Supervisory Board Member attended meetings of the Board of Directors and other important meetings, received reports from Directors and other staff on the execution of their duties, requested explanations when necessary, inspected important written approvals and other documents, and examined the status of operations and assets at the headquarters and major other offices.

With regard to the Corporation's subsidiaries, each Audit & Supervisory Board Member held dialogues with directors, audit & supervisory board members and other staff of subsidiaries, exchanged information, and requested reports on their businesses when necessary.

- (ii) Each Audit & Supervisory Board Member also received reports from and requested explanations when necessary from Directors and other staff on the details of the resolution by the Board of Directors concerning the development of systems necessary to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation, and other systems provided for in Article 100, Paragraph 1 and Paragraph 3 of the Enforcement Regulations of the Companies Act as systems necessary to ensure the properness of operations of a Corporate Group, consisting of a Stock Company and its group companies, and the status of development and operation of the systems established based on the resolution of the Board of Directors above (internal control system).
- (iii) The Audit & Supervisory Board monitored and verified whether the Accounting Auditor maintains its independent position and executes its proper audit, and received reports and explanation on the status of execution of the Accounting Auditor's duties, and exchanged opinions when necessary. Furthermore, the Audit & Supervisory Board received notice from the Accounting Auditor that "Systems necessary to ensure that duties are executed properly" (matters set forth in each item of Article 131 of the Corporation Accounting Regulations) had been developed in accordance with the "Quality Management Standards Regarding Audits" (Business Accounting Council; October 28, 2005) and other standards, and requested explanation when necessary.

Based on the above method, the Audit & Supervisory Board examined the Business Report and the Supplementary Schedules thereof, the Non-consolidated Financial Statements (Non-consolidated Balance Sheets, Non-consolidated Statements of Income, Non-consolidated Statements of Changes in Net Assets, and Notes to Non-consolidated Financial Statements) and the supplementary schedules thereof, and the Consolidated Financial Statements (the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the notes to the consolidated financial statements) for the Business Year under review.

2. Audit Results

(1) Audit Results of Business Report and Others

- (i) The Audit & Supervisory Board confirms that the Business Report and the Supplementary Schedules thereof correctly present the Corporation's situation in accordance with laws and regulations and the Articles of Incorporation.
- (ii) With regard to the execution of duties by Directors, the Audit & Supervisory Board confirms that there was no significant instance of wrongful acts, nor violations of laws or regulations, or the Articles of Incorporation.
- (iii) The Audit & Supervisory Board confirms that the details of the resolution by the Board of Directors concerning the internal control system are appropriate and adequate. In addition, the Audit & Supervisory Board confirms that there is no matter on which to remark with regard to the execution of duties by Directors regarding the internal control system.

(2) Audit Results on the Non-consolidated Financial Statements and the Supplementary Schedules thereof

The Audit & Supervisory Board confirms that the audit method of the Accounting Auditor, Ernst & Young ShinNihon LLC, and the results of audit thereof are appropriate and adequate.

(3) Audit Results on the Consolidated Financial Statements

The Audit & Supervisory Board confirms that the audit method of the Accounting Auditor, Ernst & Young ShinNihon LLC, and the results of audit thereof are appropriate and adequate.

May 12, 2022

The Audit & Supervisory Board, Marubeni Corporation
Full-time Audit & Supervisory Board Member Hikaru Minami (Seal)
Full-time Audit & Supervisory Board Member Toshiaki Kida (Seal)
Outside Audit & Supervisory Board Member Tsuyoshi Yoneda (Seal)
Outside Audit & Supervisory Board Member Yoichi Kikuchi (Seal)
Outside Audit & Supervisory Board Member Shigeru Nishiyama (Seal)

■ Notes to Shareholders

Business Year:	From April 1 to March 31 on the following calendar year
Ordinary General Meeting of Shareholders:	June every year
Date when shareholders that the Corporation pays the year-end dividends are confirmed:	March 31 every year
Date when shareholders that the Corporation pays the interim dividends are confirmed:	September 30 every year
Administrator of shareholders' register and organization to manage special accounts:	Mizuho Trust & Banking Co., Ltd. 1-3-3, Marunouchi, Chiyoda-ku, Tokyo 100-8241
Transfer agent:	Mizuho Trust & Banking Co., Ltd. Stock Transfer Agency Department, Headquarters 1-3-3, Marunouchi, Chiyoda-ku, Tokyo 100-8241 Telephone No.: (0120)288-324
The number of shares as a Tangen unit:	100 shares
Method of giving public notices:	Electronic public notice (The Corporation's electronic public notices are given within the Corporation's website at the URL below. However, in the event such electronic public notices are not available due to some accidents or other unavoidable circumstances, such notice shall be given within the Nihon Keizai Shimbun.) https://www.marubeni.com/jp/koukoku.html

■ Introduction to share administration

Contact address of the Corporation's share administration is as follows.

◆ Payment of unpaid dividends

Requests for the payment of unpaid dividends can be processed at the head offices and all Japanese branches of Mizuho Trust & Banking and Mizuho Bank.

◆ Issuance of payment details

Please direct your inquiries to the contact address below at Mizuho Trust & Banking.

◆ Procedures following the change in address, the request for purchase of shares less than a Tangen Unit by the Corporation or purchase of additional shares less than a Tangen Unit by shareholders, specification of method to receive dividends, filing an income tax return or inheritance

Shareholders who have accounts with securities firms:

Please direct your inquiries to the securities firm that you have accounts with.

Shareholders who do not have accounts with securities firms (shareholders who are registered in special accounts):

Please direct your inquiries to the following contact address at Mizuho Trust & Banking.

◆ Contact address:

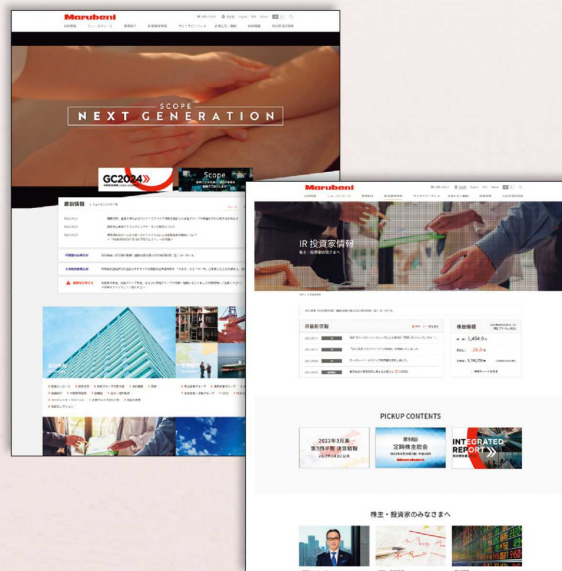
8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-8507

Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.

Toll free: 0120-288-324

Introduction to the Corporation's website

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



The Corporation's website provides not only the corporate overview, business domains, press releases and other basic information, but also IR information, CSR, global environment and other wide variety of contents.

Please visit our website.

Marubeni

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