

Notice of the 99th Ordinary General Meeting of Shareholders

10:00 A.M., Friday, June 23, 2023

Matters for Resolution

- Agenda No. 1: To Partially Amend the Articles of Incorporation
- Agenda No. 2: To elect 10 Directors (Members of the Board)
- Agenda No. 3: To elect 1 Audit & Supervisory Board Member
- Agenda No. 4: Revision of remuneration for Directors
- Agenda No. 5: Revision of the amount of remuneration for Audit & Supervisory Board Members

No gifts will be provided.

The venue has been changed.

To Our Shareholders

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

The crisis response measures for COVID-19 are easing, and our normal daily life has started to return. However, as for the business environment, highly opaque conditions remain due to global inflation, concern about a recession, rising geopolitical risk, etc. Under these circumstances, through the concerted effort by officers and employees, Marubeni Corporation shall keep striving to improve our corporate value by focusing on strengthening current business domains, exploring new business models and executing the Green Strategy, as defined by the Mid-Term Management Strategy GC2024.

Thank you for your continuous support.



June 2023

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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Global crossvalue platform

We anticipate the issues and challenges facing society and create innovative solutions for our customers and for the world, breaking down barriers between sectors, between internal and external, crossing borders, building on our existing business models and expanding into new markets.

We will generate new value by freely combining our Group's strengths, internal and external expertise, individual dreams and visions, taking the Marubeni Group as one single platform.



Global crossvalue platform
Marubeni

To our shareholders:

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

Notice of the 99th Ordinary General Meeting of Shareholders

We wish to inform you that the 99th Ordinary General Meeting of Shareholders will be held as set forth below.

In connection with the convocation of the General Meeting of Shareholders, the Corporation takes electronic provision measures for the information contained in the Reference Materials for the General Meeting of Shareholders (matters subject to electronic provision measures.) On the Corporation's website, matters subject to electronic provision measures are listed as "Notice of the 99th Ordinary General Meeting of Shareholders" and "Other Matters Subject to Electronic Provision Measures for the 99th Ordinary General Meeting of Shareholders (Matters Excluded From Paper-Based Documents Delivered)."

The Corporation's website:

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



In addition to the website listed above, the matters subject to electronic provision measures are also posted on the website of the Tokyo Stock Exchange (TSE). Therefore, please access the following TSE website (Tokyo Stock Exchange Listed Company Search), enter and search using the issue name (Marubeni) or code (8002), and select "Basic Information" then "Documents for public inspection/PR information." Under "Documents for public inspection," please confirm the information listed in "Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting" section.

TSE website:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>



The General Meeting of Shareholders will be held with proper measures to prevent the spread of the COVID-19 infection. However, considering the COVID-19 spread status and your health condition on the day of the General Meeting of Shareholders, please decide if you would like to physically attend the meeting. When you are not physically visiting the venue, you may exercise your voting rights in writing or via the Internet. Please review the Reference Materials for the General Meeting of Shareholders, and exercise your voting rights by 5:30 P.M., Thursday, June 22, 2023.



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 8 and exercise your voting rights by the exercise deadline set forth above.

Date and Time:	10:00 A.M., Friday, June 23, 2023 (Doors open at 9:00 A.M.)
Venue:	<p>Marubeni Building, Hall (3F) 4-2, Ohtemachi 1-chome, Chiyoda-ku, Tokyo (In case the hall on the third floor is filled to capacity, please note that you will be escorted to another conference room in the Marubeni Building.)</p> <p><u>Please be aware that the venue has been changed from the previous year. Please be advised that the Marubeni Gallery will be closed on the day of the General Meeting of Shareholders since it is in the exhibition renewal period.</u></p>
Agenda:	<p>Matters to Report:</p> <ol style="list-style-type: none"> 1. Reports on Business Report for the 99th Business Year (from April 1, 2022 to March 31, 2023) and Consolidated Financial Statements and the Audit Reports of the Accounting Auditor and the Audit & Supervisory Board for Consolidated Financial Statements for the 99th Fiscal Year (from April 1, 2022 to March 31, 2023) 2. Reports on Non-consolidated Financial Statements for the 99th Business Year (from April 1, 2022 to March 31, 2023) <p>Matters for Resolution:</p> <p>Agenda No. 1: To Partially Amend the Articles of Incorporation Agenda No. 2: To elect 10 Directors (Members of the Board) Agenda No. 3: To elect 1 Audit & Supervisory Board Member Agenda No. 4: Revision of remuneration for Directors Agenda No. 5: Revision of the amount of remuneration for Audit & Supervisory Board Members</p>

- 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.
- Pursuant to the laws and regulations and Article 14 of the Articles of Incorporation, the following items of the matters subject to electronic provision measures are excluded from the documents provided to the shareholders who requested the paper copy to be sent (paper-based documents that list matters subject to electronic provision measures) and posted only on the websites of the Corporation and TSE. These are part of documents audited by Audit & Supervisory Board Members and Accounting Auditor at the preparation of Audit Report and Accounting Audit Report, respectively.

Business report:

Major lenders, Status of major subsidiaries and consolidation of major businesses (status of businesses consolidation), Major business bases of the Group; Employees of the Group/Number of employees of the Group; Other important matters concerning the Group's current status; Matters Concerning the Corporation's Shares; 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 Balance Sheets; Non-consolidated Statement of Income;
Non-consolidated Statement of Changes in Equity; Notes to Non-
consolidated Financial Statements
- Audit Reports: Audit Report of the Accounting Auditor (COPY)
- If any revisions are required to matters subject to electronic provision measures, such matters before and after the revisions will be posted on the websites of the Corporation and TSE.
 - **The Corporation will not provide gifts to shareholders who are attending the meeting. We appreciate your understanding.**

Payment of Year-end Dividends for the 99th Business Year

In accordance with the provisions of the Articles of Incorporation, at the Board of Directors meeting of May 12, 2023, the Corporation decided that the year-end dividend will be 40.5 yen per share and that the effective date (the payment commencement date) will be June 5, 2023.

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 99th 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 99th 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 99th Business Year" during the period from Monday, June 5, 2023 to Friday, July 14, 2023.

(Reference) Flow of the General Meeting of Shareholders of the Corporation

STEP
1

Before the date of the General Meeting of Shareholders of the Corporation |

After the arrival of the notice of convocation to June 22, 2023 (Thursday)

1 Review the disclosed documents.



Major content of the notice of convocation is accessible with a smartphone.

<https://p.sokai.jp/8002/>
(in Japanese only)



2 Exercise your voting rights in advance.

Exercise period

Must arrive no later than
**5:30 P.M. on Thursday,
June 22, 2023**



Internet



Mail

“Smart Exercise” that uses a smartphone is easy and convenient because what you have to do is only scan the QR Code on the Voting Rights Exercise Form. You need to enter neither the code for exercising voting rights (ID) nor the password. For details, please refer to page 8 of this booklet.

3 Ask questions in advance.

Submission period

By **5:30 P.M. on Thursday,
June 22, 2023**

After exercising your voting rights through the Smart Exercise, you may send your questions in advance utilizing the questionnaire function. For matters of shareholders’ great interest, we will provide the answer on the date of the General Meeting of the Shareholders. Thank you for your understanding in advance that responses may not be given individually. For details, please refer to page 8 of this booklet.

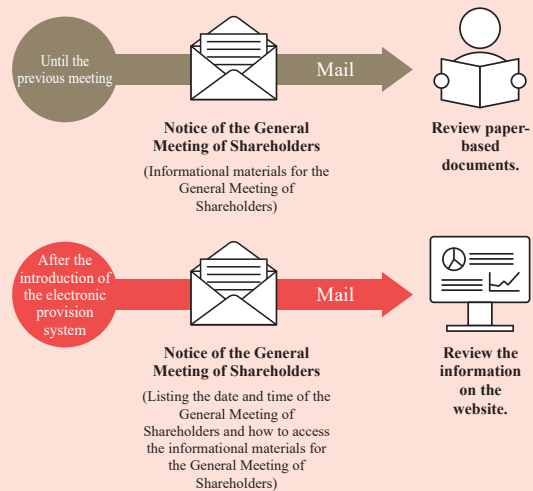
The system for electronic provision of the notice of the General Meeting of Shareholders has started.

Due to the enactment of the amended Companies Act on September 1, 2022, the system for electronic provision of informational materials for the General Meeting of Shareholders (system to provide informational materials for the General Meeting via the website as a general rule) has started from the General Meeting of Shareholders held in March 2023. Since this General Meeting of Shareholders will be held immediately after the start of the system, we decided to provide the notice in writing for the convenience of shareholders as before. However, starting from next year, we will not provide paper-based documents of the same content as provided this year. If you would like to keep receiving materials for the General Meeting of Shareholders in writing from next year onwards, as you did this time, please send a request to the following inquiry desk.

[Inquiries]

Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.
[Inquiry desk for the provision of informational materials for the General Meeting of Shareholders via the website]

Telephone: 0120-524-324
(Weekday: 9:00-17:00)



STEP
2

On the date of the General Meeting of Shareholders |
10:00 A.M. on Friday, June 23, 2023

STEP
3

After the completion of the General Meeting of Shareholders

Shareholders visiting the venue

Venue:

Marubeni Building, Hall (3F)

4-2, Ohtemachi 1-chome, Chiyoda-ku, Tokyo

Reception opens:

From 9:00 A.M.

Please be aware that the venue has been changed from the previous year.

Shareholders watching livestream

Livestream starts:

From 10:00 A.M., Friday, June 23, 2023



How to log-in to livestream



Watching with a smartphone

Please access scanning the QR code printed on the livestream information sent with this notice.

ID and password are not required.



Viewing on a PC

Please access the Corporation's website or the following URL and enter your ID and password.

<https://vgm.smart-portal.ne.jp/>
(in Japanese only)



View the livestream after the event.



Confirm the results of the resolutions.

Check the website

You can view using one of the following methods.

Marubeni General Meeting of Shareholders

click

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



The Ordinary General Meeting of Shareholders will be livestreamed (both video and audio) via the Internet for shareholders who cannot come to the venue on the day to view the meeting.

Guide to Exercising Your Voting Rights

To Attend the Meeting



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.

Not to Attend the Meeting



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 22, 2023.**

*Where there is no indication of either “assent” or “dissent” of the respective proposed resolutions on the voting form, it shall be deemed that each of the Item was assented.



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 22, 2023.**

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 22, 2023**, 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, 2023 (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)

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

Website to Exercise Voting Rights

<https://soukai.mizuho-tb.co.jp/>
(in Japanese only)

*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.



- 2 Please enter your voting right code and click the “Proceed” button.
- 3 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.
- 4 Please follow the instructions on the screen in order to exercise your voting rights.

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

- 1 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.)
- 2 You can exercise your voting rights by “Smart Exercise” only once.
- 3 After exercising your voting rights through the “Smart Exercise”, you may send your questions in advance utilizing function (in Japanese only).
 - *For details, please refer to the enclosed leaflet.

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.

Reference Materials for the General Meeting of Shareholders

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 clarify the content of business and respond to the diversification of business. Articles 22 and 28:

To ensure the circumstances that allow Directors and Audit & Supervisory Board Members to fully perform their roles as expected, it is proposed that the Articles of Incorporation be amended to expand the subjects to conclude the limitation of liability agreement within the scope allowed under the Companies Act and permit the Corporation to enter into the limitation of liability agreement with Directors who are not Executive Directors, etc., and Audit & Supervisory Board Members who are not Outside Audit & Supervisory Board Members. As for the amendment of Article 22, we have received the consent of each Audit & Supervisory Board Member.

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 6. (Omitted) 7. <u>Planning, supervising and contracting</u> for construction and building works; 8. through to 14. (Omitted) 15. Management of each facilities of sports, recreation, sightseeing, accommodation, medical treatment <u>and</u> care, and travel business and restaurant business; 16. through to 30. (Omitted)	Article 2. Purposes (Unchanged) 1. through to 6. (Unchanged) 7. <u>Contracting, executing, planning and supervising</u> for construction, <u>building and civil engineering</u> works; 8. through to 14. (Unchanged) 15. Management of each facilities of sports, recreation, sightseeing, accommodation, medical treatment, <u>care and art</u> , and travel business and restaurant business; 16. through to 30. (Unchanged)

Current Articles of Incorporation

Article 22. Exemption of Directors from Liability

1. Pursuant to the provisions of Article 426, Section 1 of the Corporate Law, the Corporation may, by a resolution of the Board of Directors, exempt director(s) (including former directors) from liability for damages for dereliction of duty to the extent allowed by applicable law and regulations.
2. The Corporation may, pursuant to the provisions of Article 427, Section 1 of the Corporate Law, enter into an agreement with its outside directors which limits their liabilities for damages for dereliction of duty; provided, however, that the limitation of liabilities under such agreements shall be the amount provided by applicable law and regulations.

Article 28. Exemption of Corporate Auditors from Liability

1. Pursuant to the provisions of Article 426, Section 1 of the Corporate Law, the Corporation may, by a resolution of the Board of Directors, exempt Corporate Auditor(s) (including former Corporate Auditors) from liability for damages for dereliction of duty to the extent allowed by applicable laws and regulations.
2. The Corporation may, pursuant to the provisions of Article 427, Section 1 of the Corporate Law, enter into an agreement with its outside Corporate Auditor(s) which limits their liabilities for damages for dereliction of duty; provided, however, that the limitation of liability under such agreement shall be the amount provided by applicable law and regulations.

Proposed Amendments

Article 22. Exemption of Directors from Liability

(Unchanged)

2. The Corporation may, pursuant to the provisions of Article 427, Section 1 of the Corporate Law, enter into an agreement with its Directors (excluding those who are Executive Directors, etc.), which limits their liabilities for damages for dereliction of duty; provided, however, that the limitation of liabilities under such agreements shall be the amount provided by applicable law and regulations.

Article 28. Exemption of Corporate Auditors from Liability

(Unchanged)

2. The Corporation may, pursuant to the provisions of Article 427, Section 1 of the Corporate Law, enter into an agreement with its Corporate Auditor(s) which limits their liabilities for damages for dereliction of duty; provided, however, that the limitation of liability under such agreement shall be the amount provided by applicable law and regulations.

* Some underlining does not coincide with the Japanese version because of translation adjustments.

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

The terms of office of all 10 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:

(For election standards for Member of the Board, please refer to page 25 of this booklet.)

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% (16/16)	11 years
2	Masumi Kakinoki Reappointment	President and CEO, Member of the Board	100% (16/16)	5 years
3	Akira Terakawa Reappointment	Senior Executive Vice President, Member of the Board, Chief Executive Officer, Consumer Products Group	100% (16/16)	2 years
4	Takayuki Furuya Reappointment	Senior 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% (16/16)	3 years
5	Kyohei Takahashi Reappointment Outside Director Independent Director	Member of the Board	100% (16/16)	7 years
6	Yuri Okina Reappointment Outside Director Independent Director	Member of the Board	100% (16/16)	6 years
7	Masato Kitera Reappointment Outside Director Independent Director	Member of the Board	100% (16/16)	3 years
8	Shigeki Ishizuka Reappointment Outside Director Independent Director	Member of the Board	100% (16/16)	2 years
9	Hisayoshi Ando Reappointment Outside Director Independent Director	Member of the Board	100% (13/13)	1 year
10	Mutsuko Hatano 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. Hisayoshi Ando pertains to the Meetings of the Board of Directors held following his assumption of office as Director on June 24, 2022.

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):

11 years

Current shareholdings in
the Corporation:

284,283 shares

Potential shareholdings*
in the Corporation:

200,500 shares

Total shareholdings in the
Corporation:

484,783 shares

Attendance at meetings of
the Board of Directors:

100%
(16/16)

■ 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; Managing Executive Officer, Member of the Board; Senior Managing Executive Officer; Senior Executive Vice President; 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 2022, 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.



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

General Meeting of Shareholders):

5 years

Current shareholdings in
the Corporation:

300,746 shares

Potential shareholdings*
in the Corporation:

63,700 shares

Total shareholdings in the
Corporation:

364,446 shares

Attendance at meetings of
the Board of Directors:

100%
(16/16)

■ 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 2022, as President and CEO, Member of the Board, Mr. Kakinoki continued the realization of the vision for the Marubeni of the future "Global crossvalue platform." Furthermore, he led the implementation of two basic policies of the Mid-Term Management Strategy GC2024, "strengthen current business domains and explore new business models" and the "Green Strategy," and played an appropriate role as 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**

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

2 years

Current shareholdings in
the Corporation:

114,890 shares

Potential shareholdings*
in the Corporation:

122,700 shares

Total shareholdings in the
Corporation:

237,590 shares

Attendance at meetings of
the Board of Directors:

100%
(16/16)**■ 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. 2023: Senior Executive Vice President, Member of the Board,
Chief Executive Officer, Consumer Products Group (Present Position)

■ 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 after having served as Managing Executive Officer; Executive Officer, Consumer Products Group 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 2022, 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.



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

Current shareholdings in
the Corporation:
93,021 shares

Potential shareholdings*
in the Corporation:
31,000 shares

Total shareholdings in the
Corporation:
124,021 shares

Attendance at meetings of
the Board of Directors:
100%
(16/16)

■ 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
Apr. 2023: Senior 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)

■ 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 Senior 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; and Managing Executive Officer, 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. In fiscal year 2022, 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.

Outside Director

Reappointment

Independent Director

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



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

General Meeting of Shareholders):

7 years

Current shareholdings in
the Corporation:

0 shares

Attendance at meetings of
the Board of Directors:

100%
(16/16)

■ 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: Executive Advisor, Showa Denko K.K.

Jan. 2023: Executive Advisor, Resonac Holdings K.K. (former 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 25). 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 former Showa Denko K.K. (currently, Resonac Holdings K.K.). There is a continuous transaction relationship between Showa Denko and the Corporation, in which the Corporation sells raw materials to Showa Denko and the Corporation purchases Showa Denko’s products and so on. Net sales of the Corporation to Showa Denko for the three business years from fiscal year 2019 to fiscal year 2021 account for 0.06% of the consolidated revenue of the Corporation during the said three-year period, whereas net sales of Showa Denko to the Corporation account for 0.07% 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.



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%
(16/16)

■ 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

■ 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 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 25). 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.

■ 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 Nomination Committee, she led discussion in order to enhance soundness, transparency, and efficiency of the Corporation’s management. 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.

Outside Director

Reappointment

Independent Director

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



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

Current shareholdings in
the Corporation:
0 shares

Attendance at meetings of
the Board of Directors:
100%
(16/16)

■ Career Overview

Apr. 1976: Joined the Ministry of Foreign Affairs
Apr. 1993: General Manager, ODA Division, Economic Cooperation Bureau
Jul. 1995: Secretary to Chief Cabinet Secretary
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 and Plenipotentiary to France
Jun. 2016: Ambassador and Plenipotentiary 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, Director, Audit & Supervisory Committee Member from June 2022)
Mar. 2021: Member of the Board, Japan Tobacco Inc. (Present Position)

■ Status of Important Concurrent Occupations or Positions at Other Organizations

Director, Audit & Supervisory Committee Member, NIPPON STEEL CORPORATION
Member of the Board, Japan Tobacco Inc.

■ 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. 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 25). 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.

■ 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.



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%
(16/16)

■ 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
 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)
 Apr. 2021: Director, Sony Corporation
 Jun. 2021: Member of the Board of the Corporation (Present Position)
 Jun. 2022: Vice Chairman, Sony Group 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. 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 25). 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 was an executive of Sony Group Corporation (former Sony Corporation), former Sony Imaging Products & Solutions Inc. and former Sony Electronics Corporation (now integrated into the current Sony Corporation). There were no transactions between these companies and the Corporation during the three business years from fiscal year 2019 to fiscal year 2021.
- (3) Mr. Ishizuka is to take office as Director of LIXIL Corporation at the Annual Shareholders’ Meeting to be held in June 2023.

■ 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. Additionally, he has been proactively expressing his opinions as a Nomination Committee member in order to enhance soundness, transparency, and efficiency of the Corporation’s management. Because he is expected to continue to fulfill the role stated above and in view of the report by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Outside Director.



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, 2022

■ 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
- May 2022: Director, Audit & Supervisory Committee Member, Nitro Holdings Co., Ltd. (Present Position)
- Jun. 2022: Member of the Board of the Corporation (Present Position)

■ Status of Important Concurrent Occupations or Positions at Other Organizations

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 25). 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.

■ 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. As an Outside Director of the Corporation, he has been providing advice to management and appropriately supervising business execution from objective and specialist perspectives in light of the rapidly changing world situation in order to enhance soundness, transparency, and efficiency of the Corporation's management. Additionally, as an advisor to the Sustainability Management Committee, he has been proactively expressing his opinions of overall sustainability matters from an independent, external perspective. Because he is expected to continue to fulfill the role stated above and in view of the report by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Outside Director.

10 Mutsuko Hatano (Date of Birth: Oct. 1, 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 Hitachi, Ltd.
- Sep. 1997: Visiting Researcher, University of California (UCB), Berkeley
- Apr. 2005: Chief Researcher of Central Research Laboratory, Hitachi, Ltd.
- Jul. 2010: Professor, Graduate School of Science and Engineering, Tokyo Institute of Technology
- Oct. 2014: Council Member, Science Council of Japan
- Apr. 2016: Professor, Department of Electrical and Electronic Engineering, School of Engineering, Tokyo Institute of Technology (Reorganized) (Present Position)
- Jun. 2016: Director, Ricoh Company, Ltd. (Present Position)
- Mar. 2020: Representative Director and President, The Japan Society of Applied Physics
- Oct. 2020: Member, Science Council of Japan (Present Position)
- Mar. 2022: Senior Aide to the President, Tokyo Institute of Technology (Present Position)
Adjunct Executive Member, Council for Science, Technology and Innovation, Cabinet Office (Present Position)
- Apr. 2022: Auditor, The Japan Society of Applied Physics (Present Position)

■ Status of Important Concurrent Occupations or Positions at Other Organizations

Professor, Department of Electrical and Electronic Engineering, School of Engineering, Tokyo Institute of Technology
Director, Ricoh Company, Ltd.

■ 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. Hatano and the Corporation existed in the past or exist currently, and she satisfies the requirements in the “Standards and Policies for the Independence of Outside Directors/Audit & Supervisory Board Members of the Corporation” (as set forth on page 25). Hence, if her appointment is approved at this General Meeting of Shareholders, the Corporation plans to appoint 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.

(2) Attributes of Independent Director/Auditor:

Ms. Hatano is Senior Aide to the President and Professor at the Department of Electrical and Electronic Engineering, School of Engineering of Tokyo Institute of Technology. There were no transactions between the institute and the Corporation during the three fiscal years from fiscal year 2019 to fiscal year 2021.

In addition, Ms. Hatano was Representative Director and President of the Japan Society of Applied Physics. There were no transactions between the organization and the Corporation.

(3) Ms. Hatano is scheduled to retire from her position as Director of Ricoh Company, Ltd. at the time of close of the Ordinary General Meeting of Shareholders of Ricoh to be held in June 2023.

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

After having been engaged in fundamental research at a large manufacturer, Ms. Hatano assumed the office of Professor at the Department of Electrical and Electronic Engineering, School of Engineering of Tokyo Institute of Technology, which is one of the leading universities in Japan and has been working on quantum-related research for many years. Through her abundant experience in academic societies and government agencies, she has been contributing to the advancement of science and technology. In addition, serving as Outside Director of a global company for many years, she has been making a contribution to the enhancement of its corporate governance as the chairperson of the Board of Directors.

She is expected to provide advice to the Corporation’s management and proper supervision of the execution of duties appropriately since she has a wide breadth of experience and expertise in science, technology and human resource development as mentioned above. Therefore, in view of the report by the Nomination Committee, the Board of Directors decided to appoint her as a new candidate for Outside Director.

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- 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 Director (excluding those who are Executive Directors, etc.)
The Corporation has entered into an agreement with each of Mr. Kyohei Takahashi, Ms. Yuri Okina, Mr. Masato Kitera, Mr. Shigeki Ishizuka, and Mr. Hisayoshi Ando 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. Masato Kitera, Mr. Shigeki Ishizuka, and Mr. Hisayoshi Ando and enter into a limitation of liability agreement with Mr. Fumiya Kokubu and Ms. Mutsuko Hatano. The conclusion of the Limitation of Liability Agreement with Mr. Fumiya Kokubu is subject to the approval of “Agenda No. 1: To Partially Amend the Articles of Incorporation.”
 4. Indemnification agreement with candidates for Director
If this agenda is approved, pursuant to the provision of Article 430-2, Paragraph 1 of the Companies Act, the Corporation will enter into an agreement with each candidate to indemnify the expense and loss set forth in Item 1 and 2 of the paragraph, respectively, within the limit defined by laws and regulations.
 5. 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. The candidates will be insured under the said insurance contract. When it is to be renewed, the Corporation intends to review and renew the contract.

Agenda No. 3: To elect 1 Audit & Supervisory Board Member

The terms of office of Mr. Hikaru Minami 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 1 Audit & Supervisory Board Member. This proposal has gained consent of the Audit & Supervisory Board.

The candidate for Audit & Supervisory Board Member is as follows.

(For details of the Audit & Supervisory Board Member Election Standards, please refer to page 25.)

Takao Ando (Date of Birth: Jan. 1, 1963)

New appointment



No. of years served as
Audit & Supervisory Board
Member (at the close of this
General Meeting of Shareholders):

—

Current shareholdings in
the Corporation:

71,858 shares

Potential shareholdings*
in the Corporation:

24,000 shares

Total shareholdings in the
Corporation:

95,858 shares

■ Career Overview

Apr. 1985: Joined the Corporation

Apr. 2015: General Manager, Risk Management Dept.

Apr. 2017: Corporate Officer; General Manager, Risk Management Dept.

Jun. 2019: Executive Officer; General Manager, Risk Management Dept.

Apr. 2022: Managing Executive Officer; General Manager, Risk Management Dept.

Apr. 2023: Managing Executive Officer (Present Position)

■ Reasons for the appointment of the candidate for the position of Audit & Supervisory Board Member

Since Mr. Ando joined the Corporation, he has mainly engaged in risk management and corporate planning, served as Managing Executive Officer and General Manager, Risk Management Dept. and is now Managing Executive Officer. He has abundant knowledge required for overall management of a general trading company and global business management gained through such experience as well as excellent expertise about the analysis of business risk including geopolitical risk and compliance. The Corporation believes that he will appropriately fulfill his duties as an Audit & Supervisory Board Member in order to enhance the soundness, transparency, and efficiency of the Corporation's management and contribute to reinforcement of the corporate governance of the Corporation and enrichment of audits by the Audit & Supervisory Board. 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 Audit & Supervisory Board Member.

* 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.

Notes: 1. The above candidate has no specific interests with the Corporation.

2. Limitation of Liability Agreement with the candidate:

In the event that this agenda is approved, the Corporation intends to enter into an agreement with the candidate 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 duty. The conclusion of such limitation of liability agreement is subject to the approval of "Agenda No. 1: To Partially Amend the Articles of Incorporation."

3. Indemnification agreement with the candidate

If this agenda is approved, pursuant to the provision of Article 430-2, Paragraph 1 of the Companies Act, the Corporation will enter into an agreement with the candidate to indemnify the expense and loss set forth in Item 1 and 2 of the paragraph, respectively, within the limit defined by laws and regulations.

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. The candidates will be insured under the said insurance contract. When it is to be renewed, the Corporation intends to review and renew the contract.

(Reference)**Specialty and experience of Members of the Board and Audit & Supervisory Board Members if Agenda No. 2 and No. 3 are approved**

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

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

(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.

Agenda No. 4: Revision of Remuneration for Directors

The amount of remuneration and other payments for Directors (Members of the Board) of the Corporation was resolved to be up to a maximum of 1,100 million yen per year (including up to a maximum of 120 million yen for Outside Directors; excluding, however, salaries for service as an employee to be paid to Directors serving concurrently as employees) at the 96th Ordinary General Meeting of Shareholders held on June 19, 2020. Also, the total amount of monetary remuneration claims to be paid to Directors of the Corporation (excluding Outside Directors) for the purpose of granting shares with transfer restrictions (“Restricted Stock”) and shares with transfer restrictions subject to market capitalization-based exercisability conditions (“Market Capitalization-linked Performance Share Units”) was resolved to be up to a maximum of 180 million yen per year for Restricted Stock and up to a maximum of 120 million yen per year for Market Capitalization-linked Performance Share Units (the maximum number of shares to be issued or disposed of is 450,000 shares per year for Restricted Stock and 300,000 shares for each three-year performance evaluation period for Market Capitalization-linked Performance Share Units) within the aforementioned amount of remuneration and other payments for Directors at the 97th Ordinary General Meeting of Shareholders held on June 24, 2021.

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

Under the new remuneration plan, the types of remuneration and other payments will be restructured into three types: monthly remuneration (fixed monetary remuneration); short-term incentive remuneration (variable; monetary remuneration), consisting of performance-based bonuses and individuals’ evaluation-based compensation; and medium- and long-term incentive remuneration (variable; remuneration by shares), consisting of Restricted Stock and TSR-linked performance share units with shares transfer restrictions (“TSR-linked Performance Share Units”). In addition, given the new shareholder return policy for strengthening shareholder returns recently announced by the Corporation, the current evaluation indicator for Market Capitalization-linked Performance Share Units will be changed from the market value growth rate to a relative TSR (see page 29 (Note 4) of this booklet), and a new payment coefficient will be adopted to ensure an appropriate incentive function corresponding to the business results. The name of the remuneration after the revision is to be “TSR-linked Performance Share Units.”

Accordingly, in line with this revision of the remuneration plan for Directors, the Corporation proposes to set the maximum amount of remuneration and other payments for Directors for each remuneration as follows (please refer to “1. Revision of the maximum amount of remuneration and other payments for Directors” on the next page) and to revise the current Market Capitalization-linked Performance Share Units to TSR-linked Performance Share Units (please refer to “2. Details of TSR-linked Performance Share Units” on page 28 of this booklet). The Corporation requests the approval of shareholders therefor. If the maximum amounts for each remuneration category above are approved, the total of the maximum amounts of remuneration and other payments determined for each remuneration category would be an increase from the maximum amount of 1,100 million yen per year (including up to a maximum of 120 million yen for Outside Directors; excluding, however, salaries for service as an employee to be paid to Directors serving concurrently as employees) previously approved as the total amount of remuneration and other payments for Directors. Considering the recent improvement of the Corporation’s business performance and the stock price increase, we believe that the increase is appropriate to have remuneration function as the incentive for future growth.

There are currently 10 Directors (including 6 Outside Directors), and there will be no change even if Agenda No. 2 “Election of 10 Directors” is approved. Ten Directors (including 6 Outside Directors) are eligible for monthly remuneration, 3 Directors (including 0 Outside Directors) are eligible for short-term incentive remuneration, and 4 Directors (including 0 Outside Directors) are eligible for Restricted Stock and TSR-linked Performance Share Units.

Following deliberations by the Governance and Remuneration Committee, a majority of whose members are Outside Directors, the Board of Directors has decided to revise the policy on decisions regarding the content of remuneration and other payments for individual Directors of the Corporation (for an overview of the revised policy, please refer to “(Reference) Overview of the

new Corporation’s policy to determine the remuneration and other payments for Directors” on page 30 of this booklet), subject to approval and passage of this agenda as proposed at this General Meeting of Shareholders, and since this agenda has reasonable content in line with the revised policy, the Corporation believes that the content of this agenda is appropriate.

1. Revision of the maximum amount of remuneration and other payments for Directors

As part of the remuneration structure, the Corporation will set the maximum amounts of remuneration and other payments for Directors as follows: The maximum amount of each remuneration and other payments shall be set separately and shall not include salaries for service as an employee to be paid to Directors serving concurrently as employees.

- | | |
|---|--|
| (1) Monthly remuneration: | Within 650 million yen per year (including within 150 million yen per year for Outside Directors)
Eligible persons: Directors (including Outside Directors) |
| (2) Short-term incentive remuneration: | Within 700 million yen per year
Eligible persons: Directors (excluding Outside Directors and the Chairman of the Board) |
| (3) Restricted Stock: | The total amount of monetary remuneration claims for granting Restricted Stock shall not exceed 200 million yen per year (the maximum number of shares to be issued or disposed of shall not exceed 450,000 shares per year ^(Note 1) , ^(Note 2)).
Eligible persons: Directors (excluding Outside Directors) |
| (4) TSR-linked Performance Share Units: | The total amount of monetary remuneration claims for granting TSR-linked Performance Share Units shall not exceed 850 million yen per year (the maximum number of shares to be issued or disposed of shall not exceed 650,000 shares in each valuation period ^(Note 1) (Please refer to “2.” on the next page)). ^(Note 3)
Eligible persons: Directors (excluding Outside Directors) |

In addition, with respect to Market Capitalization-linked Performance Share Units introduced at the 97th Ordinary General Meeting of Shareholders, if rights were granted by fiscal year 2022, the current amount of remuneration and other payments (including the number of shares of common stock of the Corporation to be issued or disposed of by the delivery as property contributed in kind of monetary remuneration claims to be granted within such amount) shall be maintained, and the amount of the remuneration and other payments shall be included in the amount of remuneration and other payments for the grant of TSR-linked Performance Share Units described in (4) above.

- (Note 1) If, on or after the date on which this agenda is approved and passed, any event arises that requires an adjustment of the total number of shares of common stock of the Corporation to be issued or disposed of, such as a stock split, gratis allotment, or consolidation of shares of common stock of the Corporation, such total number shall be adjusted to the extent reasonable.
- (Note 2) The total amount of monetary remuneration claims to be paid for the grant of Restricted Stock introduced at the 97th Ordinary General Meeting of Shareholders will be revised as described [Amount of remuneration and other payments for Directors before and after revision] on the next page, and there will be no change to the maximum number of shares to be issued or disposed of and the provisions regarding transfer restrictions, or reasons for free acquisition, etc., by the Corporation.
- (Note 3) The total amount of monetary remuneration claims to be paid and the maximum number of shares to be issued or disposed of for the grant of Market Capitalization-linked Performance Share Units introduced at the 97th Ordinary General Meeting of Shareholders will be revised as described below [Amount of remuneration and other payments for Directors before and after revision], and there will be no change in the terms and conditions of allotment of the Corporation’s common stock, restrictions on transfer, or the provisions regarding reasons for free acquisition, etc., by

the Corporation. The design and name of the evaluation indicator and payment coefficient will be changed (Please refer to “2. Details of TSR-linked Performance Share Units” below).

[Amount of remuneration and other payments for Directors before and after revision]

Before revision		After revision	
Total amount	Up to 1,100 million yen per year	Monthly remuneration (Basic compensation, bonuses)	Up to 650 million yen per year
Including Outside Directors	Up to 120 million yen per year	Including Outside Directors	Up to 150 million yen per year
Including Restricted Stock	Up to 180 million yen per year Up to 450,000 shares per year	Short-term incentive remuneration (Performance-based bonus, individuals' evaluation-based compensation)	Up to 700 million yen per year
Including Market Capitalization-linked Performance Share Units	Up to 120 million yen per year Up to 300,000 shares per each evaluation period	Medium- and long-term incentive remuneration	-
		Restricted Stock	Up to 200 million yen per year Up to 450,000 shares per year
		TSR-linked Performance Share Units	Up to 850 million yen per year Up to 650,000 shares per each evaluation period

2. Details of TSR-linked Performance Share Units

(1) Overview of the Plan

The TSR-linked Performance Share Units Plan (hereinafter referred to as the “Plan”) grants to Directors of the Corporation (excluding Outside Directors; hereinafter referred to as the “Eligible Directors”) a number of reference units equivalent to the reference amounts separately determined for each position each year, and according to the degree of achievement of the relative TSR over a three-year period (hereinafter referred to as the “Evaluation Period”), grants thereto after the end of the Evaluation Period shares of common stock of the Corporation (hereinafter referred to as the “Shares”) for which a certain transfer restriction period and grounds for free acquisition, etc., by the Corporation are provided. In light of the new return policy that was recently announced to enhance shareholder returns for the Market Capitalization-linked Performance Share Units introduced at the 97th Ordinary General Meeting of Shareholders, the Plan will change the evaluation indicators and payment coefficient and change the names thereof in order to ensure appropriate incentives.

The Eligible Directors will receive the issue or disposition of the Shares in exchange for a contribution in kind of all of the monetary remuneration claims to be paid by the Corporation according to the achievement of the relative TSR. In addition, the grant of the Shares under the Plan is subject to the execution of an agreement between the Corporation and the Eligible Directors with contents equivalent to the allotment agreement pertaining to Restricted Stock, and the Shares granted are subject to a transfer restriction for a period from the date of the grant of the Shares to the retirement from the positions of Directors or Executive Officers of the Corporation, or other positions prescribed in advance by the Board of Directors of the Corporation, or resignation from the Corporation.

(2) Method of calculating the amount of monetary remuneration claims

The amount of monetary remuneration claims for the grant of the Shares to be paid to the Eligible Directors (in this (2), including persons who, during the Evaluation Period, come to hold the position of Directors or Executive Officers of the Corporation, or any other position predetermined by the Board of Directors of the Corporation) is calculated by multiplying the number of the Shares ultimately to be allotted to the Eligible Directors (hereinafter referred to as the “Final Number of Allotted Shares”) by the value that is not particularly favorable to the Eligible Directors based on the closing price of the Corporation’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors (hereinafter referred to as the “Resolution Date of the Allotment by the Board of Directors”) to be held after the end of the Evaluation Period determining the issue or disposition of shares for the allotment. The Final Number of Allotted Shares shall be calculated by multiplying the number of reference units corresponding to the reference amounts determined by the Board of Directors in advance for each position by the ratio corresponding to the degree of achievement of the relative TSR during the Evaluation Period as follows:

- 1) When the relative TSR is 150% or more: 150%
- 2) When the relative TSR is 50% or more but less than 150%: Same rate as the relative TSR
- 3) When the relative TSR is less than 50%: 0%

However, when the Corporation's TSR is 100% or less, the limit is 100% even if the relative TSR is 100% or more.

(Note 4) "Relative TSR" is calculated by comparing the Corporation's Total Shareholder Return (TSR)^(Note 5) for the Evaluation Period with the TOPIX (including dividends) growth rate^(Note 6) for the same period using the following formula:

Relative TSR = the Corporation's TSR / TOPIX (including dividends) growth rate during the Evaluation Period

(Note 5) "The Corporation's TSR" is a value calculated by the following formula:

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

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

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

The Corporation's TSR = (B + C)/A

(Note 6) "TOPIX (including dividends) growth rate" is a figure calculated by the following formula:

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

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

The TOPIX (including dividends) growth rate = E / D

(3) Terms and conditions of allotment of the Shares to Eligible Directors

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

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

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

(Reference)

Overview of the new Corporation’s policy to determine the remuneration and other payments for Directors

1. Remuneration policy

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

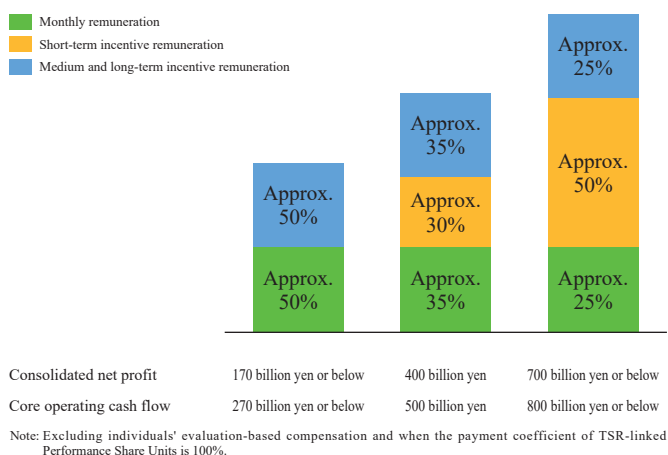
- (1) The remuneration plan shall encourage Directors to face issues of society and customers and create new value with all stakeholders in accordance with the spirit grounded in the Company Creed of “Fairness, Innovation and Harmony” and reward them.
- (2) The remuneration plan shall place emphasis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

2. Remuneration levels and composition ratio

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

As for the composition ratio of remuneration and other payments, it shall focus on the medium- and long-term improvement of corporate value by increasing the composition ratio of the medium- and long-term incentive remuneration. For the President & CEO, its composition ratio of monthly remuneration/the short-term incentive remuneration/the medium- and long-term incentive remuneration shall be set as 1:1:1 when consolidated net profit is 400 billion yen and core operating cash flow is 500 billion yen. For other internal Directors, based on the remuneration composition ratio of the President and CEO, the Corporation shall set up the ratio considering the role and responsibilities of each position.

[Composition of remuneration for President and CEO]



3. Remuneration framework

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

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

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

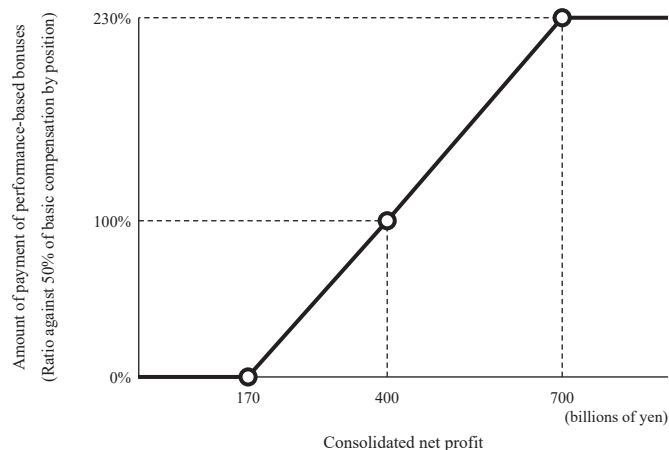
Type		Form of Payment		Description	A	B (Note 1)	C (Note 2)
Medium and long-term incentive remuneration	TSR-linked Performance Share Units	Variable	Shares	<ul style="list-style-type: none"> ○ Remuneration and other payments for enhancing corporate value over the medium to long term • Relative TSR is used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

- Notes: 1. Remuneration and other payments for the Chairman of the Board consist of the monthly remuneration as the basic compensation and the medium- and long-term incentive remuneration, considering that the Chairman of the Board is in the position to substantially contribute to the enhancement of corporate over the medium to long term through leveraging the business expertise gained through managing the Corporation on supervision.
2. Remuneration and other payments for Outside Directors consist entirely of the monthly remuneration as the basic compensation (including remuneration for responsibilities as the chairperson, member, etc., of each respective committee), considering that Outside Directors are in the position to supervise management with independence.
3. The Executive Officer & Chief Operating Officer of business division is eligible to receive the individuals' evaluation-based compensation based on the organization's performance evaluation, and currently there is no Executive Director eligible for the payment.
4. Short-term incentive remuneration will be paid in a lump sum at the end of each fiscal year.

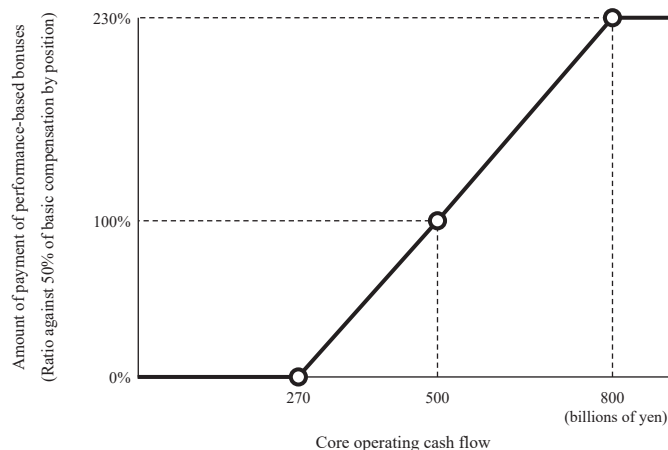
[Performance-based bonuses/ Incentive curve]

[Performance-based bonuses / Incentive curve]

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



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



4. Malus and Clawback

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

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

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

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

(Supplementary matter)

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

Agenda No. 5: Revision of the amount of remuneration for Audit & Supervisory Board Members

The maximum total amount of remuneration for Audit & Supervisory Board Members of the Corporation was determined as 12 million yen per month as resolved at the 88th Ordinary General Meeting of Shareholders held on June 22, 2012. In light of the increasing responsibilities and expected roles of Audit & Supervisory Board Members in connection with the changes in the recent management circumstances, the Corporation proposes to set appropriate remuneration levels by revising the remuneration for Audit & Supervisory Board Members from a monthly amount to an annual amount and revising the maximum total amount of remuneration from 12 million yen per month (annualized amount of 144 million yen) to 170 million yen per year, and requests the approval of shareholders.

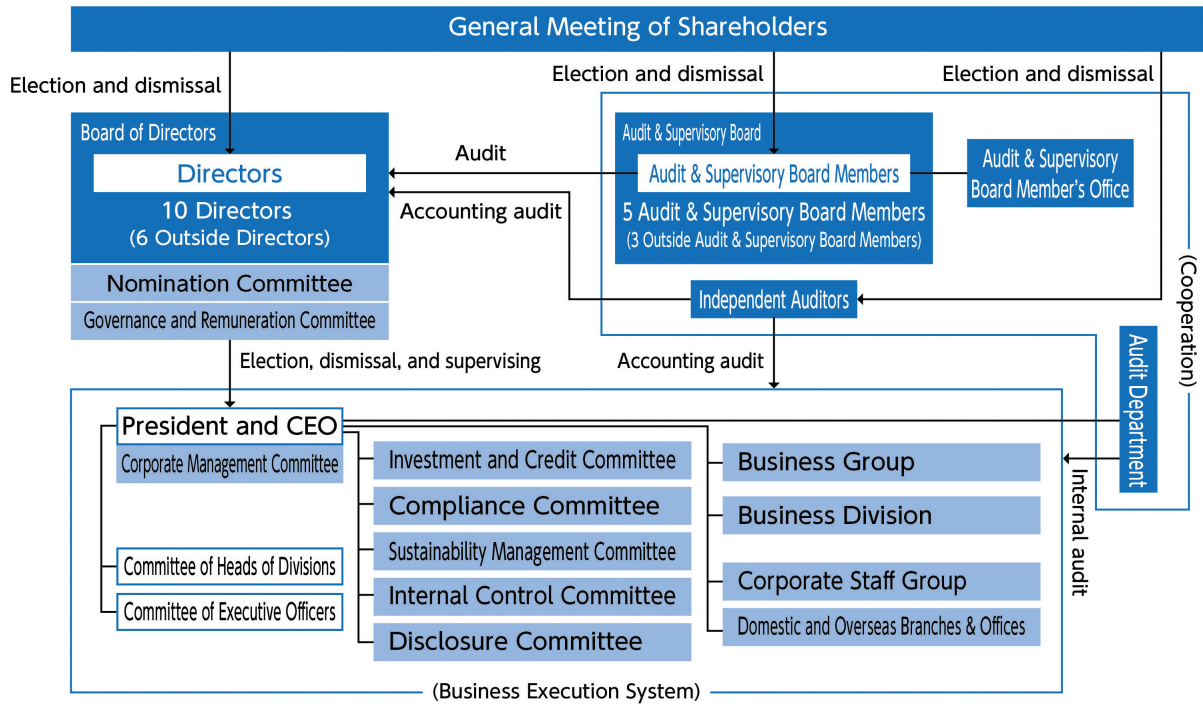
The Audit & Supervisory Board currently consists of 5 Audit & Supervisory Board Members, and there is no change even when Agenda No. 3 To elect 1 Audit & Supervisory Board Member is approved.

(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, 2023)



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 majority 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

■ **Towards improvement in effectiveness regarding the Board of Directors**

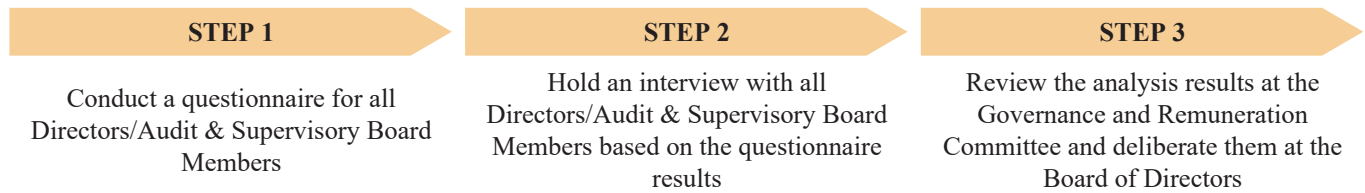
Since fiscal year 2016, the Corporation has evaluated the effectiveness of the Board of Directors on an annual basis, and worked continuously to improve its effectiveness by implementing improvement measures to address issues identified as a result of the analysis of the effectiveness evaluation.

Concept of the effectiveness evaluation regarding the Board of Directors in fiscal year 2022

Prompt a discussion at the Board of Directors regarding
what Marubeni’s governance system should be based on the current status and features of Marubeni

■ **Evaluation process**

*Each process was carried out based on advice of outside specialized organizations.



■ **Primary evaluation items**

- (1) Roles of the Board of Directors
- (2) Composition of the Board of Directors
- (3) Discussion at the Board of Directors
- (4) Utilization of committees
- (5) Accountability to stakeholders

■ **Overview of evaluations results**

After going through the above evaluation process, it has been confirmed that the Board of Directors functions appropriately and ensures the effectiveness thereof.

■ **Handling issues in effectiveness evaluations pertaining to the Board of Directors in fiscal year 2021**

Issues	Implementation
Shared awareness of changes in external environment and risks among the members of the Board, and enhancement of discussions on material management issues at the Board of Directors meeting	<ul style="list-style-type: none"> • Responding to changes in the external environment and energy security issues and discussing international affairs, among others, through the facilitation of meetings outside of ordinary Board of Directors meetings • Transferring the authority to the executive side through the review of matters referred to the Board of Directors in order to implement measures to focus on material management issues
Discussions regarding HR strategy and allocation of management resources to human capital	<ul style="list-style-type: none"> • Monitoring the progress of the Mid-Term Management Strategy “GC2024” • Discussions regarding the direction, etc. of HR strategy through the facilitation of meetings outside of ordinary Board of Directors meetings
Supporting the Outside Directors to further utilize their expertise	<ul style="list-style-type: none"> • Enhancement of support for Outside Directors through the provision of opportunities for dialogue and opinion exchange with executive officers, in addition to the conventional information-sharing and support systems

■ **Major issues identified by the evaluation conducted in fiscal year 2022 and the policy for future initiatives**

Issues	The policy for future initiatives
Deepening discussions regarding the direction of the Board of Directors to sharpen the effectiveness of the supervisory function	<ul style="list-style-type: none"> • Continuing discussions regarding the direction and supervision of the Board of Directors in the context of the Group’s future vision and the Mid-Term Management Strategy “GC2024”
Examining the agenda selection process and the supervision of key issues regarding group management	<ul style="list-style-type: none"> • Reflecting the intention of the Board of Directors including Outside Directors in agenda selection process of the Board • Strengthening the supervision of issues to be discussed from a group management perspective (group governance, human capital related-issues, etc.) through the review of the Mid-Term Management Strategy “GC2024,” among others

(Reference)

Advisory bodies to the Board of Directors (voluntary committees)

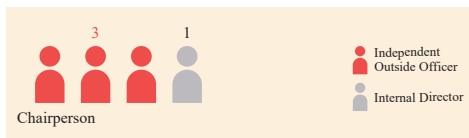
Nomination Committee (to be held as necessary):

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 candidates for a successor president, and a successor plan formulated and operated by the President and reports to the Board of Directors.

In fiscal year 2022, six Committee meetings were held and all the Committee members attended all the meetings.

Nomination Committee's composition (as of April 1, 2023)

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



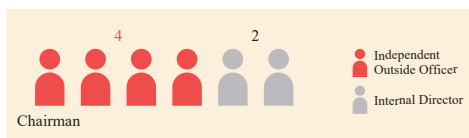
Governance and Remuneration Committee (to be held as necessary):

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 the appropriateness of the policy for determining remuneration for Directors and Executive Officers, and other key corporate governance issues, 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 2022, seven Committee meetings were held and all the Committee members attended all the meetings.

Governance and Remuneration Committee's composition (as of April 1, 2023)

Chairman: Kyohei Takahashi, Outside Director
Committee members: Masumi Kakinoki, President and CEO, Member of the Board
Akira Terakawa, Senior Executive Vice President, 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, 2022 to March 31, 2023)

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, 2023.

The global economy showed increasing signs of slowdown, accompanied by rising prices on a global basis and strict quarantine measures against COVID-19 that lasted for a long period of time in China, along with continued uncertainty over the situation in Russia and Ukraine. In developed countries, while a domestic demand-led economic recovery continued in Japan, domestic demand in the U.S., which had been expanding relatively steadily until the previous fiscal year, slowed down, and Europe also showed clear signs of economic stagnation. In emerging countries, in addition to China, the economy slowed down significantly, especially in Russia, where sanctions were tightened by the U.S., Europe, and other countries.

Many commodity prices remained high, especially energy and food. Crude oil prices continued to rise until around June, after which they declined due to a perceived slowdown in demand accompanying concerns of a global economic deceleration. Prices for copper and iron ore, of which China is the world's largest importer, weakened due to concerns over the country's economic slowdown, and then began to rise from November.

As many central banks around the world tightened monetary policy to cope with high inflation, interest rates rose markedly in the U.S. and European bond markets, but there were signs of a pause in the rise from November onward. In the foreign exchange market, the dollar appreciated rapidly worldwide, but then turned weaker accompanying a pause in the rise of U.S. interest rates.

Consolidated Business Results

Revenue	9,190.5 billion yen	Revenue was up 681.9 billion yen (8.0%) from the year-earlier period to 9,190.5 billion yen. By operating segment, revenue decreased mainly in Food II amid divestiture of Gavilon's grain business, and revenue increased in Agri Business, Energy, and Food I.
Gross trading profit	1,051.3 billion yen	Gross trading profit increased 156.0 billion yen (17.4%) from the year-earlier period to 1,051.3 billion yen. By operating segment, profits decreased mainly in Food II amid divestiture of Gavilon's grain business, and profits increased in Power Business and Energy.
Operating profit^{*1}	340.8 billion yen	Operating profit for the year under review increased 56.3 billion yen year on year (19.8%) to 340.8 billion yen.
Share of profits (losses) of associates and joint ventures	286.8 billion yen	Share of profits (losses) of associates and joint ventures increased 50.2 billion yen (21.2%) from the year-earlier period to 286.8 billion yen. By operating segment, while profits decreased mainly in Forest Products, profits increased in Finance, Leasing & Real Estate Business and Power Business.
Profit attributable to owners of the parent	543.0 billion yen	Profit attributable to owners of the parent (net profit) for the fiscal year ended March 31, 2023, increased 118.7 billion yen year on year (28.0%) to 543.0 billion yen. Meanwhile, upon having completed divestiture of Gavilon's grain business on October 3, 2022, a gain on sales of 53.9 billion yen has been recognized based on the provisional share transfer price.

Consolidated Cash Flows

Cash flows from operating activities	606.3 billion yen	Net cash provided by operating activities was 606.3 billion yen due to operating revenue and dividend income, and improvement in working capital and others. Cash inflow increased 294.4 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 584.2 billion yen.
Cash flows from investing activities	156.8 billion yen	Net cash provided by investing activities was 156.8 billion yen mainly due to proceeds from the sale of Gavilon's grain business, despite capital expenditures in overseas businesses and the acquisition of shares in equity-method affiliates. Cash inflow increased 236.5 billion yen from the previous fiscal year. Cash inflow from divestment amounted to 404.5 billion yen. Cash outflow by new investments, capital expenditure (CAPEX) and others amounted to 247.7 billion yen.
Free cash flow	763.1 billion yen	Free cash flow for the fiscal year under review was an inflow of 763.1 billion yen. Cash inflow increased 530.9 billion yen from the previous fiscal year.
Cash flows from financing activities	(766.6) billion yen	Net cash used in financing activities amounted to 766.6 billion yen as results of repayment of corporate bonds and borrowings, dividend payment, and share repurchases. Cash outflow increased 347.0 billion yen from the previous fiscal year.

Consolidated Financial Position

Total assets	7,953.6 billion yen	Total assets at the end of the fiscal year under review decreased 302.0 billion yen from the end of the previous fiscal year to 7,953.6 billion yen, due to a decrease in assets associated with divestiture of Gavilon's grain business, despite an increase in assets in part given yen depreciation.
Net interest-bearing debt ^{*2}	1,483.1 billion yen	Net interest-bearing debt decreased 376.9 billion yen from the end of the previous fiscal year to 1,483.1 billion yen due to free cash inflow, despite yen depreciation and dividend payment.
Equity attributable to owners of the parent	2,877.7 billion yen	Equity attributable to owners of the parent increased 635.6 billion yen from the end of the previous fiscal year to 2,877.7 billion yen, as a result of improvement in valuation differences on cash flow hedges brought about by an increase in foreign currency translation adjustments due to Japanese yen depreciation and a rise in U.S. dollar interest rates, in addition to an increase in retained earnings brought about by net profit accumulation.
Net DE ratio ^{*3}	0.52 times	Net DE ratio stood at 0.52 times, an improvement of 0.31 of a percentage point from the end of the previous fiscal year.

- Notes: 1. Operating profit is presented in accordance with Japanese accounting practice for investors' convenience and is not required by the International Financial Reporting Standards (IFRS).
Operating profit is the sum of "gross trading profit" and "selling, general and administrative expenses," "gains (losses) on allowance for doubtful accounts" in the consolidated statement of comprehensive income.
2. 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.
3. Effective from the fiscal year under review, the denominator in the formula for calculating the net DE ratio has been changed from "total equity" to "equity attributable to owners of the parent." Accordingly, comparative analysis is performed with the net DE ratio at the end of the previous fiscal year, calculated based on the revised calculation formula.

Trends in assets, profits and losses

Trends in assets, profits and losses of the Group

(Millions of yen, unless otherwise stated)

Item	96th Business Year	97th Business Year	98th Business Year	99th Business Year
Revenue	6,827,641	6,332,414	8,508,591	9,190,472
Profit (loss) attributable to owners of the parent	(197,450)	223,256	424,320	543,001
Basic earnings (loss) per share attributable to owners of the parent	¥(116.03)	¥126.32	¥242.89	¥316.11
Total assets	6,320,037	6,935,749	8,255,583	7,953,604
Equity	1,604,600	1,907,507	2,338,328	2,981,973

- 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 Regulations on Corporate Accounting.
2. "Basic earnings (loss) per share attributable to owners of the parent" has been calculated based on the average number of outstanding shares of common stock 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, the 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	96th Business Year	97th Business Year	98th Business Year	99th Business Year
Revenue	—	—	1,755,653	2,244,695
Sales	4,545,685	3,531,917	—	—
Net income	10,447	85,579	41,807	339,089
Net income per share	¥6.02	¥49.28	¥24.09	¥198.27
Total assets	3,262,380	3,470,822	3,401,021	3,327,390
Net assets	619,819	656,495	564,655	707,679

- Notes: 1. Net income per share has been calculated based on the average number of outstanding shares of common stock 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 onwards figures reflecting the application of the said standard and other standards are presented.

Main Businesses of the Group and Operating Segment Information

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 Business & Logistics, Food, Agri Business, Forest Products, Chemicals, Metals &

	Lifestyle	ICT Business & Logistics	Food I	Food II	Agri Business	Forest Products	Chemicals	Metals & Mineral Resources
99th Business Year								
Revenue	181,607	356,597	891,037	2,909,585	1,494,468	267,498	675,245	521,927
Gross trading profit	50,019	99,060	56,890	93,502	231,447	50,174	45,551	89,281
Operating profit (loss)	9,851	17,704	10,085	32,844	50,235	24,047	19,438	68,110
Share of profits (losses) of associates and joint ventures	(19)	547	4,738	3,562	1,202	(11,328)	2,461	155,004
Profit (loss) attributable to owners of the parent	4,466	9,541	11,553	76,934	42,732	(9,382)	14,264	199,359
Segment assets	183,678	371,985	425,999	560,361	1,099,277	323,206	322,871	1,209,495
98th Business Year								
Revenue	153,997	334,677	740,203	3,556,089	1,140,245	200,599	558,816	425,106
Gross trading profit (loss)	40,020	94,284	51,444	125,187	234,780	38,176	42,167	67,732
Operating profit (loss)	7,849	16,083	8,563	64,573	88,172	15,787	20,497	48,620
Share of profits (losses) of associates and joint ventures	482	283	4,694	6,046	572	642	2,115	158,881
Profit (loss) attributable to owners of the parent	5,454	9,150	14,509	46,438	59,805	7,625	17,203	190,660
Segment assets	155,424	351,164	403,281	1,344,527	988,646	315,535	313,061	1,070,061

- Notes: 1. Effective as of the 99th business year, "ICT & Real Estate Business" was renamed "ICT Business & Logistics" and "Finance & Leasing Business" was renamed "Finance, Leasing & Real Estate Business," a part of "ICT & Real Estate Business" was incorporated into "Finance, Leasing & Real Estate Business," a part of "Agri Business" was incorporated into "Food II," a part of "Power Business" was incorporated into "Construction, Industrial Machinery & Mobility," and a part of "Construction, Industrial Machinery & Mobility" was incorporated into "Lifestyle." "Next Generation Corporate Development" was newly established, and a part of "Next Generation Business Development" was incorporated into "Next Generation Corporate Development." In line with these changes, the figures of operating segments for the 98th 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 "gains (losses) on allowance for doubtful accounts" in the consolidated statement of comprehensive income.

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

(Millions of yen)

Energy	Power	Infrastructure Project	Aerospace & Ship	Finance, Leasing & Real Estate Business	Construction, Industrial Machinery & Mobility	Next Generation Business Development	Next Generation Corporate Development	Other	Consolidated
931,916	334,172	23,102	116,416	50,380	441,476	4,393	—	(9,347)	9,190,472
96,838	61,437	12,797	39,098	25,737	106,176	2,828	—	(9,540)	1,051,295
58,722	8,180	(6,163)	25,898	648	28,537	(1,327)	(1,535)	(4,460)	340,814
10,009	40,651	15,876	11,517	43,396	8,779	650	(371)	93	286,767
38,252	40,252	8,977	28,198	43,775	23,846	(2,809)	(1,979)	15,022	543,001
554,999	1,179,566	282,195	334,644	550,354	379,750	28,143	13,448	133,633	7,953,604
714,719	187,489	23,086	85,998	54,045	340,836	3,046	16	(10,376)	8,508,591
66,990	(9,013)	10,594	31,321	27,262	82,820	2,041	10	(10,484)	895,331
34,330	(48,762)	(5,898)	19,940	4,366	21,059	(1,501)	(606)	(8,564)	284,490
5,205	15,454	10,484	7,836	17,745	6,022	87	(75)	82	236,555
37,711	(27,716)	7,309	26,642	7,019	22,546	(1,548)	865	648	424,320
718,198	1,122,239	237,836	296,020	494,759	315,921	16,657	11,145	101,109	8,255,583

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.

The Group's business by operating segment

Consumer Products Group

Lifestyle

Revenue

181,607 million yen

Profit attributable to owners of the parent

4,466 million yen

In the tire and rubber materials business, in addition to expanding tire retail outlets mainly in Thailand and Indonesia, the Group has launched new initiatives such as investing in Galileo, a company that develops airless tires. In the Direct-to-Consumer business, our Group brand “IFME,” which offers children’s shoes, began selling skincare products for infants based on the concept of “nurturing healthy skin for children.” In the FemTech business, the Group participated in the establishment of LIFEM Corporation with the aim of improving the health of working women and realizing a society where everyone can work comfortably. The green business also focuses on solving social issues, such as working with Circ, Inc. with textile products recycling technology to construct a global circular supply chain.



“IFME skincare” a line of skincare for infants

ICT Business & Logistics

Revenue

356,597 million yen

Profit attributable to owners of the parent

9,541 million yen

Amid accelerating momentum toward digital transformation (DX) worldwide, the Group provides solutions that help address challenges of customers and society, drawing on its expertise and knowledge in the digital domain, cultivated in its IT and logistics business as a general trading company. In the systems solutions field, in addition to its conventional areas of focus, the Group has started to provide consulting services that help improve corporate sustainability, while also promoting DX consulting operations that facilitate customer initiatives for achieving DX. Furthermore, the Group has strengthened and expanded its cloud computing operations both in Japan and abroad, with such services encountering mounting demand amid a progressive shift to cloud computing. In the logistics field, the Group has been steadily expanding joint delivery operations in Japan’s pet food industry and has also been promoting publishing industry supply chain reform through PubteX Co., Ltd., which provides the publishing industry with solutions enlisting AI and IoT technologies.



DOLBIX CONSULTING Inc., which provides DX support services (Tokyo, Japan)

Consumer Products Group

Food I

Revenue

891,037 million yen

Profit attributable to owners of the parent

11,553 million yen

In order to meet increasingly diverse needs in the food industry, the Group focuses on marketing specialty products and strengthening our production and manufacturing functions. In the confectionery field, the Group acquired all shares of Meiji Sangyo Co., Ltd. and related trademark rights, which has advanced plant management standards and manufacturing technologies. Following the acquisition of shares, the Group will give the company the (planned) new name of Atrion Co., Ltd. and work to further grow the new company by meeting diversifying market needs. In addition, a 10-year exclusive distribution agreement was executed with Proximar Seafood of Norway for onshore farmed salmon produced in Oyamacho, Shizuoka Prefecture, for the first shipment (scheduled for 2024) and beyond. Business will continue to be promoted to contribute to the achievement of Sustainable Development Goals (SDGs), such as sustainable coffee and plant protein, and expand our green food business.



Major product item of Atrion Co., Ltd. (planned new name)

Food II

Revenue

2,909,585 million yen

Profit attributable to owners of the parent

76,934 million yen

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 staples, which constitute grains, oilseeds, animal protein, and feed for livestock. In the grain field, utilizing the latest digital platform in our grain collection and export business, the Group aims to realize integrated supply chain management and efficiency from the production to the consumption stages. In addition, through the development of feedstuffs and other business that consider environmental impact, new values will be created. 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.



Grain collection facilities (U.S.)

Agri Business

Revenue

1,494,468 million yen

Profit attributable to owners of the parent

42,732 million yen

The agri-input business aims to further expand the retail business to contribute to the development of agriculture in the U.S., Brazil, Europe, and Asia by further improving the ability to provide solutions to customers through IT-based precision agriculture and by utilizing the know-how accumulated by Helena Agri-Enterprises, LLC and other Group companies. MacroSource, LLC, which was spun off from Gavilon in fiscal year 2021, operates a fertilizer wholesale business in the Americas, Africa, and other regions, strengthening our Group's fertilizer supply capacity. Furthermore, agricultural materials that consider environmental impact are used in the agri-input business to contribute to the development of environmentally friendly agriculture.



Checking growth of soybeans (U.S.)

Materials Group

Forest Products

Revenue

267,498 million yen

Loss attributable to owners of the parent

-9,382 million yen

The plantation and pulp manufacturing and sales business in Indonesia has strengthened its competitiveness through steady operations, while the paperboard manufacturing and sales business in Japan took measures to improve profitability to cope with the high cost 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. Our corrugated paper manufacturing plant in Vietnam is steadily expanding its sales volume, although growth in its domestic market has slowed down. In the sanitary paper field, the Group is engaged in the manufacturing and sales business of sanitary paper through Santher in Brazil, a major consumer nation, and will contribute to the realization of a safe and comfortable lifestyle for consumers by promoting sales of premium products and expanding sales channels.



Afforestation project of PT. Musi Hutan Persada (Indonesia)

Chemicals

Revenue

675,245 million yen

Profit attributable to owners of the parent

14,264 million yen

In Japan and overseas, the Corporation is sharpening the effectiveness of its functions to match supply and demand for the trade of petroleum chemicals, where we have one of the largest market shares in the industry, deepening its solutions-provision business in specialty fields such as electronics represented by batteries, displays, and solar power generation modules, and expanding its businesses in the life science field, such as food functional materials and feed additives. The Corporation is also expanding business in the digital health field, including diagnostic imaging using AI, and working to create new products and mechanisms that go beyond conventional chemical products, such as environmentally friendly products, and in meeting new customer needs for a sustainable society, for example, the operation of chemical carriers that use biofuels.



Food functional materials business in spices and seasonings (The Netherlands)

Metals & Mineral Resources

Revenue

521,927 million yen

Profit attributable to owners of the parent

199,359 million yen

In its core mining interests at the Centinela Copper Mine in Chile, the Roy Hill Iron Ore Mine and coking coal mines Jellinbah East and others in Australia, the Group strives to improve operational stability and profitability and to go green through production optimization, strict cost control, use of renewable energy, and introduction of advanced technologies, while expanding existing operations and developing new mining areas. In addition, the Group actively engages in environmental and recycling businesses such as recycling of waste batteries for EV(*), and in January 2023, the Group invested in U.S.-based Cirba Solutions, LLC. The Group will continue to contribute to the realization of a decarbonized society by engaging in responsible production through our aluminum production business in Canada that uses 100% electricity derived from hydroelectric power generation and the supply of green materials.



Centinela Copper Mine (Chile)

(*) Electric Vehicle

Energy & Infrastructure Solution Group

Energy

Revenue

931,916 million yen

Profit attributable to owners of the parent

38,252 million yen

In the natural gas and LNG business field, where the importance is growing in the energy transition period with relatively low carbon emissions, initiatives are steadily advanced that are conducive to stable operations of existing projects and enhancement of asset values, for example, the LNG project in Equatorial Guinea. The Group is also steadily promoting initiatives to increase revenues in the Corporation's forte areas of trade and marketing of oil, natural gas/LNG, and uranium. While balancing our contribution to the stable supply of energy and raw materials with decarbonization efforts, such as expanding biofuel transactions and strengthening environmental value transactions, the Group will focus on enhancing and developing our business base by meeting the challenges and needs of society and customers in various business fields, and by demonstrating the unique capabilities of the Corporation.



EG LNG project (Equatorial Guinea)

Power

Revenue

334,172 million yen

Profit attributable to owners of the parent

40,252 million yen

In the power generation business field, the Group has commenced commercial operation of offshore wind power projects at the Port of Akita and the Port of Noshiro in Akita Prefecture, Japan; started supplying power at the Al Khalsa solar power plant in Qatar; concluded a memorandum of understanding to shorten the project period for the Cirebon 1 coal power plant in Indonesia, and other business toward the realization of a decarbonized society. In the electric power service business field, the Group has expanded renewable energy aggregation business(*) in the U.K. and Japan; made an investment in the U.S. company LineVision, Inc., which provides transmission line monitoring and analysis technology; demonstrated a long-term electricity sales business for rooftop solar power generation with storage batteries on Amami-Oshima Island, and other business to contribute to the resolution of social and environmental issues and sustainable growth in the electric power industry.

(*) A business that collects and supplies renewable energy sources.



Offshore Wind Farm at Akita Port in Akita Prefecture (courtesy of Akita Offshore Wind Corporation)

Infrastructure Project

Revenue

23,102 million yen

Profit attributable to owners of the parent

8,977 million yen

In the field of social infrastructure, the Group entered the PFI (*) market in Japan by participating in the Todoroki Green Space Restructuring and Operation Project, for which Kawasaki City publicly solicited applications. In the water sector, a finance close was achieved on the water desalination and pumping project for a copper mine owned by Codelco, a Chilean state-owned copper company. In the field of transportation infrastructure, the Group participates in a public-private partnership project to extend a tram system in Australia and is now advancing with construction. In the circular economy field, the Group entered the business of producing and selling biomethane made from grain and agricultural residues in the U.K. In the infrastructure fund field, prime assets are being accumulated and our portfolio assets are steadily managed.

(*) Private Finance Initiative (public works promotion utilizing private-sector funds and know-how)



Extension project for Gold Coast Light Rail (Gold Coast, Australia)

Transportation & Industrial Machinery, Financial Business Group

Aerospace & Ship

Revenue

116,416 million yen

Profit attributable to owners of the parent

28,198 million yen

The aviation sector focused on strengthening the foundations of existing businesses, such as aircraft and engine parts trading and airport ground handling, in anticipation of a recovery in passenger demand. In addition, the Group has been steadily working on new business fields, such as starting a lounge business at Narita Airport and a cargo shed business at Chubu International Airport, and being selected as an operator of flying cars for the Osaka-Kansai Expo. In the ship business, the ship-owning and chartering business remained strong as in the previous fiscal year. In addition to a project launched with bound4blue in Spain that installs wind-power propulsion systems, new innovative businesses are actively created and expanded, such as an electronic currency platform service business that will enable the use of electronic currency for autonomous vessels and payroll payments to crews.



Vertical Aerospace's eVTOL aircraft

Finance, Leasing & Real Estate Business

Revenue

50,380 million yen

Profit attributable to owners of the parent

43,775 million yen

In the auto finance business, the scale of business grew due to the expansion of alliances in North America. In the automotive fleet management business, strategic alliances were formed with leading companies in North America to develop new businesses with a view to the future popularization of EV. In next-generation finance, the Group participated in the STO(*) business, which uses blockchain technology to convert physical real estate into “electronically recorded transfer rights” that can be traded. In the fund management business targeting investments in small and medium-sized Japanese companies, the iSigma Business Support Fund No. 4 was established. In the real estate field, the Group sold Grand Suite Setagaya Sengawa (condominium for sale) in Tokyo and participated in a housing development and sales business in Pune, India.

(*) Security Token Offering



Automobile fleet management business (North America)

Construction, Industrial Machinery & Mobility

Revenue

441,476 million yen

Profit attributable to owners of the parent

23,846 million yen

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 field of industrial systems and mobility, the Group has been taking a multifaceted approach: expansion of our automotive aftermarket business in the U.S. and auto dealer business in the U.K.; entering the commercial EV business through a capital and business alliance with commercial EV manufacturer Folofly Inc.; and provision of on-demand transportation and last-mile delivery services as a creation of new mobility business. In the industrial machinery field, the Corporation is working to expand the range of products it handles, such as electronic components, functions, and the customer base, going beyond conventional sales of industrial machinery and machine tools.



Folofly's EV (Japan)

CDIO (Chief Digital Innovation Officer)

Next Generation Business Development

Revenue

4,393 million yen

Loss attributable to
owners of the parent

-2,809 million yen

The Group promotes new business development and investment in fields with dramatic growth potential through 2030, focusing on developing products and services preferred by the next generation of consumers (Generation Z, Millennials), while embracing innovative business models from around the world in areas such as smart city infrastructure, new technologies, drugs, medical services, wellness and beauty, education, and the Metaverse. With a background of growing health and wellness consciousness, the Group invested in Lunatus, a pharmaceutical distributor in the Middle East, and is expanding the drug and cosmetic store “Ainz & Tulpe” in Malaysia. Development of smart cities and next-generation industrial parks is also actively promoted in Southeast Asia.



Image of drug sales business

Next Generation Corporate Development

Revenue

- million yen

Loss attributable to
owners of the parent

-1,979 million yen

In the corporate development business, investment activities are being promoted for the purpose of capturing next-generation consumer businesses with high growth potential. The Group has begun activities centered on a base established in Singapore, acquired franchise rights to Tim Hortons, a major coffee chain from Canada, as our first project, and will proceed with business development in Singapore, Malaysia, and Indonesia. In the future, the Group will also establish a base in the U.S. and work to acquire business opportunities for the next generation of consumer businesses in Asia and the U.S. In startup investment, the Group is promoting the capture of innovative business models from around the world through corporate venture capital.



Franchise management business of Tim Hortons Inc.

Future issues for the Group

Economic overview

Looking at the economic environment for the next fiscal year, further economic slowdown is expected worldwide as persistent inflation and a tightened financial environment suppress economic activities widely. China's economy, mainly in service consumption, is expected to recover as stringent measures for COVID-19 are lifted, while the slowdown of the real estate market, among other factors, remains an ongoing concern. The U.S. economy is expected to slow down as inflation and monetary tightening policies weigh on consumption and investment activities, urging households to decrease their savings. Geopolitical decoupling stemming from the Russia/Ukraine situation and the mounting tension between China and the U.S. are heightening concern about the stagnation of international trading and investment activities. Prices of primary commodities, mainly energy, are expected to face downward pressure due to a setback in demand because of economic slowdowns. Careful attention must be paid to the possibility that economic sanctions and protectionist policies may disrupt the market.

As for the financial environment, central banks of developed countries are maintaining high interest rates to combat inflation for the time being, which may increase excess debt risk caused by an outflow of cash in developing countries whose economic structures are fragile.

In this environment, the pace of global economic expansion is expected to further slow compared with the previous fiscal year.

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

The Group 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.

Mid-Term Management Strategy

The Corporation established and commenced the implementation of Mid-Term Management Strategy GC2024 (“GC2024”) from fiscal year 2022 in which the Group maintains its long-term direction defined by the former Mid-Term Management Strategy GC2021, keeping our focus on our corporate value toward 2030 and aiming at creating value through innovative solutions for our 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.)

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)

New shareholder returns policy

Based on the progress in enhancement and strengthening of earnings and financial bases, we announced a new shareholder returns policy (Basic Policy of Paying Dividends and Shareholder Returns for GC2024) on February 3, 2023 as follows:

Basic Policy of Paying Dividends

- Pay shareholders a stable dividend over the long term, aiming to increase dividends by achieving medium- and long-term profit growth.

Shareholder Returns for GC2024

- Dividend
 - Progressive dividend policy*2 initially setting 78 yen per share as an annual dividend, aiming to increase dividends in response to medium- and long-term profit growth.
- *2. Progressive dividend policy: No reduction in dividends, but maintenance or increase of dividends.
- Share Repurchase
 - Conducting share repurchases flexibly, targeting improved capital efficiency and performance per share, etc.
 - The timing and amount of share repurchase to be determined toward the target of a total payout ratio of around 30%-35%, considering the overall business environment.

Progress Achieved under GC2024

<Enhancing the Earnings Base>

- Consolidated net profit for fiscal year 2022 amounted to 543.0 billion yen, thereby marking the second consecutive year of record-high profit. ROE stood at 22%, thereby exceeding 20% for the second consecutive year.
- The consolidated net profit projection for fiscal year 2023 is 420.0 billion yen. Despite the likelihood of a decrease in profits assuming slowdown in the global economy and the business environment holding to cruising speed, we will continue enhancing the earnings base through strategy implementation. Particularly in non-resource businesses, we will pursue initiatives for enhancing the earnings base and improving capital efficiency.
- We periodically monitor capital efficiency and risk/return ratio by ROIC*3/CROIC*4, and RORA*5. We accordingly seek to improve ROE through better asset quality.

*3 ROIC: Return On Invested Capital

*4 CROIC: Cash Return On Invested Capital

*5 RORA: Return On Risk Asset

<Capital Allocation>

- Approximately 330.0 billion yen in funds recovered from Gavilon's grain business has already been allocated to debt repayment, and will be utilized as free cash during the period covered by GC2024.
- Greater managerial flexibility is afforded by free cash flow expansion amid significant upside potential in terms of core operating cash flow conceivably exceeding the GC2024 initial target of 1.3 trillion yen over three years.
- A certain amount of free cash flow is to be allocated to debt repayment, with the remainder utilized for growth investment and strengthening shareholder returns.
- We assume a net DE ratio for the time being of around 0.6 to 0.7 times.

<Growth Investment under GC2024>

- We will undertake growth investment as necessary to achieve strategies of each operating segment. This will involve utilizing free cash flows that include funds recovered from Gavilon's grain business, in addition to 1,000.0 billion yen in cumulative growth investment over three years planned under GC2024 (new investment, CAPEX, etc.).
- Growth investment will be focused on existing business areas where the Corporation has competitive strengths, particularly in non-resource businesses. In addition, we will redouble our efforts involving new business domains in seeking to develop pillars of future earnings. We will pursue investment in "Green business" in promoting the Green Strategy.
- From among existing holdings in our growth investment pipeline, we plan to allocate approximately 400.0 billion yen to new investment, CAPEX, etc. in fiscal year 2023.

<Initiatives to Improve Corporate Value>

- We are making steady progress with respect to objectives for "cash generation," "ROE," and "cost of equity" set forth under GC2024.
- We aim to improve the share price and total shareholder return (TSR), while also enhancing corporate value over the medium to long term, by continuing initiatives undertaken to reduce cost of equity in addition to maintaining and improving ROE.

<Green Strategy>

- The "Green" concept is to underlay our business while serving as an essential element of growth. With an awareness of the "Green" concept shared throughout the Group, we are making steady progress toward expanding "Green business" and "Greening" in all business domains.
- We aim to lead the transition to a Green economy by working with our stakeholders to achieve targets of the international community for realizing "society in harmony with nature."

Sustainability at the Group

History to date

The Corporation believes that sustainability for 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.

Green Strategy

As described above, in the current Mid-Term Management Strategy GC2024, the Group has cited Green Strategy as one of the constituents of the basic policy. The Group will strive to improve profitability and maximize corporate value through contributing to a Green economy, with the two wheels of “expanding Green business” and “Greening in all business domains.”



“Greening” that the Group aims for is to achieve a net positive biodiversity impact (nature positive) in connection with business activities on the global environment, which also contributes to “living in harmony with nature,” a global societal goal*. In specific terms, the Group strives to contribute to the avoidance and mitigation of environmental burden through the implementation of climate change countermeasures, efficient use of materials, effective use of land, and reduction and prevention of environmental pollution, and also contribute to the recovery and regeneration of natural ecosystems by carrying out forest preservation and soil improvement, among others, through its business activities.

Implementation of sustainability initiatives is what every corporation is responsible for and a social issue to be solved. To solve such social issues at a practical level, the Group as a whole will promote steady implementation of Green Strategies formulated by each business headquarters, together with our stakeholders including customers and business partners.

* Global societal goals of the Kunming-Montreal Global Biodiversity Framework

A nature-positive mission statement for 2030 adopted at the 15th meeting of the Conference of the Parties (COP15) in December 2022 urges parties and other governments to take urgent actions to halt and reverse biodiversity loss. “A Green society” that the Group aims for is consistent with this global societal goal for 2030 “nature positive” and the 2050 vision “living in harmony with nature.”

Marubeni Long-Term Vision on Climate Change

Among the Green Strategy goals to achieve a net positive biodiversity impact on the global environment, a move toward decarbonization is one of the urgent cross-border issues. The Group announced “The Marubeni Long-Term Vision on Climate Change” in March 2021. The Group will strive for net-zero GHG (greenhouse gas) emissions by 2050, and contribute to low-carbon/carbon-free goals through business activities. The Group aims to generate a positive impact toward decarbonization of society and grow as a corporate group.



*For details of the Group’s wider sustainability initiatives, please refer to the Corporation’s Sustainability Website.

<https://marubeni.disclosure.site/en/>

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.

Copper, iron ore, and coking coal businesses

In the copper, iron ore, and coking coal businesses in which the Group is involved, commodity prices, such as copper prices, iron ore prices, and coking coal 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 infectious disease.

Long-lived assets of the copper business in which the Group is involved amount to approx. 310.0 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. 180.0 billion yen, consisting mainly of equity-method investments (in Roy Hill Iron Ore Mine in Australia). Long-lived assets of the coking coal business in which the Group is involved amount to approx. 90.0 billion yen, consisting mainly of equity-method investments and property, plant and equipment (in Jellinbah East Coal Mine, Lake Vermont Coal Mine, and Hail Creek Coal Mine in Australia).

The Group evaluates these equity-method investments and property, plant and equipment 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 fluctuations, interest rate hikes, 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. If the effects of the above-mentioned factors materialize, Aircastle's profitability deteriorates due to a marked deterioration of solvency of lessees 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. 141.7 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. A notice was posted on the Supreme Court's website stating that the second Judicial Review cannot be accepted on July 28, 2022 (Nevertheless, with a disclaimer that the information on the Supreme Court's website is informal and has no legal power). However, as of the issuance date of this Business Report, the Corporation has not received the official decision from the Supreme Court, and no reasons for such unacceptance have been posted on the Supreme Court's website.

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"). Both the Corporation's claims in the New Case and the Counterclaim were dismissed by the first instance court and the second instance court. Accordingly, the Corporation appealed the New Case to the Supreme Court on November 19, 2021 and, the Corporation received the Supreme Court's rulings on November 8, 2022, stating a partial approval of the Corporation's claim and dismissal of the Sugar Group's Counterclaim in its entirety.

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.*

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 short-term bonds (electronic commercial paper), the Corporation issued yen-denominated unsecured bonds in the total amount of 20.0 billion yen.

Furthermore, the Corporation's overseas financial subsidiaries, corporate subsidiaries, and other consolidated subsidiaries raised funds through borrowings from financial institutions.

Net interest-bearing debt decreased 376.9 billion yen from the end of the previous business year to 1,483.1 billion yen.

Major lenders

		(Millions of yen)
Lender name	Balance of borrowings at end of the business year	
Mizuho Bank, Ltd.		193,782
Sumitomo Mitsui Banking Corporation		108,709
Meiji Yasuda Life Insurance Company		97,277
Development Bank of Japan Inc.		96,800
Nippon Life Insurance Company		75,409
MUFG Bank, Ltd.		61,016
The Dai-ichi Life Insurance Company, Limited		59,353
Sumitomo Mitsui Trust Bank, Limited		49,429
Japan Bank for International Cooperation		46,226
The Hachijuni Bank, Ltd.		43,095

Notes: 1. The balances of borrowings are the total balances of borrowings of the 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 2022.

◆ Status of major subsidiaries and consolidation of major businesses

Status of major subsidiaries and affiliates

Operating Segment	Company name	Holding ratio (%)	Main businesses	
Consumer Products Group	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 and miscellaneous goods
		Saide Tekstil Sanayi ve Ticaret A.S. (Affiliate)	45.49	Planning, manufacturing, and sales of apparel and miscellaneous goods
	ICT Business & Logistics	ARTERIA Networks Corporation (Subsidiary)	50.06	Data communication services for business and for condominiums
		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
	Food I	Benirei Corporation (Subsidiary)	99.77	Wholesale of seafood products and cold-storage warehousing
		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
		Columbia Grain International, LLC (Subsidiary)	100.00	North American grain collection, storage, export and domestic sales
		Creekstone Holding Corp (Subsidiary)	100.00	Investment in beef processing and sales business in the U.S.
	Agri Business	Helena Agri-Enterprises, LLC (Subsidiary)	100.00	Sales of agricultural materials and provision of various services
		MacroSource, LLC (Subsidiary)	100.00	Wholesale and distribution of fertilizer
Katakura & Co-op Agri Corporation (Affiliate)		22.70	Manufacturing and sales of fertilizer and sales of feed and goods	
Materials Group	Forest Products	KOA KOGYO CO., LTD. (Subsidiary)	79.95	Manufacturing and sales of paper and paperboard
		Marubeni Forest LinX Co., Ltd. (Subsidiary)	100.00	Wholesale of forest products including all types of paper
		PT. Tanjungenim Lestari Pulp and Paper (Subsidiary)	85.06	Manufacturing and sales of pulp
	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
	Metals & Mineral Resources	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 Resources Development Pty Ltd (Subsidiary)	100.00	Investment in coking coal business in Australia
		Marubeni-Itochu Steel Inc. (Affiliate)	50.00	Import/export, sales and processing of steel products
Energy & Infrastructure Solution Group	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
	Power	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
	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	

Operating Segment		Company name	Holding ratio (%)	Main businesses
Transportation & Industrial Machinery, Financial Business Group	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 & Real Estate Business	Japan REIT Advisors Co., Ltd. (Subsidiary)	100.00	Asset management services for investment companies
		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
	Construction, Industrial Machinery & Mobility	PLM Fleet, LLC (Affiliate)	50.00	Refrigerated trailer leasing and rental business
		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
		MARUBENI DAGITIM VE SERVIS A.S. (Subsidiary)	100.00	Distributor of construction machinery manufactured by Komatsu
ODD (Chief Digital Innovation Officer)	Next Generation Business Development	P.T. Megalopolis Manunggal Industrial Development (Subsidiary)	60.00	Management and operation of an industrial town
	Next Generation Corporate Development	Marubeni Ventures Inc. (Subsidiary)	100.00	Investing in startup companies
		Marubeni Growth Capital Asia Pte. Ltd. (Subsidiary)	100.00	Investment and M&A in next-generation consumer businesses in Southeast Asia

- 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. Before changing its company name in September 2022, MacroSource, LLC was Gavilon Fertilizer, LLC, which the Group used to own.
4. Olympus Holding B.V. is a holding company of Orffa International Holding B.V. that operates the feed additives distribution business worldwide.
5. 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.
6. Marubeni Aviation Holding Cooperatief U.A. is a holding company of Aircastle Limited that operates aircraft operating leasing business in the U.S.
7. Marubeni SuMiT Rail Transport Inc. is a holding company of Midwest Railcar Corporation that engages in the rolling stock leasing business in North America.
8. Before changing its company name in February 2023, MARUBENI DAGITIM VE SERVIS A.S. was Temsa Is Makinalari Imalat Pazarlama Ve Satis A.S., which the Group used to own.
9. Gavilon Agriculture Investment, Inc., which used to be a major subsidiary of Food II, along with the transfer of the stock held, was excluded from major subsidiaries.

Status of business consolidation

	96th Business Year	97th Business Year	98th Business Year	99th Business Year
Consolidated subsidiaries	309	310	315	317
Equity-method affiliated companies	144	146	148	163

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	55 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

Notes: 1. The status of major companies of the Group is as described in "Status of major subsidiaries and consolidation of major businesses" on pages 58-59 of "Notice of the 99th Ordinary General Meeting of Shareholders."
2. Due to the organizational change as of April 1, 2023, the number of the Corporation's overseas branches became 54.

Employees of the Group

Operating Segments		Number of employees of the Group		Number of employees of the Corporation
Consumer Products Group	Lifestyle	5,217	[113]	204
	ICT Business & Logistics	8,218	[2,983]	146
	Food I	2,324	[418]	225
	Food II	4,279	[293]	155
	Agri Business	6,852	[810]	52
Materials Group	Forest Products	3,099	[261]	176
	Chemicals	1,038	[73]	247
	Metals & Mineral Resources	452	[30]	214
Energy & Infrastructure Solution Group	Energy	938	[1,209]	239
	Power	1,760	[205]	336
	Infrastructure Project	631	[21]	214
Transportation & Industrial Machinery, Financial Business Group	Aerospace & Ship	418	[16]	120
	Finance, Leasing & Real Estate Business	1,182	[152]	236
	Construction, Industrial Machinery & Mobility	6,727	[225]	193
CDIO (Chief Digital Innovation Officer)	Next Generation Business Development	265	[20]	63
	Next Generation Corporate Development	24	[0]	14
Other	Other (Corporate Staff Group, administration, etc.)	2,571	[273]	1,506
Total		45,995	[7,102]	4,340

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 (350 persons) and secondees from other companies (124 persons) and excluding secondees to other companies (1,371 persons) was 3,443.

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. A notice was posted on the Supreme Court's website stating that the second Judicial Review cannot be accepted on July 28, 2022 (Nevertheless, with a disclaimer that the information on the Supreme Court's website is informal and has no legal power). However, as of the issuance date of this Business Report, the Corporation has not received the official decision from the Supreme Court, and no reasons for such unacceptance have been posted on the Supreme Court's website.

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, 2023.

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"). Both the Corporation's claims in the New Case and the Counterclaim were dismissed by the first instance court and the second instance court. Accordingly, the Corporation appealed the New Case to the Supreme Court on November 19, 2021 and, the Corporation received the Supreme Court's rulings on November 8, 2022, stating a partial approval of the Corporation's claim and dismissal of the Sugar Group's Counterclaim in its entirety.

II Matters Concerning the Corporation's Shares

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

◆ Total number of shares issued

96th Business Year	97th Business Year	98th Business Year	99th Business Year
1,737,940,900	1,737,940,900	1,738,475,497	1,698,395,498

(Note) The decline in the total number of shares issued (40,079,999 shares) is the result of a decrease due to the cancellation of 20,882,000 shares and 19,816,900 shares of treasury share on May 20, 2022 and February 20, 2023, respectively, and an increase due to the issuance of 618,901 shares of common stock to Directors (excluding Outside Directors) and Executive officers, which are shares with restriction on transfer under the Restricted Stock remuneration plan on July 22, 2022.

◆ Total number of shareholders

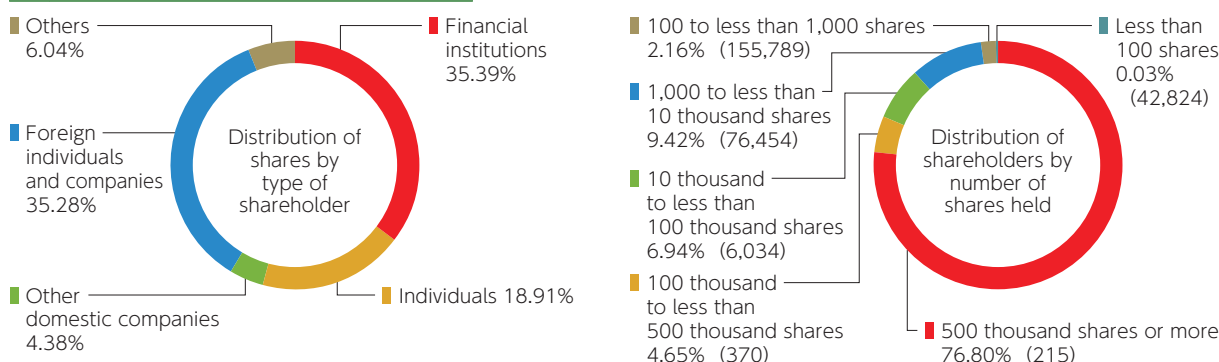
96th Business Year	97th Business Year	98th Business Year	99th Business Year
194,719	209,517	233,280	281,686

◆ 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)	269,050	15.86
Euroclear Bank SA/NV	127,969	7.54
Custody Bank of Japan, Ltd. (Trust account)	97,798	5.77
Meiji Yasuda Life Insurance Company	37,636	2.22
JPMorgan Securities Japan Co., Ltd.	32,661	1.93
Mizuho Bank, Ltd.	30,000	1.77
STATE STREET BANK WEST CLIENT - TREATY 505234	27,975	1.65
Sompo Japan Insurance Inc.	26,250	1.55
Nippon Life Insurance Company	23,400	1.38
JP MORGAN CHASE BANK 385632	20,749	1.22

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



Notes: 1. The sum of each ratio may not be 100% because each ratio has been rounded off.
2. The figures in parentheses denotes the number of shareholders.

◆ 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)	128,455 shares of the Corporation's common stock	4

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.

Other significant matters related to stocks

Targeting improved capital efficiency and performance per share, the Corporation resolved on and carried out repurchase of treasury share during the business year under review as follows:

Date of resolution by the Board of Directors	November 4, 2022
Period for repurchases	From November 7, 2022 to January 31, 2023
The number of treasury shares repurchased	19,816,900 shares
Aggregate repurchase amount	29,999,988,700 yen

III Matters Concerning the Corporation's Officers

◆ Name and other information of Directors and Audit & Supervisory Board Members (As of March 31, 2023)

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.
* President and CEO, Member of the Board	Masumi Kakinoki	
* Member of the Board	Akira Terakawa	Chief Executive Officer, Consumer Products Group; Vice Chairman of Investment and Credit Committee Director, United Super Markets Holdings Inc.
* 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	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, Audit & Supervisory Committee Member, NIPPON STEEL CORPORATION; Member of the Board, Japan Tobacco Inc.
Member of the Board	Shigeki Ishizuka	Vice Chairman, Sony Group Corporation
◇ Member of the Board	Hisayoshi Ando	Executive Advisor, Nippon Life Insurance Company Director, Audit & Supervisory Committee Member, Nitori Holdings Co., Ltd.
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); Director, Chairman of the Audit Committee, Macromill, Inc.; Director, TOKYO ENERGY & SYSTEMS INC.; Audit & Supervisory Board Member, NH Foods Ltd.

- Notes: 1. Persons marked with * are Representative Directors.
2. Mr. Hisayoshi Ando marked with ◇ was newly elected at the 98th Ordinary General Meeting of Shareholders held on June 24, 2022, and assumed office.
3. Mr. Kyohei Takahashi, Ms. Yuri Okina, Mr. Takashi Hatchoji, Mr. Masato Kitera, Mr. Shigeki Ishizuka, and Mr. Hisayoshi Ando are Outside Directors.
4. Mr. Tsuyoshi Yoneda, Mr. Yoichi Kikuchi, and Mr. Shigeru Nishiyama are Outside Audit & Supervisory Board Members.
5. Mr. Kyohei Takahashi, Ms. Yuri Okina, Mr. Takashi Hatchoji, Mr. Masato Kitera, Mr. Shigeki Ishizuka, Mr. Hisayoshi Ando, 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 25 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. Ichiro Takahara, Mr. Mutsumi Ishizuki, Mr. Kenichiro Oikawa, and Mr. Takao Kitabata retired from office of Member of the Board at the close of the 98th Ordinary General Meeting of Shareholders held on June 24, 2022.
8. 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	Masato Kitera	Retired from office of Director, Member of the Board and assumed office of Director, Audit & Supervisory Committee Member, NIPPON STEEL CORPORATION	June 23, 2022
Member of the Board	Shigeki Ishizuka	Retired from office of Director, Sony Corporation	June 24, 2022
		Retired from office of Vice Chairman, Representative Corporate Executive Officer and remained in office of Vice Chairman, Sony Group Corporation	June 28, 2022
		Retired from office of Vice Chairman, Sony Group Corporation	March 31, 2023
Audit & Supervisory Board Member	Shigeru Nishiyama	Retired from office of Member of the Board/Audit and Supervisory Committee Member, UNIPRES CORPORATION	June 23, 2022
		Assumed office of Audit & Supervisory Board Member, NH Foods Ltd.	June 24, 2022
		Retired from office of Auditor of the Board (Outside), Mitsui Sumitomo Insurance Company, Limited	June 24, 2022

10. The status, names, and area(s) of responsibility of Executive Officers as of April 1, 2023 are as follows.

Executive Officers

(As of April 1, 2023)

Name	Area(s) of responsibility
President and CEO	
* Masumi Kakinoki	
Senior Executive Vice President	
*Akira Terakawa	Chief Executive Officer, Consumer Products Group
Senior Managing Executive Officers	
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)
Jun Horie	Chief Executive Officer, Materials Group
Kenichiro Oikawa	Chief Strategy Officer (CSO); Regional CEO for East Asia; Regional CEO for Japan Business; Vice Chairman of Investment and Credit Committee
*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
Managing Executive Officers	
Yoshiaki Yokota	Chief Executive Officer, Energy & Infrastructure Solution Group
Hidekazu Futai	Chief Operating Officer, Agri Business Div.
Jiro Itai	Chief Executive Officer, Transportation & Industrial Machinery, Financial Business Group
Kosuke Takechi	Regional CEO for the Americas; Regional COO for North & Central America; President and CEO, Marubeni America Corporation
Takao Ando	
Seiichi Kuwata	Regional CEO for Europe & CIS; Regional COO for Europe; Managing Director and CEO, Marubeni Europe plc
Naoshi Hirose	Senior Operating Officer for CSO
Tsuyoshi Teragaki	Chief Operating Officer, Forest Products Div.
Satoru Ichinokawa	Chief Operating Officer, Chemicals Div.
Takeshi Mamiya	Regional CEO for ASEAN & Southwest Asia; Regional COO for ASEAN; Managing Director, Marubeni ASEAN Pte. Ltd.

Name	Area(s) of responsibility
Executive Officers	
Minoru Tomita	General Manager, Osaka Branch
Takashi Imamura	General Manager, Research Institute
Takashi Yao	Regional CEO for Oceania; Managing Director, Marubeni Australia Ltd.
Koichi Ariizumi	General Manager, Legal Dept.
Koji Kashima	Senior Operating Officer for CAO, CHRO
Taro Kawabe	Chief Operating Officer, Finance, Leasing & Real Estate Business Div.
Koichi Uchida	Chief Operating Officer, Energy Div.
Satoru Harada	Chief Operating Officer, Power Div.
Masayuki Omoto	Chief Digital Innovation Officer (CDIO); Chief Operating Officer, Next Generation Business Development Div.; Vice Chairman of Investment and Credit Committee
Satoru Yokoshiki	General Manager, Business Accounting Dept.
Hideyoshi Iwane	General Manager, Corporate Accounting Dept.
Chijo Tajima	General Manager, Finance Dept.
Hiromitsu Morishima	Chief Operating Officer, Lifestyle Div.
Hiromichi Mizuno	General Manager, Corporate Planning & Strategy Dept.
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.
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.
Atsushi Suzuki	General Manager, Chubu Branch
Takashi Fujinaga	Chief Operating Officer, IT Solutions Div.
Kazuhiro Kondo	Chief Operating Officer, Construction, Industrial Machinery & Mobility Div.

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

2. "Consumer Products Group" collectively refers to Lifestyle Div., IT Solutions 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., Infrastructure Project Div., and New Energy Business Development Dept. "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 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. 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.
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 remuneration 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 (hereinafter referred to as the “Market Capitalization-linked Performance Share Units”) 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 profit (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 stock 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 and 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	
Base annual remuneration	i) Basic compensation	• Basic compensation corresponding to each Director's position	Fixed	
	ii) Performance-based compensation	• Performance-based compensation is an amount of basic compensation multiplied by a factor linked to consolidated business performance in the previous business year • The factor to be applied is determined based on the "sum of 50% of the consolidated net profit and 50% of the core operating cash flow for the previous business year*1." If the sum is below 100 billion yen, the factor is 0. If the sum is 100 billion yen or more, the factor proportionally increases (an increase of approx. 2 percentage points per increase of 5 billion yen).	Variable	80%: Cash 20%: Restricted Stock
iii) Bonuses	i) Director bonuses ii) Directors who have representative authority are paid representative director bonuses for their responsibilities		Fixed	
iv) Individuals' evaluation-based compensation	i) Organization's performance evaluation: The evaluation item is whether the consolidated net profit 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	Cash
v) Market Capitalization-linked Performance Share Units	• 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	Market Capitalization-linked Performance Share Units

Notes: 1. Indicators used for calculation of performance-based compensation for fiscal year 2022 are consolidated net profit (profit attributable to the owners of the parent) (424.3 billion yen) and core operating cash flow (570.5 billion yen) for fiscal year 2021, and the sum of 50% of the consolidated net profit and 50% of the core operating cash flow (497.4 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 the Corporation's market value growth rate^(Note 1) does not exceed the TOPIX (Tokyo Stock Price Index) growth rate^(Note 2); zero

(ii) When the Corporation's market value growth rate is equal to or exceeds the TOPIX growth rate: percentage determined by the following categories

a) When the Corporation's market value growth rate exceeds 150%: 1

b) When the Corporation's market value growth rate exceeds 100% and does not exceed 150%: the Corporation's market value growth rate / 150%

c) When the Corporation's market value growth rate does not exceed 100%: zero

(Note 1) "Market value growth rate" refers to the Corporation'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 the Corporation'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 the Corporation'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.

The Corporation's market value growth rate = A / B

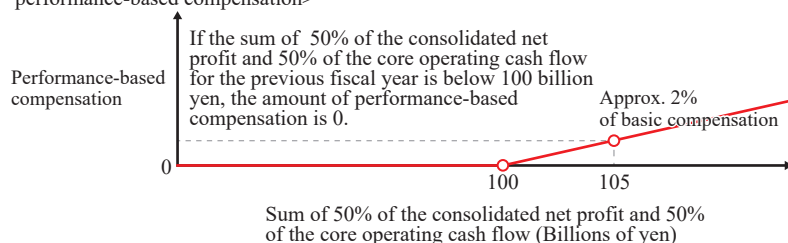
(Note 2) "TOPIX (Tokyo Stock Price Index) growth rate" refers to the TOPIX growth rate during the performance evaluation period and shall be calculated by the following formula:

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.

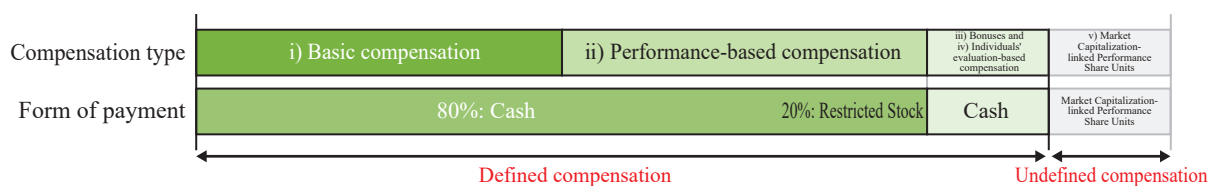
D: The average of the closing price for the TOPIX on the Tokyo Stock Exchange on each day for the three months immediately preceding the day before the first date (inclusive) of the performance evaluation period.

The TOPIX growth rate = C / D

<Reference: Correlation between the “sum of 50% of the consolidated net profit 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 Restricted Stock or Market Capitalization-linked Performance Share Units.

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 Restricted Stock or Market Capitalization-linked Performance Share Units.

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

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

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

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 8 Directors (including 1 Outside Director) who retired by the last day of the business year under review. As of March 31, 2023, the Corporation had 10 Directors (including 6 Outside Directors) and 5 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board members). Directors’ total amount of payment above includes the amount charged to expense, etc., during the fiscal year regarding Market Capitalization-linked Performance Share Units that will be allocated in fiscal year 2024 or later and “[Former plan] stock-compensation-type stock options subject to market-capitalization-based exercisability conditions” that was allocated in fiscal year 2019, as listed in 6 and 7 below. Therefore, it does not coincide with the amount of remuneration and other payments for Directors that is used to evaluate if it is within the limitation for Directors’ remuneration and other payments of the fiscal year approved with the resolution of the General Meeting of Shareholders held in the past as stated in 9 below. At the Corporation, as for Directors’ individual remuneration and other payments for the fiscal year, the Governance and Remuneration Committee confirmed that they were within the limit and reported them to the Board of Directors to make a decision.

4. If Agenda No. 4 is approved and passed as originally proposed, the Corporation will revise performance-based compensation from fiscal year 2023. In the performance-based compensation before the revision of the compensation plan, performance evaluation was based on business performance in the previous business year, but will be changed to a manner in which compensation based on performance evaluation in the fiscal year corresponding to the period of execution of duties will be paid in a lump-sum after the close of the relevant fiscal year as performance-based compensation, aiming to match the periods of execution of duties and performance evaluation. As a transitional measure for the revision of the said plan, the difference that compensation for fiscal year 2023 (based on the business performance in fiscal year 2022), which is calculated by a calculation method of performance-based compensation before the revision (including the amount that will be paid by Restricted Stock), exceeds the compensation for fiscal year 2022 (based on the business performance in fiscal year 2021) will be additionally paid as compensation for the business year under review (fiscal year 2022) by August 2023, within the approved total amount of remuneration up to a maximum of 1,100 million yen per year (including a maximum of 120 million yen for Outside Directors, and excluding employee salaries paid to Directors who concurrently serve as employees) as resolved at the 96th Ordinary General Meeting of Shareholders held on June 19, 2020. The above-stated performance-based compensation amounts include the said compensation amounts. The Governance and Remuneration Committee has deliberated appropriateness and reasonableness of the said transitional measure, and provided reports to the Board of Directors for its determination.

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

6. The Corporation allocates “Market Capitalization-linked Performance Share Units” to Directors (excluding Outside Directors) as non-monetary compensation. The above-stated amounts are the amounts charged to expenses during 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 fiscal year 2024 and fiscal year 2025. This compensation plan was introduced in fiscal year 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.

7. “[Former plan] stock-compensation-type stock options subject to market-capitalization-based exercisability conditions” was non-monetary compensation allocated as the remuneration of fiscal year 2019. It is a stock acquisition right of which the number of exercisable shares will be determined in accordance with the growth rate of the market-capitalization-based exercisability conditions during three years of the evaluation period after the grant. The above-stated amount is the amount charged to expenses during the fiscal year for the stock acquisition rights of which the exercisable number was confirmed during the fiscal year after three years of the evaluation period. The actual record of the Corporation’s growth rate of the market-capitalization-based exercisability conditions used to calculate the number of exercisable stock acquisition rights for stock-compensation-type stock options subject to the market-capitalization-based exercisability conditions of which the evaluation period is completed during the fiscal year is 183%. After its introduction in fiscal year 2019, the remuneration system was abolished, excluding those already granted due to the introduction of Market Capitalization-linked Performance Share Units in fiscal year 2021.
8. The agenda to abolish the retirement remuneration plan at the close of the 83rd Ordinary General Meeting of Shareholders held on June 22, 2007, and make a final payment of retirement remuneration was duly resolved. In accordance with the resolution, the Corporation decided to pay retirement remuneration to each Director who is eligible to receive the final payment either at the time of retirement as Director or at the time of retirement as Executive Officer, whichever is later, and to each Audit & Supervisory Board Member who is eligible to receive the final payment at the time of retirement as Audit & Supervisory Board Member. Regarding Directors/Audit & Supervisory Board Members eligible to receive a final payment in relation to the abolition of the retirement remuneration plan, no retirement remuneration was paid in the business year under review.
9. The maximum total amount of remuneration and other payments for Directors and that for Audit & Supervisory Board Members for the business year under review are determined as follows by the resolutions at the Ordinary General Meetings of Shareholders held in the past.

	Resolution		Number of Directors/Audit & Supervisory Board Members at the time of close of the respective Ordinary General Meeting of Shareholders
	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	
88th Ordinary General Meeting of Shareholders (held on June 22, 2012)	-	12 million yen per month	5 Audit & 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 Restricted Stock and Market Capitalization-linked Performance Share Units within the total amount of remuneration and other payments to Directors stated above and the number of shares of the Corporation’s common stock 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 shares of the Corporation’s common stock
Restricted Stock	Up to 180 million yen per year	Up to 450,000 shares per year
Market Capitalization-linked Performance Share Units	Up to 120 million yen per year	Up to 300,000 shares for each evaluation period

🌀 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	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, Audit & Supervisory Committee Member, NIPPON STEEL CORPORATION; Member of the Board, Japan Tobacco Inc.	There is no special relationship.
Outside Director	Shigeki Ishizuka	Vice Chairman, Sony Group Corporation	There is no special relationship.
Outside Director	Hisayoshi Ando	Executive Advisor, Nippon Life Insurance Company; Director, Audit & Supervisory Committee Member, Nitori Holdings Co., Ltd.	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); Director, Chairman of the Audit Committee, Macromill, Inc.; Director, TOKYO ENERGY & SYSTEMS INC.; Audit & Supervisory Board Member, NH Foods Ltd.	There is no special relationship.

(2) Major activities

Title	Name	Status of attendance and statements, and performance of expected roles
Outside Director	Kyohei Takahashi	Participated in all 16 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 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 7 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 and revision of the executive remuneration plan.
Outside Director	Yuri Okina	Participated in all 16 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 6 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 16 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 6 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 Director	Masato Kitera	Participated in all 16 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 7 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 16 meetings of the Board of Directors held during the business year under review. 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 6 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 Director	Hisayoshi Ando	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 profound insight about economic, industrial and political trends in Japan and overseas cultivated through his service in key positions in the government, from objective and specialist perspectives in light of the rapidly changing world situation. Furthermore, as an advisor to the Sustainability Management Committee, he has been proactively expressing his opinions of overall sustainability matters from an independent viewpoint.
Outside Audit & Supervisory Board Member	Tsuyoshi Yoneda	Participated in all 16 meetings of the Board of Directors and all 17 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 15 meetings out of the 16 meetings of the Board of Directors, and 16 meetings out of the 17 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 16 meetings of the Board of Directors and all 17 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.

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

(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 "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 initial response guidelines and a business continuity plan to cope with material events such as natural disasters, terrorism, riots, 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 the 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) The 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 audits of Group companies ● Audits and accounting audits of each 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 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 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

Final amendment on April 1, 2023

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.

In response to the enforcement of the amended Whistleblower Protection Act for Marubeni Corporation and its Group Companies, the revision of the internal rules and training regarding whistle-blowing were implemented, and the internal whistle-blowing system was established.

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 "Rules for Division 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.

By introducing the Marubeni Group BCP (domestic), we converted a conventional BCP based on causes/events, such as earthquakes and novel infectious diseases, into an all-hazard-type BCP that allows us to make a swift crisis-related response when "people, building (office), system, settlement function and essential resources for the management of Group companies," which are critical for the Corporation's business continuity, are affected by a disaster.

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

The Corporation announced the new Mid-Term Management Strategy GC2024 in February 2022. To achieve quantitative goals, the Corporation studies and implements measures to increase profits, and executes programs for growth, environmental and HR strategies, etc.

The Corporate Management Committee meetings were held 31 times during the business year under review to deliberate on important matters. In addition, the Divisional Strategy Meetings of each business division and the Corporate Staff Group Management Meeting were held to discuss the essential business and operation policies of each organization.

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 the 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.

CFO, CSO, CAO, CDIO, 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's basic policy is to pay stable dividends to our shareholders for the long term and aim to achieve a dividend increase by realizing profit growth over the medium to long term.

Based on the policy, during the Mid-Term Management Strategy GC2024 period (from the fiscal year ended March 31, 2023 to the fiscal year ending March 31, 2025), the Corporation takes a progressive dividend approach determining the initial annual dividend to be 78 yen per share and increasing the dividend along with the profit growth over the medium to long term. We shall conduct expeditious acquisition of treasury stock aiming to improve capital efficiency and index per share. Considering the business environment, etc., the Corporation shall judge the amount and timing of the implementation targeting a total return ratio of around 30% to 35%.

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.

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 837 rights	83,700 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 (June 21, 2019)	Subscription rights to shares as stock- compensation-type stock options 2,207 rights	220,700 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 667 rights	66,700 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 438 rights	43,800 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 108 rights	10,800 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 4,018 rights	401,800 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
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 3,234 rights	323,400 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

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, 2023 (March 30, 2022)	Subscription rights to shares as stock- compensation-type stock options 448 rights	44,800 shares of common stock	124,500 yen for each subscription right to shares	1 yen per share	From April 28, 2022 to April 27, 2055
Fiscal year ended March 31, 2023 (March 30, 2022)	Subscription rights to shares as stock- compensation-type stock options subject to market- capitalization-based exercisability conditions 242 rights	24,200 shares of common stock	31,900 yen for each subscription right to shares	1 yen per share	From April 28, 2025 to April 27, 2055

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 27, 2022)> and <(b) Subscription rights to shares as stock-compensation-type stock options subject to market-capitalization-based exercisability conditions (allotted on April 27, 2022)>.

<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	258 rights	2 persons
Fiscal year ended March 31, 2020 (June 21, 2019)	847 rights	2 persons	0 rights	0 persons	1,360 rights	7 persons
Fiscal year ended March 31, 2021 (March 25, 2020)	0 rights	0 persons	0 rights	0 persons	438 rights	1 person
Fiscal year ended March 31, 2021 (June 19, 2020)	946 rights	4 persons	0 rights	0 persons	3,072 rights	21 persons
Fiscal year ended March 31, 2023 (March 30, 2022)	0 rights	0 persons	0 rights	0 persons	448 rights	1 person

(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)	335 rights	2 persons	0 rights	0 persons	332 rights	4 persons
Fiscal year ended March 31, 2021 (March 25, 2020)	0 rights	0 persons	0 rights	0 persons	108 rights	1 person
Fiscal year ended March 31, 2021 (June 19, 2020)	888 rights	4 persons	0 rights	0 persons	2,346 rights	21 persons
Fiscal year ended March 31, 2023 (March 30, 2022)	0 rights	0 persons	0 rights	0 persons	242 rights	1 person

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, 2023 (including those held by retired persons) is 1,201,300 shares of common stock for subscription rights to shares as stock-compensation-type stock options and 634,800 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 27, 2022)>

Date of resolution for issuance	March 30, 2022
Number of subscription rights to shares	760 rights
Number of persons to whom subscription rights to shares were granted and the number of subscription rights to shares granted	3 Executive Officers of the Corporation: 760 rights
Class and number of shares to be issued	76,000 shares of common stock (100 shares for each subscription right to shares)
Amount to be paid in for subscription rights to shares	124,500 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 28, 2022 to April 27, 2055
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 27, 2022)>

Date of resolution for issuance	March 30, 2022
Number of subscription rights to shares	480 rights
Number of persons to whom subscription rights to shares were granted and the number of subscription rights to shares granted	3 Executive Officers of the Corporation: 480 rights
Class and number of shares to be issued	48,000 shares of common stock (100 shares for each subscription right to shares)
Amount to be paid in for subscription rights to shares	31,900 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 28, 2025 to April 27, 2055
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:

C: 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.

D: 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 × the 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	680 million yen
2) Total amount of money or other economic benefits to be paid by the Corporation and its subsidiaries to the Accounting Auditor	1,284 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., Columbia Grain International, LLC, Creekstone Holding Corp, Helena Agri-Enterprises, LLC, MacroSource, LLC, Marubeni Auto Investment (UK) Limited, Marubeni Aviation Parts Trading LLC, MARUBENI DAGITIM VE SERVIS A.S., 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., P.T. Megalopolis Manunggal Industrial Development, and PT. Tanjungenim Lestari Pulp and Paper 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	99th Business Year (As of March 31, 2023)	Ref: 98th Business Year (As of March 31, 2022)	Item	99th Business Year (As of March 31, 2023)	Ref: 98th Business Year (As of March 31, 2022)
Assets	Millions of yen	Millions of yen	Liabilities and equity	Millions of yen	Millions of yen
Current assets:			Current liabilities:		
Cash and cash equivalents	608,917	578,636	Bonds and borrowings	485,413	742,365
Time deposits	1,394	70	Notes and trade accounts payable	1,308,657	1,493,526
Notes, trade accounts and loans receivable	1,337,276	1,344,966	Other current financial liabilities	445,155	874,449
Other current financial assets	389,141	793,022	Income tax payable	36,537	28,555
Inventories	1,157,864	1,429,006	Liabilities directly associated with assets held-for-sale	-	7,558
Assets held-for-sale	-	20,098	Other current liabilities	521,608	526,616
Other current assets	265,982	264,684	Total current liabilities	2,797,370	3,673,069
Total current assets	3,760,574	4,430,482	Non-current liabilities:		
Non-current assets:			Bonds and borrowings	1,607,983	1,696,302
Investments in associates and joint ventures	2,316,481	1,993,285	Notes and trade accounts payable	1,006	1,410
Other investments	251,788	235,219	Other non-current financial liabilities	312,917	322,832
Notes, trade accounts and loans receivable	127,729	98,431	Net defined benefit liability	46,630	66,139
Other non-current financial assets	172,467	181,149	Deferred tax liabilities	146,678	102,352
Property, plant and equipment	947,647	954,735	Other non-current liabilities	59,047	55,151
Intangible assets	300,875	287,912	Total non-current liabilities	2,174,261	2,244,186
Deferred tax assets	8,370	11,454	Total liabilities	4,971,631	5,917,255
Other non-current assets	67,673	62,916	Equity:		
Total non-current assets	4,193,030	3,825,101	Issued capital	263,324	262,947
Total assets	7,953,604	8,255,583	Capital surplus	107,261	143,653
			Other equity financial instruments	145,657	145,657
			Treasury stock	(3,357)	(19,738)
			Retained earnings	1,778,193	1,379,701
			Other components of equity:		
			Gains (losses) on financial assets measured at fair value through other comprehensive income	79,671	63,505
			Foreign currency translation adjustments	456,527	330,292
			Gains (losses) on cash flow hedges	50,471	(63,837)
			Equity attributable to owners of the parent	2,877,747	2,242,180
			Non-controlling interests	104,226	96,148
			Total equity	2,981,973	2,338,328
			Total liabilities and equity	7,953,604	8,255,583

Consolidated Statement of Comprehensive Income

Item	99th Business Year	Ref: 98th Business Year
	(from April 1, 2022 to March 31, 2023)	(from April 1, 2021 to March 31, 2022)
	Millions of yen	Millions of yen
Revenue:		
Sales of goods	9,047,228	8,384,760
Commissions on services and trading margins	143,244	123,831
Total revenue	9,190,472	8,508,591
Cost of goods sold	(8,139,177)	(7,613,260)
Gross trading profit	1,051,295	895,331
Other income (expenses):		
Selling, general and administrative expenses	(704,500)	(606,551)
Gains (losses) on allowance for doubtful accounts	(5,981)	(4,290)
Gains (losses) on property, plant and equipment:		
Impairment losses	(19,534)	(7,520)
Gains (losses) on sales of property, plant and equipment	3,739	2,574
Other income	42,165	37,371
Other expenses	(38,338)	(49,342)
Total other income (expenses)	(722,449)	(627,758)
Finance income (expenses):		
Interest income	25,059	10,937
Interest expenses	(56,782)	(21,837)
Dividend income	10,380	24,379
Gains (losses) on investment securities	57,475	11,183
Total finance income (expenses)	36,132	24,662
Share of profits (losses) of associates and joint ventures	286,767	236,555
Profit before tax	651,745	528,790
Income taxes	(98,926)	(93,840)
Profit for the year	552,819	434,950
Profit for the year attributable to:		
Owners of the parent	543,001	424,320
Non-controlling interests	9,818	10,630
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	12,229	(7,891)
Remeasurements of defined benefit plan	11,635	3,136
Changes in other comprehensive income of associates and joint ventures	1,498	(1,564)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	102,366	175,838
Gains (losses) on cash flow hedges	45,128	(7,883)
Changes in other comprehensive income of associates and joint ventures	110,118	51,936
Other comprehensive income, net of tax	282,974	213,572
Total comprehensive income for the year	835,793	648,522
Total comprehensive income for the year attributable to:		
Owners of the parent	826,114	635,720
Non-controlling interests	9,679	12,802

Consolidated Statement of Changes in Equity

99th Business Year (from April 1, 2022 to March 31, 2023)

	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 the beginning of the year	262,947	143,653	145,657	(19,738)	1,379,701	63,505	330,292
Adjustment of beginning balance (effect of hyperinflationary economy)		227					2,047
Profit for the year					543,001		
Other comprehensive income						13,717	124,188
Share-based payment transactions	377	422					
Purchase and sale of treasury stock		(491)		(39,855)			
Cancellation of treasury stock		(31,637)		56,236	(24,599)		
Dividends to owners of the parent					(127,208)		
Equity transactions with non-controlling interests and others		(4,913)					
Distribution to owners of other equity instruments					(2,550)		
Transfer to retained earnings					9,848	2,449	
Transfer to non-financial assets or non-financial liabilities							
Balance at the end of the year	263,324	107,261	145,657	(3,357)	1,778,193	79,671	456,527

	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 the beginning of the year	(63,837)	-	329,960	2,242,180	96,148	2,338,328
Adjustment of beginning balance (effect of hyperinflationary economy)			2,047	2,274		2,274
Profit for the year				543,001	9,818	552,819
Other comprehensive income	132,911	12,297	283,113	283,113	(139)	282,974
Share-based payment transactions				799		799
Purchase and sale of treasury stock				(40,346)		(40,346)
Cancellation of treasury stock				-		-
Dividends to owners of the parent				(127,208)	(7,317)	(134,525)
Equity transactions with non-controlling interests and others				(4,913)	5,716	803
Distribution to owners of other equity instruments				(2,550)		(2,550)
Transfer to retained earnings		(12,297)	(9,848)	-		-
Transfer to non-financial assets or non-financial liabilities	(18,603)		(18,603)	(18,603)		(18,603)
Balance at the end of the year	50,471	-	586,669	2,877,747	104,226	2,981,973

Ref: 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 the beginning of the year	262,686	143,667	243,589	(772)	1,067,377	43,864	123,789
Profit for the year					424,320		
Other comprehensive income						(11,536)	206,503
Share-based payment transactions	261	317					
Purchase and sale 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 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 the end of the 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 the beginning of the year	(69,407)	-	98,246	1,814,793	92,714	1,907,507
Profit 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
Purchase and sale 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 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 the end of the year	(63,837)	-	329,960	2,242,180	96,148	2,338,328

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: 317

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: 163

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 (346 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 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 for preparation of the Consolidated Financial Statements

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

Consolidated subsidiaries: newly included: 15; excluded: 13

Associates and joint ventures accounted for under the equity method: newly included: 17; excluded: 2

(2) 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, 2023

Investments in associates and joint ventures 141,747 million yen

(2) Information about significant accounting estimates for identified items

In the future business plan for the aircraft leasing business in the U.S., which the Company updated at March 31, 2023, it is assumed that this business will continue to recover from the temporary deterioration in business performance caused by the COVID-19 pandemic and the termination of aircraft leasing contracts with Russian airlines, and that the business will continue to grow driven by medium- to long-term growth in air passenger demand. Therefore, the Company determined that there is no indication of impairment for its investments in the business.

The future business plan incorporates key assumptions such as the asset portfolios, leasing fees and proceeds from the sale of assets. As these key assumptions at March 31, 2023 are subject to change due to future economic conditions and other sources of estimation uncertainty, there is a risk of causing a material adjustment to the carrying amount of the investments accounted for under the equity method.

<Notes to the Consolidated Statement of Financial Position>

1. Pledged assets

Notes, trade accounts and loans receivable	3 million yen
Other financial assets	25,473 million yen
Investments in associates and joint ventures	67,769 million yen
Property, plant and equipment (after deducting accumulated depreciation)	40,108 million yen
Other	877 million yen
Total	134,230 million yen

2. Allowance for doubtful accounts directly deducted from assets:

Notes, trade accounts and loans receivable (current)	15,896 million yen
Notes, trade accounts and loans receivable (non-current)	37,102 million yen

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

1,367,444 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.

The outstanding balances of guarantees were 286,244 million yen, and 270,705 million yen which exclude the amount secured by secondary guarantees provided for the Company by the third parties of 15,539 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.

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 Distillery and PT. Garuda Pancaarta, 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 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 was 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 analysed 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 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 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 ruling in favour of the Company as stated above, the Company again filed 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. A notice was posted on the Supreme Court's website stating that the second Judicial Review cannot be accepted on July 28, 2022 (Nevertheless, with a disclaimer that the information on the Supreme Court's website is informal and has no legal power). However, as of May 11, 2023, the Company has not received the official decision from the Supreme Court, and no reasons for such unacceptance have been posted on the Supreme Court's website.

As of May 11, 2023 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, 2023.

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 compensation 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 aggregate on the grounds that the Company's filing of the New Case allegedly constitutes a tort against Sugar Group

(“Counterclaim”). Both the Company's claims in the New Case and the Counterclaim were dismissed by the first instance court and the second instance court. Accordingly, the Company appealed the New Case to the Supreme Court on November 19, 2021 and, the Company received the Supreme Court’s rulings on November 8, 2022, stating a partial approval of the Company's claim and dismissal of the Sugar Group's Counterclaim in its entirety.

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, 2023, 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.

<Notes to the Consolidated Statement of Changes in Equity>

1. Type and number of outstanding shares at March 31, 2023:

Type of shares	Common stock
Number of shares	1,698,395,498 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 12, 2022	Common stock	62,864 million yen	36.50 yen	March 31, 2022	June 6, 2022
The Board of Directors meeting held on November 4, 2022	Common stock	64,344 million yen	37.50 yen	September 30, 2022	December 1, 2022

(2) Dividends with record dates in the current fiscal year and the effective dates occurring 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, 2023	Common stock	68,694 million yen	Retained earnings	40.50 yen	March 31, 2023	June 5, 2023

3. Type and number of shares underlying stock acquisition rights at March 31, 2023 (excluding those yet to become exercisable):

Type of shares	Common stock
Number of shares	824,900 shares

4. Other equity instruments

At March 31, 2023, the Company has 150 billion yen perpetual subordinated loans (the “Loans”) in order to bolster its balance sheet.

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) was recorded in “Other equity financial instruments” in the “Equity” classification at March 31, 2023.

Overview of the Loans

(i) Total amount of financing obtained	150 billion yen
(ii) Due date of final repayment and option to make early repayments	No specific maturity has been set. However, by giving prior notice, the Company has the option to make early repayment on August 16, 2023 and subsequent interest payment dates.
(iii) Restrictions on interest	The Company is able to suspend and defer interest payments at its discretion by giving prior notice. However, if dividends for common stock, etc. are distributed, 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 occurred, the order of repayment of the Loans will be subordinated to all senior creditors.
(v) Applicable interest rate	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

The estimated fair value of the financial instruments of the Companies have been determined using available market information or other appropriate valuation methodologies. The following methods and assumptions were used in the disclosure of the fair values of financial instruments.

(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.

The carrying amount of notes, trade accounts and loans receivable measured at amortised cost approximated fair value at March 31, 2023, 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. The carrying amount of debt securities measured at amortised cost approximated fair value.

(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. The carrying amount approximated fair value, and they were categorised as Level 3.

(4) The carrying amounts of cash and cash equivalents and time deposits approximated fair value.

(5) The carrying amounts of notes and trade accounts payable approximated fair value.

(6) The carrying amounts of derivative assets classified as "Other financial assets" and derivative liabilities classified as "Other financial liabilities" represent fair value. The carrying amount of non-derivative assets classified as "Other financial assets" and non-derivative liabilities "Other financial liabilities" approximated fair value.

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, 2023 were as follows:

(As of March 31, 2023)

	Level 1 Millions of yen	Level 2 Millions of yen	Level 3 Millions of yen	Total Millions of yen
Assets:				
Non-derivative financial assets measured at FVTPL:				
Notes, trade accounts and loans receivable	-	22,025	583	22,608
Other investments (equity)	-	-	2	2
Other investments (debt)	-	-	29,162	29,162
Other financial assets	-	-	19,081	19,081
Non-derivative financial assets measured at FVTOCI:				
Other investments (equity)	142,390	-	78,253	220,643
Derivative instruments:				
Interest rate contracts	-	3,817	-	3,817
Forward exchange contracts	-	11,110	-	11,110
Commodity contracts	13,000	277,040	36,895	326,935
Other	-	-	6,499	6,499
Liabilities:				
Derivative instruments:				
Interest rate contracts	-	(20,785)	-	(20,785)
Forward exchange contracts	-	(10,523)	-	(10,523)
Commodity contracts	(9,619)	(219,761)	(28,470)	(257,850)
Other	-	-	(6,587)	(6,587)

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, 2023, the weighted average discount rate used in fair value measurement by the Companies is 17.1%.

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, 2023, 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, 2023 were as follows:

(For the year ended March 31, 2023)

	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	578	19,461	19,354	80,242	(848)	1,018
Gains (losses) in profit or loss	-	1,735	5,711	-	33,746	(1,092)
Gains (losses) in other comprehensive income	-	-	-	(2,576)	-	-
Purchases	-	10,013	-	8,442	-	-
Sales/Redemptions	-	(2,680)	(7,723)	(2,803)	-	-
Settlements	-	-	-	-	(3,550)	-
Transfers	-	(96)	-	(5,827)	(21,042)	-
Effects of acquisition and divestitures	-	-	-	-	-	-
Net transfers in and/or (out) of Level 3	-	-	-	-	-	-
Other	5	731	1,739	775	119	(14)
Balance at end of year	583	29,164	19,081	78,253	8,425	(88)
Gains (losses) in assets and liabilities held at end of year	-	693	5,711	-	8,257	126

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 income”, “Other expenses” 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, 2023.

<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, 2023 was as follows:

(For the year ended March 31, 2023)

	Lifestyle	ICT Business & Logistics	Food-I
	Millions of yen	Millions of yen	Millions of yen
Revenue:			
Sales of goods	169,591	353,169	817,087
Commissions on services and trading margins	12,016	3,428	3,598
Revenue recognised from other sources	-	-	70,352
Total	181,607	356,597	891,037

	Food-II	Agri Business	Forest Products
	Millions of yen	Millions of yen	Millions of yen
Revenue:			
Sales of goods	927,982	1,493,319	257,509
Commissions on services and trading margins	1,404	1,149	9,989
Revenue recognised from other sources	1,980,199	-	-
Total	2,909,585	1,494,468	267,498

	Chemicals	Metals & Mineral Resources	Energy
	Millions of yen	Millions of yen	Millions of yen
Revenue:			
Sales of goods	644,044	265,486	802,782
Commissions on services and trading margins	31,201	14,251	11,287
Revenue recognised from other sources	-	242,190	117,847
Total	675,245	521,927	931,916

	Power Business	Infra-structure Projects	Aerospace & Ship
	Millions of yen	Millions of yen	Millions of yen
Revenue:			
Sales of goods	191,735	17,005	63,904
Commissions on services and trading margins	2,464	6,097	4,726
Revenue recognised from other sources	139,973	-	47,786
Total	334,172	23,102	116,416

	Finance, Leasing & Real Estate Business	Construction, Industrial Machinery & Mobility	Next Generation Business Development
	Millions of yen	Millions of yen	Millions of yen
Revenue:			
Sales of goods	32,971	430,332	4,206
Commissions on services and trading margins	8,816	11,144	187
Revenue recognised from other sources	8,593	-	-
Total	50,380	441,476	4,393

	Other	Consolidated
	Millions of yen	Millions of yen
Revenue:		
Sales of goods	(11,536)	6,459,586
Commissions on services and trading margins	2,207	123,964
Revenue recognised from other sources	(18)	2,606,922
Total	(9,347)	9,190,472

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 year ended March 31, 2023 in the Food-II 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, 2022 and 2021 were mostly reclassified to revenue by March 31, 2023 and March 31, 2022, respectively, and the amounts carried forward to subsequent fiscal years were immaterial.

	As of March 31, 2023	As of March 31, 2022
	Millions of yen	Millions of yen
Receivables arising from contracts with customers	750,431	686,682
Contract liabilities	165,591	166,483

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.

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, household goods, tyres and rubber materials, and revenue is mainly recognised when the delivery terms specified in the contract have been fulfilled.
ICT Business & Logistics	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.
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.
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.
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.
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.
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.
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 operation of equipment is mainly recognised when the service delivery has been completed. With respect to sales of machinery and equipment, revenue is mainly recognised when the delivery terms specified in the contract have been fulfilled.
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 & Real Estate Business	This segment is engaged in the real estate development, asset management and property management, and revenue is mainly recognised at the time of delivery or when the service delivery has been completed.
Construction, Industrial Machinery & Mobility	This segment sells construction machinery, mining machinery, vehicles, 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, 2023, 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 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	197,183
Revenues expected to be recognised for the next fiscal year ending March 31	72,048

<Earnings per Share>

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

1,610.81 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	2,877,747
Adjustment amount used for the calculation of equity per share attributable to owners of the parent	
Amount not attributable to owners of the parent	146,769
Equity used for calculation of equity per share attributable to owners of the parent	2,730,978
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	1,695,409,442

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

316.11 yen

Diluted earnings per share attributable to owners of the parent:

315.58 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)	543,001
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)	2,550
Adjustment amount used for the calculation of earnings per share attributable to owners of the parent (diluted)	540,451
Profit for the year used for the calculation of earnings per share attributable to owners of the parent (diluted)	(3)
	540,448
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)	1,709,705,857
Weighted average number of shares	
Effect of dilution	
Adjustment concerning stock acquisition rights	1,827,219
Adjustments concerning restricted stocks	618,901
Adjustment concerning performance share units	385,034
Weighted average number of ordinary shares used for the calculation of earnings per share attributable to owners of the parent (diluted)	1,712,537,011

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

At the meeting of its Board of Directors held on January 26, 2022, the Company resolved to reorganise the businesses under the Gavilon Agriculture Investment, Inc., which was owned through its U.S. subsidiary, Marubeni America Corporation, and which engaged in grain and fertiliser businesses. The grain business (hereinafter referred to as Gavilon Grain Business) was transferred to a subsidiary of Viterra Limited (hereinafter referred to as Viterra), and an agreement to transfer all of its shares after the reorganisation of the Gavilon group to Viterra was signed on the same day (hereinafter referred to as the Share Transfer). The Share Transfer was executed on October 3, 2022, after obtaining all necessary approvals from the relevant competition authorities.

As at the time of the Share Transfer, approximately 330 billion yen (including loans to Gavilon groups) of funds were received as a result of the Share Transfer. In accordance with the Share Transfer agreement, the sales price in the Share Transfer will include adjustments which will be based on net trade working capital and net interest-bearing debt, etc. on the closing date. The gain from the Share Transfer which led to the loss of control of the Gavilon Grain Business is based on the best estimate based on available information.

Significant components of assets and liabilities of the Gavilon Grain Business and the consideration received at the date of loss of control are as follows:

(1) Significant components of assets and liabilities at the date of loss of control

	Millions of yen
Current assets	569,641
Non-current assets	101,388
Current liabilities	263,622
Non-current liabilities	19,233

Notes: 1. Current assets consist mainly of “Inventories”, “Notes, trade accounts and loans receivable”, “Cash and cash equivalents” and “Other current financial assets”. Non-current assets consist mainly of “Property, plant and equipment”. Current liabilities consist mainly of “Notes and trade accounts payable” and “Other financial liabilities”. In addition, “Other financial assets” and “Other financial liabilities” include derivative assets and derivative liabilities.

2. The Gavilon Grain Business was included in the Foods II Segment for the year ended March 31, 2022.

(2) Consideration received on the loss of control

	Millions of yen
Cash consideration	420,385
Cash and cash equivalents included in assets at the date of loss of control	98,236

The Company recognised a gain of 53,895 million yen on the share transfer, which is included in “Gains (losses) on investment securities” in the Consolidated Statement of Comprehensive Income.

<Notes to Material Subsequent Events>

Share Repurchase and Cancellation of Treasury Stock

At the meeting of its Board of Directors held on May 8, 2023, the Company resolved to repurchase shares of its common stock pursuant to Article 156 of the Companies Act of Japan, as applied pursuant to Paragraph 3, Article 165 of the Act, and to cancel a portion of its treasury stock in accordance with Article 178 of the Act. Details of the repurchase and cancellation are as follows:

(i) Purpose of the share repurchases and cancellation of treasury stock

To implement a flexible capital policy and enhance shareholder returns.

(ii) Details of the share repurchase

(a) Class of shares to be repurchased: Common stock

(b) Total number of shares to be repurchased: Up to 35 million shares (Ratio to the number of outstanding shares (excluding treasury stock) approximately 2.1%)

(c) Aggregate repurchase amount: Up to 30 billion yen

(d) Period of repurchases: From May 9, 2023 to July 31, 2023

(e) Method of repurchases: Purchase on the Tokyo Stock Exchange

(iii) Details of cancellation

(a) Class of shares to be cancelled: Common stock

(b) Total number of shares of treasury stock to be cancelled: All shares repurchased through (ii) above

(c) Scheduled date of cancellation: August 25, 2023

Reference: Consolidated Statement of Cash Flows <Unaudited>

Item	99th Business Year	98th Business Year
	(from April 1, 2022 to March 31, 2023)	(from April 1, 2021 to March 31, 2022)
	Millions of yen	Millions of yen
Operating activities:		
Profit for the year	552,819	434,950
Adjustments to reconcile profit for the year to net cash provided by operating activities:		
Depreciation and amortisation	156,539	143,039
Gains (losses) on property, plant and equipment	15,795	4,946
Finance income (expenses)	(36,132)	(24,662)
Share of profits (losses) of associates and joint ventures	(286,767)	(236,555)
Income taxes	98,926	93,840
Changes in notes and trade accounts receivable	31,779	(190,963)
Changes in inventories	127,644	(341,487)
Changes in notes and trade accounts payable	(160,483)	228,877
Other-net	25,390	61,217
Interest received	21,980	8,905
Interest paid	(53,981)	(21,592)
Dividends received	194,956	213,933
Income taxes paid	(82,131)	(62,529)
Net cash provided by operating activities	606,334	311,919
Investing activities:		
Net increase (decrease) in time deposits	(1,209)	50
Proceeds from sale of property, plant and equipment	18,033	14,106
Collection of loans receivable	12,299	36,423
Proceeds from sale of subsidiaries, net of cash and cash equivalents disposed	330,086	9,115
Proceeds from sale of investments in associates and joint ventures, and other investments	44,096	69,865
Purchase of property, plant and equipment	(104,260)	(101,805)
Loans provided to customers	(33,477)	(41,630)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(8,065)	(7,804)
Purchase of investments in associates and joint ventures, and other investments	(100,698)	(57,980)
Net cash provided by (used in) investing activities	156,805	(79,660)
Financing activities:		
Net increase (decrease) in short-term borrowings	(386,812)	77,224
Proceeds from long-term bonds and borrowings	234,195	287,649
Repayments of long-term bonds and borrowings	(442,890)	(569,406)
Dividends paid to shareholders of the parent	(127,208)	(82,511)
Net cash outflows on purchase and sale of treasury stock	(40,965)	(19,212)
Capital contribution from non-controlling interests	8,015	1,055
Acquisition of additional interests in subsidiaries from non-controlling interests	(1,046)	(4,271)
Payments of distributions to owners of other equity instruments	(2,550)	(3,125)
Redemption of other equity instruments	-	(100,000)
Other	(7,326)	(7,040)
Net cash used in financing activities	(766,587)	(419,637)
Effect of exchange rate changes on cash and cash equivalents	33,638	19,343
Net increase (decrease) in cash and cash equivalents	30,190	(168,035)
Cash and cash equivalents at the beginning of the year	578,636	745,858
Increase in cash and cash equivalents resulting from transfer to assets held-for-sale	91	813
Cash and cash equivalents at the end of the year	608,917	578,636

Non-consolidated Financial Statements

Non-consolidated Balance Sheet

Item	99th Business Year (As of March 31, 2023)	Ref: 98th Business Year (As of March 31, 2022)
ASSETS	Millions of yen	Millions of yen
Current assets:	983,181	1,111,079
Cash on hand and in banks	150,418	230,807
Notes receivable-trade	4,341	3,711
Accounts receivable-trade	375,710	381,876
Inventories	148,325	116,845
Advance payments to suppliers	24,608	33,934
Short-term loans receivable	179,645	235,995
Other current assets	134,369	145,737
Allowance for doubtful accounts	(34,235)	(37,826)
Fixed assets:	2,342,724	2,288,286
Property and equipment	16,156	17,505
Buildings	5,588	6,720
Structures	972	1,036
Machinery and equipment	1,293	875
Vessels	53	240
Vehicles	385	441
Furniture and fixtures	2,881	3,209
Land	4,984	4,984
Intangible assets	20,184	19,511
Computer software	19,876	19,120
Other intangible assets	308	391
Investments and others	2,306,384	2,251,270
Investment securities	152,392	144,033
Investments in subsidiaries and affiliates	1,734,405	1,743,275
Bonds of subsidiaries and affiliates	0	200
Other investment securities in subsidiaries and affiliates	4,320	4,149
Investments in capital	1,368	1,426
Other investments in subsidiaries and affiliates	91,260	81,168
Long-term loans receivable	339,650	302,987
Doubtful accounts	11,266	8,984
Deferred tax assets	54,490	46,281
Other investment	21,924	21,584
Allowance for doubtful accounts	(91,964)	(88,813)
Allowance for investment loss	(12,727)	(14,004)
Deferred charges	1,485	1,656
Bond issuance costs	1,485	1,656
Total assets	3,327,390	3,401,021

Item	99th Business Year (As of March 31, 2023)	Ref: 98th Business Year (As of March 31, 2022)
LIABILITIES	Millions of yen	Millions of yen
Current liabilities:	1,132,637	1,410,181
Notes and acceptances payable-trade	116,960	138,927
Accounts payable-trade	312,854	295,463
Short-term loans payable	286,282	461,638
Current portion of bonds	76,763	15,000
Other payables	21,636	61,598
Advance payments received from customers	19,263	28,959
Provision for loss on construction contracts	12,623	16,451
Deposits received	237,970	290,035
Other current liabilities	48,286	102,110
Long-term liabilities:	1,487,074	1,426,185
Bonds	453,295	487,730
Long-term loans payable	1,018,092	923,827
Accrued pension and retirement benefits	4,729	6,844
Allowance for contingency loss	2,513	2,103
Other long-term liabilities	8,445	5,681
Total liabilities	2,619,711	2,836,366
NET ASSETS		
Shareholders' equity	838,233	665,949
Capital stock	263,324	262,947
Capital surplus		
Additional paid-in capital	91,711	91,333
Other capital surplus	-	32,129
Retained earnings		
Other Retained earnings		
Retained earnings	486,537	299,255
Treasury stock	(3,339)	(19,715)
Valuation and translation adjustments	(131,413)	(102,350)
Unrealised gains or losses on other securities	48,280	37,577
Deferred gains or losses on hedges	(179,693)	(139,927)
Stock acquisition rights	859	1,056
Stock acquisition rights	859	1,056
Total equity	707,679	564,655
Total liabilities and net assets	3,327,390	3,401,021

Non-consolidated Statement of Income

Item	99th Business Year (from April 1, 2022 to March 31, 2023)		Ref: 98th Business Year (from April 1, 2021 to March 31, 2022)	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Revenue		2,244,695		1,755,653
Cost of goods sold		2,125,839		1,695,323
Gross profit		118,856		60,330
Selling, general and administrative expenses		157,967		145,434
Operating loss		(39,111)		(85,104)
Non-operating income		454,732		171,290
Interest income	22,432		4,779	
Interest on securities	224		201	
Dividend income	408,032		153,407	
Exchange gain	19,692		-	
Miscellaneous income	4,352		12,903	
Non-operating expenses		53,019		29,483
Interest expense	25,923		9,691	
Interest on bonds	11,970		3,547	
Exchange loss	-		4,079	
Miscellaneous expenses	15,126		12,166	
Ordinary income		362,602		56,703
Extraordinary gains		7,533		12,252
Gain on sales of property and equipment	1,749		22	
Gain on sales of investment securities	3,080		7,247	
Gain on sales of subsidiaries and affiliates' stocks	2,657		4,970	
Gain on transfer of business	47		13	
Extraordinary losses		31,378		39,211
Loss on sales of property and equipment	61		392	
Loss on sales of investment securities	1,675		20	
Loss on valuation of investment securities	587		28	
Loss on valuation of subsidiaries and affiliates' stocks	25,277		846	
Provision for loss on business of subsidiaries and affiliates	3,702		37,921	
Impairment losses	76		4	
Income before income taxes		338,757		29,744
Provision for income taxes – current		(1,065)		(10,856)
Provision for income taxes – deferred		733		(1,207)
Net income		339,089		41,807

Non-consolidated Statement of Changes in Net Assets

99th Business Year (from April 1, 2022 to March 31, 2023)

	Shareholders' equity						Valuation and translation adjustments			Stock acquisition rights	Total equity
	Capital stock	Capital surplus		Retained earnings	Treasury stock	Total share holders' 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 at the beginning of the year	262,947	91,333	32,129	299,255	(19,715)	665,949	37,577	(139,927)	(102,350)	1,056	564,655
Changes of items during the Business Year											
Dividends				(127,208)		(127,208)					(127,208)
Net income				339,089		339,089					339,089
Issue of new stock	377	378				755					755
Purchase of treasury stock					(40,807)	(40,807)					(40,807)
Sale of treasury stock			(491)		947	456					456
Cancellation of treasury stock			(31,637)	(24,599)	56,236	-					-
Net changes of items other than shareholders' equity							10,703	(39,766)	(29,063)	(197)	(29,260)
Total changes of items during the Business Year	377	378	(32,129)	187,282	16,376	172,284	10,703	(39,766)	(29,063)	(197)	143,024
Balance at the end of the year	263,324	91,711	-	486,537	(3,339)	838,233	48,280	(179,693)	(131,413)	859	707,679

Ref: 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	Treasury stock	Total share holders' 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 at the beginning of the year	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
Purchase of treasury stock					(19,204)	(19,204)					(19,204)
Sale of treasury stock			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 at the end of the year	262,947	91,333	32,129	299,255	(19,715)	665,949	37,577	(139,927)	(102,350)	1,056	564,655

Notes to Non-consolidated Financial Statements

<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:

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) Accrued pension and retirement benefits:

Accrued pension and 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 billion yen) are capitalised as part of the development costs of related real estate.

8. The consolidated taxation system has transitioned to the Group Tax Sharing System. Accordingly, accounting and disclosure of corporate and local income taxes and tax effect accounting is in accordance with "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (PITF No.42, August 12 2021) .

<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, 2023

Long-term loans receivable	194,838 million yen
Allowance for doubtful accounts	(63,953) 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 the aircraft leasing business in the U.S. (Aircastle Limited) through its subsidiary and affiliate. The Company has provided loans to Marubeni Aviation since Marubeni Aviation made an investment in Aircastle Limited. An allowance for doubtful accounts is provided since there are concerns about the recoverability of the loans. 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 subsidiaries and affiliates

Due from subsidiaries and affiliates		
	Current	366,510 million yen
	Non-current	341,954 million yen
Due to subsidiaries and affiliates		
	Current	431,601 million yen
	Non-current	648 million yen

2. Accumulated depreciation on property and equipment

29,482 million yen

3. Assets pledged as collateral

Investment securities and investments in subsidiaries and affiliates	49,834 million yen
Other current assets	1,550 million yen

The Company's assets which are provided as collateral are related to loans payable of subsidiaries and affiliates.

4. Contingent liabilities

Guarantees for bank loans

Marubeni Financial Service	277,867 million yen
Marubeni America	102,258 million yen
Marubeni Iron Ore Australia	90,918 million yen
Others (106 companies)	494,803 million yen
Total	965,846 million yen

Elimination of duplication is included in "Others".

Commitments to guarantees for bank loans

Marubeni International Petroleum (Singapore)	1,862 million yen
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Guarantees for client debt are included above.

Export bills of exchange discounted	12,761 million yen
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The Company guarantees the loans of MFS funds to Marubeni Financial Service Corporation (MFS) which manages intra-group finance. The Company bears credit risk of domestic subsidiaries and affiliates based on the contract with MFS as follows:

MC Water Holdings	47,774 million yen
Others (40 companies)	259,253 million yen
Total	307,027 million yen

Lawsuits, etc.

See <Notes to the Consolidated Statement of Financial Position>

4. Contingent liabilities "Lawsuits, etc." in Notes to Consolidated Financial Statements.

<Notes to Statement of Income>

Operating and non-operating transactions with subsidiaries and affiliates

Sales	935,536 million yen
Purchases	2,530,555 million yen
Non-operating transactions	427,964 million yen

In the Statement of Income, "Revenue" and "Cost of Sales" are presented in the net amounts for certain transactions.

<Notes to Statement of Changes in Net Assets>

Type and number of treasury stock at March 31, 2023:

Type of shares	Common stock
Number of shares	2,239,727 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 component of deferred tax liabilities is 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 light metals by the Metals & Mineral Resources Segment; and sale of petroleum products and LNG by the Energy 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, 2023		
Subsidiary	Columbia Grain International	Indirect: 100%	Import and offshore trade etc.	Import and offshore trade etc. *1	285,892	Notes and acceptances payable-trade	5,777		
						Accounts payable-trade	4,677		
						Others	18		
Subsidiary	MARUBENI PETROLEUM	Direct: 100%	Debt guarantee	Debt guarantee *2	76,676	-	-		
Subsidiary	Marubeni Iron Ore Australia	Direct: 100%	Debt guarantee	Debt guarantee *2	90,918	-	-		
Subsidiary	Marubeni LP Holding B.V.	Direct: 100%	Financial assistance	Lending of funds *3	-	Long-term loans receivable	83,365		
Subsidiary	JAPAN OFFSHORE WIND POWER CO., LTD.	Direct: 100%	Financial assistance	Lending of funds *3	-	Short-term loans receivable	37,054		
Subsidiary	MARUBENI AVIATION	Direct: 100%	Financial assistance	Lending of funds *3	-	Long-term loans receivable	194,838		
Subsidiary	MARUBENI FINANCIAL SERVICE	Direct: 100%	Financial assistance	Lending of funds *3	98,250	Short-term loans receivable	110,722		
						Debt guarantee	-	-	
									Deposit
Subsidiary	MARUBENI AMERICA	Direct: 100%	Financial assistance	Lending of funds *3	953,106	Short-term loans receivable	-		
				Collection of funds *3	1,126,821				
				Import and offshore trade etc.	266,192			Notes and acceptances payable-trade	8,693
								Accounts payable-trade	23,773
								Other payables	785
Deposits received	3								
Others	5,488								
Subsidiary	MARUBENI AUSTRALIA	Direct: 100%	Borrowing of funds	Debt guarantee *2	102,258	-	-		
				Borrowing of funds *4	199,259	Short-term loans payable	77,582		
			Repayment of funds *4	158,149					

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 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. The transaction amount of lending of funds to MARUBENI FINANCIAL SERVICE is displayed as an average balance over this business year.
4. The interest rates for funds borrowed from the subsidiary are determined based on the market rates.
5. 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 416.72 yen

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

Numerator (millions of yen)	
Total net assets	707,679
Amount deducted from total net assets	
Stock acquisition rights	859
Total net assets concerning ordinary shares	706,820
Denominator (number of shares)	
Number of ordinary shares at end of period	1,696,155,771

2. Earnings per share 198.27 yen

Diluted earnings per share 198.01 yen

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

Numerator (millions of yen)	
Net income for the year	339,089
Adjustment amount used for the calculation of diluted earnings per share	(3)
Net income for the year used for the calculation of diluted earnings per share	339,086
Denominator (number of shares)	
Average number of ordinary shares during period used for the calculation of earnings per share	1,710,226,718
Adjustment of number of dilutive shares	
Adjustment concerning stock acquisition rights	1,827,219
Adjustment concerning performance share units	385,034
Average number of ordinary shares during period used for the calculation of diluted earnings per share	1,712,438,971

<Notes to Material Subsequent Events>

See <Notes to Material Subsequent Events> in Notes to Consolidated Financial Statements.

Independent Auditor's Report

May 11, 2023

The Board of Directors
Marubeni Corporation

Ernst & Young ShinNihon LLC

Designated and Engagement Partner	Certified Public Accountant	Tadashi Watanabe
Designated and Engagement Partner	Certified Public Accountant	Kenji Takagi
Designated and Engagement Partner	Certified Public Accountant	Yasutaka Kakoi

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, 2022 through March 31, 2023.

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, 2023, 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, 2023. 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, 2023

The Board of Directors
Marubeni Corporation

Ernst & Young ShinNihon LLC

Designated and Engagement Partner	Certified Public Accountant	Tadashi Watanabe
Designated and Engagement Partner	Certified Public Accountant	Kenji Takagi
Designated and Engagement Partner	Certified Public Accountant	Yasutaka Kakoi

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 99th business year from April 1, 2022 through March 31, 2023.

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, 2023, 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, 2023. 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 99th Business Year from April 1, 2022 to March 31, 2023 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 Sheet, Non-consolidated Statement of Income, Non-consolidated Statement 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, 2023

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/kouko/ku.html

■ Introduction to share administration

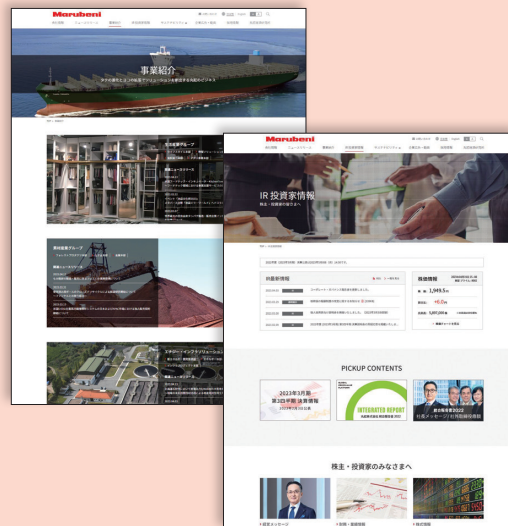
Contact address of the Corporation's share administration is as follows.

- ◆ **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

marubeni

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

(Stock Exchange Code No. 8002)

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