



# GC2021

## Global crossvalue platform

Medium-Term Management Strategy FYE 3/2020 – FYE 3/2022

\*FYE: Fiscal Year Ending

**Marubeni**

## Long-Term Management Direction (Toward 2030)

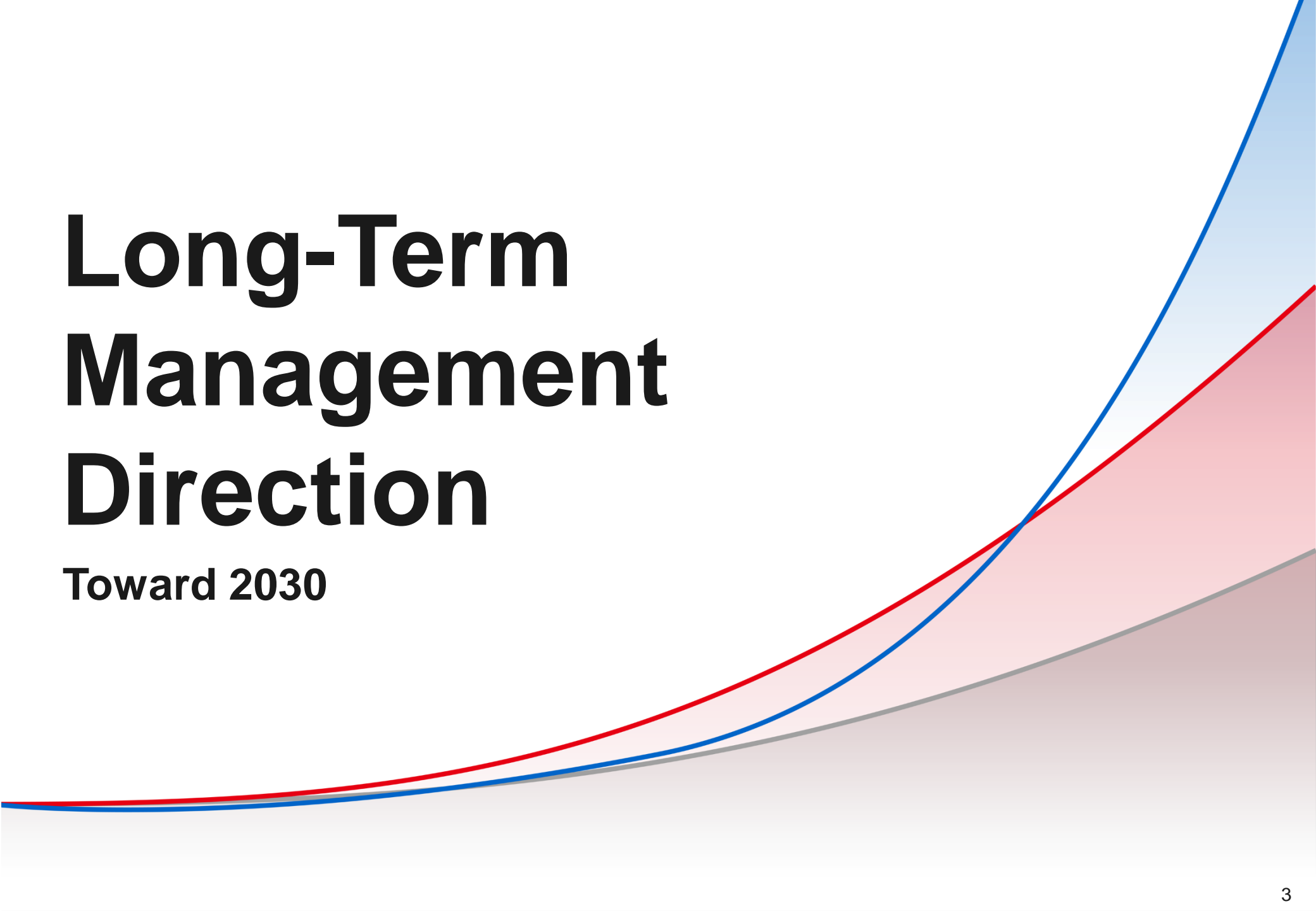
- 01** Long-Term Direction
- 02** Basic Policy of Management Strategy  
(Corporate Value Enhancement and Growth Horizons)

## Medium-Term Management Strategy GC2021 (FYE 3/2020-FYE 3/2022)

- 01** Cash Flow Management (Capital Allocation Policy)
- 02** Business Policies
- 03** Growth Strategy 1 (Organization Reforms in April 2019)  
Growth Strategy 2 (Evolution of Business Strategies)  
Growth Strategy 3 (White Space)
- 04** Sustainability and Corporate Governance
- 05** Marubeni Group HR Strategy
- 06** Management Indicators, Financial Targets
- 07** Shareholder Returns Policy

# Long-Term Management Direction

Toward 2030



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

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

**Global Changes and Major Trends toward 2030**

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



Discontinuous changes, Disruptions to the status quo

**Concurrent Opportunities and Threats**

〈Opportunities〉

- New growth opportunities arising from changes

〈Threats〉

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



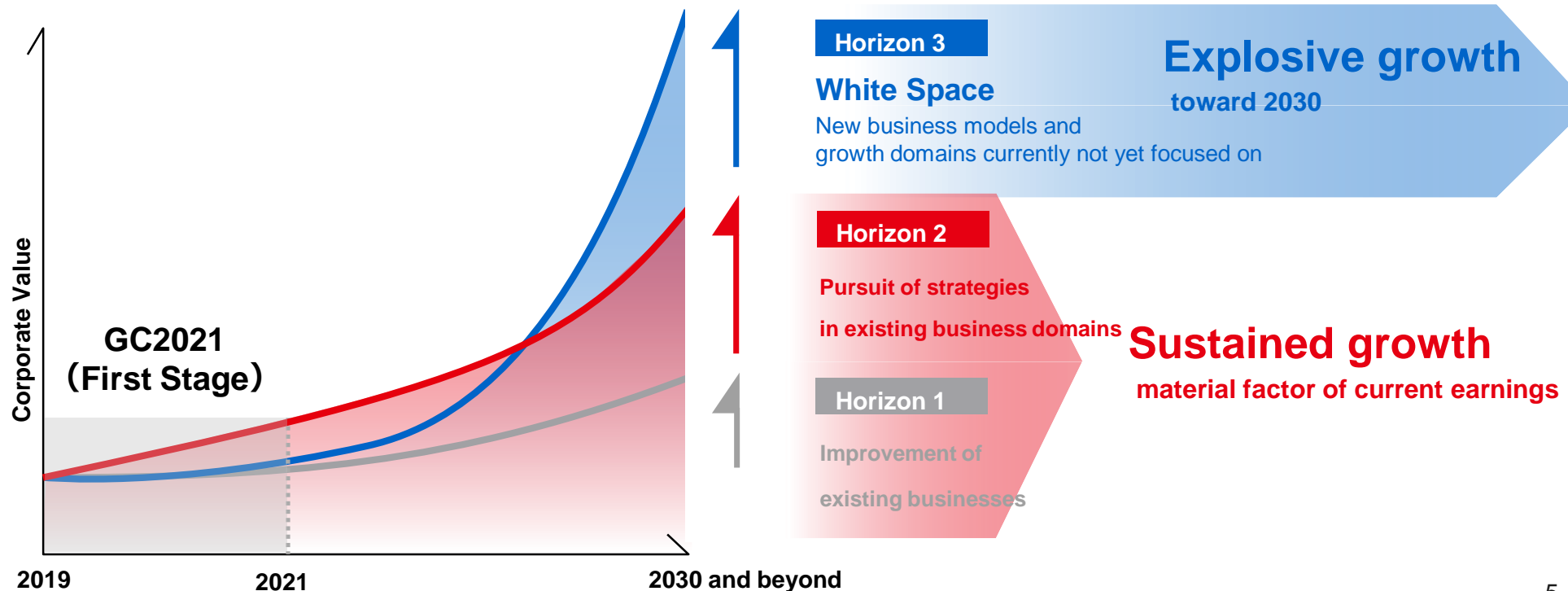
Ability to identify opportunities and threats,  
anticipate the future and drive change



## Corporate Value Enhancement toward 2030

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

### Three Growth Horizons





# **GC2021**

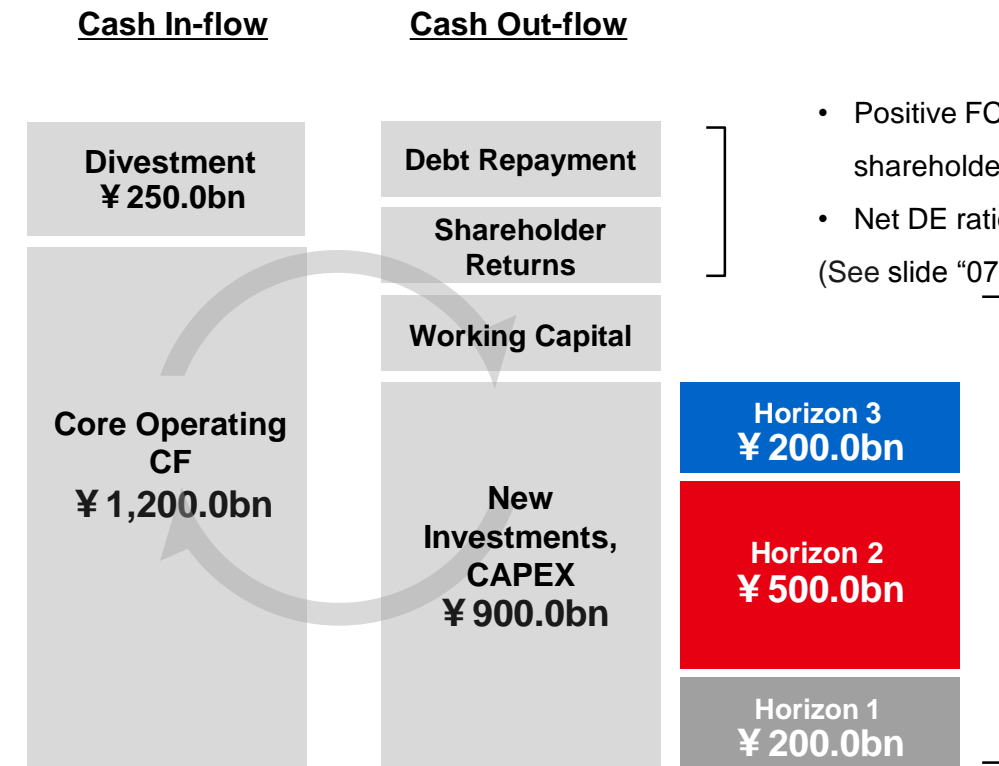
# **Global crossvalue platform**

**Medium-Term Management Strategy  
FYE 3/2020 – FYE 3/2022**

# Cash Flow Management (Capital Allocation Policy)

- Core operating cash flow of **¥ 1,200.0bn (three-year cumulative)**
- **Positive Free Cash Flow (FCF) of ¥ 100.0bn or more (three-year cumulative) after delivery of shareholder returns**, establishment of positive cycle leading to maximization of core operating cash flow

<Three-year cumulative CF target>



## Strengthen financial foundation Enhance shareholder returns

- Positive FCF of ¥ 100.0bn or more (three-year cumulative) after delivery of shareholder returns (Debt repayment)
- Net DE ratio of around 0.8 times as of March 31, 2020, a year ahead of schedule  
(See slide “07 Shareholder Returns Policy” for shareholder returns policy)

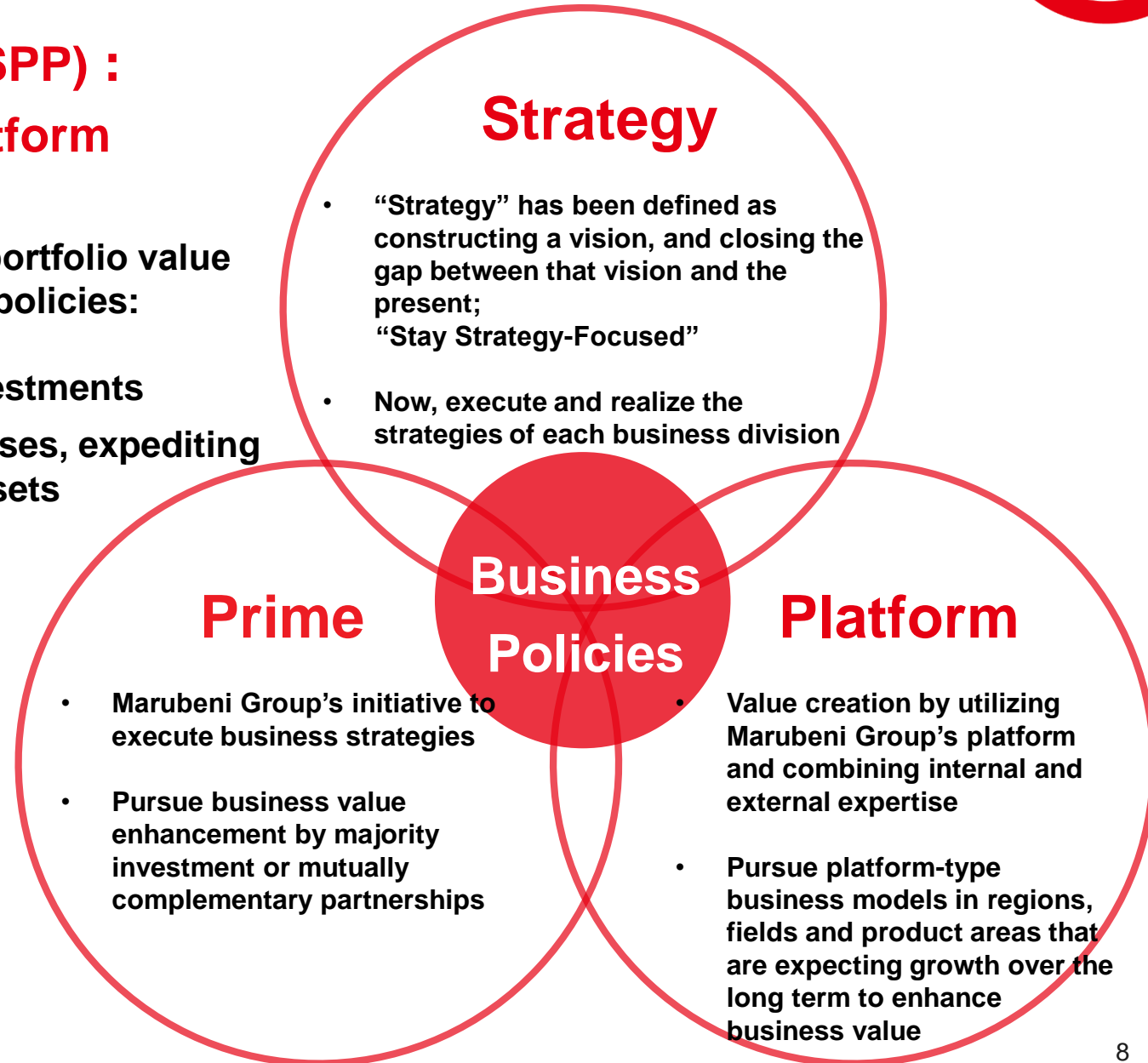
## Allocate capital to growth

- Strategic investments and CAPEX with priority
- ¥ 200.0bn to Horizon 1 and ¥ 500.0bn to Horizon 2 to strengthen foundation of existing businesses
- ¥ 200.0bn to Horizon 3, contributing to maximization of future core operating cash flow

## New Business Policies (SPP) : Strategy × Prime × Platform

Maximizing Marubeni's business portfolio value  
in accordance with new business policies:

- Strategically selecting new investments
- Strengthening existing businesses, expediting divestment and reallocating assets through monitoring





### Business Divisions

Horizon 1

Horizon 2

Horizon 3

Consumer Products	Lifestyle
	ICT & Real Estate Business
	Forest Products
Food, Agriculture & Chemicals	Food
	Agri Business★
	Chemicals
Power Business, Energy & Metals	Power Business★
	Energy★
	Metals & Mineral Resources
Machinery, Infrastructure & Financial Business	Plant
	Aerospace & Ship
	Finance & Leasing Business★
	Construction, Auto & Industrial Machinery

Improvement of existing businesses

Pursuit of strategies in existing business domains

### ★ Key features of organization reforms

Efficiently execute strategies by minimizing the chain of command from four levels to three

(Structural reforms)

- Aggregation of agri-input business & North American grain origination business to pursue further growth in the agri-business domain
- Reorganization of Power Business Division and Energy Division under the same business group to pursue total energy solutions
- Reorganization of finance and leasing businesses under the same business division to pursue new financial solutions
- Establishment of Next Generation Business Development Division to create new business models from the point of view of group-wide optimization

### White Space

Pursuit of White Space by Entire Marubeni Group

### Next Generation Business Development ★

- Total of around 100 personnel



## Business Strategies of the Existing 13 Business Divisions (Existing Business Domains + White Space)

### Consumer Products

Lifestyle

ICT &amp; Real Estate Business

Forest Products

- Global ODM business for SPA brands; Direct-to-consumer sales business (SPA, e-commerce, etc.)
- ICT business; Domestic and overseas housing development/sales and asset management business; Technology-enabled solutions such as 5G etc. & value-added service for condominium residents and other customers
- Musi Pulp Project's competitiveness and profitability; Packaging manufacturing and sales business overseas

### Power Business, Energy & Metals

Power Business

Energy

Metals &amp; Mineral Resources

- Total Energy Solutions Business, especially renewable energy power and natural gas/ new energy value-chain businesses, in recognition of a low-carbon society
- Global Power-retail/ Power-service related businesses; community-based utility service; distributed power generation and energy businesses
- Superior upstream interests; Initiatives for environmental and circular economy businesses

### Food, Agriculture & Chemicals

Food

Agri Business

Chemicals

- Sales and marketing of specialty products in the food and chemical sectors; expanded presence in the life science field in particular in chemicals
- Production and manufacturing capabilities
- Helena Agri-Enterprises; Global agri-input business including Asia and South America; North American grain origination business

### Machinery, Infrastructure & Financial Business

Plant

Aerospace &amp; Ship

Finance &amp; Leasing Business

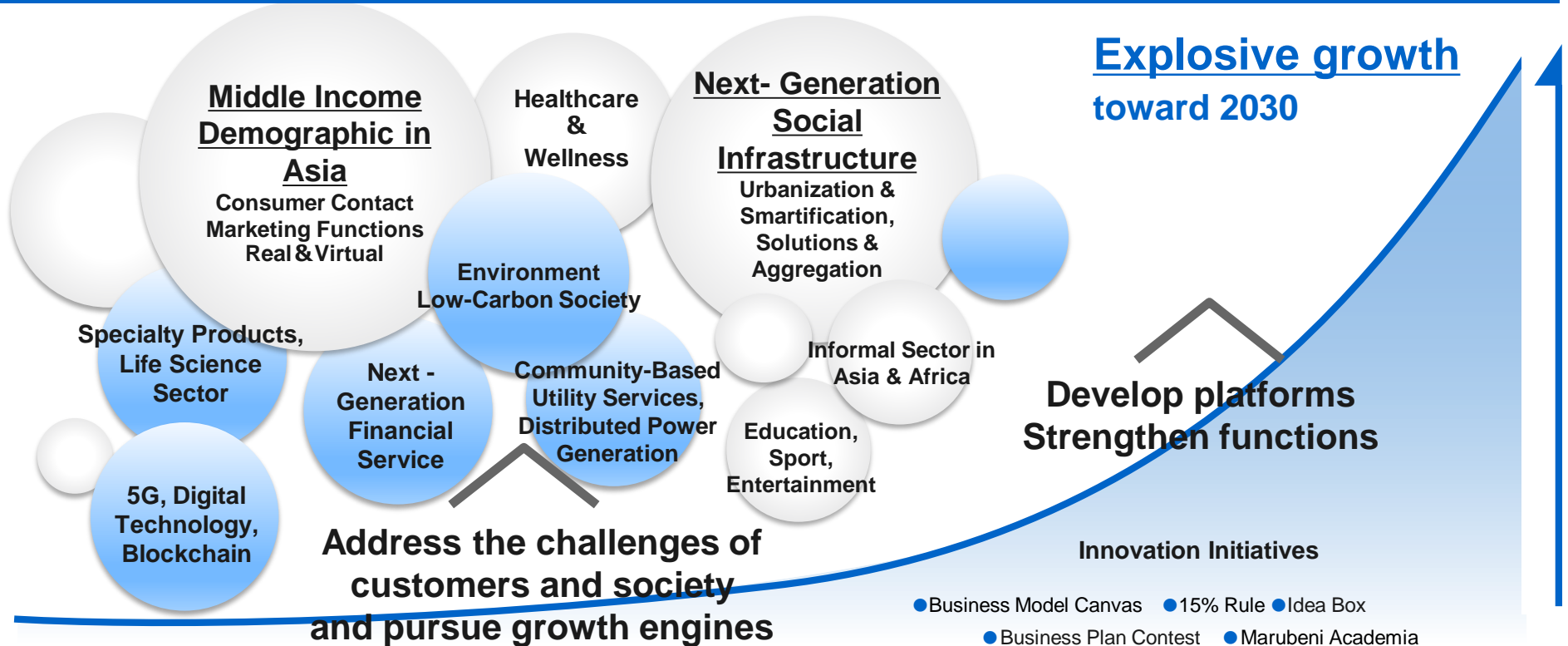
Construction, Auto &amp; Industrial Machinery

- Strong presence in social infrastructure business; Infrastructure fund business
- Finance and leasing businesses that transcend industrial verticals; Next-generation financial services businesses
- Functions in machinery & industrial domains by enhancing high-value-added services

### Horizon 3

White Space : New business models and growth domains currently not yet focused on

~Existing 13 Business Divisions and Next Generation Business Development Division~



#### Marubeni's functions, resources and global networks

- Business Foundation
- Logistic Networks
- Neutrality
- Business Expertise
- Creditworthiness and Trust
- Project Management



#### External alliances and in-house capabilities

- Distribution and Marketing
- Product Development
- Corporate Venture Capital (CVC)
- Technology

# 04 Sustainability and Corporate Governance

## Practicing Sustainability

The Sustainable Development Report, published in February 2019, specifies three fundamental materiality themes and four environmental and social materiality themes.

### Fundamental Materiality

Human Capital with High Social Value

Robust Management Foundation

Governance for Coexistence with Society

### Environmental & Social Materiality

Climate Change

Sustainable Forestry

Human Rights & Co-development with Communities

Sustainable & Resilient Value Chains



## Further Enhancement of Corporate Governance

### Effectiveness

Board of Directors' roles and functions of supervising management

### Transparency

Fair and clear disclosure of information and engagement with diverse stakeholders

### Group Governance

Execution of Marubeni Group Governance Policy and improvement of group companies' management by clarifying roles of group companies and Marubeni, a shareholder/owner



**Development of Global crossvalue platform & Long-term corporate value enhancement**

Execute Marubeni Group HR strategy  
where every single Marubeni Group  
employee is involved in creating new value  
as part of “Global crossvalue platform”

## Priorities

HR systems strongly aligned with  
management strategy

Employee development &  
Workplaces for diverse  
human resources

Health and productivity management &  
Workstyle reforms

Environment going beyond the  
boundaries of companies and  
organizations

## Human Capital with High Social Value

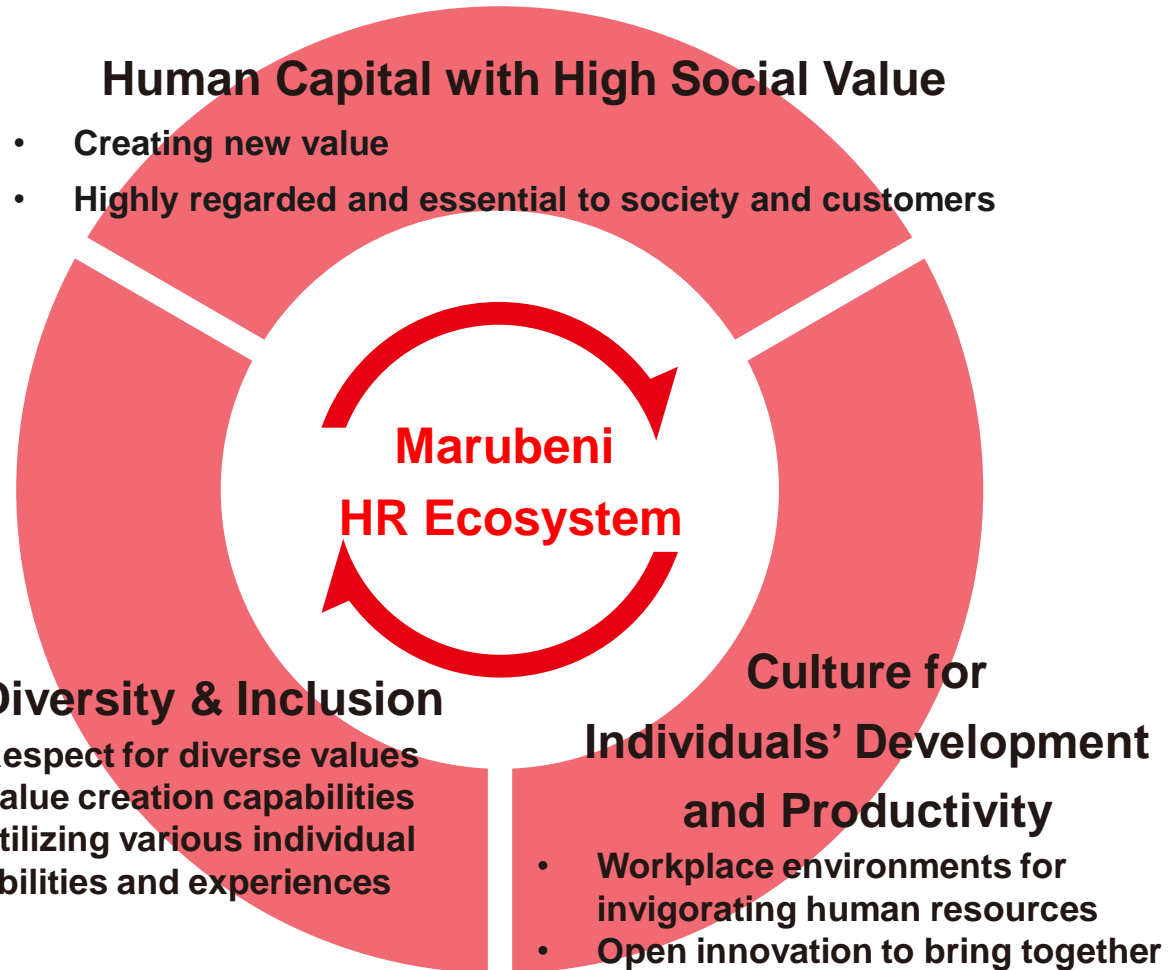
- Creating new value
- Highly regarded and essential to society and customers

## Diversity & Inclusion

- Respect for diverse values
- Value creation capabilities utilizing various individual abilities and experiences

## Culture for Individuals' Development and Productivity

- Workplace environments for invigorating human resources
- Open innovation to bring together internal and external ideas



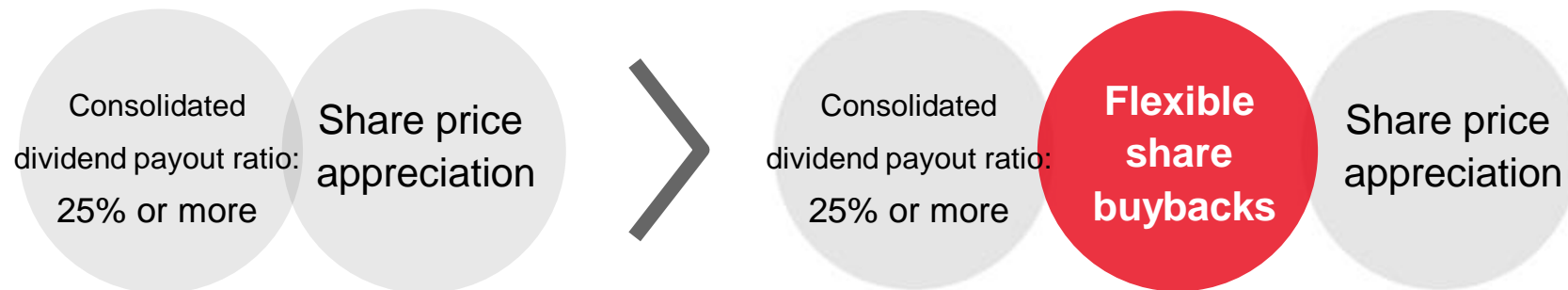
Consolidated net profit		FYE 3/2022	¥ 300.0bn
Cash flow (CF)	Core operating CF	Three-year cumulative	¥ 1,200.0bn
	FCF after delivery of shareholder returns	Three-year cumulative	¥ +100.0bn or more (FYE 3/2022: Net DE ratio of around 0.7 times)
New investments (including CAPEX)		Three-year cumulative	Approx. ¥ 900.0bn Horizon 3    ¥ 200.0bn Horizon 2    ¥ 500.0bn Horizon 1    ¥ 200.0bn (On the condition of achieving targeted FCF after delivery of shareholder returns)
ROE		10 % or more	

Pursue sustained growth in market capitalization

## Shareholder Returns Policy

- **Maintain the current consolidated dividend payout ratio of 25% or more of consolidated net profit, and announce the minimum dividend for each fiscal year at the beginning of the fiscal year.**
- **After achieving a net DE ratio of around 0.8 times, flexibly implement share buybacks depending on the state of core operating cash flow and investment pipeline, among other factors.**

### Shareholder Returns



GC2018

After achieving  
a net DE ratio of  
around 0.8 times

GC2021

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