Marubeni

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GLOBAL
CROSSVALUE
PLATFORM

INTEGRATED REPORT 2020

Marubeni Corporation

Marubeni

INTEGRATED REPORT 2020 CONTENTS

Section Summary

1 President and CEO Masumi Kakinoki discusses the current state of the Marubeni Group and his thoughts on enhancing corporate value over the long term.

2 Explains the Global crossvalue platform, Marubeni's long-term vision, as well as the strategy for realizing this vision, the GC2021 Medium-Term Management Strategy. Also outlines the Group's commitment to sustainability.

3 Explains financial strategies based on the GC2021 Medium-Term Management Strategy as well as business strategies based on SPP business policies.

4 In addition to explaining Marubeni's governance system, includes a roundtable discussion with three external directors.

5 Discusses the strengths of each business division, growth opportunities and business strategies based on GC2021, anticipated risks and countermeasures. Also gives examples of initiatives that embody the business strategy of GC2021.

6 Offers basic information on the Marubeni Group, such as corporate and financial information.

List of relevant website information

Provides contents of the Integrated Report 2020 and relevant information to supplement the Integrated Report.

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Editorial Policy

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

The Integrated Report 2020 puts emphasis on conveying directly the message of management, through the CEO's message and the roundtable discussion with external directors. It also broadens the disclosure of non-financial information such as, for example, starting to disclose information based on TCFD recommendations, as well as reporting on progress made with initiatives and policies related to the materiality of the Marubeni Group.

Reporting Period

April 1, 2019-March 31, 2020
The contents of the publication include some information before and after the reporting period.

Disclaimer Regarding Forward-Looking Statements

This material contains forward-looking statements about the future performance, events or management plans of Marubeni Corporation and its Group companies (the Company) based on the available information, certain assumptions and expectations at the point of disclosure, many of which are beyond the Company's control. These are subject to a number of risks, uncertainties and factors, including, but not limited to, economic and financial conditions, factors that may affect the level of demand and financial performance of the major industries and customers we serve, interest rates and currency fluctuations, availability and cost of funding, fluctuations in commodity and materials prices, political turmoil in certain countries and regions, litigation claims, changes in laws, regulations and tax rules, and other factors. Actual results, performance and achievements may differ materially from those described explicitly or implicitly in the relevant forward-looking statements. The Company bears no responsibility for any possible damages arising from the use of information in this material, nor does the Company have any obligation to update these statements, information, future events or otherwise. This material is an English language translation of the materials originally written in Japanese. In case of discrepancies, the Japanese version is authoritative and universally valid.

Note Regarding Accounting Standards

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

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

History of the Marubeni Group

In 2018, Marubeni commemorated the 160th anniversary of its founding. Over the years, we have been creating new value while embracing countless challenges and undergoing self-transformation. Such challenges and transformation are truly the grounds upon which Marubeni's current foundations as a *Sogo Shosha* (general trading company) were built.

Looking ahead, Marubeni will boldly navigate the next era to evolve beyond the general-trading-company mold by variously endeavoring to advance society and industry while continuing to unremittingly embrace challenge and transformation.

Founded

1858

Marubeni's founder, Chubei Itoh, commenced linen trading business in Omi Prefecture

1872
Founder Chubei Itoh established Benchu, a drapery shop in Osaka

Benchu

1918
Itochu Shoten, Ltd.

Itoh Chobei Shoten

1921
Marubeni Shoten, Ltd.

Kishimoto Shoten, Ltd.

1941
Sanko Kabushiki Kaisha Ltd.

Kureha Cotton Spinning Co., Ltd.

1944
Daiken Company, Ltd.

C. Itoh & Co., Ltd.

Daido Boeki Kaisha Ltd.

Split into four companies due to the enactment of Excessive Economic Power Deconcentration Law

C. Itoh & Co., Ltd.
Amagasaki Nail Works, Ltd.
Kureha Cotton Spinning Co., Ltd.

1949
Marubeni Co., Ltd. was established
Osaka Head Office

1955
Marubeni-Iida Co., Ltd.

Iida & Co., Ltd.
(Textile and iron and steel product trader)

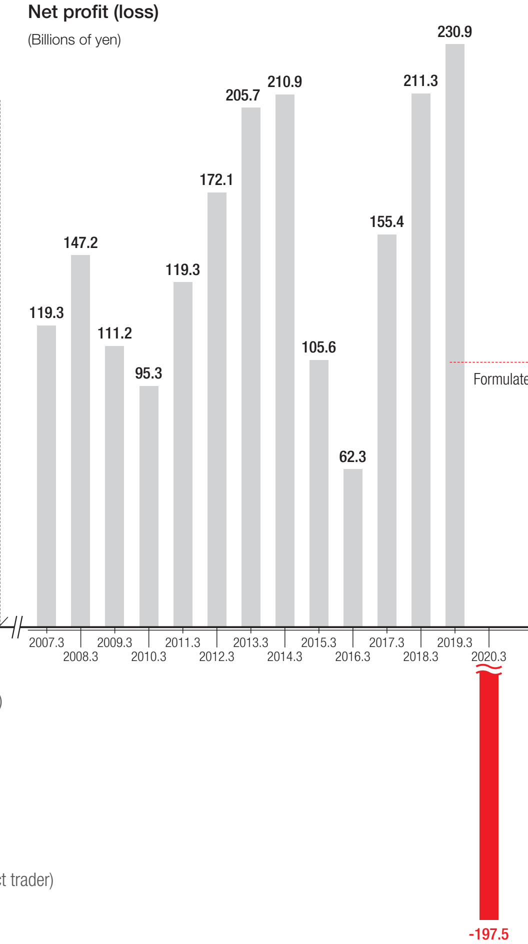
1966
Totsu Co., Ltd.
(Iron and steel product trader)

1972
Marubeni Corporation
Changed trading name to Marubeni Corporation
Moved Tokyo Head Office to Takebashi

1973
Nanyo Bussan Co., Ltd.
(Nonferrous metals product trader)

Increased transaction volume of machinery and metals & mineral resources

Net profit (loss)
(Billions of yen)



Formulated in June 2018

Our vision
Global crossvalue platform

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

Global crossvalue platform
Marubeni

2030

For the Marubeni Group's long-term direction and an overview of the GC2021 Medium-Term Management Strategy, please see PP.10-14: "Our Vision and Promotion of the GC2021 Medium-Term Management Strategy"

Company Creed/Management Philosophy/Corporate Principles

和 新 正

Our Company Creed, "Fairness(正), Innovation(新), and Harmony(和)," dates back to Marubeni's first president, Shinobu Ichikawa. Mr. Ichikawa encouraged employees to act fairly with dignity befitting a large company, to continuously foster an enterprising culture in the aim of innovation and, most of all, to work harmoniously with each other. His encouragement lives on to this day as core principles for Marubeni employees.

Company Creed

Fairness—Act with fairness and integrity at all times.
Innovation—Pursue creativity with enterprise and initiative.
Harmony—Give and earn the respect of others through cooperation.

Management Philosophy

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

Corporate Principles

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

1. Conduct Fair and Open Business Activities
2. Develop a Globally Connected Company
3. Create New Value Through Business Vision
4. Respect and Encourage Individuality and Originality
5. Promote Good Corporate Governance
6. Safeguard Ecological and Cultural Diversity

Implementation of Management Strategy

	FYE 3/2007-FYE 3/2008	FYE 3/2009-FYE 3/2010	FYE 3/2011-FYE 3/2013	FYE 3/2014-FYE 3/2016	FYE 3/2017-FYE 3/2019	FYE 3/2020-FYE 3/2022
	"G"PLAN	SG2009	SG-12	GC2015	GC2018	GC2021
	Toward further achievement	Beyond your expectations... Marubeni	Challenge sustainable growth	Realize sustainable growth	Combining all our individual strengths to create a more powerful Marubeni Group	Pursuing long-term corporate value creation with sights set on 2030
Basic policy	We will go on the offensive by expanding our business domains, enhancing and diversifying our functions as a *Sogo Shosha* (general trading company) and aggressively investing in strategic fields. We will accomplish sustainable growth, with our diverse human resources challenging positively and vitally. At the same time, we will maintain a defensive position by refining our management system.	To achieve sustainable growth, Marubeni will build an earnings base strong enough to withstand any change in its business environment by setting up a rigorous risk management system, accumulating prime assets and pursuing asset efficiency.	The Marubeni Group will build a solid earnings foundation and strong financial base able to withstand changes in the business environment to become a "Stronger Marubeni" that continuously challenges beyond all of its stakeholders' expectations.	The Marubeni Group aims to maximize its corporate value by developing a full line of businesses and aggressively capitalizing on the global economy's medium- to long-term growth. The Marubeni Group will realize sustainable growth and build a strong profit structure and solid financial base by expanding its operations in business domains in which it possesses strengths and competitiveness and is capable of playing a leading role.	The Marubeni Group will work to outperform the top players in business fields and markets across the world, aiming to become a true global company that contributes to both regional economies and society. The Marubeni Group will work to optimize and expand its existing businesses while strategically promoting new businesses that have the potential to become the core of the Group's future. In this way, the Marubeni Group will realize sustained growth.	

Message from the President & CEO

Whatever the future may bring, we will build a robust foundation and continue to evolve beyond the boundaries of the *Sogo Shosha* (general trading company) mold as we aim to become a value-creative corporate group.

» We will take on the challenge of creating new business models and aim for long-term corporate value enhancement without changing the underlying spirit of the GC2021 Medium-Term Management Strategy.

Masumi Kakinoki
President & CEO

First, in addition to extending my deepest sympathies to all those affected by the impact of COVID-19, I would like to take this opportunity to express my profound gratitude to all of the medical institutions that are at the forefront of medical treatment and the many people who are working hard to prevent the spread of this virus.

The Marubeni Group has declared ensuring the safety of our Group employees, customers, and partners worldwide as our top priority, and we are taking every precaution as we continue our business activities. As president, I want to express my deepest gratitude for all Marubeni Group employees, who are facing challenges in carrying out their daily tasks; I am extremely proud of their ability to persevere through these difficult circumstances, continue to perform to the best of their abilities and focus on the Marubeni Group's future.

The underlying spirit of GC2021 remains unchanged

I was appointed president in April 2019 and spent the fiscal year (ended March 31, 2020) focusing on instilling the new GC2021 Medium-Term Management Strategy. In particular, I focused on creating lots of opportunities for face-to-face communication with junior employees. One of my first priorities was to instill my message and unite all Group employees, so I visited as many countries as possible, rallied the Marubeni Group employees in those areas, including seconded employees from headquarters and local staff, and repeatedly engaged in direct communication with them.

Innovation is happening right now, all around us, whether we participate in it or not. Everything is moving at an accelerated pace, including technological breakthroughs, and, in some cases, things that had previously taken many small steps can now be achieved in a single bound.

For example, back when I used to work in the power business, a transmission line and a distribution line were necessary to supply electricity, even in a small village. Now, solar panel technology makes it possible to build a closed system for use by, for example, a single village, rendering obsolete the power line technology that was once essential in the not so distant past. We are in an age where breakthroughs make it possible to do things that people could once only dream of, or were otherwise technologically impractical – an age in which we can no longer rely on doing the same things we have always done to make progress.

Put simply, a *Sogo Shosha* is a collection of various businesses. We now live in a world where, in each of those businesses, the former conventional wisdom—that there is no doubt customers will come if you just continue to operate within the framework you have already built, or that customers will be happy to just buy what you have in stock—no longer applies. If you focus only on the work that your department is responsible for, you will never encounter anything new, so I encourage employees to venture outside of their normal work and see what the department next door is doing. As *Sogo Shosha* are involved in a diverse spectrum of fields, there are any number of possibilities for different businesses to collaborate. This is actually not an entirely novel idea. Years ago, we would often talk about creating synergies, but in the end we were unable to break out of our own rigid and over-compartmentalized work culture. The fact of the matter was, things were working out just fine for us, even if we didn't break free from those rigid frameworks – that is until recently. Now, due to various breakthroughs, these old-fashioned methods of doing business are gradually becoming untenable, and there is a very real possibility that the things we have relied on until now could become obsolete in no time at all. The Medium-Term Management Strategy emphasizes that threats and opportunities go hand in hand. I really believe this to be true, and so I have been working to permeate this way of thinking throughout the Group. The Global crossvalue platform*, which has been adopted as the long-term direction of the Marubeni Group, was born from a feeling of being boxed into a corner, and the fear that, were we not to adopt it, we might end up losing our means of survival.

This is the situation Marubeni was in as the COVID-19 outbreak began, and at the end of the fiscal year (ended March 31, 2020), we recorded a large impairment loss, imposing a tremendous burden on our shareholders, and all of our stakeholders. To post this loss when we did was certainly a radical measure, but we recognized that in the long run, if we do not diligently maintain our financial strength and earnings power, we will end up placing even more of a burden upon the shoulders of our shareholders, investors, business partners, and employees. Ultimately, we made the decision to post this loss when we did in the interest of proving to all of our stakeholders that they can still count on a bright future for the Marubeni Group. The world is changing at an astounding rate, irrespective of the situation with COVID-19. I believe that the underlying spirit of GC2021, which I have repeatedly discussed and instilled in our employees, remains unchanged; if we do not adapt to the changing world, we will be left behind, and it is possible that the assets we possess will quickly become obsolete. Marubeni is seizing this opportunity to address a number of aspects related to our business activities, for example reexamining ourselves, looking closely at the circumstances surrounding us, reflecting on things that need further consideration, and reviewing the things that require our full attention.

* For more details on the Global crossvalue platform, by which we aim to create long-term corporate value with our sights set on 2030, please refer to GC2021 Medium-Term Management Strategy on PP.10-14.

A company is only as good as the achievements of its employees

For a *Sogo Shosha* like Marubeni, people are the most important asset. This company has both medium-term management strategies and company-wide goals. These apply to each group, business division, and department, but ultimately a company is only as good as the accumulated achievements of each and every one of our employees. This fiscal year, Marubeni is also working on HR system reforms based on this philosophy. When individuals set their “missions” for the year, if they make a mistake in setting their mission, or if they do not properly understand it, their earnest efforts may go to waste. That is why I place considerable emphasis on correctly setting missions as the basis for performance reviews. Just because an employee is always present at the office and appears to be busy does not mean they are doing meaningful work. A true review should reflect each employee’s contribution to achieving the goals set by the company. As such, it is equally important to clarify what is expected of each employee and to identify those expectations as individual missions. As an employee, it is extremely discouraging to feel that evaluations are not being properly conducted, so we have introduced a system by which, each year, the mission and expectations for each employee are clearly identified and defined.

Thorough governance to ensure strategy execution

Over the years, the way in which we think about the achievements of a company has largely changed. In the past, I think there was this sense that the ultimate goal was to maximize one measure of financial value – posting a profit.

Because industrial progress has moved so rapidly in the past century, we have had an excessively negative impact on this planet; there are hardly any days where the environment, and particularly climate change, does not come up as a topic of conversation. Therefore, Marubeni incorporates ESG initiatives in our business activities, starting with the things we can do right away with our existing assets. One example of this is that we were the first in the trading house sector to proclaim our stance on coal-fired power generation.

Speaking of ESGs, while the “Environment” part gets lots of public attention, I consider “Governance” to be the most important. With good governance, we can appropriately respond to both environmental and social issues while simultaneously ensuring strategy execution. We can do nothing without proper governance. As such, Marubeni places the utmost importance on board-level governance and effectiveness in carrying out our business strategies. Marubeni’s Board of Directors is extremely stringent, and freely offers their opinions on any and all matters pertaining to our business. I think that this is the correct way for a company to operate. Beginning this fiscal year, five of our eleven directors are external directors, and I think that, in the future, this number will continue to be revised and eventually the external directors will outnumber the internal directors. That said, we do not expect external directors to simply conform to the same role of the internal directors. The most important characteristic of external directors is their external point of view. For example, when we start having internal discussions about an investment project, it is not unheard of for a heated debate to ensue about how we can put the investment project into practice. Then, when we have a Board of Directors meeting and the external directors ask a very simple question as to why we have made a particular choice, or whether this choice is necessary for the development of the Company, there are times that such simple but substantive questions remind us of the importance of being objective and not overcomplicating the issue. On several occasions, the Board has even sent the proposals back to the deliberation phase. It is invaluable to have opinions from angles that we did not even think of, or even from outside of the company.

Furthermore, as Marubeni has many Group companies, we must continue to enhance not only the governance of our headquarters, but also overall Group governance. Unless the Board of Directors is effective Group-wide, which includes our important Group companies, we cannot claim to have thorough Group governance. This represents a tough task for us ahead, but I believe that ultimately it is not possible to say that we have achieved Group governance without implementing the same kind of governance across the board as we have here at headquarters.

Working towards restoring trust

In light of our results for this last fiscal year, I must express my deep regret for falling short of our stakeholders’ expectations. In any event, put simply, I think there are two ways for Marubeni to restore trust. First, we cannot sustainably pay our shareholders and investors back unless we survive. Because it is not possible to enhance shareholder value all at once, I want to focus on recovering our financial strength, which was greatly damaged by the impairment losses. To start, we have made a big reduction in dividend forecasts for the current fiscal year (ending March 31, 2021). We will redirect these resources to improve our financial foundation, and to improve our net DE ratio, first to around 1.1 times by the end of March 2021, and then to around 1.0 by the end of March 2022, the final year of GC2021. We will work diligently towards achieving these goals. As the current fiscal year is the next period after having incurred the impairment losses, the other way to restore trust is to achieve the earnings targets we have set for this year no matter what. By focusing on these two things, and producing results, I pledge to gradually regain the trust of our stakeholders.

I know that incurring these losses has caused stress for all Marubeni Group employees, but what we are doing now is focusing on forward-looking efforts and initiatives, and I believe that we have created an environment in which our employees will be able to focus on their missions without feeling burdened, and in which shareholders and investors alike can justifiably expect a bright future ahead for Marubeni; I am confident that we can produce results. Please look forward to great things from Marubeni.

August 2020

Masumi Kakinoki
President & CEO

Our Vision and Promotion of the GC2021 Medium-Term Management Strategy

Long-Term Direction of the Marubeni Group

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

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

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

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

Long-Term Direction

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

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

Global crossvalue platform
Marubeni

Global Changes and Major Trends toward 2030
- Millennial generation and changing values
- Technological innovation, digital transformation
- Geopolitical risk and the shifting balance of world powers
- Transformation of the industrial structure
- New business ecosystems

Discontinuous changes, Disruptions to the status quo

Concurrent Opportunities and Threats

Opportunities
- New growth opportunities arising from changes

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

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

Basic Policy of Management Strategy

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

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

Horizon 1 supports sustained growth through the improvement of existing businesses. Specifically, we will endeavor to grow earnings by maintaining or upgrading the value of existing businesses through capital expenditures* that, for example, extend the useful lives of existing assets.

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

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

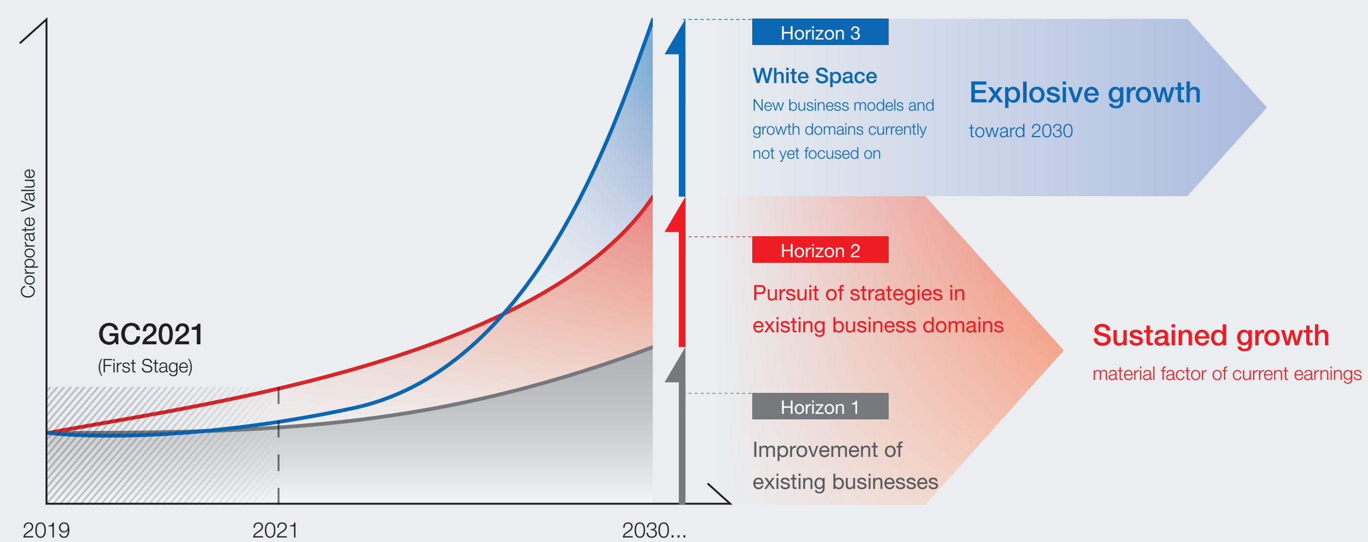
Horizon 3 targets explosive growth toward 2030. To realize this explosive growth, we have identified a concept that we call White Space. White Space refers to new business models and growth domains that the Marubeni Group has yet to exploit. Because White Space represents a new frontier for the Marubeni Group, we recognize that Horizon 3 investments may not realistically contribute to earnings during the GC2021 period. Nonetheless, **we will boldly engage in highly promising growth domains to achieve explosive growth toward 2030.** Beyond the explosive growth stage, Horizon 3 businesses will be treated as Horizon 1 or Horizon 2 existing businesses. In this case, we will shift our focus toward further expansion and upgrade.

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

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

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

See "Message from the CDIO & CSO" on P.15 for more details on Horizon 3 initiatives.



Revision of Medium-Term Management Strategy GC2021

—Management's View of the Business Environment

The Marubeni Group incurred a consolidated net loss of ¥197.5 billion in the fiscal year ended March 31, 2020. This was a negative turnaround of ¥428.3 billion compared with the previous fiscal year. In specific terms, Marubeni posted one-time losses totaling ¥422.0 billion. After excluding one-time items, the Group's results on a normal operating basis came in at an adjusted net profit of ¥225.0 billion for the fiscal year under review. Looking at a breakdown of these one-time items, the Group incurred impairment losses on its oil and gas E&P operations as well as Gavilon's grain business, Chilean copper mining, overseas power and infrastructure-related, and Aircastle aircraft leasing businesses of ¥151.5 billion, ¥78.3 billion, ¥60.3 billion, ¥45.7 billion, and ¥39.2 billion, respectively.

As a result of the aforementioned one-time items, large amounts of impairment losses, the Company incurred a net loss in the fiscal year ended March 31, 2020. The decision to write-down concerned projects and remeasure the value of assets held was made in light of the deteriorating business environment including the spread of COVID-19 as well as the decline in crude oil prices. The Group is confident that these measures have eliminated the risk of impairment in the future.

With a year having passed since our Medium-Term Management Strategy was first launched, we announced details of our Revision of GC2021 after taking into consideration the substantial loss incurred in this instance and the deterioration of the business environment attributable to the impact of COVID-19.

The COVID-19 pandemic is a threat to people's livelihoods, safety, and a sustainable society, and could have an impact on every facet of life including the future of the economy, society, and values. With limited potential for an early medical breakthrough, and the likelihood that the global economy will come closer to an L-shaped recovery, given the extreme difficulty in realizing a V-shaped turnaround, we anticipate that the economy will be held to a modest recovery even in 2021.

Under these circumstances, Marubeni has positioned the safety of its Group employees, customers, and partners worldwide as its top priority. At the same time, the Group is committed to strengthening and re-establishing the management foundation bearing in mind the impact on its business activities for a lengthy period.

Downward revision of FYE 3/2020 results	∘ With the deterioration of the business environment caused by COVID-19 combined with the fall of crude oil prices, the value of weaker businesses and assets of concern have been reassessed, removing the risk of future impairment loss. ∘ Net loss of ¥197.5 billion (including one-time items of ¥422.0 billion) ∘ Net D/E ratio slipped back to 1.16 times.
COVID-19 shock	∘ COVID-19 has stopped the movement of people worldwide, leading to the worst financial crisis since World War II, and the first major one since the 2008 global financial crisis. ∘ This situation threatens the life and safety of people, possibility of a sustainable society, and may have a huge impact on the economy, society, and values of the future. ∘ An early medical breakthrough is unlikely. Rapid recovery (also called a "V-shaped recovery") of the global economy is extremely difficult, and a worldwide recovery is expected to be sluggish ("L-shaped" recovery timeline). 2021 may also be a year of slow and moderate recovery.

- The safety of Marubeni Group's employees worldwide, customers and partners is our top priority.
- Brace for an expected long-lasting impact to our business environment and focus on rebuilding and strengthening our business foundation.

—Two Basic Policies

Taking into consideration the harsh operating environment, the Marubeni Group identified two basic operating policies when revising GC2021.

The first policy is **"rebuilding and strengthening our financial foundation."** In specific terms, our top priority is to focus on cash flow management in order to rebuild and strengthen our financial foundation. Under the GC2021 policy, we were looking to promote efforts aimed at both "strengthening our financial foundation" and "allocating capital to growth opportunities (undertake strategic investments in the three growth horizons)." In light of the deterioration in our financial foundation due to the substantial loss incurred in the fiscal year ended March 31, 2020 and the dramatic change in our operating environment as a result of the unprecedented economic crisis triggered by COVID-19, we recognize the important need to improve our financial foundation as quickly as possible. Taking the aforementioned into account, we have set the quantitative target of improving our net D/E ratio to around 1.0 times as of the March 31, 2022 fiscal year-end by maximizing free cash flow after the delivery of shareholder returns and prioritizing the repayment of interest-bearing debt.

The second policy is the **"enhancement of business strategies."** The basic growth strategy policy of "corporate value enhancement in the medium to long term by strengthening existing business and creating new business models" under GC2021 remains unchanged. Assuming that the impact of COVID-19 on the real economy will be prolonged, more than ever before we will focus on preserving and improving existing businesses including cost reduction measures and establish a sustainable and stronger business foundation. In addition to proactively recycling assets and enhancing the value of assets while envisaging changes in the economy, social issues, growth domains, and business models, we will work to further enhance and strengthen our risk management practices in a bid to enhance corporate value.

Although there may be the possibility of a dramatic change in conventional wisdom throughout the world after COVID-19 dissipates, the theme of the Global crossvalue platform to which the Group as a whole aspires indeed remains the radical reform of its businesses and organizational structure. While taking up the challenge of new business models in each of the growth horizons explained earlier, we will clarify our *raison d'être* and work in unison to create value.

Rebuild and Strengthen the Financial Foundation	∘ As a result of the huge loss in the fiscal year ended March 31, 2020, our top priority is to focus on cash flow management in order to rebuild and strengthen our financial foundation ∘ Prioritize repayment of debt by accumulating positive free cash flow after the delivery of shareholder returns during the GC2021 period and endeavor to achieve net D/E ratio of around 1.0 times as of the end of March 2022
Enhancement of Business Strategies	∘ Maintain the Basic Policy under GC2021 ∘ Pursue corporate value enhancement in the medium to long term by strengthening existing businesses and creating new business models • Focus on preserving and improving existing businesses including cost reduction measures and establish a sustainable and stronger business foundation • Envisage what a post-COVID-19 world would look like, including the economy, social issues, growth domains, and change of business models; proactively recycle assets and enhance the value of assets • Assess past business and investment performance to further enhance and strengthen risk management practices

—Shareholder Returns Policy

As far as the payment of dividends during the GC2021 period is concerned, we will maintain our current dividend policy and target a consolidated dividend payout ratio of 25% or more with the minimum set as the forecast announced at the beginning of each fiscal year. Under GC2021 announced in May 2019, we stated that the Company would flexibly buy back shares as an additional shareholder returns policy after achieving a net D/E ratio of approximately 0.8 times. To prioritize the rebuilding and strengthening of our financial base, which is the basis for allocating capital for new growth investments and shareholder returns, however, we have decided not to buy back shares during the GC2021 period. In order to enhance corporate value over the medium to long term, we will promptly rebuild and strengthen our financial foundation.

Business Policies SPP

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

Strategy policies involve closing the gap between the status quo and our vision. It expresses our renewed commitment to staying intensively strategy-focused.

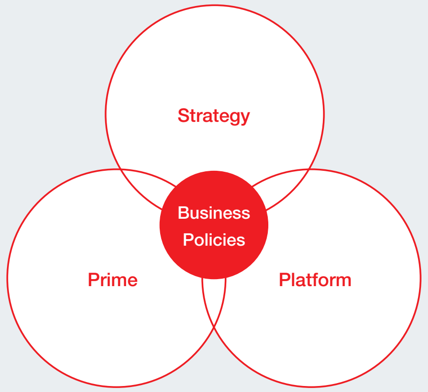
Prime policies involve proactively executing strategies across all Marubeni Group businesses. If we were to merely invest in businesses, we would have much fewer opportunities to create solutions to the challenges and issues facing society and customers. We would also have less growth potential. We have accordingly made a commitment in the form of our Prime policy, which means proactively formulating and executing with the aim of increasing the value of our businesses. Rather than limit investments to projects in which we will hold a majority stake, we will take the initiative to add value to these businesses by teaming up with like-minded partners in mutually complementary strategies in the case of large deals.

Platform policies involve leveraging the Marubeni Group's platform to substantially grow its businesses. We treat businesses with promising prospects of geographic, market or product-line expansion as platforms. We will pursue expansion of such businesses through M&As and/or organic growth with the aim of long-term earnings growth. In addition, we will employ the Group's knowledge, know-how, and assets as platforms to create new value by synergistically combining a wide variety of internal and external expertise.

While it has been one year since they were first identified, these new SPP business policies are now well entrenched as values common to all personnel, including both employees and management. As a result, we are working on strategic projects based on SPP, which are expected to contribute to the future growth of the Marubeni Group.

Looking ahead, we will work to maximize the value of the Marubeni Group's overall portfolio businesses by selectively making new investments, strengthening existing businesses and expediting recoupment of previous investments and asset turnover.

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



See the "Special Feature: Business Strategies Based on SPP Business Policies" on PP.39-43 for more details on specific SPP projects.

Message from the CDIO & CSO

We will take on the challenge of growth domains and new business models with our sights set 10 years ahead.

Kenichiro Oikawa

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

Under our GC2021 Medium-Term Management Strategy, we have identified the goals of simultaneously pursuing sustained growth by strengthening existing businesses and explosive growth by creating new business models with our sights set 10 years ahead in order to enhance our long-term corporate value. While firmly cementing the foundations of our earnings through the pursuit of strategies in existing business domains, we will target growth in Horizon 3 by pursuing "White Space," which is defined as new business models and growth domains that the Marubeni Group has not yet focused on. As far as this "White Space" is concerned, we will ensure that the Next Generation Business Development Division, newly established in the fiscal year ended March 31, 2020, works together with the 13 existing business divisions, and that every effort is made to promote cross-pollination of the Group's internal resources with external functions in a bid to create new business models.

While we define "explosive growth" as multifold growth in corporate value within a 10-year timeframe, we do not intend to become involved in high-risk/high-return businesses.

The most important point here is to identify future growth engines by addressing and anticipating the challenges and issues of society and customers and proactively cultivating and growing businesses from a long-term standpoint. The aim is to significantly grow businesses that are capable of creating corporate value that is many times more valuable within a 10-year timeframe, even if they do not contribute to earnings in their first years.

An example of one such specific initiative is our investment in TYTON Bio Sciences LLC (TYTON), a U.S.-based company that has unique products recycling technology that can, for example, recycle fabrics to textile materials. This type of business equity investment is distinctive in that it is designed to create new business models by combining the Marubeni Group's global network with the latest technologies of start-up companies, while at the same time helping to solve social issues. Another example is the Group's investment in PT Siloam International Hospitals Tbk (Siloam), the largest private hospital group in Indonesia, which is being handled through the Next Generation Business Development Division. The healthcare business is an area in which the Marubeni Group has not been fully engaged until now. However, due to the increased prominence of such social issues as growth in and the aging of the world's population, we believe that the creation of a business model that can contribute to the resolution of these issues has great potential to help further enhance corporate value.

Looking ahead, we will also endeavor to capitalize on our collective platform that encompasses expertise, know-how, assets, and other resources, in a bid to realize our vision of becoming a Global crossvalue platform. In this manner, we will continue to work on the creation of new business models and take on a variety of new growth opportunities that are not currently available to us.

See "Special Feature: Business Strategies Based on SPP Business Policies: Textile Products Recycling Business" on P.42 for more details on the Group's investment in U.S.-based TYTON BioSciences LLC and "Business Strategy Overview Next Generation Business Development Division Examples of Initiatives That Embody the GC2021 Business Strategy" on P.95 for more details on the Group's investment in PT Siloam International Hospitals Tbk.

GC2021 Group HR Strategy

To help build a better tomorrow, the Marubeni Group has identified “Human Capital with High Social Value” as an essential category of Fundamental Materiality. We see human capital as one of our most important assets. We define “Human Capital with High Social Value” as highly regarded individuals who are essential to society and customers.

The Group HR strategy incorporated into the GC2021 Medium-Term Management Strategy aims to create a “Marubeni HR Ecosystem” promoting the involvement of every Marubeni Group employee in the creation of new value as part of the “Global crossvalue platform.”

The key concepts underpinning the “Marubeni HR Ecosystem” are “Human Capital with High Social Value,” “Diversity & Inclusion,” and a “Culture for Individuals’ Development and Productivity.” Creation of new value is driven by “Human Capital with High Social Value,” referring to employees who are highly regarded and essential to society and customers. A focus on “Diversity & Inclusion” enhances our value-creation capabilities. Building a “Culture for Individuals’ Development and Productivity” helps to integrate internal and external ideas, promoting open innovation. To realize these concepts, we are formulating and implementing various policies and measures to make HR systems more closely aligned with management strategies; construct a framework to foster development of diverse human capital; and create an environment going beyond the boundaries of companies and organizations.

Marubeni Group HR Strategy

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

1 Human Capital with High Social Value

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

2 Diversity & Inclusion

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

3 Culture for Individuals’ Development and Productivity

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

Message from the CAO

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

Mutsumi Ishizuki

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

In building the “Marubeni HR Ecosystem” that is the goal of the Group HR strategy incorporated into the GC2021 Medium-Term Management Strategy, our aim is the continual development of “Human Capital with High Social Value” – highly regarded employees who are essential to society and customers. The most vital element of this is to foster conditions enabling creation of new value via mutual respect for diversity; dynamic, motivating workplaces; and through organic connections.

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

From the fiscal year ending March 31, 2021, to build on the momentum already created, we are looking to reform our HR systems from the three viewpoints of remuneration structures, talent management, and workplace environments.

With remuneration, the goal is to motivate all employees to set high targets and take on tough challenges. To delegate organizational and HR management authority to each division, we are making radical reforms based on mission and contribution to our appraisal, compensation and qualification systems. We are also introducing new rewards to incentivize employees to make contributions to other divisions of the organization than their own via the 15% Rule, for instance.

With talent management, our aim is to optimize HR deployment to increase our organizational capacity to implement strategy while promoting growth in human capital. We are upgrading our HR management systems in various ways, such as utilizing assessment-based visualization of human capital, promoting better job matching in our external and internal recruitment, and providing stronger career support for seniors.

In terms of workplace environments, we are promoting health management since employee health and safety is our foremost priority. In addition, we are upgrading systems to support connections between people beyond company and organizational boundaries, and to facilitate self-directed careers and styles of work. These moves include relaxing bans on side-jobs, using alumni networks to forge connections between retirees, and introducing flextime and remote working arrangements to boost flexibility.

Human capital is our most valuable asset. We are maximally focused on creating the conditions to develop, incentivize and connect human capital with high social value.

* See PP.18-19 for more details on “Human Capital × Mechanisms × Time” initiatives.

HR Development

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

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

Developing new value creators

Human Capital × Mechanisms × Time

Initiative #1

Cultivating global leaders

Marubeni Academia

Under the Marubeni Academia initiative, we select personally distinguished individuals with diverse careers from across the Marubeni Group worldwide with the aim of developing them into innovation leaders capable of driving Marubeni's future global growth. Over the course of a year, the program guides participants from conceptual discussions of innovation to realizing practical innovation. They are expected to play a leading role in the Marubeni Group's innovation initiatives as evangelists. In each of the first two years (fiscal years ended March 31, 2019 and March 31, 2020), 25 participants from eight countries took part in the program, practicing innovation to take maximum advantage of the diverse assets within the Marubeni Group's platform.

Initiative #2

Growth through hands-on experience

External Personnel Exchange Program

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

Creating mechanisms to support innovation

Human Capital × Mechanisms × Time

Initiative #1

Stimulating the entrepreneurial spirit

Business Plan Contest ("Bizcon")

Bizcon is a program to attract new business development ideas from across the Marubeni Group as part of trying to foster a dynamic and innovative Group culture. Ideas collected from every part of the Group are considered with the aim of commercializing winning entries. In its second year in 2019, the program attracted 114 entries, with three granted commercialization rights. We plan to hold a third edition of Bizcon in the fiscal year ending March 31, 2021 as part of continuous efforts to promote change within the Marubeni Group.

Bizcon 2019

Post-Bizcon developments

The proposal to launch the Maternal and Child Health Handbook in Indonesia ("DiaryBunda" business) that gained commercialization rights in the first edition of Bizcon launched in the fiscal year ended March 31, 2020. By digitizing the handbook utilizing a smartphone app, the DiaryBunda business gives reliable information during pregnancy and the child-rearing period, and records growth status and vaccinations. By promoting widespread use of the app, we hope to address a societal issue in Indonesia, where about 31% of the roughly 5 million children born each year suffer from growth impairment.

Initiative #2

Business model visualization

Business Model Canvas

Creating innovation starts with "knowing the Marubeni Group." One of the mechanisms we use is the Business Model Canvas, a website displaying the Marubeni Group's assets and business models. The site classifies the Group's businesses into roughly 300 different business models and analyzes them, and provides data on the various assets, transactions, network connections, earnings model and competitors of each business. We also have set up the Idea Box for employees to propose business ideas based on new ways of utilizing or combining the assets and business models of the Marubeni Group. Some Idea Box proposals are submitted to Bizcon as well, providing a mechanism for linking together the various initiatives.

Creating time for innovation

Human Capital × Mechanisms × Time

Initiative #1

The "15% Rule": providing space to take up the challenge

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

Initiative #2

Targeting higher organizational productivity

"Work Anywhere" (telework) and flextime systems

By providing employees with greater choice about where and when to work to support more autonomous working styles, we are aiming to bolster the productivity and performance of our entire organization. Our new telework system "Work Anywhere" allows employees to work from home or using a shared satellite office space. In the fiscal year ending March 31, 2021, we also introduced a partially revised flextime system to allow each part of the organization to set its core working hours in response to local circumstances.

In the COVID-19 outbreak, these frameworks and IT infrastructure enabled many employees to work from home and allowed us to keep our essential operations running. To support those employees forced to work non-standard hours, we engaged an external counselling service as part of measures to help relieve worker stress.

Going forward, we will focus on developing styles of work to maintain and improve levels of individual performance while ensuring the health and safety of employees and affiliates.

MARUBENI CORPORATION INTEGRATED REPORT 2020

Diversity & Inclusion within Our Organization

Promoting Diversity Management

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

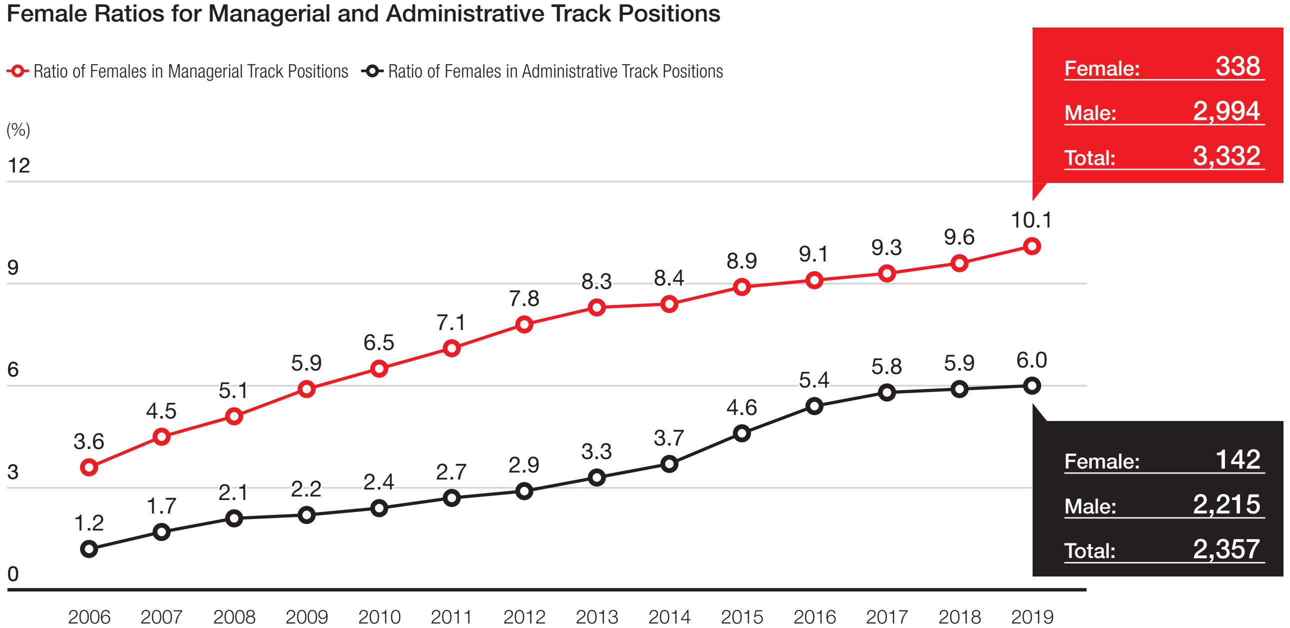
Promotion of Work Life Management

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

Female Empowerment at Work

Marubeni has been recruiting more women for career-track positions since April 2006. From the fiscal year ended March 31, 2015, we also introduced the "BENInovation Program" a program aimed at encouraging women in career-track positions to take on greater challenges, while promoting diversity management. This training program also builds awareness among early-career female managers and immediate superiors. We continue to promote female empowerment by strengthening the recruitment and training of career-track women, actively assigning more women to overseas postings, and creating conditions to ensure women can thrive at work regardless of other events in their life.

Female Ratios for Managerial and Administrative Track Positions



Note: Marubeni Corp. (as of Oct. 1 each year)

Female Employees on Overseas Assignments

(as of Apr. 1, 2020): 40

For more details, see the "Work Environment for Diverse Individuals" section of our website.
https://www.marubeni.com/en/sustainability/social/diversity/

Health and Productivity Management

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

健康経営銘柄 Health and Productivity

2020 健康経営優良法人 Health and productivity ホワイト500

Marubeni Group Health Declaration

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

Marubeni Health Promotion Structure

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

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

Message from the CSDO

Efforts to anticipate social needs while growing and evolving together with society will lead directly to sustainable improvements in our corporate value.

Takayuki Furuya

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

The Marubeni Group established the Sustainability Management Committee in order to strengthen the Group's initiatives aimed at the sustainable enhancement of corporate value in April 2018. In outlining its view on sustainability, the Group identified three categories of "Fundamental Materiality," namely "human capital," "management foundation" and "governance," as well as "Environmental and Social Materiality" in February 2019. To ensure the efficacy of its efforts in each of these categories, the Group is deepening discussions at the management level on environmental and social issues, including climate change measures, and their impact on management. At the Sustainability Management Committee, which I chair, we are taking steps to implement our policy on environmental and social materiality while promoting the development of implementation plans. We have also initiated steps to better grasp current conditions in order to build a sustainable supply chain across the Group's diverse business lines. We are working to enhance the Marubeni Group's corporate value by lifting the reliability of our supply chain.

The Group is currently taking on the challenge of a self-transformation as it works toward its long-term Global crossvalue platform vision. We believe that our mission is to anticipate the needs of society, evolve our business model, and continue to grow together with society.

The spread of COVID-19 has posed a major global threat to social and economic activity, while at the same time exposing the fragility of short-term financial value. As new challenges arise for companies, including the incidence of fragmented supply chains and digitalization as a form of crisis management, we believe that the need to put in place a sustainable society in a post-COVID-19 society will only get stronger together with the change in people's values. In an era of unprecedented uncertainty, I believe that general trading companies have an important role to play in anticipating and providing solutions to social issues. In line with the long-term direction envisioned by the Marubeni Group, we will create value and ensure that this value leads to the Group's sustainable growth by confronting the challenges of society and customers and creating new business models.

The source of the Group's value creation is its human resources, a corporate culture that makes the most of these human resources, a financial foundation that supports its business, and governance that provides the discipline and direction required for the aforementioned. By strengthening each of these elements as a whole, we will further reinforce the foundation for value creation. At the same time, we will listen to the voices of our diverse stakeholders and engage in highly transparent management that coexists with the environment and society.

Fundamental Materiality

Sustainability for the Marubeni Group means anticipating environmental and social demands, proactively providing solutions, and putting the Management Philosophy into practice. The Marubeni Group has identified three categories of Fundamental Materiality as the three most important fundamental elements in building a better tomorrow and promoting sustainability.

Human Capital with High Social Value

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

See PP.16-21 for details of the GC2021 Group HR Strategy.

Robust Management Foundation

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

See PP.34-38 for details of revitalization and reinforcement of the financial base; PP.18-19 on initiatives to promote innovation; and P.20 for more on Diversity & Inclusion.

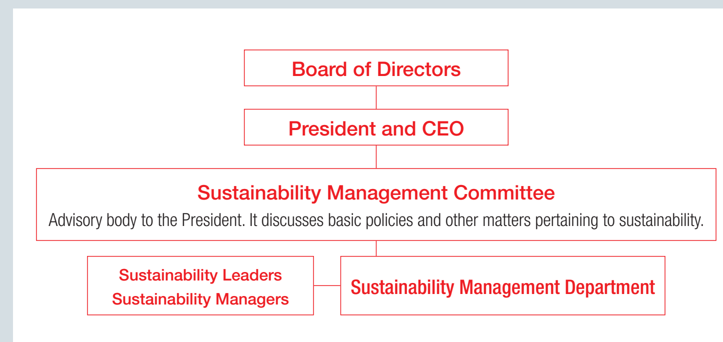
Governance for Coexistence with Society

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

See PP.44-61 for details of developing a better governance framework to realize our long-term management goals.

Sustainability Management Organization

- We have set up a Sustainability Management Committee that reports to the President and is chaired by the Chief Sustainable Development Officer (CSDO). To incorporate independent perspectives, several External Directors and External Audit & Supervisory Board members serve on this committee in an advisory role.
- The Sustainability Management Committee reports to the Board of Directors at least once a year on the important matters that it deliberates. These periodic reviews form the basis for the supervision of sustainability-related matters by directors.
- Sustainability is promoted across the Marubeni Group via the appointment of Sustainability Leaders and Sustainability Managers.



Environmental & Social Materiality

The Sustainable Development Goals (SDGs)* adopted by the United Nations in September 2015 are goals shared by governments, the private sector and civil society for achieving sustainability and leaving the world a better place for future generations. We have identified four categories of Environmental and Social Materiality in which the Marubeni Group can make a valuable contribution.

Our categories of Environmental and Social Materiality are based on the 17 goals and 169 targets of the SDGs, and consider stakeholders' expectations and interests along with the social and environmental impact of our business. By working on Environmental and Social Materiality by utilizing our Fundamental Materiality, we will contribute to achieving the SDGs and work toward building a better tomorrow.

* Sustainable Development Goals (SDGs): The UN Sustainable Development Summit held in September 2015 established the SDGs under the 2030 Agenda for Sustainable Development. Consisting of 17 goals and 169 targets to help realize a sustainable world, the SDGs cover the period from 2016 to 2030.

Process for identifying/reviewing Environmental and Social Materiality

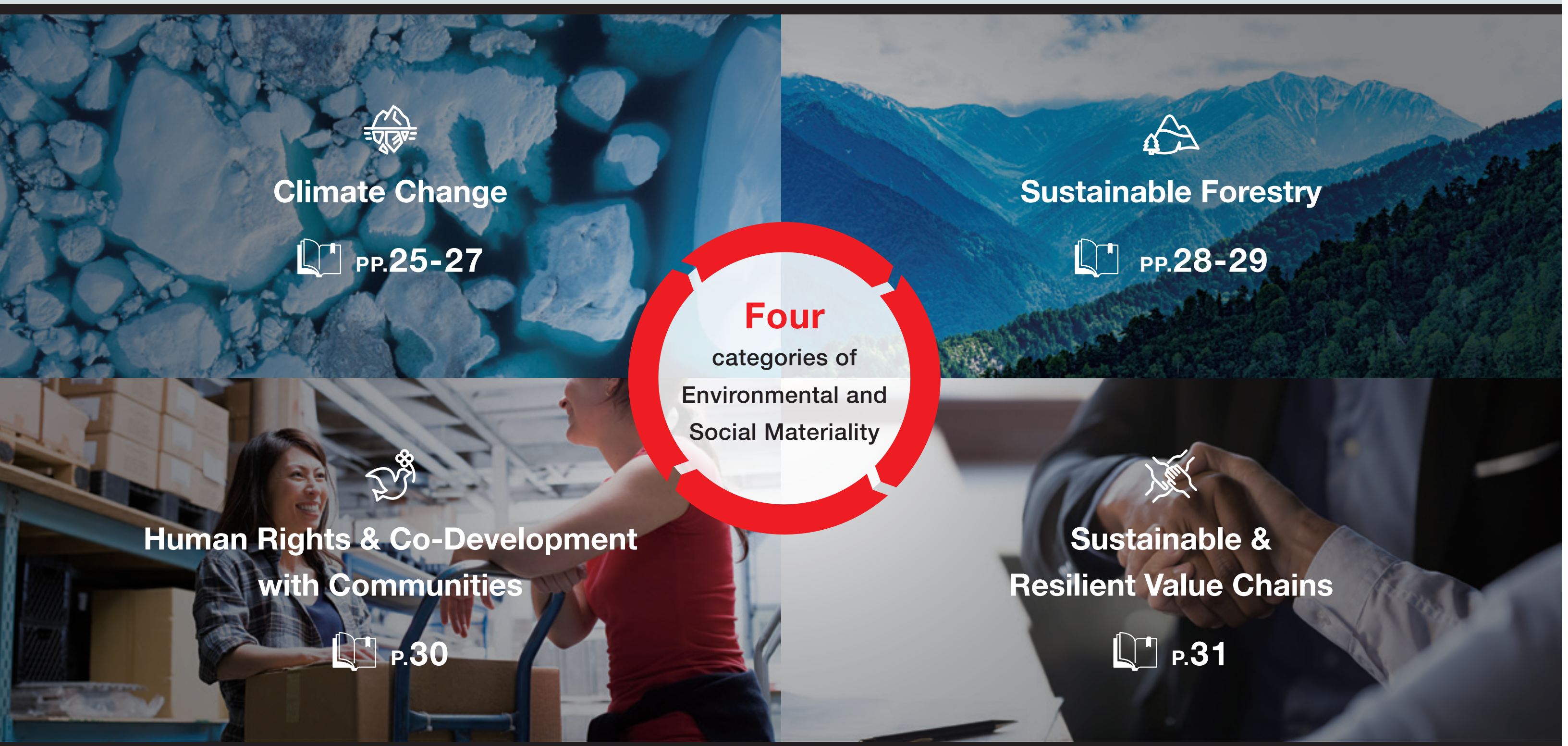
- Extract existing/potential environmental and social issues
- Identify highly material sustainability-related issues for the Marubeni Group based on the following criteria
  - — Importance to stakeholders
  - — Impact and scope of our business activities on the environment and society
  - — Impact on our earnings
- Reflect in operational goals/targets, implement and review periodically

FYE 3/2019

- Environmental and Social Materiality identified
- Related policies formulated/announced

FYE 3/2020

- More in-depth materiality discussions held
- Policy execution methods formulated



Climate Change

Climate Change and Marubeni Group Value Creation

Climate change is an urgent global issue due to its broad impact on social and environmental sustainability, as seen in phenomena such as global warming, natural environmental changes and increasing damage due to natural disasters. Various industries are rapidly implementing reforms to help realize a decarbonized society, in line with the Paris Agreement that aims to cut greenhouse gas emissions through coordinated international action.

For the Marubeni Group, which has worldwide operations in a wide range of sectors including power generation and energy-related businesses, these movements present both risks and critical opportunities for growth. We see addressing climate change through business as supporting the sustainable growth of the Marubeni Group. We have set the following targets as part of our efforts to seize the opportunities while mitigating related risks.

The Process of Pulling out of Coal-fired Power Generation

Target: **Cut coal-fired net generation capacity (of approximately 3GW as of March 31, 2019) in half by 2030**

Progress: **Approx. 2.7 GW** (as of March 31, 2020)

See website for progress update released on October 4, 2019 (Notification Regarding Business Policies & Progress Pertaining to Sustainability (Update to Coal-Fired Power Generation Business and Renewable Energy Generation Business))
https://www.marubeni.com/en/news/2019/release/201910041E.pdf

Proactive Involvement in Renewable Energy Generation Business

Target: **Expand the ratio of net generation capacity of renewable energy sources to approximately 20% by 2023**

Initiatives: **Expansion of the renewable energy generation business**

- Start of commercial operation of Sweihan Photovoltaic IPP Project (gross generation capacity 1,177MW) in the United Arab Emirates in April 2019
- Start of commercial operation of Amin Solar PV IPP Project (gross generation capacity 105MW) in Oman in May 2020
- Loan agreements signed in December 2019 for Biomass Power Generation Project (gross generation capacity 44MW) in Gamagori City in Aichi Prefecture
- Power purchase agreement signed for Al Kharsaah Solar PV IPP Project (gross generation capacity 800MW) in Qatar in January 2020
- Loan agreements signed in February 2020 for Offshore Wind Farm Project (gross generation capacity 139MW) at Akita Port and Noshiro Port in Akita Prefecture

1 Sweihan Photovoltaic IPP Project (UAE)
2 WASSHA, Inc. (power supplies to off-grid regions)

Promotion of greater use of renewable energy sources in wholesale/retail electricity markets

- Deploy operations in US and other countries by UK consolidated subsidiary SmartestEnergy Ltd.*
- Equity stakes acquired in WASSHA Inc. and Azuri Technologies Ltd, companies working to expand supplies of solar power to off-grid regions of Africa

* Established by Marubeni in the UK in 2001, SmartestEnergy Ltd. purchases primarily renewable generated energy from small to medium-sized independent power producers, which it then sells wholesale to the market, or retail to corporate buyers.

See PP.84-85 for information on our renewable power generation business and the business strategy of the Power Business Division.

Expansion of "Green Businesses"

Target: **Expand "Green Revenue" streams to around ¥1.3 trillion by FYE 3/2024.**

Result: **Approx. ¥770 billion** (FYE 3/2020)

We define "Green Revenue" from Marubeni Group operations as follows:

- Sales of products certified as contributing to sustainable forestry, fisheries, etc.
- Sales from businesses (real estate, etc.) contributing to lessening environmental impact
- Sales from businesses dealing in power generation from renewable energy sources
- Sales from businesses contributing to propagating EV (electric vehicles)
- Sales from businesses (recycling-related, etc.) contributing to waste reduction
- Sales from businesses (water business, etc.) contributing to efficient use of resources

Disclosures in line with the Recommendations of the TCFD

See PP.26-27 for more information.

Full details of TCFD-related disclosures have been omitted from this report, but can be found on our website.
https://www.marubeni.com/en/sustainability/environment/tcfd/

Disclosure in line with the Recommendations of the TCFD

Recognizing the importance of climate-related financial disclosures, the Marubeni Group affirmed the recommendations of the TCFD* in February 2019. We are endeavoring to evaluate risks and opportunities engendered by climate change and to enhance related disclosure.

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

Basic Stance on Climate Change

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

1 GHG emissions-reduction business creation	One aim of our growth strategy is to create new businesses to reduce emissions of greenhouse gases (GHGs), especially GHG emissions by other emitters*. At the same time, we are working to reduce the GHG emissions of the Marubeni Group. * GHG-emitting entities not in the Marubeni Group, notably business partners and suppliers of products and services
2 Flexibility to revise business portfolio	With businesses expected to face obsolescence or downward earnings pressure due to climate change, we will consider alternatives, including exiting the business. To avoid damaging corporate value, we aim to revise our business portfolio at the appropriate time and to change asset allocations accordingly.
3 A highly diversified business portfolio	The Group's business portfolio is highly diversified, providing a high degree of resilience to climate change. Potential impacts on the Group's finances due to the risks within specific industries or businesses are expected to be limited.

Governance

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

Specifically, the Sustainability Management Committee, an advisory body to the President, leads the assessment of any climate-related opportunities/risks and deliberation of related strategy. It reports at least annually to the Board of Directors. Important matters are deliberated and voted on by the Corporate Management Committee and by the Board of Directors.

Deliberation/ reporting FYE 3/2020 and FYE 3/2021 (as of August)	Board of Directors	Deliberations of Sustainability Management Committee and Corporate Management Committee reported
	Corporate Management Committee	ESG-related initiatives and policies, implementation of TCFD-related disclosures

Strategy and Specific Initiatives

We have identified the major climate-related opportunities and risks for the Marubeni Group by considering the potential impact on the 13 business divisions (excluding Next Generation Business Development Division) under the two global warming scenarios* of 1.5°C and 4°C. These are summarized below.

Major climate-related opportunities/risks

- Adoption of renewable energy and other forms of energy not dependent on fossil fuels; related policy measures to cut emissions
- Changes in market demand due to transition to low-carbon or decarbonized forms of transport, with more new business opportunities
- Trading and business opportunities related to transition to circular economy

Businesses representing major opportunities

Renewable energy generation business	**Business policy**	Strive to expand the ratio of net generation capacity of renewable energy sources to approximately 20% by 2023

Businesses representing major risks

Coal-related business	**Business policy (coal-fired power generation)**	As a general principle, to not enter any new coal-fired power generation business Cut coal-fired net generation capacity (of approximately 3GW as of March 31, 2019) in half by 2030
	Business policy (thermal coal interests)	Marubeni has no equity interests in thermal coal* and will not acquire any in the future * Our coking coal operations produce thermal coal as a by-product

* The "1.5°C scenario" is based on the Special Report on the Impact of Global Warming of 1.5°C released by the Intergovernmental Panel on Climate Change (IPCC), referencing the Sustainable Development Scenario proposed by the International Energy Agency. The scenario sets out the elimination of net CO_2 emissions by 2050 based on initiatives to mitigate climate change.
Based on the IPCC's RCP8.5 scenario, the "4°C scenario" assumes no additional measures are implemented to mitigate global warming, resulting in a mean global temperature rise of 4°C by 2100. This would lead to more severe natural disasters, among other outcomes.

Reference

The major business and service opportunities identified at business division level are classified by climate-related phenomenon.

1.5°C scenario

Adoption of renewables and other clean energy sources
- Large-scale offshore wind farms (Asia/Europe) and solar power plants (Middle East, etc.)
- Community-based multi utilities service using distributed power generation
- Renewable and distributed power generation facilities, supplying related materials and equipment, and related businesses
- Installation/construction of renewable power generation, carbon capture and storage (CCS) and other facilities for a decarbonized future
- Establishment of renewable energy funds or funds using green finance
- Supplying copper essential to the spread of renewable energy and electrification
- Supplying CO_2-free fuels such as hydrogen and ammonia

Transition to low-carbon or decarbonized forms of transport
- Sale and sharing of electric vehicles (EVs), clean energy vehicles and other low-carbon products
- Supplying materials required for EVs such as lithium-ion battery materials, cobalt, nickel, and aluminum/lightweight materials
- Supplying EV charging infrastructure facilities
- Supplying tires and rubber products offering high environmental performance

1.5°C scenario

Transition to circular economy
- Supplying facilities for recycling businesses, including waste material recycling operations
- Supplying products offering alternatives to plastics
- Supply of cellulose nanofiber
- Supplying paperboard made from recycled materials
- Textile products recycling businesses

Adoption of carbon pricing or emissions trading systems
- Acquisition of carbon fixation emissions rights via forest plantation business

Promotion of energy saving/energy efficiency
- Supply of automated/smart construction-related services
- Supply of construction machinery offering high environmental performance
- More efficient power grid systems
- Improved fertilizer efficiency from provision of precision agriculture and original products

4°C scenario

Changes in climate patterns
- Supplying facilities for plant factory
- Promotion of secure grain supplies based on an upgraded, diversified grain production portfolio

Each business division is analyzing operations and services identified as potential major risks and considering measures to mitigate these risks. Some of the risk impact assessment done at the business division level is outlined below.

Climate-related phenomenon		Projected impact on business	Risk mitigation countermeasures	Related division
Transition risks	Transition to renewable energy sources, with emissions-reduction policy measures	Adoption of renewables and the transformation to EVs could negatively impact earnings due to lower sales volumes of fossil fuels.	Develop new energy businesses such as hydrogen and ammonia	Energy Division
		The shift to renewables could impact earnings due to reductions in demand for construction machinery used in coal mining and outsized tires used in mining equipment, alongside big increases in procurement costs due to stricter emissions reduction regulations.	Pursue sales opportunities for distributed power sources and related business opportunities	Construction, Industrial Machinery & Mobility Division
	Shift to EVs	Earnings could be impacted negatively by the shift to EVs and other low-carbon vehicles due to higher upfront costs and reduced demand for existing parts and automobiles.	Respond to increased sales opportunities linked to EV adoption and growth in demand for battery-charging infrastructure, etc.	
Physical risks	Changing climate patterns	Failure of crop harvests in a major region such as North America due to changes in climate patterns could significantly impact the earnings of grain origination and agri-input businesses.	Develop agri-input products and services that help farmers increase productivity	Agri Business Division
	More extreme weather events (storms, floods, heavy rain)	Operations could be affected if more extreme weather events paralyzed logistical functions.	Develop more geographically diversified procurement/sales networks and production	

Risk Management

The Sustainability Management Committee undertakes the management and monitoring of the Marubeni Group's major opportunities and risks related to climate change.

- Risk management in internal processes
  Sustainability risk assessments, including risks related to climate change, have been introduced as part of the risk analysis prior to investment decisions.

Metrics and Targets

- Cut coal-fired net generation capacity in half from end-March 2019 levels by 2030
- Increase ratio of renewable energy sources of net generation capacity to approximately 20% by 2023
- Expand "Green Revenue" to around ¥1.3 trillion by FYE 3/2024

Sustainable Forestry

Forests and value creation by Marubeni Group

Forests are a precious resource and enrich life on Earth in various ways. The Marubeni Group currently owns around 140,000 hectares of tree plantations across the world (total gross project area: around 310,000 ha), operated using sustainable forestry management methods. Managing these forests through coexistence and co-prosperity with local communities, we strive to create value by addressing social issues, based on the supply of sustainable forestry resources that meet the needs of consumers and business partners. We also aim to contribute to the establishment of a circular economy by fostering innovation in the utilization of forest resources while working to cater to the increasingly diverse environmental needs of society.

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

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

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

Sustainable Forest Management

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

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


Forest plantation business in south Sumatra (MHP)

Forest management and forestry certification at Marubeni Group

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

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

Coexistence with Local Communities

The Marubeni Group strives to provide social and economic development of the areas where we operate forest plantations and woodchip and pulp manufacturing. In Indonesia, plantation manager MHP and our consolidated subsidiary PT. Tanjungenim Lestari Pulp and Paper (TEL), to which MHP supplies logs, together employ about 2,000 workers. The Musi Pulp Project has created 10,000 local jobs including at local affiliates. TEL is also involved in improving regional levels of education through the provision of scholarships and the operation of local schools at kindergarten, elementary and secondary level. Other efforts to stimulate the development of the region include support for production of traditional foods and cultivation of agricultural produce to help revitalize the economy, and the construction of infrastructure and public health facilities.


Students at a TEL-operated elementary school

For the Marubeni Group, coexistence and co-prosperity with local communities are the foundation of forest management. We will continue to look for opportunities to create shared value with local communities.

Initiatives related to Product Procurement Policy (Forest-derived Products)

In line with the Product Procurement Policy (Forest-derived Products), we investigate the environmental and social considerations of suppliers as well as their compliance with laws and regulations. We review business relationships with suppliers if our surveys identify any issues that need to be addressed. In the fiscal year ended March 31, 2020, we selected 14 companies in the Group's supply chain for timber and related products based on certain quantitative and qualitative criteria and conducted written surveys at those companies. No issues were identified within the scope of the survey. Procedures were reviewed at the end of the survey process as part of a continuous PDCA improvement cycle. Going forward, besides the regular disclosure of information on how our procurement policy operates, we will maintain appropriate communications with our suppliers and other stakeholders.

FYE 3/2019	FYE 3/2020
Forest Management and Product Procurement Policies formulated and announced	Operational manual for Product Procurement Policy formulated, supplier surveys conducted

Sustainable forest management in Indonesia and Australia and the implementation of the Product Procurement Policy (Forest-derived Products) are both aspects of the business operations of the Forest Products Division.
See PP.72-73 for more details on the business strategy of the Forest Products Division.

Sustainable palm oil and the Marubeni Group

Various concerns surround palm oil, including environmental degradation and biodiversity loss caused in the process of cultivation, and human rights violations affecting workers. Demand is growing for "sustainable palm oil," produced in a way that is conscious of the environment and other concerns such as RSPO*1 certification.

Marubeni became a member of the RSPO in 2015. In 2019, we joined the Japan Sustainable Palm Oil Network (JaSPON), an initiative that promotes the procurement and consumption of sustainable palm oil in the Japanese market. We are building a supply chain in Japan for palm oil-based fatty acids that is stable and meets demand for both large and small amounts to service underlying customer needs. We were the first company in Japan to begin warehouse sales of RSPO-certified fatty acids based on the SCCS (MB)*2 supply chain model.

Elsewhere, our US-based Group company, the agricultural product distributer Pasternak, Baum & Co., Inc., is working as a member of the RSPO and the ISCC*3 to procure and distribute products with low environmental impact to users. Nearly 30% of the palm oil and palm oil derivative products handled by the company are RSPO/ISCC-certified products.

We remain focused on expanding adoption of sustainable palm oil through procurement and distribution of certified products by Marubeni Group companies.

*1. The Roundtable on Sustainable Palm Oil (RSPO) is a non-profit organization that aims to promote sustainable palm oil production and utilization.
*2. The Supply Chain Certification Systems (SCCS) guarantees that palm oil products in the production and distribution processes meets the specified conditions. The Mass Balance (MB) supply chain model is used where sustainable palm oil from certified sources is mixed with ordinary palm oil throughout the supply chain under strictly controlled circumstances.
*3. The International Sustainability & Carbon Certification (ISCC) system is used to certify the sustainability of biomass and bioenergy.

Human Rights & Co-Development with Communities

Human Rights and Value Creation by Marubeni Group

The Marubeni Group conducts business from 136 locations*1 across 68 countries and regions, employing more than 40,000 people*2 from a diverse range of nationalities and ethnicities. We are active in a wide range of businesses and conduct global, multi-faceted activities. With serious human rights violations by the overseas operations of companies against local workers and residents now a burgeoning issue, we have a responsibility as a global enterprise to address these issues. We believe respect for the human rights of those people affected by our business activities is indispensable. Furthermore, we are obliged to take appropriate corrective measures if there is evidence that our business activities have had a negative impact, since failure to do so would pose a significant risk of impairing corporate value. The Marubeni Group seeks to create sustainable value by conducting business activities that respect human rights.

Basic Policy on Human Rights	The Marubeni Group Basic Policy on Human Rights incorporates three basic principles from the UN Guiding Principles on Business and Human Rights, namely: 1) respect for human rights, 2) due diligence on human rights, and 3) redress.

For more details, see the "Respect for Human Rights" section of our website.
https://www.marubeni.com/en/sustainability/social/human_rights/

*1. As of April 1, 2020
*2. As of March 31, 2020

Sustainability Assessment and Human Rights Due Diligence

Development of sustainability assessment methods

The Marubeni Group is developing methods for assessing the potential risks from a business sustainability perspective as part of managing the risks involved in building supply chains that are sustainable, resilient and respect human rights. Incorporating the advice of an external consultant with specialized knowledge in the field, the definition of risk evaluation criteria takes into consideration relevant laws and regulations, international standards, and case studies taken from similar businesses.

Specifically, the approach involves evaluating the degree of potential risk for each type of risk in the three categories of "Environmental," "Safety and Health," and "Social," taking into account (1) the sector and type of each business and (2) the country/region where each business has its operations. The degree of risk is judged based on the impact due to specific factors such as scale, range and difficulty of remedy.

Human rights due diligence

Within the "Social" category of risks, we take a comprehensive stance to include items that relate to social, human rights or labor-related aspects of international standards associated with corporate social responsibility. We also include supply chain risk management items to reflect the UN Guiding Principles on Business and Human Rights and other guidelines. We have introduced these risk assessment methods to internal processes, such as surveys of consolidated subsidiaries and risk analysis of new investments. Through these efforts, the Marubeni Group will continue to conduct human rights due diligence.

Risk assessment items by category

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

FYE 3/2019	FYE 3/2020
Basic policies on human rights and supply chain formulated and announced	Risk assessment method developed, including human rights due diligence, Survey of consolidated subsidiaries started

Sustainable & Resilient Value Chains

Supply Chains and Value Creation by Marubeni Group

The Marubeni Group deals with thousands of suppliers to conduct transactions and operate a wide range of businesses on a global scale. At the same time, the Group supplies a huge range of diverse products to many business partners. Our view is that building sustainable and resilient supply chains, coupled with efforts to protect the global environment and promote sustainable development of society throughout the Group's supply chain, will directly strengthen the competitiveness and differentiation of the Marubeni Group.

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

Basic Supply Chain Sustainability Policy	We have formulated the Basic Supply Chain Sustainability Policy to promote sustainability in a highly effective way in cooperation with business partners.

For more details, see the "Basic Supply Chain Sustainability Policy" section of our website.
https://www.marubeni.com/en/sustainability/social/supply_chain/

Supply Chains Start with Consolidated Subsidiaries

Sustainability surveys for consolidated subsidiaries

The Marubeni Group consolidated subsidiaries around the world are the starting point for the supply chains with which we provide products and services. Recognizing that safeguarding the sustainability of these business operations is a first step and a critical element of building sustainable and resilient supply chains, we have instituted sustainability surveys for our consolidated subsidiaries. From the fiscal year ended March 31, 2020, we assessed potential risks according to the process outlined below. On-site inspections were conducted at four domestic consolidated subsidiaries.

All consolidated subsidiaries (approx. 400)	Companies screened for survey based on business content
Selected for survey (approx. 200)	Potential risk evaluated using sustainability risk assessment method (see P.30 for details)
On-site inspections for firms where potential risk at the industry, country or region exceeds a certain level	Written survey for other companies
On-site inspections	

* On-site inspections were suspended as of August 2020 due to the COVID-19 outbreak. Placing the safety of all concerned as our top priority, we plan to resume inspections once it is confirmed these can be conducted safely.

CLOSE UP

On-site inspection

Our on-site inspection of the Chiba terminal of Marubeni Ennex Corporation, which operates distribution terminals in Japan for petroleum products, LPG and petrochemicals, was done with an external consultant. The inspection was used to ascertain the management status of the business in terms of its environmental, safety and health, and social aspects, using interviews of management and on-site managers and a tour of the site while in operation. Lasting three days, the inspection confirmed the continuous good efforts of Marubeni Ennex Corporation on aspects such as environmental management, safety and health management, and disaster preparedness. It also identified opportunities for improvement and related follow-up items.

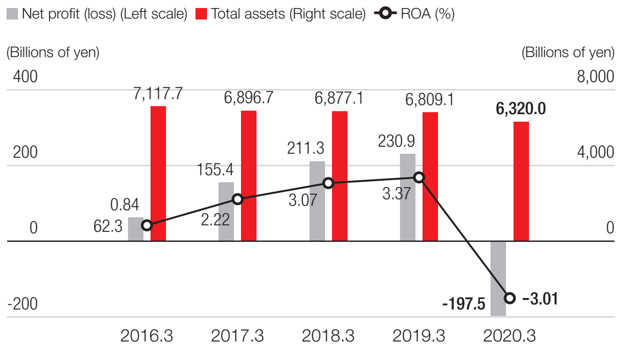
Aiming to develop supply chains preferred by our business partners, the Marubeni Group is collectively focused on strengthening efforts to promote sustainability at all our business sites.

On-site inspection in progress

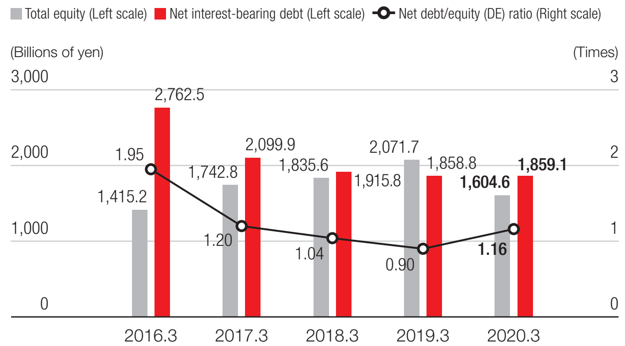
Performance Highlights

Financial Data

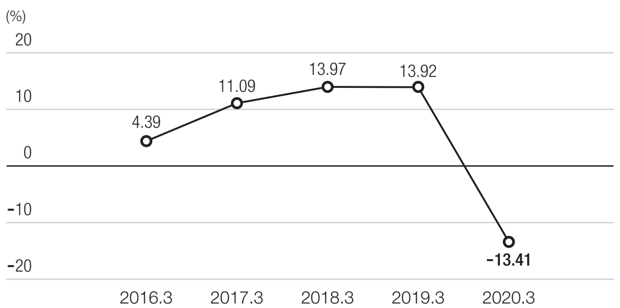
Net Profit (loss)/Total Assets/ROA



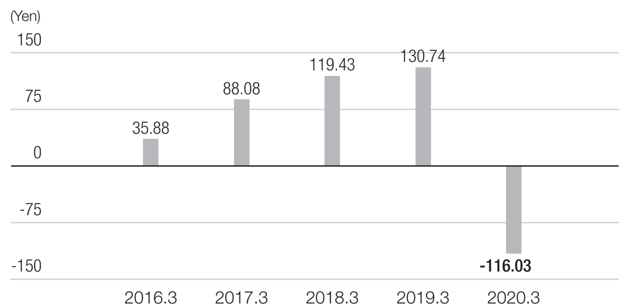
Total Equity/Net Interest-Bearing Debt/Net Debt/Equity (DE) Ratio



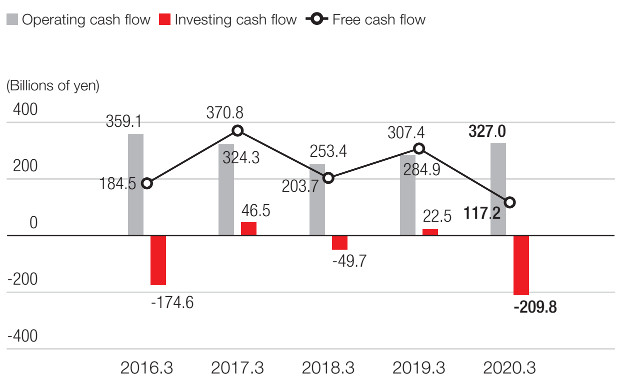
ROE



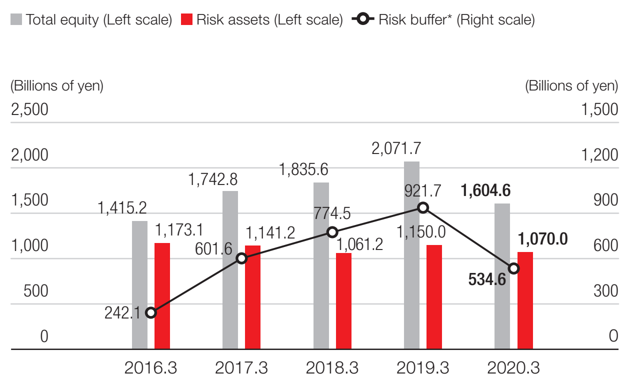
Net Profit per Share (basic)



Cash Flows

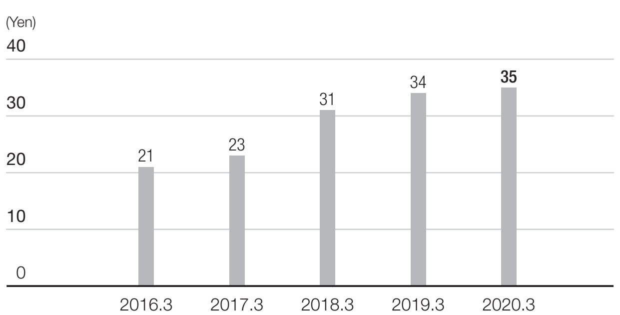


Total Equity/Risk Assets/Risk Buffer*

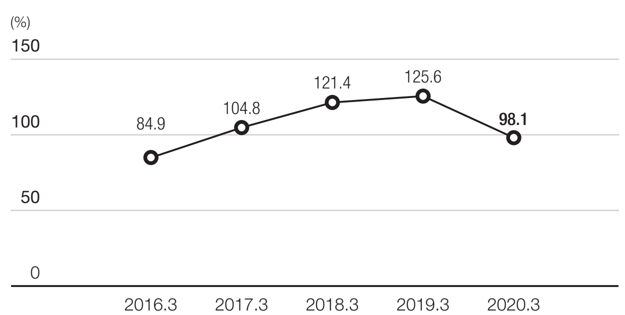


* Risk buffer = Total equity – Risk assets

Annual Dividend per Share



Total Shareholder Return*



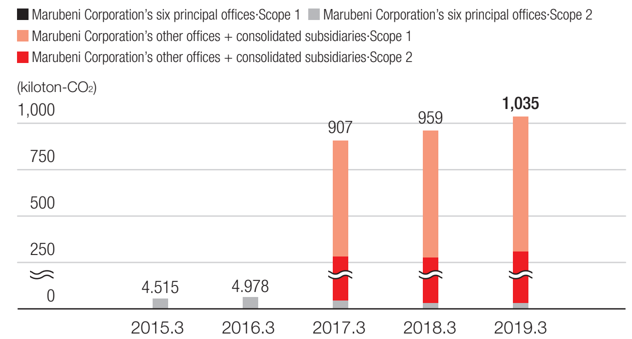
* Total shareholder return for fiscal year N = (Share price at the end of fiscal year N + cumulative amount of dividends per share of up to fiscal year N from four fiscal years prior to FYE 3/2020)/share price at the end of the five fiscal years prior to FYE 3/2020
(fiscal year N = any fiscal year between FYE 3/2016 and FYE 3/2020)

Non-Financial Data

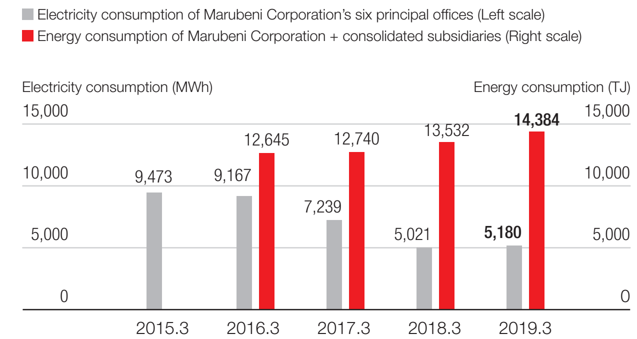
ENVIRONMENTAL DATA*1

For details, please refer to the website:
https://www.marubeni.com/en/sustainability/environment/env_data/

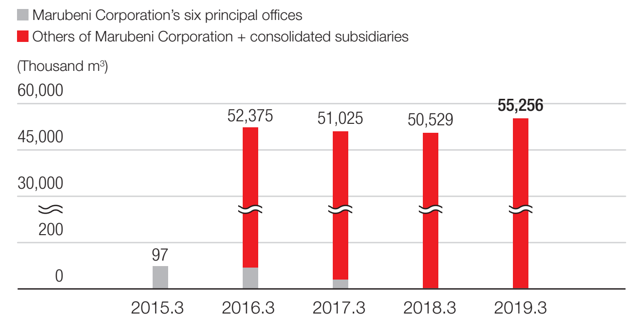
Greenhouse Gas (CO_2) Emissions (Energy-Related) *2



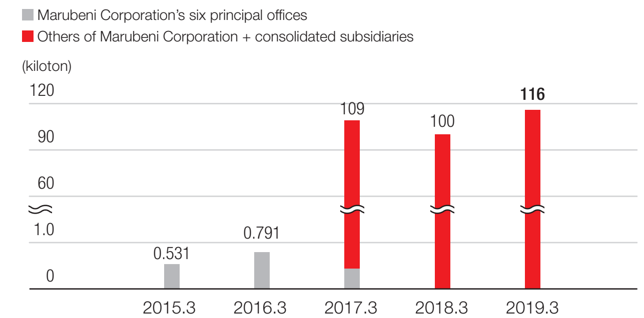
Energy Consumption*3



Water Withdrawal



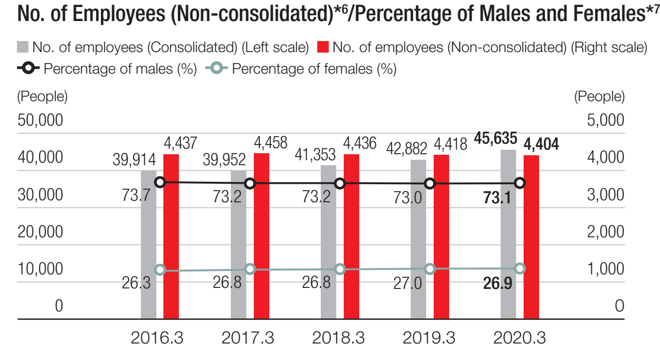
Waste Generated*4



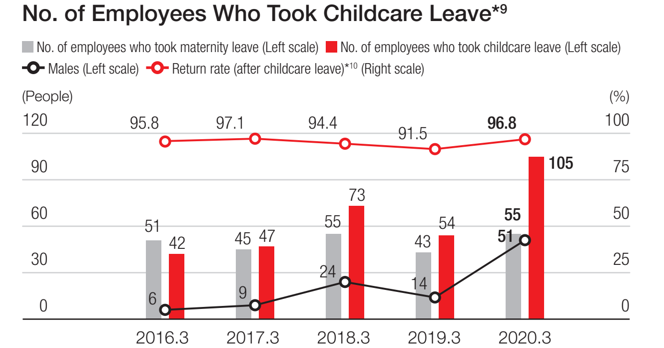
SOCIAL DATA

For details, please refer to the website:
https://www.marubeni.com/en/sustainability/social/employee/

No. of Employees (Consolidated)*5/ No. of Employees (Non-consolidated)*6/Percentage of Males and Females*7



No. of Employees Who Took Maternity Leave*8/ No. of Employees Who Took Childcare Leave*9



***1. The boundaries of the environmental data:**
- For FYE 3/2015 - FYE 3/2016 .... Marubeni Corporation's six principal offices (Tokyo Head Office, plus Hokkaido, Chubu, Osaka, Kyushu, and Shizuoka Branches). Due to the relocation of the Osaka Branch in July 2015, the energy consumption of the office in July is calculated based on figures at both its previous and current site for FYE 3/2016 data.
- From FYE 3/2017 .... Marubeni Corporation and its domestic and international consolidated subsidiaries, excluding Helena Agri-Enterprises, LLC, and the subsidiaries that are designated to be liquidated or sold.
From FYE 3/2019, the grain procurement and export company based in northern U.S., which was not included in FYE 3/2017 and FYE 3/2018, has been included.
- In FYE 3/2020 .... Because the COVID-19 outbreak caused delays in investigation and assurance procedures in FYE 3/2020 at consolidated subsidiaries related to the Group's environmental data, data from FYE 3/2019 is shown. As of August 2020, environmental data for FYE 3/2020 continues to be examined and assured, and will be released on our website as soon as assurance by a third party is completed.
https://www.marubeni.com/en/sustainability/environment/env_data/

***2. Greenhouse gas (CO_2) emissions (energy-related):**
- CO_2 emission factors stipulated by the Act on Promotion of Global Warming Countermeasures are used for fuel and steam.
- Emission factors for electricity .... Emission factors for each electric power provider released by the Ministry of the Environment (actual emission factors) are used for Marubeni Corporation. International Energy Agency (IEA) 2016 emission factors by country (CO_2 emissions per kWh from electricity generation) are used for the domestic and international consolidated subsidiaries.
- CO_2 emission factors for city gas .... For FYE 3/2015, emission factors released by the gas companies in each location of the six principal offices are used.
From FYE 3/2016, the emission factor stipulated by the Act on Promotion of Global Warming Countermeasures is used.
- From FYE 3/2018, kerosene, diesel oil and gasoline are included. In FYE 3/2018, CO_2 emissions associated with consumption of kerosene, diesel and gasoline totaled 25 thousand metric tons of CO_2.

***3. Energy Consumption**
- 3.6 GJ/MWh is used for heat value per unit for electricity.
- The heat values per unit described in the Act on Promotion of Global Warming Countermeasures are used for fuel.
- Biomass energy is not included.

***4. Waste Generated**
- Materials with resale or reuse value are not included.

***5.** As of March 31.

***6.** Total figures include the number of Marubeni employees assigned to other companies and exclude secondees to Marubeni from other companies (as of March 31).

***7.** Figures for Marubeni Corporation (non-consolidated basis as of March 31).

***8.** Figures for Marubeni Corporation. Indicate the total number of people who used leave in the fiscal year, including those who used the leave continuously from the previous fiscal year.

***9.** Figures for Marubeni Corporation. Indicate the total number of people who started using leave in the applicable fiscal year.

***10.** Figures for Marubeni Corporation. Indicates the ratio of people who returned to work of those who ended using the childcare leave in the fiscal year.

Message from the CFO

We will take steps to improve our financial foundation at an early stage while strategically allocating capital with a view to enhancing our corporate value over the medium to long term.

Takayuki Furuya

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

Q1. Have you altered your approach toward financial discipline after posting a substantial impairment loss in the fiscal year ended March 31, 2020?

A1. Our top priority is to rebuild and strengthen our financial foundation.

In light of the deterioration in our operating environment, including the spread of COVID-19 worldwide, a sharp drop in crude oil prices and an outlook that business conditions will continue to worsen, Marubeni posted an impairment and other one-time losses in the fiscal year ended March 31, 2020. As a result, the Company reported a consolidated net loss of ¥197.5 billion in the fiscal year under review, a negative turnaround of ¥428.3 billion compared with the previous fiscal year.

In response, we outlined details of a revision to our GC2021 Medium-Term Management Strategy, which began in the fiscal year ended March 31, 2020, at the time of our consolidated financial statement announcement. Under this revision, our top priority is to focus on rebuilding and strengthening our financial foundation. With this in mind, we will place an even greater emphasis on cash flow management. In specific terms, we will prioritize the repayment of interest-bearing debt by accumulating positive free cash flow after the delivery of shareholder returns during the three-year period of GC2021 and work to lower our net debt/equity ratio to around 1.0 times at the end of March 31, 2022.

Buffeted by such factors as the drop in natural resource prices, Marubeni posted a net one-time loss in excess of ¥200.0 billion over the cumulative two fiscal year period from the fiscal year ended March 31, 2015 and over the fiscal year ended March 31, 2016. Over the ensuing period, we have been focusing on improving our financial position. Under these circumstances, we set the goal of achieving a net debt/equity ratio of around 0.8 times at the end of the fiscal year ended March 31, 2020, and had planned to introduce a new capital allocation policy after achieving this goal. However, after posting a substantial loss and damaging shareholders' equity in the fiscal year ended March 31, 2020, we decided to renew our focus on cash flow and to rebuild and strengthen our financial foundation.

A sound financial foundation is a prerequisite for achieving growth. This reflects our belief that the maintenance and improvement of our creditworthiness and procurement ability of quality funds are key sources of our competitive advantage. Those aspects provide the underlying support and foundation for growth. Amid the probability of further downside scenarios in the global economy, such as the risk of a prolonged global battle against COVID-19, we recognize the urgent need to rebuild and strengthen our financial foundation by focusing on cash flow management in order to maintain a stable credit standing and the strength in quality fund procurement.

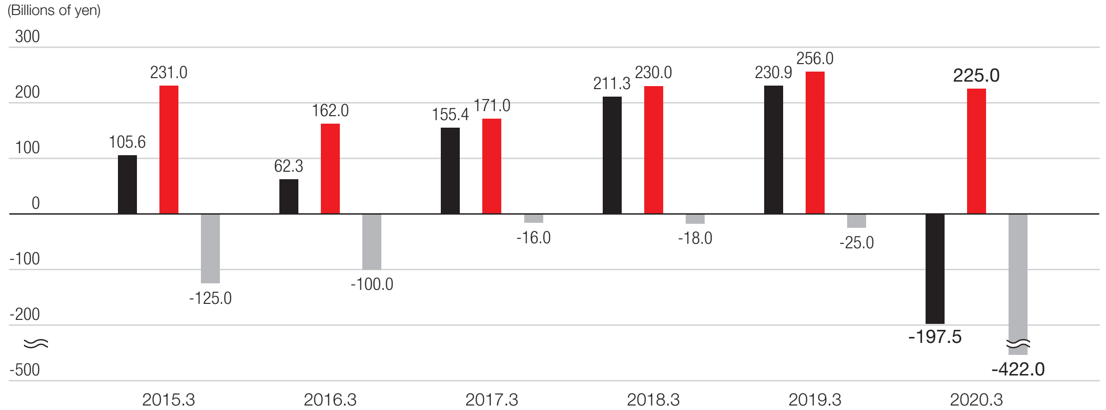
By working to promptly rebuild our financial foundation and then continuing to invest in growth with an eye on the future, we are committed to enhancing our corporate value over the medium to long term, which in turn will lead to an improvement in shareholder value.

Q2. What are your business and investment strategies for the future?

A2. We will improve the performance of our investments by staying intensely strategy-focused. We will also pursue the creation of new business models while at the same time enhancing the strength of our existing businesses.

Over the three-year period of the medium-term management plan GC2018, which began in the fiscal year ended March

Adjusted Net Profit/One-Time Items

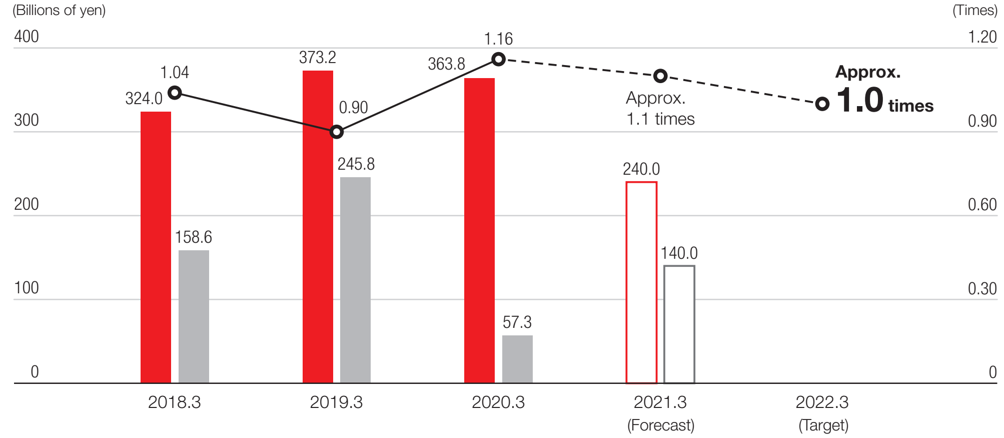


*1. Net profit (loss): Profit (loss) attributable to owners of the parent.
*2. Adjusted net profit: Net profit excluding one-time items, shown in an approximate figure.

Cash Flows/Net DE Ratio

■□ Core operating cash flow*3 (Left scale)
■□ Free cash flow after delivery of shareholder returns (Left scale)
-o- Net DE ratio (Right scale)

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



31, 2017, in-depth discussions were held to analyze the investments that resulted in impairment losses and improve the performance of investments. As a result of these discussions, we have clarified the concept of "staying strategy-focused" without making investment itself an objective and put in place strategies by business division. Under this "staying strategy-focused" concept, we hone in on the business strategy that is most likely to ensure that we achieve our vision. On this basis, investment is the only means to execute that strategy.

As part of the process to implement the strategies set out in GC2018 described above, we explicitly incorporated the "staying strategy-focused" concept into our Strategy, Prime, Platform (SPP)[*4] business policies under GC2021, and will increase business value by thoroughly pursuing business strategies.

Despite a deterioration in the business environment due to the global spread of COVID-19, we will strengthen and improve existing businesses, including cost savings, while at the same time working to create new business models with an eye on the future. To further improve and strengthen risk management, we will clarify business strategies based on the SPP business policies, and upgrade and expand our organizational capacity for business investment and business management, including the establishment of a rigorous management governance system after investments are made. We need to vigorously pursue these initiatives to put in place a positive cycle of continuous business value improvement.

By enforcing investment discipline based on the SPP business policies, we will avoid the short-sighted pursuit and emphasis placed on profit, and increase the repeatability of success while looking at medium- and long-term growth.

The entire workforce is encouraged to share the lessons learned from past mistakes. As a result of the "staying strategy-focused" concept firmly taking hold, the investment projects undertaken since GC2018 have generated a steady accumulation of earnings. Looking ahead, we will continue to engage in business operations by staying intensely strategy-focused with the aim of further improving the performance of our investments.

See P.14 for information on the SPP business policies.

Q3. What is your capital allocation policy going forward?

A3. We will focus on cash flow to improve our financial foundation at an early stage. In addition, we will continue to invest in growth with an eye on the future and aim to increase corporate value.

As I explained in my answer to the first question, our top priority during the period of GC2021, is to rebuild and strengthen our financial foundation following the impairment loss posted in the fiscal year ended March 31, 2020. At the same time, we plan to improve our net debt/equity ratio to around 1.0 times by the end of the fiscal year ending March 31, 2022. Accordingly, the Company has announced details of its shareholder returns policy under which it will look to maintain a consolidated dividend payout ratio of 25% or more and its decision not to undertake the buyback of shares during the period of GC2021.

Along with enhancing the strength of existing businesses, it is also important to invest in future growth in order to increase our ability to generate cash. The investments that we have made in the past are steadily evolving into businesses that support our current earnings base. While working to rebuild and strengthen our financial foundation, we will reinforce those businesses that are capable of generating future cash by continuing to engage in carefully selected growth investment based on the "staying strategy-focused" concept to ensure that we do not fall into a diminishing equilibrium.

The question remains, "how can we efficiently use the equity entrusted to us by shareholders as well as the interest-bearing debt procured from financial institutions and capital markets to maximize profits?" Our goal is not only to reduce funding costs, but also to reduce the cost of equity by rebuilding and strengthening our financial foundation, which is the platform of our business, improving investment efficiency, and fostering the expectation of growth, thereby maximizing returns for our shareholders.

As chairman of the Investment and Credit Committee, I will further increase the risk-return on strategic investments that are on track for improvement, and as CFO, I will engage in management to increase shareholder value over the medium to long term by allocating capital appropriately and efficiently.

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

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

Quantitative indicators, such as the internal rates of return (IRR), payback period, and PATRAC,* continue to be important criteria, but what has been more important for new investments under GC2018 and GC2021 is qualitative evaluation. Before making a final decision, we will spend more time in discussions based on the concept of the SPP business policies to deepen the level of understanding of the project business model, for example on what strategies we will utilize to leverage Marubeni's strengths and improve business value, how we will analyze the external environment and industry outlook and how we will respond, and how to strengthen the governance of business management after the investment is made. As a result, the hurdles for obtaining approval are higher than before, but the performance of investment projects that have gone through this process has been improving.

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

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

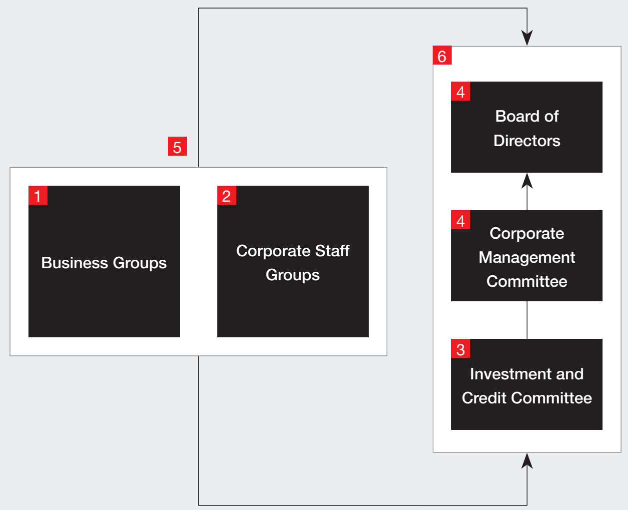
PATRAC (Profit After Tax less Risk Asset Cost)

PATRAC (Targets long-term expansion) = **Consolidated net profit** − **Risk assets** (Required shareholders' equity) × **10% risk asset cost** (Hurdle rate based on cost of capital)

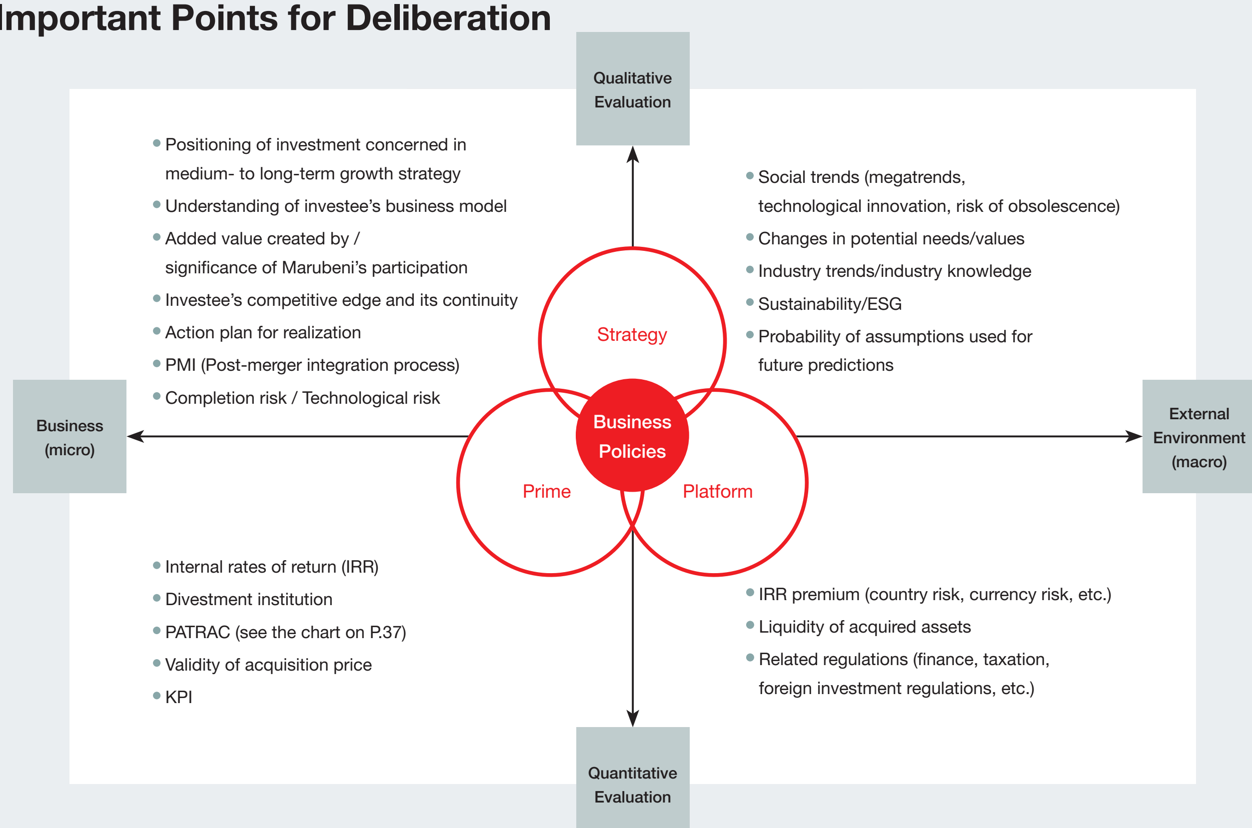
Investment Decision-Making Process

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

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



Important Points for Deliberation



Special Feature

Business Strategies Based on SPP Business Policies

HORIZON 2 | Expanding and Enhancing the Strength of Existing Business Domains CASE 1

U.S.

Agri-input Retailing Business

» **Helena Agri-Enterprises, LLC** (Helena)

Agri Business Division

Agri-input retailing company that boasts the second-largest share of U.S. market

Wholly owned by the Marubeni Group, Helena Agri-Enterprises, LLC (Helena) is engaged in the agri-input retailing business (pesticides, fertilizers, seeds and own-brand products) in the U.S., the world's largest agricultural powerhouse. In a country that has an arable land area of around 150 million hectares, which is almost four times the total land area of Japan, the U.S. market's needs for agri-inputs are extremely diversified, and it can be said that it is at the forefront of the global agribusiness market.

Operating at about 100 locations at the time of its acquisition by Marubeni in 1987, Helena has currently expanded to about 500 locations within the U.S. By having this base network and about 5,000 employees consisting of specialists in sales, technology, agriculture and management specialized in the agri-input business, Helena has established a solid position in the industry as a top-class agri-input retailing company in the U.S. The company is also seeking to evolve in response to the changing market environment. To enhance the competitiveness of consulting services that involve the sale of agri-inputs, Helena is currently expanding its business by providing "AGRIntelligence" (an analysis and diagnostic tool that utilizes data) in accordance with customer needs.

Accelerating growth through network expansion and creating a platform of performance and experience

Helena works to differentiate its strengths (including products, services and functions) and engages in the creation of added value not from a product starting point but from a customer starting point. To further grow its community-based consulting business, which is one of its strengths, the company is working to build and expand its network of bases and gain a deep understanding of the needs of agricultural operators across the U.S., thereby enhancing its competitive edge.

While the environment surrounding U.S. agriculture remains harsh, including the U.S.-China trade friction, Helena's business performance is solid. In the years to come, the company will leverage the strong local networks at its disposal and its organization to enhance its track record, experience, and ability to make proposals to customers, while accelerating growth by providing customers with its own product lines and consulting services. At the same time, Marubeni will deploy the knowledge and know-how gained from Helena's innovation across the world and work to create further value.

Please refer to the Agri Business Division on PP.76-77 for more details about further value creation initiatives in the agri business.

HORIZON 2-CASE 2

HORIZON 2 | Expanding and Enhancing the Strength of Existing Business Domains CASE 2

U.S.

Beef Processing Business

» **Creekstone Farms Premium Beef LLC** (Creekstone Farms)

Food Division

Creekstone Farms × Marubeni Aiming to maximize synergies

In 2017, Marubeni made investments in Creekstone Farms Premium Beef LLC (Creekstone Farms), which engages in the beef cattle processing and sales business in the U.S.

Processing beef cattle at its own factory in the state of Kansas, Creekstone Farms sells beef to high-end steakhouses and mass retailers across the U.S. and also exports to Asia, Europe and the Middle East. The only beef handled by the company is high-quality Black Angus beef that has been fattened in the U.S. using grain-based feed, and the company is building a business model that features the supply of high-value-added products.

Meanwhile, Marubeni's operations cover safe and reliable meat products based on strict production management cultivated in the global market. These operations include the fattening of high-quality beef cattle and sales business at Australian company Rangers Valley Cattle Station Pty., Ltd. (Rangers Valley), which possesses the experience and know-how to sell to mass retailers, the restaurant industry and livestock processing manufacturers.

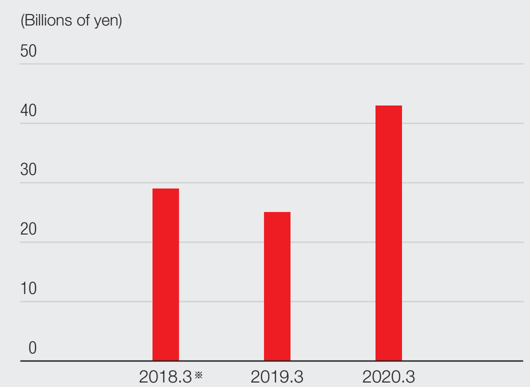
At the present time, Marubeni is implementing initiatives that combine Creekstone Farms' strengths with its own, such as expanding sales of high-quality beef from Creekstone Farms to Asia, including Japan, using Rangers Valley sales channels. The tariff reductions on U.S. beef imports into Japan following the trade agreement between Japan and the U.S. are expected to give added impetus to this initiative.

Please refer to PP.74-75 for more details about the Food Division's business strategies.

Accelerating growth by leveraging huge volume sales chains and outsourced processing trade transactions

From the time when Marubeni made its investment, Creekstone Farms has been steadily outperforming its initial plans. Aiming to further expand operations, in the fiscal year ended March 31, 2020, Marubeni invested approximately ¥12.0 billion and carried out expansion investments, such as for additional factory processing lines and a newly established distribution warehouse. Outsourced processing trade transactions with Walmart Inc. (Walmart), which is the largest volume sales chain in the U.S., started in October 2019, and the beef cattle procured by Walmart are processed efficiently and hygienically at the new Creekstone Farms facility. Creekstone Farms is targeting further growth by means of expansion investments.

Creekstone Farms Profit (Profit attributable to Marubeni)



* Consolidated from second quarter

HORIZON 2-CASE 3

HORIZON 2 | Expanding and Enhancing the Strength of Existing Business Domains CASE 3

Vietnam

Containerboard Manufacturing Business

» **KRAFT OF ASIA PAPERBOARD & PACKAGING CO., LTD** (Kraft of Asia)

Forest Products Division

Wholly owned containerboard manufacturing base established in Vietnam

In 2018, Marubeni established wholly owned KRAFT OF ASIA PAPERBOARD & PACKAGING CO., LTD (Kraft of Asia), which engages in the containerboard manufacturing and packaging materials sales businesses, in Ba Ria-Vung Tau Province in Vietnam. Construction of the plant began in February 2019, and commercial operations are scheduled to commence in the second half of the fiscal year ending March 2021. The plant is slated to have an annual production capacity of 350,000 tons when fully operational in 2022. Marubeni has been involved in the containerboard manufacturing business for more than 60 years. In addition to the management and operating experience gained with Koa Kogyo Co., Ltd. (79.95% Marubeni investment) and Fukuyama Paper Co., Ltd. (55%) in Japan, the Company has also been accumulating knowledge of the containerboard business overseas. Leveraging Koa Kogyo's production skills and know-how and its own sales network, for example by deploying Koa Kogyo personnel to Kraft of Asia, Marubeni aims to expand its operations in the burgeoning Vietnamese containerboard market by conducting operations management that gives consideration to resource and energy conservation.

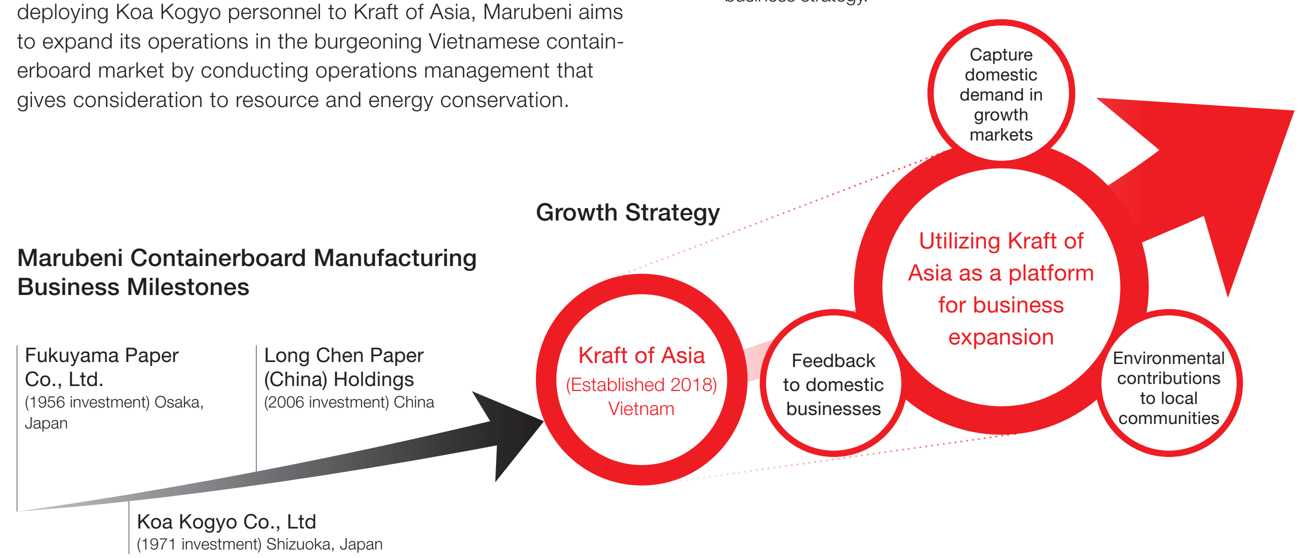
Capture growing demand for containerboard in Vietnam, where economic growth is remarkable

Global demand for containerboard is expected to remain firm in the years to come due to factors that include the expansion of economic scale and the increase of electronic commerce. Of the ASEAN member countries, Vietnam's population of more than 94 million is the third-largest, domestic demand is expanding in line with the increase in national income, and solid economic growth is being achieved by attracting many foreign-owned export sectors. In terms of demand for containerboard, growth is at an annual rate of 7% or more, surpassing other advanced paper manufacturing countries in ASEAN, such as Thailand and Indonesia, and Vietnam is expected to become the largest consumer of containerboard in ASEAN in the first half of the 2020s.

More details about this business can be found on PP.72-73. Please refer to those pages in conjunction with the Forest Products Division's business strategy.

Marubeni Containerboard Manufacturing Business Milestones

Growth Strategy



HORIZON 3-CASE 1

HORIZON 3 | White Space CASE 1

U.S.

Textile Products Recycling Business

» TYTON BioSciences LLC (TYTON)

Lifestyle Division

Aiming to build a business model for a sustainable recycling-oriented economy with innovative fiber recycling technology

In 2019, Marubeni invested in the U.S. company TYTON BioSciences LLC (TYTON), which possesses the technologies to recycle textile products such as fabrics into textile raw materials.

Amid the trend for price reductions for various products and the ongoing increase in supply due to the growth of the global economy, incineration and disposal in landfills have become major social issues even in the case of textile products, which include fabrics.

TYTON's technologies utilize the hydrolysis method, which minimizes the use of chemicals while reducing the environmental load by recycling cotton and polyester products into polyester raw materials and cellulose fiber raw materials. Since its fiber recycling efficiency is high, this epoch-making technology contributes to waste reduction and the circular economy*1.

At the same time as responding to the preferences of consumers who show increasing environmental awareness with every passing year and to the needs of related companies such as SPA*2, which provides products to such consumers, the Marubeni Group aims to build a business model that achieves a sustainable circular economy.

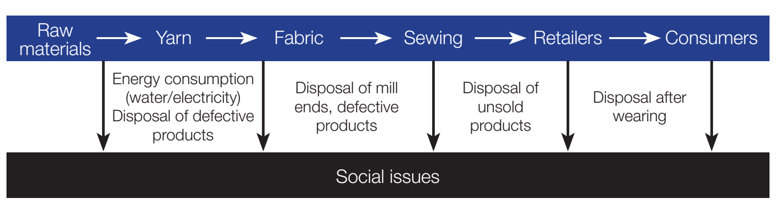
Globally developing recycling-type supply chains by capitalizing on Marubeni Group platforms

Marubeni has long built strong relationships with leading companies at each stage of the supply chain, including raw material manufacturers, spinning and cotton mills, and sewing factories in Asia. In 2017, Marubeni gained access to the sales channels of global European SPA companies by investing in Turkey's Saide Tekstil Sanayi ve Ticaret Anonim Sirketi, which plans, manufactures and sells clothing and other products. Capitalizing on these Marubeni Group global networks as a platform in combination with TYTON's technical prowess, we will build a global supply chain in the major markets of the Americas and Europe as well as in Asia, which is a production base and a promising market for the future.

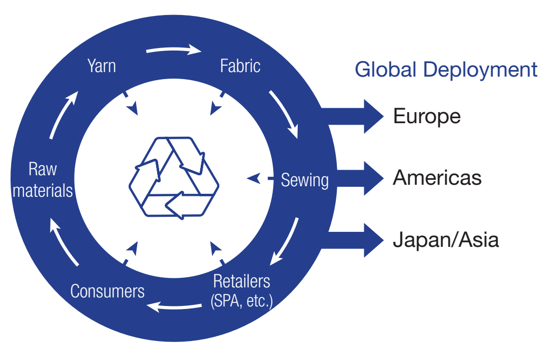
*1 Circular economy: Rather than a one-way economic system that collects and disposes of resources, an economic system that cyclically utilizes resources, or a business model that maximizes the utilization of products, parts, and resources and continues recycling and reusing them.
*2 Specialty store retailer of Private label Apparel: A retail business that consistently handles all aspects, from product planning to manufacturing and sales.

Please refer to PP.68-69 for more details about the Lifestyle Division's business strategies.

Existing Supply Chain



Circular Supply Chain



HORIZON 3-CASE 2

HORIZON 3 | White Space CASE 2

U.S.

Structural Health Monitoring System Business

» Acellent Technologies, Inc. (Acellent)

Construction, Industrial Machinery & Mobility Division

Aiming for safe and secure social environments

In 2018, Marubeni invested in Acellent Technologies, Inc. (Acellent), a U.S. company that designs, develops, and sells structural health monitoring (SHM) systems.

In recent years, frequent collapses and damage due to the aging of social infrastructure, such as railways and other transportation equipment, large-scale production facilities, power plants and highways, have become a major social issue. SHM systems incorporate technologies that can build up a picture, in real time, of any damage or deterioration in structures (transport aircraft and mechanical equipment, infrastructure) as well as changes caused by stress.

A venture company from Stanford University in the U.S., Acellent developed a stick-on sensor called SMART Layer and a high-precision analysis technology that eliminates noise (signal interference) in high-vibration environments. This enabled the use of SHM systems in the areas of transport aircraft and mechanical equipment, where their application had previously been beset with difficulties.

Capitalizing on its networks that extend all over the world, Marubeni aims for safe and secure social environments by developing applications for all structures based on Acellent's technologies.

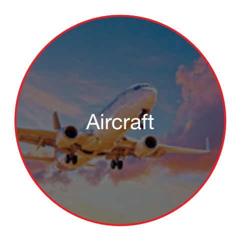
Pursuing new business models using SHM technology with Marubeni as the platform

It can be expected that Acellent's technology will be utilized in a variety of industries. By combining SHM technology with Marubeni's worldwide network and points of contact with a range of industries in one platform, the Company is aiming to provide not only simple abnormality detection systems but also services, such as flat-rate monitoring of mechanical equipment for cracks and corrosion, and services that formulate optimal maintenance plans based on monitored information.

Over the medium to long term, Marubeni will examine the possibilities of a new business model that could be called "SHM as a Service." This business would cover, for example, machine sales that guarantee the minimum utilization rates for equipment by preventing the occurrence of sudden downtime, and development of insurance products that would cover the loss of profits due to equipment failures.

More details about this business can be found on PP.92-93. Please refer to those pages in conjunction with the Construction, Industrial Machinery & Mobility Division's business strategy.

Examples of SHM System Utilization (Application Examples)



Will detect the occurrence of damage, such as airframe cracks, at an early stage and thereby improve safety

Will detect cracks at an early stage, thereby improving machinery utilization rates and reducing lost opportunities

By replacing visual inspections, will improve maintainability by detecting the occurrence of corrosion and cracks

Will automatically detect an object in the event of a collision (pedestrian protection by linking to an external airbag)

Roundtable Discussion with External Directors

Takao Kitabata
External Director

×

Kyohei Takahashi
External Director

×

Yuri Okina
External Director

Building a governance system to achieve desired long-term management goals

What should Marubeni do now to realize the sustainable growth of corporate value? Three of the Company's external directors discuss topics ranging from improving the effectiveness of the Board of Directors, to Marubeni's sustainability, and the roles of the Nomination Committee and Governance and Remuneration Committee.

Towards a more effective Board of Directors

Kitabata: In addition to Marubeni's compliance with all principles of Japan's Corporate Governance Code, I really appreciate the Company's commitment to a series of corporate governance reforms since the Japanese version of the Sarbanes-Oxley Act was implemented. An easy-to-understand example is the change in the composition of the Board of Directors. When I became a director at Marubeni seven years ago, there were only two external directors on the Board. Now, of the 11 board members, five are external directors. Female directors also continue to be appointed. In these ways, the Company is taking steps to reform the governance system to include more diverse viewpoints. Aside from the Chairperson, the ratio of internal to external directors is 5 to 5. In addition, although they don't have voting rights, Audit & Supervisory Board members (three external and two internal) also attend Board meetings and participate in discussions. So, in terms of numbers, there is an even balance between internal and external members.

Still, I think there is room for improvement, in terms of both the content of Board meeting agenda items and the timing of their submission. For example, some proposals could be referred to other deliberative bodies such as the Corporate Management Committee. To this end, it is necessary to revitalize internal company meetings, as well as redefine the roles of the respective deliberative bodies, such as shifting the role of the Board of Directors towards monitoring. Also, I think that the timing of submitting agenda items should be more flexible. For example, I think it would be better to have proposals for large-scale M&A projects and other complex projects submitted earlier than usual. If we can resolve these issues, I believe the Board of Directors, in which the role of external directors is central, will be even more effective.

Takahashi: I'm involved in evaluating the effectiveness of the Board of Directors as Chair of the Governance and Remuneration Committee. Every year, we appoint outside experts to gather opinions from all directors and Audit & Supervisory Board members. I think the more the quality of the Board has improved, the more deeply it has been able to evaluate effectiveness. We have also revised and improved our methods of gathering opinions so that more specific points of view can be heard.

Among its efforts to improve effectiveness, where I think Marubeni has done particularly well is putting in place a system where the Secretariat briefs us in advance on agenda items, so that the Board is able to adequately discuss issues. Many of the projects Marubeni is involved in are quite complex and broad in scope, so it's crucial that the external directors in particular are able to fully grasp a project's outlines before the Board meets. I think the Company has done well in creating such an environment, including the support of the Secretariat, which is enabling a more effective corporate governance system.

On the other hand, there are three major issues. First of all, as Mr. Kitabata said, the Board of Directors is asked to deliberate on too many matters. I think the Board can be more effective if agenda items under consideration are reviewed and those that are submitted to the Board are chosen more selectively. This would allow us to more fully discuss each case. The second issue is how to incorporate diversity into the Board of Directors. Marubeni is a company that engages in fierce competition with Western companies in global markets. So, I believe there is room to deepen the quality of our discussions by increasing the diversity of Board members to a level on a par with that of Western companies. For instance, by increasing the ratio of female directors and incorporating the perspectives of non-Japanese directors it's possible we would see opinions and ideas coming from a totally different angle. Finally, I think how we bring the perspectives of shareholders and investors into Board meetings and reflect them in management is also an issue. At the meetings of the Board and other meetings, the CFO, who is in charge of Investor Relations, faithfully reports to us the opinions of shareholders and investors. In the future, though, I think it would be good to create more opportunities for both external and internal directors to have direct discussions with shareholders and investors and hear their opinions.

Okina: One place where I think Marubeni's corporate governance excels is the very active discussions we have around various agenda items, where the opinions of each person, whether they agree or disagree, are respected. Even if I have an objection, I am able to freely express my own opinion, and other people are free to respond fully, which is proof that the Board meetings are conducted in a highly transparent and open way. I think this is due in part to the fact that the Chairperson of the Board, as well as the other Board members, have conducted the proceedings in a manner that clearly respects the input of external directors.

In terms of issues, as Mr. Kitabata and Mr. Takahashi both mentioned, I believe we need to rethink the agenda and shift the focus of the Board of Directors to more supervisory and monitoring functions, rather than as a place to make business decisions. Our conversations should center on themes such as discussing various issues from a medium- to long-term perspective, the business portfolio Marubeni ought to be pursuing, and the future business of the general trading company. Also, the Board, and especially the external directors, should have more robust discussions about whether the Company is carrying out business activities with an eye to shareholder and investor concerns, and consider a range of specific measures needed to do so.

About Marubeni's Sustainability

Kitabata: Marubeni is currently engaged in businesses that contribute to addressing environmental and social issues, such as solar power generation, bio-jet fuel, and water businesses. I think the spirit of Marubeni's founders, "good for the seller, good for the buyer, good for society," is very relevant to the SDGs and sustainability of our time. In that sense, helping to solve social issues is one of the reasons why Marubeni has existed since its founding.

I believe, for Marubeni, the foundation for achieving sustainability is, first of all, human capital. It is important for the Company to develop a culture that can attract motivated employees, and then hone their abilities so that they can go on to play an active role in expanding the business.

Takahashi: At Marubeni, the Sustainability Management Committee plays a central role in formulating a clear sustainability policy for the Company. As Mr. Kitabata mentioned earlier, human capital is the key to how this policy is applied to specific actions and made to bear fruit. In Marubeni's case, the Company is engaged in a wide range of businesses that extend around the world. Naturally, its employees are also active all over the world, so it is crucial to create a mechanism for instilling a sustainability mindset in each employee. Moreover, by leveraging its global network and supply chain, I think the Company is able to take a comprehensive approach to the social issues it aims to help solve, while also possibly creating new business opportunities.

Okina: I am a member of the Sustainability Management Committee, which was formed two years ago. Since the beginning, committee members from across the organization have been engaged in very animated discussions. It's been encouraging to see the members' willingness to rethink their business activities and make bold proposals based on what they experience in the field. As an example of their achievements, the Company has made a decision, based on a long-term perspective, to halve its coal-fired power net generation capacity and also announced early on its support for the TCFD* recommendations.

Marubeni has identified several categories of Fundamental Materiality and Environmental & Social Materiality. Among them, it is the shared understanding of members of the Sustainability Management Committee that human capital is Marubeni's most important asset. As an investment in human capital, it is essential to put in place a system that provides employees with a variety of opportunities and experiences. I think this idea is also leading to a review of the Company's HR system. It is my belief that "sustainability" has steadily become one of management's principles.

* TCFD (Task Force on Climate-related Financial Disclosures): Established by the Financial Stability Board (FSB).

Kitabata: As Ms. Okina said, the policy Marubeni established on the coal-fired power generation business was a major management decision in terms of profitability. At the same time, I think it was very significant in terms of signaling to the world Marubeni's commitment to responding to the expectations of society. Moreover, in terms of initiatives to grow the business, it is necessary to continue to take on even small-scale projects. Marubeni's track record in the solar power generation business has grown steadily, so much so that the size of a single solar power project in the Middle East, for example, is as large as that of one nuclear power plant in terms of the generation capacity. I am looking forward to seeing the Company push forward in business areas that successfully help to address new social issues, such as water, food, and marine plastic waste. Moreover, along with the COVID-19 pandemic, companies are being called on not only to develop vaccines, but to respond to social needs in other areas as well. In Japan and overseas, we will see growing demand for environmental activities as well as improved hygiene. I believe Marubeni is a company that can take advantage of major business opportunities while actively responding to such new social demands.

Takahashi: Speaking of the current pandemic, one outcome has been the introduction of new working styles, such as working remotely from home or elsewhere. Before, this was a convenient option but it was not much utilized. Going forward, I think the working styles of Japanese firms will be transformed. Beyond the current crisis, we will see a paradigm shift not only in workstyles but in lifestyles. The Company will need to be ready to respond to the needs that emerge from this.

Okina: I would like the Company to take the lead in workstyle reform. Marubeni is improving its IT environment and actively introducing telecommuting, but as I said at the Board meeting the other day, there is still some work that can't be done without coming into the office, and further revision is needed. It is my hope that Marubeni can bring about a virtuous cycle: By enabling flexible working styles that are conducive to a healthier work-life balance, Marubeni will be recognized as a more sustainable company, and will therefore attract the kind of employees it is looking for.

On the other hand, I think a major risk from the current pandemic is that it will be extremely difficult for management of global companies to navigate all the increasing uncertainties they face. In Japan, we are exposed to major changes in the business environment due to the impact of COVID-19, such as an expected surge in the number of companies with insufficient capital. Marubeni will need to deal with a variety of risks as it moves forward in a post-COVID environment.

Roles of the Nomination Committee and Governance and Remuneration Committee

Kitabata: The role of the Nomination Committee is to examine director and Audit & Supervisory Board member candidates proposed to be presented at the General Meeting of Shareholders, and report its findings to the Board of Directors. It also deliberates on proposals for executive appointments drafted by the President. Thoroughly discussing all proposals in the Nomination Committee, a majority of whose members are external directors, is one mechanism for ensuring the transparency of the appointment process.

I currently chair the Nomination Committee. I believe a key role for the Committee going forward will be to formulate a succession plan. Marubeni needs to raise up senior executive candidates who, in their actions and management decisions, are able to lead the Company appropriately regardless of how the times change, and to establish training programs to that end.

Takahashi: To date, the Governance and Remuneration Committee, which I chair, has revised a part of Marubeni's compensation structure. Specifically, in addition to consolidated net profits, which were already used as a performance-based compensation indicator, we revised the compensation structure to include core operating cash flow* as a further indicator. As Marubeni is involved in a number of large-scale investment projects, we consider cash flows generated from such projects to be a highly relevant indicator of the Medium-Term Management Strategy GC2021, and thus reflected this in the compensation structure.

In the fiscal year ended March 31, 2017, we also introduced stock options, to create a greater incentive to contribute to share price appreciation and growth of shareholder value, as well as to share the rewards and risks of share price fluctuations with shareholders.

Furthermore, in the fiscal year ended March 31, 2020, to create a further incentive to grow future market capitalization, we introduced stock options with terms that can only be exercised if the Company's market capitalization has increased after three years, and if the growth rate of market capitalization has exceeded the TOPIX (Tokyo Stock Price Index) growth rate.

Okina: Amid increased demand for supervision and monitoring of the Board of Directors, the dual system of oversight of the Nomination Committee and the Governance and Remuneration Committee is effective, and will lead to more robust corporate governance. In terms of the Nomination Committee, as Mr. Kitabata mentioned, I also think the creation of a succession plan is a key issue. A solid framework, in which the Nomination Committee plays a central role in the selection and development of senior executive candidates, is needed. I also think the Governance and Remuneration Committee plays a critical role in maintaining a fair, impartial, highly transparent compensation framework, and in remaining accountable to shareholders and investors. I've only just joined the Nomination Committee, and I would like to make a strong contribution to growth in Marubeni's corporate value.

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

Corporate Governance System

For more details, see our website.

Corporate Governance Report:
https://www.marubeni.com/en/company/governance/data/cg_en.pdf

Corporate Governance Code Initiatives:
https://www.marubeni.com/en/company/governance/data/cgcord_en.pdf

Corporate Governance System Summary

Basic View on Corporate Governance

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

Moreover, in light of contemporary social expectations, Marubeni is strengthening its corporate governance for improved coexistence with society, by deepening engagement with diverse stakeholders, enhancing the effectiveness of the Board of Directors' oversight function, and bringing greater transparency to management.

Corporate Governance Chart

Organizational design	Company with auditor system
Directors (including external)	11 (Five)
Audit & Supervisory Board members (including external)	Five (three)
Term of office for directors	One year
Executive officer system adopted	Yes
Number of meetings of the Board of Directors (FYE 3/2020)	17
Number of meetings of the Audit & Supervisory Board (FYE 3/2020)	15
Advisory bodies to the Board of Directors (voluntary)	Nomination Committee, Governance and Remuneration Committee
Executive compensation system	❶ Basic compensation / ❷ Performance-based compensation / ❸ Bonuses / ❹ Individual evaluation-based compensation / ❺ Compensatory stock options subject to market-capitalization-based exercisability conditions
Independent auditor	Ernst & Young ShinNihon LLC

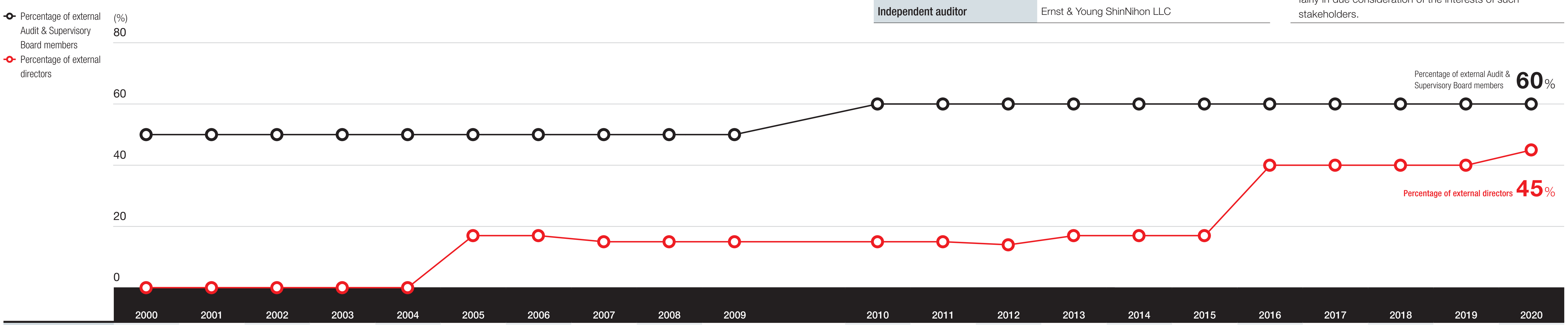
Roles and functions of External Directors and External Audit & Supervisory Board Members

1. Contributing various outside perspectives
Bring new vitality to the Board of Directors and the Audit & Supervisory Board by offering advice and suggestions based on a wealth of experience in various areas of origin and insights thereby gained, and share meaningful opinions from viewpoints not bound by Marubeni's particular corporate culture or customs

2. Strengthening check and supervisory functions
Strengthen representative directors' check and oversight functions by ensuring deliberation and decision-making based on fair, clear reasoning and standards acceptable to those outside the Company.

3. Check for conflicts of interest
In situations where a conflict of interest exists between management and shareholders or other stakeholders, ascertain whether management is conducting business fairly in due consideration of the interests of such stakeholders.

Timeline of Changes in Corporate Governance at Marubeni

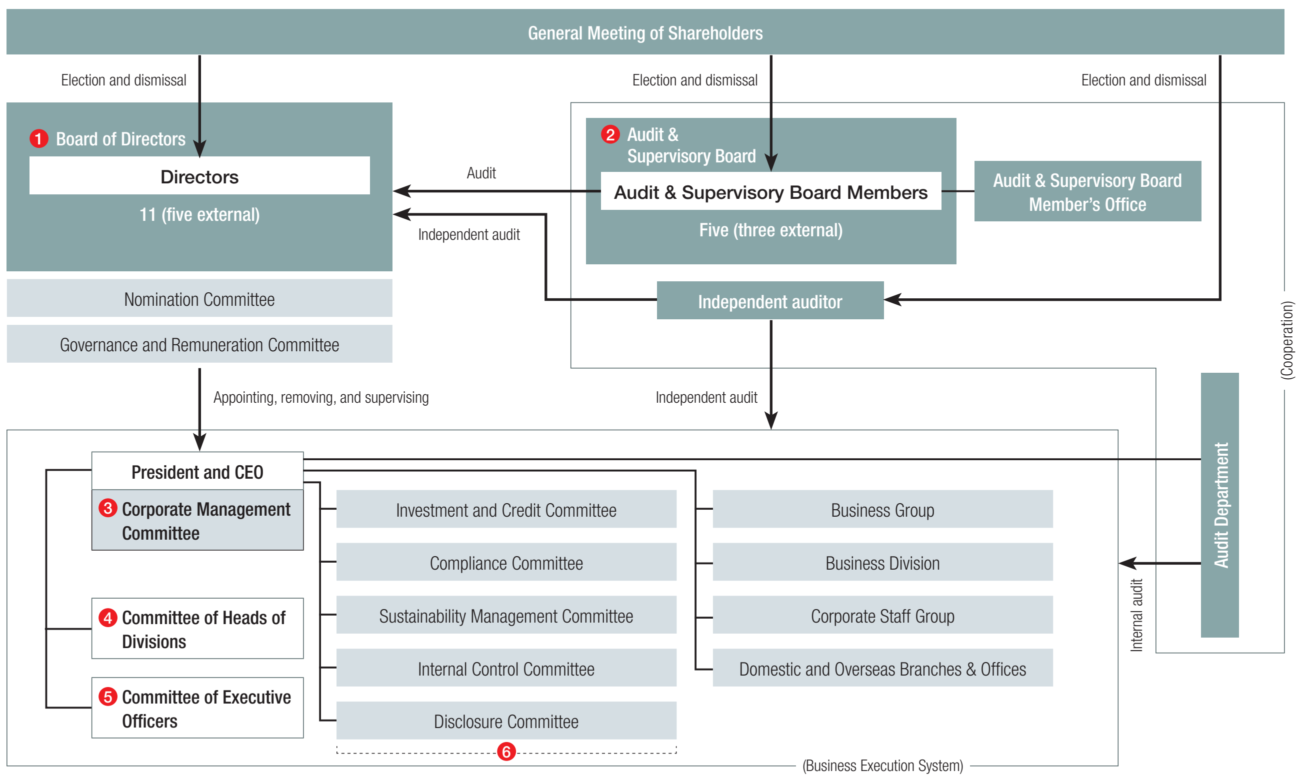


Year	Clarification of accountability framework	Enhancement of management transparency and soundness	Enhancement of supervisory and audit functions	Enhancement of decision-making functions
2000	• Adoption of executive officer system			Establishment of Committee of Heads of Divisions, adoption of managing officer system
2001				
2002		• Establishment of Compliance Committee		• Reduction in number of directors
2003	• Term of directors changed from two years to one Establishment of Committee of Executive Officers	• Establishment of Investment and Credit Committee	Establishment of Audit & Supervisory Board Member's Office Significant increase in number of Audit Department members	
2004		Proceedings conducted by the Chairman of Marubeni, who has no executive authority in capacity as Chair of the Board of Directors		
2005			• Appointment of external directors (two persons)	
2006		Establishment of basic internal control policy		
2007				
2008		• Establishment of Internal Control Committee • Establishment of Disclosure Committee • Establishment of CSR & Environment Committee	Participation of external directors in Committee of Executive Officers meetings	
2009				
2010			• Increase in external Audit & Supervisory Board members (three persons)	
2011				
2012				
2013		Formulation of standards and methodology regarding independence of external executives	• Appointment of female external director (one person)	
2014				
2015				Abolishment of managing officer system, adoption of Group CEO system
2016		• Establishment of Nomination Committee • Establishment of Governance and Remuneration Committee • Implementation of effectiveness evaluations for the Board of Directors • Formulation of appointment criteria for Directors and Audit & Supervisory Board members	• Increase in external directors (four persons)	• Change in the Board of Directors composition, from 12 directors to 10
2017				
2018		• Establishment of Sustainability Management Committee		
2019		• Abolishment of Advisor System		Flattened the chain of command from four layers to three layers
2020			• Increase in external directors (five persons)	

MARUBENI CORPORATION INTEGRATED REPORT 2020

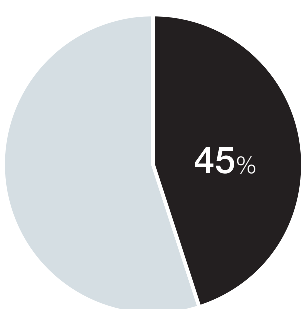
Corporate Governance System

Corporate Governance Structure



❶ Board of Directors

Percentage of external directors



Overview of the Board of Directors

Composition	11 directors (five external)
Number of Board meetings	17
Purpose	• In accordance with laws and regulations and the Articles of Incorporation, the Board decides important management matters and supervises the business conduct of directors. • In principle, the Chairman of the Board, who does not have representative rights or the authority to conduct business, chairs meetings of the Board of Directors. • Directors, based on business duties determined by the Board of Directors, conduct business in accordance with laws and regulations and the Articles of Incorporation, and provide status reports to the Board at least once every three months. • External directors are appointed to ensure the effectiveness of corporate governance. • Marubeni adopts an executive officer system to improve the efficiency of conducting business. Also, Group CEOs participate in the Company's overall management, and supervise overall operations of the business groups under their direction in accordance with the Company's management policies.
Term of office for directors	Set at one year, to clarify management responsibilities and flexibly build an optimal management system that can address changes in the business environment.

The following committees have been established as advisory bodies to the Board of Directors.

Nomination Committee

Composition	**Chair:** Takao Kitabata, Director (External) **Members:** Masumi Kakinoki, President and CEO, Member of the Board Yuri Okina, Director (External) Takashi Hatchoji, Director (External)
Purpose	• The Nomination Committee deliberates on candidates proposed for appointment as directors and Audit & Supervisory Board members as well as for the next CEO, and on succession plans formulated and enacted by the CEO (including qualifications, requirements, successor candidate groups, and training and development plans), and reports its findings to the Board.

Governance and Remuneration Committee

Composition	**Chair:** Kyohei Takahashi, Director (External) **Members:** Masumi Kakinoki, President and CEO, Member of the Board Mutsumi Ishizuki, Senior Managing Executive Officer, Member of the Board Masato Kitera, Director (External) Tsuyoshi Yoneda, Audit & Supervisory Board Member (External) Yoichi Kikuchi, Audit & Supervisory Board Member (External)
Purpose	• The Governance and Remuneration Committee deliberates on decision-making policies and the suitability of standards regarding compensation for directors and executive officers, and reports its findings to the Board. • Also assesses and reviews the Board of Directors as a whole, including Board composition and operations, and reports its findings to the Board.

Evaluation of the Effectiveness of the Board of Directors

Target	All Directors (nine people) and Audit and Supervisory Board members (five people) * As of February 2020
Frequency	Once a year
Implementation	An anonymous questionnaire survey is conducted. * The Company utilizes an external specialized institution to conduct the survey. In the fiscal year ended March 31, 2020, to better assess recent changes in the environment surrounding governance, the structure and content of the questionnaire evaluating the effectiveness of the Board of Directors were significantly revised compared with previous versions, such as an increase in the number of descriptive questions.
Evaluation Items	(1) Roles and responsibilities of the Board of Directors (2) Relationship between the Board and senior executives (3) Organizational design and composition of the Board and other bodies, nature and expertise of directors and of the Board of Directors (4) Deliberation by the Board of Directors (5) Relationship and dialogue with shareholders (6) Engagement with stakeholders other than shareholders (7) Overall, other factors
Evaluation Process	The Board of Directors discussed the results of the evaluation and review by the Governance and Remuneration Committee concerning the overall Board of Directors, including its composition and operation, based on responses to the questionnaire.

Overview of the Evaluation Results in the fiscal year ended March 31, 2020	The Board of Directors discussed the results of the evaluation and review by the Governance and Remuneration Committee and confirmed that, on the whole, the Board of Directors is being operated effectively. On the other hand, from the perspective of improving corporate value over the medium to long term, strengthening supervision and monitoring of management policies and enhancing discussions based on feedback from shareholders regarding expectations for the Board were cited as issues for the Board of Directors. In light of this evaluation and review, Marubeni will work to maintain and further improve the effectiveness of the Board of Directors, focusing on the above issues. Furthermore, regarding Group governance, Marubeni formulated the Marubeni Group Governance Policy on April 1, 2017. The policy aims to maximize the corporate value of the Group and achieve sustainable growth, with the goal of sharing and disseminating the Group's management policies and strengthening governance by clarifying the roles, authority, and responsibilities of Marubeni and Marubeni Group companies. Since the policy was formulated, while a certain standard of group governance has been upheld, the Board will continue to monitor actions to further disseminate the policy and put it into practice.

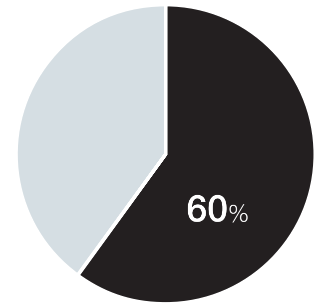
Reason for Appointment and Main Activities

(As of June 19, 2020)

Name	Independent	Reason for Appointment/ Main Activities	Advisory Committee	Biography
Chief External Director **Takao Kitabata**	○	**Reason for Appointment** Mr. Kitabata served in key positions in the government and has profound insight about economic trends in Japan and overseas. He vigorously stated opinions at meetings of the Board of Directors from an objective, specialist viewpoint. As the Chief External 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 Nomination Committee, he vigorously stated opinions in order to enhance soundness, transparency, and efficiency of the Corporation's management. In view of the above, the Board decided to reappoint him as External Director. **Main Activities** Participated in 16 out of a total of 17 Board meetings held during the business year under review and made appropriate remarks based primarily on his broad experience in government service and the deep insight he gained through such experience.	Chairman of Nomination Committee	• Vice-Minister of Economy, Trade and Industry, Ministry of Economy, Trade and Industry (METI) • Director, Kobe Steel, Ltd. (current) • Audit & Supervisory Board Member of Marubeni Corporation • Chairman of the Board, SANDA GAKUEN Junior High School & High School • Director, SEIREN Co., Ltd. (current) • Director, Zeon Corporation (current) • President, KAISHI PROFESSIONAL UNIVERSITY, Niigata Sogo Gakuin Academic Corporation (current)
Kyohei Takahashi	○	**Reason for Appointment** 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 External 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 and a member of the Nomination Committee, he vigorously stated opinions in order to enhance soundness, transparency, and efficiency of the Corporation's management. In view of the above, the Board decided to reappoint him as External Director. **Main Activities** Participated in all meetings of the Board of Directors held during the business year under review and made appropriate remarks based primarily on his broad experience of having been an executive of various corporate entities and the deep insight he gained through such experience.	Chairman of Governance and Remuneration Committee	• Representative Director, President and Chief Executive Officer (CEO), Showa Denko K.K. • Audit & Supervisory Board Member of Marubeni Corporation • Audit & Supervisory Board Member, Fukoku Mutual Life Insurance Company (current) • Advisor, Showa Denko K.K. (current)
Yuri Okina	○	**Reason for Appointment** 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 and the Financial System Council. She vigorously stated opinions at meetings of the Board of Directors from a specialist and multifaceted viewpoint in order to enhance soundness, transparency, and efficiency of the Corporation's management. As External Director of the Corporation, she has been providing advice to management and appropriately supervising business execution. Additionally, she has been proactively expressing her opinions as an advisor to the Sustainability Management Committee to reinforce the Corporation's sustainability promotion structure. In view of the above, the Board decided to reappoint her as External Director. **Main Activities** Participated in all Board meetings of the Board held during the business year under review and made appropriate remarks based on her broad experience primarily at a research institute and the deep insight she gained through such experience.	Nomination Committee	• Director, Nippon Yusen Kabushiki Kaisha • Director, Seven Bank, Ltd. • Director, Bridgestone Corporation (current) • Chairperson, The Japan Research Institute, Limited (current)
Takashi Hatchoji	○	**Reason for Appointment** Mr. Hatchoji has profound insight cultivated through his involvement in corporate management at an international company and has a wealth of experience in providing advice for and supervising business execution, serving as an outside officer of other companies. He has been an External Audit & Supervisory Board Member of the Corporation since June 2017. He has a good knowledge of the Corporation's business and has been providing advice to management and appropriately supervising business execution from objective and specialist perspectives with an emphasis on practicality, in order to enhance soundness, transparency, and efficiency of the Corporation's management. Additionally, he has been proactively expressing his opinions as an advisor to the Sustainability Management Committee to reinforce the Corporation's sustainability promotion structure. In view of the above, the Board decided to newly appoint him as External Director. **Main Activities** —	Nomination Committee	• President and Representative Director, Hitachi Research Institute • Representative Executive Officer, Executive Vice President and Executive Officer, Hitachi, Ltd. • Director, Nitto Denko Corporation (current) • Director, KONICA MINOLTA, INC. (current) • Audit & Supervisory Board Member of Marubeni Corporation
Masato Kitera	○	**Reason for Appointment** 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 of diversity, which is indispensable in management of the Corporation. The Corporation believes that he will be able to provide advice to management and appropriately supervise business execution in order to enhance soundness, transparency, and efficiency of the Corporation's management. In view of the above, the Board decided to newly appoint him as External Director. **Main Activities** —	Governance and Remuneration Committee	• Director-General, International Cooperation Bureau, the Ministry of Foreign Affairs • Deputy Minister, the Ministry of Foreign Affairs • Assistant Chief Cabinet Secretary • Ambassador and Plenipotentiary to People's Republic of China • Ambassador to France, Andorra, and Monaco (Resigned in Dec. 2019)

❷ Audit & Supervisory Board

Percentage of external Audit & Supervisory Board members



Overview of Audit & Supervisory Board

Composition	Five auditors (three external)
Number of meetings	15
Activities	• As a company with auditors, Marubeni has an Audit & Supervisory Board. Audit & Supervisory Board members oversee directors' execution of their duties by attending Board of Directors meetings and other important management gatherings and investigating operations and the status of assets pursuant to audit policies and audit plans formulated at Audit & Supervisory Board meetings. • The Audit & Supervisory Board meets every other month, and as needed. • Main areas considered by the Board are the preparation of audit reports, appointment and dismissal of full-time Audit & Supervisory Board members, methods of examining auditing policies and operations and the status of assets, and other matters related to carrying out duties of Audit & Supervisory Board members. Other areas considered include the appointment, dismissal, and non-reappointment of independent auditors, approval of compensation for independent auditors, and other matters brought up for resolution by the Audit & Supervisory Board.

Reason for Appointment and Main Activities

(As of June 19, 2020)

Name	Independent	Reason for Appointment/ Main Activities	Advisory Committee	Biography
Tsuyoshi Yoneda	○	**Reason for Appointment** Mr. Yoneda has a wealth of experience serving in key positions in the government from which he gained profound insight. He also has experience of serving as an outside officer of another company. Therefore, the Corporation believes that he will appropriately fulfill duties as an External Audit & Supervisory Board Member of the Corporation from a neutral and objective stance with a practical viewpoint and contribute to improvement of corporate governance and enforcement of audits by the Audit & Supervisory Board. In view of the above, the Board decided to reappoint him as an External Audit & Supervisory Board member. **Main Activities** Participated in all meetings of the Board of Directors and 14 out of a total of 15 meetings of the Audit & Supervisory Board held during the business year under review and made appropriate remarks based primarily on his broad experience in government service and the deep insight he gained through such experience.	Governance and Remuneration Committee	• Commissioner General, National Police Agency • Director, Japan Exchange Group, Inc. (current)
Yoichi Kikuchi	○	**Reason for Appointment** Mr. Kikuchi has a wealth of experience in legal circles and excellent expertise and profound insight cultivated through his experience. The Corporation believes that he will appropriately fulfill duties as an External Audit & Supervisory Board Member in monitoring and supervision of management and contribute to improvement of corporate governance of the Corporation and enrichment of audits by the Audit & Supervisory Board. In view of the above, the Board decided to newly appoint him as External Audit & Supervisory Board member. **Main Activities** —	Governance and Remuneration Committee	• Head of Tokushima District Court & Family Court • Head of Kyoto District Court • Chief Judge of Division, Tokyo High Court • Head of Hiroshima High Court • Attorney-at-law (current)
Shigeru Nishiyama	○	**Reason for Appointment** Mr. Nishiyama has a high degree of expertise and a wealth of experience in accounting and finance and profound insight cultivated through such experience, as well as abundant experience as outside director/auditor of various companies. The Corporation believes that he will appropriately fulfill duties as an External Audit & Supervisory Board Member in monitoring and supervision of management and contribute to improvement of corporate governance of the Corporation and enrichment of audits by the Audit & Supervisory Board. In view of the above, the Board decided to newly appoint him as External Audit & Supervisory Board member. **Main Activities** —		• Professor, Waseda Business School (Graduate School of Business and Finance) (current) • Auditor of the Board (Outside), Mitsui Sumitomo Insurance Company, Limited (current) • Audit and Supervisory Committee Member, UNIPRES CORPORATION (current) • Audit and Supervisory Board Member, Ricoh Company, Ltd. (current) • Specially Appointed Professor, Shizenkan University Graduate School of Leadership & Innovation (current) • Director, Chairman of the Audit Committee, Macromill, Inc. (current)

❸ Corporate Management Committee

Composition	Four representative directors including the President, one senior executive vice president, one senior managing executive officer, three managing executive officers, one full-time Audit & Supervisory Board member

Masumi Kakinoki
Representative Director, President and CEO

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

Kenichiro Oikawa
Representative Director and Managing Executive Officer
Chief Digital Innovation Officer (CDIO); Chief Strategy Officer (CSO); Regional CEO for East Asia; Regional CEO for Japan Business; Vice Chairman of Investment and Credit Committee

Takayuki Furuya
Representative Director and Managing Executive Officer
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

Akira Terakawa
Senior Executive Vice President
Chief Executive Officer, Food, Agriculture & Chemicals Group; Chief Operating Officer, Food Div.

Hajime Kawamura
Senior Managing Executive Officer
Chief Executive Officer, Transportation & Industrial Machinery, Financial Business Group

Akihiko Sagara
Managing Executive Officer
Chief Executive Officer, Energy & Metals Group

Jun Hirasawa
Managing Executive Officer
Chief Executive Officer, Consumer Products Group

Yoshiaki Yokota
Managing Executive Officer
Chief Executive Officer, Power Business & Infrastructure Group

Number of meetings	34
Purpose	• Established as an advisory committee to the President, deliberates on important management matters.

❹ Committee of Heads of Divisions

Composition	President, representative directors, Division COOs, and regional CEOs and COOs appointed by the President.
Number of meetings	Three
Purpose	• Deliberates on matters related to management performance, including budgets, financial results, and funding plans.

❺ Committee of Executive Officers

Composition	34 executive officers (4 of whom are also directors)
Number of meetings	Four
Purpose	• Directs management policies issued by the President, exchanges information, and reports on financial performance, internal audits, and other issues related to management performance.

The following committees have been established as advisory bodies to the Board of Directors.

❻ Various committees

Committee	Role	Chair	Meeting Frequency
Investment and Credit Committee	Discusses and approves projects pending approval, such as investments. The Chair forwards items discussed in the committee for inclusion on Corporate Management Committee agendas.	Representative Director and Managing Executive Officer Takayuki Furuya	In principle, held one time a week Number of meetings in the business year under review: 28
Compliance Committee	Provides support and guidance with regard to practicing compliance and as such develops, maintains, and manages the Marubeni Group's compliance structure.	Representative Director and Senior Managing Executive Officer Mutsumi Ishizuki	In principle, held four times a year and as needed. Number of meetings in the business year under review: four
Sustainability Management Committee	Defines/redefines materiality inclusive of ESG (environmental, social and governance) considerations across all business domains and deals with sustainability-related matters, including ESG compliance.	Representative Director and Managing Executive Officer Takayuki Furuya	In principle, held one time a year and as needed. Number of meetings in the business year under review: 10
Internal Control Committee	Monitors the development and implementation of basic internal control policies under the Companies Act, as well as drafting revisions when necessary. Also establishes, operates, and verifies the effectiveness of internal control systems for financial reports in accordance with the Financial Instruments and Exchange Act, and drafts internal control reports.	Representative Director and Senior Managing Executive Officer Mutsumi Ishizuki	Held as needed Number of meetings in the business year under review: three
Disclosure Committee	Creates disclosure principles and policies, ensures that internal systems concerning legally mandated and timely disclosure are in place, and decides the importance and appropriateness of the information targeted for legally mandated or timely disclosure.	Representative Director and Managing Executive Officer Takayuki Furuya	Held as needed Number of meetings in the business year under review: nine

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

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

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

Voting Standard for Cross-Shareholdings (Listed General Investment Shares)

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

Training for directors and auditors

Marubeni provides, in an appropriate and timely manner, information to external directors and external Audit & Supervisory Board members that they need to perform their duties, with the aim of enabling a better understanding of the Group's management philosophy, corporate management, business activities, and organization. The Company will also provide opportunities for both internal and external directors and Audit & Supervisory Board members to take part in seminars and other training events necessary to fulfill their roles and responsibilities, and will cover the costs incurred.

Directors and Audit & Supervisory Board Members' Compensation

Remuneration for Directors and Audit & Supervisory Board Members

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

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

(As of June 19, 2020)

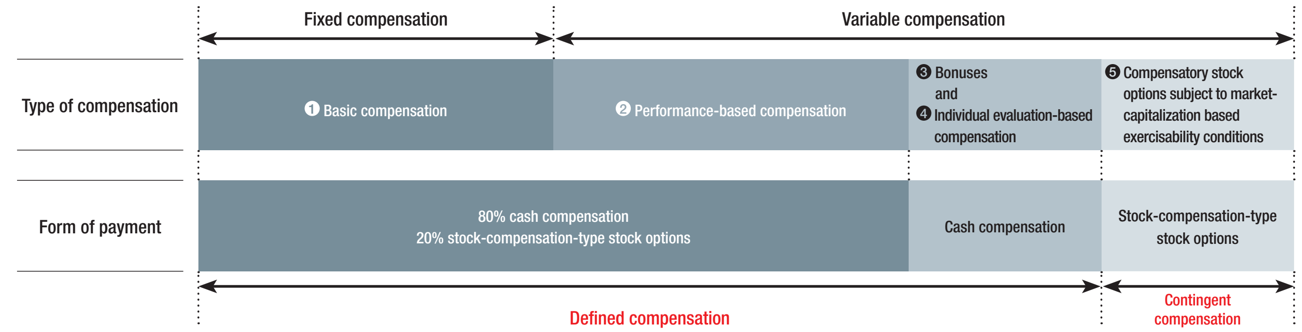
Position	Applicable Individuals	Compensation Policies	Compensation-Setting Method
Directors: 11	(Internal) Directors: six	Directors and executive officers are compensated in part with performance-based compensation. • To share the rewards and risks of share price movements with shareholders and have a greater incentive to contribute to share price appreciation and enhancement of corporate value, directors and executive officers are paid 20% of their total basic and performance-based compensation in the form of stock options instead of cash. • To better align compensation with the GC2021 Medium-Term Management Strategy's management targets, the indicator used is the sum of 50% of consolidated net profit and 50% of core operating cash flow*. Introduced compensatory stock options subject to market-capitalization-based exercisability conditions • The purpose is to create further incentive to grow future market capitalization	• The annual remuneration pool is not to exceed ¥1,100 million for directors (including pool of ¥120 million for external directors) (Resolution of the 96th General Meeting of Shareholders on June 19, 2020) • The annual pool of stock options is not to exceed an amount equivalent to ¥220 million for directors (excluding external directors) (Resolution of the 92nd General Meeting of Shareholders on June 24, 2016)
	External Directors: five		
External Directors: 5	(Internal) Audit & Supervisory Board members: two External Audit & Supervisory Board members: three	• External non-executive directors and Audit & Supervisory Board members' compensation consists solely of fixed basic compensation. They receive no performance-based compensation.	• The monthly remuneration pool is not to exceed ¥12 million for Audit & Supervisory Board members. (Resolution of the 88th General Meeting of Shareholders on June 22, 2012)

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

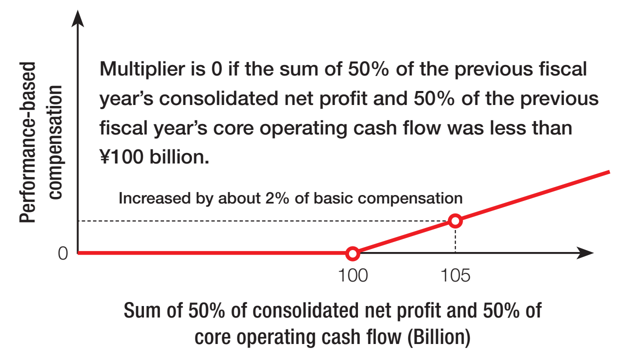
(Internal) Directors' Compensation

Compensation Type	Description	Fixed/Variable	Form of Payment
① Basic compensation	• Basic compensation that varies based on individual directors' positions	Fixed	80% cash 20% stock-compensation-type-stock options
② Performance-based compensation	• The amount is set by multiplying basic compensation by a multiplier that increases in proportion to the sum of 50% of the previous fiscal year's consolidated net profit and 50% of the previous fiscal year's core operating cash flow if it was at least ¥100 billion; the multiplier is 0 if the sum was less than ¥100 billion (approx. +2 percentage points/every +¥5 billion)	Variable	
③ Bonuses	• Director bonuses * Representative directors are paid representative director bonuses in addition to director bonuses	Fixed	Cash
④ Individual evaluation-based compensation	• Reflects quantitative and qualitative individual evaluations	Variable	
⑤ Compensatory stock options subject to market-capitalization-based exercisability conditions	• These stock options add to basic compensation up to 1.5 times an amount equivalent to 10% of basic compensation, with three years since allocation as the starting date for the exercise of rights, which can only be exercised in the event that the Company's market capitalization exceeds market capitalization as of the allotment date after three years and that the Company's market capitalization growth rate is equal to or higher than the TOPIX (Tokyo Stock Price Index) growth rate.	Variable	Stock-compensation-type stock options

(Internal) Directors' Compensation Mix



Performance-based Compensation Formula



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

Total Compensation Paid to Directors and Audit & Supervisory Board Members for the Fiscal Year Ended March 31, 2020

Position	Total Amount of Compensation			Number of Recipients
	Cash Compensation	Stock-compensation-type Stock Options		
Directors (excluding external directors)	¥626 million	¥178 million	¥804 million	7
Audit & Supervisory Board members (excluding external Audit & Supervisory Board members)	¥87 million	—	¥87 million	3
External officers	¥106 million	—	¥106 million	7
Total	¥819 million	¥178 million	¥997 million	17

*1. Rounded to the nearest million.
*2. Limits to the amount of executive compensation determined by a resolution of the General Meeting of Shareholders are as follows: "Annual pool not to exceed ¥1,100 million for directors (including pool of ¥120 million for external directors)" (at the 96th General Meeting of Shareholders held on June 19, 2020, applicable to 11 directors (of which five are external directors)) and "Monthly pool not to exceed ¥12 million for Audit & Supervisory Board members" (at the 88th General Meeting of Shareholders held on June 22, 2012, applicable to five Audit & Supervisory Board members). In addition, based on a resolution of the 92nd General Meeting of Shareholders held on June 24, 2016 (applicable to six directors), the Company introduced a stock option system for directors (excluding external directors) with the "annual pool not to exceed an amount equivalent to ¥220 million. As of the date of submission of the securities report, this rule applied to 16 directors and Audit & Supervisory Board members.
*3. The Company submitted a resolution to abolish its system of retirement bonuses for executives at the conclusion of the 83rd General Meeting of Shareholders, held on June 22, 2007, with abolishment accompanied by the decision to close out and pay any remaining retirement bonuses associated with the system. The Company will make these payments to directors and Audit & Supervisory Board members who are eligible under the resolution, paying directors when they have retired both from their directorship and any held post as executive officer, and paying Audit & Supervisory Board members upon their retirement. Regarding directors and Audit & Supervisory Board members eligible to receive a final payment in relation to the abolition of the Retirement Remuneration plan, retirement remuneration amounting to ¥13 million was paid to one director in the fiscal year under review.

Individuals to Whom the Total Amount of Compensation Paid Exceeded ¥100 Million for the Fiscal Year Ended March 31, 2020

Name	Position	Total Amount of Compensation		
		Cash Compensation	Stock-compensation-type Stock Options	
Fumiya Kokubu	Director	¥126 million	¥36 million	¥162 million
Masumi Kakinoki	Director	¥153 million	¥48 million	¥201 million
Yukihiko Matsumura	Director	¥97 million	¥30 million	¥127 million
Nobuhiro Yabe	Director	¥83 million	¥20 million	¥103 million

Internal Control

Basic Policy

Marubeni seeks to steadily increase and maximize corporate value through business activities that are in accordance with its Company Creed and Management Philosophy, and to steadily and continuously build and expand the entire Group's business foundation. To this end, Marubeni has established internal control systems, which serve as a rational process to ensure improvement of efficiency of business operations, accurate financial reporting to stakeholders, compliance with applicable laws and regulations, safeguarding of assets, and appropriateness of corporate activities. Marubeni regularly reviews this internal control system based on its structure and operation status to respond to changes in social conditions and the business environment.

In accordance with the Companies Act and its implementation guidelines, Marubeni has established a Basic Internal Control Policy, which helps to ensure that all business activities are conducted appropriately. Each year, Marubeni confirms the content and implementation of this policy, and implements improvements when necessary. With regard to the internal control report system mandated under the Financial Instruments and Exchange Act, the Internal Control Committee conducts evaluations as stipulated in the practical standards. As in the year ended March 31, 2019, we submitted our internal control report for the year ended March 31, 2020, which concluded that, "internal control is effective."

Basic Internal Control Policy (Key Items)

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

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

Compliance

Basic Policy

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

Stringent Application of the Compliance Manual

Part of the Marubeni Group's Company Creed is "Fairness." This symbolizes our pledge to always conduct ourselves in a fair and upright manner. We have defined Marubeni's stance on compliance as: "When you are faced with a choice between integrity and profit, choose integrity without hesitation." Based on this stance, Marubeni has compiled the Marubeni Group Compliance Manual, which specifies the standards of behavior that Group employees are expected to follow in all their daily work activities. Every year, the Company's executives and employees, as well as the presidents of all domestic Marubeni Group companies, make a written statement to adhere to the code expressed in this manual. As of October 2019, the Compliance Manual, now in its 16th edition, is available in English as well as Japanese, and can be viewed on the Company's website.

Compliance Manual

For details on the Compliance Manual, visit our website:
https://www.marubeni.com/en/company/governance/measure/compliance/manual/pdf/compliance_manual_2019_en.pdf

Marubeni Group Anti-Corruption Policy

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

As a member of global corporations, the Marubeni Group is seriously committed to prevention of bribe-giving. With the aim of helping officers and employees of the Marubeni Group all over the world to soundly deliver on their anti-bribery commitment, we have established the "Anti-Corruption Handbook" which should be commonly observed by all officers and employees. In addition, in order to thoroughly manage the bribery risk, we distribute the following policy to our business partners and ask for their cooperation in our anti-corruption due diligence.

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

Compliance Access Points

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

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

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

- Compliance Committee
- Outside legal counsel

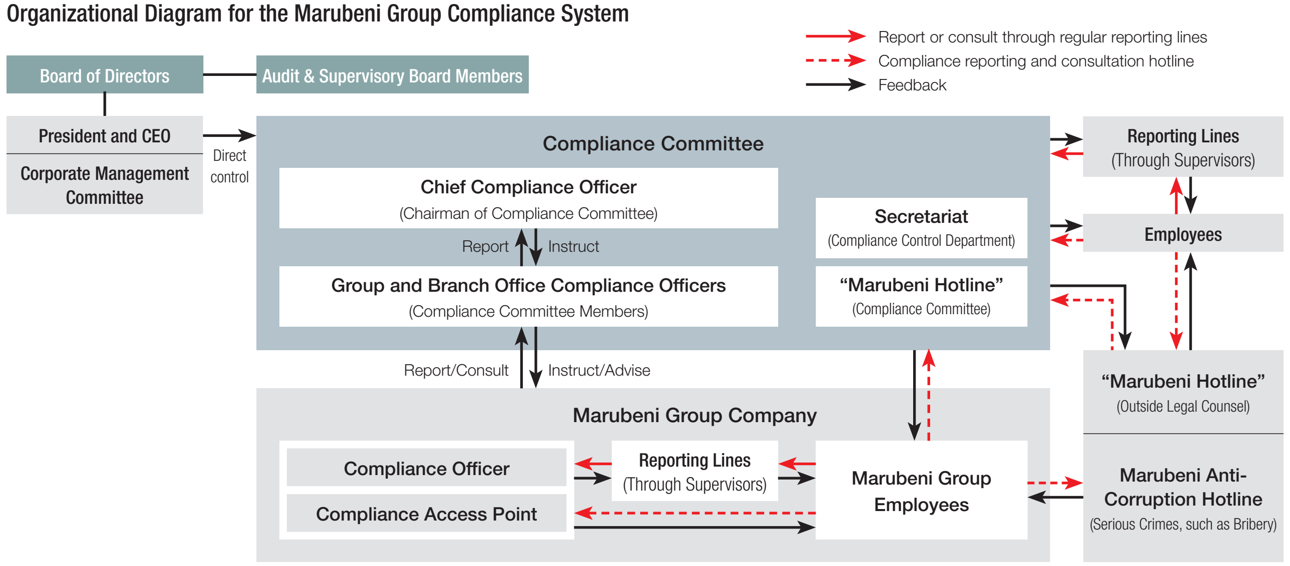
(2) Marubeni Anti-Corruption Hotline

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

Compliance Education and Training

The Marubeni Group conducts education and training programs throughout its organization in accordance with the Marubeni Group Compliance Manual. Specifically, we conduct e-Learning programs and group training sessions to teach employees about general compliance topics, anti-bribery precautions, and cartel countermeasures. In addition, the Chairman of the Compliance Committee and representatives from the Compliance Control Department make periodic visits to Group companies and overseas offices to provide training and raise awareness of compliance. Moreover, based on the system of the Head Office, overseas offices have implemented compliance systems which comply with the laws and business practices of their respective countries, and Regional CEOs formulate and review compliance action plans for their respective region annually.

Organizational Diagram for the Marubeni Group Compliance System



Corporate Management

As of June 19, 2020

Members of the Board

Fumiya Kokubu

Chairman of the Board

No. of years served as Director	8 years
Current shareholdings in the Corporation[*1]	213 thousand shares
Attendance at meetings of the Board of Directors	100% (17/17)

Apr. 1975: Joined Marubeni 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 (current)

Ichiro Takahara

Vice Chairman

No. of years served as Director	1 year
Current shareholdings in the Corporation[*1]	21 thousand shares
Attendance at meetings of the Board of Directors[*2]	100% (13/13)

Apr. 1979: Joined the Ministry of International Trade and Industry (MITI)
Jul. 2009: Director-General, Kanto Bureau of Economy, Trade and Industry, Ministry of Economy, Trade and Industry (METI)
Jul. 2010: Commission, Small and Medium Enterprise Agency, METI
Sep. 2011: Commission, Agency for Natural Resources and Energy, METI (Resigned in Jun. 2013)
Oct. 2013: Advisor of Marubeni Corporation
Jun. 2014: Managing Executive Officer, Member of the Board, Advisor to the President, Chief Operating Officer, Global Strategy & Coordination Dept. and Research Institute, Advisor to the President for Lifestyle, Forest Products, ICT & Realty Group
Jun. 2016: Managing Executive Officer; Chief Executive Officer, Energy & Metals Group
Apr. 2017: Senior Managing Executive Officer; Chief Executive Officer, Energy & Metals Group
Jun. 2019: Senior Executive Vice President, Member of the Board; Chief Executive Officer, Power Business, Energy & Metals Group
Apr. 2020: Vice Chairman, Member of the Board (current)

Masumi Kakinoki

President and CEO

No. of years served as Director	2 years
Current shareholdings in the Corporation[*1]	86 thousand shares
Attendance at meetings of the Board of Directors	100% (17/17)

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

Mutsumi Ishizuki

Senior Managing Executive Officer

No. of years served as Director	—
Current shareholdings in the Corporation[*1]	72 thousand shares

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

Kenichiro Oikawa

Managing Executive Officer

No. of years served as Director	—
Current shareholdings in the Corporation[*1]	7 thousand shares

Apr. 1986: Joined Marubeni Corporation
Apr. 2016: Executive Officer, Chief Operating Officer, Insurance, Finance & Real Estate Business Div.
Apr. 2019: Managing Executive Officer, Chief Operating Officer, Finance & Leasing Business Div.
Jun. 2020: Managing Executive Officer, CDIO; CSO; Regional CEO for East Asia; Regional CEO for Japan Business; Vice Chairman of Investment and Credit Committee (Current)

Takayuki Furuya

Managing Executive Officer

No. of years served as Director	—
Current shareholdings in the Corporation[*1]	14 thousand shares

Apr. 1987: Joined Marubeni Corporation
Apr. 2018: Executive Officer, General Manager, Corporate Planning & Strategy Dept.; General Manger, Digital Innovation Dept.
Jun. 2020: Managing Executive 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 (current)

Takao Kitabata

External (Independent) Director

No. of years served as Director	7 years
Current shareholdings in the Corporation[*1]	0 shares
Attendance at meetings of the Board of Directors	94.1% (16/17)

Jul. 2002: Deputy Vice-Minister of Ministry's Secretariat, Ministry of Economy, Trade and Industry (METI)
Jun. 2004: Director-General, Economic and Industrial Policy Bureau of METI
Jul. 2006: Vice-Minister of Economy, Trade, and Industry (Resigned in Jul. 2008)
Jun. 2010: Director, Kobe Steel, Ltd. (current)
Audit & Supervisory Board Member of Marubeni Corporation
Jun. 2013: Member of the Board of Marubeni Corporation (current)
Chairman of the Board, SANDA GAKUEN Junior High School & High School
Jun. 2014: Director, SEIREN Co., Ltd. (current)
Director, Zeon Corporation (current)
Apr. 2020: President, KAISHI PROFESSIONAL UNIVERSITY, Niigata Sogo Gakuin Academic Corporation (current)

Kyohei Takahashi

External (Independent) Director

No. of years served as Director	4 years
Current shareholdings in the Corporation[*1]	0 shares
Attendance at meetings of the Board of Directors	100% (17/17)

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

Yuri Okina

External (Independent) Director

No. of years served as Director	3 years
Current shareholdings in the Corporation[*1]	0 shares
Attendance at meetings of the Board of Directors	100% (17/17)

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

Takashi Hatchoji

External (Independent) Director

No. of years served as Director	—
Current shareholdings in the Corporation[*1]	0 shares

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

Masato Kitera

External (Independent) Director

No. of years served as Director	—
Current shareholdings in the Corporation[*1]	0 shares

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

Audit & Supervisory Board Members

Kazuro Gunji

Audit & Supervisory Board Member

No. of years served as Audit & Supervisory Board Member	3 years
Current shareholdings in the Corporation*1	61 thousand shares
Attendance at meetings of the Audit & Supervisory Board	100% (15/15)

Apr. 1979: Joined Marubeni Corporation
Apr. 2012: Executive Officer, General Manager, Corporate Accounting Dept.
Apr. 2015: Managing Executive Officer, General Manager, Corporate Accounting Dept.
Apr. 2017: Managing Executive Officer
Jun. 2017: Audit & Supervisory Board Member of Marubeni Corporation (current)

Hikaru Minami

Audit & Supervisory Board Member

No. of years served as Audit & Supervisory Board Member	1 year
Current shareholdings in the Corporation*1	113 thousand shares
Attendance at meetings of the Audit & Supervisory Board*3	100% (11/11)

Apr. 1979: Joined Marubeni Corporation
Apr. 2010: Executive Officer; Chief Operating Officer, Finance, Logistics & IT Business Division
Apr. 2013: Managing Executive Officer; Chief Operating Officer, ICT, Finance & Insurance, Real Estate Business Division
Jun. 2015: Managing Executive Officer, Member of the Board; CAO; CIO; Senior Operating Officer, Audit Dept.; Chairman of Compliance Committee; Chairman of Internal Control Committee; Chairman of IT Strategy Committee; Vice Chairman of Investment and Credit Committee
Apr. 2018: Managing Executive Officer, Member of the Board; Chief Executive Officer, Consumer Products Group
Jun. 2018: Managing Executive Officer; Chief Executive Officer, Consumer Products Group
Apr. 2019: Managing Executive Officer
Jun. 2019: Audit & Supervisory Board Member of Marubeni Corporation (current)

Tsuyoshi Yoneda

External (Independent) Audit & Supervisory Board Member

No. of years served as Audit & Supervisory Board Member	3 years
Current shareholdings in the Corporation*1	0 shares
Attendance at meetings of the Audit & Supervisory Board	93% (14/15)

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

Yoichi Kikuchi

External (Independent) Audit & Supervisory Board Member

No. of years served as Audit & Supervisory Board Member	—
Current shareholdings in the Corporation*1	0 shares

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

Shigeru Nishiyama

External (Independent) Audit & Supervisory Board Member

No. of years served as Audit & Supervisory Board Member	—
Current shareholdings in the Corporation*1	0 shares

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

*1 As of the end of May 2020.
*2 The attendance at meetings held following his assumption of office as Director on June 21, 2019
*3 This applies to Audit & Supervisory Board meetings held after his assumption of office on June 21, 2019.

Senior Executive Vice President

Akira Terakawa

Chief Executive Officer, Food, Agriculture & Chemicals Group; Chief Operating Officer, Food Div.

Senior Managing Executive Officers

Kaoru Iwasa

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

Hajime Kawamura

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

Nobuhiro Yabe

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

Managing Executive Officers

Michael McCarty

Chief Operating Officer, Agri Business Div.; President & CEO, Helena Agri-Enterprises LLC

Akihiko Sagara

Chief Executive Officer, Energy & Metals Group

Shinichi Kobayashi

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

Jun Horie

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

Jun Hirasawa

Chief Executive Officer, Consumer Products Group

Yoshiaki Yokota

Chief Executive Officer, Power Business & Infrastructure Group

Executive Officers

Soji Sakai

General Manager, Chubu Branch

Minoru Tomita

General Manager, Osaka Branch

Hidekazu Futai

Senior Operating Officer, Agri Business Div.

Yuichi Ohira

Chief Operating Officer, Lifestyle Div.

Jiro Itai

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

Kosuke Takechi

Chief Operating Officer, Aerospace & Ship Div.

Takao Ando

General Manager, Risk Management Dept.

Tsuyoshi Teragaki

Chief Operating Officer, Forest Products Div.

Satoru Ichinokawa

Chief Operating Officer, Chemicals Div.

Takashi Imamura

General Manager, Research Institute

Tatsuya Abe

Chief Operating Officer, ICT & Real Estate Business Div.

Takashi Yao

Chief Operating Officer, Infrastructure Project Div.

Yoshinori Ogawa

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

Koichi Ariizumi

General Manager, Legal Dept.

Seiichi Kuwata

Chief Operating Officer, Metals & Mineral Resources Div.

Koji Kashima

General Manager, Human Resources Dept.

Taro Kawabe

Chief Operating Officer, Finance & Leasing Business Div.

Koichi Uchida

Chief Operating Officer, Energy Div.

Satoru Harada

Chief Operating Officer, Power Business Div.

Masayuki Omoto

Chief Operating Officer, Next Generation Business Development Div.

Business Divisions

At a Glance

Business Group	Business Division

Consumer Products Group

Lifestyle Division
P.68

Major Products and Areas

Apparel, footwear / Lifestyle products / Textile materials, industrial materials

ICT & Real Estate Business Division
P.70

Major Products and Areas

Systems solutions / Network / Mobile sales / Domestic and overseas housing development / J-REIT, private placement REIT, private real estate fund management / Property management / Logistics / Insurance

Forest Products Division
P.72

Major Products and Areas

Wood chips and biomass fuel / Pulp and waste paper / Paper, paperboard, and hygiene products / Building & construction materials and wood products

Food, Agriculture & Chemicals Group

Food Division
P.74

Major Products and Areas

Grains in general (corn, soybeans, wheat, rapeseed, etc.) / Feed ingredients (soybean meal, rapeseed meal, fish meal, etc.) / Compound feed / Raw ingredients for food (flour, sugar, oils and fats, etc.) / Raw materials for beverages (coffee, tea, fruit juice, etc.) / Fresh and processed meat, marine products and processed seafood / Consumer-use food products, commercial-use food materials, dairy products and agricultural resources

Agri Business Division
P.76

Major Products and Areas

Sales of agri-inputs (crop protection products, fertilizers, seeds, proprietary products) / Subcontracting services for fertilization and crop protection product application / Provision of precision agriculture and other technical services / Contract crop protection product formulation / Fertilizer raw materials / Handling and export of grain & oilseed (corn, wheat, barley, soy, rapeseed, edible beans, etc.) from the U.S.

Chemicals Division
P.78

Major Products and Areas

Basic petrochemical products and plastic derivatives / Salt and chlor-alkali products / Life science-related products such as functional ingredients for foods, functional feed additives, oleochemicals and personal care ingredients / Electronic materials, inorganic mineral resources, fertilizer materials and inorganic chemicals

Energy & Metals Group

Energy Division
P.80

Major Products and Areas

Exploration, development, and production of oil and gas / Natural gas business (production, liquefaction, trade, and infrastructure) / New energy-related business (hydrogen, ammonia, municipal solid waste, thermal energy storage) / Petroleum & LPG trade, distribution and marketing business / Nuclear energy business (development of uranium mines, nuclear fuel cycle, related equipment sales & services)

Metals & Mineral Resources Division
P.82

Major Products and Areas

Development of iron ore, coal, and copper mines / Smelting and refining of aluminum and magnesium / Trading of iron ore, coal, ferroalloy, ferrous raw materials, and cement-related materials / Trading of non-ferrous metals, ingots, and related products / Steel product trading and business investment / Leasing of temporary steel construction materials

Power Business & Infrastructure Group

Power Business Division
P.84

Major Products and Areas

Power generation business / Renewable energy generation / Power service and retail business (EPC* business and offshore wind turbine installation / Wholesale and retail power sales / De-centralized power sources / Community-based multi utilities service / AI and IoT solution business)

Infrastructure Project Division
P.86

Major Products and Areas

Social and industrial infrastructure business (water supply, wastewater treatment, desalination, railways, roads, ports, airports, gas transportation and distribution, etc.) / Decarbonization and circular economy business (waste to energy power plant, fuel conversion, etc.) / EPC*, operation and maintenance for various infrastructure and plants (railway system, water, energy, industrial plants, waste-to-energy power plants, etc.) / Management of infrastructure funds

* EPC: Engineering, procurement and construction.

Transportation & Industrial Machinery, Financial Business Group

Aerospace & Ship Division
P.88

Major Products and Areas

Aircraft & engine parts trading business and fund establishment, development investment / Sales representatives for commercial aircraft and defense equipment, and space-related projects / Business jet sales agency & business, airport-related businesses / Sale and purchase, chartering, and ownership of merchant ships / Ownership and chartering of LNG carriers, and investments in offshore businesses

Finance & Leasing Business Division
P.90

Major Products and Areas

Auto finance business / Aircraft and aircraft engine leasing business / Comprehensive leasing business / Leasing of various commercial vehicles and freight railcars / Private equity investment and asset management

Construction, Industrial Machinery & Mobility Division
P.92

Major Products and Areas

Sales, services, and financing of construction and mining equipment / Automotive trade, distributor & dealer business, and aftermarket services / Retail sale of tires & automobile aftermarket service business / Sales of conveyor belts and other rubber materials & raw materials / Sales and peripheral businesses related to automotive production lines and machine tools / Sales of industrial machinery and investment in related business / Mobility services & related businesses

CDIO

Next Generation Business Development Division
P.94

Major Products and Areas

Chinese children education business / Inbound tourism business / Next-generation retail business / Smart city and smart infrastructure business / Next-generation industrial park / New materials and new technologies business / Manufacture and distribution of pharmaceuticals / Hospital and medical infrastructure / Medical services business / e-sports / EC platform of fast-moving consumer goods in Asia / Businesses in high-growth domains

MARUBENI CORPORATION INTEGRATED REPORT 2020

Consumer Products Group

Lifestyle Division

Yuichi Ohira

Chief Operating Officer, Lifestyle Div.

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

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

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

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

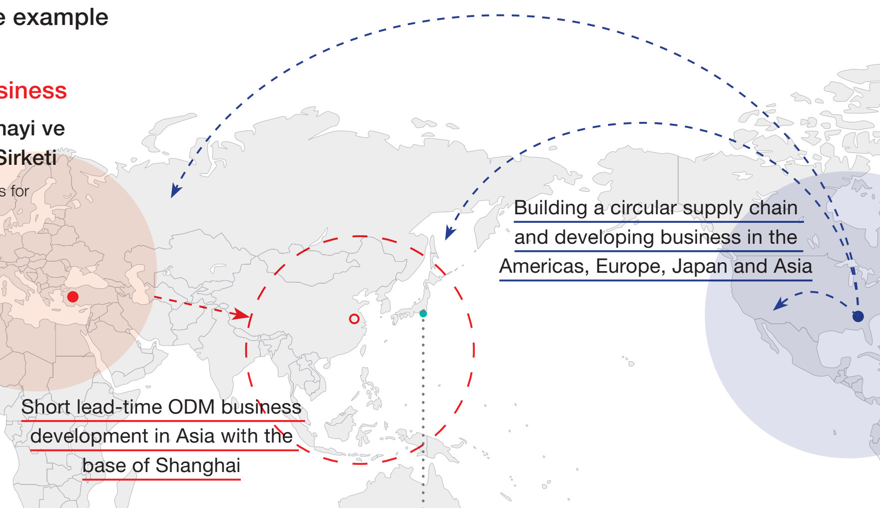
Global Business Development

Representative example

OEM/ODM Business

Saide Tekstil Sanayi ve Ticaret Anonim Sirketi

(Turkey – ODM business for European SPA)

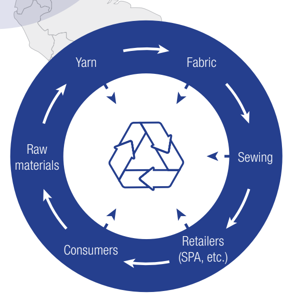


Saide Tekstil, planning, manufacture and sale of apparel and goods

Textile Products Recycling Business

TYTON BioSciences LLC

(U.S. – Manufacture and sale of recycled textile materials)



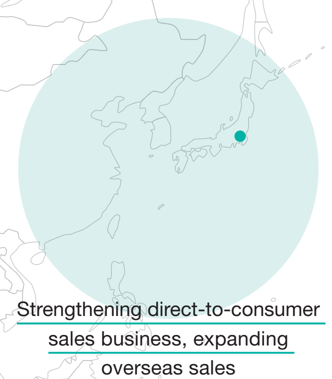
Circular supply chain

Please refer to the Special Feature: Business Strategies Based on SPP Business Policies on P.42 for more information on TYTON's strategy

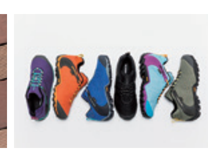
Brand Marketing Business

Marubeni Footwear Inc.

(Japan – Import and export of various footwear and domestic sales)



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



MERRELL, an American outdoor brand

Lifestyle Division Strengths

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

Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
• Expansion of the consumer class in the wake of global population growth and rising standards of living in emerging economies	• Strengthen efforts with global SPA to revolve around planning proposals and short lead-time production capabilities
• Diversifying customer and consumer needs, purchasing behavior and methods	• Strengthen direct-to-consumer sales business, promote utilization of digital technology
• Growth in demand for environmentally friendly materials, products and services amid a trend toward sustainability	• Develop a circular supply chain that has TYTON's recycling technology at its core

Anticipated Risks and Countermeasures

Anticipated Risks	Countermeasures
• Rising costs in key production regions amid economic growth in emerging economies	• Cultivate new production regions, promote production automation
• Relative weakening of existing functions and rapid structural changes in distribution networks amid digitalization and IoT proliferation	• Streamline production and sales by using digital technology, change business model
• Impact on procurement on account of potential country risks in major production regions	• Decentralize supply chain, global expansion

Examples of Initiatives That Embody the GC2021 Business Strategy

Further enhance the popularity of "IFME," Marubeni's own brand of children's shoes

April 2020 marks the 20th anniversary of the launch of IFME, the Company's own brand of children's shoes. Cumulatively, this amounts to 25 million pairs of shoes sold. We are endeavoring to raise brand value through making more points of contact with users so as to achieve even greater growth, and are striving to expand sales overseas. In October 2019, we released "Pittari IFME," an app that measures foot size by using augmented reality (AR). Making it easy to regularly measure foot size of fast-growing children at home, this app facilitates the selection of shoes that fit feet with precision. In November 2019 we established a composite-type outlet shop with the three brands of IFME, MERRELL and FILA, within Minami-machida Grandberry Park in Tokyo, and in June 2020, opened the first IFME concept shop in Ariake Garden, which is also in Tokyo. Overseas, we are making concerted efforts to expand in East Asia, specifically China and Taiwan. We were selected by the readership of a childcare magazine in Taiwan to receive an award for excellence, which demonstrates the high level of support we receive from users.

"IFME" First Shoes

Consumer Products Group

ICT & Real Estate Business Division

Tatsuya Abe

Chief Operating Officer,
ICT & Real Estate Business Div.

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

In the ICT business, we engage in system solutions and network businesses that provide business solutions, wireless telecommunications solutions, high-speed/high-quality telecommunications services, and internet connection services, as well as in mobile phone-related businesses that include mobile phone sales agents and reuse.

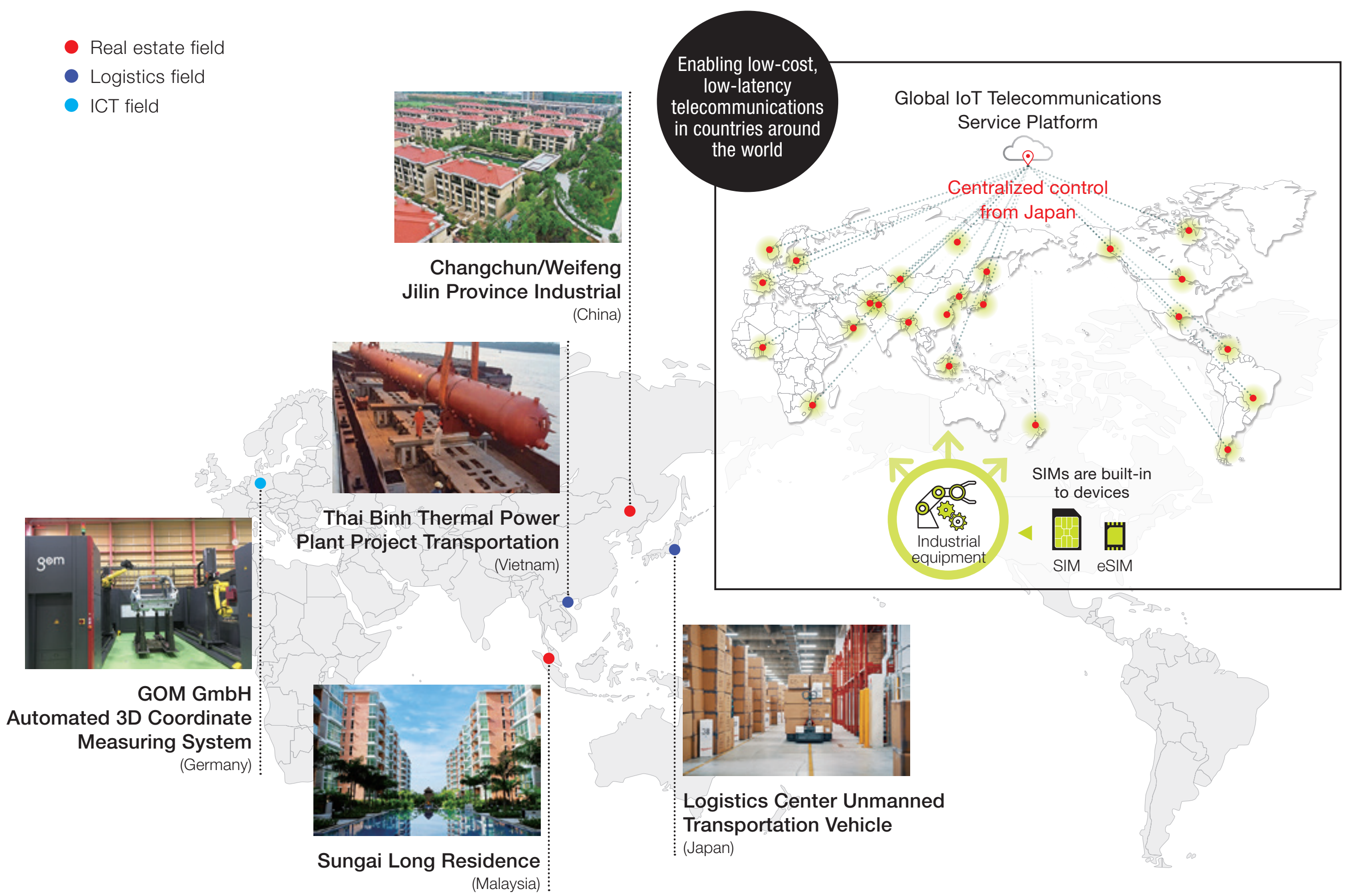
In the real estate business, we operate domestic and overseas real estate development businesses, as well as real estate asset management and property management businesses.

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

In each of these domains, we provide high-value-added services and solutions that organically merge the expertise of each field in response to customer needs that are changing in step with the recent advancements in digital technology and IT.

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

Global Business Development



ICT & Real Estate Business Division Strengths

- Ability to provide comprehensive ICT services that incorporate 5G, AI, IoT, and other advanced technologies
- Ability to broadly provide mobile phone-related services centered on an industry's top-class mobile phone sales agency business
- Ability to provide global real estate development and real estate investment services as part of a comprehensive real estate business that leverages functions as a trading company
- Ability to develop and provide optimal logistics solutions utilizing data and field surveys based on years of expertise and a solid track record
- Ability to provide comprehensive solutions for insurance distribution, from customer risk consultation to reinsurance procurement

Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
• Growth in opportunities to provide new solutions in response to changes in the everyday environment in the wake of advancements in 5G, AI, IoT, and other IT, digital, and new technologies	• Expand the earnings base and the scope of business activities among major operating companies in the fields of ICT, real estate, logistics, and insurance, as well as contribute to internal cooperation and improved group-wide earnings that leverage the Division's core technologies and business infrastructure
• Increasing demand for offices, commercial facilities, rental housing, logistics facilities, and other cash-generating real estate, and global growth in the real estate asset management business	• Develop and implement initiatives for next-generation innovative businesses, services, and solutions related to advancements in digital transformation

Anticipated Risks and Countermeasures

Anticipated Risks	Countermeasures
• Contraction in domestic demand and markets in the wake of low birthrates, societal aging, and a shrinking population in Japan	• Further raise the added value of provided services and solutions, and identify new demand
• Obsolescence of offered products and services	• Promote digital transformation that leverages IT, digital, and new technologies

Examples of Initiatives That Embody the GC2021 Business Strategy

Providing a broad range of services and solutions across the entire mobile phone lifecycle

We provide innovative, optimal solutions for every stage of the mobile phone lifecycle.

Our mobile phone sales business operates a nationwide chain of stores as an authorized dealer for wireless carriers. We are one of the top mobile phone retailers in Japan (418 carrier outlets in operation as of March 2020). In addition to holding smartphone classes that utilize VR content to enable simulated disaster experiences, recently we have been undertaking the challenge of developing other new solutions, such as providing hands-on learning as part of distance education that leverages smart glasses and other cutting-edge technologies in anticipation of the era of 5G.

Moreover, for corporate customers, the mobile phone sales business provides device deployment and management services that track customers' needs from the perspectives of "workstyle reform and telework promotion," "productivity improvement," and "cost savings." In addition to buying and reselling used mobile phones in a way that leverages expertise and technical capabilities gained from repairing mobile phones, the mobile phone sales business is also expanding its operations to include rentals and leasing.

1 Hiratsuka docomo Shop
2 Miyamaedaira docomo Shop
3 Mobile phone being refurbished
(all in Kanagawa Prefecture)

Consumer Products Group

Forest Products Division

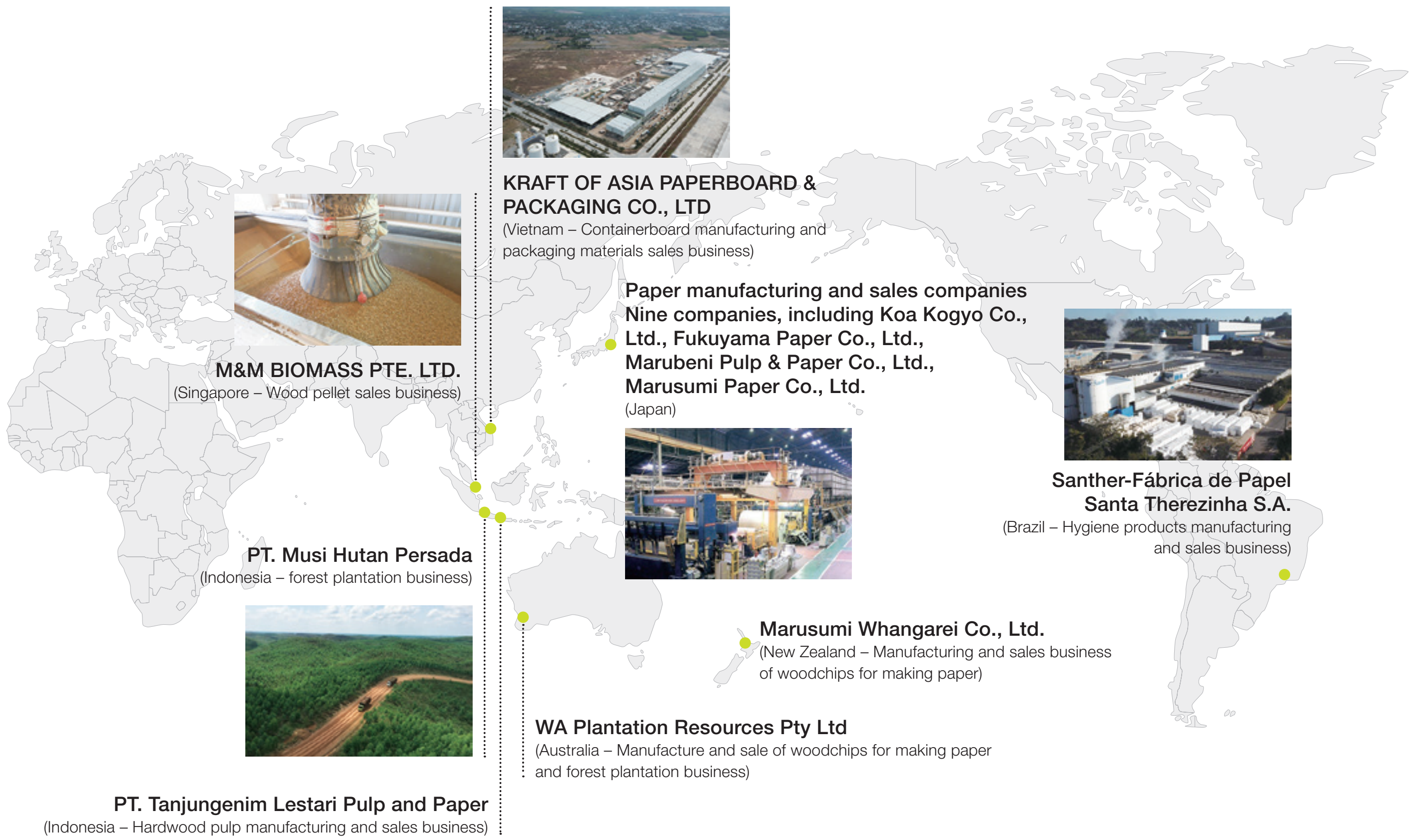
Tsuyoshi Teragaki

Chief Operating Officer,
Forest Products Div.

The Forest Products Division aims to strengthen its earnings foundation, mainly through the stable operation of its Indonesian afforestation business and pulp manufacturing business and improvement in the profitability of its domestic paper and paperboard manufacturing and sales operations.

Additionally, we are involved in developing biomass fuels, which contribute to the realization of a low-carbon society; branching into markets for new materials with promising demand growth prospects, like cellulose nanofiber (CNF); and advancing the building of a business model that focuses on the sale of products that will assist in reducing plastic usage. In Vietnam, we decided to invest in a containerboard manufacturing and packaging materials sales business. In the sanitary paper field, having decided to acquire a hygiene products manufacturer in Brazil, which has the fourth-largest market in the world, we will participate in the business in the country and promote expansion to other regions. In addition to these businesses, we will focus on a wide range of forest-derived materials and expand sustainable, renewable and recyclable businesses that contribute to society and to the environment.

Global Business Development



Forest Products Division Strengths

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

Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
• Capture of growing packaging demand in emerging economies	• Development of containerboard manufacturing and sales business centered on Asian market
• Development of business model to capture burgeoning sanitary paper market	• Acquisition of sanitary paper manufacturing and sales business, expansion into other markets
• Development of business models aligned with trend toward ESG and SDGs, most notably decarbonization and reduction of plastic usage	• Supply of biomass fuel through wood pellet manufacturing and sales as well as handling of products relating to reduction of plastic usage
• Development of eco-friendly materials that effectively utilize wood components	• CNF, biorefinery businesses, etc.

Anticipated Risks and Countermeasures

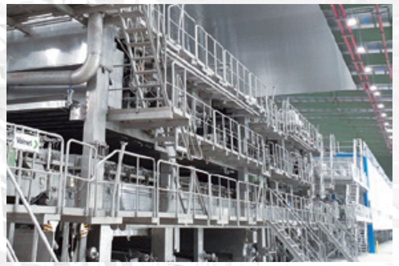
Anticipated Risks	Countermeasures
• Contraction in domestic demand in the wake of low birthrate and societal aging	• Strengthen fields in which strong demand is expected in years to come, such as packaging including cardboard and sanitary paper fields, business development in emerging market areas such as Asia
• Decreased demand for paper products caused by COVID-19	• Initiatives to capture new demand for paper products aligned with trends toward decarbonization and reduction of plastic usage
	• Stimulation of new demand through development and deployment of tree-derived, environment-friendly materials

Examples of Initiatives That Embody the GC2021 Business Strategy

Development of containerboard manufacturing business in the Asian market centered on Vietnam

In addition to the production technology and know-how possessed by Koa Kogyo Co., Ltd., a containerboard manufacturing company in Japan, the Forest Products Division is fusing the sales power based on its experience in manufacturing and selling containerboard in Japan and overseas while itself investing in a containerboard manufacturing base that is under construction in Vietnam. In a country where the processing and manufacturing industries, which consume large amounts of containerboard, are significantly expanding—even among the ASEAN member countries, where demand is growing with economic growth—we are aiming to capture significant demand. We are also planning to expand facilities while ascertaining with the utmost care the supply and demand environment in Vietnam, with a view to expanding to other Asian countries. So far, the construction has proceeded according to plan, and we are planning for its completion and for the commencement of commercial production in the second half of the fiscal year ending March 31, 2021.

Please refer to the Special Feature: Business Strategies Based on SPP Business Policies on P.41 for more information on containerboard manufacturing business strategies.



The production plant under construction at KRAFT OF ASIA PAPERBOARD & PACKAGING CO., LTD

Food, Agriculture & Chemicals Group

Food Division

Akira Terakawa

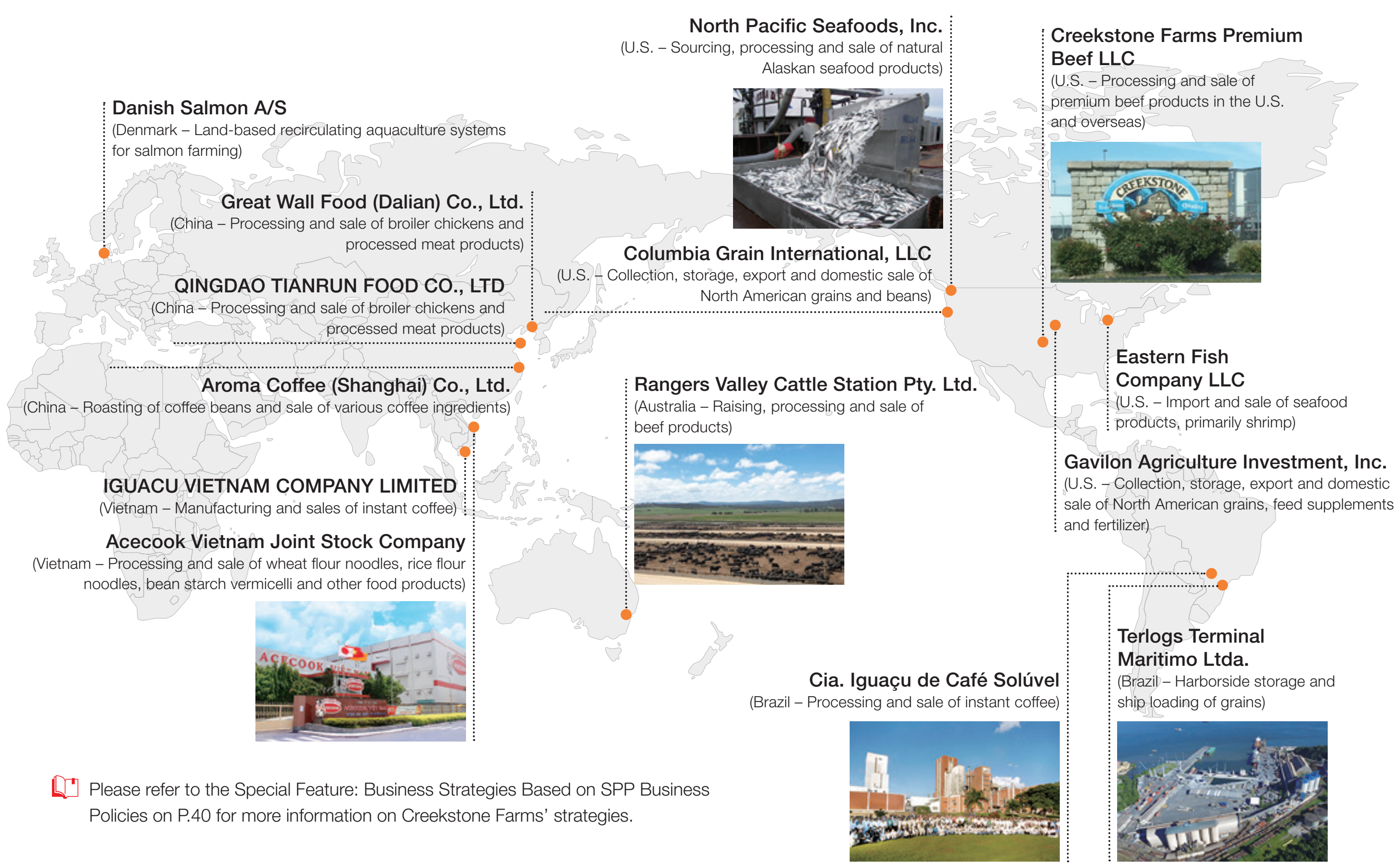
Chief Operating Officer, Food Div.

The Food Division's strategic priorities are strengthening specialty product marketing and upgrading manufacturing functions. Our aim is to sustainably expand the business by building value-added food production and processing businesses.

We are taking a number of steps to further reinforce the business base. Specifically, we plan to start commercial operations at instant coffee manufacturing and sales business IGUACU VIETNAM COMPANY LIMITED (Iguacu Vietnam) in 2022 and expand capacity at U.S. beef processor/supplier Creekstone Farms Premium Beef LLC (Creekstone Farms). Also, in April 2020 we acquired shares of Danish Salmon A/S, aiming to use its land-based recirculating aquaculture system (RAS) for salmon farming to create societies and businesses focused on the Sustainable Development Goals (SDGs).

The Food Division will continue to focus on cultivating diverse human resources and fostering an open organizational culture to create new business models in response to constant changes in the business environment. We will also work to ensure stable supplies of food products, recognizing our vital role in daily life, especially during global pandemics such as the current COVID-19 outbreak.

Global Business Development



Please refer to the Special Feature: Business Strategies Based on SPP Business Policies on P.40 for more information on Creekstone Farms' strategies.

Food Division Strengths

- Roughly 30% share of Japan's coffee bean imports
- Owns Cia. Iguaçu de Café Solúvel (Iguaçu Brazil), a Brazilian instant coffee manufacturer with sales in over 40 countries
- Owns high-quality beef suppliers in the U.S. and Australia, two top beef-producing countries
- Stable grain supply capacity using a global network extending from collection through sales

Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
• Growing need for high-quality food products (e.g., coffee, beef) in emerging market economies (e.g., China, Asia)	• Strengthen marketing of premium beef and other specialty products, expand presence in food manufacturing
• Growth in global demand for grains and other foods	• Use newly established Iguacu Vietnam to move into the ASEAN and China markets
• Rising demand for environmentally friendly products spurred by the Sustainable Development Goals (SDGs)	• Leverage our global network to reinforce the sourcing, production and sale of safe and trusted food products
	• Implement initiatives, such as participation in a land-based recirculating aquaculture business, to realize the Sustainable Development Goals (SDGs)

Anticipated Risks and Countermeasures

Anticipated Risks	Countermeasures
• Changes in political or economic conditions in end-market countries (country risk)	• Diversify sourcing and selling regions, develop new producing areas and customers
• Risk of natural disasters such as crop failures due to abnormal weather	• Research and develop alternative products and new materials
• Global pandemics such as COVID-19	• Further reinforce supply chains, collaborate with business partners
	• Create a stable food supply framework through appropriate risk management and steps to prevent endemic infection

Examples of Initiatives That Embody the GC2021 Business Strategy

Marubeni takes stake in land-based RAS salmon farming business in Denmark

In April 2020, Marubeni and Nippon Suisan Kaisha, Ltd. jointly acquired 66.7% of the shares of Danish Salmon A/S, giving Marubeni and its partner a stake in a European salmon farming business that uses a land-based recirculating aquaculture system (RAS).

Demand for marine products continues to increase worldwide, but catches from wild fisheries have remained almost flat for 30 years. Instead, aquaculture is being used to meet rising demand. Within the aquaculture field, the sub-industry of salmon farming is limited to optimal coastal areas, but in contrast, land-based RAS is a promising area of growth, as the systems are not constrained by geographic conditions. The RAS fish farming approach has the potential to minimize environmental impact by reducing both the risk of water pollution and the risk of escaped farmed fish. Consequently, RAS is attracting attention as a future solution to a possible protein shortage caused by the world's growing population. With the acquisition of Danish Salmon A/S, the Food Division aims to satisfy increasing global demand for seafood, while also helping to solve the challenge of increased protein demand by providing a stable supply of sustainable marine products to consumers worldwide.

Atlantic salmon farmed by Danish Salmon A/S

FOOD, AGRICULTURE & CHEMICALS GROUP

Food, Agriculture & Chemicals Group

Agri Business Division

Michael McCarty

Chief Operating Officer,
Agri Business Div.

Marubeni's Agri Business Division is currently expanding its agri-input product retail business and services as well as proprietary product development and tolling. The division is also involved in the origination and trading of grain and specialty products, mainly in the Americas, Europe and Asia. We aim to further strengthen our global presence by providing optimal solutions to farmers around the world.

In the agri-input business, we are expanding our agri-input retail business to support sustainable agricultural production in the Americas, Europe and Asia, led by Helena Agri-Enterprises, LLC (Helena). In the North American grain business, we are upgrading grain origination, storage and transportation capacity at Gavilon Agriculture Investment, Inc. (Gavilon) and Columbia Grain International, LLC (CGI) to maintain and strengthen earnings capabilities. Having the agri-input business and the North American grain business in the same division aims to improve collaboration and strengthen ties between the two businesses while also working to create cross value.

Global Business Development

Agri-input business
Agrovista U.K. Ltd.
(UK)

Monitoring of barley cultivation conditions

Agri-input business
Mertens Holding B.V.
(Netherlands)

Agronomist checking strawberry leaves

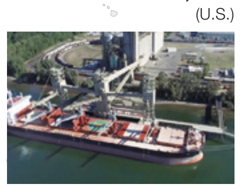
Agri-input business
Marubeni Myanmar Fertilizer Co., Ltd.
(Myanmar)

Fertilizer processing and shipment sites

North American Grain business
Columbia Grain International, LLC
(U.S.)

Grain Elevator

North American Grain business
Pacificor, LLC
(U.S.)



Export terminals

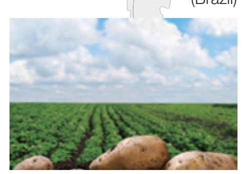
North American Grain business
Agri-input business
Gavilon Agriculture Investment, Inc.
(U.S.)

Grain Elevator

Agri-input business
Helena Agri-Enterprises, LLC
(U.S.)

Airborne application of agri-inputs

Agri-input business
Adubos Real S.A.
(Brazil)



Potato fields in Minas Gerais

Agri Business Division Strengths

- Helena, an agri-input retailer with close ties to the communities it serves, is ranked second by market share in North America; leveraging expertise from agri-input retailing, Helena also offers advanced solutions to help farmers solve issues in their businesses
- Stable worldwide grain supply capacity using a global network extending from grain origination through sales

Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
• Synergies through integration of agri-input and North American grain businesses	**Agri-input business** • Expand and strengthen existing businesses with M&A and capital investment, supply agri-input products and services that meet the needs of customers (farmers), and provide solutions by utilizing IT and precision farming technologies to lift productivity and margins at customers
• Agri-input market growth driven by need to increase foodstuff production and limits on expansion of arable acreage	• Add value to our business by deploying Helena's service model at other operating companies in the Marubeni Group, and build agri-input sales platforms in other markets outside North America
• Changes in business climate or demand due to environmental issues and concerns about healthy lifestyles	**North American grain business** • Upgrade North American grain origination facilities and improve efficiency at Gavilon and CGI, and continue to implement broad-based marketing activities targeting key areas of grain demand, centered on the existing Middle East-North Africa (MENA) region.
	• Move into downstream food processing and retailing areas to address rising market needs for healthy food products

Anticipated Risks and Countermeasures

Anticipated Risks	Countermeasures
• Risk of changes in farmer income levels or weather events that impact operating companies' sales	• Contribute to agricultural production that is highly resilient to climate change by providing agri-input products and services that help farmers increase productivity
• Country risk due to changes in political or economic conditions	• Diversify business office locations and create a geographically optimized portfolio

Examples of Initiatives That Embody the GC2021 Business Strategy

Marubeni invests in Brazilian Agri-input Retailer Adubos Real S.A.

In October 2019, we invested in Adubos Real S.A. (AR), a company that sells agri-input products in Brazil. AR was established in Minas Gerais State and has been supporting local growers for roughly 40 years, helping them increase earnings by supplying agri-inputs and consulting services for appropriate use. With 10 business sites in Minas Gerais State, AR has achieved sustained growth as a leading player in the region's agri-input retail market. Brazil is a major agricultural producer and a highly promising market for agri-inputs. We also see the potential to utilize Helena's expertise in the market due to similarities between farming in Brazil and the U.S. Through its investment in AR, the Agri Business Division aims to contribute to the growth and development of Brazilian agriculture by sharing its accumulated global experience and knowledge to support growers in Minas Gerais through agri-input sales and the solutions they need to overcome difficult challenges.

Application of fertilizer in corn fields

Please refer to the Special Feature: Business Strategies Based on SPP Business Policies (Helena) on P.39 for more information on our business strategy in agri-input retailing operations.

Food, Agriculture & Chemicals Group

Chemicals Division

Satoru Ichinokawa
Chief Operating Officer, Chemicals Div.

The Chemicals Division is enhancing its ability to adjust supply and demand in petrochemicals trading, where it has been one of the top-ranked players in the industry for many years. In the specialty products field, which covers electronics such as storage batteries, displays and solar power equipment, the division is augmenting its solutions-oriented business in Japan and overseas. Meanwhile, in the life sciences field, which offers good prospects for sustained growth in tandem with population growth, we are targeting further business expansion centered on livestock feed additives distributor Orffa International Holding B.V. (Orffa) and working to capture opportunities in new fields that go beyond chemical products, such as AI-applied diagnostic imaging in the digital health field.

Global Business Development

Expanding operations with a focus on life sciences

Orffa
(Netherlands – Feed additives distributor)

Expanding environmentally attuned businesses, most notably electronic materials and renewable energy

One of the world's largest LCD plants, owned by BOE Technology Group (China)

Lithium-ion batteries manufactured by Northvolt AB (Sweden)

Mega solar power plants in Soo City, Kagoshima Prefecture (Japan)

One of the world's largest traders of olefin products

First shipment of U.S. ethylene

Global chlor-alkali trader with integrated supply chain extending upstream to feedstock salt business

Dampier Salt Limited
(Australia – Production and sale of solar salt and gypsum)

Chemicals Division Strengths

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

Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
• Development of life sciences and related businesses set to grow in tandem with population growth	• Expand value-added sales service businesses in feed additives and other fields
• Entry into solar power-related businesses that will spur uptake of renewable energy	• Capture corporate demand for solar power and storage batteries to help realize low-carbon societies
• Development of AI-applied diagnostic support businesses to solve social challenges such as doctor shortages and regional gaps in healthcare provision	• Accelerate initiatives in the digital health field, starting with Enlitic, Inc. (Enlitic) partnership

Please refer to the section below, Examples of Initiatives That Embody the GC2021 Business Strategy.

Anticipated Risks and Countermeasures

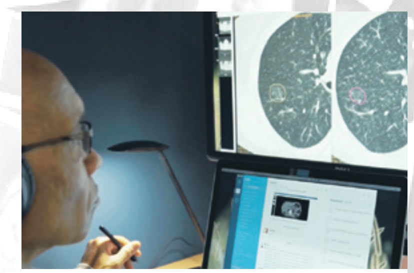
Anticipated Risks	Countermeasures
• Trade in petrochemical and other products highly sensitive to market price changes	• Support customers by adding and enhancing petrochemical trading functions
• Downturn in trade due to political or economic risks in the U.S. and/or China, both of which are major importers of chemicals	• Develop and create markets in new regions
• Decline in operating rates at trading partners due to global economic slowdown and emerging credit risks caused by deteriorating earnings	• Closely monitor economic trends and respond more flexibly and rapidly, such as by adjusting supply chains

Examples of Initiatives That Embody the GC2021 Business Strategy

Developing an AI-applied diagnostic support business for medical institutions in the digital health field

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

In January 2019, Marubeni invested in U.S. company Enlitic, which is developing an AI-applied diagnostic imaging system. Marubeni also entered into an exclusive business alliance with Enlitic for the Japanese market. Under the agreement, Marubeni will work with Enlitic to develop and launch the system in Japan. In April 2020, we established wholly owned subsidiary Clairvo Technologies, Inc. to further develop our presence in the digital health field. After securing the necessary business licenses, we plan to form partnerships with many companies developing AI digital health products and technologies and create an AI-applied diagnostic support platform for medical institutions. Through these and other initiatives, we aim to drive the development of Japan's digital healthcare sector by building groundbreaking AI medical systems.



CLAIRVO TECHNOLOGIES

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

* This software is not approved by the FDA (U.S. Food and Drug Administration) for the diagnosis, cure, mitigation, treatment, or prevention of any disease.
** This software has not received medical device approval, and is not currently manufactured or sold in Japan.

Energy & Metals Group

Energy Division

Koichi Uchida

Chief Operating Officer, Energy Div.

The Energy Division aims to be a solutions provider capable of addressing societal challenges and changing customer needs on the path toward a low-carbon society, while also continuing to focus on existing businesses.

In the natural gas/LNG business, a promising area of future demand growth, we are increasing the value of existing businesses, expanding projects and cultivating demand across the value chain, from upstream through downstream areas.

In the new energy business, the Energy Division is developing its environmental solutions business, which includes biofuels and CO_2-free energy supply chains for hydrogen, ammonia and other carriers. In the trading and marketing field, we aim to utilize our infrastructure and networks in Japan and overseas to expand trading in oil, natural gas, LNG and other fuels to meet demand for energy.

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

Global Business Development

Energy Division Strengths

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

Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
• Growth in natural gas/LNG and new energy businesses such as hydrogen and ammonia amid transition to low-carbon and carbon-free societies • Changes in energy demand structure in developed countries	• Upgrade the natural gas supply chain • Develop the CO_2-free energy supply chain and environmental solutions • Reinforce production, trade, logistics and marketing of oil, natural gas, LNG and other fuels • Strengthen the nuclear energy supply chain

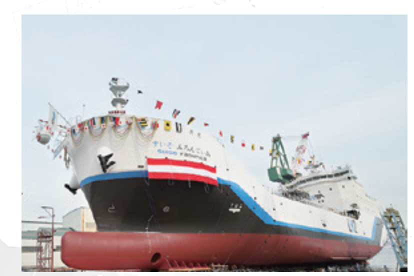
Anticipated Risks and Countermeasures

Anticipated Risks	Countermeasures
• Fluctuations in resource prices and changes in the regulatory framework and geopolitical conditions • Shift to renewable energy and low-carbon energy • Changes in energy demand structure in developed countries	• Increase asset value in all interests through appropriate cost management, stable operation and improvements to operational efficiency • Develop the new energy business • Enhance trading operations in response to societal challenges and changing customer needs

Examples of Initiatives That Embody the GC2021 Business Strategy

Developing the CO_2-free energy supply chain and environmental solutions

The Energy Division is developing its new energy business in preparation for the advent of low-carbon and carbon-free societies. Specifically, we are focusing on the environmental solutions business, which covers biofuels and CO_2-free energy supply chains for hydrogen, ammonia and other carriers. In the hydrogen field, we are part of an Australian project that is building a liquefaction and transportation supply chain for hydrogen made from brown coal. We are also stepping up efforts to build a supply chain for ammonia, another promising CO_2-free new energy carrier, with preparations underway to supply ammonia to Japan from overseas production sites. The Energy Division is also pursuing a range of other new energy initiatives. We have moved into the supply chain for the production and supply of alternative jet fuel through an investment in U.S. company Fulcrum BioEnergy Inc., which manufactures jet fuel from municipal waste, and we are involved in the trading of emission rights, a form of environmental value earned by reducing greenhouse gas emissions.



Liquefied hydrogen carrier (Australia)
(photo supplied by Kawasaki Heavy Industries, Ltd.)

Energy & Metals Group

Metals & Mineral Resources Division

Seiichi Kuwata

Chief Operating Officer,
Metals & Mineral Resources Div.

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

In the investment business, we are focusing on building an earnings structure that contributes to stable Group earnings. Specifically, we plan to develop new deposits in the vicinity of existing mines and add to holdings of mining interests based on medium- and long-term perspectives, while also harnessing AI and IoT technologies to spur automation and increase earnings from mines.

In the trading business, we are stepping up efforts in environmental and circular businesses, such as producing magnesium ingots in Canada from tailings (mine waste) and recycling solar panels. We will also reinforce initiatives in markets with good prospects for demand growth to capitalize on changes in society such as wider uptake of EVs.

ENERGY & METALS GROUP

Global Business Development

Metals & Mineral Resources Division Strengths

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

Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
• Long-term growth in demand for metals and mineral resources supported by global economic growth	• Improve cost-competitiveness of existing mines and smelters, develop new mines, expand portfolio of prime assets
• Growth in demand for non-ferrous metals driven by advent of AI/IoT society and EV uptake	• Strengthen marketing in trading operations, expand presence in processing and finished products
• Growing emphasis on sustainability worldwide	• Step up environmental and circular business initiatives
	• Maximize value of Marubeni-Itochu Steel Inc.

Anticipated Risks and Countermeasures

Anticipated Risks	Countermeasures
• Changes in market prices and other market fluctuations that directly impact earnings	• Optimize production, rigorously control costs and introduce advanced technologies at existing mines and smelters to increase earnings
• National policies and geopolitical factors that impede the investment and trading businesses	• Build a business portfolio to mitigate country risk
• Changes in the business environment amid the transition to a low-carbon, circular society	• Create environmental and circular businesses with an ESG focus

Examples of Initiatives That Embody the GC2021 Business Strategy

Marubeni signs agreement to invest in magnesium ingot production and sales business

In December 2019, Marubeni signed an agreement to join a magnesium ingot production and sales business with Alliance Magnesium Inc., a Canadian company currently building a commercial magnesium plant. The project will extract magnesium from tailings (mine waste) at an abandoned mine site in Quebec, Canada, and produce primary magnesium ingots through the electrolysis process. Production and sales are scheduled to start in 2020. In recent years, magnesium is one of the materials whose demand has dramatically increased for the purpose of reducing the weight of vehicles and other products. Additionally, the production process will have a very small environmental footprint, as power will be sourced from hydroelectric dams, reducing greenhouse gas emissions to only about one-twentieth of the level emitted from conventional magnesium production. Marubeni has been involved in the aluminum business over the years and saw demand also increasing from light vehicles. By making use of our expertise in the aluminum business, we will contribute to enhance the sustainability of global society through development and promotion of green materials.

Magnesium ingots will be produced from tailings at this mine waste site (Quebec, Canada)

POWER BUSINESS & INFRASTRUCTURE GROUP

Power Business & Infrastructure Group

Power Business Division

Satoru Harada

Chief Operating Officer, Power Business Div.

"Transforming from the power business of a general trading company, to a general power trading company" – the Power Business Division endeavors to broaden and deepen its power generation business*1 and power service and retail business*2. As a global power business player, we are committed to contribute toward building a sustainable society through delivering safe and stable electric power infrastructures and services which can preserve the global environment.

In the power generation business, we strive to heighten the ratio of power generated by renewable energy sources in our net power supply and to expand the energy-value-chain business such as LNG-to-Power*3 projects.

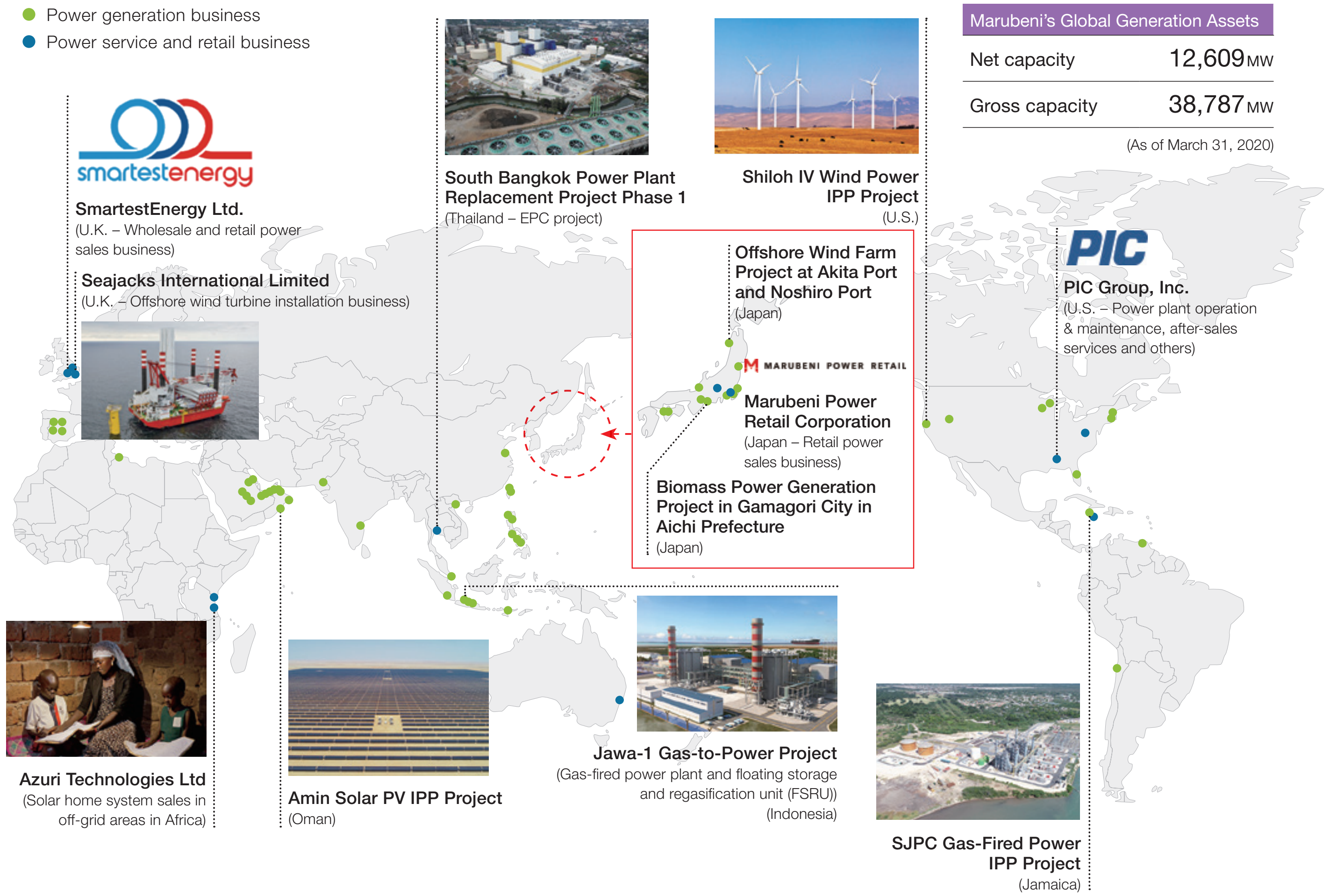
In addition, in the power service and retail business, we aim to expand EPC*4 business, de-centralized power sources, wholesale and retail power sales, and other asset-light businesses. We will also develop services that facilitate optimal management of power generation assets owned by us and others, by using digital technologies such as AI and IoT. We will advance our power business solutions while harmonizing with regional societies and the natural environment.

*1. Power generation business: Renewable energy generation/energy-value-chain (fuel-to-power) projects such as LNG-to-Power/gas-fired and other thermal power generation.
*2. Power service and retail business: EPC business and offshore wind turbine installation/wholesale and retail power sales/de-centralized power sources /community-based multi utilities services/AI and IoT solution business.
*3. LNG-to-Power: sourcing, storing and re-gasifying LNG as well as power generation by such gas.
*4. EPC: Engineering, procurement and construction.

Global Business Development

Marubeni's Global Generation Assets	
Net capacity	12,609MW
Gross capacity	38,787MW

(As of March 31, 2020)



Power Business Division Strengths

- Strong area business & marketing forces, project development hubs and asset management teams, IPP* business of world-class scale
- IPP business's proven track record, competitiveness, in-house development and problem-solving know-how/capabilities
- Project management skills in EPC business in and outside of Japan and unique EPC management capabilities
- Vast experience in electric power wholesaling/retailing

* IPP: Independent Power Producer.

Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
• Growing prevalence of De-carbonization, De-centralization and Digitalization ("3Ds") in the power sector	• Evolve from power generation business to energy solution business
• Changes of energy mixes and policies in major countries	• Strengthen renewable energy in anticipation of a low-carbon society
• Technological innovations in major power generation equipment such as offshore wind, solar power, and storage batteries	• Strengthen and expand retail power sales business and power service businesses in and outside of Japan
• Digital technological innovations such as AI, IoT and Big Data	• Expand community-based multi utilities services and de-centralized power sources

Anticipated Risks and Countermeasures

Anticipated Risks	Countermeasures
• Policy change in liberalized power markets and changes in power demand trends	• Possess business management expertise in the power business as a top industry player in the world
• High volatility of fuel energy and/or natural resource prices	• Encompass a broad range of business domains in the power business from upstream to downstream, i.e., from EPC business, power generation business to power retail sales and power plant operation & maintenance
• Weather variation risks that would affect the power supply-demand balance and market prices	• Leverage market analytical skills and problem solving capabilities backed by strong local sales forces

Examples of Initiatives That Embody the GC2021 Business Strategy

Participating in numerous renewable energy projects in and outside of Japan

In the power generation business, Sweihan Photovoltaic IPP Project, located in the United Arab Emirates, capable of producing power equivalent to that by a unit of a nuclear power plant, entered into commercial operation in April 2019. In Qatar, we received an order for Al Kharsaah Solar PV IPP Project, the first large-scale photovoltaic power generation project in that country. In Japan, we commenced construction in 2020 of the Offshore Wind Farm Project at Akita Port and Noshiro Port, the first offshore wind power project on a commercial basis in Japan. In Asia, we acquired Chenya Energy Co., Ltd., a solar power developer and operator in Taiwan, together with its businesses, targeting business development in Taiwan and other Asian nations.

In the power service and retail business, SmartestEnergy Ltd. of the U.K. is expanding its business by establishing a presence in the U.S. and Australia. Besides our participation in WASSHA Inc., a company that provides power by solar panels to regions with no access to electricity, we have invested in Azuri Technologies Ltd., a solar home systems provider, further expanding our renewable energy business.

In both the power generation business and the power service and retail business, we will continue devoting ourselves to create a sustainable society by contributing to measures against climate change.

Sweihan Photovoltaic IPP Project

Power Business & Infrastructure Group

Infrastructure Project Division

Takashi Yao
Chief Operating Officer, Infrastructure Project Div.

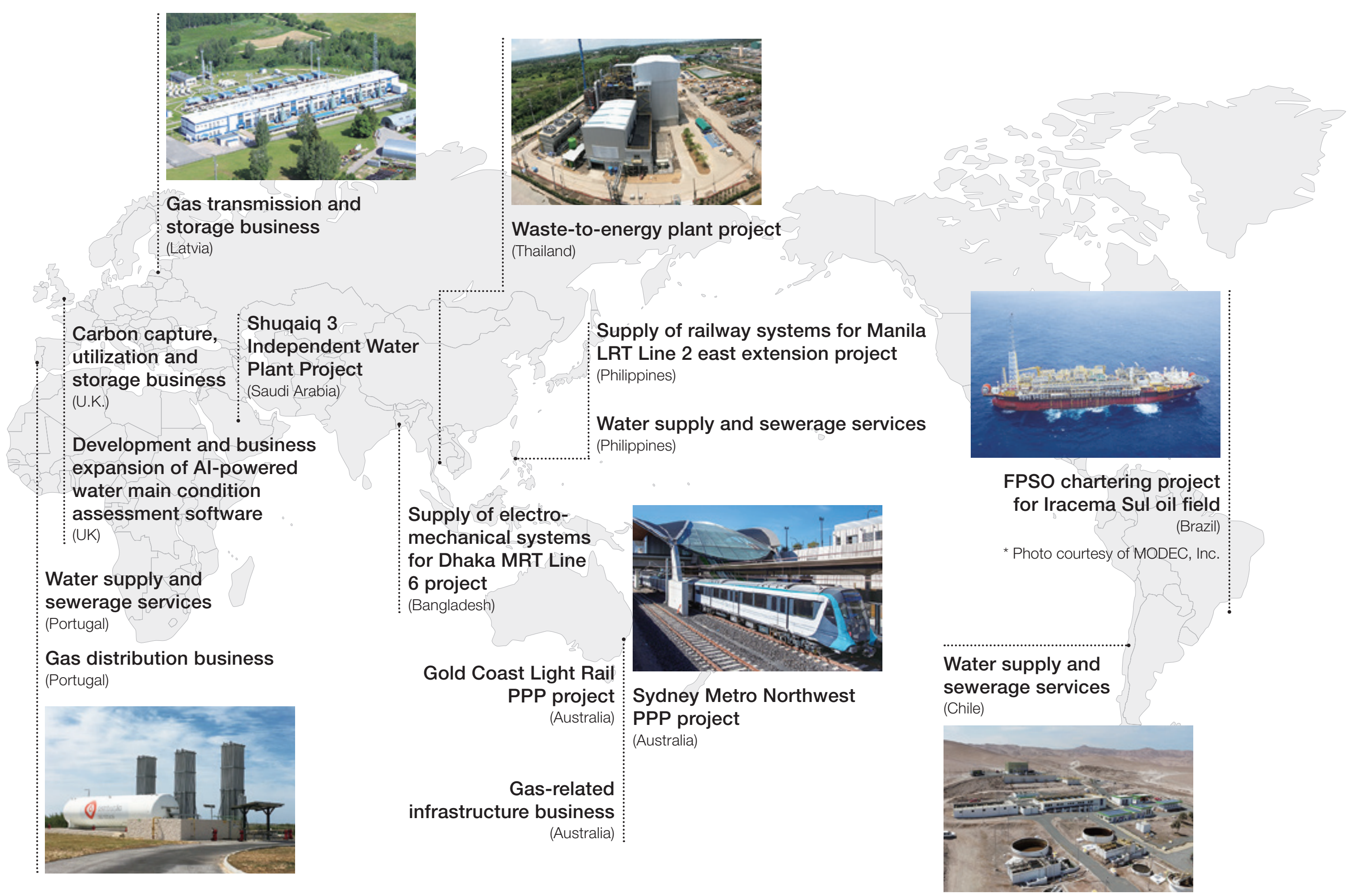
We aim to continue evolving our business across the world that contributes to the enhancement of social infrastructure to enrich society and people's daily lives. We cover a wide range of infrastructure including railway, road, water and sewerage utility, desalination plant, gas transportation and distribution, offshore oil production, and also carbon capture.

Responding to the growing demands of society and industry, we globally invest in various projects that generate stable profit and pursue to maximize the value of our businesses. We will also seek to expand the operation of an infrastructure investment fund and achieve synergies between the fund and infrastructure businesses. Additionally, we will continue building a track record in the fields of EPC*[1] and O&M*[2] through a selective focus on sectors and regions in which we can demonstrate our strengths.

Furthermore, we are promoting circular economy businesses and conducting projects by utilizing AI technologies, with the aim of achieving sustainable development in harmony with the global environment and society. Seeing changes in markets as opportunities, we will tackle new challenges and contribute to society by achieving safe and stable operations.

*1 EPC: Engineering, Procurement and Construction. Full turnkey contract for equipment and plant.
*2 O&M: Operating and Maintenance of infrastructure equipment.

Global Business Development



Infrastructure Project Division Strengths

- Project development, structuring, execution and management capabilities backed by an extensive track record of investment, EPC and trade in infrastructure
- Wide range of functions covering the entire value chain from project planning, feasibility studies, financing, EPC, O&M, business operation, to asset (including fund) management

Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
• Growing demand for development and renewal of social infrastructure as well as know-how and financial resources from private sector	• Expand the stable earnings base by strengthening existing businesses, as well as investing in new projects
• Provision of long-term, stable investment opportunities for institutional investors	• Accelerate asset recycling through the utilization of infrastructure funds
• Rise in environmental awareness	• Promote circular economy and carbon-free society
• Increase in value of infrastructure service linked with technological innovation	• Leveraging AI and other new technologies to strengthen existing businesses and expand business in new fields

Anticipated Risks and Countermeasures

Anticipated Risks	Countermeasures
• Decline in asset value and business opportunities due to economic slowdown	• Strengthen the existing businesses while promoting initiatives to utilize new technologies
• National policies and regulations that impact business development in the infrastructure field	• Adapt to changes in national policies and regulations, and pursue business opportunities arising from market transition

Examples of Initiatives That Embody the GC2021 Business Strategy

Contributing solutions to global challenges by performing stable operation of social infrastructure

The unprecedented situation caused by the COVID-19 pandemic has reaffirmed the importance of social infrastructure such as water, gas, public transportation, etc., which are essential lifelines to people's lives. The Infrastructure Project Division engages in the stable operation of such social infrastructure globally and will continue to develop our businesses with the intention of contributing to sustainable growth worldwide. For example, in water and sewerage business, we are not only committed to performing stable supply and efficient use of water, but also proactively taking action to raise awareness of sanitation and hygiene practices, and to protect the environment of water sources.

Additionally, we are endeavoring to resolve social issues related to the low-carbon and circular economy by promoting our business activities. In the fiscal year ended March 31, 2020, we have invested in a company that develops and owns the technology to capture CO_2 from the flue gas emitted by coal-fired power plants and industrial plants. We are conducting the joint development of CCU (Carbon Capture & Utilization) and making efforts to contribute to the reduction of greenhouse gas, with the aim of preventing global warming.

The water treatment plant of AGS -Administração e Gestão de Sistemas de Salubridade, S.A., a water and wastewater service company in Portugal in which Marubeni increased its equity share from 50% to 100% in the fiscal year ended March 31, 2020.

MARUBENI CORPORATION INTEGRATED REPORT 2020

Transportation & Industrial Machinery, Financial Business Group

Aerospace & Ship Division

Kosuke Takechi

Chief Operating Officer, Aerospace & Ship Div.

In the aerospace and defense sectors, the Aerospace & Ship Division operates aircraft parts trading and maintenance services as well as asset management businesses as a value-up trader for aircraft-related assets. We also operate defense-related business including defense equipment distributorship business and airport ground handling services. Furthermore, we will be branching out into intra-airport autonomous vehicle and business jet service businesses as well as the space-related sector while promoting the expansion of our business domain.

In the ship sector, in addition to the trading and financing businesses, such as the sale and purchase of various types of ship, charter brokerage and marine equipment trading, we engage in the fleet ownership/operation of merchant ships and LNG carriers. Providing a wide range of functions, from ownership structuring to ship management, securing operating income, we are aiming to evolve as a comprehensive ship service provider.

Through creating new value by organically connecting Marubeni's functions with customers' needs, we will lead the industry as a comprehensive provider of aero-marine solutions.

Global Business Development

● Business base

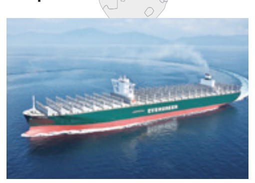
Civil Aviation Sector

Swissport Japan Ltd.
(Japan – Ground handling business)

HondaJet Elite

Magellan Aviation Group LLLP
(U.S. – Aircraft parts trading business)

Ship Sector



Containership

Bulk carrier

LNG carrier

Defense/Security Environment/ Space Sector

Interstellar Technologies Inc.
(Japan – Development and manufacture of small rockets and launch service business)

Aerospace & Ship Division Strengths

- Asset value-up function by business development according to each stage of an aircraft's lifecycle, such as development, operation, aftermarket, asset management and airport ground handling
- Deep insights into customer/market needs and solutions proposal capabilities gained from operating a broad array of businesses in the aerospace and defense industries
- Management capabilities in businesses that own and operate ships ranging from general merchant ships to LNG carriers
- Ship trading, investing and financing service capabilities
- Operational capabilities allowing rapid expansion into new business domains

Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
• Growth in aircraft demand and in demand for operating and maintenance (O&M)-related services	• Expansion of aviation-related asset value-up business
• Possibility of space-related business expected to be utilized in the future	• Growth of airport-related business, acquisition and commercialization of new technologies
• Growth in ship demand driven by growth in seaborne cargo amid trend toward borderless global economy	• Improve quality/profitability of ship-related assets, promote new LNG carrier business
• Expand business creation opportunities by utilizing new technologies in the ship sector	• Strengthen comprehensive ship service provider functions, build new pivotal business

Anticipated Risks and Countermeasures

Anticipated Risks	Countermeasures
• Event risks, including the risk of terrorism, regional conflicts and war, epidemics or other changes in international conditions and resultant increases in jet fuel prices	• In preparation should an event in which risk specific to each business domain become an issue, diversified businesses deployed
• Fluctuation in new-build ship pricing and/or marine freight rates	• Promote asset superiority and strengthen resilience to market risks by continuing to replace assets in a timely manner

Examples of Initiatives That Embody the GC2021 Business Strategy

Initiatives in aircraft asset business domain

In the aviation sector, we are promoting a value-up trading strategy for aircraft and aviation-related assets with a focus on the used aircraft market, which requires a high level of knowledge—such as capabilities in risk management, remarketing and asset appraisal—and thus has high barriers to entry.

In the business of acquiring used aircraft, Magellan Aviation Group LLLP, our subsidiary, is developing a parts-out business, by which the engines and parts obtained from disassembling aircraft are repaired and overhauled and then supplied to the aircraft maintenance market. In addition, iStrings Aviation Capital Co., Ltd., a subsidiary that develops aviation-related asset management business, provides investment opportunities for aircraft and aviation-related assets, which are increasingly being recognized as attractive investment targets.

To build a platform as a value-up trader that maximizes the value of aircraft and aviation-related assets, we will promote the strengthening, expansion and diversification of the functions within the Group in the years to come.

Developing multifaceted initiatives in the aircraft asset business domain

Transportation & Industrial Machinery, Financial Business Group

Finance & Leasing Business Division

Taro Kawabe
Chief Operating Officer,
Finance & Leasing Business Div.

To consolidate finance and leasing businesses across the Group, the Finance & Leasing Business Division was formed in April 2019.

Through a business alliance with Mizuho Leasing Company, Limited, we are working to grow our business and expand profits by mutually providing our strengths, know-how, and range of resources. In the fiscal year ended March 31, 2020, we expanded our collaboration with Mizuho Leasing Company, Limited by beginning the joint operations of Mizuho Marubeni Leasing Corporation, the delisting of Aircastle Limited, and through the transfer of equity interests in PLM Fleet, LLC (PLM).

In 2020, affiliated businesses will be variously affected due to the spread of COVID-19 infections, so we will focus on “defensive” business management and respond accurately to structural changes in society until the situation has with some certainty returned to normal. At the same time, looking ahead to the post-COVID-19 era, we will promote developmental studies into next-generation financial businesses, for example by growth from existing businesses, expansion of joint business domains and the utilization of FinTech.

Global Business Development

Finance & Leasing Business Division Strengths

- Relationships with the Mizuho Group and other top-caliber partners around the world
- Horizontal collaboration/collaborative capabilities with other business divisions and overseas corporate offices that cover all industries on a global basis
- Business management know-how and wide-area expansion in the auto finance sector
- Product knowledge, business management know-how from aircraft and aircraft engine leasing
- Specialized leasing expertise cultivated in specific products, such as refrigerated trailers and freight railcars
- More than 20 years of investment know-how as a domestic private equity fund pioneer

Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
• Solid demand in the U.S. auto finance sector	• Growth and earnings growth in collaborative businesses with Mizuho Group and other business partners
• Increase in air passenger traffic due to population and economic growth in developing countries (growth recovery when situation returns to normal, post COVID-19)	• Horizontal development in developing countries of the existing business know-how cultivated in developed countries
• Growth in cold chain logistics market due to middle-class growth in developing countries	• Initiatives for next-generation finance, such as online lending, introduction of FinTech to facilitate digitalization
• Expansion of digital financial services market such as online payments	

Anticipated Risks and Countermeasures

Anticipated Risks	Countermeasures
• Delay in global economic recovery due to prolonged outbreak of COVID-19 infections	• Building of an advanced business management system by collaborating with top-caliber partners
• Increased credit risk due to economic downturn, decline in value of owned assets	• Appropriate responses to structural changes in industry and strengthening risk management
• Changes in industrial structure, customer needs/behaviors in post-COVID-19 society	• Discovery of businesses compatible with changes in post-COVID-19 society, such as the next-generation financial sector

Examples of Initiatives That Embody the GC2021 Business Strategy

Start of chilled/refrigerated trailer business in China and entry into online trade finance business in Singapore

One of the Finance & Leasing Business Division’s strategies is to develop the existing business model horizontally. PLM in the U.S. has been establishing itself as the No. 1 in the nation as a specialized leasing and rental company for chilled and refrigerated trailers by carefully responding to customer needs by leveraging the strength of its expertise in those products. Having applied the company’s business model in collaboration with G7, a leading IoT information services company in the Chinese logistics market, operations in China, where the cold chain market is expected to grow, commenced in September 2019. As a new initiative, in May 2019 we established ZMA Smart Capital Pte. Ltd. in Singapore in collaboration with the major Chinese company Zall Smart Commerce Group Ltd. with the intention of entering the next-generation finance business. In starting a trial offering of a trade finance service for online business-to-business trade transactions, we are aiming to provide highly convenient online trade finance services to small and medium-sized enterprises that previously have not been able to easily participate in international trade.

Delivery ceremony for the first refrigerated trailer lease concluded at Tianjin Jihong Finance Leasing Co., Ltd. in China

Transportation & Industrial Machinery, Financial Business Group

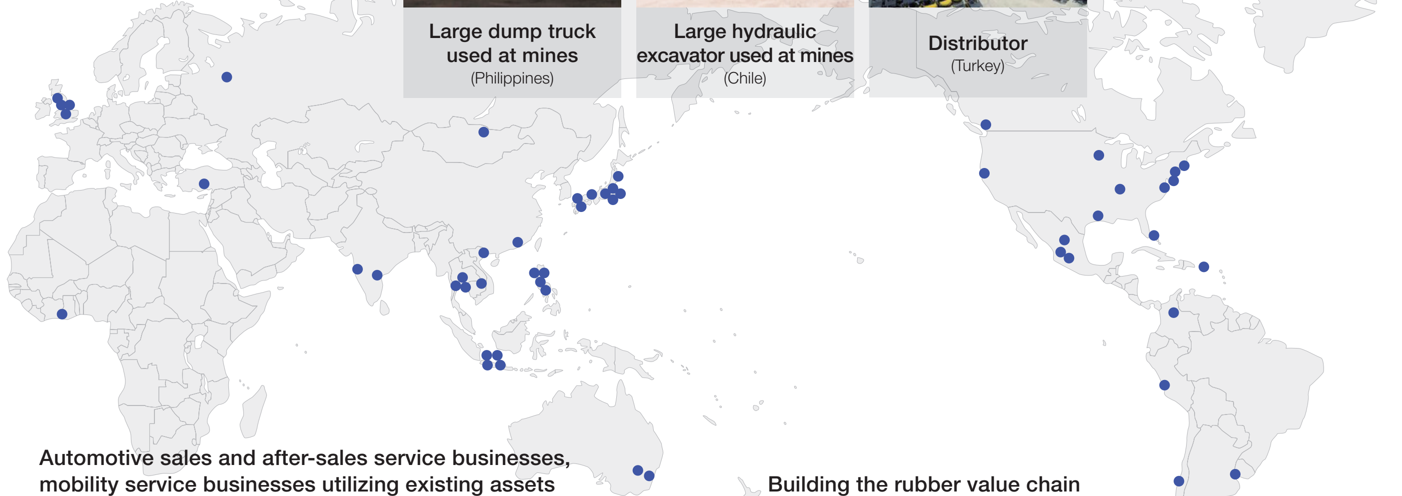
Construction, Industrial Machinery & Mobility Division

Jiro Itai

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

The Construction, Industrial Machinery & Mobility Division will maximize operating efficiency based on conventional trading and direct investment businesses in four sectors while further strengthening its earnings foundation through expansion of peripheral businesses. In the construction machinery sector, we sell construction machinery products from world-leading Japanese manufacturers on a global scale. We aim to evolve and become an all-around construction/heavy machinery service provider by integrating new functions and services with those products. In the tire and rubber materials sector, we have built a rubber value chain that extends from upstream (rubber raw material sales) to downstream (trading in tires and other rubber products, overseas retail businesses) with the aim of rising to the top of every market in which we operate by developing new merchandise and geographic markets and globally expanding existing businesses. In the industrial systems and mobility sector, we aim to build sustainable social infrastructure by integrating our business foundation, accumulated from existing trading and sales businesses, with next-generation technologies, such as EVs and distributed power sources. In the industrial machinery sector, we are capitalizing on the broad company networks that we have cultivated over decades to expand our efforts not only in industrial machinery but also to a wide range of industries. In all four of these sectors, we will diversify our operations with the aim of creating new technologies and new industrial businesses that transcend boundaries between existing industries.

Global Business Development



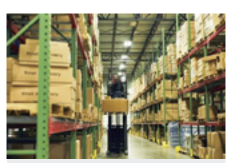
Distributor/product support business for construction and mining equipment

Large dump truck used at mines
(Philippines)

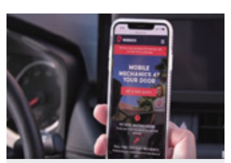
Large hydraulic excavator used at mines
(Chile)

Distributor
(Turkey)

Automotive sales and after-sales service businesses, mobility service businesses utilizing existing assets



Aftermarket service business
(U.S.)



Next-generation mobility business
(U.S.)

Dealership business
(U.K.)

Building the rubber value chain

Tire sales business
(Mexico)
(Radial Llantas, S.A. de C.V.)

Conveyor belt sales business
(All-State Belting, LLC)

Construction, Industrial Machinery & Mobility Division Strengths

- Sales, investment and operational know-how amassed over decades through global business activities/ A workforce of professionals well versed in their respective industries/ A fast information network linking domestic and overseas operating companies, overseas corporate subsidiaries and the Tokyo Head Office/ Strong relationships of trust with globally top-tier manufacturers
- Diverse lineup of products and services, including trading, wholesaling and retailing, that meet a wide range of customer needs domestically and internationally

Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
• Expansion of new demand due to market fluctuations, including EV infrastructure, resource constraints, increasing concern about environmental issues	• Utilizing existing knowledge, expand existing emission reduction-related businesses in response to market fluctuations. Specifically, sales of distributed power sources and pursuit of renewable energy-related businesses
• Growing diversity of business domains in which AI, IoT, automation and other new technologies are used	• Integrating existing business and new technology, create a new business model. Specifically, focus on AI monitoring business

Anticipated Risks and Countermeasures

Anticipated Risks	Countermeasures
• Obsolescence of existing markets due to technological innovation; risk of competition from new entrants from other sectors	• Utilizing our wide-ranging knowledge, we review our businesses and build new ones in response to market changes
• Country risks in the regions and countries where we operate, including deterioration in economic and social conditions	• The Company assesses the degree of risk in the countries in which we operate and we manage our business activities based on those standards

Examples of Initiatives That Embody the GC2021 Business Strategy

Investment in U.S. company Acellent Technologies, Inc.

In October 2018, Marubeni invested in Acellent Technologies, Inc. (Acellent) , a Silicon Valley-based U.S. company that designs, develops, and sells structural health monitoring (SHM) systems. The technologies in SHM systems enable the real-time monitoring of structural status and integrity. Acellent's SHM systems constantly and automatically monitor the condition of metals and composite materials, such as the carbon fiber-reinforced plastics used in automobiles and aircraft, while managing their lifecycles. The diverse types of deterioration that can be identified include fatigue cracks, corrosion, layered corrosion, impact damage, and loose bolts. Through its collaborations with Acellent in the years to come, Marubeni will accumulate an enormous amount of data on the operation and condition of transport aircraft and machinery in a wide range of markets. The aim is to utilize that data in the development of equipment and machinery versions for its comprehensive healthcare and maintenance businesses.

Please refer to the Special Feature: Business Strategies Based on SPP Business Policies on P.43 for more information on Acellent's strategies.

CDIO

Next Generation Business Development Division

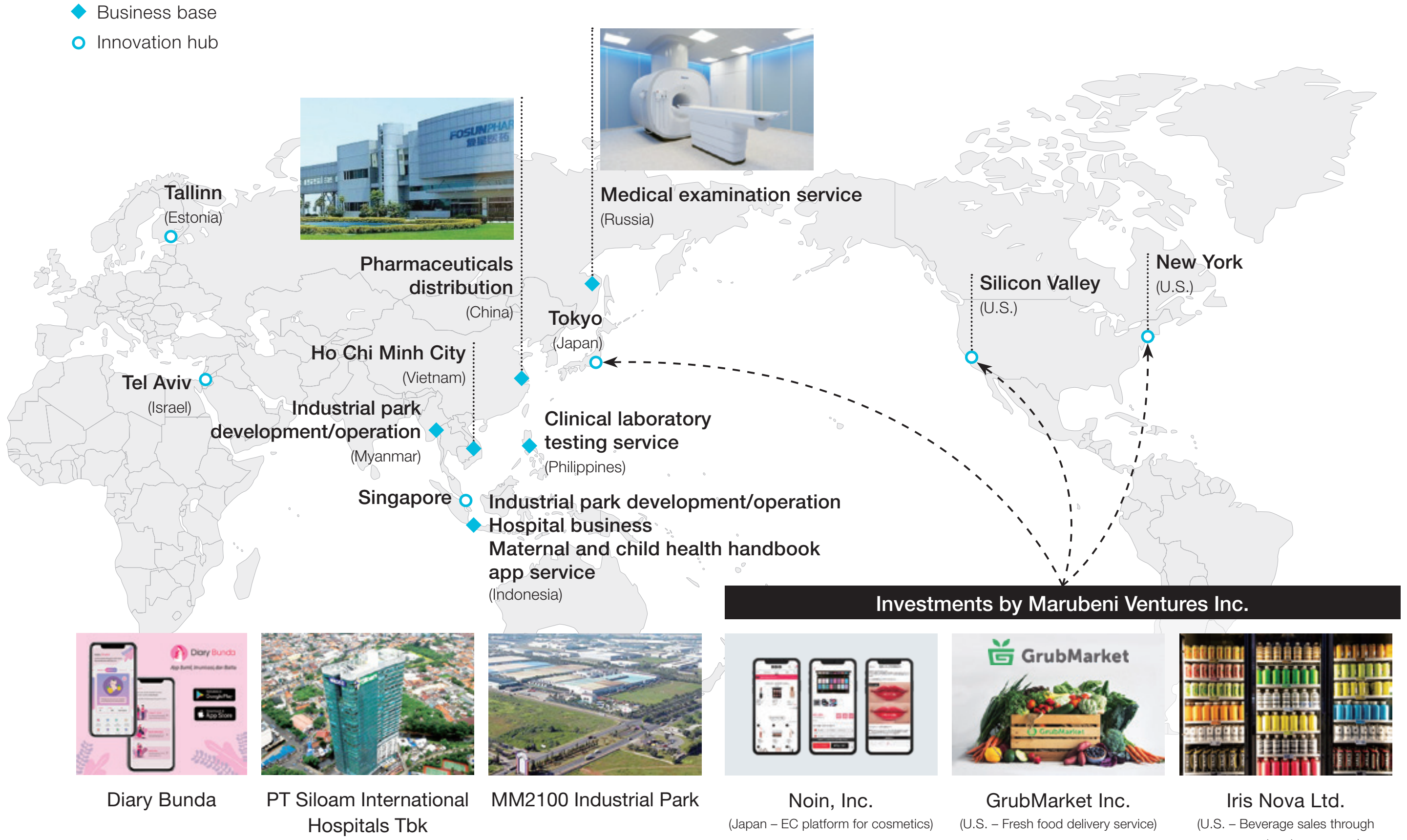
Masayuki Omoto
Chief Operating Officer, Next Generation Business Development Div.

Having adopted growth themes in domains where explosive growth is expected in the years ahead, the Next Generation Business Development Division is drawing on the global network that a general trading company has at its disposal. At the same time, the Division is working to create new business models by anticipating the world's most advanced business models.

Specifically, the Division is incorporating cutting-edge business models from innovation hubs around the world by collaborating with the corporate venture capital fund firm Marubeni Ventures Inc. and Vertex Venture Holdings Ltd., a global venture fund owned by the Singaporean sovereign wealth fund Temasek Holdings (Private) Ltd. We will be focusing on business development along 12 adopted growth themes that cover: (1) Chinese children's education, (2) inbound tourism, (3) next-generation retail, (4) smart city/smart infrastructure, (5) next-generation industrial parks, (6) new materials/new technologies, (7) manufacture/distribution of pharmaceuticals, (8) hospital/medical infrastructure, (9) medical services, (10) EC platform of fast-moving consumer goods in Asia, (11) e-sports, and (12) high-growth domains.

Through efforts such as these, we are confronting the challenges of delivering new products, services, and solutions to Marubeni Group customers and partners. Regarding "creating business that will be valued by the next generation of the 2030s" as the Division's unwavering common goal, we will carefully select promising businesses for the next generation and develop business with an emphasis on speed while pursuing the development of next-generation businesses that will form a major future earnings foundation.

Global Business Development



Next Generation Business Development Division Strengths

- Agility that comes from being a newly established division, implementation systems that emphasize speed, systems that enable specialization in growth domains
- Development and construction of new business models focusing on solving social/customer issues regardless of the product verticals of existing businesses
- Systems capable of drawing on Marubeni's strengths (company-wide optimal business promotion through collaboration with existing business divisions)
- Access to/incorporation of the world's most advanced and innovative technologies

Growth Opportunities and Business Strategies Based on GC2021

Growth Opportunities	Business Strategies Based on GC2021
• Expansion of consumption power due to the rise of the middle income demographic in Asia • Expansion of next-generation social infrastructure (urbanization/smartification) • Carbon-free society/circular economy • Expansion in high-quality medical needs and rise in health awareness • Transformation of values in millennials/new normal • Acceleration of contactless technologies (digitalization, shift to online access, shift to remote operation)	• Construction of digital platforms to build points of contact with end-customers • Response to needs for social infrastructure that will be overwhelmingly lacking in the future, accumulation of user data • Anticipation of the technological infrastructure (blockchain, next-generation batteries, etc.) that will be required in the future • Development in Asia of innovative business models that have been proven in Europe and the U.S.

Anticipated Risks and Countermeasures

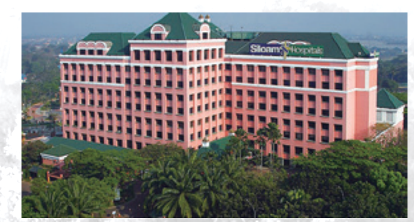
Anticipated Risks	Countermeasures
• Risk of players with innovative technologies and business models appearing faster than expected • Return to short-term orientation due to stagnation in next-generation business development	• Accumulate knowledge and know-how relating to the world's most advanced innovative technologies and innovation through startup ecosystem and innovation hubs • Pursue a high-speed learning mechanism that involves learning from small-scale projects and leads to large-scale projects

Examples of Initiatives That Embody the GC2021 Business Strategy

Investment in PT Siloam International Hospitals Tbk, Indonesia's largest private hospital group

In February 2020, Marubeni acquired a stake of approximately 5% of the shares issued in PT Siloam International Hospitals Tbk (Siloam Hospitals), Indonesia's largest private hospital group, and thereby entered the hospital/healthcare business in that country.

Amid Indonesia's burgeoning healthcare needs—stemming from the rise in the middle-income class brought about by population growth and economic development—delays in infrastructure development, such as hospitals, and the lack of specialized human resources in the medical field are being regarded as social issues. Through its participation in Siloam International Hospitals, which has numerous hospital networks not solely on the island of Java but throughout Indonesia, Marubeni will not only contribute to the expansion of its healthcare business in Indonesia but also to improvements in that country's medical infrastructure and service standards. The latter will be achieved by actively introducing technologies and know-how from medically advanced countries, including Japan.



One of the Siloam International Hospitals group general hospitals (Siloam Hospitals Lippo Village)

Analysis of Financial Position and Business Results

Information in this section is based on the Group's operating segments for the fiscal year ended March 31, 2020.

Overview of Business Results

In the fiscal year ended March 31, 2020, a slowdown in developed economies and the Chinese economy was compounded by a slowdown in developing economies in response to deterioration of business confidence from continued U.S.-China trade tensions, beginning at the start of the fiscal year. Given this situation, central banks across much of the world, most notably in the U.S., shifted to an easing bias, and on top, and partial agreement was reached at U.S.-China trade talks in December thereby temporarily preventing further deterioration of business confidence.

However, the global economy started to decline due to the spread of COVID-19, which started at the beginning of 2020 in China and spread to the rest of the world. As COVID-19 spread, measures such as lockdowns were undertaken in various countries to prevent further escalation of the virus. As a result, economic activities were significantly restricted and the global economy rapidly shrank, with financial market turmoil and price drops in primary products starting to take place. The crude oil price, among others, saw a sudden drop as traveling restrictions, concerns over declining demand along with the economic downturn and breach of agreement on declaration of cooperation at OPEC plus discussion took place. The copper price also dropped owing to the decrease in Chinese demand, which accounts for half of the overall consumption of copper, and with the production suspension of automotive companies one after the other. Under these circumstances, governments and central banks of each country have undertaken various policies including but not limited to fiscal action of an unprecedented scale in order to support households, businesses, and financial markets.

Under the aforementioned business environment, consolidated operating results for the fiscal year ended March 31, 2020 are as follows.

(Billions of yen)

	FYE 3/2019	FYE 3/2020	Change
Revenue	7,401.3	6,827.6	–573.6
Gross trading profit	729.7	696.8	–32.9
Selling, general and administrative expenses	(549.0)	(558.5)	–9.5
Provision for doubtful accounts	(7.7)	(4.4)	+3.2
Operating profit*1	173.0	133.9	–39.1
Interest expense, net of interest income	(30.9)	(31.4)	–0.5
Dividend income	37.3	27.6	–9.7
Non-operating other—net*2	24.1	(240.9)	–265.0
Share of profits of associates and joint ventures	85.3	(55.2)	–140.4
Profit (loss) before tax	288.8	(165.9)	–454.8
Corporate income tax	(49.5)	(24.3)	+25.3
Profit (loss) for the year	239.3	(190.2)	–429.5
Profit attributable to owners of the parent (Net profit (Net loss))*3	230.9	(197.5)	–428.3
Profit attributable to non-controlling interests	8.4	7.3	–1.1

*1. "Operating profit" is presented in accordance with Japanese accounting practice for investors' convenience and is not required by IFRS.
*2. "Non-operating other—net" is the sum of "Gains (losses) in investment securities," "Gains (losses) on property, plant and equipment" and "Other—net."
*3. "Profit attributable to owners of the parent" is shown as "Net profit."

(Billions of yen (change year on year))

Gross trading profit	FYE 3/2020	
Energy	37.3	(-17.7)
Decreased profit in oil & gas E&P due to decreases in the price of oil and gas, and decreased profit in oil & gas trading business.		
Agri Business	169.1	(-16.0)
Decreased profit in Gavilon due to poor weather conditions and deteriorated market condition of fertilizers.		
Chemicals	29.9	(-10.0)
Deteriorated margins in the petrochemical products business and decreased handling volume of feed additive business.		
ICT & Real Estate Business	117.3	(+18.8)
Increased by the consolidation of a subsidiary, ARTERIA Networks, and increased profit from a sales increase in domestic real estate business.		

(Billions of yen (change year on year))

Non-operating other—net	FYE 3/2020	
Gains (losses) on investment securities	25.1	(-3.4)
Non-recurrence of the fiscal year ended March 31, 2019 valuation gain on the consolidation of ARTERIA Networks. Gains on investment securities from partial sale of refrigerated trailer leasing and rental business in the U.S.		
Gains (losses) on property, plant and equipment	(251.0)	(-235.8)
Impairment loss of property, plant and equipment on oil & gas E&P. Impairment loss of goodwill and intangible assets, etc., on Gavilon's grain business recognized at the time of acquisition.		
Other-net	(15.1)	(-25.8)
Impairment loss on overseas infrastructure business and loss related to reinsurance business. Non-recurrence of a gain recognized in the fiscal year ended March 31, 2019 on the sale of a domestic power generating business.		

(Billions of yen (change year on year))

Share of profits (losses) of associates and joint ventures	FYE 3/2020	
Metals & Mineral Resources	(16.5)	(-57.6)
Impairment loss on Chilean copper mining business.		
Finance & Leasing Business	(20.1)	(-42.4)
Impairment loss on aircraft leasing business in the U.S.		
Plant	(16.6)	(-34.1)
Impairment losses on investment in infrastructure project in the Philippines and oil and gas E&P-related business in the U.S.		

(Billions of yen (change year on year))

Net profit (Net loss)	FYE 3/2020	
Consolidated net	(197.5)	(-428.3)
Resources	(166.0)	(-223.0)
Non-resources	(18.2)	(-199.2)
Other	(13.2)	(-6.2)

Revenue

Revenue was down ¥573.6 billion (7.8%) from the fiscal year ended March 31, 2019 to ¥6,827.6 billion, due mainly to a drop in grain trading volume for the Chinese market, lower prices and production volumes in petrochemicals, and weaker sales in the Gavilon grain business.

Gross trading profit

Despite the consolidation of ARTERIA Networks and other positive factors, gross trading profit decreased ¥32.9 billion (4.5%) from the fiscal year ended March 31, 2019 to ¥696.8 billion, primarily reflecting a drop in profits at Gavilon amid unfavorable weather and deteriorating conditions in the fertilizer market, lower profits from the MUSI Pulp Project due to weaker prices for pulp, and a decline in profits in the oil & gas E&P related to a slump in prices for oil and gas.

Selling, general and administrative expenses

Selling, general and administrative expenses increased ¥9.5 billion (1.7%) from the fiscal year ended March 31, 2019 to ¥558.5 billion, mainly due to the consolidation of ARTERIA Networks.

Provision for doubtful accounts

Provision for doubtful accounts decreased ¥3.2 billion (41.9%) from the fiscal year ended March 31, 2019 to ¥4.4 billion.

As a result of the above, operating profit for the fiscal year ended March 31, 2020 declined ¥39.1 billion (22.6%) year on year to ¥133.9 billion.

Interest expense, net of interest income

Interest expenses — net of interest income increased ¥0.5 billion (1.6%) from the fiscal year ended March 31, 2019 to ¥31.4 billion, largely reflecting the application of the IFRS 16 (Leases) accounting standard, which outweighed a decline in interest expenses related to a drop in the interest rate for the U.S. dollar.

Dividend income

Dividend income declined ¥9.7 billion (26.0%) from the fiscal year ended March 31, 2019 to ¥27.6 billion, mainly due to a drop in dividend income received from the overseas power generation business.

Gains (losses) on property, plant and equipment

Losses on property, plant and equipment totaled ¥251.0 billion, a deterioration of ¥235.8 billion (– %) from the fiscal year ended March 31, 2019. The main factors were the booking of impairment losses on property, plant and equipment in the oil & gas E&P in the U.S. Gulf of Mexico and in the U.K. North Sea, and impairment losses on goodwill and intangible assets in the Gavilon grain business recognized at the time of acquisition.

Gains (losses) on investment securities

Gains on investment securities totaled ¥25.1 billion, a decline of ¥3.4 billion (11.9%) from the fiscal year ended March 31, 2019. Although the Company recorded a gain on the partial sale of an investment in a U.S. refrigerated trailer leasing and rental business, that was outweighed by factors such as a pullback from gains booked in the previous fiscal year related to the consolidation of ARTERIA Networks.

Other—net

Other—net losses totaled ¥15.1 billion, a deterioration of ¥25.8 billion (– %) from the fiscal year ended March 31, 2019, mainly reflecting losses on overseas infrastructure projects, a loss related to the reinsurance business, a loss arising from Gavilon's prior-year adjustments related to inappropriate transactions within Italy and Spain business, and a pullback from gains booked in the previous fiscal year related to the sale of the domestic power generating business.

Share of profits (losses) of associates and joint ventures

Share of losses of associates and joint ventures totaled ¥55.2 billion, a deterioration of ¥140.4 billon (– %) from the fiscal year ended March 31, 2019. The main factors were impairment losses related to investments in a number of businesses – Chilean copper mining business, aircraft leasing business in the U.S., infrastructure project in the Philippines, grain export business on the U.S. West Coast, offshore wind power installation business in the U.K., and LNG business in Papua New Guinea.

As a result of the above, loss before tax for the fiscal year ended March 31, 2020 totaled ¥165.9 billion, a deterioration of ¥454.8 billion (– %) year on year.

Income taxes

Income taxes declined ¥25.3 billion (51.0%) year on year to ¥24.3 billion, mainly due to the deterioration in profit before tax. For the fiscal year ended March 31, 2020, oil and gas E&P in the U.K. North Sea, the Company and consolidated subsidiaries filing tax returns recorded tax expenses related to the reversal of deferred tax assets.

Profit (loss) attributable to owners of the parent

Profit attributable to owners of the parent for the fiscal year ended March 31, 2020 (also referred to below as net profit for the fiscal year under review) decreased ¥428.3 billion (– %) to negative ¥197.5 billion relative to the year-earlier period due to a decline in operating profit and one-time losses such as impairment losses.

Significant one-time losses (after tax) are as follows:

	(Billions of yen)
• Impairment loss on oil and gas E&P in the U.S. Gulf of Mexico	94.0
• Impairment loss of goodwill, intangible assets and such in Gavilon's grain business recognized at the time of acquisition	78.3
• Impairment loss on investment in Chilean copper mining business	60.3
• Impairment loss of property, plant and equipment and reversal of deferred tax assets on oil and gas E&P business in the U.K. North Sea	57.5
• Impairment loss on investment in aircraft leasing business in the U.S.	39.2
• Impairment loss on investment in infrastructure project in the Philippines	21.1
• Impairment loss of investment on a grain exporting business on the U.S. West Coast	19.9
• Impairment loss of investment on offshore wind power installation business in the U.K.	15.5
• Impairment loss of investment on LNG business in Papua New Guinea	13.6
• Reversal of deferred tax assets by the Company and consolidated subsidiaries filing tax returns	10.1

Cash Flows

(Billions of yen)

	FYE 3/2019	FYE 3/2020
Cash flow from operating activities	284.9	327.0
Core operating cash flow*4	373.2	363.8
Increase/ decrease in working capital and others	(88.3)	(36.8)
Cash flow from investing activities	22.5	(209.8)
Free Cash Flow	307.4	117.2
Free cash flow after delivery of shareholder returns	245.8	57.3

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

Financial Position

(Billions of yen)

	March 31, 2019	March 31, 2020
Total assets	6,809.1	6,320.0
Net interest-bearing debt	1,858.8	1,859.1
Total equity	2,071.7	1,604.6
Net DE ratio	0.90 times	1.16 times

Cash Dividends

	FYE 3/2019	FYE 3/2020
Annual dividend	¥34 per share (Interim dividend ¥17.00 per share) (Year-end dividend ¥17.00 per share)	¥35 per share (Interim dividend ¥17.50 per share) (Year-end dividend ¥17.50 per share)

Business Results by Segment

Results for each operating segment for the fiscal year ended March 31, 2020 are as follows:

Net Profit and Adjusted Net Profit by Segments

(Billions of yen)

Operating Segment*5	Net profit			Adjusted net profit*7		
	FYE 3/2019	FYE 3/2020	Change	FYE 3/2019	FYE 3/2020	Change
Lifestyle	5.2	4.1	-1.1	4.0	3.0	-1.0
ICT & Real Estate Business	31.4	11.9	-19.4	17.0	18.0	+1.0
Forest Products	16.2	3.3	-12.9	14.0	7.0	-7.0
Food	19.6	19.5	-0.2	19.0	22.0	+3.0
Agri Business	0.7	(77.1)	-77.7	23.0	23.0	—
Chemicals	11.4	4.1	-7.4	12.0	6.0	-6.0
Power Business	15.0	9.0	-6.0	34.0	21.0	-13.0
Energy	26.6	(149.3)	-176.0	34.0	18.0	-16.0
Metals & Mineral Resources	41.7	(5.7)	-47.5	46.0	54.0	+8.0
Plant	15.6	(27.8)	-43.3	13.0	12.0	-1.0
Aerospace & Ship	14.0	11.6	-2.3	13.0	15.0	+2.0
Finance & Leasing Business	18.3	(7.4)	-25.8	19.0	18.0	-1.0
Construction, Auto & Industrial Machinery	22.1	19.6	-2.6	17.0	16.0	-1.0
Next Generation Business Development	(2.2)	(3.7)	-1.5	(2.0)	(4.0)	-2.0
Other	(4.9)	(9.6)	-4.6	(8.0)	(5.0)	+3.0
Consolidated	230.9	(197.5)	-428.3	256.0	225.0	-31.0
Resources*6	56.9	(166.0)	-223.0	69.0	61.0	-8.0
Non-resources*6	181.0	(18.2)	-199.2	197.0	173.0	-24.0
Other*6	(7.1)	(13.2)	-6.2	(10.0)	(9.0)	+1.0

*5. From FYE 3/2020, the former operating segments of "Food," "Consumer Products," "Chemical & Forest Products," "Energy & Metals," "Power Business & Plant" and "Transportation & Industrial Machinery" have been reorganized as "Lifestyle," "ICT & Real Estate Business," "Forest Products," "Food," "Agri Business," "Chemicals," "Power Business," "Energy," "Metals & Mineral Resources," "Plant," "Aerospace & Ship," "Finance & Leasing Business," "Construction, Auto & Industrial Machinery" and "Next Generation Business Development." In conjunction with these organizational changes, operating segment information for FYE 3/2019 has been reclassified.

*6. Business fields
Resources: Total for "Energy" and "Metals & Mineral Resources" excluding the "Steel Products" sub-segment
Other: Total for "Next Generation Business Development" and "Other" segments
Non-resources: Other than the above

*7. Adjusted net profit: Net profit excluding one-time items is an approximate figure. Amount may not agree with total for segments and consolidated total due to rounding.

Lifestyle

Gross trading profit decreased ¥1.0 billion (4.3%) year on year, to ¥22.6 billion and operating profit decreased ¥1.1 billion (20.3%), to ¥4.2 billion, largely in response to reduced sales of apparel and the like. Share of profits of associates and joint ventures decreased ¥0.3 billion (40.0%) year on year, to ¥0.4 billion as a result of reduced profit from planning, production, and the sale of apparel. Net profit for the year was down ¥1.1 billion (20.5%) from the fiscal year ended March 31, 2019, to ¥4.1 billion.

ICT & Real Estate Business

Gross trading profit increased ¥18.8 billion (19.0%) year on year, to ¥117.3 billion as a result of the consolidation of a subsidiary, ARTERIA Networks (also referred to as ARTE consolidation), that was previously an equity-method associate, as well as an increase in sales in the domestic real estate business. Operating profit increased ¥9.6 billion (52.5%) year on year, to ¥27.9 billion. Share of profits of associates and joint ventures decreased ¥3.6 billion (64.1%) year on year, to ¥2.0 billion due to ARTE consolidation and a decrease in the profit of a Chinese real estate sales business. Net profit for the year, including the above, decreased ¥19.4 billion (61.9%) from the fiscal year ended March 31, 2019, to ¥11.9 billion as a result of a loss related to the reinsurance business and the non-recurrence of a year-earlier mark-to-market valuation gain on ARTE consolidation.

Forest Products

Gross trading profit decreased ¥8.7 billion (21.2%) year on year, to ¥32.4 billion as a result of worsened pulp market prices and the like. Operating profit decreased ¥8.1 billion (41.0%) year on year, to ¥11.7 billion. Share of profits of associates and joint ventures decreased ¥3.6 billion (- %) year on year, to negative ¥1.2 billion as a result of an impairment loss on part of a plant for production on an equity-method associate and the effect from deconsolidation of an equity-method associate a year earlier. In addition to the above, as a result of the reversal of deferred tax assets of a MUSI pulp project, net profit for the year decreased ¥12.9 billion (79.7%) from the fiscal year ended March 31, 2019, to ¥3.3 billion.

Food

Gross trading profit increased ¥4.4 billion (4.5%) year on year, to ¥102.3 billion, as a result of improved margins in grain trading and the like. In addition, operating profit increased ¥7.8 billion (32.6%) year on year, to ¥31.6 billion as a result of a decrease in expenses. However, as a result of decreased profit from the deterioration of foreign exchange rates and an impairment loss on property, plant and equipment of a North American wild salmon trout business and the like, net profit for the year decreased ¥0.2 billion (0.9%) from the fiscal year ended March 31, 2019, to ¥19.5 billion.

Agri Business

Gross trading profit decreased ¥16.0 billion (8.7%) year on year, to ¥169.1 billion, as a result of a profit decrease in Gavilon due to poor weather conditions and deteriorated market conditions of fertilizers and the like. Operating profit decreased ¥15.9 billion (36.9%) year on year, to ¥27.2 billion. There was a year-earlier impairment loss for share of profits of associates and joint ventures in connection with an investment in a grain export business on the U.S. West Coast. Another impairment loss on the same business was recognized for the fiscal year ended March 31, 2020 as a result of a reevaluation of the business plan for the future, which took into consideration the current deterioration in the business environment. Net profit for the year, including the above, decreased ¥77.7 billion (– %) from the fiscal year ended March 31, 2019, to negative ¥77.1 billion, as a result of the impairment losses from goodwill and intangible assets recognized at the time of acquisition of Gavilon's grain business, and a loss on prior-year adjustments related to inappropriate transactions within the Italy and Spain business of Gavilon.

Chemicals

Gross trading profit decreased ¥10.0 billion (25.1%) year on year, to ¥29.9 billion, largely as a result of declined margins in petrochemical products and decrease in the handling volume of the feed additive business. Operating profit deceased ¥11.4 billion (68.0%) year on year, to ¥5.4 billion as a result of an increase in provision for doubtful accounts and the like.
Net profit for the year decreased ¥7.4 billion (64.3%) from the fiscal year ended March 31, 2019, to ¥4.1 billion as a result.

Power Business

Gross trading profit decreased ¥6.9 billion (22.7%) year on year, to ¥23.6 billion, as a result of declined profits in the U.K. electricity wholesaling/retailing business and the like. The operating loss worsened ¥3.7 billion (- %) year on year, to ¥13.9 billion. Share of profits of associates and joint ventures increased ¥14.2 billion (398.1%) year on year, to ¥17.8 billion as a result of the non-recurrence of a year-earlier impairment loss on investment in the power generating business in Singapore and the like, which offset an impairment loss on investment in the offshore wind power installation business in the U.K. and the like. However, net profit for the year decreased ¥6.0 billion (40.2%) from the fiscal year ended March 31, 2019, to ¥9.0 billion, as a result of the non-recurrence of a gain recognized in the year-earlier period on the sale of a domestic power generating business.

Energy

Gross trading profit decreased ¥17.7 billion (32.2%) year on year, to ¥37.3 billion, as a result of the fall in prices and the like in the oil and gas E&P business as well as decreased profit in the oil & gas trading business. Operating profit decreased ¥16.7 billion (83.3%) year on year, to ¥3.3 billion. Share of profits of associates and joint ventures decreased ¥14.2 billion (- %) year on year, to negative ¥13.2 billion as a result of an impairment loss on investment in the LNG business in Papua New Guinea and the like. Net profit for the year, including the above, decreased ¥176.0 billion (- %) from the fiscal year ended March 31, 2019, to negative ¥149.3 billion, as a result of the impairment loss from property, plant and equipment in the oil and gas E&P busines in the U.S. Gulf of Mexico, as well as an impairment loss on property, plant and equipment, and reversal of deferred tax assets in the oil and gas E&P business in the U.K. North Sea and the like.

Metals & Mineral Resources

Gross trading profit decreased ¥2.3 billion (6.9%) year on year, to ¥30.4 billion, as a result of falling prices and the like in the Australian coal business. Operating profit decreased ¥2.0 billion (14.3%) year on year, to ¥11.7 billion. Share of profits of associates and joint ventures decreased ¥57.6 billion (- %) year on year, to negative ¥16.5 billion as a result of an impairment loss on investment in the Chilean copper mining business, which offset the profit increase in an Australian iron ore business. As a result, net profit for the year decreased ¥47.5 billion (- %) from the fiscal year ended March 31, 2019, to negative ¥5.7 billion.

Plant

Gross trading profit decreased ¥0.7 billion (4.8%) year on year, to ¥14.1 billion, as a result of a decrease in the handling volume of an overseas plant project. The operating loss worsened ¥1.2 billion (- %) year on year, to ¥4.5 billion. Share of profits of associates and joint ventures decreased ¥34.1 billion (- %) year on year, to negative ¥16.6 billion as a result of impairment losses on investment in the infrastructure business in the Philippines as well as the North American oil and gas E&P-related business and the like. Net profit, including the above, worsened ¥43.3 billion (- %) year on year, to negative ¥27.8 billion, due to a loss on the overseas infrastructure business and the like.

Aerospace & Ship

Gross trading profit increased ¥2.8 billion (12.1%) year on year, to ¥26.2 billion, mainly due to an increase in ship-related business earnings and the like. Operating profit increased ¥2.8 billion (24.4%) year on year, to ¥14.1 billion. Share of profits of associates and joint ventures decreased ¥2.2 billion (44.2%) year on year, to ¥2.8 billion as a result of an impairment loss on investment in an offshore wind power installation business in the U.K., which offset the profit increase in a ship-related business. Consequently, net profit for the year decreased ¥2.3 billion (16.8%) from the fiscal year ended March 31, 2019, to ¥11.6 billion.

Finance & Leasing Business

Gross trading profit remained almost unchanged year on year, while operating profit decreased ¥1.5 billion (- %) year on year, to negative ¥0.5 billion as a result of an increase in expenses. Share of profits of associates and joint ventures worsened ¥42.4 billion (- %) year on year, to negative ¥20.1 billion as a result of an impairment loss on investment in the aircraft leasing business in the U.S., which offset an increase in profit from the automotive sales finance business. Net profit for the year worsened ¥25.8 billion (- %) from the fiscal year ended March 31, 2019, to negative ¥7.4 billion, as a result of the worsening of share of profits of associates and joint ventures, which offset a gain from sale of securities by a partial sale of leasing and rental of refrigerated trailers in the U.S.

Construction, Auto & Industrial Machinery

Gross trading profit increased ¥3.1 billion (3.6%) year on year, to ¥89.6 billion, as a result of profit growth in the automotive-related business, construction machinery sales business and tire, rubber materials business, and the like. Operating profit increased ¥1.3 billion (7.2%) year on year to ¥20.0 billion. Share of profits of associates and joint ventures decreased ¥2.6 billion (30.5%) year on year, to ¥6.0 billion as a result of the non-recurrence of a gain recognized in the year-earlier period on the sale of a domestic power generating business and the like. As a result, net profit for the year decreased ¥2.6 billion (11.6%) from the fiscal year ended March 31, 2019, to ¥19.6 billion.

Next-Generation Business Development

Operating loss worsened ¥2.3 billion (- %) year on year, to ¥4.4 billion as a result of an increase in expenses such as personnel and research expenses for the creation and development of new business models. As a result, net loss for the year worsened ¥1.5 billion (- %) from the fiscal year ended March 31, 2019, to ¥3.7 billion.

Net Profit of Major Group Companies

As for the category of Group companies, consolidated subsidiaries are described as "Consolidated" and associate companies accounted for using the equity-method as "Equity method."

(Billions of yen)

Company Name	Consolidated/ Equity method	Equity Portion	FYE 3/2019	FYE 3/2020	Change	Description of business
Lifestyle Division						
Marubeni Fashion Link	Consolidated	100%	1.0	**0.9**	-0.1	Planning, manufacturing and sale of apparel and goods
Marubeni Intex	Consolidated	100%	1.1	**1.2**	+0.1	Sale of industrial materials, lifestyle materials and products
Saide Tekstil Sanayi ve Ticaret	Equity method	45.5%	0.3	**0.1**	-0.3	Planning, manufacturing and sale of apparel and goods
ICT & Real Estate Business Division						
Marubeni Information Systems	Consolidated	100%	1.8	**1.7**	-0.0	IT solution provider for full range of IT lifecycle in every industry
Marubeni IT Solutions	Consolidated	80.0%	0.7	**0.9**	+0.2	Sales planning of information and communication systems, design, and development of software
MX Mobiling	Consolidated	100%	6.2	**6.6**	+0.4	Sales, repair and maintenance of mobile handsets and related equipment
ARTERIA Networks	Consolidated	50.0%	2.2	**2.2**	+0.1	Provision of various network services for businesses and condominiums
Marubeni Real Estate Management	Consolidated	100%	1.2	**0.7**	-0.4	Leasing and subleasing of real estate, management of office buildings and complex facilities
Marubeni Logistics	Consolidated	100%	1.0	**1.0**	+0.0	International combined transport operation (NVOCC), 3PL (Third-party Logistics), ocean & air freight forwarding, consultancy relating to logistics
Marubeni Safenet	Consolidated	100%	0.5	**0.4**	-0.0	Insurance agency and lending business
Forest Products Division						
MUSI Pulp Project	Consolidated	TEL 85.1% MHP 100%	6.2	**(3.7)**	-9.8	Forestry (Afforestation of hardwood), production and sales of pulp in Indonesia
WA Plantation Resources	Consolidated	100%	2.1	**1.6**	-0.5	Wood chip production and plantation in Australia
Koa Kogyo	Consolidated	80.0%	1.1	**2.0**	+1.0	Manufacture and sale of corrugating medium and linerboard
Fukuyama Paper	Consolidated	55.0%	0.9	**1.3**	+0.4	Manufacture and sale of corrugating medium and core board
Marubeni Pulp & Paper	Consolidated	100%	2.1	**2.3**	+0.3	Sale of paper products
Marusumi Paper	Equity method	32.2%	(0.3)	**(1.5)**	-1.2	Manufacture and sale of paper
Food Division						
Yamaboshiya	Consolidated	75.6%	1.4	**1.3**	-0.0	Wholesale of confectionery products to mass-retail and convenience stores
United Super Markets Holdings Inc.*1	—	—	0.8	**0.2**	-0.5	Supermarket operators in the Tokyo metropolitan area
Cia.Iguacu de Cafe Soluvel	Consolidated	100%	1.2	**0.8**	-0.3	Manufacturing and sale of instant coffee
Marubeni Foods	Consolidated	100%	0.7	**0.7**	+0.0	Imports, exports and sales of food products
Benirei	Consolidated	98.8%	0.6	**0.3**	-0.2	Wholesale of seafood products and warehousing
Creekstone Holding	Consolidated	100%	2.5	**4.3**	+1.8	Holding company of Creekstone Farms Premium Beef LLC, which conducts production, processing and sales of beef, etc.
Wellfam Foods	Consolidated	100%	3.4	**2.4**	-1.0	Marketing of livestock, meats and processed products
Rangers Valley Cattle Station	Consolidated	100%	(0.1)	**0.9**	+1.0	Cattle raising and beef sales business in Australia
S FOODS*2	Equity method	15.3%	1.1	**1.0**	-0.1	Wholesale, retail, and restaurant business of meats
Marubeni Nisshin Feed	Consolidated	60.0%	1.4	**1.8**	+0.4	Manufacture and sales of livestock feed
Pacific Grain Terminal	Consolidated	78.4%	0.7	**0.6**	-0.1	Warehousing, stevedoring and transportation operations
The Nisshin OilliO Group*2	Equity method	15.6%	1.4	**1.3**	-0.1	Processing and sale of edible oil business
Agri Business Division						
Helena	Consolidated	100%	23.0	**24.9**	+1.9	Sales of agricultural materials and provision of various services in the U.S.
Gavilon Agriculture Investment			(4.7)	**(87.9)**	-83.2	
Grain Business	Consolidated	100%	(6.8)	**(87.5)**	-80.7	Parent company of Gavilon Group (collection/sales of grain, fertilizer, etc.)
Fertilizer Business			2.1	**(0.4)**	-2.5	
Columbia Grain International	Consolidated	100%	(11.1)	**(9.0)**	+2.1	Collection, storage, exporting and domestic sales of grain produced in North America

(Billions of yen)

Company Name	Consolidated/ Equity method	Equity Portion	FYE 3/2019	FYE 3/2020	Change	Description of business
Chemicals Division						
Marubeni Plax	Consolidated	100%	0.9	**0.8**	-0.1	Sales and foreign trade of plastic products and resins
Olympus Holding (Orffa)	Consolidated	—	1.4	**0.4**	-1.0	Sales of feed additives
Marubeni Chemix	Consolidated	100%	1.1	**0.9**	-0.2	Sales and foreign trade of organic chemicals and fine chemicals
Power Business Division						
Overseas IPP Projects*3	—	—	10.2	**30.1**	+19.9	Overseas power generation
SmartestEnergy	Consolidated	100%	2.1	**(0.8)**	-2.9	Electricity aggregation and retail business in the U.K.
Energy Division						
LNG Projects	—	—	15.5	**6.9**	-8.6	Liquefaction of natural gas in overseas
ENEOS GLOBE	Equity method	20.0%	0.9	**0.6**	-0.3	Import and sale of LPG, and sale of new energy-related equipment
MIECO	Consolidated	100%	7.0	**3.3**	-3.7	Sale of all types of petroleum products and natural gas
Oil & Gas E&P	Consolidated	100%	(12.2)	**(164.1)**	-151.9	Total of oil and gas interests at Gulf of Mexico (U.S.), North Sea (U.K.), Indian Sea
Metals & Mineral Resources Division						
Marubeni Coal	Consolidated	100%	25.4	**25.2**	-0.3	Investment in coal mines in Australia
Roy Hill Iron Ore Project	Equity method	15.0%	2.9	**15.4**	+12.5	Investment in iron ore mine in Australia
Marubeni LP Holding	Consolidated	100%	7.0	**(59.5)**	-66.6	Investment in copper mines in Chile
Marubeni Aluminium Australia	Consolidated	100%	(4.2)	**(0.4)**	+3.7	Refining and sales of aluminum ingots in Australia
Marubeni Metals & Minerals (Canada)	Consolidated	100%	(0.6)	**2.8**	+3.4	Refining and sales of aluminum ingots in Canada
Marubeni-Itochu Steel	Equity method	50.0%	12.1	**11.2**	-0.9	Sales and business management of steel products
Plant Division						
FPSO Projects*4	—	—	3.9	**1.6**	-2.3	FPSO project investment and management
Overseas Water and Wastewater Services*5	—	—	4.3	**(18.3)**	-22.6	Overseas water and wastewater services
Aerospace & Ship Division						
Marubeni Aviation Parts Trading	Consolidated	100%	0.9	**2.6**	+1.6	Investment in aircraft parts trading business in the U.S.
Finance & Leasing Business Division						
MAI Holding (Westlake)	Consolidated	100%	7.6	**11.0**	+3.4	Investment in used car retail financing businesses in the U.S.
PLM Fleet*6	Equity method	50.0%	2.5	**14.1**	+11.6	Leasing and rental of refrigerated trailers in the U.S.
Marubeni SuMiT Rail Transport	Equity method	50.0%	1.1	**1.1**	+0.0	Investment in railcar leasing business in the U.S.
Aircastle Business*7	Equity method	—	7.3	**(39.8)**	-47.1	Aircraft operating lease business in the U.S.
Construction, Auto & Industrial Machinery Division						
Automotive Aftermarket Business	—	—	1.7	**2.0**	+0.3	Automotive aftermarket business in the U.S.
Marubeni Auto Investment (U.K.)	Consolidated	100%	1.1	**0.7**	-0.4	Investment in retail sales business of automobiles in the U.K.
B-Quik	Consolidated	90.0%	2.2	**2.3**	+0.1	Tire retailer in the ASEAN
Marubeni Techno-Systems	Consolidated	100%	1.3	**2.0**	+0.6	Sale, export and import of industrial machinery
Kono Electronics	Consolidated	100%	0.6	**0.5**	-0.1	Sales of electrical equipment connecting parts and materials

*1. We hold outstanding shares of this company through a holding company. Stated figures that are multiplications of disclosed figures of this company and our equity portion, are shown for reference. Adjustments of accounting standard variances have been applied to our IFRS consolidated statements.
*2. Stated figures that are multiplications of disclosed figures of this company and our equity portion, are shown for reference. Adjustments of accounting standard variances have been applied to our IFRS consolidated statements.
*3. Total of share of profits of associates and joint ventures of our overseas IPP business.
*4. Total profits of consolidated subsidiaries and share of associates and joint ventures of our FPSO projects.
*5. Total profits of consolidated subsidiaries and share of associates and joint ventures of our overseas water and wastewater services.
*6. Completed transfer of equity interests (100% → 50%) on March 30, 2020. Listed figures of consolidated net profit for FYE 3/2019 and 3/2020 are figures before the transfer (former MAC Trailer Leasing (PLM), 100% consolidated).
*7. Completed additional acquisition (29% → 75%) on March 27, 2020. Listed figures of consolidated net profit for FYE 3/2019 and 3/2020 are both figures before the additional acquisition, including the impairment loss recognized in FYE3/2020.

Business Risks

Major risks that could have a serious impact on investor decisions associated with the business operations and other activities of Marubeni Corporation and its consolidated subsidiaries are outlined below. The risks discussed, however, are not inclusive of the full range of possible risks faced in the broad range of activities engaged in by the Group. Any number of additional risks other than those discussed below could also impact business performance. Forward-looking statements with respect to the risks discussed below reflect the reasonable judgment of the Company's management based on information available as of March 31, 2020.

Impact of the Spread of COVID-19

The spread of COVID-19 is likely to have various impacts on the Group, which is conducting multifaceted businesses in diverse fields. For the finance & leasing business, transportation-related businesses, and businesses concerning oil and gas E&P and iron ore, coal, and copper mining, the impacts of COVID-19 will likely be complex and unavoidable. On the other hand, the stable earnings-type businesses, such as the power and infrastructure business, and the lifeline-related businesses essential for daily life, such as the agriculture and the food-related businesses, are expected to contribute to the Company's earnings. The trade businesses, such as chemicals and energy businesses, which support all industries, are likely to experience a decrease in profit because of declining trading volume, but are expected to continue to contribute to the Company's earnings. These forecasts are based on the assumption that although the spread of COVID-19 would peak during the first half of the fiscal year ending March 31, 2021, and henceforth gradually end, ample amount of time would be required for the global economy to return to a recovery trend. Specifically, it is assumed that the recovery will be moderate even after the second half of the fiscal year ending March 31, 2021, and the impact of economic stagnation will remain until the fiscal year ending March 31, 2022.

Risk Management Policy

In conducting their diverse business activities, Marubeni and its consolidated subsidiaries manage risks through a multifaceted approach, encompassing micro and macro as well as quantitative and qualitative perspectives. For each of these approaches, Marubeni has in place a basic policy for risk management and internal rules and has established the organizations, management systems, and management methods to carry out those policies.

Incorporating a micro focus on individual risk, Marubeni and its consolidated subsidiaries make decisions on certain matters (e.g., investments, credit extensions) through a consensus-based decision-making process. Highly material investments are monitored more closely to facilitate early problem detection and corrective action. The Investment and Credit Committee, Corporate Management Committee and the Board of Directors periodically receive reports on the current status of investments. The strategic, growth and profit potential of these investments is examined, with necessary investments considered from a variety of multifaceted angles and the determination regarding whether to revise and move forward or withdraw made in accordance with the consensus-based decision-making process.

In an environment where exchange rates, resource prices and other financial and commodity market variables remain prone to substantial volatility, Marubeni practices integrated risk management from a macro view that spans the entire Group. Its integrated risk management encompasses all of its Group assets, classifying by exposure risk attributes, such as market risk, credit risk and investment risk, and quantifying the maximum risk amount using the VaR (Value at Risk) method that takes into account the diversification effect and the correlation coefficient. Marubeni then confirms that the exposure is within the range of its total equity, which represents its risk-bearing capacity.

With regard to risks that are difficult to quantify (unquantifiable risks), such as compliance risk, Marubeni has put in place systems to prevent such risks from manifesting themselves in the form of improved corporate governance and internal control systems and an upgraded compliance system.

However, Marubeni and its consolidated subsidiaries' risk management framework may not be capable of fully dealing with all of the various risks that could arise in their wide-ranging business activities today or in the future. In such an event, Marubeni and its consolidated subsidiaries' earnings performance and/or financial condition could be adversely affected.

Please refer to Concerning the Decision-making Processes for New Investments and Asset Recycling on P.37.

Individual Risks

Impact of Changes in the Global Economy and Industrial Structure on the Marubeni Group

The Company is a general trading company engaged in a wide range of business activities through bases in Japan and over 60 other countries. Examples include the production and procurement of primary commodities, as well as the manufacture and sale of finished goods, the provision of services and various commercial and investing activities in Japan and other countries and regions in many industrial fields.

Consequently, it is necessary for Marubeni to examine the impact on business activities and to respond to events that affect the global economy, as exemplified by U.S.-China trade friction, concerns over a slowdown in the Chinese economy, Brexit, Hong Kong demonstrations, the situation in the Middle East as well as natural disasters, such as typhoons, on business activities. The Company also works to develop new business models and revamp existing ones in response to changes in the industrial structure driven by technological innovation, such as AI, blockchain, and 5G services, and changes in and the diversification of values, including sustainability and decarbonization. A global economic downturn or slowdown or failure to adequately adapt to changes in the industrial structure could adversely affect the Company and its consolidated subsidiaries' operating activities, business results and/or financial condition.

Credit Risks Regarding Business Partners

Marubeni and its consolidated subsidiaries extend credit to business partners in the form of accounts receivable, advances, loans, guarantees, and other means. In addition, as a part of its sales activities, the Group concludes merchandise supply, subcontracting, operational outsourcing, and other types of contracts with business partners. The incurrence of credit risk due to the inability of business partners to fulfill their credit obligations or a breach of contract by these business partners could adversely affect the Group's business results and financial condition.

To prevent credit risks from materializing, the Group sets credit limits, which represent the maximum limit of credit provided to any one customer, while carefully ascertaining the customer's credit standing, the profit margin of the transaction, strategic consistency and other factors. Operating within the range of that credit limit then serves as the basis of the Company's credit management.

In preparation for the incurrence of possible losses when credit risk becomes apparent, the Group establishes allowances for doubtful accounts based on the estimated amount of loss, an internal rating determined in accordance with the business partner's credit standing, collateral value, and other set factors. In the event of such losses, however, the Company cannot guarantee that actual losses will not exceed these established allowances.

Investment Risk

Marubeni and its consolidated subsidiaries, both independently and in collaboration with other companies, establish new companies and purchase existing enterprises in the course of their business operations. Most of these business investments require sizable amounts of capital. The Group may be unable to withdraw from such businesses in an optimal manner or time frame, in which case it would be obliged to commit additional capital.

In an effort to prevent the occurrence of risks associated with investments and other activities, Marubeni and its consolidated subsidiaries conduct extensive risk management, including checking the quantitative and qualitative aspects of new investments to determine whether the expected returns are commensurate with the risks involved. The checking process is based on investment standards established within the Company, such as internal rate of return (IRR), payback period, and PATRAC*1. Nevertheless, a decline in the value of these investments or the necessity of additional expenditures of capital could adversely affect the Group's business results and financial condition.

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

PATRAC = Profit after tax – Risk assets (= required shareholders' equity) x 10%*2

*2 Hurdle rate based on cost of capital

Please refer to Concerning the Decision-making Processes for New Investments and Asset Recycling on P.37.

Ability to Procure Funds and Funding Cost

Marubeni and its consolidated subsidiaries engage in fund procurement with an emphasis on maintaining an optimal mix of funding in line with the requirements of their respective asset portfolios and ensuring liquidity. However, significant disruptions in major global capital markets, shortages of cash flows from operating activities, declining profitability, failure in asset-liability management, or a sharp downgrade in the credit rating of the Group by ratings agencies could constrain fund procurement or lead to an increase in funding cost, which could adversely affect the Group's business results and financial condition.

Please refer to the Message from the CFO on PP.34–36.

Market Risks

Unless otherwise stated, in this section the amount of impact on the profit attributable to owners of the parent (hereinafter, profit) shown is the amount for the fiscal year ending March 31, 2021, calculated based on the Company's business results for the fiscal year ended March 31, 2020.

❶ Fluctuations in the Prices of Goods and Merchandise

Marubeni and its consolidated subsidiaries handle a variety of merchandise. With regard to certain merchandise, the Group enters into commodity futures transactions and/or forward transactions in order to mitigate the price fluctuation risk related to inventories, contracts, and scheduled contracts of such merchandise. However, price fluctuations especially in the commodities could adversely affect the Group's business results and financial condition. Such commodities include, but are not limited to the following:

- the grains, such as corn and wheat, and chicken handled by the Food Division
- the chemicals, such as ethylene and propylene, handled by the Chemicals Division
- the crude oil and gas handled by the Energy Division
- the non-ferrous metals handled by the Metals & Mineral Resources Division
- and the wood pulp handled by Forest Products Division

Marubeni also utilizes vessels, such as dry bulk carriers and tankers, to transport these merchandises, and the market conditions for these vessels could also adversely affect the Group's business results and financial condition. To address such price fluctuation risks in commodities trading and to avoid taking excessive risk exposure, Marubeni employs a position management framework to establish position limits on a commodity-by-commodity basis and to regularly monitor its compliance.

In addition to the effects of these price fluctuations in commodities trading, Marubeni and its consolidated subsidiaries participate in energy and natural resource exploration and production (E&P) businesses and other manufacturing businesses. Fluctuations in the markets of the products sold through these activities could adversely affect the Group's business results and financial condition.

The effects of price fluctuations on the major products in the mineral resources and the oil and gas E&P businesses in which Marubeni and its consolidated subsidiaries participate are set out below.

If the commodity price of crude oil changes by US$1 per barrel, the effect on profit for the year is estimated to be about ¥600 million per year. However, since profit for the year is affected by factors other than price fluctuations—including production/operation status, operating expenses, development expenses for drilling production wells, constructing production facilities, etc., exploration expenses, and abandonment expenses—there are cases in which it cannot be determined simply by the commodity price of crude oil.

If the commodity price of copper fluctuates by US$100 per ton, the impact on profit for the year is estimated to be about ¥1 billion per year. However, since profit for the year is affected by factors other than price fluctuations—production/operational status, capital expenditure and operating expenditure associated with the maintenance of production and transportation facilities—there are cases in which it cannot be determined simply by the commodity price of copper.

❷ Market Liquidity (Liquidity Risk)

Marubeni and its consolidated subsidiaries hold a variety of assets that are subject to market trading, including financial instruments. Financial market turmoil and other factors can cause the market liquidity of held assets to decline dramatically, a situation that could potentially trigger a precipitous drop in the value of held assets. Such an occurrence could adversely affect the Group's business results and financial condition.

❸ Fluctuations in Foreign Currency Exchange Rates

Marubeni and its consolidated subsidiaries conduct transactions in a variety of currencies and under a variety of terms. In order to mitigate the risk of exchange rate fluctuations associated with transactions, receivables, and liabilities denominated in foreign currencies, the Group enters into forward exchange contracts and other derivative transactions. Despite these measures, fluctuations in exchange rates could adversely affect the Group's business results and financial condition. In addition, the proportion of profits and losses of overseas consolidated subsidiaries and equity-method affiliates and dividends received from overseas businesses in net income is relatively high. Most of these earnings are denominated in foreign currencies, and our reporting currency is yen. Therefore, exchange rate fluctuations will affect the business performance and financial position of the Company and its consolidated subsidiaries. If the Japanese yen changes by 1 yen against the U.S. dollar, the impact on profit for the year is estimated to be about ¥600 million per year.

❹ Fluctuations in Interest Rates

Marubeni and its consolidated subsidiaries procure necessary business funds through borrowings from financial institutions, the issuance of corporate bonds, and other methods of procuring from capital markets. A large portion of floating rate liabilities is proportionate to operating assets that can counteract adverse impacts of interest rate fluctuations. However, interest rate fluctuation risks cannot be completely eliminated, and a certain degree of exposure remains.

Among the liabilities procured for interest-insensitive assets, such as investment securities and property, plant and equipment, the portion at procured floating rates is categorized as unhedged through the asset-liability management practices of Marubeni and its consolidated subsidiaries. Monitoring market movements in interest rates, the Group utilizes interest rate swaps and other measures to mitigate the risk of interest rate fluctuations.

There is no guarantee that the Group will be able to completely avoid interest rate risk, even after having implemented these management measures. Therefore, changes in market interest rates could adversely affect the Group's business results and financial condition.

❺ Fluctuations in Values of Marketable Securities Subject to Market Volatility

To strengthen business relationships and for other purposes, Marubeni and its consolidated subsidiaries invest in marketable securities that are subject to market volatility. Such securities held by the Group carry the risk of fluctuations in original value due to changes in fair value. Drops in the fair value of these securities could adversely affect the Group's business results and financial condition.

❻ Risks Regarding Employees' Retirement Benefits

Marubeni and its consolidated subsidiaries' pension assets include domestic and foreign stocks and bonds. In the management of those assets, the internally established Pension Asset Management Committee conducts regular monitoring and constantly strives to maximize pension assets within the allowable risk range. However, sluggish performance in the securities markets could decrease the value of those assets beyond expectations, increase retirement benefit costs or require the accumulation of additional pension assets. In addition, the current value of defined benefit obligations is calculated based on assumptions, including those for discount rates and wage hikes, but if the actual values differ from those assumptions, the amount of defined benefit obligations may change. Such events could adversely affect the Group's business results and financial condition.

Risks Associated with Long-lived Assets

Marubeni and its consolidated subsidiaries hold real estate, machinery and equipment, and other property, plant and equipment for sale and lease to third parties as well as for its own use. Moreover, to expand the business, the Group acquires shares and equity stakes in entities and is involved in the management of such entities. Such entities include those whose businesses require large amounts of capital expenditure, such as resource exploration and production businesses, and those in which the Company is involved through investment accounted for under the equity method (equity-method investment) without having a majority. Long-lived assets potentially have risks, including decline in asset value, irrecoverability of investment, and the incurring of an additional loss upon withdrawal.

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Marubeni and its consolidated subsidiaries apply appropriate impairment accounting to such long-lived assets in a timely manner in accordance with IFRS. Nevertheless, a significant decline in asset value for reasons such as a future revision to the business plan or change of policy on the holding of such assets, may adversely affect the Group's business results and financial condition.

Moreover, Marubeni and its consolidated subsidiaries report a considerable amount of intangible assets, including goodwill, on its consolidated statement of financial position, as a result of acquisitions. In accordance with IFRS, periodic amortization is not applied to goodwill and intangible assets with indefinite useful lives. The Group consider that such goodwill and intangible assets appropriately reflect their business value and future economic benefits, which are expected to be obtainable when synergy from business combination is achieved in the future. However, if it is judged that expected results are unobtainable because of a change in the business environment or competition, or if a higher discount rate is to be applied, an impairment loss may be incurred and may adversely affect the Group's business results and financial condition.

<Investment in Resource Development Interests>

Concerning investment in resource development interests at the end of the fiscal year ended March 31, 2020, the financial exposure by product is as follows:

Product(s)	Amount of exposure	Main assets
Copper	Approx. ¥220 billion	Equity-method investments (Chile)
Oil and gas	Approx. ¥120 billion	Property, plant and equipment (the Gulf of Mexico, the U.S., the North Sea, the U.K., etc.)
Iron ore	Approx. ¥120 billion	Equity-method investments (Australia)
Coking coal	Approx. ¥50 billion	Equity-method investments/ Property, plant and equipment (Australia)
LNG	Approx. ¥50 billion	Equity-method investments (Papua New Guinea, etc.)/other investments (Qatar, etc.)
Aluminum	Approx. ¥30 billion	Property, plant and equipment (Canada, Australia)
Resource investment total	Approx. ¥600 billion	

Note: As they are displayed as approximate numbers, the total values may not match.

With regard to investments in the oil and gas E&P businesses as well as the copper and iron ore businesses, which may have a significant impact on the business performance and financial condition of Marubeni and its consolidated subsidiaries, asset value fluctuations may be caused due to the factors listed below.

Oil and Gas E&P Businesses

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

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

Copper and Iron Ore Businesses

In the copper and iron ore businesses in which the Group is involved, the commodity prices, such as copper and iron ore prices, are subject to change due to factors that the Group cannot control, including but not limited to, worldwide supply/demand imbalance or supply/demand imbalance in each region, economic fluctuations, foreign currency exchange rate fluctuations, geopolitical situations, and the impact of the spread of COVID-19. The long-lived assets of the copper business in which the Group is involved consist mainly of equity-method investments (in Los Pelambres Copper Mine, Centinela Copper Mine, and Antucoya Copper Mine in Chile). The long-lived assets of the iron ore business consist mainly of equity-method investments (in Roy Hill Iron Mine in Australia).

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

<Investment in Aircastle>

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

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

The Group's investment in Aircastle as of March 31, 2020 amounts to approximately ¥146.5 billion.

<Projects that Include Contract Extension in the Business Plan>

The business plans of the Company and its consolidated subsidiaries may be premised on the extension of contracts, such as long-term sales contracts that have already been concluded after confirming appropriate probability in consideration of the business environment at the time of formulation. However, since these assumptions are affected by a variety of factors, such as changes in the business environment, imbalances in supply and demand in the world or in regions, economic fluctuations, in reality it may not be possible to extend the contract, or the contract conditions after the extension may be worse than expected under the original business plan. As a result, a review of the business plan may cause a significant decline in asset value, which may adversely affect business results and the financial condition of the Company and its consolidated subsidiaries.

Laws and Regulations

The businesses of Marubeni and its consolidated subsidiaries are subject to a broad range of laws and regulations both in Japan and other applicable countries. Covering a wide range of fields, these laws and regulations include: permits and licenses relating to business and investment; regulations pertaining to exports and imports, including national security regulations; tariffs and various tax laws; unfair trade regulations, including antitrust laws; money laundering regulations; anti-corruption and bribery laws; and environmental protection laws. Examples of the main permits and licenses relating to business and investment in Japan include: the Act against Unjustifiable Premiums and Misleading Representation in the Lifestyle Division; the Building Lots and Buildings Transaction Business Act and the Telecommunications Business Act in the ICT and Real Estate Business Division; the Food Sanitation Act and the Act on Safety Assurance and Quality Improvement of Feeds in the Food Division; the Poisonous and Deleterious Substances Control Law in the Chemicals Division; the Electricity Business Act in the Power Business Division; the Oil Stockpiling Act in the Energy Division; the Civil Aeronautics Law and Marine Transportation Act in the Aerospace & Ship Division; and Act on Investment Trusts and Investment Corporations in the Finance & Leasing Business Division. The same or similar laws and regulations exist in other countries.

The Company regards compliance as not only compliance with laws and regulations, but also maintaining high ethical standards as a corporate citizen, meeting the expectations of all stakeholders, and fulfilling its social responsibility. The Company has established a Compliance Committee under the direct control of the President and CEO to implement compliance, including compliance with laws and regulations.

However, depending on the country or region in which the Company or a consolidated subsidiary is operating, there are instances in which the legal system might not be fully functioning, and thus unanticipated changes in laws, regulations, and interpretations, the inconsistent application/interpretation of laws and regulations by regulatory authorities and judicial institutions or unilateral changes in their operation may occur. The businesses (including those based on completely new business models) conducted by the Company and its consolidated subsidiaries may also include business fields for which laws and regulations have not been adequately established. Although the Company and its consolidated subsidiaries thoroughly implement compliance risk management based on a risk-based approach, the possibility remains that compliance violations will occur due to an extremely wide range of business activities they conduct, and the compliance burden placed on them may increase. If a situation of this nature were to arise, punitive measures, including the interruption of operations, may be applied, which could lower the Company's credibility and adversely affect the Group's business results and financial condition.

Please refer to the Corporate Governance System on PP.50–65 for more details on the Compliance Committee.

<Tax System/Tax Risks>

Since Marubeni and its consolidated subsidiaries are expanding a variety of business activities globally, they are obligated to pay taxes in Japan and other countries. Therefore, if taxation by the tax authorities of each country is strengthened and rule changes, such as the expansion of the tax base and to tax rates, are imposed, the amount of tax payable by the Company and its consolidated subsidiaries may increase.

The Company and its consolidated subsidiaries file appropriate tax returns in accordance with the tax laws of each country, but unanticipated taxation may occur due to differences in interpretation with the authorities of each country. If a taxation problem occurs, we will take measures, such as appointing an external expert to solve the problem, but the Company is unable to completely eliminate the possibility of additional taxation. In such an event, Marubeni and its consolidated subsidiaries' earnings performance and/or financial condition could be adversely affected.

Significant Lawsuits

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

The Sugar Group, comprised of a group of Indonesian companies, filed a lawsuit against the Corporation, and the Supreme Court of Indonesia ("Supreme Court") ruled in favor of the Corporation in 2011 ("Previous Case"). However, Sugar Group filed another series of lawsuits against the Corporation in which substantially the same claims as those in the Previous Case were made ("South Jakarta Case" and "Gunung Sugih Case"). The Supreme Court ruled against the Corporation in the South Jakarta Case and the Gunung Sugih Case and the decisions by the Supreme Court are formally binding on the Corporation. However, the Corporation filed applications for judicial review before the Supreme Court concerning the South Jakarta Case and the Gunung Sugih Case and the Corporation is still pursuing these applications. Separately, the Corporation filed a lawsuit against Sugar Group to seek 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"). The New Case is pending before the Central Jakarta District Court. Depending on developments in the South Jakarta Case and the Gunung Sugih Case (where the Supreme Court ruled against the Corporation) and the Counterclaim (which is pending before the Central Jakarta District Court) 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)

Note: The South Jakarta Case's defendants include Marubeni Europe PLC. Thus, the lawsuit may adversely affect Marubeni Europe's business results and financial condition.

Environmental Risk

Marubeni and its consolidated subsidiaries conduct business activities globally across a broad range of industries. In the event that environmental pollution, such as of the air, soil or water, arises as a result of these activities, this could result in business stoppage, pollution remediation expenses, and legal fees in response to litigation by local residents. In addition, the Group's social reputation could be damaged. In addition to having introduced an environmental management system in the year ended March 31, 2000, to cope with such environmental risks, the Company is working to assess the potential environmental burden and reduce environmental risk by conducting on-site inspections and document examinations at its consolidated subsidiaries and suppliers. In the event, however, that some form of environmental impact occurs, it could adversely affect the Group's business results and financial condition.

Please refer to Sustainability Assessment and Human Rights Due Diligence on P.30 and Supply Chains Start with Consolidated Subsidiaries on P.31.

Risks from Natural and Other Disasters

If a natural disaster—such as an earthquake, tsunami, excessive rainfall or a typhoon—were to occur, or were there to be an outbreak of an infectious disease, such as a new strain of influenza, in a country or region where the Company or a consolidated subsidiary is developing business activities, these events could cause injuries to employees and damage to and the loss of the Group's offices, facilities, and systems. These effects and disruption to public infrastructure, such as transport, telecommunications, water, gas, and electricity, would inhibit the normal business activities of Marubeni and its consolidated subsidiaries.

While every effort has been made to implement appropriate countermeasures, such as the formulation of business continuity plans, earthquake countermeasures, fire prevention drills, and the stockpiling of the necessary materiel, the potential for damage from and the impact of natural disasters cannot be completely mitigated. Consequently, there remains the possibility that such disasters could adversely affect the Group's business results and financial condition.

Climate-related Risk

The Company and its consolidated subsidiaries engage in sales activities related to a wide range of global industrial fields. If physical risks were to arise, such as natural disasters and extreme weather of increased severity, changes in precipitation and weather patterns, rising mean temperatures and rising sea levels due to climate change, these could adversely affect the Group's business results and financial condition. For example, crop failures due to changes in climate patterns and the paralysis of logistics functions due to extreme weather conditions could bring about a deterioration in earnings in the grain origination and agri-input businesses.

In addition, the transition to a decarbonized society carries with it the risk of greenhouse gas emission regulations, such as the introduction and strengthening of a carbon tax, and technological improvements or rapid development of renewable energy technologies. There is a possibility that this shift could adversely affect the business performance and financial condition of the Company and its consolidated subsidiaries, especially those engaged in fossil fuel-related business. The likelihood of these climate-related risks is largely dependent on the status of efforts to prevent climate change under the Paris Agreement.

Following the establishment of the Sustainability Management Committee under the direct control of the president, the Company is working to reduce the climate-related risk. Among a host of initiatives, we have established business policies. This includes, as a general principle, no longer entering into any new coal-fired power generation businesses and cutting our coal-fired power net generation capacity as of March 31, 2019 in half by 2030.

However, if these efforts do not succeed, or if climate change progresses at a speed or scale that exceeds expectations, it could adversely affect the performance and financial condition of the Company and its consolidated subsidiaries.

Please refer to Climate Change on PP.25–27.

For more details on the Sustainability Management Committee please see Sustainability Promotion Committee on P.23.

Country Risks

As they conduct sales activities globally, the Company and its consolidated subsidiaries are exposed to a variety of country risks, such as changes in the political situation in the region/country concerned, the deterioration of social conditions, including terrorism/violent groups, changes in the economic environment, changes in the legal systems and policies related to sales activities as well as natural disasters. A deteriorating operating environment in these markets or regions could adversely affect the Group's business results and financial condition.

Therefore, the Company assesses and classifies those countries in which operations are conducted according to their level of risk and has established country risk management criteria.

Under these criteria, the Company defines the policy for each country classification or country, quantifies the risk exposure for each country, and conducts management to prevent exposure concentration in a specific country classification or country.

In addition, when considering new investment projects, we have set investment criteria that take into consideration whether an appropriate risk-reward ratio will be obtained in accordance with the country classification or country risk of each country.

The Company also makes every effort to take appropriate risk hedging measures, such as taking out trade insurance, investment insurance or letter of guarantee via third parties, depending on the nature of the project.

The main exposures to country risk* as of March 31, 2020, are as follows:

* Of the assets held by Marubeni and its consolidated subsidiaries, the total amount of long-lived assets, such as long-term credit, fixed assets, and investments. Extracted countries with exposure of ¥100 billion or more.

U.S.	¥846.6 billion
Chile	¥259.2 billion
Australia	¥226.7 billion
Indonesia	¥167.4 billion
Singapore	¥136.7 billion
U.K.	¥101.4 billion

Risks Related to Information Systems and Information Security

The Company and its consolidated subsidiaries recognize as matters of priority the proper management of information assets and the ensuring of a high level of information security. Maintaining the relevant regulations, the Company conducts educational and awareness activities for its officers and employees while implementing security inspection activities. The Company is also working on measures to counter security risks by monitoring networks, including the Group.

It is, however, impossible to completely eliminate all possibility of, for example, unauthorized access from outside, the leakage of confidential/personal information due to computer virus intrusion, or IT service interruptions due to equipment/communication system malfunctions. In any one of these events, Marubeni and its consolidated subsidiaries' earnings performance and/or financial condition could be adversely affected.

Risk from Significant Accounting Policies and Estimates

The Company's consolidated financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board. Preparation of the consolidated financial statements requires management to make accounting estimates and assumptions, as necessary that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the end of the reporting period as well as the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates and assumptions due to their inherent uncertainty. Accounting estimates and assumptions that could significantly affect the consolidated financial statements are as follows:

- Write-down of inventory assets
- Impairment of property, plant and equipment
- Impairment loss on intangible assets
- Impairment loss on investments in associates and joint ventures
- Recoverability of deferred tax assets
- Defined benefit obligation
- Provisions
- Valuation of financial instruments
- Contingent liabilities

The management of the Company considers these estimates to be reasonable, but in the event of, for example, an unexpected change, they could have a material impact on its consolidated financial statements.

Please refer to 3. Significant Accounting Policies in the Notes to Consolidated Financial Statements for the fiscal year under review for details of the estimates and assumptions of significant accounting policies.

https://ssl4.eir-parts.net/doc/8002/ir_material_for_fiscal_ym19/83790/00.pdf

Medium-Term Management Strategy

The Company and its consolidated subsidiaries began the three-year Medium-Term Management Strategy GC2021 in the year ended March 31, 2020, but having made the restructuring of the financial foundation damaged by the deficit recorded in the previous fiscal year the top priority issue, the quantitative targets have been revised.

Formulated on the basis of certain economic conditions, industrial trends and various other premises, assumptions and forecasts that were considered appropriate at the time of formulation, these quantitative goals may not be achieved due to changes in the business environment, an occurrence of an above-mentioned individual risk, and various other factors.

Please refer below for the content of the Medium-Term Management Strategy GC2021 revisions.

PP.10–14 "Our Vision and Promotion of the GC2021 Medium-Term Management Strategy"

Medium-Term Management Strategy

https://www.marubeni.com/en/company/plan/

Financial Data

	SG2009		SG-12			GC2015			GC2018			GC2021	
	U.S. GAAP					IFRS						(Millions of yen)	(Thousands of U.S. dollars)*3
Fiscal years ended March 31,	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	**2020**	**2020**
For the year:													
Revenue, Total volume of trading transactions*1	¥ 10,462,067	¥ 7,965,055	¥ 9,020,468	¥ 10,584,393	¥ 10,509,088	¥ 7,055,700	¥ 7,834,295	¥ 7,300,299	¥ 7,128,805	¥ 7,540,337	¥ 7,401,256	**¥ 6,827,641**	**$ 62,638,908**
Gross trading profit	644,803	491,673	522,152	541,454	528,194	651,063	707,318	670,086	613,880	677,237	729,675	**696,808**	**6,392,734**
Operating profit*2	234,065	118,926	145,774	157,315	122,932	157,462	160,688	104,231	91,597	118,054	173,009	**133,875**	**1,228,211**
Dividend income	27,719	23,561	19,200	27,351	30,112	34,917	34,957	18,555	17,512	21,254	37,336	**27,631**	**253,495**
Share of profits of associates and joint ventures	21,973	28,864	71,452	81,528	87,790	99,405	89,919	31,824	114,725	148,503	85,278	**(55,150)**	**(505,963)**
Profit for the year attributable to owners of the parent (Net profit)	111,208	95,312	136,541	172,125	205,696	210,945	105,604	62,264	155,350	211,259	230,891	**(197,450)**	**(1,811,468)**
At year-end:													
Total assets	¥ 4,707,309	¥ 4,586,572	¥ 4,679,089	¥ 5,129,887	¥ 5,965,086	¥ 7,256,085	¥ 7,673,064	¥ 7,117,686	¥ 6,896,733	¥ 6,877,117	¥ 6,809,077	**¥ 6,320,037**	**$ 57,981,991**
Net interest-bearing debt	1,911,607	1,706,397	1,615,634	1,755,705	1,785,247	2,491,043	2,887,608	2,762,453	2,099,939	1,915,824	1,858,839	**1,859,125**	**17,056,193**
Total equity	623,356	799,746	831,730	915,770	1,188,379	1,531,231	1,678,713	1,415,202	1,742,758*4	1,835,637*4	2,071,726*4	**1,604,600*4**	**14,721,101**
Amounts per share (¥, $U.S.):													
Basic earnings*5	¥ 64.04	¥ 54.89	¥ 78.63	¥ 99.13	¥ 118.48	¥ 121.52	¥ 60.85	¥ 35.88	¥ 88.08	¥ 119.43	¥ 130.74	**¥ (116.03)**	**$ (1.06)**
Cash dividends	10.00	8.50	12.00	20.00	24.00	25.00	26.00	21.00	23.00	31.00	34.00	**35.00**	**0.32**
Cash flows:													
Net cash provided by operating activities	¥ 343,618	¥ 280,610	¥ 210,044	¥ 172,599	¥ 295,734	¥ 291,188	¥ 170,943	¥ 359,132	¥ 324,263	¥ 253,423	¥ 284,895	**¥ 326,981**	**$ 2,999,826**
Net cash provided by (used in) investing activities	(387,069)	(35,207)	(128,495)	(273,689)	(210,878)	(706,585)	(331,411)	(174,596)	46,504	(49,742)	22,528	**(209,790)**	**(1,924,679)**
Free cash flow	(43,451)	245,403	81,549	(101,090)	84,856	(415,397)	(160,468)	184,536	370,767	203,681	307,423	**117,191**	**1,075,147**
Net cash provided by (used in) financing activities	257,608	(254,655)	(17,010)	171,913	129,030	196,779	(70,705)	(36,268)	(258,123)	(269,507)	(427,420)	**(93,261)**	**(855,606)**
Cash and cash equivalents at end of year	573,924	570,789	616,003	677,312	919,475	665,498	469,106	600,840	704,972	625,834	509,288	**522,523**	**4,793,789**
Ratios:													
ROA (%)	2.24	2.05	2.95	3.51	3.71	3.15	1.41	0.84	2.22	3.07	3.37	**(3.01)**	
ROE (%)	16.51	14.52	17.98	21.17	20.74	16.67	7.28	4.39	11.09	13.97	13.92	**(13.41)**	
Net debt-equity (DE) ratio (Times)	3.07	2.13	1.94	1.92	1.50	1.63	1.72	1.95	1.20	1.04	0.90	**1.16**	
Total shareholder return*6 (%)	—	—	—	—	—	—	—	84.9	104.8	121.4	125.6	**98.1**	

*1. Reflecting "Total volume of trading transactions" until FYE 3/2013 and "Revenue" from FYE 3/2014 onward.
"Total volume of trading transactions" includes all transactions involving the Company and its consolidated subsidiaries regardless of transaction type.

*2. Operating profit = Gross trading profit + SGA expenses + Provision for doubtful accounts. "Operating profit" is presented in accordance with Japanese accounting practices for investors' convenience and is not required by IFRS.

*3. U.S. dollar amounts above and elsewhere in this report are converted from yen, for the convenience of readers only, at ¥109 to U.S.$1, the exchange rate prevailing on March 31, 2020.

*4. Including financing through perpetual subordinated loans in the amount of ¥250.0 billion in August 2016. The loans are classified as Total equity (other equity instruments) under IFRS.

*5. "Basic earnings per share attributable to owners of the parent" is based on "Profit attributable to owners of the parent" excluding the amount not attributable to ordinary shareholders.

*6. Total shareholder return for fiscal year N = (Share price at the end of fiscal year N + cumulative amount of dividends per share of up to fiscal year N from four fiscal years prior to FYE 3/2020)/ share price at the end of the five fiscal years prior to FYE 3/2020
(fiscal year N = any fiscal year between FYE 3/2016 - FYE 3/2020)

Consolidated Financial Statements

Consolidated Statement of Financial Position

Marubeni Corporation
As of March 31, 2019 and 2020

	Millions of yen		Thousands of U.S. dollars
	March 31, 2019	March 31, 2020	March 31, 2020
Assets			
Current assets:			
Cash and cash equivalents	¥ 509,288	¥ 522,523	$ 4,793,789
Time deposits	250	140	1,284
Investment securities	151	67	615
Notes, trade accounts and loans receivable	1,289,196	1,056,938	9,696,679
Other current financial assets	182,208	315,861	2,897,807
Inventories	900,472	852,927	7,825,018
Assets classified as held for sale	35,438	19,344	177,468
Other current assets	241,546	235,255	2,158,303
Total current assets	3,158,549	3,003,055	27,550,963
Non-current assets:			
Investments in associates and joint ventures	1,732,712	1,601,298	14,690,807
Other investments	292,752	229,080	2,101,651
Notes, trade accounts and loans receivable	132,328	103,367	948,321
Other non-current financial assets	79,511	98,002	899,101
Property, plant and equipment	926,092	902,423	8,279,110
Intangible assets	379,941	288,992	2,651,303
Deferred tax assets	45,806	32,555	298,670
Other non-current assets	61,386	61,265	562,064
Total non-current assets	3,650,528	3,316,982	30,431,028
Total assets	¥ 6,809,077	¥ 6,320,037	$ 57,981,991

See "Consolidated Financial Statements with Independent Auditors' Report for Fiscal Year Ended March 31, 2020" on our website "To Investors, IR Library" for more details on the consolidated financial statements.
https://www.marubeni.com/en/ir/reports/security_reports/

	Millions of yen		Thousands of U.S. dollars
	March 31, 2019	March 31, 2020	March 31, 2020
Liabilities and equity			
Current liabilities:			
Bonds and borrowings	¥ 478,387	¥ 620,020	$ 5,688,257
Notes and trade accounts payable	1,273,196	1,085,616	9,959,780
Other current financial liabilities	275,217	367,971	3,375,881
Income tax payable	17,778	16,360	150,092
Liabilities directly associated with assets held for sale	359	417	3,826
Other current liabilities	421,489	370,566	3,399,688
Total current liabilities	2,466,426	2,460,950	22,577,523
Non-current liabilities:			
Bonds and borrowings	1,889,990	1,761,768	16,163,009
Notes and trade accounts payable	11,566	5,245	48,119
Other non-current financial liabilities	74,404	231,116	2,120,330
Accrued pension and retirement benefits	89,764	109,143	1,001,312
Deferred tax liabilities	107,783	63,073	578,651
Other non-current liabilities	97,418	84,142	771,945
Total non-current liabilities	2,270,925	2,254,487	20,683,367
Total liabilities	4,737,351	4,715,437	43,260,890
Equity:			
Issued capital	262,686	262,686	2,409,963
Capital surplus	139,898	143,189	1,313,661
Other equity instruments	243,589	243,589	2,234,761
Treasury stock	(1,384)	(1,172)	(10,752)
Retained earnings	1,163,472	866,140	7,946,239
Other components of equity:			
Gains (losses) on financial assets measured at fair value through other comprehensive income	71,912	22,718	208,422
Foreign currency translation adjustments	131,178	41,247	378,413
Gains (losses) on cash flow hedges	(33,610)	(62,922)	(577,266)
Equity attributable to owners of the parent	1,977,741	1,515,475	13,903,440
Non-controlling interests	93,985	89,125	817,661
Total equity	2,071,726	1,604,600	14,721,101
Total liabilities and equity	¥ 6,809,077	¥ 6,320,037	$ 57,981,991

Consolidated Statement of Comprehensive Income

Marubeni Corporation
Fiscal years ended March 31, 2019 and 2020

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2020
Revenue:			
Sales of goods	¥ 7,197,705	¥ 6,638,184	$ 60,900,771
Commissions on services and trading margins	203,551	189,457	1,738,138
Total revenue	7,401,256	6,827,641	62,638,908
Cost of goods sold	(6,671,581)	(6,130,833)	(56,246,174)
Gross trading profit	729,675	696,808	6,392,734
Other income (expenses):			
Selling, general and administrative expenses	(549,014)	(558,487)	(5,123,734)
Gains (losses) on allowance for doubtful accounts	(7,652)	(4,446)	(40,789)
Gains (losses) on property, plant and equipment:			
Impairment losses	(17,803)	(251,639)	(2,308,615)
Gains (losses) on sales of property, plant and equipment	2,597	678	6,220
Other—net	10,742	(15,098)	(138,514)
Total other income (expenses)	(561,130)	(828,992)	(7,605,431)
Finance income (expenses):			
Interest income	15,950	16,382	150,294
Interest expenses	(46,807)	(47,737)	(437,954)
Dividend income	37,336	27,631	253,495
Gains (losses) on investment securities	28,517	25,123	230,486
Total finance income (expenses)	34,996	21,399	196,321
Share of profit (loss) of associates and joint ventures	85,278	(55,150)	(505,963)
Profit (loss) before tax	288,819	(165,935)	(1,522,339)
Income taxes	(49,535)	(24,256)	(222,532)
Profit (loss) for the year	¥ 239,284	¥ (190,191)	$ (1,744,872)
Profit (loss) for the year attributable to:			
Owners of the parent	¥ 230,891	¥ (197,450)	$ (1,811,468)
Non-controlling interests	8,393	7,259	66,596

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2020
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Gains (losses) on financial assets measured at fair value through other comprehensive income	¥ (12,485)	¥ (53,880)	$ (494,312)
Remeasurements of defined benefit plan	(7,301)	(19,080)	(175,046)
Changes in other comprehensive income of associates and joint ventures	(5,659)	(5,627)	(51,624)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation adjustments	47,308	(85,117)	(780,890)
Gains (losses) on cash flow hedges	4,777	(5,425)	(49,771)
Changes in other comprehensive income of associates and joint ventures	13,639	(29,009)	(266,138)
Other comprehensive income, net of tax	40,279	(198,138)	(1,817,780)
Total comprehensive income for the year	¥ 279,563	¥ (388,329)	$ (3,562,651)
Total comprehensive income for the year attributable to:			
Owners of the parent	¥ 270,904	¥ (394,355)	$ (3,617,936)
Non-controlling interests	8,659	6,026	55,284

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2020
Basic earnings (losses) per share attributable to shareholders of the parent	¥ 130.74	¥ (116.03)	$ (1.06)
Diluted earnings (losses) per share attributable to shareholders of the parent	¥ 130.62	¥ (116.03)	$ (1.06)

Consolidated Statement of Changes in Equity

Marubeni Corporation

Millions of yen

Year ended March 31, 2019	Equity attributable to owners of the parent					Other components of equity	
	Issued capital	Capital surplus	Other equity instruments	Treasury stock	Retained earnings	Gains (losses) on financial assets measured at fair value through other comprehensive income	Foreign currency translation adjustments
Balance at April 1, 2018	¥ 262,686	¥ 135,295	¥ 243,589	¥ (1,379)	¥1,014,709	¥ 82,596	¥ 76,253
Cumulative effect of applying new accounting standards and interpretations					(1,117)		
Profit (loss) for the year					230,891		
Other comprehensive income						(17,594)	54,925
Purchases and sales of treasury stock		0		(5)			
Dividends					(61,611)		
Equity transactions with non-controlling interests and others		4,603			(748)		
Distribution to owners of other equity financial instruments					(4,035)		
Transfer from other components of equity to retained earnings					(14,617)	6,910	
Transfer to non-financial assets or non-financial liabilities							
Balance at March 31, 2019	¥ 262,686	¥ 139,898	¥ 243,589	¥ (1,384)	¥1,163,472	¥ 71,912	¥ 131,178

Millions of yen

Year ended March 31, 2019	Equity attributable to owners of the parent: Other components of equity				Non-controlling interests	Total equity
	Gains (losses) on cash flow hedges	Remeasurements of defined benefit plan	Other components of equity	Total equity attributable to owners of the parent		
Balance at April 1, 2018	¥ (42,274)	¥ —	¥ 116,575	¥ 1,771,475	¥ 64,162	¥ 1,835,637
Cumulative effect of applying new accounting standards and interpretations				(1,117)		(1,117)
Profit (loss) for the year				230,891	8,393	239,284
Other comprehensive income	10,389	(7,707)	40,013	40,013	266	40,279
Purchases and sales of treasury stock				(5)		(5)
Dividends				(61,611)	(7,350)	(68,961)
Equity transactions with non-controlling interests and others				3,855	28,514	32,369
Distribution to owners of other equity financial instruments				(4,035)		(4,035)
Transfer from other components of equity to retained earnings		7,707	14,617	—		—
Transfer to non-financial assets or non-financial liabilities	(1,725)		(1,725)	(1,725)		(1,725)
Balance at March 31, 2019	¥ (33,610)	¥ —	¥ 169,480	¥ 1,977,741	¥ 93,985	¥ 2,071,726

Millions of yen

Year ended March 31, 2020	Equity attributable to owners of the parent					Other components of equity	
	Issued capital	Capital surplus	Other equity instruments	Treasury stock	Retained earnings	Gains (losses) on financial assets measured at fair value through other comprehensive income	Foreign currency translation adjustments
Balance at April 1, 2019	¥ 262,686	¥ 139,898	¥ 243,589	¥ (1,384)	¥1,163,472	¥ 71,912	¥ 131,178
Cumulative effect of applying new accounting standards and interpretations					(6,674)		
Profit (loss) for the year					(197,450)		
Other comprehensive income						(58,875)	(89,931)
Purchases and sales of treasury stock		(14)		212			
Dividends					(59,878)		
Equity transactions with non-controlling interests and others		3,305			(42)		
Distribution to owners of other equity financial instruments					(3,902)		
Transfer from other components of equity to retained earnings					(29,386)	9,681	
Transfer to non-financial assets or non-financial liabilities							
Balance at March 31, 2020	¥ 262,686	¥ 143,189	¥ 243,589	¥ (1,172)	¥ 866,140	¥ 22,718	¥ 41,247

Millions of yen

Year ended March 31, 2020	Equity attributable to owners of the parent: Other components of equity				Non-controlling interests	Total equity
	Gains (losses) on cash flow hedges	Remeasurements of defined benefit plan	Other components of equity	Total equity attributable to owners of the parent		
Balance at April 1, 2019	¥ (33,610)	¥ —	¥ 169,480	¥ 1,977,741	¥ 93,985	¥ 2,071,726
Cumulative effect of applying new accounting standards and interpretations				(6,674)		(6,674)
Profit (loss) for the year				(197,450)	7,259	(190,191)
Other comprehensive income	(28,394)	(19,705)	(196,905)	(196,905)	(1,233)	(198,138)
Purchases and sales of treasury stock				198		198
Dividends				(59,878)	(6,640)	(66,518)
Equity transactions with non-controlling interests and others				3,263	(4,246)	(983)
Distribution to owners of other equity financial instruments				(3,902)		(3,902)
Transfer from other components of equity to retained earnings		19,705	29,386	—		—
Transfer to non-financial assets or non-financial liabilities	(918)		(918)	(918)		(918)
Balance at March 31, 2020	¥ (62,922)	¥ —	¥ 1,043	¥ 1,515,475	¥ 89,125	¥ 1,604,600

Year ended March 31, 2020

Thousands of U.S. dollars

	Equity attributable to owners of the parent						
						Other components of equity	
	Issued capital	Capital surplus	Other equity instruments	Treasury stock	Retained earnings	Gains (losses) on financial assets measured at fair value through other comprehensive income	Foreign currency translation adjustments
Balance at April 1, 2019	$ 2,409,963	$ 1,283,468	$ 2,234,761	$ (12,697)	$ 10,674,055	$ 659,743	$ 1,203,468
Cumulative effect of applying new accounting standards and interpretations					(61,229)		
Profit (loss) for the year					(1,811,468)		
Other comprehensive income						(540,138)	(825,055)
Purchases and sales of treasury stock		(128)		1,945			
Dividends					(549,339)		
Equity transactions with non-controlling interests and others		30,321			(385)		
Distribution to owners of other equity financial instruments					(35,798)		
Transfer from other components of equity to retained earnings					(269,596)	88,817	
Transfer to non-financial assets or non-financial liabilities							
Balance at March 31, 2020	$ 2,409,963	$ 1,313,661	$ 2,234,761	$ (10,752)	$ 7,946,239	$ 208,422	$ 378,413

Thousands of U.S. dollars

	Equity attributable to owners of the parent					
	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	Non-controlling interests	Total equity
Balance at April 1, 2019	$ (308,349)	$ —	$ 1,554,862	$ 18,144,413	$ 862,248	$ 19,006,661
Cumulative effect of applying new accounting standards and interpretations				(61,229)		(61,229)
Profit (loss) for the year				(1,811,468)	66,596	(1,744,872)
Other comprehensive income	(260,495)	(180,780)	(1,806,468)	(1,806,468)	(11,312)	(1,817,780)
Purchases and sales of treasury stock				1,817		1,817
Dividends				(549,339)	(60,917)	(610,257)
Equity transactions with non-controlling interests and others				29,936	(38,954)	(9,018)
Distribution to owners of other equity financial instruments				(35,798)		(35,798)
Transfer from other components of equity to retained earnings		180,780	269,596	—		—
Transfer to non-financial assets or non-financial liabilities	(8,422)		(8,422)	(8,422)		(8,422)
Balance at March 31, 2020	$ (577,266)	$ —	$ 9,569	$ 13,903,440	$ 817,661	$ 14,721,101

Consolidated Statement of Cash Flows

Marubeni Corporation
Fiscal years ended March 31, 2019 and 2020

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2020
Operating activities:			
Profit (loss) for the year	¥ 239,284	¥ (190,191)	$ (1,744,872)
Adjustments to reconcile profit for the year to net cash provided by (used in) operating activities:			
Depreciation and amortization	113,541	166,922	1,531,394
(Gains) losses on property, plant and equipment	15,206	250,961	2,302,394
Finance (income) expenses	(34,996)	(21,399)	(196,321)
Share of (profit) loss of associates and joint ventures	(85,278)	55,150	505,963
Income taxes	49,535	24,256	222,532
Changes in notes and accounts receivable	65,190	231,157	2,120,706
Changes in inventories	(42,777)	32,103	294,523
Changes in notes and trade accounts payable	(127,896)	(188,141)	(1,726,064)
Other—net	14,096	(92,406)	(847,761)
Interest received	11,414	11,701	107,349
Interest paid	(44,202)	(48,890)	(448,532)
Dividends received	152,765	120,504	1,105,541
Income taxes paid	(40,987)	(24,746)	(227,028)
Net cash provided by (used in) operating activities	284,895	326,981	2,999,826
Investing activities:			
Net (increase) decrease in time deposits	803	108	991
Proceeds from sale of property, plant and equipment	5,968	8,712	79,927
Proceeds from sale of investment property	544	154	1,413
Collection of loans receivable	33,061	32,584	298,936
Proceeds from sale of subsidiaries, net of cash and cash equivalents disposed of	12,022	15,778	144,752
Proceeds from sale of investments in associates and joint ventures, and other investments	123,279	66,413	609,294
Purchase of property, plant and equipment	(93,221)	(109,878)	(1,008,055)
Purchase of investment property	(69)	(114)	(1,046)
Loans provided to customers	(14,872)	(8,920)	(81,835)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	7,172	(15,414)	(141,413)
Purchase of investments in associates and joint ventures, and other investments	(52,159)	(199,213)	(1,827,642)
Net cash provided by (used in) investing activities	22,528	(209,790)	(1,924,679)
Financing activities:			
Net increase (decrease) in short-term borrowings	(163,088)	74,877	686,945
Proceeds from long-term bonds and borrowings	254,166	258,016	2,367,119
Repayments of long-term bonds and borrowings	(436,146)	(347,484)	(3,187,927)
Dividends paid to shareholders of the parent	(61,611)	(59,878)	(549,339)
Net cash outflows on purchases and sales of treasury stock	(9)	(7)	(64)
Capital contribution from non-controlling interests	79	116	1,064
Acquisition of additional interests in subsidiaries from non-controlling interests	(9,425)	(7,727)	(70,890)
Distribution to owners of other equity instruments	(4,035)	(3,902)	(35,798)
Other	(7,351)	(7,272)	(66,716)
Net cash provided by (used in) financing activities	(427,420)	(93,261)	(855,606)
Effect of exchange rate changes on cash and cash equivalents	3,451	(10,695)	(98,119)
Net increase (decrease) in cash and cash equivalents	(116,546)	13,235	121,422
Cash and cash equivalents at beginning of year	625,834	509,288	4,672,367
Cash and cash equivalents at end of year	¥ 509,288	¥ 522,523	$ 4,793,789

Global Network

As of April 1, 2020

Locations of Branches and Offices

Middle East & Africa

Abidjan	Dubai
Abu Dhabi	Istanbul
Accra	Johannesburg
Addis Ababa	Kuwait City
Algiers	Lagos
Amman	Luanda
Ankara	Maputo
Baghdad	Muscat
Cairo	Nairobi
Casablanca	Riyadh
Doha	Tehran

Europe & CIS

Almaty	Milan
Athens	Moscow
Bucharest	Nur-Sultan (Astana)
Budapest	Paris
Düsseldorf	Prague
Hamburg	Risley
Helsinki	Tallinn
Khabarovsk	Tashkent
Kiev	Vladivostok
Lisbon	Warsaw
London	Yuzhno-Sakhalinsk

Southwest Asia

Chennai	Karachi
Chattogram	Kolkata
Dhaka	Lahore
Goa	Mumbai
Islamabad	New Delhi

Japan

Sapporo	Osaka
Sendai	Fukuyama
Tokyo	Hiroshima
Shizuoka	Imabari
Hamamatsu	Fukuoka
Nagoya	Naha

ASEAN

Bangkok	Nay Pyi Taw
Hanoi	Phnom Penh
Ho Chi Minh City	Singapore
Jakarta	Vientiane
Kuala Lumpur	Yangon
Kuching	
Manila	

China / East Asia

Beijing	Seoul
Changchun	Shanghai
Chengdu	Shenzhen
Dalian	Taipei
Guangzhou	Tianjin
Hefei	Ulan Bator
Hong Kong	Wuhan
Kunming	Xiamen
Nanjing	
Qingdao	

Oceania

- Auckland
- Melbourne
- Perth
- Port Moresby
- Sydney

North & Central America

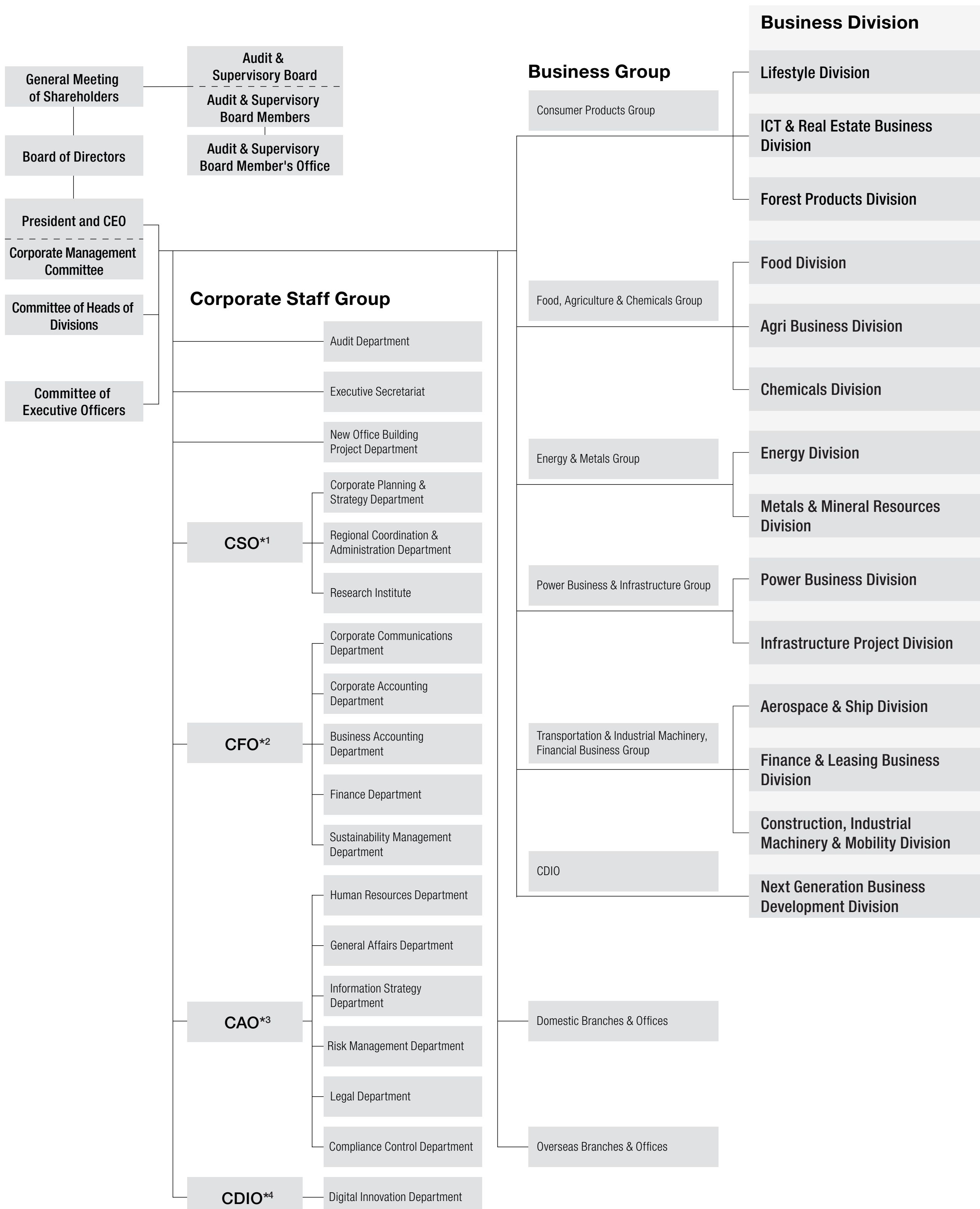
- Guatemala City
- Havana
- Houston
- Los Angeles
- Mexico City
- New York
- Omaha
- Queretaro
- Silicon Valley
- Toronto
- Washington, D.C.

South America

- Belo Horizonte
- Bogota
- Buenos Aires
- Caracas
- Lima
- Rio de Janeiro
- Salvador
- Santiago
- São Paulo

Organization

As of April 1, 2020



*1. CSO: Chief Strategy Officer
*2. CFO: Chief Financial Officer
*3. CAO: Chief Administrative Officer
*4. CDIO: Chief Digital Innovation Officer

Company Profile

As of March 31, 2020

Company Name	Marubeni Corporation
Securities Code	8002
Head Office	7-1, Nihombashi 2-chome, Chuo-ku, Tokyo 103-6060, Japan Tel: 81-3-3282-2111 E-mail: tokb138@marubeni.com
Number of Branches and Offices (Including Tokyo Head Office) (As of April 1, 2020)	136 locations in 68 countries/regions Consisting of 12 domestic branches and offices, 58 overseas branches and offices and 29 overseas corporate subsidiaries with 66 offices
Founded	May 1858
Incorporated	December 1, 1949
Paid-in Capital	¥262,686 million
Number of Employees	4,404 Including 632 employees seconded to companies in Japan and 864 employees assigned to overseas sites, employees seconded to overseas companies and overseas trainees. Excluding 434 local employees of overseas branches and offices and 1,487 local employees of overseas corporate subsidiaries
Corporate Website	https://www.marubeni.com/en/ IR page https://www.marubeni.com/en/ir/ Sustainability page https://www.marubeni.com/en/sustainability/
Business Year	April 1 to March 31 of the following year
Regular General Meeting of Shareholders	June of each year

IR Activities

In keeping with the corporate creed of Fairness, Innovation, and Harmony, we strive to build relationships of trust with all stakeholders, including shareholders and investors, by providing information properly, fairly and in a timely manner, as well as in ways that are easy to understand. This information includes financial and business performance information as well as non-financial information needed to make investment decisions such as management strategy, in addition to the information that must be disclosed for statutory compliance. We aim to achieve sustainable growth in corporate value by obtaining remarks from stakeholders through an effective two-way dialogue, and sharing them within the Company including the management and directors.

IR Policy

Fairness: Highly transparent IR

Provide fair and clear disclosure of information based on the precepts of the Fair Disclosure Rules stipulated in the Financial Instruments and Exchange Act, as well as statutory and timely disclosures. Through this, we will fulfill our responsibility for accountability to all stakeholders while engaging in a sincere dialogue.

Innovation: Progressive and Creative IR

The management, including the President, CFO and directors, will actively participate in various IR events to increase the opportunities for dialogue with shareholders and investors. For the planning and operation of IR events, and the creation of publications and IR website content, we keep ourselves innovative in making the content easy to understand for participants/viewers, while maintaining a broad perspective.

Harmony: IR through two-way dialogues

The opinions and requests obtained through dialogue with shareholders and investors, mainly by the President, CFO and department responsible for investor relations, will be collected and shared as feedback within the Company including the management and directors. The department responsible for IR will lead the organic coordination within the Company through timely sharing of information among relevant departments.

External Evaluation

Inclusion in ESG Indexes

FTSE4Good Global Index Series*1

FTSE4Good

FTSE Blossom Japan Index*2

FTSE Blossom Japan

MSCI Japan Empowering Women Index (WIN)*3

2020 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

*1. FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Marubeni Corporation has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

*2. FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Marubeni Corporation has been independently assessed according to the FTSE Blossom Japan Index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

*3. The inclusion of Marubeni Corporation in any MSCI Index, and the use of MSCI Logos, Trademarks, Service Marks or Index Names herein, do not constitute a sponsorship, endorsement or promotion of Marubeni Corporation by MSCI or any of its affiliates. The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI Index Names and Logos are Trademarks or Service Marks of MSCI or its affiliates.

Outside certification and evaluation

Selected as Nadeshiko Brand

Received "Eruboshi" certification

Received "Platinum Kurumin" certification

Recognized as 2020 Health and Productivity Management Outstanding Organization ("White 500" organization)

Inclusion in Health & Productivity Stock Selection

For details, please see our website:
https://www.marubeni.com/en/sustainability/evaluation/

Stock Information

As of March 31, 2020

Number of Shares Authorized
4,300,000,000

Share Unit
100 shares

Number of Shares Issued and Outstanding
1,737,940,900

Record Date for Year-End Dividend
March 31 of each year

Stock Listings
Tokyo, Nagoya

Record Date for Interim Dividend
September 30 of each year

Number of Shareholders
194,719

Transfer Agent of Common Stock
Mizuho Trust & Banking Co., Ltd.

Long-Term Credit Rating (As of July 31, 2020)

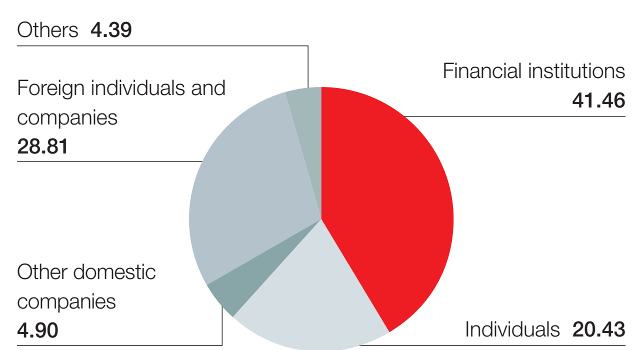
Credit Rating Agency	Long Term (Outlook)
Japan Credit Rating Agency (JCR)	A+ (Stable)
Rating and Investment Information (R&I)	A (Stable)
S&P Global Ratings	BBB (Stable)
Moody's	Baa2 (Stable)

Major Shareholders

Name of Shareholder	Stake in the Corporation	
	Number of Shares Held (Thousands)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	144,607	8.33
Japan Trustee Services Bank, Ltd. (Trust account)	110,175	6.35
BNYM RE NORWEST/ WELLS FARGO OMNIBUS	69,529	4.01
Meiji Yasuda Life Insurance Company	41,818	2.41
Japan Trustee Services Bank, Ltd. (Trust account 5)	41,745	2.40
Japan Trustee Services Bank, Ltd. (Trust account 9)	37,491	2.16
Mizuho Bank, Ltd.	30,000	1.73
Sompo Japan Nipponkoa Insurance Inc.	30,000	1.73
Japan Trustee Services Bank, Ltd. (Trust account 7)	28,802	1.66
JPMorgan Chase Bank 385151	27,369	1.58

*1. The number of shares owned is rounded down to the nearest thousand.
*2. The shareholding ratios are calculated after deducting the treasury stock from the number of shares issued and outstanding. The percentages are rounded to the nearest two decimal points.
*3. Sompo Japan Nipponkoa Insurance Inc. changed its company name to Sompo Japan Insurance Inc. as of April 1, 2020.

Distribution of Shares by Type of Shareholder (%)



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