

GC2024»»

Mid-Term Management Strategy
FYE 3/2023-FYE 3/2025

*FYE: Fiscal Year Ending

Marubeni

Our Value

Company Creed

“Sei, Shin, Wa”(Fairness, Innovation, and Harmony) is the company creed since our foundation, and it stands as our enduring compass despite of the changes taking place around us.

和 新 正

“正/Fairness”

Act with fairness and integrity at all times

“新/Innovation”

Pursue creativity with enterprise and initiative

“和/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.

Our Vision of the Future

Global crossvalue platform

creating value through innovative solutions for our customers and for the world



Committed to creating solutions for our customers and the world.

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Review of “GC2021”

01 Financial Targets

Forecasted to **Achieve Financial Targets**
capturing higher commodity prices, on top of solid earnings

		Target	Forecast for FYE 3/2022
Consolidated net profit (FYE 3/2022)		¥300.0bn	¥400.0bn
CF	Core operating CF (Three-year cumulative)	¥1,200.0bn	¥1,270.0bn
	FCF after shareholder distributions (Three-year cumulative)	¥+100.0bn or more	¥+390.0bn
Net DE ratio		Around 0.7 times <small>*Revised to around 1.0 in the "GC2021 Revision"</small>	Around 0.8 times
New investments including CAPEX (Three-year cumulative)		Approx. ¥900.0bn Horizon 1 ¥200.0bn Horizon 2 ¥500.0bn Horizon 3 ¥200.0bn	Approx. ¥810.0bn Horizon 1 ¥290.0bn Horizon 2 ¥360.0bn Horizon 3 ¥50.0bn
ROE		10% or more	Approx. 23%

※ Figures for Horizon 1,2,3 are the totals up to December 31, 2021.

02 Review of “GC2021”

3 Years of Transformation to build a stronger foundation

- Rebuilt and Strengthened Our Financial Foundation
- Completed Asset Write-downs, Solidified Earnings Base.

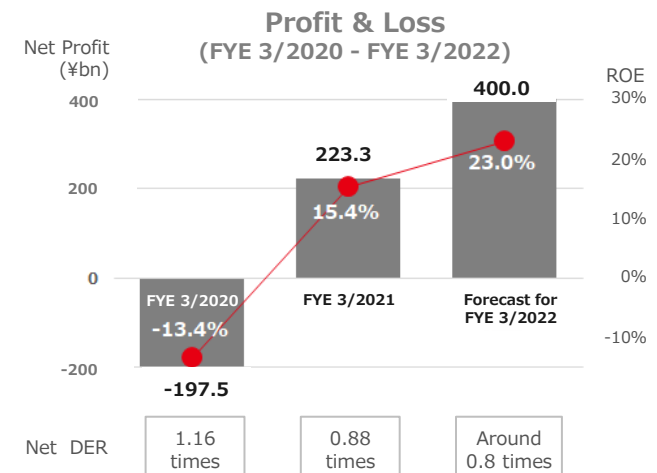
2019 Reassessed the value of assets of concern and removed the risk of future impairment losses

Announced the “GC2021 Revision” and defined the rebuilding of our financial foundation as the primary goal

2020 Accomplished a **V-shaped recovery** despite the COVID-19 pandemic

Reached the net DE ratio target of around 1.0 times determined with “GC2021 Revision” a year ahead of schedule

2021 Set to record an **all-time high in net profit** by fortifying existing businesses



Mid-Term Management Strategy

GC2024

01 Business Environment

**Maintaining the current long-term direction,
keeping the focus on our corporate value toward 2030**

**creating value through innovative solutions
for our customers and for the world**

2019 (Launch of “GC2021”)

**Major global trends toward 2030
Concurrent opportunities and threats**

- Millennial generation and changing values
- Technological innovation, digital transformation
- Geopolitical risks and complexity of international politics
- Transformation of industrial structures
- New business eco-systems

2022 (Present)

**Discontinuous changes and disruptions of existing
business models will only accelerate. Awareness of
uncertainties in the post-COVID 19 era is crucial**

- Changes in lifestyles triggered by the pandemic
- Rapid expansion of digital technology
- End of ultra-easy monetary policy
- Weaker international cooperation and concerns over geopolitical risks
- Contribution to SDGs, rising demands for ESG management
(Growing awareness of human rights, supply chains, bio-diversity, etc.)

02 Basic Policy of “GC2024”

Putting Strategy into Practice

While maintaining and strengthening our financial foundation

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

Horizon 1

Improvement of existing businesses

Horizon 2

Pursuit of strategies in existing business domains

Horizon 3 White Space

New business models and unapproached business domains

Multi-layered approach to “Growth” to enhance corporate value

03 Green Strategy

Aspiring to become a

Forerunner in Green Business*

All Domains

Pursuit to be
"Greener"

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

(Utilization of ICT, financially supporting sustainability businesses, supplying sustainable commodities, etc.)

Green Businesses

Expanding Green Business
based on the current business base,
which is already strong and profitable



Creating new Green Business
through cross-sectional approaches and
utilization of business connections

Horizon 1&2

Horizon 3

Decarbonization

Renewable
Energy

Forestry

Agri-Inputs

Copper
Aluminum

Water
Infrastructure

Decentralized Power,
Battery Storage, and
Supply-Demand Adjustments

Recycling of
Materials and Resources

New Energy

Decarbonization
Solutions

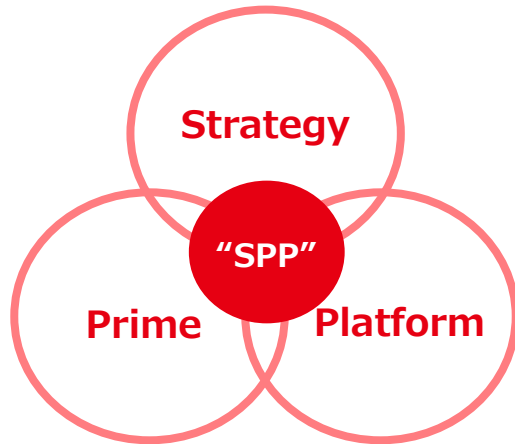
Eco-friendly
Food Products

Circular Economy
Water Resources
Bio-Diversity

*Green Business : Sustainable businesses which have positive effects on the environment such as decarbonization and the circular economy, and adjacent businesses which supply those businesses with non-substitutable materials, etc. Also see supplement 1 for detailed descriptions

04 Business Policies/Improving Profitability

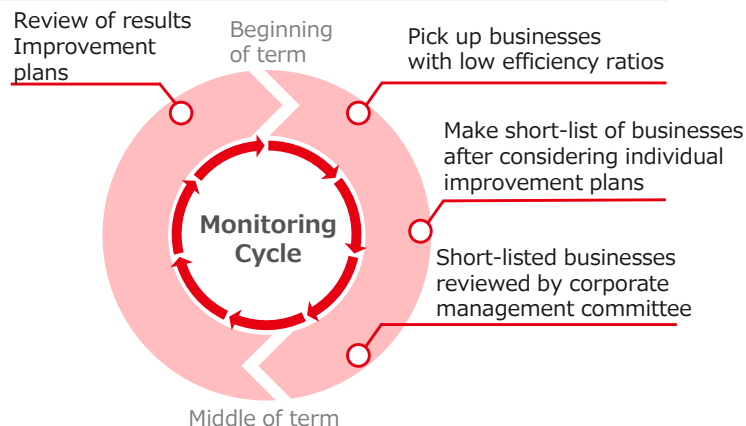
Business Policies “SPP”



- Strategy**
- “Strategy-Focused”, closing the gap between our future vision and the present
 - Exploiting dynamic value creation via digital transformation (“DX”)*
- Prime**
- Taking the initiative to execute the strategy
 - Pursuing business through majority investment or mutually complementing partnerships, and proactively contributing to enhancing business value
- Platform**
- Value creation by utilizing and expanding Marubeni’s platform, combining a wide variety of internal and external expertise
 - Pursue platform type businesses that provide synergies and long-term growth

*Please visit our website for the details of our DX strategy.
<https://www.marubeni.com/en/ir/reports/dx/>

Improving Profitability



Implementing ROIC*¹/CROIC*²·RORA*³ to monitor capital efficiency and risk/return ratio

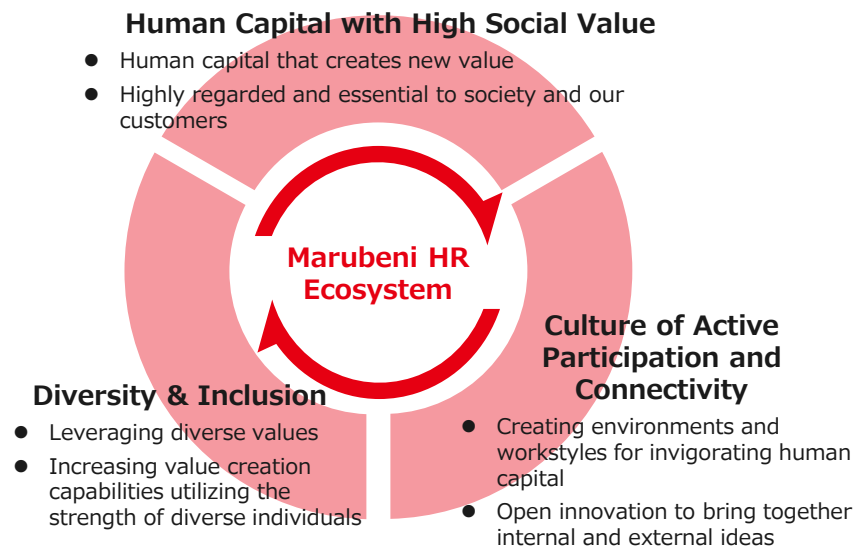
Improvement in ROE through better asset quality

*¹ ROIC: Return on Invested Capital
 *² CROIC: Cash Return on Invested Capital
 *³ RORA: Return on Risk Asset

05 Marubeni Group HR Strategy

“Marubeni HR Ecosystem”

Promoting the growth and success of the Marubeni Group’s human capital, the critical source of our corporate value



■ Mission-oriented HR System

Merit-based and encourages a challenge mindset

■ Developing and Empowering Diversified Human Capital

Optimization of the working environment and strengthening HR development

■ Talent Management Committee

Promotion of HR strategy lead by core members of the executive team (CEO, CAO, CSO)

06 Financial Targets

Consolidated net profit
(FYE 3/2025)

¥400.0_{bn}

Core operating CF
(Three-year cumulative)

¥1,300.0_{bn}

Pursuing long-term growth of corporate value

Sustain and improve:

- cash generation
- ROE
- cost of equity

ROE

15%

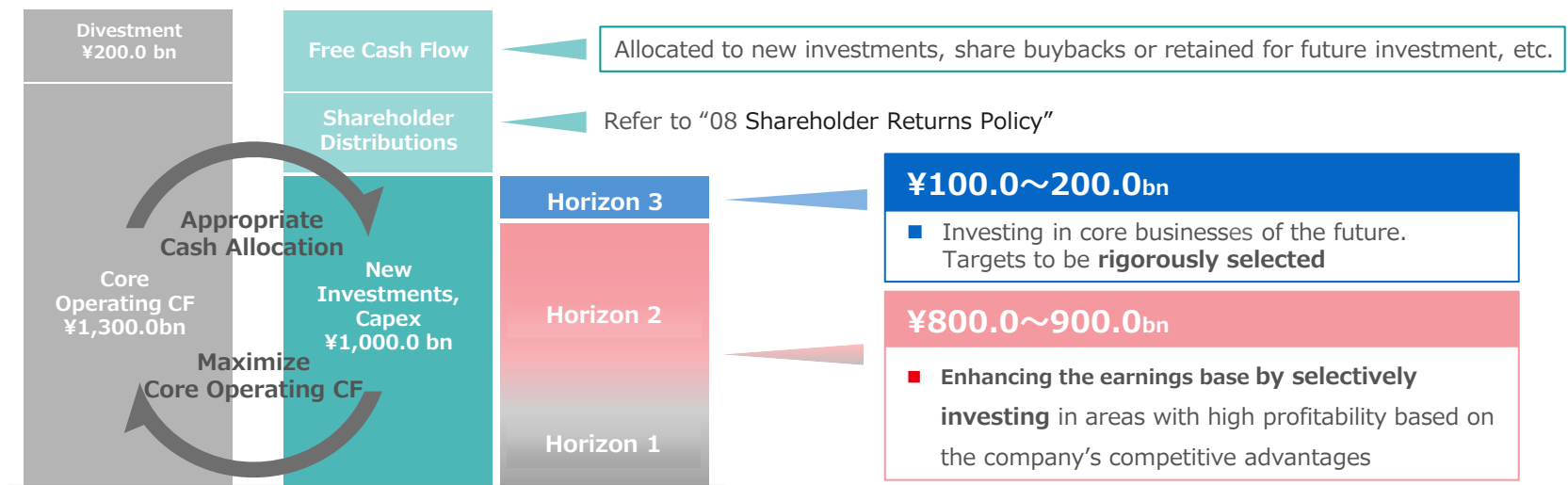
Net DE ratio of around 0.7-0.8 times

07 Capital Allocation Policy

While working to strengthen and enhance our financial foundation, the focus will be on

Growth and Shareholder Returns

- Maximizing Core operating CF
- Maintaining positive FCF after shareholder distributions
(Three-year cumulative FCF, excluding effects from changes in working capital)



Financial Discipline: Net DE ratio target of around 0.7-0.8 times

08 Shareholder Returns Policy

Set a dividend payment floor over the next three years Flexible share buybacks to be carried out

Dividends

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

Share Buybacks

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

Shareholder Returns Image

GC2021

GC2024

Consolidated
dividend payout
ratio:
25% or more

Share price
appreciation

Consolidated
dividend payout
ratio:
25% or more
(set a dividend
payment floor)

Flexible
Share
Buybacks

Share price
appreciation

*Actual dividends will be disclosed in May 2022, along with the profit forecast for FYE 3/2023

Supplement 1: Approach to Green Business

Horizon 1&2

Renewable Energy

- Expand the ratio of renewable energy to approx. 20% in 2023 as a core of the power generation business
- Retail and service business (storage, VPP, V2X, aggregation, etc.)

Forestry

- Forest management and carbon credits through the Musi Pulp Project (Indonesia) and WA Plantation Resources (Australia)

Copper, Aluminum^{*1}

- Supplying copper for clean energy demands through the Chile operation
- Operation of Alouette aluminum smelter (Canada/Hydro-powered), pursue decarbonization of aluminum operations in Australia.

Decentralized power, battery storage, and supply-demand adjustments

- Promote decentralized power business worldwide
- Expand the battery storage business, including reusing and recycling of EV batteries

Horizon 3

New Energy

- Commercialize hydrogen, ammonia projects (production and transportation of green hydrogen, ammonia, etc.)
- Pursue business in jet fuels with low environmental burdens

Decarbonization solutions

- Smart city and community-based utilities service
- CCUS (CO2 collection, utilization and storage)
- Explore bio-methane, waste to energy business
- Transmission technology supporting renewable power
- Electrification of mobility service, EV related infrastructure

Agri-Inputs^{*2}

- Contribute to efficient and sustainable agriculture through Helena's (USA) and Gavilon's (USA) operations

Water infrastructure

- Expand water and wastewater services, and the seawater desalination business

Recycling of materials

- Circular supply chain utilizing textile recycling technology
- Pursue plastic reduction (biodegradables, etc.), and recycling of plastics and tires

Eco-friendly food products

- Marketing of plant-based protein products
- Land-based recirculating salmon aquaculture

*1 Contributing to decarbonization by supplying critical minerals used for EVs and other clean technologies

*2 Contributing to climate change measures and protection of biodiversity by supporting efficiency of land use in agriculture

Supplement 2: Growth approach by business groups (1/3)

Consumer Products Group

Lifestyle Div.

ICT Business & Logistics Div.

Food Div.- I

Food Div.- II

Agri Business Div.

Adapting to the diversification of consumers' lifestyle and demands

Horizon 1&2

- Apparel OEM/ODM
- D2C sales, brand marketing
- Tire retailing business
- Digital transformation solutions and cloud computing
- Telecommunications, mobile and network business
- Digital SCM business
- Specialty food products marketing
- Grain and premium beef and poultry products business
- Agri-input business

Horizon 3

- Circular supply-chain for textiles
- Digital platform business
- Environmentally-friendly food business (plant-based meat, Land-based recirculating aquaculture)
- Agricultural land development business

Materials Group

Forest Products Div.

Chemicals Div.

Metals & Mineral Resources Div.

Providing solutions for demands related to decarbonization and the circular economy

Horizon 1&2

- Copper and iron ore mining
- Forestry plantation business
- Life science business
- Commodity trade
- Containerboard manufacturing
- Hygiene product manufacturing
- Wood pellet production
- Electronic chemicals

Horizon 3

- CNF, bio-refineries
- Circular economy materials business
- Digital health

Supplement 2: Growth approach by business groups (2/3)

Energy & Infrastructure Solution Group

Energy Div.

Power Div.

Infrastructure
Project Div.

Creating a sustainable energy and infrastructure business in the decarbonized society

Horizon 1&2

- IPP business, centered around renewable energy
- Power retail, decentralized power service
- Social infrastructure business (water, gas, transportation, etc)
- Waste recycling and utilization
- Energy supply chain, supporting the transition to "Net-Zero"
- Energy trading and marketing

Horizon 3

- New energy (hydrogen, ammonia, biofuels etc.)
- Smart city and community-based utilities service
- Energy management business, supply-demand adjustments
- Supplying decentralized energy in developing countries
- CO2 related business, CCS/CCUS

Transportation & Industrial Machinery, Financial Business Group

Aerospace &
Ship Div.Finance, Leasing &
Real Estate Business Div.Construction, Industrial
Machinery & Mobility Div.

Supporting the evolution of society through mobility and the financing business

Horizon 1&2

- Aviation-related business
- Fleet management of merchant ships and liquefied gas carriers
- Housing development/sales and asset management
- Finance and leasing, funds
- Distributor/rental business for construction and mining equipment
- Automotive sales and after-sales service business
- Industrial machinery and electronic components supply business

Horizon 3

- Space and air mobility projects
- Autonomous projects of airport vehicle and ship
- Fintech and alternative financing services
- Mobility service businesses (EV/battery management)

Supplement 2: Growth approach by business groups (3/3)

CDIO (Chief Digital Innovation Officer)

Next Generation
Business Development
Div.

Next Generation
Corporate Development
Div.

Taking a step further to develop the next generation consumer business

Horizon 3

- Next generation consumer business (Esports, media, consumer goods & services)
- Wellness business (beauty, education)
- Pharmaceuticals, medical devices and services
- Smart city, smart infrastructure business
- Decarbonization related technology, offshore DX, blockchain
- CVC, investment in start-up opportunities

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