

Sustainability

Our Views on Sustainability

Company Creed

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Management Philosophy

In accordance with the spirit of the Company Creed of “Fairness, Innovation and Harmony,” the Marubeni Group is proudly committed to social and economic development and safeguarding the global environment through fair and upright corporate activities.

Our Management Philosophy clearly expresses our views on sustainability. To us, sustainability means proactively engaging in environmental and social issues and challenges, delivering solutions through innovation, and living by the Management Philosophy.

Corporate value is composed of financial and non-financial value; non-financial value in particular is steadily growing in importance. With regard to sustainability, such issues as climate change, the depletion of forestry resources and human rights issues pose grave threats to social and environmental sustainability. Adopting and implementing clear medium- and long-term corporate policies regarding these issues is directly related to increasing non-financial value and corporate value.

Until now, to increase corporate value, each of our businesses has generally created its own innovative business model in anticipation of the challenges facing society.

From now on, however, we will further fortify our traditionally strong businesses (vertical evolution) and also leverage internal and external expertise in order to generate better results than would otherwise be possible (horizontal expansion). This is the concept of our “Global crossvalue platform;” it will provide solutions for social and environmental problems and guide us in working toward a better tomorrow by providing a framework for promoting social and economic development and conserving the global environment.



We have published the Sustainable Development Report 2019, which shows our basic policies, activities, case studies, and performance data on our corporate sustainability.
<https://www.marubeni.com/en/sustainability/report/>

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.



Global crossvalue platform
Marubeni

Company Creed

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Management Philosophy

Fundamental Materiality



**Proactively Engaging in
Environmental & Social
Issues and Challenges**

BUILDING A BETTER TOMORROW

**Delivering Solutions
through Innovation**

SUSTAINABLE DEVELOPMENT GOALS 17 GOALS TO TRANSFORM OUR WORLD



Environmental & Social Materiality



Sustainability Dialogue

Dialogue with Stakeholders at Marubeni Sustainability Information Session

Marubeni's Basic Views on Sustainability

Our planet and society face various threats to their sustainability. The Earth's average temperature has risen about 1°C since the Industrial Revolution. Deforestation is progressing at a rate equivalent to 27 soccer fields per minute. Extreme climate events and natural disasters regularly occur throughout the world. Meanwhile, nearly half of the global population subsists on less than \$5.50 per day and 4.3 million children are reportedly ensnared in forced labor. Addressing such

wide-ranging issues, all of which are closely related to the sustainability of business activities, is now a high priority issue globally. We believe that explicitly setting and implementing medium- and long-term policies addressing such issues will create nonfinancial value and, in turn, directly lead to growth in corporate value.

Our views on sustainability are clearly expressed by our Management Philosophy: "In accordance with the spirit grounded in 'Fairness, Innovation and Harmony,' the Marubeni Group is proudly committed to social

Marubeni's views and policies on sustainability

In March 2019, Marubeni held a sustainability dialogue to explain its sustainability initiatives and gather candid input from stakeholders to incorporate into future initiatives. The analysts, institutional investors and ESG professionals in attendance asked numerous specific questions. See page 039 for highlights of the Q&A session.

Nobuhiro Yabe

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



and economic development and safeguarding the global environment by conducting fair and upright corporate activities.” The very act of practicing our Management Philosophy through the proactive provision of solutions to environmental challenges and emerging social needs constitutes sustainability for the Marubeni Group.

In April 2018, Marubeni formed a Sustainability Management Committee (the “Committee”) that reports directly to the President. The Committee met 23 times over the year through March 2019. Through many rounds of lively discussion on how to best put our Management Philosophy into practice, the Committee reached the conclusion that Marubeni itself must first become a sustainable entity. The Committee completed a materiality assessment that identified “human capital with high social value,” “robust management foundation” and “governance for coexistence with society” as three categories of Fundamental Materiality for accomplishing the goal of ensuring sustainable growth for the Company and “building a better tomorrow.” The Marubeni Group is now leveraging these three categories of Fundamental Materiality with a focus on creating its own innovative business models and highly practical solutions.

In Pursuit of Solutions to Environmental and Social Demand

After setting its three categories of Fundamental Materiality, Marubeni identified the following four Environmental and Social Materiality categories. It needs to pursue the attainment of the Sustainable Development Goals (SDGs)*¹ adopted by the United Nations General Assembly in 2015 and resolve sustainability issues of importance to governments, the private sector and civil society. Leveraging its Fundamental Materiality will enable Marubeni to pursue its Environmental and Social Materiality together with innovative solutions that contribute to the attainment of the SDGs.

***1. Sustainable Development Goals (SDGs):** As a first step, in 2001 the UN established the Millennium Development Goals (MDGs) with a target date of 2015. Subsequently, in September 2015 the UN Sustainable Development Summit established the SDGs under the 2030 Agenda for Sustainable Development. They are a set of international goals covering the period from 2016 through to 2030, and consist of 17 goals and 169 targets.

1. Climate Change

Marubeni aims to help realize a low-carbon society by mitigating global warming through its global renewable energy and related businesses.

In September 2018, the Marubeni Group pledged to cut its FYE 3/2019 coal-fired power net generation capacity of approximately 3GW in half by 2030 and announced we will no longer enter into any new coal-fired power generation business as a general principle. We strive to accelerate expansion of our portfolio of renewable energy generation business. We have adopted a target of doubling the ratio of power generated by renewable energy sources in our own net power supply by 2023. Additionally, we aim to grow our green revenue (revenue from businesses that contribute to climate change countermeasures) from roughly ¥700 billion at present to around ¥1.3 trillion by the fiscal year ending March 31, 2024. As new measures to counter climate change mitigation initiative, the Marubeni Group affirmed the TCFD*² recommendations in February 2019 in recognition of the importance of climate-related financial disclosure. Going forward, we will endeavor to better understand the financial impacts of risks and opportunities brought about by climate change, and also engage in improved climate-related financial disclosure.

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



See pages 042-044 for more information on Climate Change under Environmental & Social Materiality.

2. Sustainable Forestry

Marubeni owns tree plantations with some 140,000 planted hectares, mostly in Indonesia and Australia. The total gross project area is equivalent to about 1.5 times the area of Tokyo Metropolis. Marubeni is contributing to sustainable forest conservation through its tree plantations around the world.

In February 2019, Marubeni announced a commitment to sustainable forestry in the form of a new Forest Management Policy and Product Procurement Policy for forest-derived products. In these policies, Marubeni pledged both internally and externally: “No conversion of natural forests in forest plantation developments,”



“No handling of procured products produced from illegally logged timber,” and “biodiversity conservation.” In managing its forest product operations, Marubeni has a zero-tolerance policy on human rights violations such as child labor and is strongly committed to harmonious co-existence with local indigenous people.

Going forward, Marubeni aims to help build a circular economy by innovatively utilizing forest resources while meeting diverse environmental needs with solutions tailored to countries and regions’ respective characteristics.



See pages 045-047 for more information on Sustainable Forestry under Environmental & Social Materiality.

3. Human Rights and Co-Development with Communities

The Marubeni Group has formulated and published a Group-wide Basic Policy on Human Rights based on the Guiding Principles on Business and Human Rights endorsed by the United Nations Human Rights Council in 2011. Pursuant to this policy, the Group aims to eradicate human rights violations such as child labor and forced labor. The Marubeni Group will conduct human rights due diligence*¹ on business projects etc. while respecting the human rights of persons affected in any way by our business activities.

***1. Human rights due diligence:** a process undertaken to identify, prevent, mitigate and address adverse impacts on human rights.



See pages 048-049 for more information on Human Rights and Co-Development with Communities under Environmental & Social Materiality.

4. Sustainable and Resilient Value Chains

The Marubeni Group has revised its Basic Supply Chain CSR Policy, first adopted in 2008, and formulated a new Basic Supply Chain Sustainability Policy. We now visit suppliers in countries or industries that pose a high degree of environmental or social risk and inspect their adherence to guidelines on matters such as observance of laws, respect for human rights, conservation of the environment, safety and health. When visiting suppliers, we conduct multifaceted inspections customized to the supplier’s local and operational circumstances, and also report the inspection results to the supplier. Our aim in doing so is to build sustainable and resilient supply chains by collaborating with diverse suppliers. We believe that such initiatives foster confidence in Marubeni’s reliability from the perspective of stakeholders while also generating more new business opportunities.



See pages 050-051 for more information on Sustainable & Resilient Value Chains under Environmental & Social Materiality.

The Marubeni Group is firmly convinced that practicing our Management Philosophy based on these four categories of Environmental and Social Materiality will contribute to “building a better tomorrow.” Through these sustainability initiatives, the Marubeni Group aims to newly create and increase nonfinancial value and continuously grow its corporate value.

Main Questions and Answers at Marubeni Sustainability Information Session

Q1 You said that the Sustainability Management Committee has met many times. Who is on the committee and how did they shape Marubeni's views and policies on sustainability?

A1 The Sustainability Management Committee's members were appointed from frontline Business Divisions to cross-organizationally incorporate diverse viewpoints from business units where value creation takes place. Additionally, an External Director and two External Audit & Supervisory Board Members serve as advisors to the Committee. External consultants are also involved with helping the Committee do its job, including through pre-meeting preparations. In addition to the previously mentioned 23 Committee meetings, the Committee engaged in discussion 70 times, including preparatory meetings before and after Committee meetings, in the fiscal year ended March 31, 2019. The External Director and Audit & Supervisory Board Members serving in an advisory capacity attended nearly all of the 23 Committee meetings. They actively participated in discussions and offered advice.

Q2 What is the composition of your existing roughly ¥700 billion of green revenue and how will you double it?

A2 We define green revenue based on the FTSE and other ESG rating companies' methodologies. Our green revenue currently consists mostly of sales from businesses dealing in power generation from renewable energy sources; sales from water businesses and other businesses contributing to efficient use of resources; sales of products certified as contributing to sustainable forestry, fisheries, etc.; sales from businesses contributing to propagating EV (electric vehicles); and sales from businesses contributing to waste reduction. In terms of specific measures to double green revenue by the fiscal year ending March 31, 2024, doubling the ratio of power generated by renewable energy sources will be the biggest driver.

Q3 As the power business cuts its coal-fired power net generation capacity from roughly 3GW to around 1.5GW, will you look to replenish the reduced capacity with renewable energy generation businesses?

A3 Currently, the Marubeni Group's net generation capacity totals around 12GW, about 3GW of which is generated from coal-fired power generation businesses. Given our current profit levels, we do intend to replenish the reduction in coal-fired power generation capacity with renewable energy generation business, but we are also working to expand the scope of our entire operations. We realize that to do so, we must generate new businesses by prevailing over international competition. In addition to renewable energy generation businesses, including offshore wind power businesses in Japan and overseas, we plan to expand our portfolio of other non-coal-fired power generation businesses as well. We intend to also expand our operations outside of the IPP*² business, including through our UK subsidiary SmartestEnergy Ltd.

*2. IPP: Independent Power Producer

Q4 Will the newly identified materiality have any effect on your decision-making process for investments in new businesses?

A4 As part of our decision-making process for new investments, we check and monitor new investments from a sustainability standpoint, like a compliance check. If, for example, a business's investee or partner company was committing human rights violations, we would examine whether to continue our business with that party.

Fundamental Materiality

The Marubeni Group has identified three categories of Fundamental Materiality for living by our Management Philosophy, building a better tomorrow, and accomplishing the goal of ensuring sustainable growth for the company.



1 Human Capital with High Social Value

We regard human capital as our most valuable asset in meeting environmental and social demand, and proactively providing solutions. We define “Human Capital with High Social Value” as individuals who are essential not only to the company but also to society. We will nurture Human Capital with High Social Value, and thereby bring about innovation and provide solutions.

To us, Human Capital with High Social Value means:

- Individuals who observe laws and act in conformity with accepted international customs, and who also maintain high ethical standards for the good of society.
- Innovative individuals with the foresight, insight and creativity needed to anticipate social change.
- Individuals with sound judgment and the ability to make correct decisions and act quickly.
- Individuals with the communication skills to truly address the demands of society, with a sense of purpose and responsibility, while also being attuned to the realities of the marketplace. These attributes are the foundation of decision-making, decisiveness and the ability to execute.

2 Robust Management Foundation

We have identified Robust Management Foundation as the second category of Fundamental Materiality, as we believe it is necessary both for maximizing the potential of our human capital and for maximizing corporate value.

We must build a foundation that facilitates the activities of our human capital and establish a truly Robust Management Foundation. If we cannot accomplish this, our human capital will not be able to continue innovating and providing solutions. Enabling our human capital to use our management foundation to the fullest will ultimately lead to maximizing corporate value.

To us, Robust Management Foundation means:

- A fundamentally sound management foundation with a strong brand presence, reputation, sales foundation and network, and financial footing.
- A corporate climate and culture that is capable of producing abundant Human Capital with High Social Value, and can enable that human capital to engage in meaningful work.
- An environment that places importance on the ability to create diverse values and generate quality solutions within a diverse and inclusive organization.

3 Governance for Coexistence with Society

We will endeavor to increase corporate value based on a Robust Management Foundation in which Human Capital with High Social Value develops innovative ideas and continues providing solutions.

Within that framework, and given social expectations and demands, we believe that strengthening our corporate governance system for improved coexistence with society is important to all of our stakeholders. We will deepen our engagement with diverse stakeholders, enhance the effectiveness of the Board of Directors' oversight function, and bring greater transparency to our management in order to build a governance framework that allows for improved coexistence with society and works toward achieving sustainability.

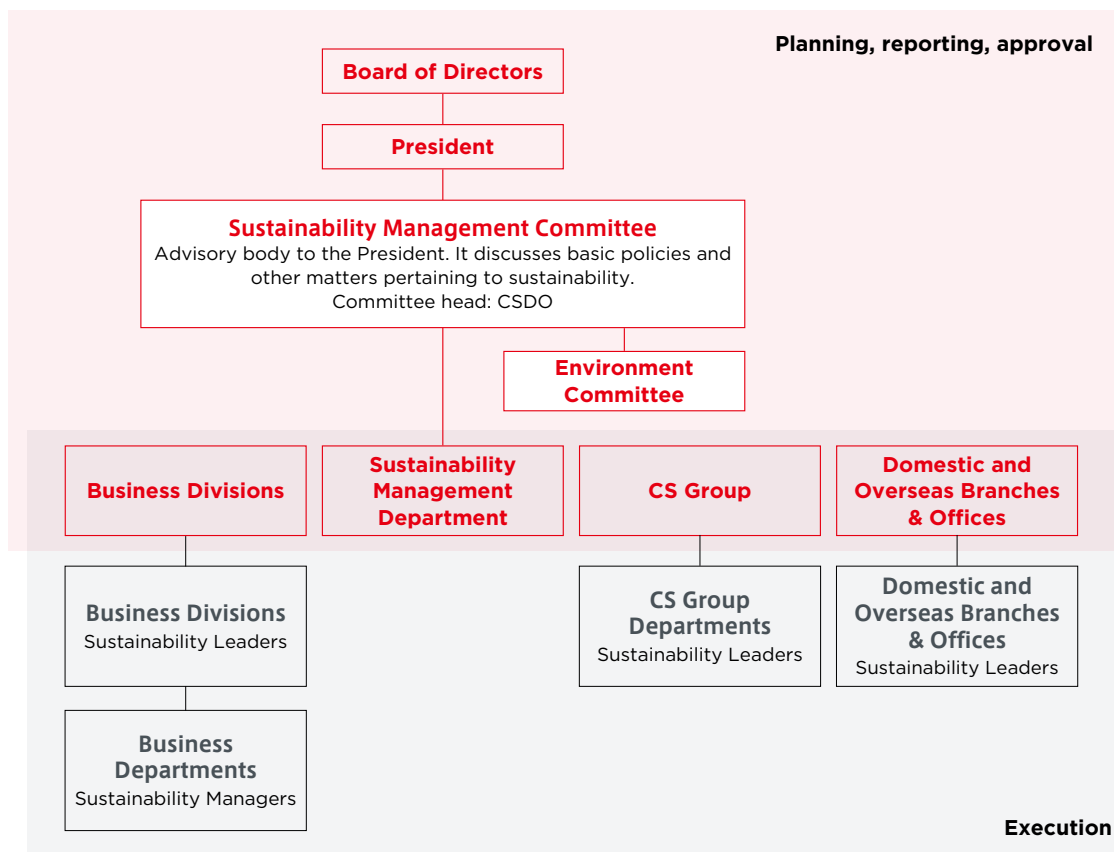
Organization

As part of its organization to promote sustainability initiatives, the Marubeni Group has a Sustainability Management Committee under the supervision of the President. The Committee discusses policies and measures concerning our sustainability initiatives and ESG risk management and reports to the Board of Directors at least once a year. To incorporate the views of external parties, the Committee also includes External Directors and External Audit & Supervisory Board Members in an advisory role. A Director heads the Sustainability Management Committee, and the Board of Directors, by receiving periodic reports on important issues pertaining to the sustainability initiatives discussed by the Committee, oversees sustainability-related issues evaluated from the viewpoints of the appropriateness of our ESG risk management and compatibility with society.

Starting April 1, 2019, we take the following steps to enhance our sustainability management organization:

- A Chief Sustainable Development Officer (CSDO) serves as the head of the Sustainability Management Committee.
- A Sustainability Management Department is newly established within the Corporate Staff (CS) Group to coordinate sustainability management among the Business Division, the CS Group, and our branches, offices and overseas corporate subsidiaries.
- A Sustainability Leader in charge of sustainability management is appointed in each business division, each department within the CS Group, and at each branch, office and overseas corporate subsidiary. A Sustainability Manager is also appointed in each business department.

Sustainability Management Organization



Environmental & Social Materiality

The Sustainable Development Goals (SDGs)*¹ adopted by the United Nations in September 2015 are goals for achieving sustainability and leaving the world a better place for future generations shared by governments, the private sector and civil society. In recognition of this, the Marubeni Group has identified the following categories of Environmental and Social Materiality in which it can truly make a valuable contribution.

In addition to the 17 goals and 169 targets of the SDGs, and taking into consideration stakeholders' expectations and interests as well as the environmental and social impact of our business, our categories of Environmental and Social Materiality are based on the criteria described below. Building on initiatives set out through our Fundamental Materiality, we will contribute to achieving the SDGs and work toward building a better tomorrow.

- Importance to stakeholders
- Impact and scope of our business activities on the environment and society
- Impact on our earnings



***1. Sustainable Development Goals (SDGs):** As a first step, in 2001 the UN established the Millennium Development Goals (MDGs) with a target date of 2015. Subsequently, in September 2015 the UN Sustainable Development Summit established the SDGs under the 2030 Agenda for Sustainable Development. They are a set of international goals covering the period from 2016 through to 2030, and consist of 17 goals and 169 targets.

1 Climate Change

Climate change, which is responsible for phenomena such as global warming, changes in the natural environment and more frequent natural disasters, is a global issue with a broad impact on social and environmental sustainability.

Marubeni has business operations throughout the world, and views climate change as a serious risk. However, we also believe that it presents business opportunities.

We see contribution to climate change mitigation and adaptation as a category of Environmental and Social Materiality. We contribute to climate change countermeasures mainly through the following policies:

Coal-Fired Power Generation and Renewable Energy Generation Businesses

The Marubeni Group has 12GW net power generation capacity (as of March 31, 2019) and is a leading independent electric power operator. We announced our policy on coal-fired power generation and renewable energy generation businesses on September 18, 2018 as part of our proactive climate change countermeasures.



See page 044 for Notification Regarding Business Policies Pertaining to Sustainability (In Relation to Coal-Fired Power Generation Business and Renewable Energy Generation Business).

We view climate change-related transfer risk as a business opportunity, and we aim to increase our “Green Revenue” of ¥700 billion in FYE 3/2018 to ¥1.3 trillion by FYE 3/2024.

Green Revenue, a part of our business contribution to climate change countermeasures, includes the following:

- 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

The Marubeni Group recognizes the importance of climate-related financial disclosures. As new measures to counter climate change, in addition to affirming the recommendations of the TCFD*2, we will endeavor to better understand the financial impact of both the risks and opportunities brought about by climate change, and also engage in improved climate-related financial disclosure.

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

Actual Initiatives Related to TCFD

Marubeni endorsed the intent of the TCFD Consortium (“the Consortium”) in which the Ministry of Economy, Trade and Industry, the Financial Services Agency, and the Ministry of the Environment support as observers, and joined the Consortium as a member in May 2019. The Consortium is intended to facilitate discussions among corporations and financial institutions that endorse TCFD recommendations for initiatives aimed at more efficient disclosure of corporate information as well as information disclosure leading to appropriate investment decisions by financial and other institutions.

In addition, the Marubeni Group is conducting scenario analysis to analyze the impact that climate change is likely to have on its businesses and finances. The Marubeni Group will analyze the risks, opportunities and impacts on its businesses from climate change based on a Current Policies Scenario and the 2.0°C Scenario, and will use the results in considering business plans and strategies.

The Case of our Initiatives

- In feed ingredients procurement in the Food Division, taking into account the possibility of increases in product prices and transportation costs due to a decrease in production volume in the agriculture and livestock industries resulting from climate change, the Marubeni Group is actively responding to the risks that accompany climate change by viewing them as opportunities. This response includes geographic diversification of suppliers and customers, cultivation of new production regions, research and development of alternative and new products, and acquisition of new partners.
- In the power generation business of the Power Business Division, in September 2018 Marubeni released the Notification Regarding Business Policies Pertaining to Sustainability (In Relation to Coal-Fired Power Generation Business and Renewable Energy Generation Business) to promote reduction of GHG emissions from its power generation portfolio, based on transition risks such as changes in the energy mix of each country under the 2.0°C Scenario, tightening of regulations, changes in systems, and changes in stakeholder awareness. On the other hand, the increase in renewable energy projects, upgrades and efficiency improvements of existing power plants, the increase in energy storage and power system stabilization projects, and the increase in distributed power sources will present business opportunities, and we will therefore take a more active approach in the area of clean energy generation. Furthermore, Marubeni recognizes the financial impact from changes such as insurance premium increases as a transition risk based on the Current Policies Scenario, and will use it for reference when formulating medium- and long-term strategies.

September 18, 2018

Notification Regarding Business Policies Pertaining to Sustainability (In Relation to Coal-Fired Power Generation Business and Renewable Energy Generation Business)

Marubeni Corporation (hereinafter, “Marubeni”) recognizes that climate change is a major issue shared by all of humanity. It is a problem that threatens the co-existence of the global environment and society, a problem that has an enormous effect on Marubeni’s business and its shareholders, and a problem that Marubeni believes must be dealt with swiftly. Therefore, as part of Marubeni’s promotion of sustainable management, and in order to contribute fight global climate change, Marubeni has established new business policies (hereinafter, “Policies”) regarding its coal-fired power generation business and its renewable energy generation business.

1. The Process of Pulling Out of Coal-Fired Power Generation

As a global player in the power business, Marubeni will reduce its greenhouse gas emissions volume from its power generation portfolio. By 2030, Marubeni will cut its FY2018 coal-fired power net generation capacity of approximately 3GW in half. Additionally, Marubeni will deploy innovative technologies to increase the efficiency of its portfolio assets, and proactively promote the reduction of its environmental impact.

2. The Policy on New Coal-Fired Power Generation Business

As a general principle, Marubeni will no longer enter into any new coal-fired power generation business. However, Marubeni might consider pursuing projects that adopt BAT (“Best Available Technology”, which at present is USC: “Ultra-supercritical steam generating technology”) and are compliant with the policies and measures of the Japanese government and any country in which the project will be executed (e.g. energy supply stability, poverty and employment measures and economic growth policies). Nevertheless, even if Marubeni does make an exception to take on a project like this, Marubeni will make proposals on the creation of a low-carbon society, efficient power generation systems and the diversification of energy sources; Marubeni will make efforts to contribute to the resolution of local issues in the country and/or region in which the project is executed.

3. Proactive Involvement in Renewable Energy Generation Business

Looking forward to the expansion of the renewable energy generation business, Marubeni will strive to expand the ratio of power generated by renewable energy sources in its own net power supply from approximately 10% to approximately 20% by 2023. Furthermore, Marubeni will contribute to the transition towards a low-carbon society by promoting the expansion of the handled volume of renewable energy sources pertaining to energy trading. An example of this is SmartestEnergy Ltd.*1, a wholly-owned subsidiary located in the United Kingdom that manages approximately 3GW of total energy, which is purchased from independent generators; about 80% of that 3GW is generated by renewable energy sources.

Moving toward the achievement of these Policies, Marubeni will work to properly communicate and cooperate with its diverse stakeholders, and also proactively disclose updates on Marubeni’s progress in reaching these goals. Additionally, given the changes to the external environment, Marubeni will refer to the various international guidelines, beginning with the OECD Export Credits Arrangement, diligently monitor measures taken by different countries in terms of coal-fired and renewable energy generation business, as well as the international state of affairs, and use this information to periodically review and rework its own policies from the standpoint of climate change countermeasures.

In April 2018, Marubeni launched the Sustainability Management Committee (hereinafter, “the Committee”) under the supervision of the President and CEO, with the aim to strengthen the company’s sustainability initiatives. Since its launch, and while soliciting the opinions of external parties, the Committee has discussed a number of basic policies and measures pertaining to Marubeni’s sustainability initiatives, beginning with identification and periodic review of the materiality. Policies and measures considered as a result of these discussions will be announced as part of Marubeni’s ESG related data once it has been compiled.

*1. SmartestEnergy Ltd., established by Marubeni in the U.K. in 2001, purchases power from small to medium sized independent generators, and resells on the wholesale market or to retail customers. <https://www.smartestenergy.com/>

2

Sustainable Forestry

Forests are a precious resource and enrich life on Earth in many ways. The Marubeni Group currently holds 140,000 hectares of tree plantations across the world (total gross project area is 320,000 hectares). These forests are run according to management methods for sustainable forestry.

To build a better tomorrow, we have adopted a Forest Management Policy and a Procurement Policy (for Wood-derived Products) to conserve and sustainably use valuable forest resources. By operating our businesses in accordance with these policies, we will promote sustainable forest management and contribute to forest conservation.

Forest Management Policy**1. Introduction**

Marubeni Group (hereinafter the “Company”) promotes sustainable forest management by conducting fair and upright corporate activities in accordance with the spirit of the Company Creed of “Fairness, Innovation and Harmony”. We recognize that forests are renewable resources that provide various benefits for sustaining life on earth, and embrace economically viable forest management methods with the aim of ensuring the prosperity of present and future generations.

We strive to contribute to the establishment of a circular economy by creating innovation in the utilization of forest resources and responding to the society’s environmental needs that are becoming more diverse.

The Forest Management Policy (hereinafter the “Policy”) drives our commitments to sustainable forest management, the protection of forests with high conservation value (HCV*2) and the elimination of unregulated forest logging in our business activities. We, through our focus on on-site operations, are able to create economic benefits and contribute to society by conducting sustainable forest management through coexistence and co-prosperity with local communities, as well as supplying environmentally conscious wood resources that respond to society’s needs.

2. Scope

The Policy applies to all woodchip and pulp manufacturing and forest plantation operations by Marubeni and its subsidiaries worldwide.

3. Commitments

We go beyond compliance in our commitments to sustainable forest management. Through this Policy, we reaffirm our commitment to comply with all applicable laws and regulations relevant to forestry operations and seek to extend this obligation to our contractors and their employees.

1) Natural Capital

In implementing sustainable forest management, we commit to the following guidelines on the principle of No Deforestation:

- Only handling wood resources managed in a sustainable and appropriate way.
- No conversion of natural forests in forest plantation developments.
- Proactively addressing protection of HCV forests in our forest management from the viewpoint of biodiversity conservation.
- No forest plantation operations in HCV forests or on peatland.
- Committing to a “No Burn Policy” that restricts the use of fire in forest plantation operations that can potentially cause forest fires in tropical forest areas.
- Minimizing the impact of logging and related logging access roads construction on ecosystems.
- Proactively addressing the protection of species at risk of extinction included in IUCN’s (International Union for Conservation of Nature and Natural Resources) Red List of Threatened Species.
- Restricting the usage of alien species only to cases where impact is manageable.
- Following international best practices for soil management.
- Not using any pesticides classified as Class 1A/1B in the classification scheme of the WHO (World Health Organization), or any substances regulated by the Rotterdam Convention and the Stockholm Convention as pesticides.
- Not using genetic modification technology in forest management.
- Effective utilization of trees damaged by natural disasters such as burned trees, fallen trees, drift wood etc.

*2. HCV forests are forests that have a High Conservation Value in social, cultural and or environmental terms.

2) Social Capital

We commit to the social and economic development of the areas where we operate and seek to identify opportunities to create shared values with local communities. We recognize the importance of land use rights for local communities and indigenous people and their right to enjoy a fair share of the benefits obtainable from the commercial use of forest resources. Marubeni Group follows the principles regarding human rights described in the Basic Policy on Human Rights, and conducts the following activities as a responsible party:

- Committing to provide a safe and productive work environment, and not tolerating any form for child labor, forced labor, discrimination, harassment or abuse.
- Following the principle of Free, Prior and Informed Consent (FPIC) when starting new forestry operations on the lands where indigenous and local communities hold legal or customary rights
- Establishing grievance and conflict resolution mechanisms compliant with international standards and the regulatory requirements of the host countries of our forestry operations, as well as engaging in good-faith dialogue with stakeholders to resolve any issues.
- Actively carrying out stakeholder engagement on local, national and international scales.
- Respecting the rights of every worker.

We are contributing to economic and social development of areas where we operate through the following initiatives:

- Creating employment opportunities for local residents (priority allocation of contracts for forest plantation related work)
- Joint programs with local residents (Joint Forestry, Agriculture and Forest Products Harvesting Programs, etc.)
- Support activities for local residents (support for indigenous people, vocational training, disaster prevention drills, voluntary provision of daily necessities, etc.)
- Educational support (scholarships, construction or renovation and extension of schools, dispatching of teachers, operational support, etc.)
- Other community support (support for infrastructure equipment repair, sports events, etc.)

3) International Standards

We promote the main principles outlined in international standards relevant to the forestry industry (forest plantations, woodchips and pulp manufacturing) in our own operations as part of our commitment to sustainable forest management.

4) Environmental and Social Risk Assessment

We conduct the necessary environmental and social risk assessment prior to the completion of land acquisitions or land developments for new operations.

4. Governance

1) Implementation

The Policy is approved by Marubeni's Board of Directors. Oversight of the Policy is by the Chairperson of Sustainability Management Committee with implementation by the Business Group.

2) Links to Other Policies

The Policy complements other sustainability related policies of the Company including the Basic Policy on Human Rights and Basic Supply Chain Sustainability Policy.

3) Policy Management

We will review the Policy at least once a year, or as new information and knowledge becomes available, in ways that are consistent with our objectives of sustainable forest management.

4) Certification Audit and Monitoring

We hold international certification for sustainable forest management and CoC (Chain of Custody) certification to manage distribution and processing. As a result, accredited bodies conduct regular auditing and monitoring of these certifications.

5) Information Disclosure

In addition to increasing the transparency of our business activities, we are committed to disclose information on our approach to sustainable forest management on the Company website etc.

Product Procurement Policy (Forest-derived Products)

1. Introduction

The Marubeni Group (hereinafter referred to as “we”) conducts fair and upright corporate activities in accordance with the spirit of its Company Creed of “Fairness, Innovation and Harmony” and strives to build a sustainable society together with its business partners in line with the “Basic Supply Chain Sustainability Policy.”

We have established the Product Procurement Policy (Forest-derived Products) (hereinafter referred to as the “Policy”) to promote the procurement of timber and related products produced from appropriately managed forests, thereby realizing the sustainable use of forest resources.

This Policy has been approved by Marubeni’s Board of Directors. The Chairperson of the Sustainability Management Committee oversees the Policy, and the Business Group is in charge of its effective implementation. We undertake to review this Policy at least annually and revise it as necessary.

2. Scope

This Policy applies to the trading of timber and related products by Marubeni and its subsidiaries worldwide. Specifically, it covers raw timber, woodchips (including fuel woodchips), pulp, and paper and paperboard products (hereinafter referred to as “procured products”).

3. Commitment

In cooperation with suppliers and customers, we are committed to ensuring the traceability of procured products while conducting our procurement activities in accordance with the Basic Supply Chain Sustainability Policy and the following principles.

- (1) No handling of procured products produced from illegally logged timber.
- (2) No handling of products procured from suppliers involved in serious environmental and social controversies, such as the destruction of forests with high conservation value.
- (3) No handling of procured products produced from genetically modified wood.
- (4) Promoting the handling of procured products that have been certified under a reliable international forest certification system.

In order to promote this Policy, we will investigate the environmental and social considerations of suppliers as well as their compliance with laws and regulations. In the event that any non-compliance with this Policy is discovered, consultations and requests for improvement measures will be made. If the non-compliant supplier does not improve, we will review our business relationship with the relevant supplier.

We will regularly disclose information on this Policy. We are committed to promoting to society the sustainable use of forest resources through appropriate communication with our suppliers and customers and other stakeholders.



3 Human Rights & Co-Development with Communities

Due to the globalization of economic activity, serious abuses of human rights against workers and local residents are taking place in relevant countries and regions. Many of these abuses can be remedied or improved by taking human rights into consideration in business activities, and there are growing expectations that businesses should play a role in remedying human rights abuses.

The Marubeni Group does business in 136 locations*¹ in 67 countries and regions and employs 40,000 people*² of many different nationalities and ethnicities. We are

active in a wide range of businesses and conduct global, multi-faceted activities.

To build a better tomorrow, we take a sincere approach to dealing with human rights issues facing the international community. As part of our initiatives, we have included the three basic principles of the United Nations' "Guiding Principles on Business and Human Rights: 1) respect for human rights, 2) due diligence on human rights, and 3) redress in our Basic Policy on Human Rights.

*1. As of April 1, 2019 *2. As of March 31, 2019

Basic Policy on Human Rights

In the spirit of the Company Creed of "Fairness, Innovation and Harmony," the Marubeni Group is proudly committed to promoting social and economic development and safeguarding the global environment through fair and upright corporate activities. We recognize that respecting the human rights of persons affected by our business activities and endeavoring to take responsibility for doing so are of utmost importance, and to this end we have formulated our Basic Policy on Human Rights ("the Policy"), based on the UN's Guiding Principles on Business and Human Rights.

Our Basic Stance on Human Rights

We support and respect all international rules on human rights, including the UN's International Bill of Human Rights (Universal Declaration of Human Rights and International Covenant on Human Rights), the ILO's Declaration on Fundamental Principles and Rights at Work and the 10 Principles of the UN Global Compact.

Scope of Application

This Policy applies to all executives and employees of the Marubeni Group. We also ask that stakeholders (vendors, service providers, contractors, third-party manufacturers, joint venture partners, outsourcing partners, customers and other business partners and local communities) and other related parties observe the intent of the Policy and take appropriate action if a negative effect on human rights caused by them is directly related to the business activities of the Marubeni Group.

Responsibility for Human Rights

We will carry out our responsibility to respect human rights by ensuring that we do not violate human rights. If it should come to light that any of our business activities are having a negative impact on human rights, we will take appropriate action to remedy the situation.

• Human Rights Due Diligence:

We will create and continue using a system for carrying out human rights due diligence.

• Redress:

We will create a system (complaint resolution mechanism) for reporting when our business activities have a negative effect on human rights or we have been involved in human rights violations. If such reports are received, appropriate procedures for redress will be taken once the facts are sufficiently ascertained.

• Dialogue and Discussion:

We will engage in sincere dialogue and discussion with relevant stakeholders in order to promote initiatives in line with this Policy.

• Compliance with Relevant Laws:

We will observe the laws and regulations of the countries or regions where we conduct business activities. If national laws are in contradiction with internationally recognized human rights, we will pursue solutions in which we can respect human rights principles.

- **Education and Training:**

We will conduct appropriate training and skill development for our executives and employees to ensure that this Policy is understood and effectively put into practice in all our business activities.

- **Information Disclosure:**

We will report on our initiatives, etc. for fulfilling our responsibilities to respect human rights through our official website and other avenues.

The above Policy includes the following policies with regard to those who are especially vulnerable to human rights abuses:

- **Policy Regarding the Rights of Children:**

In addition to supporting the Children's Rights and Business Principles*³, which are intended to protect children's rights in the course of our business activities, we will undertake social contribution activities to strengthen children's rights and by so doing will contribute to improving children's rights.

- **Policy Regarding the Rights of Indigenous Peoples:**

When conducting our business activities in countries or regions with indigenous peoples, we will acknowledge the native culture and history of indigenous peoples, and we will give due consideration to the laws of the country or region in question and the rights of indigenous peoples set out in international rules.

- **Policy Regarding Use of Security Services:**

We are aware of the inherent risk to human rights related to the use of weapons for security. With regard to the use of security services when conducting business activities, we will observe the laws of the countries or regions where we operate, support international rules and related practices and endeavor to respect human rights.

***3. Children's Rights and Business Principles:** A comprehensive set of principles formulated by UNICEF, the UN Global Compact and Save the Children covering various actions that enterprises can take in the workplace, the marketplace and the community in order to promote respect for children's rights.

4 Sustainable & Resilient Value Chains

The Marubeni Group deals with thousands of suppliers in conducting transactions and operating a wide range of businesses on a global scale. We believe that we make important contributions to sustainability through environmental conservation and sustainable social development initiatives throughout our supply chain. To build a better tomorrow, we have identified Sustainable and Resilient Value Chains and working together with our business partners as an essential category of Environmental and Social Materiality. In addition to managing the supply chain, we will also involve buyers of our products and enhance the strength and competitiveness of our entire value chain, which includes not only the Marubeni group but also our business partners.

As part of our sustainability initiatives, together with stakeholders, we, including our business partners, adopted our Basic Supply Chain CSR Policy in 2008 to manage our supply chain. Subsequently, to advance understanding of and cooperation with the spirit of this Policy, we sent the Policy to suppliers, conducted surveys, and dispatched personnel to suppliers' manufacturing or production sites to conduct direct on-site inspections. Since we believe that value chain management is important, we will continue taking initiatives toward both suppliers and buyers of our products to resolve issues in this area.

In addition, we have revised our Basic Supply Chain CSR Policy, adopting a new Basic Supply Chain Sustainability Policy to place more importance on climate change countermeasures and respect for human rights.

Basic Supply Chain Sustainability Policy

(Revised January 2019)

1. The Marubeni Group, not being satisfied with simply strengthening its own sustainability initiatives, supports strengthening sustainability throughout its supply chain with the objective of building an environmentally friendly, healthy and sustainable society.

2. Having set out the Supply Chain Sustainability Guidelines below, the Marubeni Group asks for the understanding and cooperation of its business partners in observing the Guidelines, to promote, together with its business partners, highly effective sustainability initiatives. Further, when calling on its business partners, the Marubeni Group will communicate the Guidelines so that they are fully aware of the Guidelines and will assist business partners' capacity building by making recommendations, requests or providing guidance as necessary and by sharing examples of good practices.

3. Supply Chain Sustainability Guidelines

(1) Observance of Laws:

- Observe the laws of the countries where business is conducted and laws relating to business transactions.

(2) Respect for Human Rights:

- Respect human rights without discrimination, harassment of any kind, abuse or other inhumane treatment.
- No child labor or forced labor.
- Proper management of employees' work hours, breaks and holidays and prohibition of excessive overtime work.
- Payment of the legally mandated minimum wage and endeavoring to pay at least a living wage. No inappropriate wage abatement.
- Respect for employees' right to unionize for the purpose of labor-management negotiations and right to collective bargaining.

(3) Conservation of the Environment:

- Recognize that climate change issues are important and respond appropriately.
- Protect the natural environment.
- Reduce environmental negative impact, prevent pollution.

(4) Fair Transactions:

- Conduct fair transactions and do not inhibit free competition.
- Prevent corruption; offer no bribes or illegal contributions.

(5) Safety and Health:

- Ensure safe and healthy workplaces and maintain a good working environment.

(6) Quality Control:

- Maintain the quality and safety of products and services.

(7) Information Disclosure:

- Timely and appropriate disclosure of information.

4. As part of this Policy, the Marubeni Group has set out the following procedures for dealing with vendors that do not meet labor standards.

(i) When it comes to light that a vendor has failed to meet labor standards relating to (1) Observance of Laws, (2) Respect for Human Rights or (5) Safety and Health, we will as necessary, ask the vendor to:

- Ascertain the facts, and
- If the facts are true, prepare a report on the background of the issue and improvement measures.

Depending on circumstances, we may also inspect the vendor.

(ii) If we determine that improvement measures are insufficient, we will request that further measures be taken.

(iii) If, despite implementing steps (i) and (ii) above, the situation does not improve, we will examine whether to continue our relationship with the vendor.

1. GC2021 Group HR Strategy

To build a better tomorrow, the Marubeni Group has identified “Human Capital with High Social Value” as an essential category of Fundamental Materiality.

We regard human capital as our most valuable asset in meeting environmental and social demand, and proactively providing solutions. We define “Human Capital with High Social Value” as individuals who are essential not only to the company but also to society. We will nurture Human Capital with High Social Value, and thereby bring about innovation and provide solutions.

The GC2021 Medium-Term Management Strategy incorporates a new Group HR strategy based on the mindset as described above. Under this Group HR strategy, the goal is to create a “Marubeni HR Ecosystem” that promotes the involvement of every single Marubeni Group employee in creating new value as part of the “Global crossvalue platform.”

The key terms here are “Human Capital with High Social Value,” a “Diversity & Inclusion,” and “Culture for Individuals’ Development and Productivity.” The “Marubeni HR Ecosystem” is a place where “Human Capital with High Social Value” creates new value, the “Diversity & Inclusion” of our human capital increases our value creation power, and a “Culture for Individuals’ Development and Productivity” provides for open innovation to bring together internal and external ideas—this is what we aim to build.

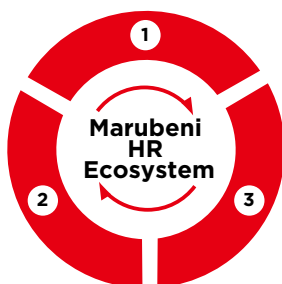
In order to achieve this, we are proposing and implementing various policies and measures that will enable us to strongly align our management strategies and HR systems, construct policies and programs to develop diverse human capital and create a cohesive environment that goes beyond the boundaries 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

2. HR Development Initiatives

The Marubeni Group is upgrading its HR development programs, which consist mainly of on-the-job training supplemented by off-the-job training.

Marubeni conducts on-the-job training through such means as assigning trainees to posts that promote hands-on experience and recommending young personnel for overseas assignments that will help them develop professionalism early in their careers. For off-the-job training, Marubeni has been revamping its Group-wide

training curriculum since the fiscal year ended March 31, 2017, including by establishing and subsequently strengthening Marubeni Global Academy (MGA) to support the realization of the Marubeni Group’s HR strategy. Marubeni will further upgrade its HR development programs on a Group-wide basis by continuing to develop MGA programs and improve their content.

Specifically, MGA trains Marubeni Group personnel through the following programs.

Composition of MGA programs

A) Business Skills:

Programs aimed at imparting skills and knowledge fundamentally required to conduct business

B) Leadership and Management:

Programs aimed at improving relationships with internal and external associates and strengthening communication skills conducive to stronger leadership in conducting business

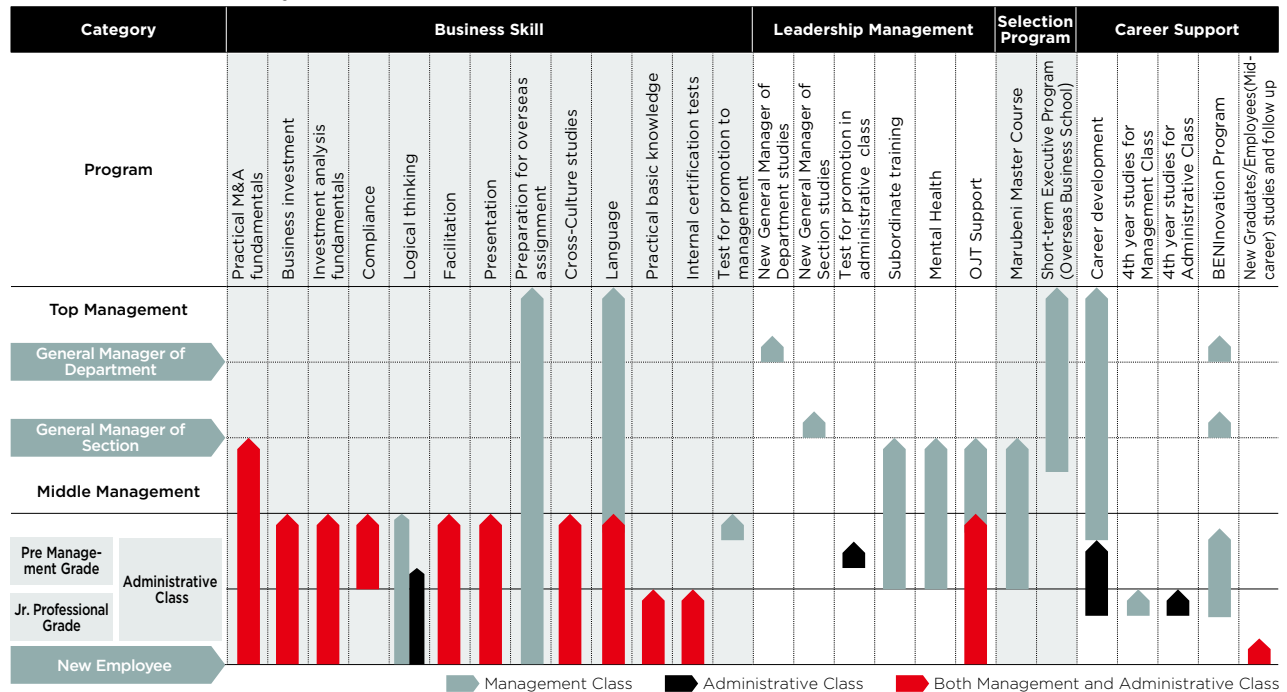
C) Selection-based Programs:

Intensive investment in selected personnel to cultivate human resources capable of serving in head office executive positions and C-suite positions at major domestic and overseas operating companies

D) Career Support Programs:

Career-focused programs that provide input/follow-up at designated points in time

Marubeni Global Academy



3. Human Capital × Mechanisms × Time

The Marubeni Group is always pursuing new work styles that fit its culture in the aim of generating innovation. In order to promote a method of working that will enable us to grasp the needs of our ever-changing society and clients, create solutions that fit with the times and create new distribution channels, Marubeni is carrying out initiatives under the themes of “Human Capital,” “Mechanisms” and “Time” in pursuit of synergies generated by combining the three.

Human Capital

Looking towards the future, the Marubeni Group needs people who are not only experts in their particular prod-

uct or area of business, but who have the ability to grasp the issues affecting society and our clients from a variety of angles, transcending the boundaries of business divisions, and the creative power to then fully utilize Marubeni’s various business infrastructures or platforms to create solutions. As a means to develop leaders like this, we have established Marubeni Academia. We also have launched the External Personnel Exchange Program, through which we are further expanding and strengthening interpersonal relations with people outside Marubeni. The aim is not only to forge network connections with people from external organizations,



See column on page 054 for more details on Marubeni Academia.

HR Strategy

but by looking at ourselves from an outside perspective, to identify values and functions which we have not been successful at delivering in the past, and to promote the development of human capital who are capable of linking these to business expansion.

Mechanisms

In order to generate innovation, we have started by “knowing the Marubeni Group”. One of the mechanisms we can use for this is the Business Model Canvas, a website that displays the Marubeni Group’s assets and business models. The site classifies the Marubeni Group’s businesses into roughly 300 different business models and provides information on each business’s assets, dealings, network connections, earnings model and competitors. We also have set up the Idea Box, where employees can propose business ideas and potential solutions to business challenges. The Next Generation Business Development Division helps to refine promising

ideas. In addition, we have held the Business Plan Contest and endeavors to commercialize winning business plans as startup ventures.



See column below for more information on the Business Plan Contest.

Time

Even with adequate Human Capital and Mechanisms, new challenges cannot be started without time. Marubeni has accordingly implemented a 15% Rule as a Time initiative.

Under the 15% Rule, each employee is granted time during working hours to come up with innovative ideas for reforming current business or working practices by overcoming the boundaries of organizational structures. This policy allows all employees, regardless of position or assignment, to allocate up to 15% of their working hours towards making plans for new business models and work processes.

Marubeni Academia

Marubeni Academia is not a training program. It selects personally distinguished individuals with diverse careers from the Marubeni Group’s global workforce in the aim of developing them into global innovation leaders that will drive the Marubeni Group into the future. Over the course of a year, it aims to take its participants from thinking about and discussing innovation to actually innovating. It is headed by Chua Taik Him, who has long played a key role in Singapore’s economic development at the Singaporean Economic Development Board and International Enterprise Singapore. In

the fiscal year ended March 31, 2019, Marubeni Academia’s inaugural year, 25 participants from eight countries practiced innovation that maximally leverages the diverse assets aggregated atop the Marubeni Group’s platform. They are expected to play a leading role in the Marubeni Group’s innovation initiatives as evangelists. Marubeni Academia has a new group of 25 participants from eight countries in the fiscal year ending March 31, 2020, its second year. Marubeni plans to keep the program running on an ongoing basis.

Business Plan Contest Awakens Employees' Entrepreneurial Spirit

In January 2019, Marubeni held the Business Plan Contest, open to all Marubeni Group staff throughout the world. Contest winners are awarded a “Ticket for Challenge,” which is an offer of resources, such as funds and human resources, and are given a chance for actual start-up. The first contest held in January 2019 drew diverse new-business ideas ranging from businesses aimed at solving broad societal problems to businesses targeted at specific customers’ day-to-day challenges. 12 ideas made it to the final round of judging from 160 entries in the world. Four plans were ultimately awarded a Ticket for

Challenge, giving those entrants the opportunity to pursue an entrepreneurial career path as the Marubeni Group.



4. Health and Productivity Management

With human capital as one of its categories of Fundamental Materiality, the Marubeni Group places utmost priority on its employees' health and safety to enable them to fully utilize their capabilities. Toward this end, it is carrying out various health management initiatives.

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 director in charge of the Human Resources Department. Health management initiatives are carried out by four groups acting in concert: occupational physicians (in-company medical clinics), the Health Insurance Association, the Human Resources Department and health and productivity management promotion officers selected by employees.

Marubeni Health Project

The Marubeni Health Project carries out various initiatives, mainly under the following four themes.

Theme	Initiatives
1. Improving health literacy	Walking events, healthy menu options in employee cafeterias, etc.
2. Better prevention of cancer and lifestyle diseases	Increased subsidization of smoking cessation therapies, practical health seminars, physical exams and cerebrovascular imaging fully paid for by the company, etc.
3. Strengthening mental health measures	Expansion of employee assistance program services, support services for returnees from mental health leave, etc.
4. Strengthening women's health initiatives	Seminars for improving women's health literacy, establishment of women's health consultation desks, etc.



For more details on the Marubeni Health Project, see page 062 of the Sustainable Development Report 2019
<https://www.marubeni.com/en/sustainability/report/>

External Accolades

•Inclusion in Health & Productivity Stock Selection

Marubeni was chosen for inclusion in the Brand of Companies Enhancing Corporate Value through Health and Productivity Management Selection (Health & Productivity Stock Selection). Launched in the year ended March 31, 2015, this joint program by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) recognizes TSE-listed companies that exhibit excellence in strategically practicing health and productivity management*, thereby making employee health a management issue. Aiming to help employees improve their health, Marubeni has been developing more sophisticated healthcare management systems while simultaneously supporting employees in living more fulfilling social and private lives. It was the recognition of these efforts that resulted in the Company's inclusion in the Health & Productivity Stock Selection. Going forward, we will continue to invest in employee health to further boost our global competitiveness.

* The term "health and productivity management" is a registered trademark of the Workshop for the Management of Health on Company and Employee.



•Marubeni Certified as Health and Productivity Management Outstanding Organization (White 500)

Marubeni was certified as a 2019 Health and Productivity Management Outstanding Organization in the large enterprise category (White 500) by Japan's Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi. The Health and Productivity Management Outstanding Organization certification is awarded annually to corporations that practice particularly exemplary health and productivity management based on initiatives tailored to local health issues and the Nippon Kenko Kaigi's health promotion initiatives. It was awarded to Marubeni in both 2018 and 2019. Marubeni will continue to support its employees' success and expedite its own growth by creating an environment in which all employees can autonomously and proactively maintain or improve their health.



Corporate Governance
Members of the Board





(From left)
Yuri Okina: External Director, **Susumu Fukuda:** External Director, **Nobuhiro Yabe:** Senior Managing Executive Officer,
Ichiro Takahara: Senior Executive Vice President, **Fumiya Kokubu:** Chairman of the Board,
Yukihiko Matsumura: Senior Executive Vice President, **Masumi Kakinoki:** President and CEO,
Hirohisa Miyata: Managing Executive Officer, **Takao Kitabata:** External Director, **Kyohei Takahashi:** External Director

CORPORATE GOVERNANCE AT A GLANCE

As a global company, Marubeni pursues corporate governance best practices adapted to its own organization from a comprehensive, medium- to long-term perspective, recognizing the societal role that companies play and international differences in legal systems and capital market environments.

FACTS & FIGURES

Structure of the Board of **Directors**

(As of June 21, 2019 (*As of April 30, 2019))

Name	Years served as Director	Current shareholdings in the Corporation* (Thousands of shares)	Subscription rights to shares held*	Attendance at meetings of the Board of Directors (FYE 3/2019)	Membership on advisory bodies	
					Nomination Committee	Governance and Remuneration Committee
Chairman of the Board Fumiya Kokubu	7 years	169	1,237 rights	18/19		
President and CEO Masumi Kakinoki	1 year	72	572 rights	15/15	Member	Member
Senior Executive Vice President Yukihiko Matsumura	1 year	90	595 rights	15/15		Member
Senior Executive Vice President Ichiro Takahara	Appointed June 2019	21	540 rights	-		
Senior Managing Executive Officer Nobuhiro Yabe	3 years	55	533 rights	19/19		
Managing Executive Officer Hirohisa Miyata	1 year	37	485 rights	15/15		
External Director Takao Kitabata	6 years			18/19	Chairman	
External Director Kyohei Takahashi	3 years			19/19	Member	Chairman
External Director Susumu Fukuda	3 years			19/19		Member
External Director Yuri Okina	2 years			19/19		

Composition of Board of Directors

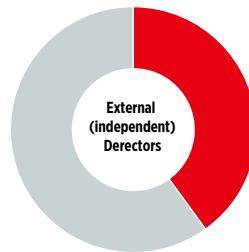
10 PERSONS



Board of Directors

The Board of Directors is made up of 10 directors (four of whom are external). In addition to determining management policies and other important matters, the Board of Directors oversees directors' execution of their duties. The four external directorships are entrusted to independent, trustworthy outsiders possessing a high degree of specialized knowledge, extensive experience as senior corporate executives, broad discernment, international expertise and/or other qualifications of value to Marubeni's wide-ranging business operations.

- Directors
- External (independent) Directors



4 PERSONS

External (independent) directors' backgrounds and specialties

Senior corporate executive	1 person
Government officials	2 persons
Think tank	1 person

Years served as external (independent) director

6 years	1 person
3 years	2 persons
2 years	1 person

Composition of Audit & Supervisory Board

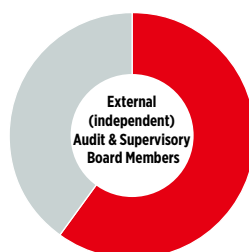
5 PERSONS



Audit & Supervisory Board

As the Audit & Supervisory Board of a company with auditors, the Audit & Supervisory Board has five members (three of whom are external) and conducts audits in accordance with audit policies and audit plans. Its three external seats are entrusted to independent, trustworthy outsiders with the requisite knowledge, skills, experience and/or other qualifications of value to Marubeni's wideranging business operations. Another consideration that factors into selection of external Audit & Supervisory Board members is the degree to which they complement external directors' expertise and skill sets.

- Internal Audit & Supervisory Board Members
- External (independent) Audit & Supervisory Board Members



3 PERSONS

External (independent) Audit & Supervisory Board members' backgrounds and specialties

Lawyer	1 person
Senior corporate executive	1 person
Government official	1 person

Years served as external (independent) Audit & Supervisory Board member

3 years	1 person
2 years	2 persons

Corporate Governance System

Basic View on Corporate Governance

Marubeni is committed to meeting the expectations of its shareholders, customers, suppliers, employees, local communities and other stakeholders by striving to increase its corporate value in the aim of being a proud corporate group that contributes to economic and societal development and preservation of the global environment in accord with the spirit of its Company Creed: "Fairness, Innovation, and Harmony." To do so, Marubeni is endeavoring to improve its corporate governance as a cornerstone of sound, transparent and efficient management. In accord with this fundamental mindset, Marubeni has set independence standards for external directors and Audit & Supervisory Board members and is upgrading its management oversight

functions through its external directors and Audit & Supervisory Board members. Marubeni believes that constructive engagement with shareholders and investors plays an important role in medium- to long-term corporate value enhancement. Through such engagement, Marubeni seeks to understand and appropriately respond to shareholders and investors' perspectives while gaining their understanding of its management policies.

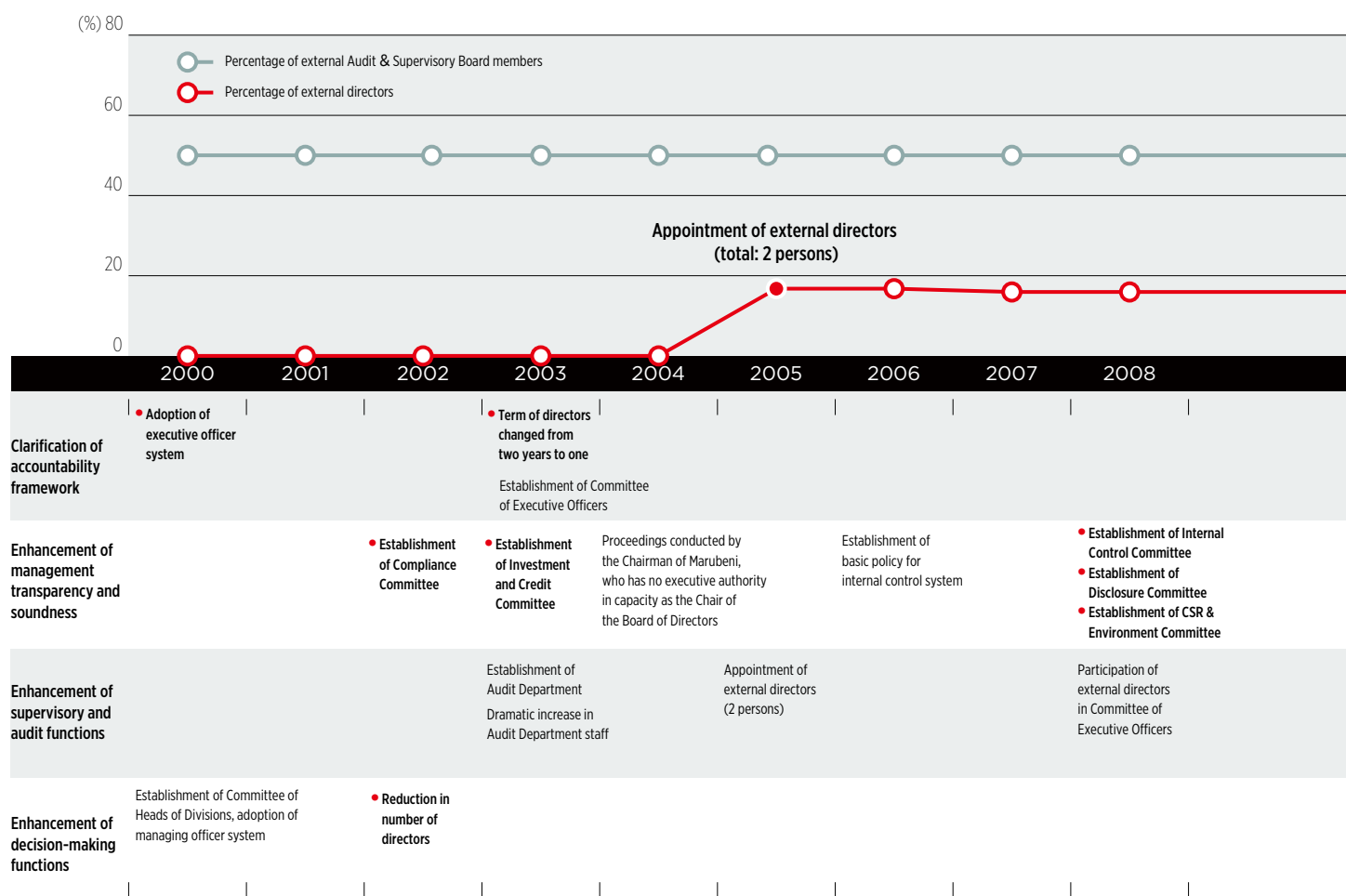
Japan's Corporate Governance Code was revised in June 2018. Marubeni's corporate governance regime is in compliance with the revised Code. Marubeni plans to continue to pursue sounder, more transparent and more efficient management to further upgrade its corporate governance.



For further information, please refer to the Corporate Governance Report on the Company's website.

<https://www.marubeni.com/en/company/governance/>

Changes in Corporate Governance at Marubeni



Corporate Governance System

Marubeni is classified as a company with auditors under Japan's Companies Act. The configuration of its management decision-making, executive and oversight functions is shown in the "Corporate Governance Structure" diagram on page 062.

Marubeni operates a diverse portfolio of businesses globally. To ensure swift and efficient management decision-making and appropriate management oversight functions, Marubeni's current governance model is that of a company with both auditors and a Board of Directors comprising internal and external directors.

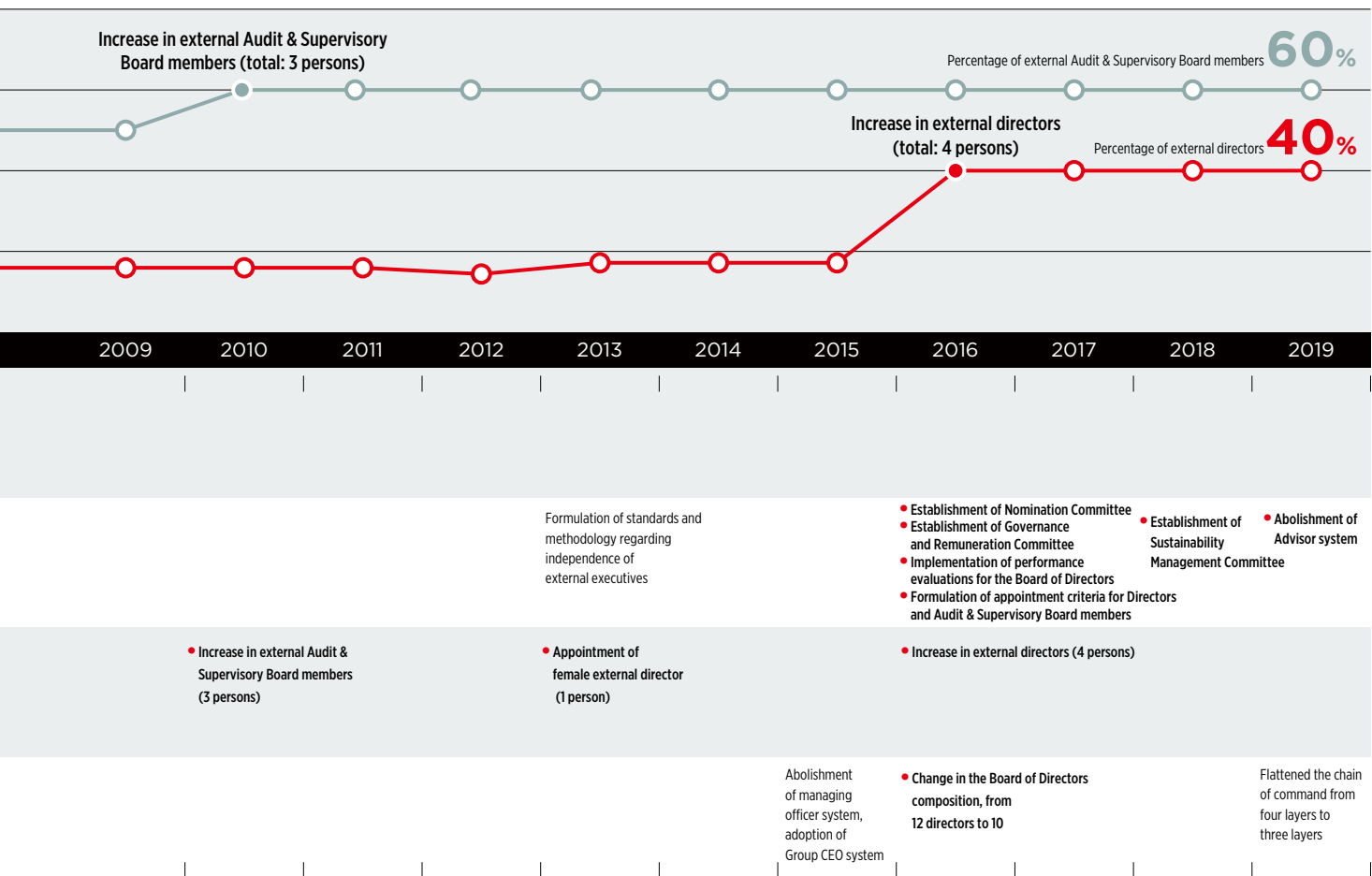
Marubeni will maintain its existing governance model because it deems the model to be effective in the following two respects.

(a) Decision-making speed and efficiency

Marubeni ensures swift and efficient decision-making by appointing directors who concurrently serve as executive officers and are deeply knowledgeable about its diverse business activities.

(b) Appropriate oversight functions

Marubeni ensures appropriate oversight functions through such means as filling at least one-third of the seats on its Board of Directors with external directors, establishing an Audit & Supervisory Board Members' Office, promoting coordination of Audit & Supervisory Board members, the Audit Department and the accounting auditor and holding advance briefings on Board of Directors meeting agendas for both external directors and external Audit & Supervisory Board members at the same time.



Corporate Governance Structure

(As of June 21, 2019)

Board of Directors

The Board of Directors is made up of 10 directors (four of whom are external). In addition to determining Marubeni's management policies and other important matters, the Board of Directors oversees directors' execution of their duties. To clarify management responsibility and flexibly build an optimal management team in response to changes in the business environment, directors are appointed for one-year terms.

Audit & Supervisory Board

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. Additionally, the Audit & Supervisory Board meets monthly with Marubeni's accounting auditor to discuss

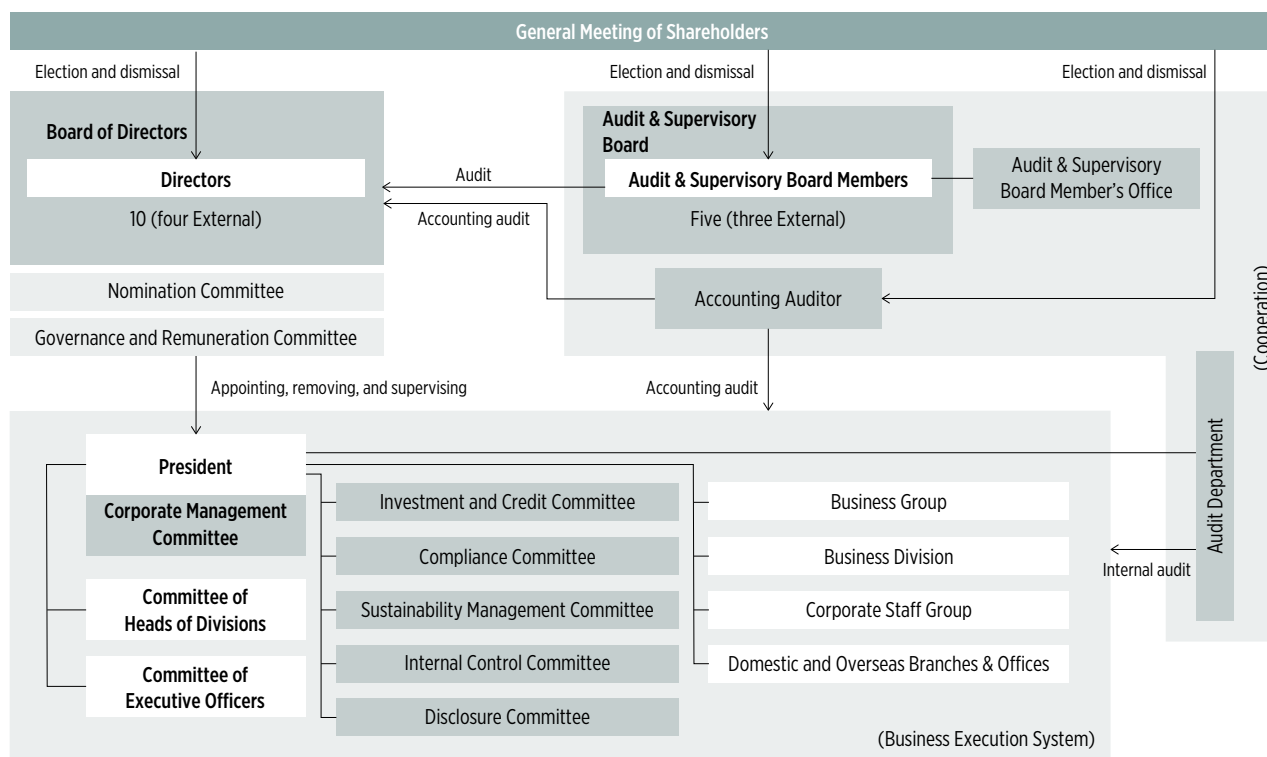
audit plans, the progress and findings of audits involving Group companies, financial results, matters requiring attention, developments in the auditing profession and other relevant matters.

Additionally, the President periodically meets with Audit & Supervisory Board members and reports to them on the status of business execution. Other directors, Group CEOs, Division COOs and Corporate Staff Group general managers annually report to Audit & Supervisory Board members on the status of business execution.

Corporate Management Committee

The Corporate Management Committee, established as an advisory committee to the President, comprises five directors including the President, two senior managing executive officers and a managing executive officer. It deliberates on important management matters.

Corporate Governance Structure



Committee of Heads of Divisions

The Committee of Heads of Divisions is made up of the President, representative directors, Division COOs, and regional CEOs and COOs appointed by the President. It deliberates on matters related to business execution, including budgets, financial results and funding plans.

Committee of Executive Officers

The Committee of Executive Officers comprises 33 executive officers (five of whom are also directors) to announce management policies issued by the President and to discuss financial performance, the results of internal audits, and other issues that affect business execution, and to facilitate the exchange of information between the oversight function and the implementation function. Keeping communication lines open between the directors and executive officers, external directors also attend these meetings. Executive officers are selected by the Board of Directors and appointed to one-year terms of office.

Nomination Committee

The Nomination Committee serves as an advisory body to the Board of Directors, deliberating on proposed candidates for appointment as directors and auditors, and reporting its findings to the Board of Directors. External executives are the majority of committee members.

Nomination Committee

Chair: Takao Kitabata, Director (External)
Members: Masumi Kakinoki, President and CEO, Member of the Board
 Kyohei Takahashi, Director (External)
 Takashi Hatchoji, Audit & Supervisory Board Member (External)

Governance and Remuneration Committee

The Governance and Remuneration Committee serves as an advisory body to the Board of Directors, deliberating decision-making policies and the suitability of standards regarding remuneration for directors and auditors, and reporting its findings to the Board of Directors. External executives are the majority of committee members. The committee also assesses and reviews the Board of Directors as a whole, including the Board's composition and operations, and reports its findings to the Board of Directors.

Governance and Remuneration Committee

Chair: Kyohei Takahashi, Director (External)
Members: Masumi Kakinoki, President and CEO, Member of the Board
 Yukihiro Matsumura, Senior Executive Vice President, Member of the Board
 Susumu Fukuda, Director (External)
 Shuichi Yoshikai, Audit & Supervisory Board Member (External)
 Tsuyoshi Yoneda, Audit & Supervisory Board Member (External)

Nomination of New President

Marubeni is endeavoring to optimize its corporate governance as a foundation that ensures management soundness, transparency and efficiency with the aim of maximizing corporate value in accordance with the Company Creed of "Fairness, Innovation and Harmony." Toward this end, it has been upgrading management oversight functions through independent external directors.

As one such initiative, the Company has been operating a Nomination Committee as an advisory body of its Board of Directors since the fiscal year ended March 2017. The Nomination Committee has four members, three of whom are independent external directors. I serve as the Committee's chairman.

In selecting a nominee to serve as the Company's next president, the Nomination Committee spent ample time objectively and impartially discussing multiple candidates from numerous angles and carefully deliberating on their qualifications. After comprehensively assessing the candidates in light of the Company's operating environment, the Committee decided that (then) Senior Executive Vice President and Chief Executive Officer Masumi Kakinoki was the most qualified candidate. The Nomination Committee unanimously voted in favor of nominating Mr. Kakinoki and reported his nomination to the Board of Directors. The Board approved Mr. Kakinoki's nomination in January 2019.



Takao Kitabata
 Chief External Director
 Nomination Committee Chairman

Meeting Frequency of Boards and Major Committees (Fiscal Year Ended March 2019)

Board of Directors	Audit & Supervisory Board	Corporate Management Committee	Committee of Heads of Divisions	Committee of Executive Officers
19	10	32	3	4

Committee Roles and Functions

Marubeni has established various committees designed to enhance corporate governance. A brief description of the principal committees and their respective governance roles is given below.

Committee	Role	Chair	Meeting Frequency
Investment and Credit Committee	Projects pending approval, such as investments, are discussed and approved by the Investment and Credit Committee prior to appearing on the Corporate Management Committee's agenda.	Senior Managing Executive Officer Nobuhiro Yabe	Held three times a month in principle
Compliance Committee	The Compliance Committee provides support and guidance with regard to practicing compliance and as such develops, maintains, and manages the Marubeni Group's compliance structure.	Senior Executive Vice President Yukihiko Matsumura	Held four times a year and whenever else necessary
Sustainability Management Committee	The 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.	Senior Managing Executive Officer Nobuhiro Yabe	Held once a year in principle and whenever else necessary
Internal Control Committee	The Internal Control Committee is responsible for developing and monitoring the enforcement of internal control policies based on the Companies Act as well as drafting revisions when necessary. It also establishes, operates, and verifies the effectiveness of internal control systems for financial reports in accordance with the Financial Instruments and Exchange Act, while also drafting internal control reports.	Senior Executive Vice President Yukihiko Matsumura	Held when necessary
Disclosure Committee	The Disclosure Committee creates disclosure 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.	Senior Managing Executive Officer Nobuhiro Yabe	Held when necessary

Functions and Roles of External Directors

External directors offer opinions on management and advice to improve corporate governance from a high-level perspective grounded in extensive experience.

External directors attend and actively participate in

Board of Directors and Committee of Executive Officers meetings from an internal control standpoint. Before attending Board of Directors or other meetings, external directors are briefed on management issues, business execution status and the meeting's agenda items.

Major Activities

(As of June 21, 2019)

Name	Independent	Reason for Appointment	Advisory Committee	Biography
Chief External Director Takao Kitabata	Y	Participated in 18 meetings of the Board of Directors out of a total of 19 meetings held during the business year under review and made comments actively based primarily on his wide experience in government services and his profound knowledge accumulated through such experience.	Chairman of Nomination Committee	<ul style="list-style-type: none"> Vice-Minister of Economy, Trade and Industry Director, Kobe Steel, Ltd. (current) Chairman of the Board, Sanda Gakuen Junior & Senior High Schools Director, Seiren Co., Ltd. (current) Director, Zeon Corporation (current)
Kyohei Takahashi	Y	Participated in all meetings of the Board of Directors held during the business year under review and made comments actively based primarily on his wide experience from having been an executive of various corporate entities and his profound knowledge accumulated through such experience.	Nomination Committee, Chairman of Governance and Remuneration Committee	<ul style="list-style-type: none"> President, CEO and Representative Director, Showa Denko K.K. Audit & Supervisory Board Member, Fukoku Mutual Life Insurance Company (current) Advisor, Showa Denko K.K. (current)
Susumu Fukuda	Y	Participated in all meetings of the Board of Directors held during the business year under review and made comments actively based primarily on his wide experience in government services and his profound knowledge accumulated through such experience.	Governance and Remuneration Committee	<ul style="list-style-type: none"> Commissioner, National Tax Agency Vice-Chairman, The General Insurance Association of Japan Assistant Chief Cabinet Secretary Member, National Tax Council, Ministry of Finance Audit & Supervisory Board Member, Tokio Marine & Nichido Fire Insurance Co., Ltd. Chairman and Representative Director, Japan Real Estate Institute (current) Vice Chairman (Representative Director), Japan Tax Association (current)
Yuri Okina	Y	Participated in all meetings of the Board of Directors held during the business year under review and made comments actively based primarily on her wide experience at a research institute and her profound knowledge accumulated through such experience.		<ul style="list-style-type: none"> Chairperson, The Japan Research Institute, Limited (current) Director, Nippon Yusen Kabushiki Kaisha Director, Seven Bank, Ltd. Director, Bridgestone Corporation (current)

Functions and Roles of External Audit & Supervisory Board Members

In addition to overseeing directors' execution of their duties, Audit & Supervisory Board members help to improve the effectiveness of internal audits by offering recommendations and advice based on their wealth of experience.

External Audit & Supervisory Board members periodically

meet with the President in addition to attending meetings of the Audit & Supervisory Board, Board of Directors and Committee of Executive Officers. They also set up meetings to confer with the Audit Department, Corporate Accounting Department and the accounting auditor and utilize audit-related information received from full-time Audit & Supervisory Board members in their auditing work.

Major Activities

(As of June 21, 2019)

Name	Independent	Reason for Appointment	Advisory Committee	Biography
Shuichi Yoshikai	Y	Participated in all meetings of the Board of Directors and all meetings of the Audit & Supervisory Board held during the business year under review and made comments actively based primarily on his wide experience in legal services and his profound knowledge accumulated through such experience.	Governance and Remuneration Committee	<ul style="list-style-type: none"> President, Osaka High Court President, Tokyo High Court Admitted to Tokyo Bar Association (current) Audit & Supervisory Board Member, Shoko Chukin Bank, Ltd.
Takashi Hatchoji	Y	Participated in 18 meetings of the Board of Directors out of a total of 19 meetings and 9 meetings of the Audit & Supervisory Board out of a total of 10 meetings held during the business year under review and made comments actively based primarily on his wide experience from having been an executive of various corporate entities and his profound knowledge accumulated through such experience.	Nomination Committee	<ul style="list-style-type: none"> 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)
Tsuyoshi Yoneda	Y	Participated in all meetings of the Board of Directors and 9 meetings of the Audit & Supervisory Board out of a total of 10 meetings held during the business year under review and made comments actively based primarily on his wide experience in government services and his profound knowledge accumulated through such experience.	Governance and Remuneration Committee	<ul style="list-style-type: none"> Commissioner General, National Police Agency Director, Japan Exchange Group, Inc. (current)

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

The Company conducts diversified business activities across a broad range of sectors through domestic and overseas networks. Cooperative relationships with a wide variety of companies are essential to its operations. The Company annually reviews the justification for owning 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., maintenance or strengthening of relationships with investees through equity ownership). The Board of Directors then decides

whether to retain or divest cross-shareholdings based on the review's findings. As a general rule, cross-shareholdings are sold if the Board decides that owning them is no longer justified. 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 increasing the investee's medium/long-term corporate value.

Directors and Audit & Supervisory Board Members' Compensation

Marubeni has established a majority-independent Governance and Remuneration Committee as an advisory body to its Board of Directors. The Governance and Remuneration Committee reviews, and reports to the Board of Directors on, policies for setting directors and executive officers' compensation and the appropriateness of their

compensation levels. Directors' compensation is set by the Board of Directors' resolutions within compensation limits authorized at the General Meetings of Shareholders.

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

(As of June 21, 2019)

	Applicable Individuals	Compensation Policies	Compensation-Setting Method
Directors: 10	Directors: 6	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> At the 92nd General Meeting of Shareholders on June 24, 2016, shareholders passed a resolution limiting directors and executive officers' aggregate annual compensation to ¥1,100 million (external directors' share of which is ¥60 million). Directors and executive officers' compensation is set by Board of Directors' resolutions within the limit authorized at the General Meeting of Shareholders.
	External Directors: 4		
Audit & Supervisory Board members: 5	Audit & Supervisory Board members: 2	<ul style="list-style-type: none"> External non-executive directors and Audit & Supervisory Board members' compensation consists solely of fixed basic compensation. They received no performance-based compensation. 	<ul style="list-style-type: none"> At the 88th General Meeting of Shareholders on June 22, 2012, shareholders passed a resolution limiting external directors and Audit & Supervisory Board members' aggregate monthly compensation to ¥12 million. External directors and Audit & Supervisory Board members' compensation is set within said compensation limit by agreement of Audit & Supervisory Board members.
	External Audit & Supervisory Board members: 3		

(Internal) Directors' Compensation

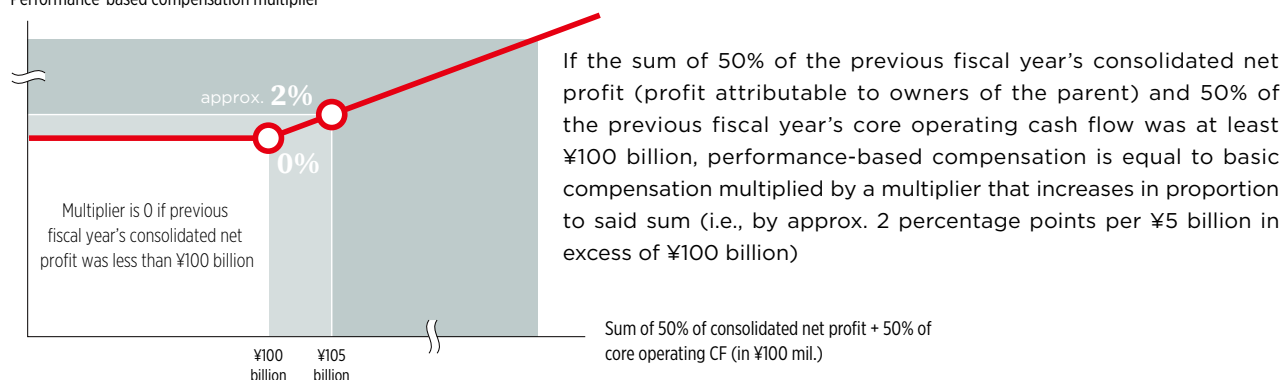
Compensation Type	Description	Fixed/Variable	Form of Payment
① Basic compensation	<ul style="list-style-type: none"> Basic compensation that varies based on individual director's positions 	Fixed	
② Performance-based compensation	<ul style="list-style-type: none"> Compensation linked to previous fiscal year's consolidated earnings Performance-based compensation is the product of basic compensation and a multiplier Its amount is set by multiplying basic compensation by a multiplier that increases in proportion to the previous fiscal year's consolidated net profit if it was at least ¥100 billion; the multiplier is 0 if the previous fiscal year's consolidated net profit was less than ¥100 billion (approx. +2 percentage points/every +¥5 billion) 	Variable (fiscal yearly variability)	80% cash 20% stock options
③ Bonuses	<ul style="list-style-type: none"> Director bonuses * Representative directors are paid representative director bonuses in addition to director bonuses Reflects quantitative and qualitative individual evaluations 	Fixed Variable (fiscal yearly variability)	Cash
④ Compensatory stock options subject to market-capitalization-based exercisability conditions	<ul style="list-style-type: none"> Adding 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, only in the event that the Company's market capitalization exceeds market capitalization as of the allotment date after three years and the Company's market capitalization condition growth rate is equal to or higher the TSE stock price index growth rate are stock options allocated with market capitalization conditions than can be exercised 	Fixed	Stock options

(Internal) Directors' Compensation Mix

	Defined compensation			Contingent compensation
	Fixed salary	Variable compensation		
Type of compensation	① Basic compensation	② Performance-based compensation	③ Bonuses	④ Compensatory stock options subject to market-capitalization-based exercisability conditions
Form of payment	80% cash compensation 20% compensatory stock options		Cash compensation	Compensatory stock options

Performance-based Compensation Formula

Performance-based compensation multiplier



Compensation for External Directors

Compensation for external directors, who are independent from business execution, consists solely of basic compensation (no performance-based compensation).

Compensation for Audit & Supervisory Board Members

Compensation for Audit & Supervisory Board members, who are independent from business execution, consists solely of basic compensation (no performance-based compensation).

Total Compensation Paid to Directors and Audit & Supervisory Board Members for the Fiscal Year Ended March 31, 2019

Position	Total Amount of Compensation			Number of Recipients
	Cash Compensation	Compensatory Stock Options		
Directors (excluding external directors)	¥500 million	¥111 million	¥611 million	9
Audit & Supervisory Board members (excluding external Audit & Supervisory Board members)	¥80 million	—	¥80 million	2
External officers	¥101 million	—	¥101 million	7
Total	¥681 million	¥111 million	¥792 million	18

Notes:

- Rounded to the nearest million.

- 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 ¥60 million for external directors)" (at the 92nd General Meeting of Shareholders held on June 24, 2016, applicable to 10 directors (of which four 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 directors). 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 an "Annual pool not to exceed ¥220 million for directors. As of June 21, 2019, this rule applied to 15 directors.
- 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. In the year ended March 31, 2019, retirement bonuses were not paid to the directors and Audit & Supervisory Board members who are eligible to receive a final payment in relation to the abolition of the retirement bonuses plan.

Individuals to Whom the Total Amount of Compensation Paid Exceeded ¥100 Million for the Fiscal Year Ended March 31, 2019

Name	Position	Total Amount of Compensation		
		Cash Compensation	Compensatory Stock Options	
Teruo Asada	Director	¥104 million	¥24 million	¥128 million
Fumiya Kokubu	Director	¥127 million	¥29 million	¥156 million

Evaluation of the Effectiveness of the Board of Directors

The evaluation of effectiveness of the Board of Directors in the fiscal year ended March 31, 2019 was conducted as described below:

Framework and Method of Evaluation

1. Target

All Directors (10 people) and Audit and Supervisory Board members (five people)

* As of December 2018

2. Implementation Method

A questionnaire survey was conducted. (Anonymous responses.)

* The Company utilized an external specialized institution for its implementation.

3. Evaluation Items

- (1) Roles and responsibilities of the Board of Directors
- (2) Relationship between the Board of Directors and senior executives
- (3) Organizational design and composition of the Board of Directors and other bodies
- (4) Quality and expertise of Directors and of the Board of Directors
- (5) Deliberation by the Board of Directors
- (6) Relationship and dialogue with shareholders
- (7) Engagement with stakeholders other than shareholders
- (8) Progress of improvement issues from the fiscal year ended March 31, 2018.

4. Evaluation Process

The Board of Directors deliberated in view of 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 the responses to the questionnaire.

Overview of the Evaluation Result

The Board of Directors deliberated in view of 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. The previous fiscal year's evaluation identified a need for more thorough deliberation on important matters. Measures to address this issue that were implemented in the fiscal year ended March 2019 (e.g., improvement in reporting on directors' execution of their duties, revision of materiality standards for inclusion of individual projects/investments on Board meeting agendas) were evaluated positively in the latest evaluation. Meanwhile, some of the participants expressed expectations of additional initiatives to promote more substantive discussions of Group management policies.

The Company will continue to endeavor to maintain and improve its Board of Directors' effectiveness in light of the latest evaluation and review.

Internal Control

Basic Internal Control 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, 2018, we submitted our internal control report for the year ended March 31, 2019, which concluded that, "internal control is effective."

Basic Internal Control Policy (Key Items)

- ① System 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/

Members of the Board



1



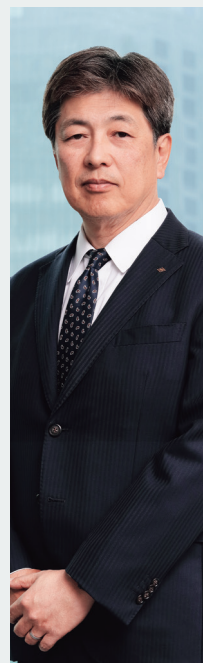
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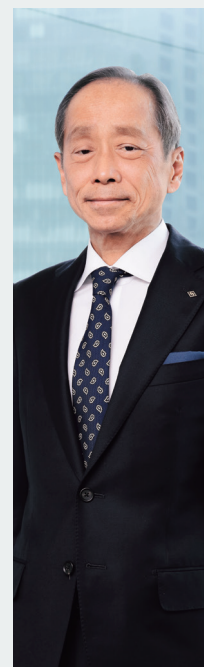
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4



5



6

1 Fumiya Kokubu
Chairman of the Board

2 Masumi Kakinoki
President and CEO

3 Yukihiro Matsumura
Senior Executive Vice President,
CAO; Senior Operating Officer, Audit Dept.;
Senior Operating Officer, Executive Secretariat;
Senior Operating Officer, New Office Building
Project Dept.; Chief Compliance Officer;
Chairman of Internal Control Committee;
Chief Information Officer

4 Ichiro Takahara
Senior Executive Vice President,
Chief Executive Officer, Power Business,
Energy & Metals Group

5 Nobuhiro Yabe
Senior Managing Executive Officer,
CFO; Chief Operating Officer, Investor Relations and
Credit Ratings; Chairman of Investment and Credit
Committee; Chief Sustainable Development Officer;
Chairman of Disclosure Committee

6 Hirohisa Miyata
Managing Executive Officer,
CDIO; CSO; Regional CEO for East Asia;
Vice Chairman of Investment and Credit Committee



7

7 Takao Kitabata
External (Independent) Director



8

8 Kyohei Takahashi
External (Independent) Director



9

9 Susumu Fukuda
External (Independent) Director



10

10 Yuri Okina
External (Independent) Director

Audit & Supervisory Board Members



1 Kazuro Gunji
Audit & Supervisory Board
Member

2 Hikaru Minami
Audit & Supervisory Board
Member

3 Shuichi Yoshikai
External (Independent) Audit &
Supervisory Board Member

4 Takashi Hatchoji
External (Independent) Audit &
Supervisory Board Member

5 Tsuyoshi Yoneda
External (Independent) Audit &
Supervisory Board Member

Senior Managing Executive Officers

Kaoru Iwasa

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

Akira Terakawa

Chief Executive Officer, Food, Agriculture & Chemicals Group; Vice Chairman of Investment and Credit Committee

Hajime Kawamura

Chief Executive Officer, Machinery, Infrastructure & Financial Business Group

Managing Executive Officers

Mutsumi Ishizuki

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

Takeo Kobayashi

Chief Executive Officer, Consumer Products Group

Michael McCarty

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

Akihiko Sagara

Chief Operating Officer, Energy Div.

Shinichi Kobayashi

Chief Operating Officer, Metals & Mineral Resources Div.

Jun Horie

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

Kenichiro Oikawa

Chief Operating Officer, Finance & Leasing Business Div.

Executive Officers

Eiji Okada

Chief Operating Officer, Plant Div.

Soji Sakai

Senior Operating Officer for ASEAN & Southwest Asia; President, Marubeni Thailand Co., Ltd.; General Manager, Bangkok Branch

Hisamichi Koga

General Manager, Chubu Branch

Yutaka Shimazaki

General Manager, Executive Secretariat, and Corporate Communications Dept.

Minoru Tomita

General Manager, Osaka Branch

Hidekazu Futai

Senior Operating Officer, Agri Business Div.

Hiddenobu Kumada

Chief Operating Officer, Food Div.

Jun Hirasawa

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

Makoto Sato

Regional CEO for Middle East

Yuichi Ohira

Chief Operating Officer, Lifestyle Div.

Takayuki Furuya

General Manager, Corporate Planning & Strategy Dept.

Yoshiaki Yokota

Chief Operating Officer, Power Business Div.

Jiro Itai

Chief Operating Officer, Construction, Auto & Industrial Machinery 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