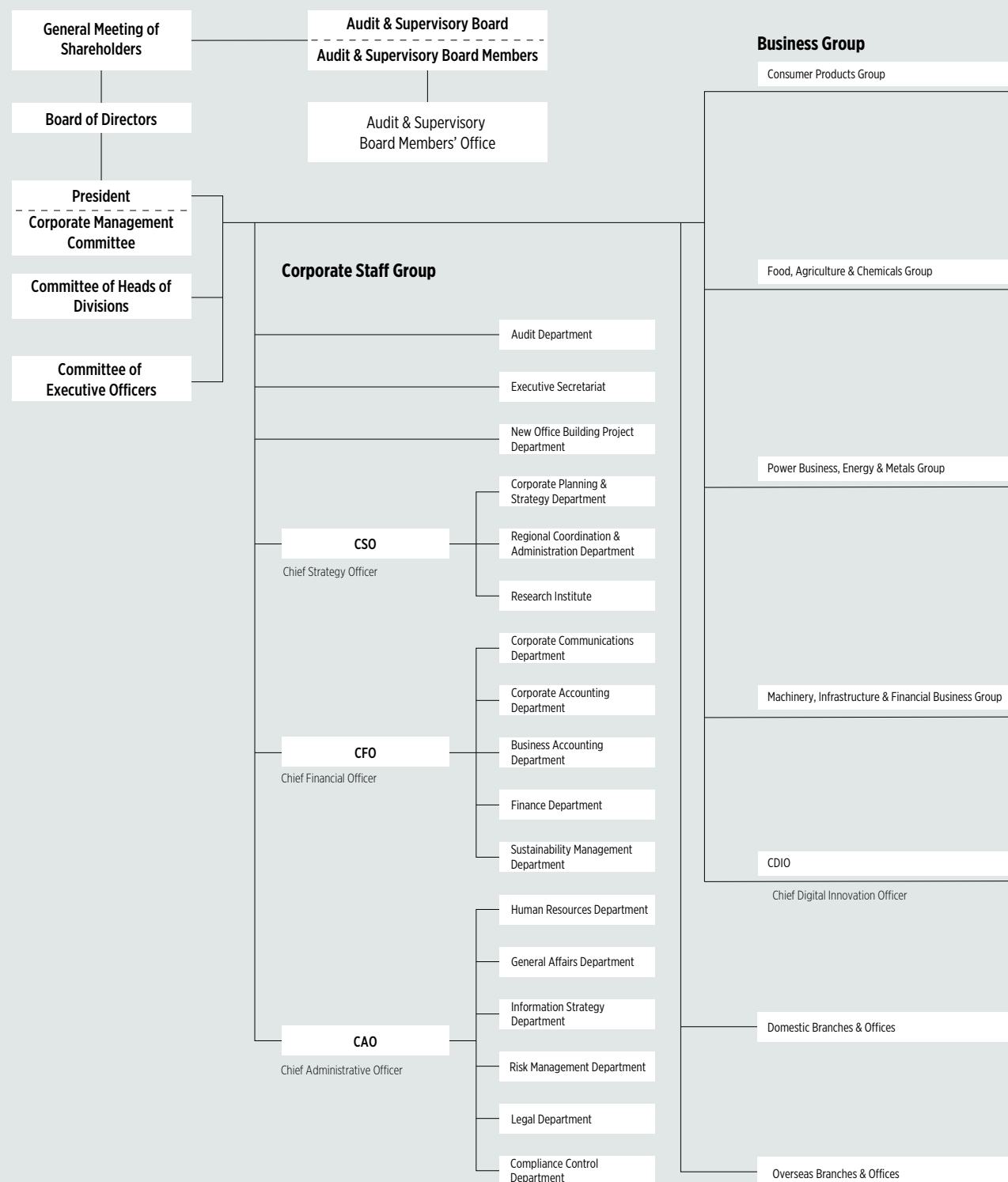


Organization

(As of April 1, 2019)

In April 2019, Marubeni embarked on structural reforms to implement new growth strategies toward the realization of the Marubeni Group's Global Crossvalue Platform vision.



Business Division

Lifestyle Division

ICT & Real Estate Business Division

Forest Products Division

Food Division

Agri Business Division

Chemicals Division

Power Business Division

Energy Division

Metals & Mineral Resources Division

Plant Division

Aerospace & Ship Division

Finance & Leasing Business Division

Construction, Auto & Industrial Machinery Division

Next Generation Business Development Division

Reorganizing Business Groups and Flattening Chain of Command (From Four Layers to Three)

In light of business conditions, we reorganized our business group structure in an attempt to promote optimized and efficient business strategies. We also flattened the chain of command from four layers (President, Group CEOs, Division COOs and departmental general managers) to three (President, Division COOs and general managers), creating a structure enabling each business division to execute strategies more quickly.

Aim of Next Generation Business Development Division Establishment

The Next Generation Business Development Division will create new business models focused on the next ten years. Specifically, the Asia Business Department, Next Generation Social Infrastructure Department, Healthcare & Medical Business Department, New Business Development Department and the Digital Innovation Department were all established under the division's umbrella to pursue "white spaces" (growth areas and business models not currently incorporated into our business), including platform businesses targeting the Asian middle-class, urban development and smart city-related businesses, health and wellness businesses and FinTech businesses with the aim of realizing explosive growth over the next 10 years. In addition to participating in innovation ecosystems located in New York, Silicon Valley, Singapore, and Shenzhen, etc., we will also establish a new European base in Tallinn, Estonia, which is promoting the realization of a digital nation. These efforts are intended to accelerate the incorporation of cutting-edge technologies and business models.



See "Next Generation Business Development Division: — Business Development Organization for the Creation of New Business Models Focused on the Next 10 Years" on page 026 for more details on the Next Generation Business Development Division.

Lifestyle Division



We globally provide everyday consumer products and services optimized to the end user across a wide range of markets and industries.

Yuichi Ohira

Chief Operating Officer, Lifestyle Div.

PRESENT STATE ANALYSIS

Strengths

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

Opportunities

- Expansion of the consumer class in the wake of global population growth and rising standards of living in emerging economies
- Growth in demand for environmentally friendly materials, products and services amid a trend toward sustainability

Risks

- Rising costs in key production regions amid economic growth in emerging economies
- Relative weakening of existing functions and rapid structural changes in distribution networks amid digitalization and IoT proliferation

GROWTH STRATEGY

One of the Lifestyle Division's core businesses is OEM^{*1}/ODM^{*2} manufacturing of products such as apparel and footwear. We are focusing on expanding OEM/ODM sales in European markets, in addition to our core domestic market, through Saide Tekstil Sanayi ve Ticaret Anonim Sirketi (Saide), a Turkish company in which we acquired an equity stake in 2017. We will expand OEM/ODM sales in the global apparel market, focusing mainly on growing middle-class demand, by combining Saide's product planning and short lead-time production capabilities with Marubeni's merchandise sourcing capabilities in Asia.

In the brand marketing business, IFME, a Marubeni's own brand of children's shoe, and Merrell, an American outdoor brand, both continue to sell well. The Lifestyle Division aims to develop IFME into an all-around brand by extending its product line beyond shoes, deploying digital technologies and expanding points of contact with customers.

Utilizing the functions and know-how cultivated in these existing businesses, we will focus on direct-to-consumer businesses also.

Additionally, we will pursue sustainability initiatives such as building circular businesses and proactively utilizing environmentally friendly materials like recycled fibers and organic cotton to help bring about a sustainable society.

^{*1. OEM:} Original Equipment Manufacturer; manufacturing of products sold under the contractee's name or brand

^{*2. ODM:} Original Design Manufacturer. An ODM does everything from the development and design to the production of a product that is eventually sold under another firm's name or brand

MAJOR PRODUCTS AND AREAS

Apparel, footwear

Lifestyle products

Textile materials, industrial materials



L

LIFESTYLE DIVISION

Supplying on-trend merchandise fast — Saide (Turkey)

Saide has a planning base in London, the center of fast fashion. In recent years Saide has been rapidly expanding sales in the European apparel market by providing customers with a short lead-time production function in Turkey, which has a cluster of textile manufacturers and is situated next to Europe, and a design and planning function that reflects the latest global trends.

Meanwhile, Marubeni has established a production system that enables stable and right-sized supply of high-quality apparel, footwear, and other everyday consumer goods on a timely basis at competitive prices for the Japanese and other Asian markets.

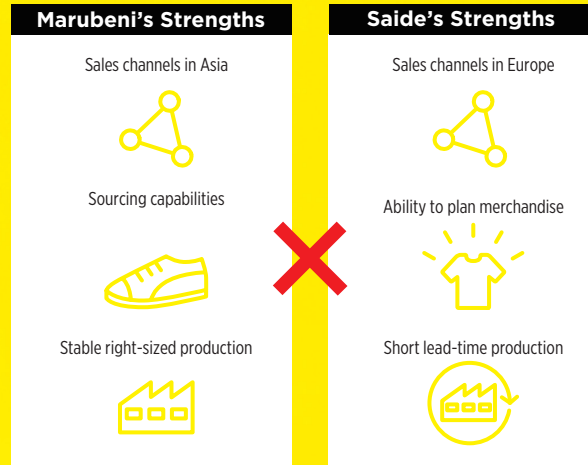
Since acquiring an equity stake in Saide in 2017, Marubeni has been creating new value and maximizing its OEM/ODM business's value by combining its strengths

with Saide's. Specifically, Marubeni is optimally combining the planning, production and sales channels of Marubeni and Saide to create synergies in ways such as constructing a short lead-time production scheme for Asian customers. In global apparel and other lifestyle-related markets projected to grow in tandem with population growth and economic development, Marubeni aims to expand its sales by upgrading its OEM/ODM services for SPAs^{*3}, improving its product mix and increasing its price competitiveness.

^{*3} SPA: Specialty store retailer of private label apparel



Saide plans, manufactures and sells apparel, among goods



**Acceleration of
growth through
added value**



*Saide
Tekstil Sanayi ve Ticaret
Anonim Sirketi*

ICT & Real Estate Business Division



We organically integrate specialized know-how in information and communication technologies (ICT), real estate, logistics and insurance to provide high-value-added solutions utilizing new technologies.

Tatsuya Abe

Chief Operating Officer, ICT & Real Estate Business Div.



MAJOR PRODUCTS AND AREAS

Network

Systems solutions

Mobile sales

Domestic and overseas housing development

J-REIT/Private placement REIT/Private real estate fund management business

Property management

Logistics

Insurance and reinsurance

PRESENT STATE ANALYSIS

Strengths

- Proprietary platform capable of meeting diverse consumer needs; wide range of service offerings (e.g., Internet and property management services for condo complexes, nationwide mobile phone retail chain)
- Expertise and know-how in accurately identifying increasingly diverse consumer needs; sophisticated deal-structuring and operational capabilities backed by experience

Opportunities

- Growth in opportunities to provide new solutions in response to changes in the everyday environment in the wake of advancements in digital and information technologies

Risks

- Contraction in domestic demand in the wake of low birthrate and societal aging
- Pending consumption tax hike that may dampen domestic consumer demand

GROWTH STRATEGY

The ICT & Real Estate Business Division is involved in a broad range of business domains related to consumers' everyday lives, including telecommunication infrastructure, mobile devices and housing. We provide high-value-added solutions and services in response to customer needs that are changing as digital and information technologies evolve.

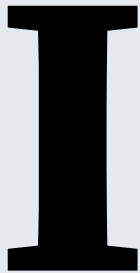
In the ICT business, the ICT & Real Estate Business Division operates system solutions and network businesses, mainly through Marubeni Information Systems Co., Ltd. and ARTERIA Networks Corporation, respectively. They provide solutions for manufacturers, CRM* solutions and high-speed telecommunication lines. The mobile phone sales business, operated mainly by MX Mobiling Co., Ltd., is focusing on improving the efficiency of its carrier shop operations and strengthening its custom solutions for corporate customers.

In the real estate business, the ICT & Real Estate Business Division runs a redevelopment/reconstruction business, demand for which is growing in Japan, and develops rental properties. In doing so, we are exploiting the track record and expertise we have amassed in developing housing in Japan and overseas. In the REIT business, we are enlarging our investment universe with the aim of accumulating more assets.

In the logistics business, the ICT & Real Estate Business Division is focusing on digital supply chain management services that optimize supply chains and improve their visibility. In the insurance business, our main priority is expanding our domestic and overseas insurance agency operations.

In addition to these initiatives, the ICT & Real Estate Business Division aims to achieve further growth by developing value-added service businesses such as smart homes and sharing that cross-pollinate information/communication technologies and real estate, as well as solutions and services that leverage new technologies like 5G.

*CRM: Customer Relationship Management



**ICT &
REAL ESTATE BUSINESS
DIVISION**

**Co-owned housing development project in
Jiaxing City, China (near Shanghai)**

In China, Marubeni has partnered with Zhejiang Strongtree Real Estate Group Co., Ltd. (Strongtree Group), a local developer, to develop housing in Jiaxing, a city in Zhejiang Province, earning the distinction of being the first Japanese company to take part in property development in Jiaxing. The project, Marubeni's 14th in China, is a big one, with total floor area of some 220,000m² (10-building condominium complex with 1,800 units, another building with 360 units of condominium for the elderly and commercial facilities). Marubeni has been actively involved in Chinese housing development projects since the 1980s. Its Chinese projects have cumulatively sup-

plied over 11,000 dwelling units.

Marubeni, which has a track record of housing development in Japan and China, will work with the Strongtree Group, a leading developer in Jiaxing, to promote high-quality housing development projects that harness development expertise from Japan while incorporating Chinese culture and lifestyles.



Architectural rendering of housing development in Jiaxing (China)

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

The ICT & Real Estate Business Division provides innovative, optimal solutions for every stage of any mobile phone's lifecycle.

Our mobile phone sales business operates a nationwide chain of stores as an authorized dealer for wireless carriers. We are one of the top mobile phone retailers in Japan. Recently, we are also pursuing new business ventures, including a new store concept that enables shoppers to experience next-generation technologies such as VR and IoT and a mortgage brokerage business that capitalizes on customer service know-how cultivated over many years of store operation.

For corporate customers, the mobile phone sales business offers various device deployment and management services tailored to customers' needs from the standpoint of improving operating efficiency, reducing costs, mitigating risks and/or strengthening sales capabilities.

Additionally, the mobile phone sales business is expanding its operations by leveraging expertise and technical capabilities gained from repairing mobile phones. For example, it now buys and resells used mobile phones and offers mobile phone rentals, leasing and warranties, among other support services.

Marubeni is Japan's only general trading company that owns an MVNO (mobile virtual network operator) business. The MVNO business will provide high-value-added communication lines, mainly for various industrial applications.



Top: Mobile phone being repaired (Kanagawa Prefecture)
Lower left: SIM cards provided MVNO and communication terminal
Lower right: Miyamaedaira NTT Docomo Shop, opened in August 2018 (Kanagawa Prefecture)



Forest Products Division



The hallmarks of our forest products are sustainability, renewability and recyclability. We are expanding our businesses that contribute to the environment and society.

Tsuyoshi Teragaki

Chief Operating Officer, Forest Products Div.



MAJOR PRODUCTS AND AREAS

Wood chips and biomass fuel

Pulp and waste paper

Paper and paperboard

Building & construction materials and wood products

PRESENT STATE ANALYSIS

Strengths

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

Opportunities

- Development of business models aligned with trend toward ESG and SDGs, most notably decarbonization and reduction of plastic usage

Risks

- Weather/fire risks to tree farming business
- Pulp business's sensitivity to market price fluctuations

GROWTH STRATEGY

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

Additionally, we are building business models that involve developing biomass fuels, including internally sourced wood pellets, that contribute to realization of a low-carbon society; branching into markets for new materials with promising demand growth prospects, like cellulose nanofiber; and selling plastic-alternative products in sync with a global trend toward reduction in plastic usage. In Vietnam, the Forest Products Division has decided to invest in a containerboard manufacturing and packaging materials sales business with the aim of building a presence in the rapidly growing Vietnamese packaging market. In addition to conventional paper and pulp products, we will broadly focus on ligneous materials that embody our products' hallmarks of sustainability, renewability and recyclability. In the process, we will also broaden our customer base across a wider range of industries, thereby expanding our operations that address and help solve environmental and social problems.



FOREST PRODUCTS DIVISION

Musi Pulp Project (Indonesia)

The Forest Products Division operates PT. Musi Hutan Persada (MHP), a forest plantation company, and PT. Tanjungenim Lestari Pulp & Paper (TEL), a pulp manufacturer, in southern Sumatra in the Republic of Indonesia. MHP's tree farming operations cover some 300,000ha, equivalent to 1.4 times the land area of the Tokyo metropolis. TEL manufactures and exports, mainly to Asia, pulp from eucalyptus trees harvested by MHP.

MHP had been growing acacia trees since its inception before switching to eucalyptus trees in 2013, when the acacia trees became blighted. The switch was an unprecedented challenge not only for MHP as a forest plantation company but also for

TEL as a pulp manufacturer and even for the sales force that markets and sells TEL's pulp. However, the Forest Products Division marshaled its full capabilities and was able to start shipping eucalyptus pulp in 2017.

Together, MHP and TEL employ about 2,000 workers. Including affiliated companies' workforces, Musi Pulp Project has created 10,000 jobs. MHP and TEL are also involved in running a local preschool and elementary/middle school. They operate their businesses in harmony with the local community.

The Forest Products Division will continue to focus on building sustainable relationships with local communities and making positive contributions economically, environmentally and socially by sustainably operating its afforestation and pulp manufacturing businesses.

Musi Pulp Project's Competitive Advantages and Societal Significance

Cost competitiveness

Low-cost operations by virtue of a production process integrated from tree farming (raw material) through pulp manufacturing; geographic advantage of proximity to huge Asian markets

Pulp sales capabilities

Global sales network and high degree of trust from the market

Operational management capabilities

Wealth of human resources and operational know-how in tree farming and pulp manufacturing

Integration into local community

Created 10,000 jobs, including affiliates' workforces; runs local preschool and elementary/middle school

Environment

Sustainable resource management (Forest certification, ISO 14001, etc.)



Tree plantation business (Indonesia)

Food Division



We pursue further advancement of the value of our businesses by strengthening our value-added sourcing, production and sales of grains and other foods, taking maximal advantage of our global network of subsidiaries and sales channels.

Hidenobu Kumada

Chief Operating Officer, Food Div.



MAJOR PRODUCTS AND AREAS

Grains in general (corn, soybeans, wheat, rapeseed, etc.)

Feed ingredients (soybean meal, rapeseed meal, fish meal, etc.)

Compound feed

Consumer-use food products, commercial-use food materials, dairy products and agricultural resources

Marine products, processed seafood, and fresh and processed meat

Raw ingredients for food (flour, sugar, oils and fats, etc.)

Raw materials for beverages (coffee, tea, fruit juice, etc.)

PRESENT STATE ANALYSIS

Strengths

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

Opportunities

- Growth in demand for high-quality food products (e.g., coffee, beef) in emerging market economies (e.g., China, Asia)
- Growth in global demand for grains and other foods

Risks

- Changes in political or economic conditions in end-market countries (country risk)
- Risk of natural disasters such as crop failures due to abnormal weather

GROWTH STRATEGY

The Food Division's strategic priorities are strengthening specialty product marketing, upgrading manufacturing functions, boosting its overseas share of revenue and maximizing the value of its livestock feed business and the efficiency of its grain trading operations. We will expand operationally and grow sustainably by building value-added production and processing businesses and improving the efficiency of grain origination and trading operations.

In the food products business, we are expanding the scope of our operations by acquiring high-quality food suppliers throughout the world in addition to strengthening existing businesses and expanding domestic and overseas trade. Specific initiatives include expanding the capacity of U.S. beef processor/supplier Creekstone Farms Premium Beef LLC (Creekstone Farms) and Brazilian instant coffee manufacturer Iguacu. The latter's new capacity is slated to be commissioned into operation in the fiscal year ending March 31, 2021 to meet globally growing coffee demand.

In the grain sector, we are strengthening our earnings power by functionally leveraging grain origination, storage and distribution capacity in American grain belts to expand sales in markets in which Marubeni possesses strong sales infrastructure. Additionally, the Food Division will move one step closer to helping achieve the UN's Sustainable Development Goals (SDGs) for society. Toward this end, Marubeni entered into a strategic partnership with an agri-tech startup with proprietary circulatory biomass recycling technology in the fiscal year ended March 2019.

The Food Division will continue to focus on cultivating diverse human resources and fostering an open organizational culture to create new business models in response to constant changes in the business environment, including IT innovation and fragmentation of consumer demand into niche markets.

F

FOOD DIVISION

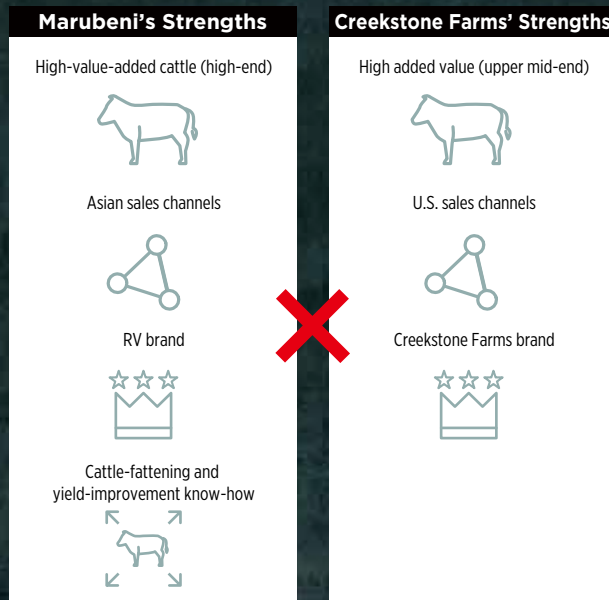
Continue building the “Marubeni Premium Beef” brand in a rapidly growing global market for premium beef.
— Creekstone Farms (U.S.)

Marubeni subsidiary, Creekstone Farms, has built a distinctive business model around supplying premium beef products sourced exclusively from high-quality Black Angus cattle born and raised in the U.S. and finished on a predominantly grain-based diet. Creekstone Farms processes the cattle at its own full-service facility in Kansas and sells it to high-end steakhouses and supermarkets throughout the U.S.. It also exports high quality beef to Asia, Europe and the Middle-East.

Likewise, Marubeni has long been raising and selling high-quality beef in collaboration with its Australian subsidiary Rangers Valley Cattle Station Pty., Ltd. (Rangers Valley). Marubeni Group’s operating companies also produce broiler chickens in Japan and China. This provides Marubeni with vast experience and know-how in selling safe and trusted meat products to distributors, supermarkets, restaurants and food processors around the world based on stringent production management standards developed in global markets.

The Food Division is currently moving forward with a series of unique initiatives that synergistically combine Creekstone Farms and Marubeni’s respective strengths. On the sales side, it is expanding sales of Creekstone Farms’ high-quality beef to Japan, China and elsewhere in Asia by way of established Rangers Valley sales channels. On the production side, it is endeavoring to improve productivity by strengthening its pre-existing stable sourcing capabilities and sharing know-how gained from the Marubeni Food Division with Creekstone Farms to help improve the business model.

Demand for premium quality beef in emerging economy countries is forecasted to rise in the coming years and Marubeni will take this opportunity to expand its business. Using two major beef production countries, the U.S. and Australia, as bases of operations, Marubeni aims to strengthen its position in the growing premium quality beef market with its own “Marubeni Premium Beef” brand.



» Acceleration of growth through added value

Agri Business Division



With the agri-input and North American grain businesses paired as a single business division, we will strengthen our earnings power by pursuing synergies across both businesses.

Michael McCarty

Chief Operating Officer, Agri Business Div.



MAJOR PRODUCTS AND AREAS

Sales of agri-inputs (crop protection products, fertilizers, seeds, Helena-brand products)

Subcontracting services for fertilization and crop protection products dispersion

Provision of precision agriculture and other technical services

Contract crop protection products formulation

Fertilizer raw materials

Grain & oilseed (corn, wheat, barley, soy, vegetables, edible beans etc.), Procurement and export business in the U.S.

PRESENT STATE ANALYSIS

Strengths

- Subsidiary Helena Agri-Enterprises (Helena), an agri-input retailer with close ties to the communities it serves, is ranked second by market share in North America
- Stable worldwide grain supply capacity by virtue of a global network extending from grain collection through sales

Opportunities

- Generation of synergies through integration of agri-input and North American grain businesses
- Agri-input market growth driven by need to increase foodstuff production and limits on expansion of arable acreage

Risks

- Risk of changes in farmers income levels or weather events that impact group companies' sales
- Country risk due to changes in political or economic conditions

GROWTH STRATEGY

In the agri-input business, the Agri Business Division offers services to help farmers increase their profitability and productivity in addition to expanding existing operations through M&As and capital investment. Such services include contract farming and consulting aided by sophisticated IT-enabled agri-tech. We aim to also build new agri-input sales platforms outside of North America. Additionally, we plan to add value operationally by deploying Helena's service model in other operating companies within the Marubeni Group.

In the North American grain business, we aim to strengthen Gavilon and Columbia Grain International's earnings power, further improve the efficiency of their North American grain collection facilities and create crossvalue through collaboration and affiliation with the agri-input business.

The Agri Business Division is currently expanding businesses in agri-input product development, contracting and production operations, agri-input retailing operations, grain collection and exporting operations and specialty product operations in Asia—mainly Japan, Malaysia and Myanmar—and in the West—mainly the U.S., the U.K., the Netherlands and Brazil. We will offer even more crossvalue by providing optimal solutions to farmers around the world.



AGRI BUSINESS DIVISION

Top-tier agri-input retailer in the U.S., the world's most advanced agri-business market — Helena (U.S.)

Helena sells agri-inputs in the U.S., the world's biggest agricultural producer. With some 150 million hectares of arable land, equivalent to nearly four times Japan's total land area, the U.S. market is marked by extremely diverse agri-input needs. It is also the world's most advanced agri-business market. Helena continues to evolve in response to an ever-changing market environment while further solidifying its status within the industry as a top U.S. agri-input retailer. In addition to selling agri-inputs and consulting with customers, Helena is

currently expanding its operations further by developing new services such as AGRIntelligence, a consulting service powered by the state-of-the-art precision agri-tech.

AGRIntelligence precision agri-tech consulting service

Helena offers multi-faceted analysis that utilizes digital technology to gain better visibility into customers' soil and crop conditions throughout the U.S. Based on such analysis, Helena provides individually customized programs, including which product to apply, at which rate, and when, to help customers increase their yield and operating efficiency.

U.S. grain collection and export business

Headquartered in the U.S., the world's top grain-producing and -exporting country, Gavilon is a grain collection and sales company with some 140 grain collection sites throughout the U.S. It also operates in major grain belts outside of the U.S., including in Brazil, an increasingly high-profile grain producer in recent years.

Marubeni owns two other grain-related companies in the U.S.: Columbia Grain International and Pacificor. The former, like Gavilon, is a grain collection and sales

company; the latter operates grain export terminals on the West Coast. They are well-equipped to agilely meet grain demand from Japan, among many other countries around the world.



Gavilon grain terminal

Chemicals Division



We aim to be a group of sales professionals that provide added-value to customers and markets by tapping into our trading platform across a broad range of industries.

Satoru Ichinokawa

Chief Operating Officer, Chemicals Div.

PRESENT STATE ANALYSIS

Strengths

- Broad base of customers and suppliers across a wide range of industries
- Roughly 30% share of global ethylene trade
- Dutch subsidiary Orffa International's prominence in European feed additives market
- Electronics value-chain businesses that extend downstream from scarce resources
- Partnerships with top industry players in diverse chemical product trading markets

Opportunities

- Development of life science and related businesses set to grow in tandem with population growth
- Entry into solar-power-related businesses that will promote proliferation of renewable energy

Risks

- Trade in petrochemical and other products highly sensitive to market price changes
- Downturn in trade due to political or economic risks in the U.S. and/or China, both of which are major importers of chemicals

GROWTH STRATEGY

The Chemicals Division serves a broad range of industries, reflecting the nature of the products in which it deals. We operate in an opportunity-rich environment in which societal problems and market needs are readily identifiable amid recurring cycles of drastic structural change.

Capitalizing on such a business environment, the Chemicals Division aspires to be a group of sales professionals with the ability to conceptualize products/services and offer solutions while maintaining a strong focus on creatively adding value.

In the electronic materials business, earnings continue to grow briskly, and the Innovation Promotion Office has been newly established in April 2019 to catalyze novel "chemical reactions" in new fields that go beyond chemical products.

In the commodity chemical, largely olefin, trading business, an area in which Marubeni has long been one of the top-ranked players in the industry, the Chemicals Division aims to further expand its trading volume by playing a bigger role in balancing supply and demand and to add maximum value by leveraging logistics functions and other such services. In the specialty chemicals business, we will delve more deeply into solution-oriented distribution businesses, capitalizing on Marubeni Group sales networks and product capabilities that tap into points of contact with customers. In the life science business, which has particularly promising prospects of sustainable growth in tandem with population growth, we will focus on further expanding its operations around Dutch subsidiary Orffa International Holding B.V., one of Europe's largest distributors of livestock feed additives.

MAJOR PRODUCTS AND AREAS

Basic petrochemical products and plastic derivatives

Salt and chlor-alkali products

Life science products like functional feed additives, oleochemicals, multifunctionals for food products

Electronic materials, inorganic mineral resources, fertilizer materials and inorganic chemicals



CHEMICALS DIVISION

Marubeni's Global Chemical Businesses

Marubeni's Chemicals Division operates businesses worldwide through four business units and a global network centered on a nucleus of over 20 consolidated subsidiaries and associates.

→ Commodity chemical trading (olefins, vinyl chloride resin, caustic soda, etc.)

Expanding operations with a focus on life sciences

- Operates in multiple life science markets, including functional food/beverage ingredients and feed additives



Investee: Orffa International (feed additives distributor)

Home country: Netherlands

Marubeni Group's equity stake: 80%

- One of Europe's largest feed additives distributors
- Pursuing worldwide distribution of feed additives that meet European safety and environmental standards through Marubeni's network

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

- Globally trades LIB materials essential for storage batteries
- Building a nationwide logistics network in China for hazardous chemicals and refrigerated/frozen chemical materials for LCDs
- Providing full range of solar power solutions, from equipment sales to project organization



(From left) LCD plant, one of the largest in the world, owned by China's BOE Technology Group; Lithium-ion batteries manufactured by Northvolt of Sweden; Mega solar power plants in Soo City, Kagoshima Prefecture

Handling the world largest volume of olefin products

- Roughly 30% share of global seaborne trade volume
- Owns and hires around 30 gas carriers to provide on-time delivery service



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

- World's top-ranked vinyl chloride resin trader by unit volume
- Major player in global caustic soda market



Investee: Dampier Salt (solar salt manufacturer)

Home country: Australia

Marubeni Group's equity stake: 21.51%

- World's top industrial salt exporter by unit volume
- Roughly 30% share of Asian trading volume

Power Business Division



As a global player in IPP as well as power service business, we are committed to contribute toward building a sustainable society through delivering safe and stable electric power and services which can preserve the global environment.

Yoshiaki Yokota

Chief Operating Officer, Power Business Div.



MAJOR PRODUCTS AND AREAS

Power generation business

Renewable energy

Power service and retails business

- EPC business and offshore wind turbine installation
- Wholesale and retail power sales
- Community-based multi utilities service
- Power digital and new energy solution business

PRESENT STATE ANALYSIS

Strengths

- Strong area business & marketing forces, project development hubs and asset management teams; IPP^{*1} business of world-class scale
- IPP business's proven track record, competitiveness, in-house development and problem-solving know-how/capabilities
- Extensive EPC^{*2} track record (overseas) and unique EPC management capabilities
- Vast experience in electric power wholesaling/retailing

*1. IPP: Independent Power Producer

*2. EPC: Engineering, Procurement and Construction

Opportunities

- Growing prevalence of De-carbonization, De-centralization and Digitalization ("3Ds") in the power sector
- Changes of energy mixes and policies in major countries
- Technological innovations in major power generation equipment such as offshore wind and solar power
- Digital technological innovations such as AI, IoT and Big Data

Risks

- Policy change in liberalized power market-countries
- High volatility of fuel energy and/or natural resource prices
- Weather variation risks that would affect the power supply-demand balance

GROWTH STRATEGY

The De-carbonization, De-centralization and Digitalization ("3Ds") are rapidly gaining prevalence in the power industry. Decarbonization is manifesting as efforts to mitigate climate change in response to a growing commitment to a low-carbon society; decentralization, as dispersion of power sources to enable local power production for local consumption; and digitalization, as adoption of digital technologies that would efficiently operate power plants and deploy renewable energy sources-certification. Seeing such changes in the business environment as the opportunities, the Power Business Division is expanding the portfolio scale of the power generation business as its earnings base. As announced in September 2018, we strive to double the ratio of power generated by renewable energy sources in our net power supply by 2023 and increase energy value chain type business such as fuel to power IPP projects having procurement of LNG or biomass fuel through power generation. In parallel with the power generation business's expansion, we are diversifying power service business, in which we are expanding retail-power business with various services to those customers and community based multi-utilities service businesses through distributed power supply and off-grid power sources. Additionally, we will proactively deploy digital technologies such as AI and IoT to improve the efficiency of own and major client's power plants, to operate IT driven power retailing businesses and to provide various digital services to our customers and the businesses' platform usership.

P

POWER BUSINESS DIVISION

Energy solution business

To adapt to diversification and expansion of the energy business domain, the Power Business Division is committed to be a partner always providing optimal power/energy solutions to meet and satisfy stakeholders' and society's expectations and needs. While continuing to strengthen its portfolio in gas fired thermal projects, it is intensively expanding its portfolio of power generated

by renewable energy sources (e.g., solar, offshore/onshore wind power, geothermal and so on) by which we can contribute to a low-carbon society to mitigate climate change. We will also actively pursue energy value chain (e.g., fuel-to-power) projects that integrate every step from LNG/bio-mass fuel sourcing through power generation.

Power services & retail business

U.K. subsidiary SmartestEnergy Ltd., (SmartestEnergy) is a retailer of most of procured power sourcing in renewable energy. We plan to expand and diversify SmartestEnergy's business, both within the U.K. and to other countries/regions. We aim to also expand community-based multi utilities service business that provide various utility services to the power retailing business's customer base, as well as the operations of a new project in which Marubeni has par-

ticipated since 2018 to supply distributed power sources in off-grid areas of Africa. Additionally, we will utilize digital technologies such as AI and IoT to improve the efficiency of its power plants and other companies' power generation assets, also to pursue businesses that serve IT power retailing business and digital solution to its business platforms' prosumers (producer/consumers).

Energy Division



With sights set firmly on the advent of a low-carbon society, we provide comprehensive energy solutions to address societal challenges and changing customer needs.

Akihiko Sagara

Chief Operating Officer, Energy Div.



MAJOR PRODUCTS AND AREAS

Exploration, development, and production of oil and gas
Natural gas business (production, liquefaction, trade, and infrastructure)

New energy related business (hydrogen, ammonia, municipal solid waste, thermal energy storage)

Petroleum & lpg trade, distribution and marketing business

Nuclear energy business (development of uranium mines, nuclear fuel cycle, related equipment sales & services)

PRESENT STATE ANALYSIS

Strengths

- Competitive upstream interests such as the Qatar LNG and Sakhalin Projects
- One of Japan's top energy (e.g., natural gas, LNG, petrochemical feedstock) trading businesses
- New energy businesses conducting demonstration projects in Japan and overseas
- Nuclear energy business that adds value throughout the supply chain

Opportunities

- Growth in natural gas/LNG and new energy (e.g., ammonia, hydrogen) businesses amid transition to low-carbon society
- Changes in sales channels due to shift in LNG demand toward Asia

Risks

- Market fluctuations such as resource prices and shifts in geopolitical trends
- Changes in energy demand structure in developed countries

GROWTH STRATEGY

The Energy Division aims to be a solutions provider capable of addressing societal challenges and changing customer needs on the path toward a low-carbon society. In the natural gas/LNG business, we are aggressively expanding our operations across the entire natural gas/LNG value chain from upstream resource development downward in anticipation of future demand growth. Specific initiatives include ongoing efforts to improve the operational stability and efficiency of existing operations and increase the value of projects. Over the longer term, we will increase the share of natural gas/LNG in our portfolio of upstream interests. In trading, logistics and marketing businesses, we are pursuing further earnings growth, mainly through petrochemical feedstock and natural gas/LNG trading, one of Marubeni's fortes. Core logistics and marketing subsidiaries, including Marubeni Energy Corporation, Marubeni Ennex Corporation and ENEOS GLOBE Corporation, are swiftly adapting to changes in their operating environment while endeavoring to add more value to their asset holdings. In the new energy business, the Energy Division is working to commercialize CO₂-free energy carriers such as hydrogen and ammonia in Japan and overseas. We have been involved in such CO₂-free energy carrier supply chains since the demonstration stage. In the nuclear energy business, we will provide total solutions by upgrading the entire supply chain from upstream development of uranium resources through the back end of the nuclear fuel cycle.



ENERGY DIVISION

Upstream resource businesses and supply chains that contribute to stable energy supplies

Marubeni is steadily exploring for, developing and producing oil and gas resources in the U.S., U.K., India and elsewhere. It is also strengthening and restructuring its trading operations to better meet customers' changing needs. Another priority is increasing the value of oil and gas interests through appropriate cost management and operational efficiency upgrades.

With demand for natural gas/LNG projected to grow substantially, the Energy Division is working diligently to expand and add more value to its natural gas/LNG

supply chains through involvement in gas projects around the world, including in Qatar, Equatorial Guinea, Peru and Papua New Guinea. While continuing to maintain the operating stability of existing projects, the Energy Division will intensify its overall efforts from upstream through downstream, focusing on pursuing new investment opportunities and expanding trade to meet future growth in global LNG demand. It is also proactively branching into new business domains, including a business that will supply LNG as a maritime fuel in anticipation of future demand and gas-to-power projects encompassing everything from natural gas supplies to power generation infrastructure as a package deal.

Developing new energy businesses that will usher in a low-carbon society

The Energy Division is building new energy businesses in preparation for the advent a low-carbon/carbon-free society. It is involved in demonstration projects and commercialization of supply chain businesses for CO₂-free fuels such as hydrogen, ammonia and biofuels. One hydrogen project in which it is involved is a low-carbon hydrogen supply chain project that uses conversion and storage technologies to turn electric power into hydrogen in Tomiya, Miyagi Prefecture, Japan. Another aims to build a supply chain to liquefy and export hydrogen produced from brown coal in Australia. The Energy Division is also ramping up efforts to build a supply chain for ammonia, another promising CO₂-free new energy carrier. It is preparing to supply ammonia to Japan from overseas.

Additionally, the Energy Division has entered the waste-to-energy business through an equity investment in Fulcrum BioEnergy Inc., a U.S. manufacturer of jet fuel from municipal waste. It is also actively developing an energy storage business to even out variability in renewable energy supplies from sources such as solar and wind power. The Energy Division is pursuing various other new energy initiatives in Japan and overseas, most notably trading of emission rights, a form of environmental value earned by reducing greenhouse gas emissions through such means as installing energy-efficient equipment or using renewable energy.



Hydrogen supply chain project
(water electrolysis facility in
Tomiya, Miyagi Prefecture)



Marubeni Enxer's Chiba Terminal

Metals & Mineral Resources Division



We support peoples' daily lives and contribute to the development of society by securing and stably supplying metal resources essential to the global economy.

Shinichi Kobayashi

Chief Operating Officer, Metals & Mineral Resources Div.

PRESENT STATE ANALYSIS

Strengths

- Strong earnings foundation rooted in ownership of multiple highly cost-competitive projects
- Top-caliber partners committed to increasing asset values together with Marubeni
- One of the world's top-ranked metal traders by unit volume
- Worldwide steel distribution network

Opportunities

- Long-term growth in demands for metals and mineral resources supported by global economic growth
- Growth in demand for nonferrous light metals by virtue of advent of IoT society and proliferation of EVs

Risks

- Market price changes that directly affect businesses' earnings
- National policies that affect businesses' progress
- Changes in the business environment amid the transition to a low-carbon, circular society

GROWTH STRATEGY

The Metals & Mineral Resources Division owns mining and/or refining rights for iron ore, coking coal, copper and aluminum, all of which are essential to economic development. It contributes to Marubeni's overall earnings through stable operation of its mines and smelters and ongoing cost reductions.

The Metals & Mineral Resources Division owns interests in several upstream projects that are highly competitive even by global standards: Roy Hill Iron Ore Project in Australia, Queensland Coal Mines in Australia and Chilean copper mines co-owned with Antofagasta plc., all of which have been designated as core projects. Through a combination of expansion of prime projects and organic growth, including growth in trading volumes, we are focused on building a project portfolio that can stably contribute to earnings even during downturns in metal prices.

In the investment business, we will strengthen cost competitiveness by utilizing AI and IoT technologies, better manage mine operations, develop new deposits in the vicinity of existing mines and add to holdings of mining interests. We will also seek to acquire prime new projects based on a long-term perspective. We will strengthen our earnings foundation throughout the value chain by expanding not only upstream but also midstream and downstream operations.

In the trading business, the Metals & Mineral Resources Division will contribute to solving environmental challenges with global societal implications by stepping up environmental and circular business initiatives. We will focus on expanding businesses in markets with favorable demand growth prospects, capitalizing on trends such as proliferation of EVs and migration to lighter-weight vehicles as opportunities.

MAJOR PRODUCTS AND AREAS

Development of iron ore, coal, and copper mines

Smelting and refining of aluminum

Trading of iron ore, coal, ferroalloy, and ferrous raw materials

Trading of non-ferrous metals, ingots, and related products

Steel product trading and business investment

Leasing of temporary steel construction materials

M

METALS & MINERAL RESOURCES DIVISION

Growing copper business

With the age of electro-mobility rapidly approaching, copper is currently in the spotlight. Marubeni has been investing in copper resources since the 1970s, expanding its operations while amassing a long track record and know-how in the copper business. It currently owns 30% of the Centinela and Antucoya Copper Mines and a 9.21% interest in the Los Pelambres Copper Mine, all in Chile. Its share of the three mines' reserves equates to 150,000t

of copper cathode equivalent, one of the biggest hoards of copper resources owned by any Japanese company. The three Chilean mines are co-owned with Antofagasta plc of the U.K., one of the world's top copper producers. Together with Antofagasta, Marubeni aims to further increase the mines' asset value by expanding their production capacity and developing adjacent deposits. The Metals & Mineral Resources Division will contribute to the development of society by meeting growing copper demand with stable supplies.

Roy Hill Iron Ore Project (Australia)

Demand for iron, a base metal essential for daily life and industry, has been steadily growing in tandem with global economic growth.

Marubeni owns 15% of the Roy Hill Iron Ore Project, the largest single iron ore mine in Western Australia's Pilbara region. With 55 million tonnes of annual production capacity located on a vast site bigger than Singapore, the project was developed at a total cost of A\$11.0 billion (U.S.\$7.9 billion). Its integrated mine, rail and port infrastructure are all owned in-house. One of the world's most cost-competitive iron ore mines, the project is contributing to development of Asian steel industries and econ-

omies with stable supplies of high-quality iron ore, most of which is sold to Japanese and other Asian steelmakers under long-term agreements.

Another distinctive feature of the Roy Hill mine is that its deposits are located at a shallow depth below ground, making them accessible by low-cost and environmentally friendly open-pit mining. Once a pit is completely mined, it is refilled with the overburden removed from the next pit to be excavated and then re-covered with its original topsoil containing the indigenous seeds and microorganisms needed to revitalize the land. All pits are expected to basically be fully restored to their original status by around the time the Roy Hill mine shuts down.

Plant Division



We are striving to maximize the value of our businesses through deep involvement in managing infrastructure projects while also seeking to realize a carbon-free society by promoting efficient water and energy utilization that contributes to preservation of the earth's environment.

Eiji Okada

Chief Operating Officer, Plant Div.



MAJOR PRODUCTS AND AREAS

EPC for industrial plants (oil/gas/chemical, steel, cement, pulp & paper, sugar, textiles, waste to energy power generation etc.)

Investments in oil and gas infrastructure projects

EPC, operation and maintenance for railway systems

Investments in transportation infrastructure projects (railway, road, port, airport, etc.)

Investments in the water business (water supply, wastewater treatment, desalination, etc.)

EPC, operation and maintenance for water related facilities

Circular economy businesses such as waste to energy power generation, fuel conversion etc.

Management of infrastructure funds

PRESENT STATE ANALYSIS

Strengths

- A global investment portfolio diversified across transportation, water, energy infrastructure and industrial plant sectors (e.g., railway PPPs^{*1}, industrial parks, port operation, water/wastewater projects, gas transport/distribution, FPSOs^{*2}, waste-to-energy projects) and proven track record in EPC^{*3} and trade
- Project development, structuring, execution and management capabilities backed by extensive track record in infrastructure investment, EPC and trade

^{*1} PPP: Public-Private Partnership

^{*2} FPSO: Floating Production, Storage and Offloading system

^{*3} EPC: Engineering, Procurement and Construction

Opportunities

- Infrastructure development/replacement demand in both developing and developed countries
- New PPP business opportunities utilizing private capital
- Increasingly stringent environmental regulations and growing environmental consciousness
- New infrastructure business opportunities arising from technological innovation

Risks

- Decreased business opportunities due to slow-down in economic growth
- National policies and regulations that affect investment, EPC and trade opportunities

GROWTH STRATEGY

The Plant Division globally operates infrastructure businesses that serve as a foundation for sound, harmonious development of society and industry. Its portfolio includes railway and road PPPs, water and wastewater utilities, desalination plants, gas transport and distribution infrastructure, FPSO facilities for crude oil and waste-to-energy projects. The Plant Division aims to accumulate stable income streams through investments in infrastructure projects and to deepen involvement in managing these projects to maximize their value. Additionally, we are amassing a track record in EPC and O&M^{*4} through a selective focus on sectors and regions in which we can exercise our strengths.

In the fiscal year ended March 31, 2019, the Plant Division launched a fund to invest in overseas infrastructure assets. While capitalizing on synergies between the fund business and our other operations, the Plant Division will continue to contribute to the development of social and industrial infrastructure throughout the world.

Additionally, the Plant Division is pursuing initiatives to meet societal needs or respond to societal trends. Such initiatives include waste-to-power and waste-to-liquid-fuel projects that contribute to progress toward a decarbonized society and circular economy, and proof-of-concept toward commercialization of an AI-powered water main condition assessment service in Europe. Embracing market changes as opportunities, we will continue to pursue new challenges in the plant and infrastructure sectors.

^{*4} O&M: Operating and Maintenance

P

PLANT DIVISION

Launch of fund specializing in equity investments in overseas infrastructure assets

Marubeni has engaged in the infrastructure business since the 1950s. It has been involved in construction, operation and management of a wide variety of infrastructure. In the process, it has amassed not only a wealth of experience and an extensive track record in infrastructure projects but also a top-class portfolio of overseas infrastructure assets. Marubeni rivals major overseas infrastructure funds in terms of its infrastructure investment record.

Utilizing its overseas infrastructure investment expertise and management capabilities cultivated to date, Marubeni partnered with Mizuho Bank, Ltd. and Asset Management One Co., Ltd. in January 2019 to launch an infrastructure fund. The venture's first fund is named "MM Capital Infrastructure Fund 1". It will invest in the transportation and energy infrastructure

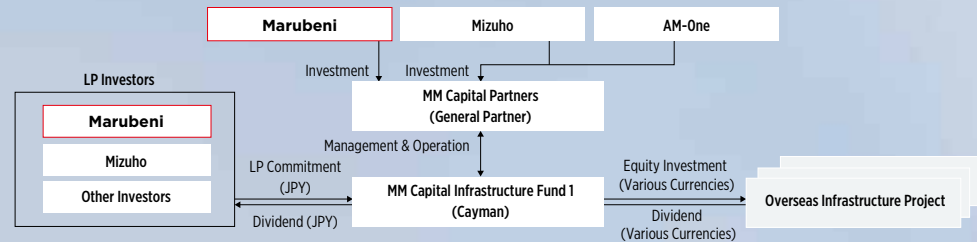
sectors, focusing specifically on operational infrastructure projects with stable cash flows in OECD countries.

Through such an investment approach, the fund aims to reduce country risks and project risks, capture yield and provide long-term, stable investment opportunities to pension funds and other institutional investors.

"The MM Capital Infrastructure Fund 1" achieved its first close with an investment commitment of around ¥20 billion, in March 2019. It plans to continue to broadly reach out to number of investors and start investing in Australian assets and projects developed and owned by Marubeni as seed assets. It aims to build a portfolio of up to ¥50 billion by investing in prime assets in Europe and the Americas.



Energy infrastructure asset in fund's portfolio (Australia)



Aerospace & Ship Division



We create new value by connecting Marubeni's functions with customer needs as a comprehensive aero-marine solution provider.

Kosuke Takechi

Chief Operating Officer, Aerospace & Ship Div.



MAJOR PRODUCTS AND AREAS

Aircraft & engine parts trading business and fund establishment, development investment

Sales representatives for commercial aircraft and defense equipment, and space-related projects

Business jet sales agency & business, airport related businesses

Sale and purchase, chartering, and ownership of merchant ships

Ownership and chartering of LNG carriers, and investments in offshore businesses

PRESENT STATE ANALYSIS

Strengths

- Product and service lineup encompassing every stage of aircraft lifecycle from development to ownership, operation and retirement
- Deep insight into customers/markets and solutions capabilities gained from operating a broad array of businesses in the aerospace and defense industries
- Management capabilities in businesses that own and operate ships ranging from general merchant ships to LNG carriers
- Ship trading, investing and financing service capabilities
- Operational capabilities enabling rapid expansion into new business domains

Opportunities

- Growth in aircraft demand and demand for aircraft O&M services
- Growth in ship demand driven by growth in seaborne cargo volumes amid a trend toward a borderless global economy

Risks

- Event risk, including the risk of terrorism, regional conflicts, war, epidemics or other changes in international conditions and resultant increases in jet fuel prices
- Fluctuation in newbuild ship pricing and/or marine freight rates

GROWTH STRATEGY

In the aviation sector, the Aerospace & Ship Division operates a diverse collection of businesses, including aircraft sales, maintenance and support services, parts trading and airport ground handling, in an aviation market that continues to grow against a backdrop of solid growth in passenger traffic. Additionally, we plan to branch out into new businesses, including development of new financing schemes, an intra-airport autonomous vehicle business and businesses related to business jets, with the aim of becoming a value-up trader that optimally manages aircraft-related assets.

In the ship sector, we serve fleet operators, shipowners, shipbuilders, financial institutions and other customers around the world. We do so with diverse functions ranging from sourcing and ownership structuring to ship management and chartering from ships across multiple businesses, including charter brokerage, second-hand ship sales, fleet ownership/operation and trading in not only newbuild vessels but also marine equipment. We plan to further strengthen these functions with the aim of evolving into a comprehensive ship service provider.

In the defense and space sector, we aim to expand beyond our existing defense equipment distributorship business by entering new business domains and ramping up our presence in space-related businesses in light of Japan's changing national security environment.

Armed with the ability to create new value by organically connecting our functions with customers' needs, we will further augment our strengths as an industry-leading provider of comprehensive aero-marine solutions.

A

AEROSPACE & SHIP DIVISION

Comprehensive solution provider to global maritime cluster

An industry cluster is a web of direct and indirect business relationships among companies and organizations that drives business expansion and gives rise to new businesses. One such cluster that is tightly linked to the global economy is the maritime cluster (shipowners, shipbuilders, marine equipment manufacturers, financial institutions and ship operators), which supports global logistics. The Aerospace & Ship Division possesses strengths accessible to maritime clusters all over the world and has a prominent presence as a trusted business partner. Specifically, Marubeni owns and operates its own fleet of ships, mainly dry bulk carriers, capitalizing on its strengths

cultivated over decades in the ship trading business. It also has an LNG carrier business that transports LNG pursuant to long-term charter contracts. Additionally, it is a hands-on provider of various value-added services and solutions, from ship sourcing and ownership structuring to management, chartering and selling ships.

With global cargo volumes projected to continue growing by virtue of global population growth and rising standards of living in Asia, the Middle East, Africa and elsewhere, the global maritime-cluster economy is likewise expected to grow steadily. The Aerospace & Ship Division will run its businesses as a group of professionals that continues to create new value, partly by being first to identify needs in the global market.

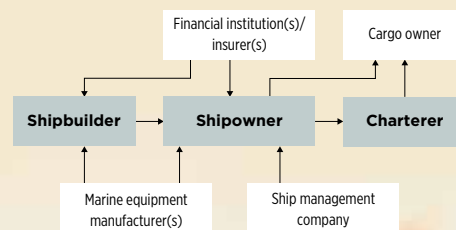
Main Types of Ships Dealt in



Bulk carrier

LNG carrier

Value Chain



Finance & Leasing Business Division



The Finance & Leasing Business Division has been formed to consolidate finance and leasing businesses across the Group into a single division transcending product verticals. We aim to create new value around the finance function.

Kenichiro Oikawa

Chief Operating Officer, Finance & Leasing Business Div.



MAJOR PRODUCTS AND AREAS

Auto finance business
Aircraft engine leasing business
Leasing, rental, maintenance, sales, and fleet management of refrigerated trailers
Leasing, rental, maintenance, sales, and fleet management of commercial vehicles
Leasing, management, and brokerage of commercial freight railcars
Comprehensive leasing & non-bank business
Corporate investment and fund management business

PRESENT STATE ANALYSIS

Strengths

- Relationships with top-caliber partners around the world
- Automotive product and industry expertise cultivated over decades
- Wealth of know-how amassed through aircraft and aircraft engine sales and maintenance support
- Specialized leasing expertise in specific products such as refrigerated trailers and freight railcars
- Collaborations with partners with industry-leading IoT technologies
- Over 20 years of investment know-how as a domestic private equity fund pioneer

Opportunities

- Auto and freight demand growth supported by robust U.S. economy
- Solid growth in global air passenger traffic
- Cold chain market growth driven by expansion of middle class in developing countries

Risks

- U.S. economic slowdown; rising U.S. interest rates
- Temporary slowdown in growth in passenger traffic due to, e.g., terrorism or regional conflict
- Slowdown in middle-class growth due to, e.g., emerging market currency depreciation

GROWTH STRATEGY

The Finance & Leasing Business Division aims to achieve multi-layered growth through cross-pollination by effectively managing its portfolio of financial businesses while strengthening its asset-side information and know-how. Its strategy is to maximally deploy internal and external financial resources in pursuit of value creation in accord with the GC2021 Medium-Term Management Strategy's growth horizons.

In its existing business domains, the Finance & Leasing Business Division plans to upgrade portfolio quality. On the individual deal level, we will better serve customers and provide more value by utilizing IT and data in addition to the expertise and know-how we have cultivated to date across various sectors. On the overall portfolio level, we will strategically reallocate capital based on ROE, market size and growth rates, market share, volatility and country risk, among other factors. At the same time, we will focus on horizontally extending existing business models. We are already geographically expanding our refrigerated trailer leasing business, utilizing expertise and IoT services developed in the U.S. We will do likewise with other businesses.

Additionally, the Finance & Leasing Business Division aims to build next-generation financial business models that synergistically utilize existing assets atop new platforms. We will establish new business models that lead to explosive future growth through cross-pollination of, for example, rental/leasing services with fleet management in response to the sharing economy's growing popularity or, as another example, trade finance with e-commerce to capture expansion of commodity distribution due to middle-class growth.

F

FINANCE & LEASING BUSINESS DIVISION

Expansion of general leasing and finance business domain

Marubeni has designated the finance and leasing business domain as one growth sector. We aim to develop new leasing businesses, mainly overseas, while further growing and expanding existing leasing and finance operations, including its U.S. aircraft, auto, freight railcar and trailer leasing businesses.

In March 2019, Marubeni partnered with IBJ Leasing Company, Ltd., to further grow MG Leasing Corporation, a general leasing company in the Finance & Leasing Business Division. IBJ Leasing acquired an equity stake in MG Leasing, opening a new chapter for the latter. Marubeni executed the deal out of a belief that collaborations with strategically compatible partners with top-notch financing capabilities are essential to further grow the Group's domestic and overseas captive businesses* and expand the leasing and finance business domain overseas. Going forward, Marubeni

and IBJ Leasing will soundly grow MG Leasing by collaboratively leveraging their respective strengths and know-how, including the overseas networks Marubeni has built as a general trading company and IBJ Leasing's sophisticated financial know-how.

*For example, domestic and overseas leasing transactions within the Marubeni Group



Real estate asset finance

Construction, Auto & Industrial Machinery Division



We aim to provide new value by delving deeper into existing businesses, branching out into peripheral businesses and synergizing asset holdings.

Jiro Itai

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



MAJOR PRODUCTS AND AREAS

Sales, services, and financing of construction and mining equipment

Automotive trade, distributor & dealer business, and aftermarket services.

Retail sale of tires & automobile after market service business

Sale of conveyor belts and other rubber materials & raw materials

Sales and peripheral businesses related to automotive production line and machine tools

Sales of industrial machinery and investment in related business

Mobility services & related businesses

PRESENT STATE ANALYSIS

Strengths

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

Opportunities

- Growth in demand for resource development and infrastructure in the wake of economic and population growth
- Growing diversity of business domains in which AI, IoT, automation and other new technologies are used

Risks

- Event risk, including terrorism, regional conflicts and other such changes in international conditions
- Obsolescence of existing markets due to technological innovation; risk of competition from new entrants from other sectors

GROWTH STRATEGY

The Construction, Auto & Industrial Machinery Division will maximize operating efficiency based on conventional trading and direct investment businesses in four sectors while further strengthening its earnings foundation through expansion of peripheral businesses. In the construction machinery sector, we sell construction machinery products from globally top-tier Japanese manufacturers worldwide. We aim to become an all-around construction/heavy machinery service provider by adding new brands, functions and services to our existing distributorship platform while expanding our customer base and diversifying our business model. In the automotive sector, we aspire to be a service provider that fully utilizes new technologies and data in addition to the industry expertise, customer base, dealer networks and other assets we have accumulated to date in our existing trading, wholesaling, retailing and parts sales businesses. In the tire and rubber materials sector, we have built a rubber value chain that extends from upstream (rubber raw material sales) through midstream and downstream (trading in tires and other rubber products, overseas retail businesses) with the aim of rising to the top of every market in which we operate by developing new merchandise and geographic markets and globally expanding existing businesses. In the industrial/production machinery sector, the Construction, Auto & Industrial Machinery Division aims to build new business models involving EVs, distributed power sources, smart factories and other next-generation technologies, capitalizing on its broad industry connections and company networks cultivated over decades. In all four of these sectors, we will diversify our operations with the aim of creating new technologies and new industrial businesses that transcend boundaries between existing industries.

C

CONSTRUCTION AUTO & INDUSTRIAL MACHINERY DIVISION

Renewable energy × mobility business

The Construction, Auto & Industrial Machinery Division is proactively pursuing initiatives to usher in the mobility society of the future as encapsulated by the acronym CASE*, said to be a once-a-century revolution in the auto industry. It is also working on renewable energy solutions, partly through equity investments in startups that are installing fast charging infrastructure for EVs and developing autonomous delivery vehicles. It is combining such investments with new businesses such as car sharing and development of distributed power sources and existing businesses such as solar panel sales, mega solar power plant

development, power retailing and solar panel and storage battery inspection services. The Construction, Auto & Industrial Machinery Division will seek to provide value that contributes to the development of sustainable communities, economies and societies by actively embracing technological innovation and adopting new technologies applicable to both the renewable energy and mobility businesses.

*CASE: Connected, Autonomous, Shared, Electric



Advent of mobility society

All-around construction/heavy machinery service provider

Marubeni launched its construction machinery business in the 1950s as an exporter of Japanese construction machinery. In the 1970s, the construction machinery business expanded abroad by setting up local sales operations in Europe and the U.S. It has since branched into resource-producing countries and emerging market economies. Today, it not only sells construction machinery but also offers a full-line of after-sales services, including maintenance and re-

pairs. A crew of some 5,000 specialists provides total support for customer difficulties anytime and anywhere, most notably by keeping machinery working at high utilization rates at mining sites that operate around the clock in harsh environments. The construction machinery business will further increase customer satisfaction and comprehensively augment its solutions menu through such means as being an early mover in the AI/IoT-enabled predictive maintenance space and establishing itself as a one-stop platform through linkages with Marubeni's business network (e.g., giant mining tires).



Mining machinery sales and service business