Realization of Sustained Growth

In accordance with our Company Creed of “Fairness, Innovation, and Harmony,” the Marubeni Group reaffirms its commitment to social and economic development through fair and upright corporate activities. We believe that strong corporate governance must form the foundation of this mission, and we have therefore positioned strengthening governance as one of our most important management priorities.

Beginning with the year ending March 31, 2017, we increased the ratio of independent directors on the Board of Directors to realize more impartial, transparent, efficient, and appropriate management. We have also established the Nomination Committee and the Governance and Remuneration Committee, both membered by a majority of independent executives, to serve as advisory organizations for the Board of Directors. As of June 24, 2016, the Board of Directors consisted of 10 directors, four of which were independent, with its meetings being attended by five Audit & Supervisory Board Members, three of which were independent. In this manner, we are taking steps to inject a broader range of outside opinions into the Board of Directors and increase the independence and transparency of management, thereby enhancing management discipline and oversight.

The circumstances surrounding corporate governance in Japan are projected to continue evolving into the future, as evidenced by the recent establishment of Japan’s Stewardship Code and the adoption of the Corporate Governance Code. As Marubeni is a general trading company, meaning that its business may shift significantly in response to changes in the business climate, it is especially important for us to be able to make swift and flexible corporate governance-related decisions. We thus intend to quickly respond to these changing times earnestly and appropriately with the aim of realizing even stronger corporate governance and, during the course of these activities, increasing our corporate value.

Teruo Asada
Chairman of the Board
Aiding Growth by Facilitating Active Discussion

Since assuming the position of independent director in 2013, I have continued to actively provide input at meetings of the Board of Directors based on my experience in the Ministry of Economy, Trade and Industry. By voicing opinions from an outside perspective, I aim to help facilitate more active discussion and encourage deeper examination of the matters brought before the Board of Directors. Also, given the exceptional diversity of a general trading company’s business and the wide range of investment proposals discussed, I focus on posing questions from the perspectives of how each proposal will contribute to Marubeni’s profits and how we can manage the risks they may entail.

Global Challenge 2018, the new mid-term management plan that started with the year ending March 31, 2017, defines strategies and targets for natural resource and non-natural resource-related businesses. I believe that this policy is appropriate from the perspectives of risk management and corporate governance. Natural resource-related businesses are heavily impacted by international market conditions and can therefore suffer from substantial fluctuations in profits or losses that are beyond the control of a company. One characteristic of general trading companies are their various functions for hedging risks to reduce the impacts these risks may have. For this reason, I think Marubeni should work to contribute to the development of the global economy by seeking out business opportunities while appropriately managing risks. It is important to act without delay when the threat of an unexpected loss comes to light in order to maintain financial soundness, and this holds true for non-natural resource-related businesses as well.

Global Challenge 2018 puts forth a clear vision for Marubeni, namely aiming to become a true global company that contributes to both regional economies and society. In my new capacity as chief independent director, I will work closely together with internal and external executives and Audit & Supervisory Board Members while encouraging exchanges of opinions with senior management and stimulating active discussion among executives. In this manner, I hope to help further the Company along the path toward the goals of this plan and contribute to Marubeni’s growth as a global company.

Takao Kitabata
Chief Independent Director
Basic Approach to Corporate Governance

In keeping with the spirit of our Company Creed of “Fairness, Innovation, and Harmony,” we seek to improve corporate value with the aim of becoming a proud corporate group that contributes to economic and social development as well as environmental preservation. This quest, we believe, is a means of living up to the expectations of our shareholders, business partners, regional communities, employees, and other stakeholders. We are enhancing corporate governance to serve as the foundation for ensuring the soundness, transparency, and efficiency of management as we recognize that this quest must be supported by such a foundation.

Acting in accordance with this basic stance, we have established criteria for determining the independence of independent executives—individuals who are playing a key role in reinforcing the supervisory function for management. At the same time, we realize the importance of constructive interactions with shareholders and other investors in pursuing medium-to-long-term improvements in corporate value. Accordingly, through such interactions, we work to promote understanding with regard to Marubeni’s management policies while gaining insight into the perspective of shareholders and other investors so that we may better respond to their needs.

The Company thus has the policy of advancing initiatives such as those described above to improve the soundness, transparency, and efficiency of management while complying with the Corporate Governance Code.

Corporate Governance Structure

Marubeni operates under a corporate audit governance system, adhering closely to the Companies Act, with a control structure designed to facilitate a clearly defined decision-making process, business execution system, and supervisory system. Marubeni has established the structure as shown in the diagram on page 54.

Marubeni conducts a diverse range of businesses globally. Accordingly, Marubeni has established a corporate audit governance model with a Board of Directors mainly comprising internal directors (with appointment of Independent directors and collaboration with the Audit & Supervisory Board) in order to ensure rapid and efficient decision-making and appropriate supervisory functions in management. Marubeni has determined that this governance model is functioning effectively as set forth in items (a) and (b) on the right. Therefore, Marubeni will retain the current governance structure.

(a) Ensuring rapid and efficient decision-making
Marubeni ensures rapid and efficient decision-making by structuring the Board of Directors mainly around directors who serve concurrently as executive officers and are well-versed in the Company’s diverse business activities.

(b) Ensuring appropriate supervisory functions
Marubeni ensures appropriate supervisory functions by implementing various measures, including appointing Independent directors; assigning dedicated staff to the Audit & Supervisory Board Member’s Office; fostering collaboration among the Audit & Supervisory Board Members, the Audit Department, the independent Audit & Supervisory Board Members, and the corporate auditors of Group companies; and implementing advance briefings on matters referred to the Board of Directors for both independent directors and Audit & Supervisory Board Members on the same occasions.
Change in the Structure of the Board of Directors

Beginning with the year ending March 31, 2017, the Company changed the structure of the Board of Directors with the aim of better clarifying managerial responsibilities and flexibly building a management system that is optimized for fluctuations in the operating environment. Specifically, the previous 12-member Board of Directors will be streamlined, lowering the total number of members to 10. In addition, we appointed four independent directors to raise the ratio of such directors to internal directors and thereby increase the independence and transparency of management. One of these independent directors has been assigned the position of chairman of the Governance and Remuneration Committee and also serves as a member of the Nomination Committee together with two other independent directors.

Establishment of New Committees

The Nomination Committee and the Governance and Remuneration Committee were established in the year ending March 31, 2017, as advisory organizations for the Board of Directors.

Nomination Committee

The Nomination Committee meets irregularly and is membered by a majority of independent directors. This committee is responsible for discussing potential candidates for positions as directors or Audit & Supervisory Board Members and reporting the results of these discussions to the Board of Directors.

Governance and Remuneration Committee

The Governance and Remuneration Committee is a voluntarily established committee equivalent to a compensation committee as described by the Companies Act of Japan. In the year ending March 31, 2017, this committee took the place of the Compensation Consultative Committee, which was dissolved. With a majority of its members being independent executives, the Governance and Remuneration Committee serves as an advisory organization to the Board of Directors on all matters related to officer treatment, including compensation, rewards, and sanctions. The committee’s primary duty is to discuss the appropriateness of the compensation policies and amounts and report the results of these discussions to the Board of Directors.

Evaluation of the Board of Directors

The Governance and Remuneration Committee, which was established in the year ending March 31, 2017, as an advisory organization to the Board of Directors and consists of a majority of independent executives, conducts evaluations and reviews of the entire Board of Directors. These evaluations and reviews examine factors such as the structure of the Board of Directors and how it is operated, and the results are reported to the Board, which deliberates on these results. An overview of the results is then disclosed and the results themselves are used to improve the operation of the Board of Directors.
Members of the Board and Audit & Supervisory Board Members

Members of the Board

Chairman of the Board
Teruo Asada

President and CEO
Fumiya Kokubu

Senior Executive
Vice President
Mitsuru Akiyoshi
Chief Executive Officer,
Food & Consumer Products Group

Shigeru Yamazoe
CSO;
Senior Operating Officer,
Investor Relations and Credit Ratings;
Chairman of Investment and Credit Committee;
Chairman of CSR & Environment Committee;
Chairman of Disclosure Committee

Managing Executive Officer
Hikaru Minami
CAO; CIO;
Senior Operating Officer, Audit Dept.;
Chairman of Compliance Committee;
Chairman of IT Strategy Committee;
Vice Chairman of Investment and Credit Committee

Nobuhiro Yabe
CFO;
Chief Operating Officer,
Investor Relations and Credit Ratings;
Chairman of Investment and Credit Committee;
Chairman of CSR & Environment Committee;
Chairman of Disclosure Committee

Independent Director
Takao Kitabata
2002 Deputy Vice-Minister, the Ministry of Economy, Trade and Industry
2004 Director-General, Economic and Industrial Policy Bureau
2006 Vice-Minister of Economy, Trade and Industry (Retired in 2008)
2010 Appointed Audit & Supervisory Board Member of Marubeni
2013 Appointed Independent Director, member of the Board

Yukiko Kuroda
1991 Representative Director,
People Focus Consulting
2012 Director, People Focus Consulting (current)
2013 Appointed Independent Director, member of the Board

Independent Director
Kyohei Takahashi
2002 Managing Director, Showa Denko K.K.
2004 Senior Managing Director
2005 President
2007 President and Chief Executive Officer (CEO)
2011 Chairman of the Board
2014 Appointed Audit & Supervisory Board Member of Marubeni
2015 Director, Chairman of the Board, Showa Denko K.K. (Current)

Susumu Fukuda
2006 Commissioner of the National Tax Agency (Retired in 2007)
2008 Assistant Chief Cabinet Secretary (Retired in 2010)
2012 Chief Director, Japan Real Estate Institute (current)
2015 Member of National Tax Council, Ministry of Finance (current)
2015 Audit & Supervisory Board Member, Tokio Marine & Nichido Fire Insurance Co., Ltd. (current)
Audit & Supervisory Board Members

Audit & Supervisory Board Member

Masahiro Enoki

Independent Audit & Supervisory Board Member

Takashi Suetsuna
- 2004 Deputy Superintendent General, Tokyo Metropolitan Police Department
- 2005 Chief Chamberlain of the Board of the Crown Prince’s Household, Imperial Household Agency
- 2009 Ambassador Extraordinary and Plenipotentiary of Japan to the Grand Duchy of Luxembourg (Retired in 2012)
- 2013 Appointed Independent Audit & Supervisory Members of Marubeni

Audit & Supervisory Board Member

Kaoru Kuzume

Independent Audit & Supervisory Board Member

Yoshizumi Nezu
- 1991 Director, Managing Executive Officer, Tobu Railway Co., Ltd.
- 1993 Director, Senior Managing Executive Officer
- 1995 Director, Vice President
- 1999 President, Representative Director (Current)
- 2013 Appointed Independent Audit & Supervisory Members of Marubeni

Independent Audit & Supervisory Board Member

Shuichi Yoshikai
- 2009 Chief Judge, Yokohama District Court
- 2010 Chief Judge, Tokyo District Court
- 2011 President, Osaka High Court
- 2012 President, Tokyo High Court (Retired in 2013)
- 2013 Admitted to Tokyo Bar Association (current)
Corporate Governance Structure

Board of Directors
Our Board of Directors comprises 10 directors (including four independent directors) who deliberate on overall corporate policy and major issues, while monitoring the performance of individual directors. Each director’s term of office is one year. This is to flexibly put in place an optimal management structure in response to changes in the business environment, while clarifying management responsibility.

Audit & Supervisory Board
Marubeni has adopted a corporate audit governance system. The Audit & Supervisory Board Members are responsible for overseeing directors in the execution of their duties by attending important meetings, such as the Board of Directors, and by monitoring business activities and financial conditions in accordance with the auditing policies and plans set by the Audit & Supervisory Board. The Audit & Supervisory Board Members have monthly meetings with the independent auditors to exchange information and opinions on auditing plans, the progress of auditing activities at Marubeni and Group companies, audit results, key points and considerations on earnings results, and accounting audit trends.

The President also holds regular meetings with the Audit & Supervisory Board Members and reports to them on business performance. Other directors, division COOs, and general managers from the Corporate Staff Group report to the Audit & Supervisory Board Members each year on business performance.

Corporate Governance Structure
Numbers of people are for the year ending March 31, 2017

[Diagram of Corporate Governance Structure]
Corporate Management Committee
The Corporate Management Committee was established as an advisory committee for the President and comprises five members of the board, including the president, as well as one senior managing executive officer and three managing executive officers. The committee deliberates substantive matters related to management and operations.

Committee of Heads of Divisions
The members of the Committee of Heads of Divisions are the President, the representative directors, Chief executive officer (Group CEOs) the division COOs, and regional CEOs and COOs appointed by the President. They discuss matters pertaining to budgeting, account settlement, and financial planning, as well as other issues relating to the execution of business.

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.

<table>
<thead>
<tr>
<th>Committee</th>
<th>Role</th>
<th>Meeting Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment and Credit Committee</td>
<td>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.</td>
<td>Held three times a month in principle</td>
</tr>
<tr>
<td>Compliance Committee</td>
<td>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.</td>
<td>Held four times a year and when necessary</td>
</tr>
<tr>
<td>CSR &amp; Environment Committee</td>
<td>The CSR &amp; Environment Committee is responsible for discussing and reporting on the Marubeni Group's CSR and environmental protection activities as well as the policies for these activities.</td>
<td>Held when necessary</td>
</tr>
<tr>
<td>Internal Control Committee</td>
<td>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.</td>
<td>Held when necessary</td>
</tr>
<tr>
<td>Disclosure Committee</td>
<td>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.</td>
<td>Held when necessary</td>
</tr>
<tr>
<td>Customs Clearance Supervising Committee</td>
<td>The Customs Clearance Supervising Committee establishes and maintains systems to ensure that the Marubeni Group follows appropriate procedures when importing and exporting and also conducts related internal inspections and training.</td>
<td>Held once a year and when necessary</td>
</tr>
<tr>
<td>Security Trade Control Committee</td>
<td>The Security Trade Control Committee establishes and maintains security trade control systems, inspects and approves transactions, and conducts internal audit and training concerning security trade controls.</td>
<td>Held once a year and when necessary</td>
</tr>
</tbody>
</table>

Committee of Executive Officers
The Committee of Executive Officers comprises 37 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, independent directors also attend these meetings. Executive officers are selected by the Board of Directors and appointed to one-year terms of office.
Roles and Functions of Independent Directors

Independent Directors offer opinions on business management drawn from their broad experience and high-level perspective, and give advice to better implement corporate governance.

Independent Directors attend the meetings of the Board of Directors and the Committee of Executive Officers, including on an ad hoc basis, making active contributions from the perspective of internal control. Prior to meetings, Independent Directors are provided with agendas and fully briefed on management issues and project execution status. One Independent Director has been assigned the position of chairman of the Governance and Remuneration Committee and also serves as a member of the Nomination Committee together with three other Independent Directors.

Major Activities

<table>
<thead>
<tr>
<th>Name</th>
<th>Independent Director</th>
<th>Reason of Appoint</th>
<th>Advisory Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Independent</td>
<td>Y</td>
<td>Mr. Takao Kitabata has been selected as an independent director because we have</td>
<td>Nomination Committee</td>
</tr>
<tr>
<td>Director</td>
<td></td>
<td>decided that he is able to contribute sufficiently to the reinforcement of the</td>
<td>Governance and Remuneration</td>
</tr>
<tr>
<td>Takao Kitabata</td>
<td></td>
<td>Company's corporate governance with his breadth of experience in official circles</td>
<td>Committee</td>
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<tr>
<td></td>
<td></td>
<td>and the extensive knowledge accumulated through such experience. Moreover, Mr.</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Kitabata has been designated as an independent executive due to the fact that no</td>
<td></td>
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<td></td>
<td></td>
<td>conflicts with the interests of general shareholders are represented by his</td>
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<td></td>
<td></td>
<td>present or past personal, transactional, and capital relationships with the</td>
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<td></td>
<td></td>
<td>Company.</td>
<td></td>
</tr>
<tr>
<td>Yukiko Kuroda</td>
<td>Y</td>
<td>Ms. Yukiko Kuroda has been selected as an independent director because we have</td>
<td>Nomination Committee</td>
</tr>
<tr>
<td></td>
<td></td>
<td>decided that she is able to contribute sufficiently to the reinforcement of the</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Company's corporate governance with her wealth of experience from having been an</td>
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<tr>
<td></td>
<td></td>
<td>executive of various corporate entities and the extensive knowledge accumulated</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>through such experience. No personal, capital, or transaction relationships exist</td>
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<tr>
<td></td>
<td></td>
<td>between Ms. Kuroda and the Company that result in conflicts with the interests of</td>
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<tr>
<td></td>
<td></td>
<td>the general shareholders, and she has been designated as an independent executive</td>
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<td></td>
<td></td>
<td>as defined by the Tokyo Stock Exchange as it was judged that there were no</td>
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<tr>
<td></td>
<td></td>
<td>obstructions to her performing the duties of an independent director.</td>
<td></td>
</tr>
<tr>
<td>Kyohei Takahashi</td>
<td>Y</td>
<td>Mr. Kyohei Takahashi has been selected as an independent director because we have</td>
<td>Nomination Committee</td>
</tr>
<tr>
<td></td>
<td></td>
<td>decided that he is able to contribute sufficiently to the reinforcement of the</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Company's corporate governance with his wealth of experience from having been an</td>
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<tr>
<td></td>
<td></td>
<td>executive of various corporate entities and the extensive knowledge accumulated</td>
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<td></td>
<td></td>
<td>through such experience. No personal, capital, or transaction relationships exist</td>
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<tr>
<td></td>
<td></td>
<td>between Mr. Takahashi and the Company that result in conflicts with the interests</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>of the general shareholders, and he has been designated as an independent</td>
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<tr>
<td></td>
<td></td>
<td>executive as defined by the Tokyo Stock Exchange as it was judged that there were</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>no obstructions to his performing the duties of an independent director.</td>
<td></td>
</tr>
<tr>
<td>Susumu Fukuda</td>
<td>Y</td>
<td>Mr. Susumu Fukuda has been selected as an independent director because we have</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>decided that he is able to contribute sufficiently to the reinforcement of the</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Company's corporate governance with his breadth of experience in official circles</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>and the extensive knowledge accumulated through such experience. Moreover, Mr.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fukuda has been designated as an independent executive due to the fact that no</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>conflicts with the interests of general shareholders are represented by his</td>
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<tr>
<td></td>
<td></td>
<td>present or past personal, transactional, and capital relationships with the</td>
<td></td>
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<td></td>
<td></td>
<td>Company.</td>
<td></td>
</tr>
</tbody>
</table>
Roles and Functions of Independent Audit & Supervisory Board Members

Independent Audit & Supervisory Board Members monitor the directors’ execution of duties and draw upon their wealth of professional expertise to offer various recommendations and advice to enhance the Audit & Supervisory Board.

Independent Audit & Supervisory Board Members attend meetings of the Audit & Supervisory Board and also the Board of Directors and Committee of Executive Officers. In addition, the Independent Audit & Supervisory Board Members meet with the President on a regular basis, as well as with members of the Audit Department, Corporate Accounting Department, and independent auditors, for an exchange of opinions. They receive audit-related information from Full-time Audit & Supervisory Board Member, which they use in the execution of their auditing duties. Two of the Independent Audit & Supervisory Board Members are also members of the Governance and Remuneration Committee.

Major Activities

<table>
<thead>
<tr>
<th>Name</th>
<th>Independent Director</th>
<th>Reason of Appoint</th>
<th>Advisory Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Takashi Suetsuna</td>
<td>Y</td>
<td>Mr. Takashi Suetsuna was selected for the position of independent Audit &amp; Supervisory Board Member as it was determined that he could contribute to enhancing Company audits by utilizing his highly professional insight and calling on the extensive experience in the official circles that underpins this insight. Moreover, Mr. Suetsuna has been designated as an independent executive due to the fact that no conflicts with the interests of general shareholders are represented by his present or past personal, transactional, and capital relationships with the Company.</td>
<td>Governance and Remuneration Committee</td>
</tr>
<tr>
<td>Yoshizumi Nezu</td>
<td>Y</td>
<td>Mr. Yoshizumi Nezu was selected for the position of independent Audit &amp; Supervisory Board Member as it was determined that he could contribute to enhancing Company audits by utilizing his highly professional insight and calling on the extensive experience in the corporate entities that underpins this insight. No personal, capital, or transaction relationships exist between Mr. Nezu and the Company that result in conflicts with the interests of the general shareholders, and he has been designated as an independent executive as defined by the Tokyo Stock Exchange as it was judged that there were no obstructions to his performing the duties.</td>
<td>Governance and Remuneration Committee</td>
</tr>
<tr>
<td>Shuichi Yoshikai</td>
<td>Y</td>
<td>Mr. Shuichi Yoshikai was selected for the position of independent Audit &amp; Supervisory Board Member as it was determined that he could contribute to enhancing Company audits by utilizing his highly professional insight and calling on the extensive experience in the legal field that underpins this insight. No personal, capital, or transaction relationships exist between Mr. Yoshikai and the Company that result in conflicts with the interests of the general shareholders, and he has been designated as an independent executive as defined by the Tokyo Stock Exchange as it was judged that there were no obstructions to his performing the duties.</td>
<td>Governance and Remuneration Committee</td>
</tr>
</tbody>
</table>
Executive Compensation

Compensation for directors and Audit & Supervisory Board Members is decided based on limits to the amount of total compensation for directors and Audit & Supervisory Board Members determined by the General Meeting of Shareholders. From March 31, 2017, compensation for directors is decided through a process involving discussion and formulation of proposals by the Compensation Consultative Committee, a body whose membership consists of a majority of independent executives, with the proposals then being approved by the Board of Directors. Compensation for individual Audit & Supervisory Board Members is decided through deliberation by the Audit & Supervisory Board Members. The Company shares the benefits and risks of stock price fluctuations with shareholders and issues stock options to all internal directors as a competition system for heightening their motivation to improve the Company’s stock price and corporate value. Basic compensation paid to directors other than independent directors consists of fixed compensation and variable compensation, the latter of which is linked to business performance in the previous fiscal year. Compensation for independent directors and Audit & Supervisory Board Members, all of whom are completely independent from business execution, consists entirely of fixed compensation.

Executive Compensation Calculation Method

- **Directors Compensation**
  - Proposal: Formulated by Governance and Remuneration Committee (consists of a majority of independent executives)
  - Amount: Approved by the Board of Directors

- **Basic Compensation for Directors**
  - Fixed compensation
  - Variable compensation (business performance-linked)

- **Independent Directors Compensation**
  - Fixed compensation only

- **Audit & Supervisory Board Members Compensation**
  - Amount: Decided through deliberation by Audit & Supervisory Board Members
  - Fixed compensation only

* Stock options are issued within the limits described above.

Total Compensation Paid to Directors and Audit & Supervisory Board Members for the Year Ended March 31, 2016

<table>
<thead>
<tr>
<th>Position</th>
<th>Total Amount of Compensation</th>
<th>Number of Recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Basic Compensation</td>
<td></td>
</tr>
<tr>
<td>Directors (excluding independent directors)</td>
<td>¥711 million</td>
<td>10</td>
</tr>
<tr>
<td>Audit &amp; Supervisory Board Members (excluding Independent Audit &amp; Supervisory Board Members)</td>
<td>¥72 million</td>
<td>3</td>
</tr>
<tr>
<td>Independent executives</td>
<td>¥60 million</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>¥843 million</td>
<td>18</td>
</tr>
</tbody>
</table>

Notes:
1. Rounded to the nearest million.
2. Limits to the amount of executive compensation determined by a resolution of the General Meeting of Shareholders are as follows: “¥1,100 million to directors monthly (including ¥60 million for independent directors)” (at the 92nd General Meeting of Shareholders held on June 24, 2016) and “¥12 million to Audit & Supervisory Board Members monthly” (at the 86th General Meeting of Shareholders held on June 22, 2012). In addition, based on a resolution of the 92nd General Meeting of Shareholders held on June 24, 2016, the Company introduced a stock option system for directors (excluding independent directors).
3. The Company submitted a resolution to abolish its system of retirement bonuses for executives at the conclusion of the 83rd General Meeting of Shareholders, held on June 22, 2007, with abolition 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, 2016, 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.
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. The Company regularly reviews this internal control system policy 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, the Company 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, 2015, we again submitted our internal control report for the year ended March 31, 2016, which concluded that “internal control is effective.”

**Basic Internal Control Policy (Key Items)**

- System necessary to ensure that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation
- Systems to preserve and manage information related to the execution of duties by Directors
- Internal regulations for the risk management of losses and other related systems
- Systems necessary to ensure the efficient execution of duties by Directors
- Systems necessary to ensure the appropriateness of operations by the Group
- Matters concerning employees assisting the duties of Audit & Supervisory Board Members, and matters concerning the independence of these employees from Directors
- Systems for Directors and employees to report to Audit & Supervisory Board Members and other systems for reports to Audit & Supervisory Board Members
- 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.

Risk Management

In the course of its diversified business activities, Marubeni conducts risk management activities which address risk from a variety of perspectives: macro and micro, as well as qualitative and quantitative. Increased volatility in exchange rates, natural resource prices, and other parameters have continued unabated. Under these conditions, the Company is promoting integrated risk management, measuring the maximum level of risk on a consolidated basis and limiting it to within the scope of total equity. By conducting thorough screening and follow-up for individual projects and further enhancing internal control systems, the Company has established a structure that minimizes losses due to unforeseen events.

Marubeni’s Risk Management Approach

Integrated Risk Management
Marubeni operates in a diversified range of industries and regions. Therefore, the Company has established an integrated risk management system which not only focuses on the micro level of the individual risk factors, but also takes a macro view of the various factors that affect the entire Marubeni Group. Integrated risk management takes a broad overview of the assets for the entire Group, gauging risk based on the exposure of these assets to each specific risk factor — country risk, industry risk, credit risk for each client, and so on. These risks form the basis for calculating Value at Risk (VaR), which takes into account dispersion effects and correlations to calculate maximum risk. VaR is used as a primary benchmark for our portfolio management.

Integrated risk management looks at various risk factors in a comprehensive way to enable managers to understand risk as a single monetary value. By using computer simulations that reflect the latest information, Marubeni has made it possible to grasp the degree of risk in more detail than ever before. We calculate PATRAC\(^1\) based on risk assets—a value based on the maximum decline in the value of Group assets as quantified by the Company. PATRAC indicates profit after tax following adjustment for risk. Marubeni has adopted PATRAC as an important management indicator, using it as a method of screening proposals requiring approval. Each Portfolio Unit\(^2\) constantly takes steps to adjust its portfolio in a flexible manner, seeking to improve PATRAC in order to achieve maximum returns for a given level of risk, enabling Marubeni to achieve steady and balanced earnings growth.

Risk Management System
For important individual proposals, such as those relating to investment or financing, drafts are first circulated and discussed by the Investment and Credit Committee and the Corporate Management Committee before the President makes a decision. The Board of Directors is also involved in decision-making on issues of substantial importance. Following implementation, each business department manages its own risk exposure and, for important cases, periodic status reports are made to the Investment and Credit Committee, Corporate Management Committee, and the Board of Directors.

In addition, a corporate planning and strategy department was placed under direct control of the Group CEO, the highest authority with regard to all business groups, thereby establishing a risk management system that has been optimized to the business models of each business group.

\(\text{PATRAC}: \text{Profit After Tax less Risk Asset Cost}\)

\(\text{Portfolio Unit}: \text{Unit of business management linking business departments and Group companies by business domain}\)

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* For important individual proposals, such as those relating to investment or financing, drafts are first circulated and discussed by the Investment and Credit Committee and the Corporate Management Committee before the President makes a decision. The Board of Directors is also involved in decision-making on issues of substantial importance. Following implementation, each business department manages its own risk exposure and, for important cases, periodic status reports are made to the Investment and Credit Committee, Corporate Management Committee, and the Board of Directors.

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CSR Management

CSR Management in Business Execution

The ability of the Marubeni Group to fulfill its responsibilities as a member of society requires every individual within the Group to adhere to the Company Creed of “Fairness, Innovation, and Harmony,” and to give CSR considerations high priority as they participate in corporate activities.

Marubeni has established the CSR & Environment Committee within the business execution system portion of its corporate governance structure as an organization for sharing and promoting CSR activities throughout the Company. By reporting on its initiatives to the Corporate Management Committee, the CSR & Environment Committee improves coordination with business groups while working to enhance CSR activities in various fields.

CSR Fulfilled Together with Stakeholders

Marubeni strives to grow sustainably while coexisting and prospering together with society and the environment, and this cannot be accomplished by pursuing profit alone. We must adopt perspectives based on society and the environment as well as business profit, and strike a balance between creating value and evaluating ourselves based on these three perspectives. The Company believes that it is this practice that constitutes CSR management.

The Marubeni Group is committed to earning the trust of all its stakeholders by practicing CSR management as a highly ethical corporate group.

However, the type of CSR management that the Group hopes to achieve cannot be realized through the thoughts and actions of its employees alone. Instead, we must always be receptive toward the feedback of stakeholders, thinking together as we practice management. Based on this understanding, Marubeni aims to act in the interests of the various stakeholders to gain their satisfaction and trust as it builds foundations for sustainable growth.

Participation in Global Initiatives

The Marubeni Group defined its goal of becoming a true global company in its Global Challenge 2018 (GC2018) mid-term management plan. CSR activities have been judged to be of incredible importance in accomplishing this goal, and we thus feel it is vital for Marubeni to view its CSR activities from a global perspective amidst the global development of its business. Based on this recognition, we have declared our support for the international initiative that is the United Nations Global Compact. Accordingly, we endeavor to be always mindful of the relationship between its 10 principles and Marubeni's business, and will continue striving to conduct CSR activities through this business.

The UN Global Compact’s 10 Principles

<table>
<thead>
<tr>
<th>Principle</th>
<th>Business Principle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principle 1</td>
<td>Businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses.</td>
</tr>
<tr>
<td>Principle 2</td>
<td>Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labor; the effective abolition of child labor; and the elimination of discrimination in respect of employment and occupation.</td>
</tr>
<tr>
<td>Principle 3</td>
<td>Businesses should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies.</td>
</tr>
<tr>
<td>Principle 4</td>
<td>Businesses should work against corruption in all its forms, including extortion and bribery.</td>
</tr>
</tbody>
</table>
Identification of Material Issues

Based on our stakeholders’ expectations and concerns, and Marubeni’s impact on the environment and society, we have identified the following sustainability issues as having high materiality in line with two themes. We aim to address these material issues.

1. The Marubeni Group fulfills its responsibility toward the environmental and social impact of its businesses.

   **<Material issues>**
   - Strengthening corporate governance
   - Strengthening internal controls
   - Strengthening compliance
   - Respecting human rights
   - Promoting human resources development
   - Promoting supply chain management
   - Protecting the global environment
   - Promoting social contribution activities

2. The Marubeni Group solves social and environmental issues while strengthening its competitiveness, leading to sustainable growth.

   **<Material issues>**
   - Developing business that solves social and environmental issues
   - Strengthening supply chain competitiveness
   - Contributing toward community development and strengthening our operating base

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Identification and Review Process of Material Issues in Our CSR Activities

<table>
<thead>
<tr>
<th>Selection and prioritization of issues</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dialogue with stakeholders</strong></td>
</tr>
<tr>
<td>• Customers and business partners</td>
</tr>
<tr>
<td>• Shareholders</td>
</tr>
<tr>
<td>• Employees</td>
</tr>
<tr>
<td>• Local communities</td>
</tr>
<tr>
<td><strong>Confirm expectations from society</strong></td>
</tr>
<tr>
<td>• Dialogue with CSR experts</td>
</tr>
<tr>
<td>• Expectations from NGOs / NPOs</td>
</tr>
<tr>
<td>• Requests from SRI research organizations</td>
</tr>
<tr>
<td>• Grasping of international treaties and the trends of each country and industry</td>
</tr>
<tr>
<td><strong>Analysis and consideration of the impact on Marubeni</strong></td>
</tr>
<tr>
<td>• Company Creed, Management Philosophy, and Corporate Principles</td>
</tr>
<tr>
<td>• Management plan</td>
</tr>
<tr>
<td>• Business growth and continuity potential</td>
</tr>
<tr>
<td>• Risk management</td>
</tr>
<tr>
<td>• Strengthening of legal regulations, etc.</td>
</tr>
<tr>
<td>• Creation of new business</td>
</tr>
</tbody>
</table>

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Identification and Review Process of Material Issues in Our CSR Activities

<table>
<thead>
<tr>
<th>Selection of real and potential social and environmental issues</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Identify issues with high materiality within Marubeni’s CSR activities</strong></td>
</tr>
<tr>
<td><strong>Business Activities</strong></td>
</tr>
<tr>
<td>Implement CSR activities with goals and purposes</td>
</tr>
<tr>
<td><strong>Annual review</strong></td>
</tr>
<tr>
<td><strong>Approve</strong></td>
</tr>
<tr>
<td><strong>Instruct / Advise</strong></td>
</tr>
<tr>
<td><strong>Report result</strong></td>
</tr>
<tr>
<td><strong>CSR &amp; Environment Committee</strong> (Directed by the President)</td>
</tr>
</tbody>
</table>
Appointment of CSR Promotion Representatives

With the aim of enhancing CSR activities on a Group-wide level, in the year ended March 31, 2016, Marubeni appointed CSR promotion representatives in all business groups and corporate staff departments in which members of the CSR & Environment Committee are present. These representatives participate in discussions regarding measures for building upon CSR activities and in seminars and hands-on workshops designed to help them acquire CSR knowledge. Through such involvement, CSR promotion representatives play an important role in spreading awareness throughout their organizations of how important CSR activities are to the Group.

CSR Action Plans and Targets

Based on our stakeholders’ expectations and concerns, and the impacts of Marubeni's business, we have identified material issues that are of high importance to the Company, and CSR activities are being advanced with regard to these issues. Each business group and corporate staff department has established CSR action plans and targets, which are made available for viewing on the Company’s website together with information on the related material issues in order to provide a clear explanation of our approach to stakeholders. These CSR action plans and targets, and the status of initiatives based thereon, are periodically reviewed so as to pursue ongoing improvements in CSR activities.

* CSR action plans and targets can be viewed on the following website: http://www.marubeni.com/csr/group/action_plan

Education of Executives and Employees

In the year ended March 31, 2016, two CSR roundtable discussions were conducted between CSR promotion representatives and other participants. These discussions served as an opportunity for the reaffirmation of Marubeni’s basic stance toward CSR. In addition, lectures were conducted on recent developments related to human rights as well as on new external trends that are closely related to the Company’s business. Also during the fiscal year, members of the CSR & Environment Committee spearheaded communication forums for stakeholders. Participants listened to lectures on the importance of non-financial information in regard to investment decisions and the type of corporate communication sought by investors delivered by outside lecturers, after which opinions were exchanged. Going forward, we intend to continue such activities in order to deepen executives and employees understanding and awareness of CSR activities.
Compliance

Policies and Approach
As it advances its global operations, Marubeni acts in accordance with the belief that compliance goes beyond merely following the letter of the law. In its truest sense, compliance means corporations—as good members of society—practicing high levels of ethics, living up to the expectations of stakeholders, and fulfilling their social responsibilities. To achieve this type of compliance, Marubeni is reinforcing and regularly improving its compliance systems under guidance of the Compliance Committee, which is overseen by the President and CEO.

We have also established the specialized Compliance Control Department and are constructing compliance systems and spreading awareness with an emphasis on preventing the occurrence of serious economic crimes within the Group. Going forward, we will continue to strengthen global compliance systems that encompass all Group companies.

Review of the Year Ended March 31, 2016
• Marubeni formulated the Compliance Committee activities plan and other activities according to the plan–do–check–act (PDCA) cycle.
• Marubeni reviewed the action plans for business groups, branches, and offices (including overseas bases) for the year ended March 31, 2015, and formulated action plans for the year ended March 31, 2016.

Marubeni published the 12th edition of the Marubeni Group Compliance Manual and collected written statements of adherence to the manual.
• Marubeni enhanced compliance systems and programs centered on anti-bribery measures, compliance with fair competition laws, and non-association with anti-social forces. (See following page 65.)

Marubeni will conduct and improve upon compliance education activities (training sessions, compliance-related campaigns and events, etc.).
• Enhance due diligence and monitoring functions related to bribery prevention.
• Strengthen system related to monitoring compliance with fair competition laws and banning any relations with anti-social forces.

Slogans
Competitions
In order to further entrench compliance awareness, executives and employees at the Company’s Head Office and domestic Group companies were asked to submit slogans related to compliance guidelines contained in the Marubeni Group Compliance Manual. The five winning submissions were selected from among the 692 slogans received.

4,312 people

Number of employees that made written statements of adherence to the code expressed in the Compliance Manual
(Non-consolidated / in the year ended March 31, 2016)
Priorities Activities

Stringent Application of the Compliance Manual

Part of the Marubeni Group’s Company Creed is “Fairness.” This symbolizes our pledge to always conduct ourselves in a fair and upright manner. We have defined Marubeni’s stance on compliance as: “When you are faced with a choice between integrity and profit, choose integrity without hesitation.” Based on this stance, Marubeni has compiled the Marubeni Group Compliance Manual, which specifies the standards of behavior that Group employees are expected to follow in all their daily work activities.

Every year, the Company’s executives and employees, as well as the presidents of all domestic Marubeni Group companies, make a written statement to adhere to the code expressed in this manual. As of June 2016, the Compliance Manual, now in its 13th edition, is available in English as well as Japanese, and can be viewed on the Company’s website.

Compliance Education and Training

The Marubeni Group conducts education and training programs throughout its organization in accordance with the Marubeni Group Compliance Manual. Specifically, we conduct e-Learning programs and group training sessions to teach employees about general compliance topics, anti-bribery precautions, and cartel countermeasures. In addition, the Chairman of the Compliance Committee and representatives from the Compliance Control Department make periodic visits to Group companies and overseas offices to provide training and raise awareness of compliance.

The Marubeni Group’s Anti-Bribery Measures

In recent years, an increasing number of companies in both developed countries and emerging countries are refusing to tolerate bribery. The Marubeni Group, as a global enterprise, also has a strong interest in and is actively working on the prevention of bribery. The Marubeni Group upholds the following policy in its Compliance Manual and requires strict compliance from its directors, officers, and employees.

Marubeni Group Global Anti-Corruption Policy

- Not to provide, propose, or promise an illicit benefit to public officials, their equivalents, or relatives in Japan or overseas
- Not to aid or conspire with other business entities for any of the above acts
- Not to provide presents or client entertainment to a transaction partner that exceeds the accepted business and societal norms

Major Anti-Bribery Initiatives

1. Expanding multilingualization of the Marubeni Group Global Anti-Corruption Policy and collected written statements of adherence to this policy from Group employees
2. Instituted a global anti-bribery compliance training program, strengthened anti-bribery due diligence procedures, and conducted audits related to bribery prevention
3. Established an external, multi-language whistle-blowing system regarding bribery and other serious economic crimes that is available to both Marubeni Group members and business partners

The Organizational Diagram for the Marubeni Group Compliance System

Organizational Diagram for the Marubeni Group Compliance System
CSR Management in the Supply Chain

Policies and Approach
Promoting CSR management throughout the supply chain is an important aspect of CSR activities. Marubeni strives to contribute to the resolution of the social and environmental issues that relate to its business activities, and we will pursue this goal while gaining the understanding and support of our business partners. Our operations take us to emerging countries and other regions that face social issues such as forced labor, child labor, and degradation of the local environment. To help address these issues, Marubeni has formulated the Basic Supply Chain CSR Policy, which we transmit to all suppliers, requesting that they understand and cooperate with the enforcement of this policy. Furthermore, Marubeni conducts on-site inspections of suppliers, and will continue these activities so as to maintain an understanding of the social issues faced in different regions and work toward their resolution.

Review of the Year Ended March 31, 2016
- Marubeni conducted on-site inspections of suppliers (manufacture socks and knitted products) in a country designated as carrying a high risk associated with supply chain labor standards.
- Marubeni conducted e-Learning programs that provided essential supply chain-related knowledge. Approximately 3,000 people participated in these programs.

5,180 companies
Number of companies to which the Basic Supply Chain CSR Policy has been transmitted
(As of March 31, 2016)

3,130 people
Number of people that participated in CSR and environmental e-Learning programs
(In the year ended March 31, 2016)

Future Objectives
- Ongoing institution of on-site CSR inspections of suppliers
- Continuing training efforts to cultivate the knowledge necessary for supply chain management
Priority Activities

Transmission of and Requested Adherence to the Basic Supply Chain CSR Policy

Marubeni aims to have all its long-term business partners understand and cooperate with the Basic Supply Chain CSR Policy, and we have been working to disseminate the policy to them.

Basic Supply Chain CSR Policy

Marubeni does not stop at achieving strong CSR results for itself, but also supports the achievement of strong CSR results throughout its supply chain, with the objective of building an environmentally friendly, healthy, and sustainable society.

Marubeni requests the understanding and cooperation of its business partners in the observance of the Supply Chain CSR Guidelines set forth below, so that Marubeni, together with its business partners, can facilitate highly efficient CSR results.

Supply Chain CSR Guidelines

1. Observance of Laws
   • Observe the applicable laws of each relevant country and the various countries affected by the transaction.

2. Respect for Human Rights
   • Respect human rights, without discrimination, physical, verbal, sexual, and other forms of harassment or inhumane treatment.
   • No child labor, forced labor, inappropriate wage abatement, or excessive working hours.
   • Respect employees’ right to unionize for the purpose of negotiations between labor and management and to bargain collectively.

3. Preservation of the Environment
   • Protect nature.
   • Minimize environmental impact, and prevent pollution.

4. Fair Transactions
   • Conduct fair transactions, and do not inhibit free competition.
   • No bribery or illegal contributions, and prevent corruption.

5. Safety and Health
   • Secure safety and health in the workplace, and maintain a good working environment.

6. Quality Control
   • Maintain the quality and safety of products and services.

7. Disclosure of Information
   • Including the items mentioned above, appropriately disclose company information.

On-Site Inspections of Suppliers (Supply Chain CSR Inspections)

In March 2016, Marubeni conducted on-site inspections of factories belonging to Toyo Textile Thai Co., Ltd., which manufactures socks, and S D Fashion Co., Ltd., which manufactures knitted products, to confirm the status of compliance with the Company’s CSR requirements at these factories, which are located in Thailand.

These supply chain CSR inspections examined the sites based around seven areas, including human rights, occupational health and safety, environmental protection, and quality control. The inspection did not find a single area in which either company had failed to comply with the Basic Supply Chain CSR Policy.

In addition, Marubeni has formulated measures and procedures to counteract noncompliance with the labor standards set forth in the Basic Supply Chain CSR Policy, and to effect improvements.
Contribution to Local Communities

Policies and Approach
The Marubeni Group’s business is supported by its stakeholders around the world. Accordingly, contributing to society is important to ensuring the Group continues to grow sustainably. We are therefore conducting social contribution activities while also making contributions to local communities by resolving social issues through our business. The Group has a long history of conducting social contribution activities, which include the Marubeni Foundation and overseas scholarship funds. We also actively encourage all employees to participate in volunteer activities. Our commitment to building a better relationship with society, based on coexistence, and being an organization trusted by all stakeholders will remain firm into the future. The Basic Policy on Social Contribution Activities will guide us on this quest.

Review of the Year Ended March 31, 2016
• Based on the Basic Policy on Social Contribution Activities, the Marubeni Group conducted social contribution activities in various areas.
• In activities to support recovery from the Great East Japan Earthquake, Marubeni dispatched a continual stream of Group employees to the disaster-stricken areas to perform volunteer work.

¥4.1 billion
Aggregate total of grants through the Marubeni Foundation
(As of March 31, 2016)

830 people
Marubeni Group employees participating in volunteer activities
(In the year ended March 31, 2016 / Aggregate total number)

Marubeni will develop frameworks to foster social contribution awareness among all employees and enable more employees to take the initiative in conducting volunteer activities. These efforts will be centered around five priority areas: social welfare, international exchange, community contribution, global environment, and cultural support.
Priority Activities

Volunteer Activities
Marubeni cooperates with NGOs and NPOs in planning and running volunteer activities for employee participation. The goal is to encourage employees to participate in volunteer activities and thereby develop an understanding of what social contribution entails and the need for the Group to make ongoing efforts as a good corporate citizen.

Also, the Company has introduced the Volunteer Leave System (five days per year) to support employees who wish to participate in volunteer activities.

Overseas Scholarship Funds
To support the education and development of young people in emerging economies, Marubeni has set up scholarship funds, mainly in the ASEAN region. Specifically, scholarship funds have been established in Brazil as well as in ASEAN nations, such as the Philippines, Vietnam, Indonesia, Cambodia, Laos, and Myanmar. These funds are operated as dictated by the circumstances regarding education in each country.

Marubeni’s total overseas scholarship funds to date amount to US$3.53 million in seven countries. Each year, we provide support to meet the local communities’ needs, including scholarships for students from elementary through to university level and material assistance such as PCs and stationery.

Marubeni Foundation
Funded by Marubeni, the Marubeni Foundation was established in 1974 as a private support organization for social welfare activities. In the following year, it started a tradition of providing annual donations of ¥100 million to aid welfare facilities and organizations across Japan, which it has continued. To date, this private foundation has given a total of 2,361 grants totaling ¥4.1 billion in support of a wide range of charity and aid programs.

In the year ended March 31, 2016, the foundation received grant applications from 611 welfare programs, 64 of which were selected to receive funding. The chosen programs were mainly related to the purchasing of facility supplies, equipment for job placement support centers, and special vehicles for the elderly and persons with disabilities.

Funding for the grants includes contributions from Marubeni, provided partially as a means of utilizing earnings, and contributions from the 100 Yen Club, consisting of concerned present and former executives and employees who make fixed monthly donations in multiples of ¥100, with matching contributions by Marubeni.

In addition to the annual donations of ¥100 million, the Company decided to issue donations totaling ¥10 million to private support organizations conducting social welfare activities that were heavily impacted by the severe April 2016 Kumamoto earthquake. These donations are meant to cover the costs of resuming these organizations’ activities.

Support and Volunteers for the Iwaki Sunshine Marathon
Marubeni aided the 7th Iwaki Sunshine Marathon held on February 14, 2016, as a special supporter. Taking place in Iwaki City, Fukushima Prefecture, the Iwaki Sunshine Marathon is an event meant to symbolize this city’s march forward in reconstructing from the damages caused by the March 2011 Great East Japan Earthquake. Approximately 12,000 runners and volunteers participated in this event.

A total of 52 Marubeni employees joined this event as either runners or staff volunteers, and Marubeni was also granted the privilege of presenting a special award to a runner as a supporting company.

The Marubeni Group has supported post-earthquake reconstruction activities from the beginning and continues to do so, such as by dispatching employee volunteers to the town of Shichigahama in Miyagi Prefecture on an ongoing basis. Moreover, we have established strong ties to Iwaki City in our business through projects including the Fukushima floating offshore wind farm demonstration project and mega-solar power generation projects. We were therefore pleased to once again be able to take part in this reconstruction-oriented event in Iwaki City as a special supporter. Going forward, Marubeni will continue to lend its aid to reconstruction effort in the regions that were heavily impacted by the earthquake.
Environmental Protection

Policies and Approach
As a global enterprise, the Marubeni Group believes that conducting its business in an environmentally friendly manner is one of its most important responsibilities. Based on this belief, Marubeni operates an environmental management system (EMS) in accordance with the Marubeni Group Environmental Policy, which serves as the basis for its efforts to strengthen management systems across the Group. In pursuing environmentally friendly business activities, the Company conducts environmental evaluations before launching infrastructure or other development projects or financing or investing in new businesses. Going forward, we will continue to verify the effectiveness of environmental risk management systems at domestic and overseas Group companies while also conducting environmental education and training programs targeted at employees.

Review of the Year Ended March 31, 2016

• Marubeni continued to collect information, hold training programs, and conduct self-inspections to spread awareness on environmental regulations and promote compliance.
• Marubeni strengthened environmental risk management systems by enforcing orders from the Head Office at organizations under the jurisdiction of branches and offices and by deepening understanding of environmental issues among branch and office employees.
• Marubeni conducted on-site inspections of domestic and overseas Group companies with high environmental risks, and provided guidance as needed for improvement.

83 evaluations
Number of environmental evaluations conducted
(In the year ended March 31, 2016)

597 people
Number of people that underwent Training on the Waste Management and Public Cleansing Act
(In the year ended March 31, 2016)

Future Objectives
• Continue spreading awareness of and promoting compliance with environmental regulations
• Verify effectiveness of environmental risk management systems at domestic and overseas Group companies
Priori

**EMS Strengthening**
Marubeni has introduced an EMS based on ISO 14001 as a tool to assist all employees in addressing environmental issues based on a common understanding.

Marubeni obtained ISO 14001 certification in 1998, and as of December 31, 2015, 57 Marubeni Group companies had been certified.

The EMS utilizes a plan–do–check–act (PDCA) cycle to ensure ongoing improvement.

With regard to Group companies that have not received ISO 14001 certification, we still expect these companies to understand and cooperate with environmental preservation activities conducted in accordance with the Marubeni Group Environmental Policy.

**Environmental Evaluations of Development Projects and Financing and Investment**
Before launching a development project or financing or investing in a new business, Marubeni assesses the project’s conformity with environmental laws and the levels of possible adverse impact on the environment in the event of an accident or some other emergency using the Company’s Environmental Evaluation Sheet. The completed evaluation sheet is used as a factor when making the final decision on whether or not the project should be implemented.

Follow-up evaluations are also conducted for projects considered to have potential environmental risks as a result of the initial assessment. Follow-up is continued until all concerns have been dispelled. In the year ended March 31, 2016, we assessed 83 projects with environmental risks related to water pollution, noise pollution, and global warming.

**Environmental Education and Training**
Marubeni conducts various environmental training and education programs for its employees to help raise their awareness of relevant issues. In the year ended March 31, 2016, the CSR / Global Environment e-Learning Training Program was conducted for all executives and employees, including temporary employees.

More than 3,000 people participated in the training program. Marubeni organizes a variety of programs, including environmental training designed for new employees. Other specific programs include the Environmental Officers e-Learning Training Program, the ISO 14001 Internal Environmental Auditors Training Program, and Training on the Waste Management and Public Cleansing Act.

**On-Site Inspections at Group Companies without ISO 14001 Certification**
Marubeni identifies and conducts on-site inspections of subsidiaries that have yet to acquire ISO 14001 certification and that are engaged in activities with a relatively high risk of exerting a significant environmental impact. For these on-site inspections, Marubeni personnel visit the plants and offices of the applicable companies together with auditors specializing in environmental audits from an independent assessment agency. There, they check the systems designed to ensure compliance with environmental regulations related to work procedures and confirm compliance status. They also examine the site’s environmental risk control status with regard to such areas as the operation and management of facilities and the disposal of waste. In the year ended March 31, 2016, a total of 28 operating bases of 23 companies around the world were inspected. No significant environmental issues were identified. Going forward, Marubeni will continue working to enhance environmental management throughout the Group by conducting on-site inspections of Group companies that have not yet acquired ISO 14001 certification.

**Energy Conservation, Resource Conservation, and Waste Reduction Targets to Achieve by the Year Ending March 31, 2021**

<table>
<thead>
<tr>
<th>Numerical Targets in the Year Ending March 31, 2021</th>
<th>Results in the Year Ending March 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Energy Usage (electricity and gas) at Tokyo Head Office and Osaka Branch*</td>
<td>Reduce energy usage (electricity and gas) by 10.5% compared to the year ended March 31, 2010</td>
</tr>
<tr>
<td>2. Waste Generated at Tokyo Head Office</td>
<td>Reduce waste generated by 30% compared to the year ended March 31, 2011</td>
</tr>
<tr>
<td>3. Waste Recycling Rate at Tokyo Head Office</td>
<td>Achieve a waste recycling rate of 90% or more</td>
</tr>
<tr>
<td>4. Water Consumption at Tokyo Head Office</td>
<td>Reduce water consumption by 3% compared to the year ended March 31, 2011</td>
</tr>
<tr>
<td>5. Green Product Purchase Rate at Major Offices**</td>
<td>Achieve a green product purchase rate of 85% or more</td>
</tr>
</tbody>
</table>

*1 The Osaka Branch was relocated in July 2015, and energy usage for July was therefore calculated based on figures at both its previous and current site.
*2 Major offices: Six locations, comprising Tokyo Head Office and five branches (Hokkaido, Shizuoka, Nagoya, Osaka, and Kyushu).
Utilization of Diverse Human Resources

<table>
<thead>
<tr>
<th>Policies and Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Marubeni Group views human resources (HR) as its most valuable asset. For this reason, our basic policy for HR systems is to develop a framework that allows employees to utilize their skills and capabilities to the fullest extent and provide an environment in which every employee can create the most value possible by drawing on their strengths. Going forward, we will continue striving to create a stronger Marubeni Group in which a diverse range of individuals plays an active role, and will institute various measures aimed at realizing this vision.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Review of the Year Ended March 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Marubeni focused particularly on the practical experience and training portion of our three-pronged approach to HR that emphasizes practical experience, assessment and incentives, and training. We also revised measures related to the overseas work experience requirement and overseas training programs, thereby stepping up efforts to provide young managerial positions with overseas and on-the-job training (OJT) experience.</td>
</tr>
<tr>
<td>• Marubeni focused efforts on utilizing and promoting a diverse range of HR.</td>
</tr>
</tbody>
</table>

112 people
Number of employees in their 20s out of the total of 880 employees stationed overseas (As of March 31, 2016)

111 people
Number of women in managerial positions (As of March 31, 2016)

The Marubeni Group wants talent who:
• Constantly pursue challenges and innovations with high aspirations and curiosity
• Accomplish their personal goals at a high level
• Think and act on their own when executing their duties

We will step up efforts to recruit and develop capable HR that can succeed on a global scale and promote diversity within the Group.
Utilization of Diverse HR

In the year ended March 31, 2015, Marubeni launched the “BENInnovation (BEN Innovation) Program” as a measure designed to further empower female career-track employees. The program is primarily targeted at female managerial positions and their immediate supervisors. We are also promoting work-life balance in order to create an environment in which employees from a diverse range of backgrounds are able to generate results.

The following action plan was established in response to the promulgation of the Act on Promoting Women’s Empowerment in the Workplace. This plan defines the period leading up to March 31, 2021, as a time for creating foundations for incorporating diversity into decision-making. Going forward, Marubeni will enhance hiring, overseas dispatch, and education activities based on this plan.

Action Plan for Empowering Female Employees

(Phase 1: April 1, 2016–March 31, 2021)

Goals

Construct HR development pipelines by strengthening hiring, overseas dispatch, and other development programs with the goals of increasing the ratio of career-track employees that are women to more than 10% and raising the ratio of female managers to above 7% by March 31, 2021.

Marubeni’s basic policy is to select applicants according to their capability and competence, based on a fair recruitment process in which no form of discrimination is tolerated. To ensure that fair recruiting activities are conducted across the entire Group, we have prepared the Marubeni Recruiting Manual, and strive to ensure that our policies are thoroughly understood.

Marubeni has adopted a continued employment system for employees aged 60 or over in accordance with the revised Elderly Employment Stabilization Act. As of March 31, 2016, 114 employees have been hired under this system, and these and other senior citizen employees are currently calling upon their breadth of experience to make wide-reaching contributions in Japan and even overseas.

In addition, to further promote the employment of persons with disabilities, Marubeni established Marubeni Office Support Corporation, which has been certified as a special-purpose subsidiary* by the Minister of Health, Labour and Welfare. As of March 31, 2016, Marubeni Corporation and Marubeni Office Support Corporation employed a total of 71 individuals with disabilities on a full-time basis.

In March 2016, Marubeni Office Support Corporation was certified by the Ministry of Health, Labour and Welfare as a Superior Company for employing persons with disabilities. This certification is awarded to superior companies that actively employ mentally or otherwise challenged individuals, and a total of 21 companies throughout Japan have received this certification.

Reorganization and Enhancement of Training Systems

Company-wide training systems will be revised and an off-the-job training* platform will be established and enhanced to provide functions for supporting the advancement of the Marubeni Group’s HR strategy, which is defined in GC2018.

* Off-the-job training: For example, business skills training, etc. implemented in a location other than the workplace.

Measures for Reducing Overtime Work and Improving Operational Efficiency

The Marubeni Group launched the Marubeni Cool & Smart (MaCS) Work Project in order to strengthen our competitiveness by making all Group companies, organizations, and employees fully aware of the fact that time is a finite resource, thereby encouraging them to pursue even higher levels of efficiency and productivity. The trial period for this project of approximately one year commenced in July 2015, and we are currently introducing no-overtime periods and implementing measures to discourage nighttime overtime and encourage early morning work. Through these efforts, we aim to foster greater awareness with regard to work styles and time usage in order to allow for methods of working that respect the freedom of employees and organizations.

Advancement of Health-Related Measures

Marubeni is advancing health-related measures that are primarily formulated by the Occupational Safety and Health Committee. We have made employee health management a top priority, and have developed Company clinics at which employees can receive regular checkups. These clinics also provide health checks for employees that are going on or have returned from overseas assignments or for accompanying family members. Furthermore, we hope to assist employees in maintaining good mental health, and have instituted self-care training at Marubeni and Group companies, are encouraging employees to cut back on overtime work, and are implementing other initiatives with this regard.
Marubeni believes that strengthening initiatives based around environmental, social, and governance (ESG) issues, is crucial to realizing sustainable management.

The following is a collection of performance data from major ESG-related initiatives.

## Non-Financial Highlights

### Environmental Data*:1

<table>
<thead>
<tr>
<th></th>
<th>2012.3</th>
<th>2013.3</th>
<th>2014.3</th>
<th>2015.3</th>
<th>2016.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO₂ emissions (t-CO₂)</td>
<td>6,177</td>
<td>5,386</td>
<td>4,523</td>
<td>4,515</td>
<td>4,978</td>
</tr>
<tr>
<td>Electricity consumption (MWh)</td>
<td>13,483</td>
<td>11,221</td>
<td>9,554</td>
<td>9,473</td>
<td>9,167</td>
</tr>
<tr>
<td>Water consumption (m³)</td>
<td>122,385</td>
<td>108,107</td>
<td>96,105</td>
<td>97,143</td>
<td>91,382</td>
</tr>
<tr>
<td>Waste generated (tons)</td>
<td>773</td>
<td>706</td>
<td>580</td>
<td>531</td>
<td>791</td>
</tr>
<tr>
<td>Paper consumption (thousands of A4 sheets)</td>
<td>40,199</td>
<td>40,999</td>
<td>42,599</td>
<td>42,659</td>
<td>39,288</td>
</tr>
<tr>
<td>Recycling rate (%)</td>
<td>76.7</td>
<td>83.5</td>
<td>92.4</td>
<td>91.9</td>
<td>94.6</td>
</tr>
<tr>
<td>Green product procurement rate (%)</td>
<td>87.4</td>
<td>84.8</td>
<td>86.5</td>
<td>86.6</td>
<td>85.8</td>
</tr>
</tbody>
</table>

### Social Data*:2

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of employees (Consolidated)*3</td>
<td>32,445</td>
<td>33,566</td>
<td>39,465</td>
<td>38,830</td>
<td>39,914</td>
</tr>
<tr>
<td>No. of employees (Non-consolidated)*4</td>
<td>4,074</td>
<td>4,166</td>
<td>4,289</td>
<td>4,379</td>
<td>4,437</td>
</tr>
<tr>
<td>Of which, domestic</td>
<td>3,286</td>
<td>3,336</td>
<td>3,433</td>
<td>3,520</td>
<td>3,557</td>
</tr>
<tr>
<td>overseas</td>
<td>788</td>
<td>830</td>
<td>856</td>
<td>859</td>
<td>880</td>
</tr>
<tr>
<td>Percentage of male and female*5</td>
<td>76.2:23.8</td>
<td>75.5:24.5</td>
<td>74.7:25.3</td>
<td>74.1:25.9</td>
<td>73.7:26.3</td>
</tr>
<tr>
<td>Average age*5</td>
<td>42.0</td>
<td>41.9</td>
<td>41.7</td>
<td>41.5</td>
<td>41.4</td>
</tr>
<tr>
<td>Average service years*5</td>
<td>17.1</td>
<td>17.0</td>
<td>16.8</td>
<td>16.7</td>
<td>16.7</td>
</tr>
<tr>
<td>No. of managerial employees*6</td>
<td>2,314</td>
<td>2,327</td>
<td>2,352</td>
<td>2,389</td>
<td>2,438</td>
</tr>
<tr>
<td>Of which, general managers or above</td>
<td>225</td>
<td>223</td>
<td>224</td>
<td>220</td>
<td>219</td>
</tr>
<tr>
<td>Employment rate of persons with disabilities (%)*6</td>
<td>2.19</td>
<td>2.14</td>
<td>2.09</td>
<td>2.17</td>
<td>2.45</td>
</tr>
<tr>
<td>Usage of annual paid leave (%)*6</td>
<td>43.9</td>
<td>44.0</td>
<td>45.6</td>
<td>46.1</td>
<td>48.8</td>
</tr>
<tr>
<td>No. of employees who took maternity leave*7</td>
<td>19</td>
<td>24</td>
<td>28</td>
<td>28</td>
<td>52</td>
</tr>
<tr>
<td>No. of employees who took childcare leave*8</td>
<td>16</td>
<td>25</td>
<td>27</td>
<td>37</td>
<td>48</td>
</tr>
<tr>
<td>Of which, male</td>
<td>4</td>
<td>5</td>
<td>3</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>No. of employees who took nursing care leave*8</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>No. of employees who took volunteer leave*8</td>
<td>175</td>
<td>141</td>
<td>1</td>
<td>4</td>
<td>0</td>
</tr>
</tbody>
</table>

---

*1 Data collected from: Tokyo Head Office and branches (Hokkaido, Nagoya, Osaka, Kyushu, and Shizuoka) (six principal sites). The Osaka Branch was relocated in July 2015, and energy usage for July was therefore calculated based on figures at both its previous and current site.

*2 CO₂ emissions: Emission amounts are calculated based on usage of electricity, city gas, fuel, and steam.

*3 Actual emission factors for electricity: Emissions from electricity are calculated using the separate actual emission factors for each electric power provider released by the Ministry of the Environment, Japan around December of each year.

*4 Emission factors for city gas: From the year ended March 31, 2012, to the year ended March 31, 2015, emissions were calculated using factors published by respective gas companies for the areas in which each of the six principal sites are located. For the year ended March 31, 2016, default factors are used from the system for calculating, reporting, and publishing greenhouse gas emissions (Ministry of the Environment, Japan).

*5 Greenhouse gas data (CO₂ emissions data) is verified by a third-party organization based on ISO 14064-3. Other environmental data is assured by the same third-party organization using the procedure of the principles of AA1000AS and ISAE 3000.

*6 All the indicators of social data for the year ended March 31, 2016, are assured by an external assurance provider based on international standard ISAE 3000.

*7 As of March 31.

*8 Figures for Marubeni Corporation (as of March 31).

*9 Figures for Marubeni Corporation and certified special-purpose subsidiary Marubeni Office Support Corporation (as of March 1).

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

*11 Figures for Marubeni Corporation indicate the total number of people who started using leave in the applicable fiscal year.
Independent Assurance Report

To the President and CEO of Marubeni Corporation

We were engaged by Marubeni Corporation (the "Company") to undertake a limited assurance engagement of the social performance indicators listed below for the period from April 1, 2015 to March 31, 2016 (the "Indicators") included in its Annual Report 2016 (the "Report") for the fiscal year ended March 31, 2016.

- Number of employees (Consolidated)
- Number of employees, Number of employees at domestic sites, Number of employees at overseas sites, Percentage of male and female employees, Average age of employees, Average service years, Number of managerial employees, Number of general managers or above, at the Company
- Employment rate of persons with disabilities at the Company and Marubeni Office Support Corporation
- Usage of annual paid leave, Number of employees who took maternity leave, Number of employees who took childcare leave, Number of male employees who took childcare leave, Number of employees who took nursing care leave, Number of employees who took volunteer leave, at the Company

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company’s reporting criteria"), as described in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with ‘International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and the ‘Practical Guidelines for the Assurance of Sustainability Information’ of the Japanese Association of Assurance Organizations for Sustainability Information. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing with the Company’s responsible personnel to obtain an understanding of its policy for the preparation of the Report and reviewing the Company’s reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical reviews of the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company’s reporting criteria, and also recalculating the Indicators.
- Evaluating the overall statement in which the Indicators are expressed.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company’s reporting criteria as described in the Report.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustainability Co., Ltd.
Tokyo, Japan
May 20, 2016
LRQA Assurance Statement
Relating to Marubeni Corporation's environmental indicators within the Annual Report 2016 for the fiscal year 2015

This Assurance Statement has been prepared for Marubeni Corporation in accordance with our contract but is intended for the readers of this Report.

Terms of Engagement
Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by Marubeni Corporation (MARUBENI) to provide independent assurance on its environmental indicators within its Annual Report 2016 for the fiscal year 2015, that is, 01 April 2015 to 31 March 2016 ("the report") against the assurance criteria below to a limited level of assurance using LRQA's verification procedure and ISO14064-3:2006 Specification with guidance for validation and verification of greenhouse gas assertions.

Our assurance engagement covered MARUBENI’s operations and activities at the six main offices in Japan and specifically the following requirements:

• confirming that the report is in accordance with MARUBENI’s in-house reporting procedures, and

• evaluating the accuracy and reliability of the selected environmental indicators:
  - Carbon dioxide (CO₂) emissions¹²
  - Electricity consumption¹³
  - Water consumption¹³
  - Waste generated¹⁵
  - Paper consumption
  - Recycling rate¹⁶, and
  - Green product procurement rate.

Note 1: The six main offices include the head office in Tokyo, and office branches in Hokkaido, Shizuoka, Nagoya, Osaka and Kyushu.
Note 2: Total CO₂ emissions attributed to electricity, city gas, steam, and fuel consumption.
Note 3: Electricity consumption and CO₂ emissions reported from head office in Tokyo and Osaka branch include associated companies located in each building.
Note 4: Water consumption data was not available and excluded for office branches in Nagoya, Kyushu and Shizuoka.
Note 5: General waste was not available and excluded for office branches in Osaka, Nagoya, Kyushu and Hokkaido.

Our assurance engagement excluded all operations and activities of MARUBENI and its associated companies, other than those specified above in Note 1, CO₂ emissions from transportation activities and mobile sources, and the data and information of its suppliers, contractors and any third-parties mentioned in the Annual Report 2016.

LRQA’s responsibility is only to MARUBENI. LRQA disclaims any liability or responsibility to others as explained in the end footnote. MARUBENI’s responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of MARUBENI.

LRQA’s Opinion
Based on LRQA’s approach nothing has come to our attention that would cause us to believe that MARUBENI has not:

• met the requirements above, and

• disclosed accurate and reliable environmental indicators.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites.

LRQA’s Approach
LRQA’s assurance engagements are carried out in accordance with LRQA’s verification procedure and ISO 14064-3 for greenhouse gas data. LRQA’s verification procedure is based on current best practice and uses the principles of AAF005AS (2008) - Inclusivity, Materiality, Responsiveness and Reliability of performance data and processes defined in ISAE3000. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

• assessing MARUBENI’s approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this through interview with those key people responsible and reviewing MARUBENI’s Annual Report 2015.
reviewing MARUBENI’s process for identifying and determining material issues to confirm that the right environmental issues were included in their Report. We did this by benchmarking reports written by MARUBENI and one of its major peers to ensure that sector-specific issues were included for comparability.

- auditing MARUBENI’s data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the report.

- visiting the head office in Tokyo to verify data as made available by MARUBENI.

**Observations**

Further observations and findings, made during the assurance engagement, are:

- **Stakeholder inclusivity:**
  We are not aware of any key stakeholder groups that have been excluded from MARUBENI’s stakeholder engagement process.

- **Materiality:**
  We are not aware of any material issues concerning MARUBENI’s environmental indicators that have been excluded from the report. MARUBENI determines the materiality with considerations of their stakeholders’ interests.

- **Responsiveness:**
  MARUBENI has processes and systems to identify and respond to stakeholders’ interests. However, we believe that future reports should cover MARUBENI’s environmental indicators that meet the growing interests of not only its local but also overseas stakeholders. This is particular to MARUBENI’s power generation business activities.

- **Reliability:**
  MARUBENI has established a well-defined and centralised system to collect and calculate its environmental indicators. MARUBENI also carries out an internal data verification process at the head office to ensure quality of the reported data.

**LRQA’s Competence and Independence**

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

LRQA is MARUBENI’s certification body for ISO14001. The verification and certification assessments are the only work undertaken by LRQA for MARUBENI and as such does not compromise our independence or impartiality.

Signed

Dated: 12 May 2016

Hidemi Tomita
LRQA Lead Verifier
On behalf of Lloyd’s Register Quality Assurance Limited
Queen’s Tower A, 10th Floor, 2-3-1, Minatomirai, Nishi-ku, Yokohama 220-6010, Japan
LRQA reference: YKA4004766

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