

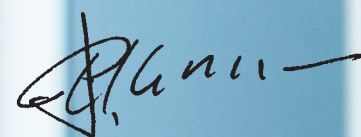
Message from the CEO



Marubeni, as a “Global crossvalue platform,” will continue to create new value and solutions for customers and society.

We anticipate the issues and challenges facing society and create innovative solutions for our customers and for the world, breaking down barriers between sectors, between internal and external, crossing borders, building on our existing business models and expanding into new markets.

We will generate new value by freely combining our Group’s strengths, internal and external expertise, individual dreams and visions, taking the Marubeni Group as one single platform.



Fumiya Kokubu
President and CEO



The Marubeni Group as a “Global crossvalue platform”

This year is the 160th since Marubeni’s foundation in 1858. We have been able to successfully navigate the changing times, grow and build today’s Marubeni by ceaselessly evolving to continue providing solutions to societal challenges and customer needs regardless of how the world changes.

Today we again find ourselves in a time of disruptive change. In response to such change, and to reaffirm our *raison d’être* and continue to grow our corporate value as a united group, now we depict the Marubeni Group as a “Global crossvalue platform.” The Marubeni Group is a unified mega-platform, not a mere assemblage of businesses. From this platform, we will create new value and solutions for customers and society by dynamically cross-pollinating our Group’s

strengths, internal and external ideas and the dreams and aspirations of each individual. This is how the Marubeni Group should be.

Today’s conventional wisdom will be rendered obsolete in the world of the future. The future will be built by the power of hopes, dreams and ideas. Our “Global crossvalue platform” is the new ground for each and every Marubeni Group employee. Age and job titles are irrelevant. Every Marubeni Group employee has dreams and aspirations and can lead a stellar career by fulfilling them by utilizing this stable platform. I commend employees’ desire to solve societal problems, no matter how small. I believe such motivation is the driving force behind growth in corporate value.



Global crossvalue platform
Marubeni

Survival Is Contingent on Adaptability to Change

The global economy is currently performing well, with developed economies, most notably the United States, holding firm as China and other emerging economies regain growth momentum. Meanwhile, new trends also are unfolding, including monetary policy normalization and developments in international politics mainly involving the United States and China. We expect change over the next decade, including digital technological innovation—so-called “digital transformation”—across industries, to far exceed that of any previous decade. While “digital” has become a key watchword, people’s mindsets and behavior have also been changing, as exemplified by the sharing economy. In particular, we feel that the values of Millennials, the core generation in terms of consumption, differ greatly from those of previous generations. If we cannot become fully attuned to the values of Millennials, we will not be able to gain sufficient insight into issues facing customers and society. Change is said to present opportunity but we do not

take that opportunity for granted. We are driven by a sense of crisis over the possibility that Marubeni may not survive unless we can successfully adapt to today’s changes, truly capitalize on them as opportunities and create new business models.

In the Global Challenge 2018 (GC2018) Medium-Term Management Plan, our vision for the Marubeni Group heading into 2020 is that we “will work to outperform the top players in business fields and markets across the world, aiming to become a true global company that contributes to both regional economies and society.” While this vision represents vertical progress, it also yields a “Global crossvalue platform” when combined with horizontal expansion. To provide solutions to the problems of society and customers in times of drastic change, we must foresee those problems and create new business models by synergistically

combining various elements from the Marubeni Group’s platform. We possess two unique advantages that enable us to do so. First, we own many prime assets overseas. Second, our networking capabilities enable us to freely build relationships with nearly any leading company in Japan or overseas, unconstrained by corporate group affiliations. The combination of these two advantages plus our expertise, know-how and, most importantly, the trust and proven track record we have built over the years constitute the mega-platform that is the Marubeni Group. To this platform, we add internal and external brainpower and digital catalysts such as IoT technologies to spark proverbial chemical reactions, through which we will realize a Marubeni Group that provides solutions to customers and society and continues to grow even amid a drastically changing business environment.

Initiatives Aimed at Creating New Value



We have launched various initiatives to realize a “Global crossvalue platform.” First, in April 2018 we established the Digital Innovation Department to spearhead Marubeni’s digital transformation. It will play a leading role in promoting digital strategies throughout the Marubeni Group and creating new business models synonymous with innovation through cross-organizational and cross-border activities. Marubeni Group employees have submitted many ideas, such as using AI (artificial intelligence) to forecast commodity market demand. We are currently testing about 20 of these ideas.

From the fiscal year ending March 2019, by increasing operating efficiency we have been able to start implementing a “15% rule.” This rule allows employees to devote up to 15% of their working hours to new future-oriented ideas. Additionally, we have launched Marubeni Academia as an innovation forum for the Group’s next-generation leaders. With a membership comprising



diverse personnel—men and women of many nationalities, of all ages and from countries around the world—Marubeni Academia is working to engender a shift to a mindset focused on a comprehensive platform that transcends the prevailing product-centric mentality while also incorporating external ideas. We are carrying out numerous initiatives to change the Marubeni Group’s collective mindset. For example, in the fiscal year ended March 2018, we held the Marubeni Miraizo (future vision) Taskforce sessions where middle-management personnel discussed how the Marubeni Group should ideally evolve going forward.

As a first step toward maximizing the use of our platform, we are conducting a project called Business Model Canvas, involving all Marubeni Group employees from around the world. The project offers a window into the Marubeni Group’s over 250 business models and core assets under the theme of “Know Marubeni.” Cross-organizationally sharing information internally on everything about the Marubeni Group, including our assets, products and customer networks, is one way to promote exchanges of know-how and ideas and catalyze chemical changes by synergistically combining businesses.

We are carrying out these initiatives with the mettle to eradicate the vestiges of Marubeni’s former culture marked by a strong silo mentality within each business. We will lay the groundwork for future earnings growth.

Pursuing Further Growth with a Healthy Crisis Mentality Following Last Fiscal Year’s Record Earnings

In the fiscal year ended March 2018, our consolidated net profit increased year on year by 36%, or ¥55.9 billion, to ¥211.3 billion, a new record and our first since the fiscal year ended March 2014. We achieved our GC2018 Medium-Term Management Plan’s profit target one year ahead of schedule. Of the ¥55.9 billion increase in net profit, non-resource businesses accounted for ¥28.9 billion and resource businesses for ¥27.0 billion. Profit growth in non-resource businesses was driven mostly by three business groups: Food & Consumer Products, Chemical & Forest Products and Transportation & Machinery. Profit growth in resource businesses was largely attributable to

GC2018 Medium-Term Management Plan Progress and Outlook

	GC2018 Medium-Term Management Plan (revised)	Results in fiscal years ended March 2017-18	Forecast for fiscal year ending March 2019
Consolidated net profit	¥200 billion in FYE 3/2019 (at least ¥180 billion from non-resource businesses)	¥211.3 billion in FYE 3/2018 (¥198.0 billion from non-resource businesses)	¥230 billion in FYE 3/2019 (at least ¥180 billion from non-resource businesses)
Free cash flow (after dividends)	Cumulative FCF surplus of ¥400–¥500 billion in FYE 3/2017–19	Cumulative FCF surplus of ¥494.6 billion in FYE 3/2017–18	Single-year FCF surplus of ¥100 billion in FYE 3/2019
Net debt/equity ratio	Approx. 1.0 times at March 31, 2019	1.04 times at March 31, 2018	Approx. 0.9 times at March 31, 2019
ROE	At least 10%	14.0% in FYE 3/2018	At least 10%
New investments	Cumulative total of ¥400–¥500 billion in FYE 3/2017–19. Invest selectively and strategically, mainly in non-resource businesses	Cumulative total of approx. ¥220 billion in FYE 3/2017–18	Invest selectively and strategically, mainly in non-resource businesses
Consolidated dividend payout ratio (annual DPS)	At least 25% of consolidated net profit	25.5% in FYE 3/2018 FYE 3/2017: ¥23 FYE 3/2018: ¥31	At least 25% FYE 3/2019: ¥34 (minimum)

higher coal and copper prices. We are also making steady progress in strengthening our financial foundation, a top priority of GC2018. We reduced debt by generating a high level of cash flow for a second consecutive fiscal year. Our net debt/equity ratio at March 31, 2018, was 1.04, a 0.16-point improvement from a year earlier. We raised our annual dividends to an all-time high of ¥31 per share, an ¥8 per share increase from the previous fiscal year, in accordance with our basic policy of maintaining a consolidated dividend payout ratio of “25% or more.” Our dividend forecast for the fiscal year ending March 2019 is ¥34 per share. We regard this forecast as a minimum and hope it will reassure our shareholders. Despite earning record net profit and achieving our GC2018 targets one year ahead of schedule, we will not slacken in our enthusiasm or resolve. On the contrary, we will maintain a healthy crisis mentality and pursue further growth.

The Marubeni Group Is Embracing the Future as a Unified Dream-Realization Platform

As Marubeni’s CEO, I tell every class of new recruits, “The most important thing for a general trading company employee is to have big dreams for your career. I want you to have strong resolve to not only achieve your personal dreams but also contribute to your customers’ businesses and local communities through your jobs.” Societies around the world today face many challenges related to sustainability, including environmental, food, energy and other resource issues. We are always proactively addressing these issues. We in the Marubeni Group have the power to resolve such societal issues and create new business opportunities amid change. This power stems from expertise and human networks amassed over decades and the corporate functions that support our

businesses in addition to our diverse business models, ample financial resources and information capabilities.

The Marubeni Group is a single mega-platform endowed with such tangible and intangible assets and functions. By fully leveraging this platform, all Group personnel can challenge themselves to achieve their respective dreams.

As CEO, I want our personnel to dream big. I believe that the Marubeni Group must serve as a stable launch pad that enables each and every Marubeni Group member to realize his or her dreams by leveraging the platform that is the Marubeni Group. By realizing our individual dreams through operational management tailored to regions, markets and businesses, we will help solve societal problems and contribute to the development of local communities.

While aiming to be a “Global cross-value platform,” the Marubeni Group will contribute to societal progress and regional economic development together with all of our stakeholders and realize sustained medium- to long-term growth in pursuit of corporate value maximization.



Marubeni creates new value by deploying various forms of capital in its business activities in pursuit of unrivaled strengths. The economic value and societal value (resolution of societal problems) thus created are shared broadly among stakeholders and reinvested in Marubeni's operations, leading to medium- to long-term growth in corporate value.

Marubeni's Value Drivers

COMPANY CREED

"Fairness, Innovation and Harmony,"

MANAGEMENT PHILOSOPHY

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

Our Inputs

Financial Capital

Strong financial foundation

Intellectual Capital

Operational know-how and brands amassed over decades

Human Capital

Diverse, professional workforce

Social and Relationship Capital

Partnerships/relationships of trust with local communities

Natural Capital

Global environment and natural resources underpin all businesses

Our Activities

Food Group

The Food Group globally operates a wide range of food-related businesses, supporting the everyday lives of people around the world by stably supplying safe and reliable food.

Consumer Products Group

The Consumer Products Group provides goods and services that support consumers' daily lives by optimally complementing its existing businesses' strengths and functions with IT/digital technologies in a broad range of consumer markets, including apparel, housing and communication infrastructure.

Chemical & Forest Products Group

The Chemical & Forest Products Group operates within the range of agricultural materials, chemicals and paper pulp. The Agri-Input Business Division has built up a platform providing various commodities and services, whereas the Chemical Products and Forest Products divisions respond swiftly to the needs of the market, to provide added value to customers.

Energy & Metals Group

The Energy & Metals Group operates in a wide range of businesses throughout the supply chain, including resource development, smelting, recycling, and trading raw materials and refined products. It continues to strengthen its earnings foundation by improving operational efficiency while helping to ensure stable resource supplies.

Power Business & Plant Group

The Power Business & Plant Group runs a diversified collection of economically and societally foundational infrastructure businesses, including power plants, water and sewage utilities, transportation systems and industrial plant businesses. It continues to accumulate stable, prime assets while enhancing its existing assets' value on an ongoing basis.

Transportation & Industrial Machinery Group

The Transportation & Industrial Machinery Group is active in a broad range of businesses involving aircraft, ships, automobiles, leasing, construction machinery and industrial machinery. While strengthening its operating companies' management, it is also strategically investing in new businesses with the potential to generate stable earnings.



CORE VALUES

Marubeni creates new value by deploying its strengths amassed over a 160-year history—most notably its core functions, expertise and know-how as an entrepreneurial trading company—across geographic borders and inter-industry boundaries. Marubeni is pursuing its own unique brand of value creation by organically fusing its Group’s strengths (human resources, businesses, goods and services, networks) with those of its investees, business partners and other external collaborators.

Our Outcomes

(As of March 31, 2018)

Financial Capital

Free Cash Flow: **¥203.7** billion
 Consolidated Net Profit: **¥211.3** billion
 Net Debt/Equity Ratio: **1.04** times
 Total Annual Dividends Paid: **¥45.1** billion

Intellectual Capital

History: **160** years since founding
 Consolidated Subsidiaries and Associates: **430**
 Sites: **130** in **66** countries/regions
(As of June 1, 2018)

Human Capital

Employees: **41,353**
(consolidated basis)
 Employees’ Average Tenure: **17.0** years
(parent company)
 Women in Management Positions: **+62 %**
(relative to 2014)

Social and Relationship Capital

Net Power Generation Capacity:
(52 overseas projects in 23 countries + 21 domestic projects)
12,219 MW
 Marubeni Foundation’s Cumulative Charitable Contributions:
(1975-2017)
¥4.3 billion

Cumulative Number of Charitable Contributions: **2,484**

Natural Capital

Population Served by Water Business (Gross):
(7 countries)
 approx. **13** million people
 Tree Plantation Area:
 approx. **210,000** ha

Sustainability Action Plan and Targets

Marubeni identifies material issues of importance in light of both its stakeholders' expectations and concerns and the impact of its own operations. It prepares a Sustainability Action Plan and Targets that link the material issues to plans and targets of individual organizational units and periodically discloses progress of its sustainability initiatives. To inform stakeholders of such initiatives in an easily understandable manner, some of the Sustainability Action Plan's initiatives and targets are presented below alongside the corresponding United Nations' Sustainable Development Goals (SDGs), of which there are 17.

Connection of SDGs to Material Issues for and Actions of Marubeni			
GOAL 2		End hunger, achieve food security and improved nutrition and promote sustainable agriculture	<ul style="list-style-type: none"> Developing businesses that solve social and environmental issues ⇒ Providing stable supply of food (meeting demands of Japan and other countries)
GOAL 6		Ensure availability and sustainable management of water and sanitation for all	<ul style="list-style-type: none"> Developing businesses that solve social and environmental issues Contributing toward community development and strengthening our operating base ⇒ Building the social infrastructure for the basis of daily life / Contributing toward improving and stabilizing the living standards of local communities
GOAL 7		Ensure access to affordable, reliable, sustainable and modern energy for all	<ul style="list-style-type: none"> Developing businesses that solve social and environmental issues ⇒ Stable supply of energy
GOAL 9		Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	<ul style="list-style-type: none"> Developing businesses that solve social and environmental issues Contributing toward community development and strengthening our operating base ⇒ Building the social infrastructure for the basis of daily life / Contributing toward improving and stabilizing the living standards of local communities
GOAL 12		Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> Protecting the global environment ⇒ Reducing food waste
GOAL 13		Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> Developing businesses that solve social and environmental issues ⇒ Promoting renewable energy
GOAL 14		Conserve and sustainably use the oceans, seas and marine resources for sustainable development	<ul style="list-style-type: none"> Developing businesses that solve social and environmental issues ⇒ Responding to the environmental impact caused by transportation/Preserving biodiversity
GOAL 15		Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	<ul style="list-style-type: none"> Developing businesses that solve social and environmental issues ⇒ Maintaining various functions such as global environmental conservation, biodiversity preservation, and soil conservation at the forests we possess



What Are the Sustainable Development Goals (SDGs)?

SDGs are common goals shared by the international community with regard to sustainable development from a social, economic and environmental standpoint. Adopted by the UN General Assembly in 2015, the SDGs consist of 17 goals and 169 targets to be realized by 2030. Marubeni supports the SDGs.

FYE 3/2017 Implementation Status	FYE 3/2018 Performance	FYE 3/2018 Implementation Status	Action Plan and Targets for FYE 3/2019
★★★	<p>Food Group: Grain Division Made good use of the Group's grain network owned by Marubeni, such as the origination functions of Gavilon Agriculture Investment, Inc. and Columbia Grain International, LLC, and the export terminal facilities of Terlogs Terminal Maritimo Ltda. and Pacificor, LLC, to export grain to Japan and other countries around the world, and contributed to a stable supply of grains.</p>	★★★	<p>Marubeni will continue to increase trading volume and develop its global markets, while also cultivating new harvesting areas and strengthening procurement.</p>
★★	<p>Power Business & Plant Group: Plant Division Maynilad in the Philippines, in which Marubeni has a 20% stake, signed a loan agreement with Japan Bank for International Cooperation (JBIC) and Japanese private banks to fund water supply expansion and non-revenue water measures. Additionally, the BOT project for the waterworks bureau of Chengdu City in China, in which Marubeni has a 40% stake, reached maturity after 18 years, and the water purification plant was turned over to Chengdu City. With the stable operation of our existing projects, we improved our corporate value. We continued development towards establishing new projects and EPCs.</p>	★★★	<p>In addition to optimizing its operation and stabilizing its earnings base on existing projects, Marubeni also intends to grow its business and develop new projects.</p>
★★★	<p>Energy & Metals Group: Energy Division Marubeni participated in LNG projects around the world including Qatar, Equatorial Guinea, Peru, and Papua New Guinea. Through the safe operation of existing projects, Marubeni responded to the increasing global demand for LNG. We maintained smooth operation of our existing projects.</p>	★★★	<p>Marubeni will ensure the smooth operation of existing projects while also seeking participation in new projects and trade.</p>
★★★	<p>Power Business & Plant Group: Power Business Division Through its IPP, EPC, O&M, power service and regulated power businesses, Marubeni's overseas net generating capacity has expanded to 11,765 MW in 23 countries as of the end of March 2018. Through expansion of its power service and regulated power business domains, Marubeni is working on stabilizing power systems, reducing environmental burden by diversification of fuels while strengthening its operational foundation.</p>	★★★	<p>Cognizant of the responsibilities involved in social infrastructure development, Marubeni places utmost priority on safety, including stable operation of its portfolio of power generation assets, while continuing to contribute to local communities by further strengthening its business base by developing new projects and creating new added value.</p>
★	<p>Food Group: Grain Division, Food Products Division We carried out activities for improvement based on the rules and guidebook on food safety in each division. We also work on food waste reduction and recycling, though it is still not sufficient, and we will continue such activities.</p>	★	<p>Marubeni will continue to reduce food waste and promote food recycling when food waste does occur.</p>
★★★	<p>Power Business & Plant Group: Power Business Division In Japan, Marubeni has developed a biomass power plant in Tsuruga, Fukui Prefecture, and a photovoltaic power project in Tomakomai, Hokkaido Prefecture, and commissioned them into commercial operation. Overseas, Marubeni has commissioned a photovoltaic power project into commercial operation in Chile and is a partner in a geothermal power project in Indonesia. In the UAE, Marubeni is constructing one of the world's largest photovoltaic power plants (scheduled to be completed in 2019). As for EPC, Marubeni is working on a geothermal power plant construction project, currently being implemented in Indonesia.</p>	★★★	<p>In addition to managing its portfolio assets, Marubeni will accelerate development of new renewable energy projects both in Japan and overseas. It will also work on development of related businesses, using storage batteries required for broader adoption of renewable energy. Additionally, in its domestic PPS business and power services business in the U.K., Marubeni will continue with renewable energy promotion by supplying electricity and other forms of energy, including renewables.</p>
★★★	<p>Transportation & Industrial Machinery Group: Aerospace & Ship Division Marubeni sells ballast water purification equipment for ships, and also provides energy-saving ships, conducting businesses for reducing the environmental burden caused by transportation. Marubeni has completed the sale of 41 units of ballast water purification equipment as of March 31, 2018. Marubeni is appropriately working on existing projects, while also seeking to develop new projects.</p>	★★★	<p>Marubeni will appropriately carry out existing trades, while also seeking to develop new deals.</p>
★★★	<p>Chemical & Forest Products Group: Forest Products Division Marubeni has been operating tree plantations since the 1990s. It currently manages some 210,000ha of land for afforestation at four sites in three countries. As for one project in Australia, Marubeni has finished the harvest, and completed the project as planned.</p>	★★★	<p>Marubeni manages 210,000ha of land for afforestation at three projects in three countries. It will continue to appropriately manage these projects and carry out sustainable forest management.</p>

★★★: Achieved goal ★★: Improving (but have not achieved goal) ★: Continuing efforts

The Marubeni Group's operations are supported by diverse stakeholders throughout the world. We accordingly recognize the importance of always listening to our stakeholders' opinions, putting our heads together with theirs and advancing as one. Cognizant of our Group business activities' societal and environmental impacts, we create and offer new value to help solve societal issues together with our stakeholders.

Together with Our Stakeholders

Customers/ Business Partners



Engagement Policy

Aiming to be a company that enjoys the trust and confidence of customers and business partners, we strive to develop and offer products and services that are useful to society as well as safe. Furthermore, we constantly strive to improve satisfaction and earn trust by responding sincerely to feedback from our customers and business partners.

Main Engagement Methods

- Integrated reports and official website
- Conscientious compliance with Marubeni's Corporate Principles and Basic Supply Chain CSR Policy
- Liaisons for website contacts
- Survey on supply chain CSR



Employees

Engagement Policy

We respect the individual values and life goals of each and every employee. We also work hard to eliminate all forms of discrimination and foster an atmosphere that is pleasant for all.

Main Engagement Methods

- Employee awareness surveys
- Compliance access point
- Marubeni Group publications and intranet
- Dialogue between management and employees
- Discussions with employees' labor union
- Training programs

Engagement Policy

We aim to become a valued member of the local communities where we do business, and to contribute to the creation of robust local districts. Overseas, we respect local laws, cultures and customs, and strive to operate our businesses in a way that contributes to local development. Furthermore, we are firmly opposed to antisocial forces and groups that threaten the order and safety of society.

Main Engagement Methods

- Social welfare programs funded by the Marubeni Foundation
- Support through overseas scholarships and donations
- Cooperation with NGOs and NPOs
- Dialogue with stakeholders
- Activities through economic and industry organizations
- Hosting of corporate visits
- Cultural contributions through the Marubeni Collection

**Environment/
Society****Shareholders/
Investors****Engagement Policy**

Marubeni is dedicated to meeting shareholders' expectations. We strive thus to enhance our corporate value by responding to changes in the business environment and maintaining stable profitability. In addition, we work to boost corporate value from social and environmental perspectives, and also disclose pertinent information in a fair and timely manner.

Main Engagement Methods

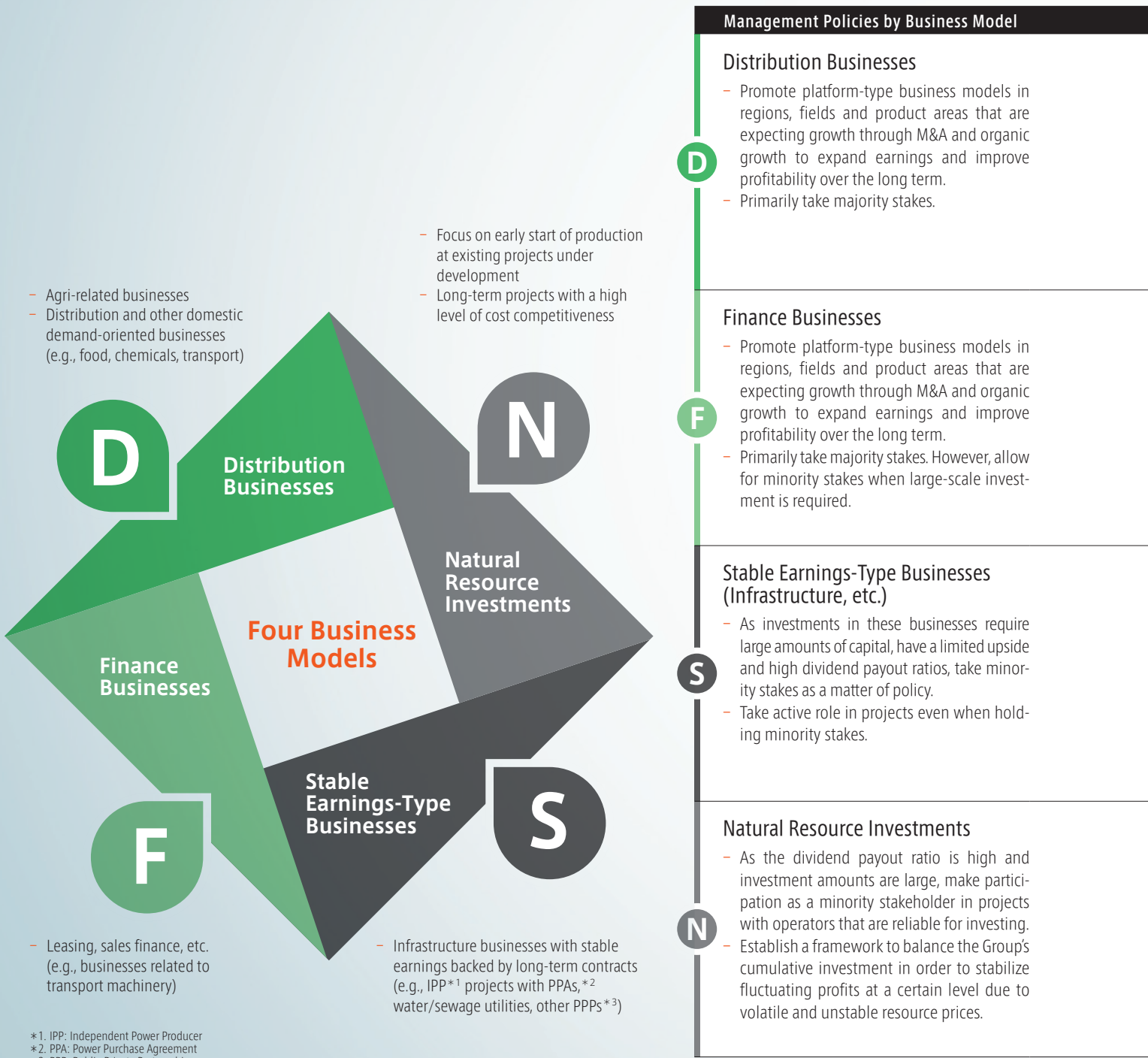
- Integrated reports, official website, shareholders' guides
- General meetings of shareholders
- Briefings for investors
- Other IR activities
- Response to ESG investment index providers' surveys

Engagement Record

Contents	FYE 3/2016	FYE 3/2017	FYE 3/2018
One-on-one meetings (with analysts and institutional investors)	345 times	255 times	267 times
Japanese investors	228 times	140 times	168 times
Overseas investors	117 times	115 times	99 times
Earnings briefings (for analysts and institutional investors)	4 times	4 times	4 times
Business briefings and tours (for analysts and institutional investors)	2 times	2 times	2 times
Briefings for individual investors	-	1 time	2 times

To globally build a foundation for long-term earnings growth, Marubeni is pursuing business and investment strategies tailored to its businesses' respective business models, operating environments and other attributes.

Management Policies by Business Model



Management Policies by Business Model

D Distribution Businesses

- Promote platform-type business models in regions, fields and product areas that are expecting growth through M&A and organic growth to expand earnings and improve profitability over the long term.
- Primarily take majority stakes.

F Finance Businesses

- Promote platform-type business models in regions, fields and product areas that are expecting growth through M&A and organic growth to expand earnings and improve profitability over the long term.
- Primarily take majority stakes. However, allow for minority stakes when large-scale investment is required.

S Stable Earnings-Type Businesses (Infrastructure, etc.)

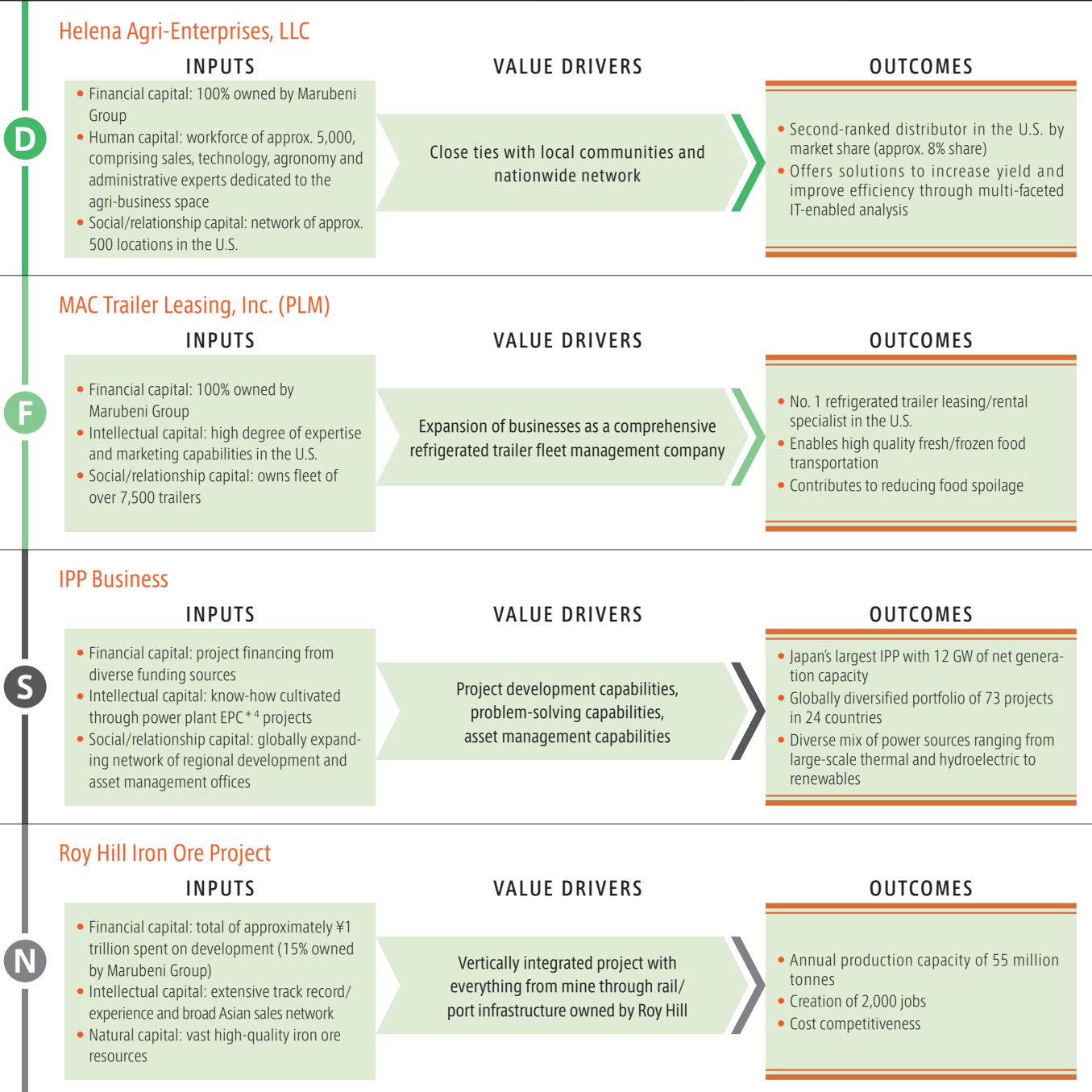
- As investments in these businesses require large amounts of capital, have a limited upside and high dividend payout ratios, take minority stakes as a matter of policy.
- Take active role in projects even when holding minority stakes.

N Natural Resource Investments

- As the dividend payout ratio is high and investment amounts are large, make participation as a minority stakeholder in projects with operators that are reliable for investing.
- Establish a framework to balance the Group's cumulative investment in order to stabilize fluctuating profits at a certain level due to volatile and unstable resource prices.

*1. IPP: Independent Power Producer
 *2. PPA: Power Purchase Agreement
 *3. PPP: Public-Private Partnership
 *4. EPC: Engineering, Procurement and Construction

Value Creation Process — Model Cases by Business Model





Distribution Businesses

Helena Agri-Enterprises

Pursuing a locally focused business model while maximally leveraging a nationwide network, Helena has established itself as one of the top U.S. agri-input retailers.



INPUTS

- Financial capital: 100% owned by Marubeni Group
- Human capital: a workforce of approx. 5,000, comprising sales, technology, agronomy and administrative experts dedicated to the agri-business space
- Social/relationship capital: network of approx. 500 locations in the U.S.

VALUE DRIVERS

- Highly knowledgeable and experienced sales force keenly attuned to customers' needs
- Own-brand product line, including crop protection products and value-added fertilizers
- Consulting service backed by deep agronomy knowledge and information technology

Helena's Strengths and Competitive Edge

- » Provides customers with all materials at every stage of farming from tilling through harvesting based on strategic partnerships with major suppliers
- » Deeply rooted in each region with geographic diversity
- » Exclusive product line including value-added fertilizers and additives for crop protection products
- » Employees well-versed in soil science, agricultural methods, and regulatory systems of individual regions
- » Consulting services leveraging AgTech knowledge
- » Accumulated understanding of customers' needs and sales people who provide solutions representing growers' interests

Marubeni operates an agri-input retail business in the U.S., the world's biggest agricultural producer, through its consolidated subsidiary Helena Agri-Enterprises. With some 150 million hectares of cultivated farmland, nearly quadruple the size of Japan's entire land area, and extremely diverse agri-input needs, the U.S. is at the forefront of the global agribusiness market.

Helena's growth into a top nationwide agri-input retailer involved a series of innovations. When Helena was acquired by Marubeni, its business model mainly revolved around sales of crop protection products.

Added value
through digital
technology



AGRIIntelligence – Precision Ag service

Agricultural production has historically been based on producers' personal knowledge and experience. Today, however, Helena offers multi-faceted analysis that utilizes digital technology to gain better visibility into customers' soil and crop conditions throughout the U.S. Based on such analysis, Helena provides individually customized programs, including which product to apply, at which rate, and when, to help customers increase their yield and operating efficiency.



OUTCOMES

Close ties with local communities and nationwide network

- Preferred distributor ranked second in the U.S. by market share (approx. 8% share)
- Offers solutions that increase yield and operating efficiency through multi-faceted IT-enabled analysis of soil and crop conditions

Marubeni and Helena have since developed a business model unique to Helena. The first step was to expand Helena's network to further extend the reach of its staff of locally focused sales consultants. By building a broad network, Helena has been able to gain a deeper understanding of growers' needs throughout the U.S., sharpen its competitive edge and expedite its growth. Helena currently continues to expand its operations by developing new services such as its state-of-the-art AGRIntelligence Precision Ag service to complement its product sales and consulting services.

Helena's success exemplifies Marubeni's distribution business management policy, the first of its business model-specific management policies. Helena always seeks to create new value from a customer-centric, not product-centric, perspective. It has created added value through differentiation based on its strengths (products, services, functions, etc.). These success drivers have helped Helena to cultivate new markets and accelerate its growth by providing customers with distinctive products and consulting services while leveraging its strong local networks, experience and track record as a platform. Going

forward, Marubeni will create even more value by globally propagating the expertise and know-how it has gained from Helena's innovations.

MAC Trailer Leasing

MAC Trailer Leasing, Inc. (PLM) has established a new business model by redefining its unique strengths through a focus on customer-oriented products and services.



INPUTS

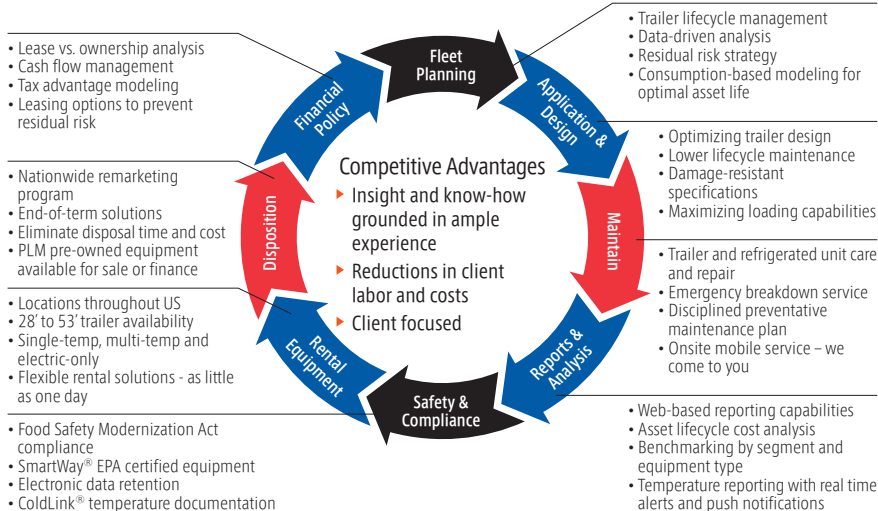
- Financial capital: 100% owned by Marubeni Group
- Intellectual capital:
 - High degree of expertise in specialty products/services
 - Nationwide marketing capabilities
 - Decentralized management by local personnel
 - 28 sales locations within the U.S.
- Social/relationship capital: owns fleet of over 7,500 trailers

VALUE DRIVERS

- Specialization in rental/leasing of refrigerated trailers
- GPS-enabled maintenance/operation management
- Control on trailer interior temperature
- Early compliance with new U.S. standards for transport and handling of frozen/refrigerated foods

PLM's Strengths and Competitive Edge

» Fleet management in pursuit of optimal refrigerated transport



Marubeni's Automotive & Leasing Division has a broad portfolio of businesses ranging from general leasing to specialized leasing for products and sales financing. One of its most successful businesses is PLM, which specializes in the refrigerated trailer leasing and rental business in the U.S. PLM achieved double-digit revenue growth over the five years through the fiscal year ended March 2018 by nimbly adapting to changes in U.S. consumer preferences and regulations.

Since joining the Marubeni Group in 2000, PLM formulated a new vision and embarked on business model reforms to realize its vision. In 2005,

Added value
through digital
technology



Pursuing greater customer satisfaction through digitalization of refrigerated trailer fleet management

PLM has been pioneering digital solutions for refrigerated trailer fleet management, including by rapidly deploying its ColdLink telematics system throughout the U.S. ColdLink is an integrated solution that controls, monitors and documents trailer temperatures. To further increase customer satisfaction, PLM is now digitally linking all its assets, including everything from fleet planning/analysis to maintenance, operational analysis/reporting and a portal site for customers.



OUTCOMES

Expansion of businesses as a comprehensive refrigerated trailer fleet management company

- No. 1 refrigerated trailer leasing/rental specialist in the U.S.
- Enables high-quality fresh/frozen food transportation throughout the U.S.
- Contributes to reducing food spoilage

PLM decided to focus on the refrigerated trailer leasing and rental business, in which PLM saw the potential long-term growth based on U.S. demographic trends. The execution of this change included improving its financial structure, such as replacing assets and cost reductions, in the face of the economic recession. Presently, PLM is expanding its business to provide fleet management services that include maintenance, GPS-enabled location and temperature monitoring, and consulting services for refrigerated trailers. At the same time, PLM continues to develop its refrigerated trailer leasing business to cater to a wide variety of clients.

PLM's success is a model case for the Finance Businesses under Marubeni's medium-term plan. PLM squarely faced its own strengths, and in doing so it gradually clarified the direction of its new business model by redefining those advantages. In focusing on its strengths, it pursued economies of scale by increasing its high-quality assets, such as refrigerated trailers and locations. Those assets were effectively utilized to secure funding. This led PLM to build a virtuous cycle: accumulate further quality assets, improve its products and services, then expand them throughout the U.S. In Finance Businesses, Marubeni adopts a basic

strategy of improving on its strengths through accumulating assets and improving its efficiency in the equipment leasing and sales financing business area of the transportation industry, and will invest in businesses which could be a potential platform for Marubeni to expand geographically. Moving forward, Marubeni will strive to use PLM's successful case to create even further value around the world.

Stable Earnings-Type Businesses



IPP Business

Realizing stable and sizable profits from a globally expanding portfolio of IPP*¹ projects through project development capabilities, problem-solving capabilities and asset management capabilities backed by a proven track record in overseas power projects.

*1. IPP: Independent Power Producer



INPUTS

- Financial capital: project financing from diverse funding sources
- Intellectual capital: know-how cultivated through power plant EPC*² projects
- Social/relationship capital: globally expanding network of regional development and asset management offices*³

VALUE DRIVERS

- Project screening
 - Local sales presence
 - Sourcing
 - Partner selection
- Development/construction
 - Negotiations with governments/customers
 - Power plant construction contracts (EPC contracts)
 - Arrangement of financing
 - Project management

Project development capabilities, problem-solving capabilities,

*2. EPC: Engineering, Procurement and Construction

*3. In Singapore, Dubai, Johannesburg, London, New York, Hong Kong, Abu Dhabi and Lisbon

IPP Business's Strengths and Competitive Edge

» Local sales forces

- Solid reputation through the reliable execution of contracts and competitiveness in EPC and IPP

» EPC project management capabilities and EPC/IPP synergies

- Price competitiveness and stable contract fulfillment capabilities in EPC business, a core competency
- Synergies between EPC and power plant construction management

» IPP project development capabilities/competitiveness backed by long track record

- Project development capabilities that are a source of competitiveness in international competitive bidding
- IPP project development problem-solving capabilities

» Project management capabilities

- Proactive project involvement/leadership
- Asset management staff overseeing owned assets
- Long-term market analysis and problem-solving capabilities gained from trying new business models in response to power market liberalization/deregulation

Marubeni originally became involved in the electric power business through its power equipment trading business before branching into the overseas EPC business in the 1960s. As infrastructure privatization gained momentum globally in the 1990s, Marubeni entered the overseas IPP business in pursuit of stable long-term earnings. In the 2000s, it launched an IWPP*⁴ business in the Middle East. It has since continued to diversify its upstream-through-downstream portfolio of power businesses, which now includes power plant O&M*⁵ and offshore wind turbine installation in addition to power wholesaling, renewable energy generation, power retailing (PPS*⁶) and power transmission and

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through digital
technology



Utilization of IoT technology and Marubeni's know-how in the power sector

In the power sector, Marubeni offers an IoT solution that detects barely perceptible anomalies as digital signals and enables them to be rectified. Moreover, our power-generation IoT solutions optimize operation by digitalizing operations and maintenance to eliminate reliance on human experience, which improves profitability and reduces environmental impact. Marubeni is also leveraging the knowledge of users and its expertise, experience and networks as an EPC/IPP player in implementing its IoT solutions for the power-generation assets owned by other power producers.



Image of completed project

OUTCOMES

- Asset management
 - Safe, secure, stable plant operation
 - Asset value enhancement

asset management capabilities

- Japan's largest IPP with 12 GW of net generation capacity
- Globally diversified portfolio of 73 projects in well-balanced mix of 24 developed and developing countries
- Diverse mix of power sources ranging from large-scale thermal and hydroelectric to eco-friendly renewables

distribution businesses. Today, Marubeni has 12 GW of net generation capacity spread across 24 countries, making it Japan's biggest IPP.

Marubeni's strengths in the power business were forged through repeated trial-and-error efforts to provide optimal solutions, inclusive of costs and turnaround time, to meet the needs of customers throughout the world. Capitalizing on these strengths, Marubeni transformed itself from a trading business that supplies certain power plant equipment into a prime contractor in power plant construction projects. It has amassed a track record as a provider of optimal, full turnkey solutions encompassing every step from plant design through commissioning and training of

plant operations and maintenance staff. In the IPP business, which has a broad scope that includes arranging private financing and operating power generation assets, Marubeni has arranged project financing from Japanese and foreign financial institutions and built a track record as an O&M partner of Japanese, European and American electric utilities. Marubeni's power business will continue to create value with the ultimate aim of contributing to the development of local communities by safely, securely and stably supplying electricity over multi-decade timespans based on the core mission of an infrastructure business pursuing sustainable growth in tandem with development of local communities.

The IPP business is the core of Marubeni's Stable Earnings-Type Businesses, the third of Marubeni's business model-specific management policies. This model is mainly targeted at infrastructure businesses with stable earnings backed by long-term contracts. Marubeni will remain actively engaged in stable earnings-type businesses in pursuit of earnings growth while closely monitoring risks and the changing times. In making new investments, Marubeni will build a business portfolio that continuously generates stable earnings, placing priority on capital efficiency and using innovative technologies such as IoT solutions to boost earnings.

*4. IWPP: Independent Water and Power Producer
*5. O&M: Operation and Maintenance
*6. PPS: Power Producer and Supplier

Natural Resource Investments



Roy Hill Iron Ore Project

Marubeni is contributing to the Japanese and other Asian steel industries by stably supplying high-quality, cost-competitive iron ore, capitalizing to the greatest extent on its general trading company functions from a long-term perspective.



INPUTS

- Financial capital: total of approximately ¥1 trillion spent on development (15% owned by Marubeni Group)
- Intellectual capital:
 - Extensive marketing experience and broad Asian sales network
 - Project financing expertise
- Social/relationship capital: construction material and heavy machinery supply support from Marubeni Group
- Natural capital: vast high-quality iron ore resources

VALUE DRIVERS

- Highly experienced management team that swiftly commissioned project into production
- State-of-the-art production management IT system, including remote operation capabilities
- Long-term sales contracts with leading Japanese/Asian steelmakers

Roy Hill Iron Ore Project's Strengths and Competitive Edge

» Strengths in terms of iron ore resources

- Huge deposit containing some 2.3 billion tonnes of iron ore
- High-grade iron ore
- Source of supply of prospectively scarce lump ore

» Operational strengths

- Cost competitiveness
- Vertically integrated operations, with everything from mine to rail/port infrastructure owned by Roy Hill
- State-of-the-art production control systems

» Human resource strengths

- Solid partnership among project owners
- Managed by highly experienced management team
- Broad sales network coupled with long-term sales contracts with Japanese/Asian steelmakers

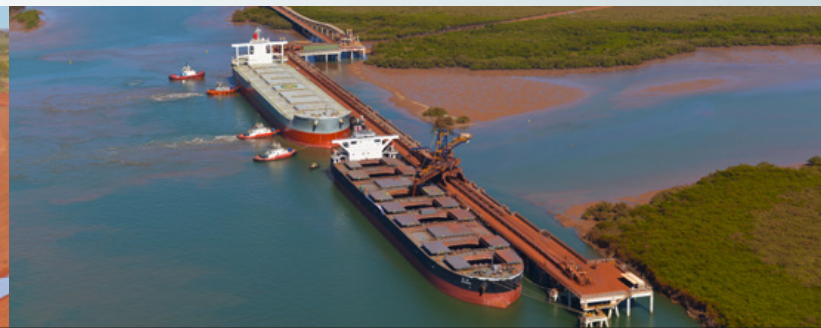
Marubeni owns 15% of the Roy Hill Iron Ore Project, the largest single iron ore mine in Western Australia's Pilbara region. A total of roughly ¥1 trillion has been spent to develop the project, which has annual production and shipment capacity of 55 million tonnes. The project's integrated mine, rail and port infrastructure are all owned by Roy Hill. Most of the mine's production is supplied to Japanese and other Asian steelmakers under long-term sales agreements. The mine has been shipping iron ore since December 2015 and ramped up to full capacity in September 2017. Marubeni is working together with the project's

Added value
through digital
technology



Using the IoT to optimize mine operations and improve safety and productivity

The Roy Hill Iron Ore Project is managed from a Remote Operations Center (ROC) in Perth, some 1,500km from the mine. The ROC remotely manages all processes from medium- to long-term mine planning to mining operations and shipping. Various automated equipment, including drilling rigs, samplers and lab facilities, are already in service at the mine site. Additionally, autonomous dump trucks are in the process of being planned. Roy Hill is using IoT technologies with the aim of optimizing mine operations and improving safety and productivity.



OUTCOMES

Vertically integrated project with everything from mine through rail/port infrastructure owned by Roy Hill

- Largest single iron ore mine in Western Australia's Pilbara region, with annual production capacity of 55 million tonnes
- Creation of 2,000 jobs in operating phase
- Cost competitiveness

other co-owners—Australia's Hancock Prospecting, Korea's POSCO and Taiwan's China Steel Corporation—to sustain the project's operations and improve their efficiency.

In Natural Resource Investments, of which the Roy Hill Iron Ore Project is a prime example, it is important to make initial investment decisions based on a long-term perspective. For the Roy Hill Iron Ore Project, Marubeni formulated a detailed investment plan and has been steadily implementing it, capitalizing to the greatest extent on its general trading company functions, including sophisticated financing capabilities, highly experienced human resources and broad business

networks. Financing the project's development proved difficult, but US\$7.2 billion of project financing was successfully arranged through 18 months of negotiations with a group of banks. The project's development stage entailed not only development of the mine but also construction of a 344 km* railway from the mine to its shipping port and construction of port facilities capable of accommodating large bulk carriers. All the infrastructure incorporates the latest technologies and products. The Marubeni Group's broad business networks played a key role in sourcing equipment and construction materials. Although already highly competitive

in terms of both production and shipping costs, the project will continue to create new value over the long term by adopting new digital technologies as they evolve.

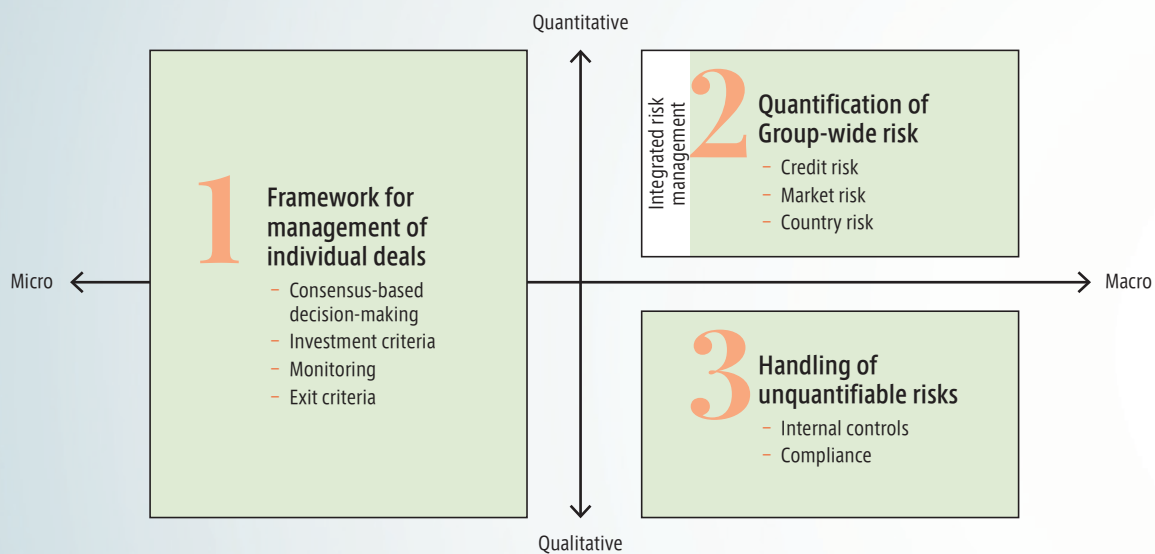
The Roy Hill Iron Ore Project exemplifies Marubeni's management policy for Natural Resource Investments, the fourth of its business model-specific management policies. The policy aims to create long-term value through asset ownership. Marubeni will put the expertise and know-how it has gained through the Roy Hill Project to good use in its future Natural Resource Investments.

* Equivalent to the distance between Tokyo and Nagoya

In conducting its diverse business activities, Marubeni manages risks through a multifaceted approach encompassing micro, macro, quantitative and qualitative perspectives. In an environment where exchange rates, resource prices and other financial and commodity market variables remain prone to substantial volatility, Marubeni practices integrated risk management by quantifying its maximum risk on a consolidated basis and keeping this maximum risk within the bounds of its total equity, which represents its risk-bearing capacity. While rigorously screening prospective investments on a case-by-case basis and monitoring them after they have been funded, Marubeni is also upgrading its internal control systems to prevent unforeseen losses.

Marubeni's Risk Management

Overview of Marubeni's Risk Management



Integrated Risk Management

Marubeni practices integrated risk management across its diverse operations spanning a broad range of sectors and geographic areas. Its integrated risk management incorporates both a macro view of the entire Marubeni Group and a micro focus on individual risks. In conducting integrated risk management encompassing all of its Group assets, Marubeni uses the VaR (value at risk) method to calculate its maximum risk, which it utilizes as a basic portfolio management input. VaR is calculated based on each risk exposure's attributes, such as the country and/or industry in which the risk resides and customers' credit ratings. It also factors in diversification effects and correlation coefficients.

Integrated risk management synthesizes various risk factors to quantify risk as a single monetary value. Marubeni precisely quantifies risk through computerized simulations that reflect the latest information. Based on the Marubeni Group's asset holdings' maximum downside risk (risk assets) as quantified by the VaR method, Marubeni calculates

PATRAC* as a key performance indicator. Marubeni uses PATRAC as one hurdle rate when screening individual prospective investments.

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

Credit Risk Management

Marubeni analyzes counterparties' credit risk both quantitatively and qualitatively and manages its credit risk in accordance with the degree of risk involved. Specifically, Marubeni uses a credit scoring model based on its own proprietary algorithms and ranks customers in terms of creditworthiness based on their financial statement data and other relevant considerations, such as country risk and creditworthiness, including that of the parent company. Utilizing these creditworthiness rankings together with qualitative assessments, Marubeni sets credit limits for individual counterparties. Marubeni also calculates allowances for credit losses based on collection periods, seeks to earn returns commensurate with risk and takes precautions against losses.

Market Risk Management

The various commodities in which Marubeni deals include crude oil, natural gas and grains, which pose a risk of substantial earnings volatility due to market price fluctuations. To avoid excessive risk exposure to any single commodity market, Marubeni currently manages the risk of such commodity price fluctuations by managing its commodity market positions that have commodity-by-commodity basis limits, and by regularly monitoring its positions in every commodity it trades.

Country Risk Management

Recognizing and managing unfolding events' positive or negative impacts on individual countries and businesses amid an ever-changing, increasingly complex global business environment has become more important than ever for Marubeni, given its ongoing aggressive investment in overseas businesses. Marubeni currently categorizes countries based on their degree of risk in hypothetical scenarios in which financial risk escalates simultaneously across multiple countries. Marubeni manages both its overall exposure to each category of countries and the risk of concentrated exposure to any single country or region, the latter by controlling its exposure to individual countries.

Additionally, Marubeni seeks to earn returns commensurate with risk through such means as setting profitability standards by country category.

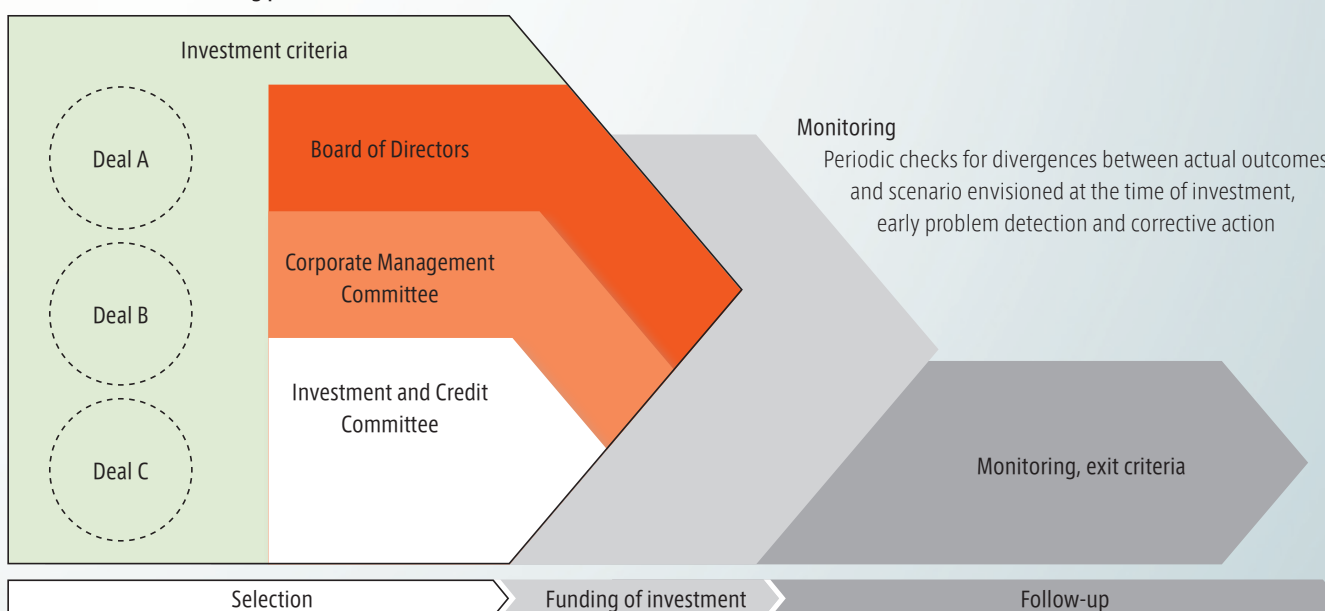
Management of Individual Deals, Investment Decision-Making Process

For individual deals such as significant business investments, Marubeni has a risk management regime spanning every step from entry through exit based on consensus-based decision-making and monitoring.

New prospective deals are first screened against quantitative criteria. If a deal meets the criteria, the business group involved in the deal submits an outline of the deal, a business plan and other relevant information. In response to the submission, concerned corporate staff groups submit their views on the deal, including the results of qualitative and quantitative risk analyses, to the Investment and Credit Committee. The Investment and Credit Committee assesses the deal, taking into account not only risk analyses and the individual deal's business prospects but also company-wide concentration risk. The deal is then forwarded to the Board of Directors for further scrutiny and approved by the President. Deals that exceed a certain materiality threshold are approved by a Board of Directors' resolution.

Once an investment has been made, the business group monitors it. Highly material investments, however, are monitored more closely to facilitate early problem detection and corrective action. The Investment and Credit Committee, Corporate Management Committee and Board of Directors periodically receive reports on investments' current status. When an investment fails to meet exit criteria or is otherwise deemed to require action of some sort, a course of action is decided upon through a consensus-based decision-making process.

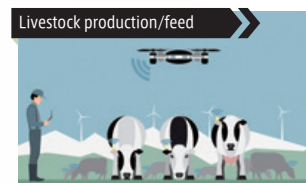
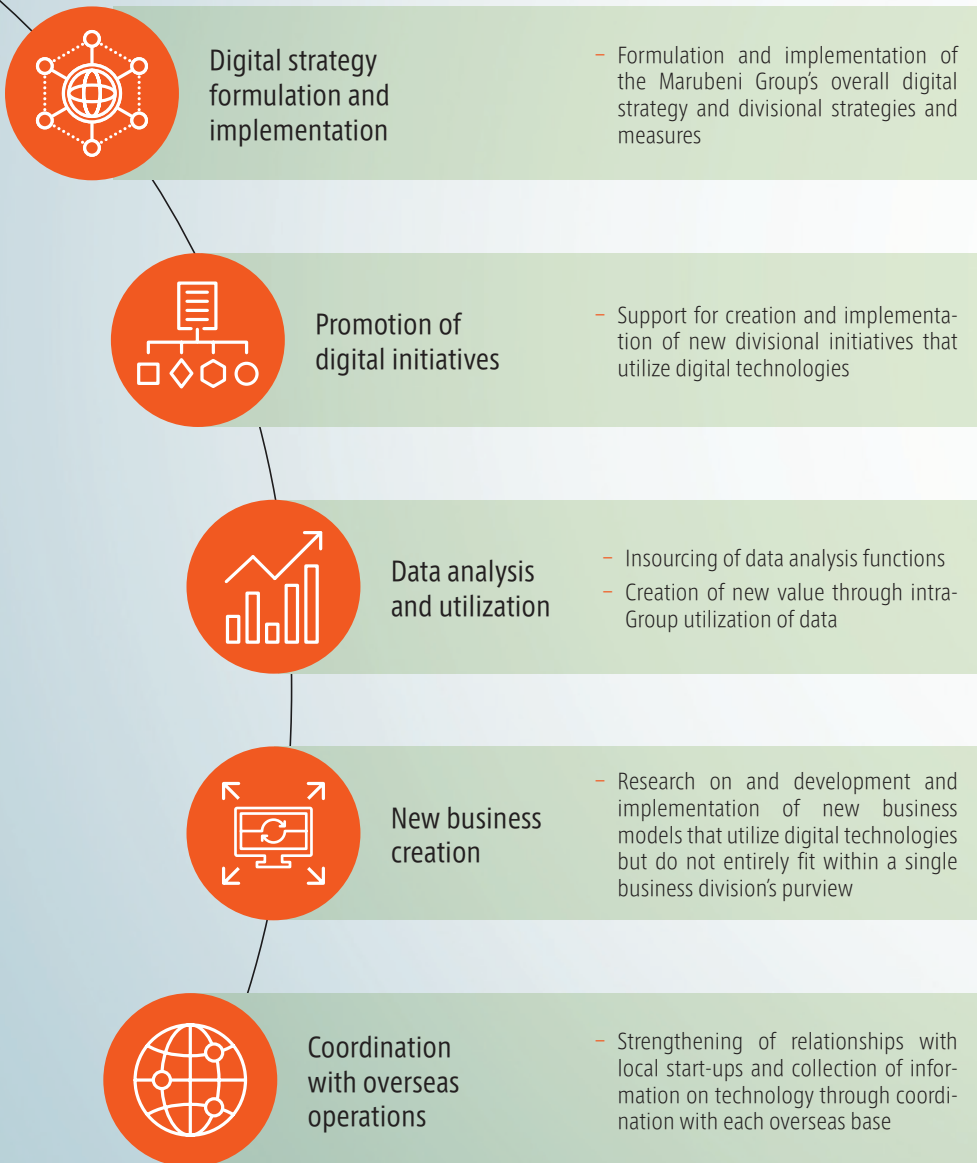
Investment decision-making process



Digital transformation is accelerating in every industry, driven by rapid advancements in digital technology. While this trend constitutes a major growth opportunity for Marubeni, the resultant creative destruction of existing businesses is potentially a major threat. Amid such an overarching trend, Marubeni is upgrading existing businesses, promoting creation of new value and accelerating its own company-wide digital transformation by deploying digital technologies and reassessing the roles and worth of businesses and assets throughout the Marubeni Group.

Harnessing Digital Transformation

Digital Innovation Dept.: Upgrading existing businesses and creating new value by utilizing digital technologies



Note: Illustrative images of projects

Spearheading Digital Transformation throughout the Marubeni Group

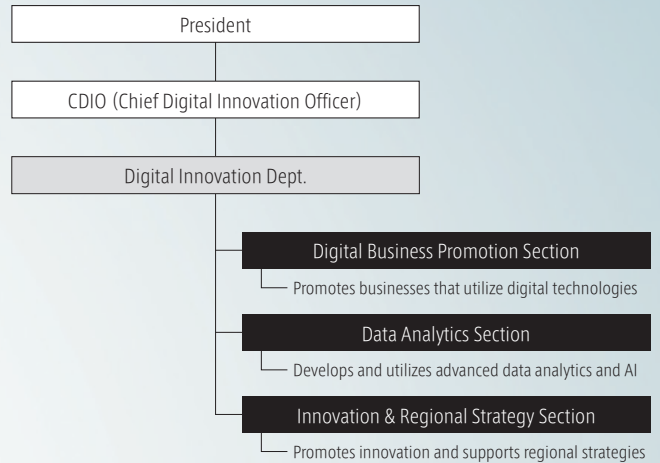
In April 2018, Marubeni established a Digital Innovation Department as a successor of its former IoT/Big Data Department. The Digital Innovation Department’s role is to spearhead upgrades of existing businesses and creation of new value-creative business models across all of the Marubeni Group’s business domains in response to changes in the business environment in the wake of digital technologies’ rapid advancement.

Marubeni is currently pursuing differentiation strategies that employ digital technologies to amplify Marubeni Group businesses’ uniqueness and strengths in various business domains. It is identifying digital transformation’s potential benefits on the front lines of each of its business domains and endeavoring to differentiate its businesses and increase their value through vertical (product-by-product) and horizontal (company-wide) approaches.

Vertical and Horizontal Approaches

Through the vertical approach, Marubeni carries out and supports proof-of-concept (PoC) programs and creation of new front-line initiatives in various businesses to identify new seeds of value creation through use of digital technologies. With the horizontal approach, Marubeni picks up key themes from a company-wide perspective and is considering using them for the entire Marubeni Group. It is currently working on the themes listed at right and successfully adding new themes.

Digital Innovation Department’s Organization



(Other)
 - Has personnel posted in the U.S. (Silicon Valley), Israel (Tel Aviv) and China (Shenzhen)
 - Shares personnel with four divisions within Marubeni

Key Horizontal Approach Themes

1. Predictive maintenance and operational optimization
2. Optimization of supply chain management
3. AI utilization
4. Fintech
5. Digital marketing

Example of Digital Tech Initiative



IFME footwear’s use of digital technology – Shoe size measurement app PoC

IFME is an original children’s footwear brand of Marubeni Footwear Inc. It is committed to healthy development of children’s feet. Marubeni Footwear develops IFME shoes in collaboration with academic researchers based on concepts that have remained unchanged for over 15 years since the brand’s inception. No matter how good IFME shoes are, they will not lead to healthy foot growth unless customers select the proper size for their children’s growing feet. Out of a desire to help busy parents easily select shoes for their children, IFME came up with the idea of using AR (augmented reality) technology to develop a smartphone app that easily measures children’s shoe size to help parents buy shoes in the right size. The app has been through the PoC stage and is scheduled for release. It has potential to be a major growth catalyst for the IFME brand by directly connecting customers with the brand.

Orchestrating a Strategic Value Upgrade

We will increase the Marubeni Group's medium- to long-term corporate value by rigorously pursuing the strategic edge of businesses and layering income streams one atop another.

Nobuhiro Yabe

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



Q1.

How much progress has Marubeni made in strengthening its financial foundation as a top priority?

A1.

We are strengthening our financial foundation faster than planned, having generated high levels of cash flow for two consecutive fiscal years.

To achieve the GC2018 plan's top priority of strengthening our financial foundation, we have been implementing various initiatives to maximize cash flow through such means as enhancing the earnings power of existing businesses, improving operating capital

efficiency, investing more selectively and expediting asset turnover. As a result, our consolidated net profit for the fiscal year ended March 2018 set a new record (¥211.3 billion) for the first time since the fiscal year ended March 2014. We also generated substantial cash flow. Our free cash flow (sum of cash flows from operating and investing activities) was positive ¥203.7 billion, giving us a cumulative free cash flow surplus of ¥494.6 billion over the GC2018 plan's first two years.

We largely used this cash flow to pay down debt. At March 31, 2018, our net debt/equity ratio stood at 1.04, a 0.16-point improvement from a year

earlier. We achieved the GC2018 targets one year ahead of schedule. We are pleased with our steady progress in improving our financial foundation.

Reducing our level of leveraging is an important consideration in maintaining or improving our credit ratings, an important consideration for a company that raises capital globally like we do. We are now targeting a net debt/equity ratio of around 0.8 by March 31, 2021, at the latest. To achieve sustained growth irrespective of how the external environment may change in the future, we believe we must continue to maintain a solid financial foundation that enables us to assume risks. We will accordingly continue to strengthen our financial foundation.

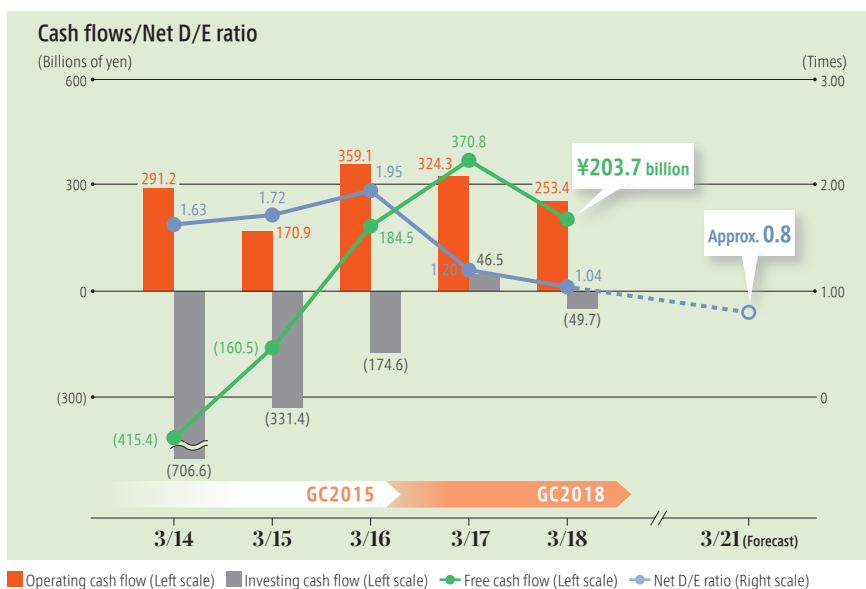
Q2.

How much did Marubeni invest in the fiscal year ended March 2018 and what is its investment strategy going forward?

A2.

We conduct highly selective investments in pursuit of strategic advantage instead of investing to acquire near-term earnings.

Creating new businesses and strengthening and expanding existing ones are essential to increase our



New Investments in First Two Years of GC2018

(Billions of yen)

	FYE 3/2017	FYE 3/2018	Two-year total
Total new investments	Approx. 110	Approx. 110	Approx. 220
D Distribution Businesses	Approx. 25	Approx. 45	Approx. 70
F Finance Businesses	Approx. 15	Approx. 20	Approx. 35
S Stable Earnings-Type Businesses (Infrastructure, etc.)	Approx. 70	Approx. 40	Approx. 110
N Natural Resource Investments	Approx. 0	Approx. 5	Approx. 5
Revised GC2018 Plan (3-year total)	400 – 500 Selective, strategic investments, mainly in non-resource businesses		

corporate value over the medium to long term. We plan to invest ¥400-¥500 billion over the GC2018 plan's three-year term. During the two years through March 2018, we selectively and strategically invested a cumulative total of about ¥220 billion, mostly in non-resource businesses. This two-year total is in line with our medium-term management plan's target.

We have classified each of our businesses into four models (distribution businesses, finance businesses, stable earnings-type businesses and natural resource investments) based on their characteristics. Among the three non-resource business models, we believe distribution businesses in particular have the most upside potential as prospective growth drivers. Our basic approach to investing in distribution businesses is to gain control of management, governance and cash flow by acquiring a majority stake. We also place importance on how much new value we can create by synergistically combining our strengths with investees' strengths and how we can elicit more value from an investee as its owner. For the management teams of investees, we appoint executives best qualified to run the investee's business without limiting the pool of candidates to Marubeni personnel.

All of our most recent investments* are deals from which we expect to increase profits by combining Marubeni's and the investees'

respective strengths based on the respective strategies of each business division. We aim to accelerate growth in our businesses by leveraging Marubeni's mega-platform. We will continue to grow Marubeni's medium-to long-term corporate

value by rigorously pursuing the strategic edge of businesses and layering income streams one atop another.

* See pages 34-35 for details of our most recent investments in Distribution Businesses.

Q3.

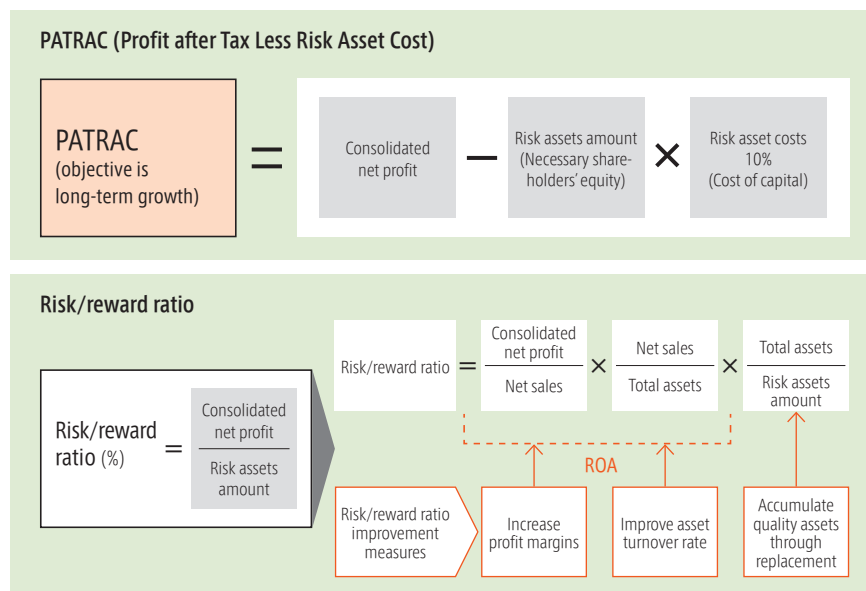
How is Marubeni boosting capital efficiency to enhance corporate value?

A3.

We will manage our operations with an awareness of cost of capital.

Our operating environment is changing rapidly, so we must capture returns while assuming a certain amount of risk. We believe that rigorously pursuing returns in excess of cost of capital while executing optimal financial and investment strategies will lead to growth in Marubeni's corporate value.

In GC2018, we have set an ROE target of at least 10% as one key management metric of our returns. We are endeavoring to effectively utilize our equity. We are managing our operations with a greater awareness of cost of capital than we had in the past. Using PATRAC as an original management metric in pursuit of returns in excess of cost of capital, we make investment decisions after determining on a case-by-case basis whether prospective investments can deliver returns commensurate with their risks and in excess of their cost of capital. Even after we have invested, we use PATRAC to individually monitor investments. We efficiently allocate management resources by divesting unprofitable or inefficient assets and reinvesting the proceeds in better assets. In addition to making new investments based on the investment strategy we explained in the answer to the previous question, we aim to continue to increase our capital efficiency through initiatives to improve profitability by such means as further strengthening the earnings power of businesses and expediting turnover of assets with inadequate future prospects.



In accordance with “Management Policies by Business Model” in the GC2018 Medium-Term Management Plan, Marubeni is pursuing business and investment strategies tailored to the characteristics of its businesses and operating environments, which vary among its four business models.

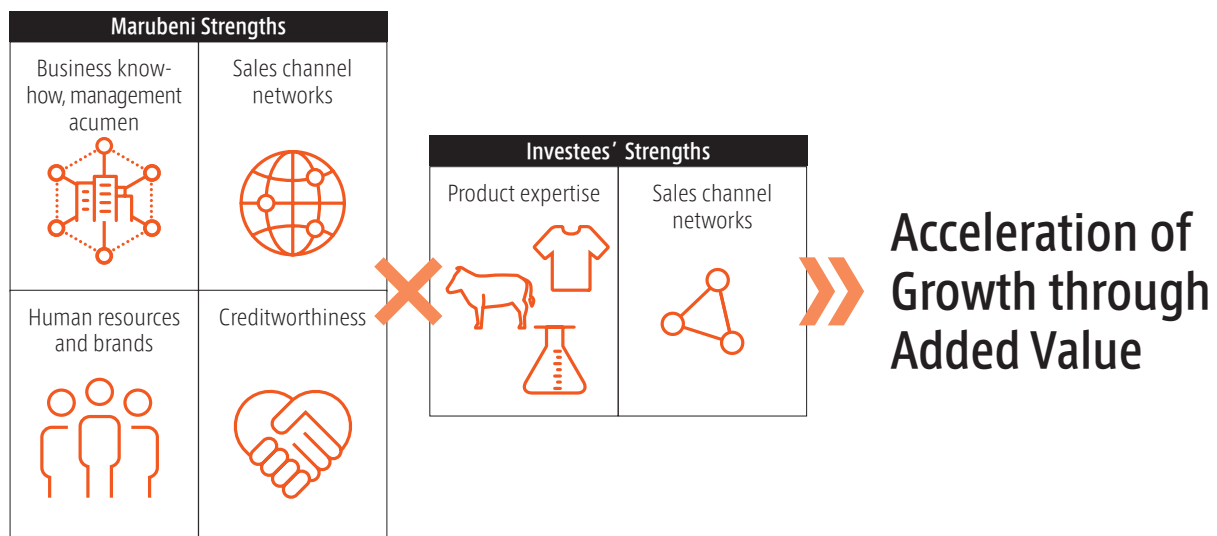
Distribution Businesses in particular generate value across a broader range of business domains than any of the other business models. They accordingly constitute the cornerstone of Marubeni’s current growth strategy. This strategy revolves around engaging in organic growth and/or M&A to acquire businesses with favorable prospects of geographic, market or product-line expansion as a platform to pursue long-term earnings growth and margin expansion.

Below are examples of growth strategies for Distribution Businesses, selected from among businesses acquired in the fiscal year ended March 2018.

Shifting to a ‘Business Strategy’ from an ‘Investing Strategy’

Growth Strategy in Distribution Businesses

- Manage businesses not as investments for investment’s sake but with the aim of boosting corporate value by growing the businesses.
- Thoroughly explore whether new value can be created by combining the Marubeni Group’s strengths with investees’ strengths. Also focus on whether Marubeni can elicit more value from investees as their owner.
- Grow businesses by exercising leadership with respect to investees’ management, governance and cash flows through acquisition of majority stakes.
- In managing investees, appoint optimally qualified executives who will contribute to maximizing the value of the investees’ businesses.





Food Group
Food Products Division

Creekstone Holding (Creekstone)

Creekstone's Earnings Sources and Strengths

- Ability to stably source high-quality Black Angus beef including natural (e.g., non-hormone treated, antibiotic-free) cattle
- Broad brand recognition in high-end retail channels under the Creekstone brand name; distinctly differentiated from competitors

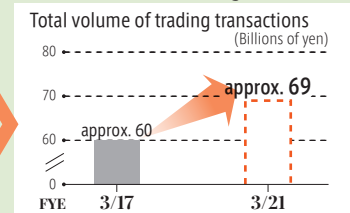
Value-Additive Initiatives Utilizing Marubeni's Strengths

- Expand sales to Japan, China, and other Asian countries through our global regional offices and the sales channels of Rangers Valley Cattle Station (RV), a Marubeni Group company in Australia.
- Strengthen stable sourcing capabilities by using RV's cattle feedlotting know-how to build stronger bonds with cattle ranchers.
- Improve productivity by utilizing subsidiary Wellfam Foods' know-how for increasing yields and processing efficiency in its domestic broiler business.

Marubeni Strengths	
High-value-added cattle (high-end)	Asian sales channels
RV brand	Cattle-fattening and yield-improvement know-how

Creekstone's Strengths	
High added value (upper mid-end)	U.S. sales channels
Creekstone brand	

Value-Additive Initiative Targets



Consumer Products Group
Lifestyle Division

Saide Tekstil Sanayi ve Ticaret (Saide)

Saide's Earnings Sources and Strengths

- Ability to plan merchandise with high retail sell-through rates that meets customers' needs based on the latest trends in major cities around the world
- Alliances with over 100 fabric makers and over 80 garment manufacturers in Turkey and a short-turnaround production platform adaptable to retail market conditions
- Strong relationship with European SPAs*

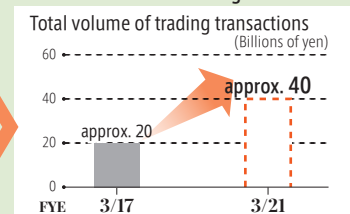
Value-Additive Initiatives Utilizing Marubeni's Strengths

- Realize mass production and stable supplies by utilizing the Marubeni Group's existing production infrastructure in Saide's sales channels.
- Supply merchandise carried by Marubeni Group companies, including footwear and accessories, through Saide's sales channels.
- Build a short-turnaround production model in Asia and supply merchandise to Asian SPAs in addition to Marubeni's sales channels

Marubeni Strengths	
Sales channels in Asia	Sourcing network
Stable mass production	

Saide's Strengths	
Sales channels in Europe	Ability to plan merchandise
Short-turnaround production	

Value-Additive Initiative Targets



*SPA: Specialty store retailer of private label apparel



Chemical & Forest Products Group
Chemical Products Division

Olympus Holding (Orffa)

Orffa's Earnings Sources and Strengths

- Strong customer base comprising some 800 companies, mostly in Europe
- Full product line from commodity products through high-performance products
- Sales volume among the largest in Europe, unrivaled price competitiveness and stable sourcing capabilities
- Strong product development capabilities, including collaborations with leading-edge European universities and research institutions

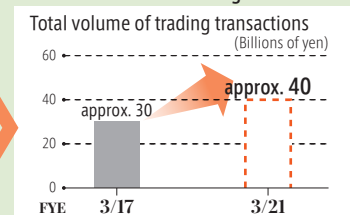
Value-Additive Initiatives Utilizing Marubeni's Strengths

- Develop collaborations with the many Marubeni Group companies in agricultural or livestock-related businesses, including Gavilon, Marubeni Nisshin Feed, and RV, in addition to Marubeni's overseas network.

Marubeni Strengths	
Global sales channels	Agricultural/livestock-related businesses

Orffa's Strengths	
Product development capabilities	European sales channels
Product brands	

Value-Additive Initiative Targets



Performance Highlights

Medium-Term Management Plan

“G” PLAN

SG2009

SG-12

U.S. GAAP

Fiscal years ended March 31,	2007	2008	2009	2010	2011
For the year:					
Revenue, Total volume of trading transactions*1	¥9,554,943	¥10,631,616	¥10,462,067	¥7,965,055	¥9,020,468
Gross trading profit	531,171	596,916	644,803	491,673	522,152
Operating profit*2	165,020	200,153	234,065	118,926	145,774
Dividend income	20,705	23,645	27,719	23,561	19,200
Share of profits of associates and joint ventures	44,880	55,661	21,973	28,864	71,452
Profit for the year attributable to owners of the parent (Net profit)	119,349	147,249	111,208	95,312	136,541

At year-end:

Total assets	¥4,873,304	¥ 5,207,225	¥ 4,707,309	¥4,586,572	¥4,679,089
Net interest-bearing debt	1,843,445	2,001,977	1,911,607	1,706,397	1,615,634
Total equity	820,839	860,581	623,356	799,746	831,730

Amounts per share (¥, U.S.\$):

Basic earnings*5	¥ 72.41	¥ 84.93	¥ 64.04	¥ 54.89	¥ 78.63
Cash dividends	10.00	13.00	10.00	8.50	12.00

Cash flows:

Net cash provided by operating activities	¥ 152,075	¥ 235,290	¥ 343,618	¥ 280,610	¥ 210,044
Net cash used in investing activities	(135,147)	(306,855)	(387,069)	(35,207)	(128,495)
Free cash flow	16,928	(71,565)	(43,451)	245,403	81,549
Net cash (used in) provided by financing activities	24,819	65,865	257,608	(254,655)	(17,010)
Cash and cash equivalents at end of year	414,952	402,281	573,924	570,789	616,003

Ratios:

ROA (%)	2.52	2.92	2.24	2.05	2.95
ROE (%)	16.94	19.31	16.51	14.52	17.98
Shareholders' equity ratio (%)*6	15.3	15.0	12.0	16.2	16.5
Net debt-equity (D/E) ratio (Times)	2.25	2.33	3.07	2.13	1.94

*1. Reflecting "Total volume of trading transactions" until FYE 3/2013 and "Revenue" from FYE 3/2014 onward.

*2. "Total volume of trading transactions" includes all transactions involving the Company and its consolidated subsidiaries regardless of transaction type.

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

*4. U.S. dollar amounts above and elsewhere in this report are converted from yen, for convenience of readers only, at ¥106 to U.S.\$1, the exchange rate prevailing on March 31, 2018.

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

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

*7. Shareholders' equity = Total equity - Non-controlling interests - Perpetual subordinated loan-related items

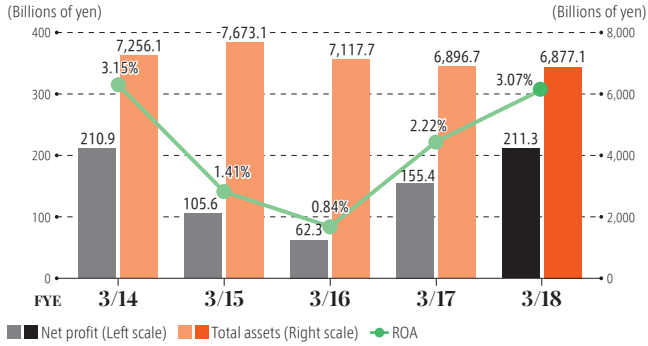
GC2015

GC2018

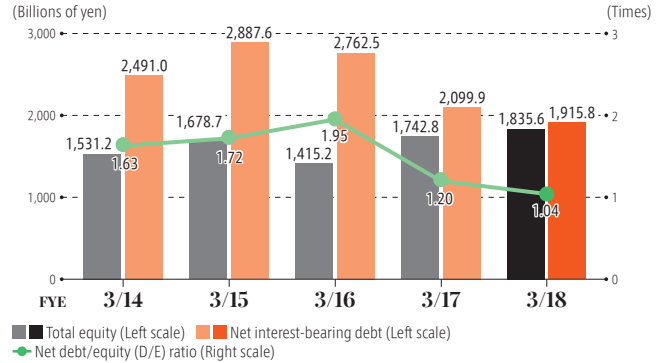
IFRS							(Millions of yen)	(Millions of U.S. dollars)*3
2012	2013	2014	2015	2016	2017	2018	2018	
¥10,584,393	¥10,509,088	¥7,055,700	¥7,834,295	¥7,300,299	¥7,128,805	¥7,540,337	\$71,135	
541,454	528,194	651,063	707,318	670,086	613,880	677,237	6,389	
157,315	122,932	157,462	160,688	104,231	91,597	118,054	1,114	
27,351	30,112	34,917	34,957	18,555	17,512	21,254	201	
81,528	87,790	99,405	89,919	31,824	114,725	148,503	1,401	
172,125	205,696	210,945	105,604	62,264	155,350	211,259	1,993	
¥ 5,129,887	¥ 5,965,086	¥7,256,085	¥7,673,064	¥7,117,686	¥6,896,733	¥6,877,117	\$64,878	
1,755,705	1,785,247	2,491,043	2,887,608	2,762,453	2,099,939	1,915,824	18,074	
915,770	1,188,379	1,531,231	1,678,713	1,415,202	1,742,758*3	1,835,637*3	17,317	
¥ 99.13	¥ 118.48	¥ 121.52	¥ 60.85	¥ 35.88	¥ 88.08	¥ 119.43	\$ 1.13	
20.00	24.00	25.00	26.00	21.00	23.00	31.00	0.29	
¥ 172,599	¥ 295,734	¥ 291,188	¥ 170,943	¥ 359,132	¥ 324,263	¥ 253,423	\$ 2,391	
(273,689)	(210,878)	(706,585)	(331,411)	(174,596)	46,504	(49,742)	(469)	
(101,090)	84,856	(415,397)	(160,468)	184,536	370,767	203,681	1,922	
171,913	129,030	196,779	(70,705)	(36,268)	(258,123)	(269,507)	(2,543)	
677,312	919,475	665,498	469,106	600,840	704,972	625,834	5,904	
3.51	3.71	3.15	1.41	0.84	2.22	3.07		
21.17	20.74	16.67	7.28	4.39	11.09	13.97		
16.6	19.0	19.1	19.8	18.5	20.9	22.2		
1.92	1.50	1.63	1.72	1.95	1.20	1.04		

Financial Data

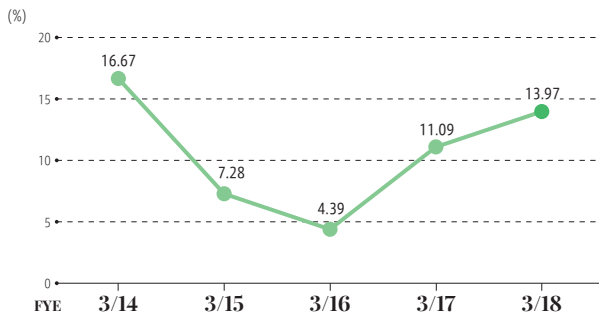
Net profit/Total assets/ROA



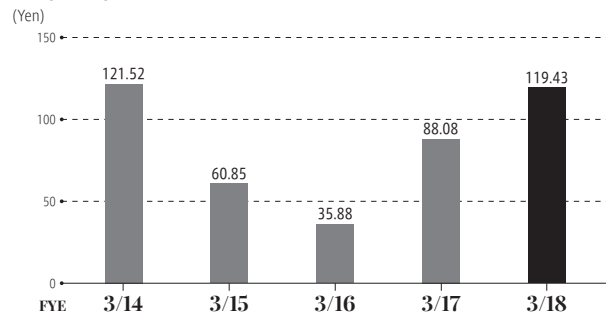
Total equity/Net interest-bearing debt/Net debt/equity (D/E) ratio



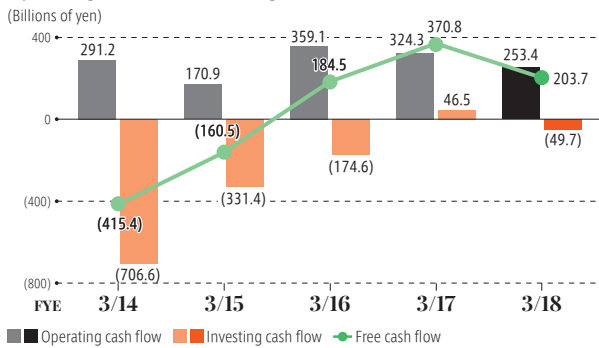
ROE



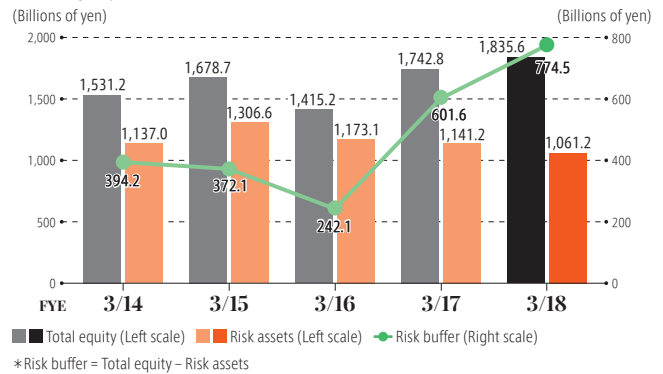
Net profit per share (basic)



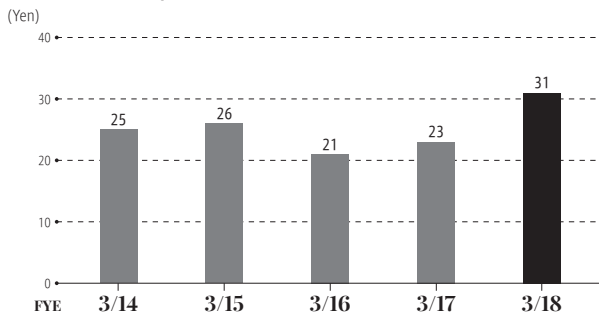
Operating cash flow/Investing cash flow/Free cash flow



Total equity/Risk assets/Risk buffer*



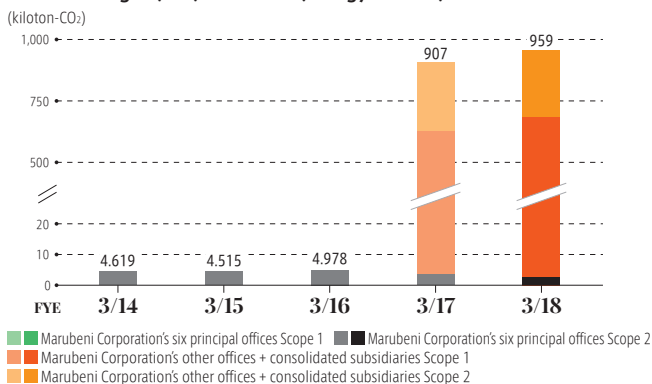
Annual dividend per share



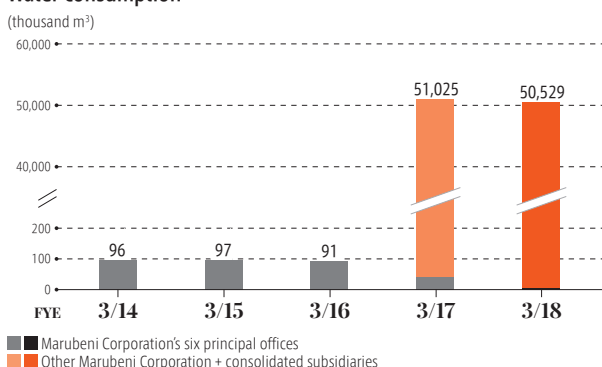
Non-Financial Data

ENVIRONMENTAL DATA *1

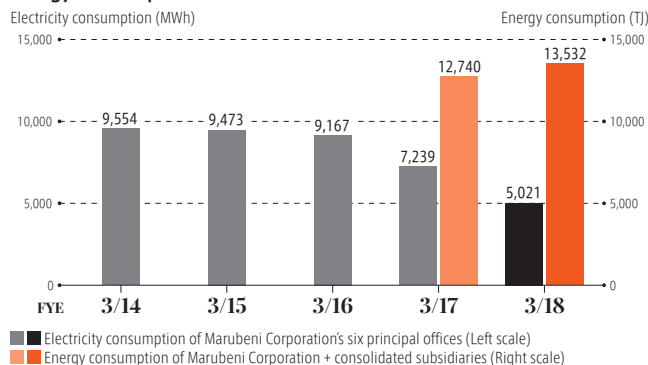
Greenhouse gas (CO₂) emissions (energy-related)



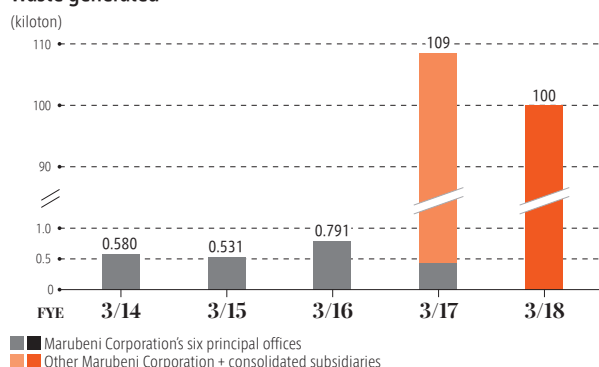
Water consumption



Energy consumption

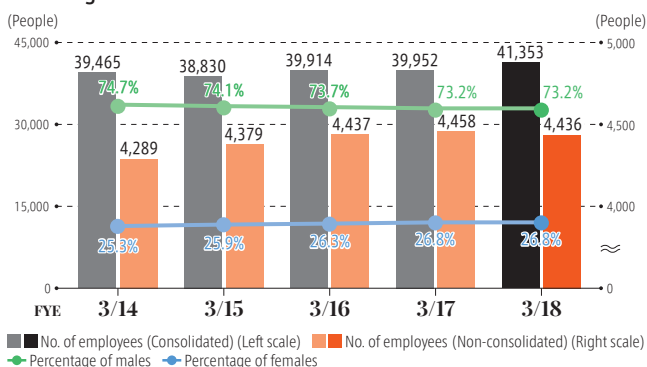


Waste generated

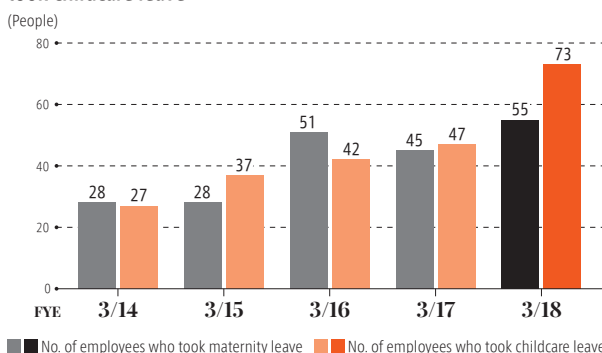


SOCIAL DATA

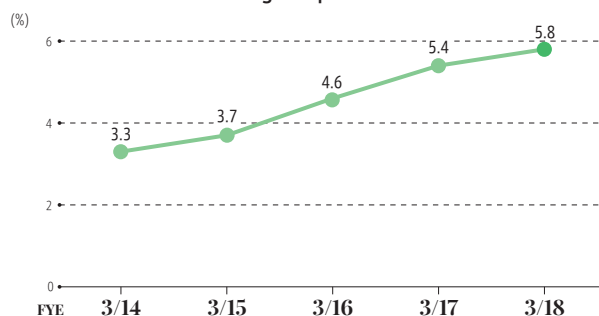
No. of employees (Consolidated)*²/No. of employees (Non-consolidated)*³/ Percentage of males and females*⁴



No. of employees who took maternity leave*⁵/No. of employees who took childcare leave*⁶



The ratio of women in managerial positions



*1. The boundaries of the environmental data:

- For FYE 3/2014 - FYE 3/2016 Marubeni Corporation's six principal offices (Tokyo Head Office, plus Hokkaido, Chubu, Osaka, Kyushu, and Shizuoka Branches). Due to the relocation of the Osaka Branch in July 2015, the energy consumption of the office in July is calculated based on figures at both its previous and current site for FYE 3/2016 data.
- From FYE 3/2017 Marubeni Corporation and its domestic and international consolidated subsidiaries, excluding the grain procurement and export company based in northern U.S., Helena, and the subsidiaries that are designated to be liquidated or sold.
- Greenhouse gas (CO₂) emissions (energy-related):
 - CO₂ emission factors stipulated by the Act on Promotion of Global Warming Countermeasures are used for fuel and steam.
 - Emission factors for electricity: Emission factors for each electric power provider released by the Ministry of the Environment (actual emission factors) are used for Marubeni Corporation. International Energy Agency (IEA) 2015 emission factors by country (CO₂ emissions per kWh from electricity generation) are used for the domestic and international consolidated subsidiaries.
 - CO₂ emission factors for city gas: For FYE 3/2014 to FYE 3/2015, emission

- factors released by the gas companies in each location of the six principal offices are used. From FYE 3/2016, the emission factor stipulated by the Act on Promotion of Global Warming Countermeasures is used.
- For FYE 3/2018, kerosene, diesel oil and gasoline are included.
- Energy Consumption
 - 3.6 GJ/MWh is used for heat value per unit for electricity.
 - The heat values per unit described in the Law Concerning the Promotion of Measures to Cope with Global Warming are used for fuel.
 - Biomass energy is not included.
- Waste Generated
 - Materials with resale or reuse value are not included.
- *2. As of March 31.
- *3. Total figures include the number of Marubeni employees assigned to other companies and exclude secondees to Marubeni from other companies (as of March 31).
- *4. Figures for Marubeni Corporation (non-consolidated basis as of March 31).
- *5. 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.
- *6. Figures for Marubeni Corporation indicate the total number of people who started using leave in the applicable fiscal year.