

Marubeni Dialogue



INTERVIEW WITH EXTERNAL DIRECTORS

Pursuing corporate governance as a driver of medium- to long-term corporate value enhancement

The role of corporate governance as a cornerstone of management is currently a subject of keen interest in Japan, as evidenced by the recent revision of Japan's Corporate Governance Code. However, corporate governance itself has no absolutes. Marubeni believes that the essence of corporate governance is building autonomous governance mechanisms and making sure they are effective and contribute to enhancing corporate value.

We asked Chief External Director and Nominating Committee Chairman Takao Kitabata and External Director and Governance and Remuneration Committee Chairman Kyohei Takahashi about their Committees' roles and their views as Committee Chairmen on Marubeni's actual corporate governance approach.

Q. How does the Nominating Committee contribute to Marubeni's value creation?

Diverse, richly experienced human resources will spearhead Marubeni's continued growth



Takao Kitabata

Chief External Director
Nominating Committee Chairman

2006: Vice-Minister of Economy, Trade and Industry (until 2008)
2010: Director, Kobe Steel, Ltd., (current position) and External Audit & Supervisory Board Member, Marubeni Corporation
2013: External Director, Marubeni Corporation, and Chairman of the Board, Sanda Gakuen Junior & Senior High Schools (current position)
2014: Director, Seiren Co., Ltd. (current position)
Director, Zeon Corporation (current position)

The Nominating Committee is an advisory body of the Board of Directors. A majority of its members are external directors. Its main functions are to vet director and Audit & Supervisory Board member candidates and to report to the Board of Directors. Its work truly helps to shape Marubeni's future. The Nominating Committee engages in lively discussions from wide-ranging perspectives in the interest of Marubeni's further development and enhancement of its corporate value from a medium-term standpoint.

Marubeni has been endeavoring to increase its corporate value through fair and ethical business

activities infused with an enterprising spirit in accord with its Company Creed of “Fairness, Innovation and Harmony.” Marubeni has also always been a leader in terms of governance reforms and ESG initiatives. It was among the first Japanese companies to establish a Nominating Committee.

A general trading company’s most valuable asset is its human resources. At Marubeni, it is not unusual and in fact quite common for young or mid-tier personnel to be assigned to major projects or appointed to senior management positions at investee or Group companies. Marubeni is taking on the challenge of new businesses through decisive risk-taking in anticipation of societal changes. While such businesses often

generate high returns, they occasionally end up failing. Through this process, Marubeni will cultivate a abundance of diverse human resources with a wealth of valuable experience. The driving force behind Marubeni’s major growth, its history of transforming itself every decade or two and its success in surmounting the adversity that has repeatedly beset general trading companies is ultimately its human resources. Marubeni will keep growing through the diligent efforts of diverse, appropriately deployed personnel. I aim to ensure that the Nominating Committee is able to identify executives and company leaders capable of powerfully advancing Marubeni into the future.

Q. How does the Governance and Remuneration Committee contribute to Marubeni’s corporate value?

Elevating senior management’s consciousness by appropriately setting corporate officers’ remuneration



Kyohei Takahashi

External Director
Governance and Remuneration Committee Chairman

2007: President, CEO and Representative Director, Showa Denko K.K.
2011: Chairman of the Board and Representative Director, Showa Denko K.K.
2014: External Audit & Supervisory Board Member, Marubeni Corporation
2016: External Director, Marubeni Corporation, and Audit & Supervisory Board Member, Fukoku Mutual Life Insurance Company (current position)
2017: Advisor, Showa Denko K.K. (current position)

With the geopolitical landscape and industrial structure undergoing dramatic changes, Marubeni must reinvent itself anew by developing new businesses that support sustainable growth. These new businesses will of course be launched and led by Marubeni’s current or future senior management. As Chairman of the Governance and Remuneration Committee, which evaluates senior management, I am concerned with whether senior management is evaluated objectively, remuneration levels are set appropriately and remuneration arrangements themselves are adequate to recruit and retain qualified senior management personnel from both inside and

outside the company. I run the Committee with a strong sense of responsibility for Marubeni’s growth and a commitment to transparent decision-making processes.

The Governance and Remuneration Committee designs appropriate corporate-officer remuneration schemes to soundly incentivize leadership conducive to Marubeni’s sustainable growth. Specifically, we are working on constructing a remuneration portfolio that better reflects corporate officers’ individual performance by, for example, striking a proper balance between cash compensation and stock options. Our stock option plan aims to more effectively motivate senior management to pursue share price appreciation and corporate value enhancement by aligning senior management’s perspective with that of shareholders and having senior management share the rewards and risks of share price movements with shareholders.

Going forward, we intend to fulfill our accountability to stakeholders by continually reviewing and improving remuneration arrangements in light of Marubeni’s medium- to long-term earnings performance and changes in the external environment. Additionally, I will offer appropriate advice to management from the standpoint of an external director.

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

FACTS & FIGURES

1 Composition of Board of Directors

Directors

10 persons

Directors: 6 persons



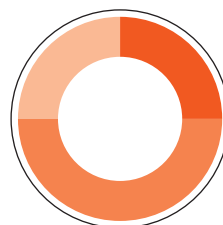
External (independent) Directors: 4 persons



Board of Directors

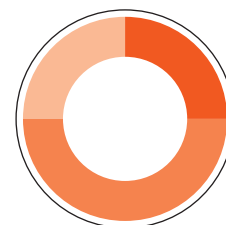
The Board of Directors is made up of 10 directors (four of whom are external). In addition to determining management policies and other important matters, the Board of Directors oversees directors' execution of their duties. The four external directorships are entrusted to independent, trustworthy outsiders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

External (independent) directors' backgrounds and specialties



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

Years served as external (independent) director



- 5 years 1 person
- 2 years 2 persons
- 1 year 1 person

2 Composition of Audit & Supervisory Board

Audit & Supervisory Board Members

5 persons

Internal Audit & Supervisory Board Members: 2 persons



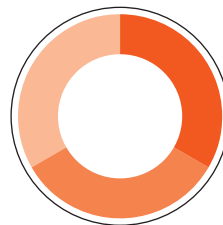
External (independent) Audit & Supervisory Board Members: 3 persons



Audit & Supervisory Board

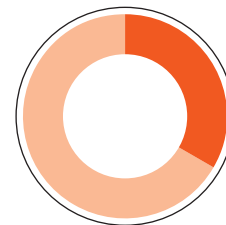
As the Audit & Supervisory Board of a company with auditors, the Audit & Supervisory Board has five members (three of whom are external) and conducts audits in accordance with audit policies and audit plans. Its three external seats are entrusted to independent, trustworthy outsiders with the requisite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

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



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

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



- 2 years 1 person
- 1 year 2 persons

3 Structure of the Board of Directors As of June 22, 2018 (* As of April 30, 2018)

Name	Years served as Director	Current shareholdings in the Corporation* (Thousands of shares)	Subscription rights to shares held*	Attendance at meetings of the Board of Directors (FYE 3/2018)	Membership on advisory bodies	
					Nomination Committee	Governance and Remuneration Committee
Chairman of the Board Teruo Asada	13 years	233	719 rights	17/18		
President and CEO Fumiya Kokubu	6 years	169	851 rights	18/18	 Member	 Member
Senior Executive Vice President Yukihiko Matsumura	Appointed June 2018	90	370 rights	—		 Member
Senior Executive Vice President Masumi Kakinoki	Appointed June 2018	72	347 rights	—		
Managing Executive Officer Nobuhiro Yabe	2 years	55	367 rights	18/18		
Managing Executive Officer Hirohisa Miyata	Appointed June 2018	37	319 rights	—		
External (independent) Director Takao Kitabata	5 years			17/18	 Chairman	
External (independent) Director Kyohei Takahashi	2 years			18/18	 Member	 Chairman
External (independent) Director Susumu Fukuda	2 years			18/18		 Member
External (independent) Director Yuri Okina	1 year			13/13		

Members of the Board



(From left)
External Director **Susumu Fukuda** Managing Executive Officer **Hirohisa Miyata** Senior Executive Vice President **Yukihiko Matsumura**
Chairman of the Board **Teruo Asada** President and CEO **Fumiya Kokubu**



(From left)
Senior Executive Vice President **Masumi Kakinoki** External Director **Takao Kitabata** Managing Executive Officer **Nobuhiro Yabe**
External Director **Yuri Okina** External Director **Kyohei Takahashi**

Corporate Governance System

Basic View on Corporate Governance

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

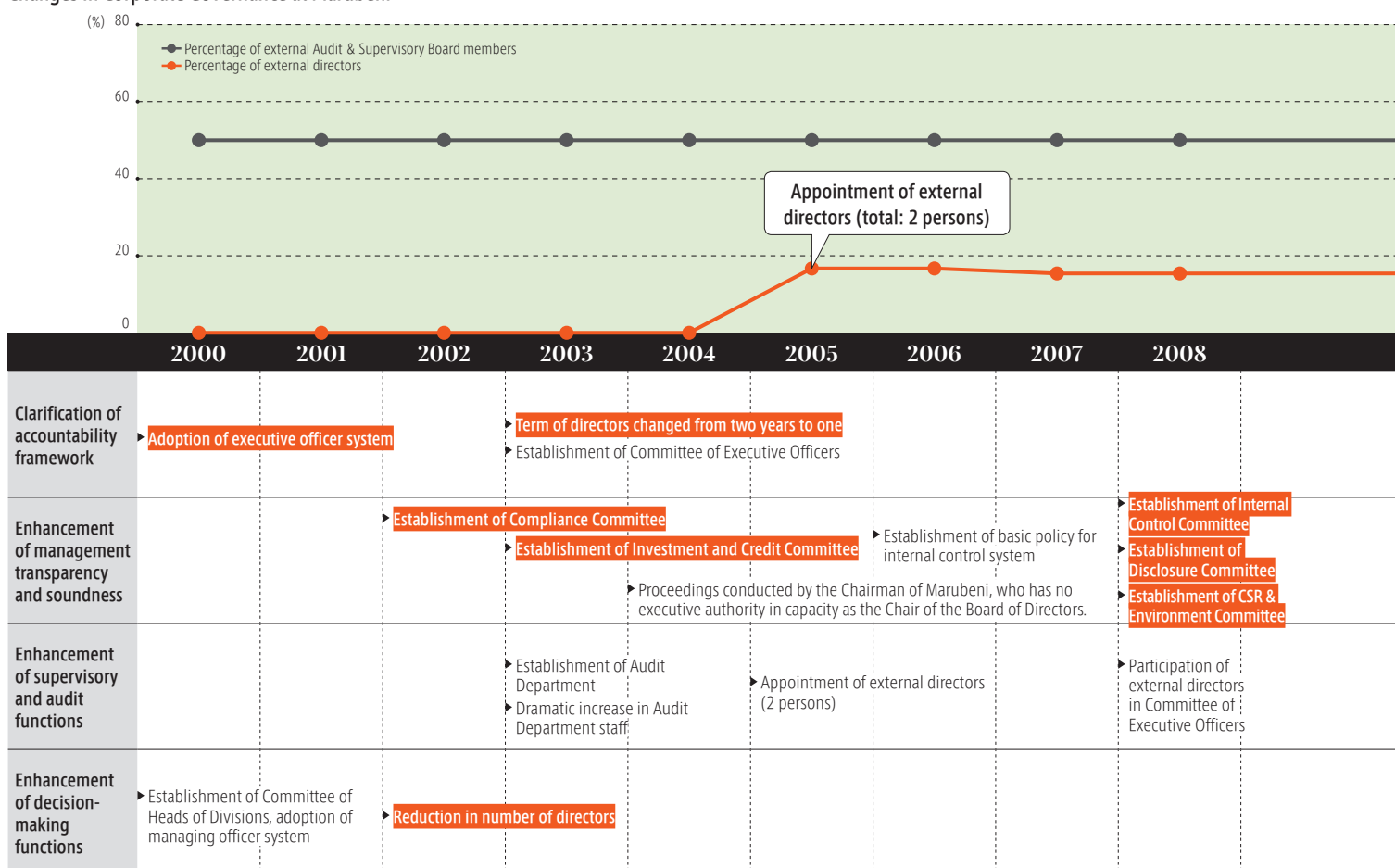
constructive engagement with shareholders and investors plays an important role in medium- to long-term corporate value enhancement. Through such engagement, Marubeni seeks to understand and appropriately respond to shareholders and investors' perspectives while gaining their understanding of its management policies.

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

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

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

Changes in Corporate Governance at Marubeni



Corporate Governance System

Marubeni is classified as a company with auditors under Japan's Companies Act. Its management decision-making, executive and oversight functions' configuration is shown in the diagram entitled "Corporate Governance Structure" on page 48.

Marubeni operates a diverse portfolio of businesses globally. To ensure swift and efficient management decision making and appropriate management oversight functions, Marubeni's current governance model is that of a company with both auditors and a Board of Directors comprising internal and external directors (and an Audit & Supervisory Board involved in the appointment of external directors).

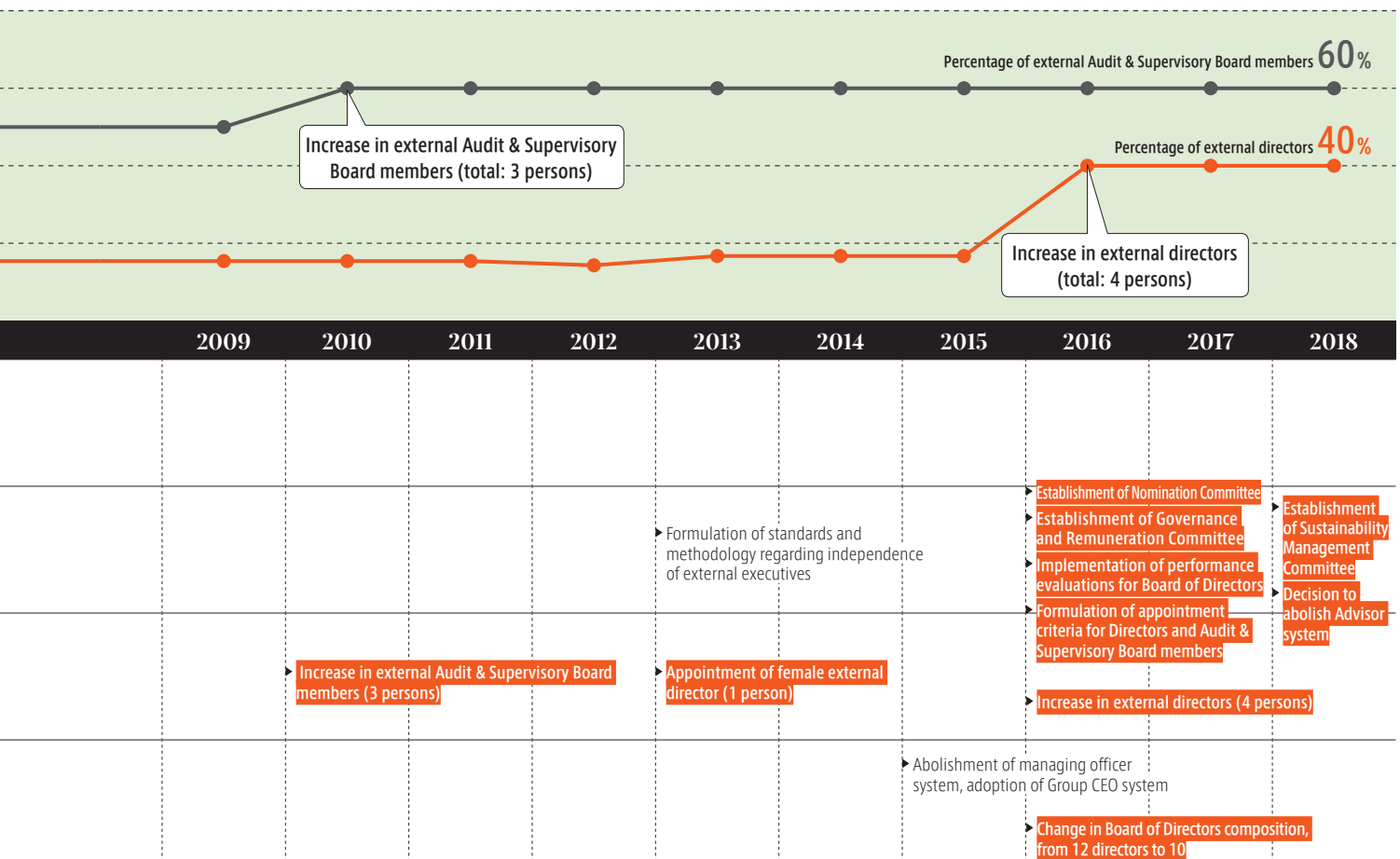
Marubeni will maintain its existing governance model because it deems the model to be effective in the following two respects.

(a) Decision-making speed and efficiency

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

(b) Appropriate oversight functions

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



Corporate Governance Structure (As of June 22, 2018)

Board of Directors

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

Audit & Supervisory Board

As a company with auditors, Marubeni has an Audit & Supervisory Board. Audit & Supervisory Board members oversee directors' execution of their duties by attending Board of Directors meetings and other important management gatherings and investigating operations and assets' status pursuant to audit policies and audit plans formulated at Audit & Supervisory Board meetings. Additionally, the

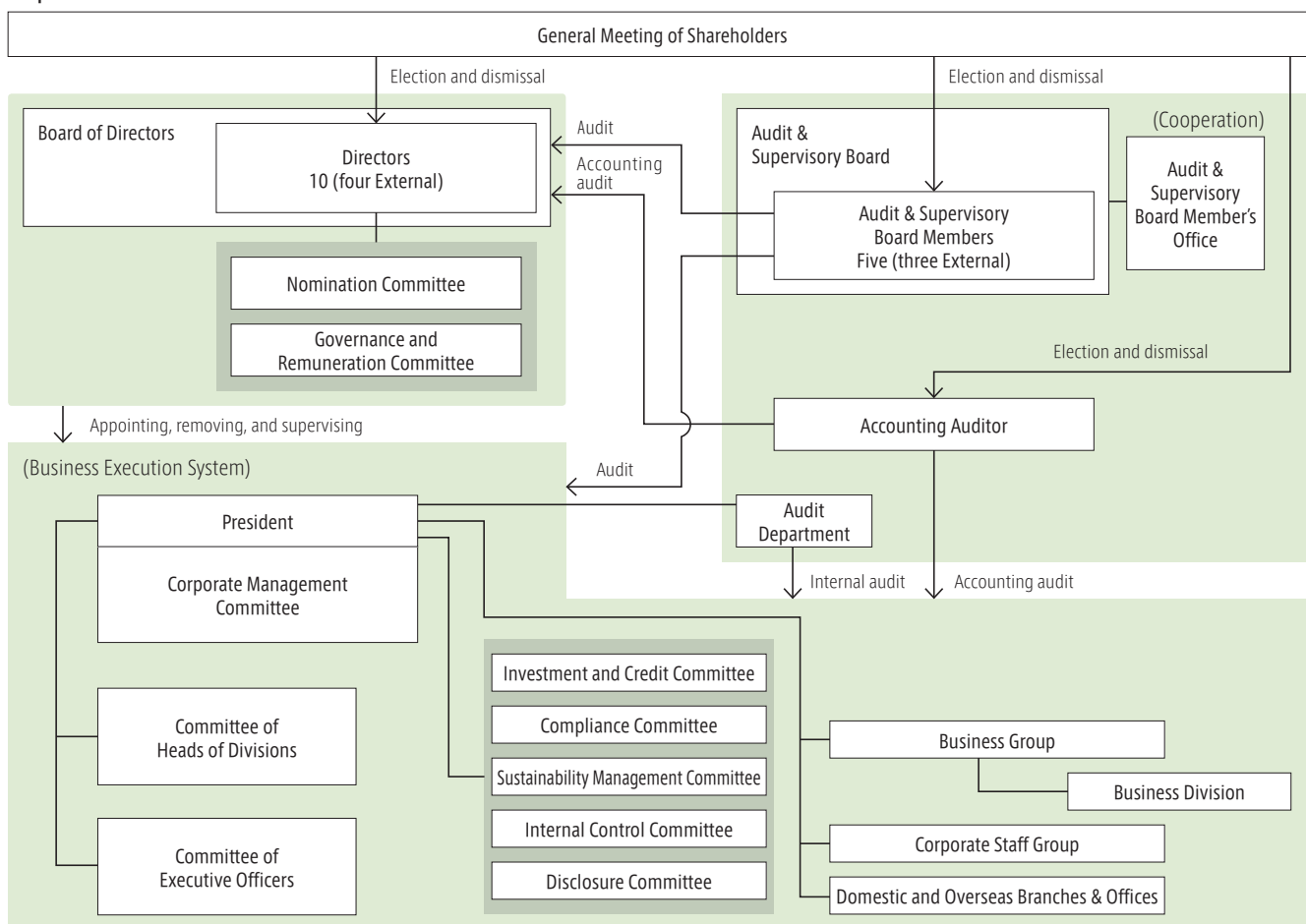
Audit & Supervisory Board meets monthly with Marubeni's accounting auditor to discuss audit plans, the progress and findings of audits involving Group companies, financial results, matters requiring attention, developments in the auditing profession and other relevant matters.

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

Corporate Management Committee

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

Corporate Governance Structure



Committee of Heads of Divisions

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

Committee of Executive Officers

The Committee of Executive Officers comprises 34 executive officers (five of whom are also directors) to announce management policies issued by the President and to discuss financial performance, the results of internal audits, and other issues that affect business execution, and to facilitate the exchange of information between the oversight function and the implementation function. Keeping communication lines open between the directors and executive officers, external directors also attend these meetings. Executive officers are selected by the Board of Directors and appointed to one-year terms of office.

Nomination Committee

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

Nomination Committee

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

Governance and Remuneration Committee

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

Governance and Remuneration Committee

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

Committee Roles and Functions

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

Committee	Role	Chair	Meeting Frequency
Investment and Credit Committee	Projects pending approval, such as investments, are discussed and approved by the Investment and Credit Committee prior to appearing on the Corporate Management Committee's agenda.	Managing Executive Officer Nobuhiro Yabe	Held three times a month in principle
Compliance Committee	The Compliance Committee provides support and guidance with regard to practicing compliance and as such develops, maintains, and manages the Marubeni Group's compliance structure.	Senior Executive Vice President Yukihiro Matsumura	Held four times a year and whenever else necessary
Sustainability Management Committee	The Sustainability Management Committee defines/redefines materiality inclusive of ESG (environmental, social and governance) considerations across all business domains and deals with sustainability-related matters, including ESG compliance.	Managing Executive Officer Nobuhiro Yabe	Held once a year in principle and whenever else necessary
Internal Control Committee	The Internal Control Committee is responsible for developing and monitoring the enforcement of internal control policies based on the Companies Act as well as drafting revisions when necessary. It also establishes, operates, and verifies the effectiveness of internal control systems for financial reports in accordance with the Financial Instruments and Exchange Act, while also drafting internal control reports.	Senior Executive Vice President Yukihiro Matsumura	Held when necessary
Disclosure Committee	The Disclosure Committee creates disclosure policies, ensures that internal systems concerning legally mandated and timely disclosure are in place, and decides the importance and appropriateness of the information targeted for legally mandated or timely disclosure.	Managing Executive Officer Nobuhiro Yabe	Held when necessary

External Directors' Functions and Roles

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

External directors attend and actively participate in

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

Major Activities (As of June 22, 2018)

Name	Independent	Reason for Appointment	Advisory Committee	Biography
Chief External Director Takao Kitabata	Y	Mr. Takao Kitabata, a former senior government official, possesses astute insight into domestic and overseas economic developments. As Marubeni's Chief External Director, he has been appropriately advising management and overseeing business execution from an objective, expert perspective, including through active participation in Board of Directors meetings. Mr. Kitabata is well-versed in corporate governance also. As Chairman of the Nomination Committee, he has been a proactive advocate of sounder, more transparent and more efficient management. In light of such, Mr. Kitabata has been nominated as an external director in concurrence with the Nomination Committee's recommendation.	Chairman of Nomination Committee	<ul style="list-style-type: none"> • Vice-Minister of Economy, Trade and Industry • Director, Kobe Steel, Ltd. (current) • Chairman of the Board, Sanda Gakuen Junior & Senior High Schools (current) • Director, Seiren Co., Ltd. (current) • Director, Zeon Corporation (current)
Kyohei Takahashi	Y	Mr. Kyohei Takahashi possesses keen discernment cultivated in top management roles at a multinational corporation. As an external director, he has been appropriately advising Marubeni's management and overseeing business execution from a practical standpoint, including through active participation in Board of Directors meetings. Mr. Takahashi is well-versed in corporate governance also. As Chairman of the Governance and Remuneration Committee and a member of the Nomination Committee, he has been a proactive advocate of sounder, more transparent and more efficient management. In light of such, Mr. Takahashi has been nominated as an external director in concurrence with the Nomination Committee's recommendation.	Nomination Committee, Chairman of Governance and Remuneration Committee	<ul style="list-style-type: none"> • President, CEO and Representative Director, Showa Denko K.K. • Audit & Supervisory Board Member, Fukoku Mutual Life Insurance Company (current) • Advisor, Showa Denko K.K. (current)
Susumu Fukuda	Y	Mr. Susumu Fukuda, a former senior government official, is highly knowledgeable about financial and tax matters and has experience as an external director at multiple companies. As an external director, he has been appropriately advising Marubeni's management and overseeing business execution from an objective, expert perspective, including through active participation in Board of Directors meetings, to promote sounder, more transparent and more efficient management. Mr. Fukuda is well-versed in corporate governance also. As Chairman of the Governance and Remuneration Committee, he has been a proactive advocate of sounder, more transparent and more efficient management. In light of such, Mr. Fukuda has been nominated as an external director in concurrence with the Nomination Committee's recommendation.	Governance and Remuneration Committee	<ul style="list-style-type: none"> • Commissioner, National Tax Agency • Vice-Chairman, The General Insurance Association of Japan • Assistant Chief Cabinet Secretary • Member, National Tax Council, Ministry of Finance (current) • Audit & Supervisory Board Member, Tokio Marine & Nichido Fire Insurance Co., Ltd. (current) • Chairman and Representative Director, Japan Real Estate Institute (current)
Yuri Okina	Y	Ms. Yuri Okina possesses a keen intellect cultivated through long years of economic and financial research at a think tank and broad experience as both an external director of multiple companies and a member of Japanese government bodies such as the Industrial Structure Council, Financial System Council and Tax Commission. As an external director, she has been appropriately advising Marubeni's management and overseeing business execution from a multifaceted, expert perspective, including through active participation in Board of Directors meetings, to promote sounder, more transparent and more efficient management. Ms. Okina is well-versed in corporate governance also. In light of such, Ms. Okina has been nominated as an external director in concurrence with the Nomination Committee's recommendation.		<ul style="list-style-type: none"> • Chairperson, The Japan Research Institute, Limited (current) • Director, Nippon Yusen Kabushiki Kaisha • Director, Seven Bank, Ltd. • Director, Bridgestone Corporation (current)

Role and Functions of External Audit & Supervisory Board Members

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

External Audit & Supervisory Board members periodically meet with the President in addition to attending

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

Major Activities (As of June 22, 2018)

Name	Independent	Reason for Appointment	Advisory Committee	Biography
Shuichi Yoshikai	Y	Mr. Shuichi Yoshikai was nominated as an external Audit & Supervisory Board member because Marubeni deems his vast experience in the legal profession and the acumen he has accrued from such experience to be conducive to improvement in internal audits' effectiveness.	Governance and Remuneration Committee	<ul style="list-style-type: none"> • President, Osaka High Court • President, Tokyo High Court • Admitted to Tokyo Bar Association (current) • Shoko Chukin Bank, Ltd.
Takashi Hatchoji	Y	Mr. Takashi Hatchoji possesses keen discernment cultivated in top management roles at a multinational corporation and experience as an external director of other companies. Marubeni accordingly believes he is qualified to appropriately fulfill the duties of an Audit & Supervisory Board member from a neutral, objective and practical standpoint and contribute to upgrading corporate governance and improving internal audits' effectiveness. In light of such, Mr. Hatchoji has been appointed as an external Audit & Supervisory Board Member by a resolution of a General Meeting of Shareholders in concurrence with the Nomination Committee's recommendation and Audit & Supervisory Board's assent thereto.	Nomination Committee	<ul style="list-style-type: none"> • President, Hitachi Research Institute • Representative Executive Officer and Executive Vice President, Hitachi, Ltd. • Director, Hitachi, Ltd. • Director, Nitto Denko Corporation (current) • Director, Konica Minolta, Inc. (current)
Tsuyoshi Yoneda	Y	Mr. Tsuyoshi Yoneda has vast experience in senior law-enforcement roles, astute discernment cultivated in those roles and experience as an external director of another company. Marubeni accordingly believes he is qualified to appropriately fulfill the duties of an Audit & Supervisory Board member from a neutral, objective and practical standpoint and contribute to upgrading corporate governance and improving internal audits' effectiveness. In light of such, Mr. Hatchoji has been appointed as an external Audit & Supervisory Board Member by a resolution of a General Meeting of Shareholders in concurrence with the Nomination Committee's recommendation and Audit & Supervisory Board's assent thereto.	Governance and Remuneration Committee	<ul style="list-style-type: none"> • Commissioner General, National Police Agency • Director, Japan Exchange Group, Inc. (current)

Directors and Audit & Supervisory Board Members' Compensation

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

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

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

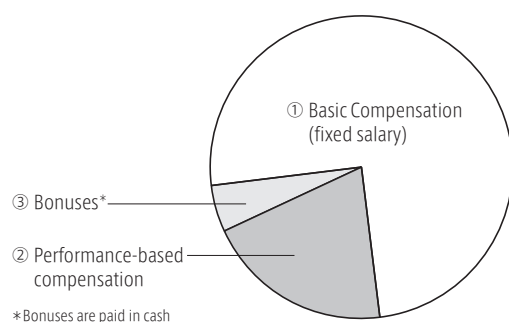
Applicable Individuals (As of July 1, 2018)		Compensation Policies	Compensation-Setting Method
Directors 10	Directors 6	<ul style="list-style-type: none"> Directors and executive officers are compensated in part with performance-based compensation. To share the rewards and risks of share price movements with shareholders and have a greater incentive to contribute to share price appreciation and enhancement of corporate value, directors and executive officers are paid 20% of their total basic and performance-based compensation in the form of stock options instead of cash. 	<ul style="list-style-type: none"> At the 92nd General Meeting of Shareholders on June 24, 2016, shareholders passed a resolution limiting directors and executive officers' aggregate annual compensation to ¥1,100 million (external directors' share of which is ¥60 million). Directors and executive officers' compensation is set by Board of Directors' resolutions within the limit authorized at the General Meeting of Shareholders.
	External Directors 4		
Audit & Supervisory Board members 5	Audit & Supervisory Board members 2	<ul style="list-style-type: none"> External non-executive directors and Audit & Supervisory Board members' compensation consists solely of fixed basic compensation. They received no performance-based compensation. 	<ul style="list-style-type: none"> At the 88th General Meeting of Shareholders on June 22, 2012, shareholders passed a resolution limiting external directors and Audit & Supervisory Board members' aggregate monthly compensation to ¥12 million. External directors and Audit & Supervisory Board members' compensation is set within said compensation limit by agreement of Audit & Supervisory Board members.
	External Audit & Supervisory Board members 3		

(Internal) Directors' Compensation

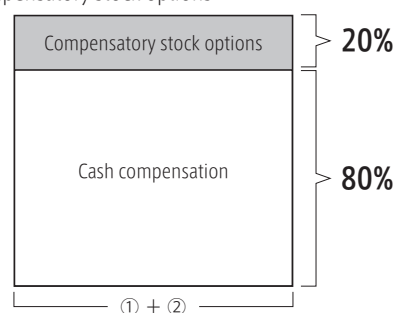
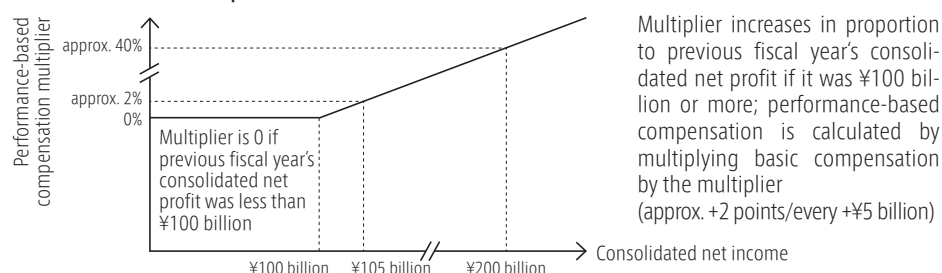
Compensation Type	Description	Fixed/Variable	Form of Payment
① Basic compensation	<ul style="list-style-type: none"> Basic compensation that varies based on individual directors' ranks 	Fixed	80% cash 20% stock options
② Performance-based compensation	<ul style="list-style-type: none"> Compensation linked to previous fiscal year's consolidated earnings Performance-based compensation is the product of basic compensation and a multiplier Its amount is set by multiplying basic compensation by a multiplier that increases in proportion to the previous fiscal year's consolidated net profit if it was at least ¥100 billion; the multiplier is 0 if the previous fiscal year's consolidated net profit was less than ¥100 billion (approx. +2 points/every +¥5 billion) 	Variable (fiscal yearly variability)	
③ Bonuses	<ul style="list-style-type: none"> Director bonus * Representative directors are paid representative director bonuses in addition to director bonuses 	Fixed	Cash
	<ul style="list-style-type: none"> Reflects quantitative and qualitative individual evaluations 	Variable (fiscal yearly variability)	

External Directors

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

(Internal) Directors' Compensation Mix

Breakdown between cash compensation and compensatory stock options

**Performance-based Compensation****Compensation for Audit & Supervisory Board Members**

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

Total Compensation Paid to Directors and Audit & Supervisory Board Members for the Year Ended March 31, 2018

Position	Total Amount of Compensation			Number of Recipients
	Cash Compensation	Stock options		
Directors (excluding external directors)	¥414 million	¥98 million	¥512 million	6
Audit & Supervisory Board members (excluding external Audit & Supervisory Board members)	¥76 million	—	¥76 million	3
External officers	¥84 million	—	¥84 million	10
Total	¥574 million	¥98 million	¥672 million	19

Notes:

• Rounded to the nearest million.

• Limits to the amount of executive compensation determined by a resolution of the General Meeting of Shareholders are as follows: "Annual pool not to exceed ¥1,100 million for directors (including pool of ¥60 million for external directors)" (at the 92nd General Meeting of Shareholders held on June 24, 2016) and "Monthly pool not to exceed ¥12 million for Audit & Supervisory Board members" (at the 88th General Meeting of Shareholders held on June 22, 2012). 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 with an "Annual pool not to exceed ¥220 million for directors."

• The Company submitted a resolution to abolish its system of retirement bonuses for executives at the conclusion of the 83rd General Meeting of Shareholders, held on June 22, 2007, with abolishment accompanied by the decision to close out and pay any remaining retirement bonuses associated with the system. The Company will make these payments to directors and Audit & Supervisory Board members who are eligible under the resolution, paying directors when they have retired both from their directorship and any held post as executive officer, and paying Audit & Supervisory Board members upon their retirement. In the year ended March 31, 2018, retirement bonuses were not paid to the directors and Audit & Supervisory Board members who are eligible to receive a final payment in relation to the abolition of the retirement bonuses plan.

Individuals to Whom the Total Amount of Compensation Paid Exceeded ¥100 Million for the Year Ended March 31, 2018

Name	Position	Total Amount of Compensation		
		Cash Compensation	Stock Options	
Teruo Asada	Director	¥83 million	¥21 million	¥104 million
Fumiya Kokubu	Director	¥103 million	¥25 million	¥128 million

Evaluation of the Effectiveness of the Board of Directors

The evaluation of effectiveness of the Board of Directors in the fiscal year ended March 31, 2018 was conducted as described below:

I. Framework and Method of Evaluation

1. Target

All Directors (10 people) and Audit and Supervisory Board members (five people) (As of December 2017)

2. Implementation Method

A questionnaire survey was conducted. (Anonymous responses.) The Company utilized an external specialized institution for its implementation.

3. Evaluation Items

- (1) Roles and responsibilities of the Board of Directors
- (2) Relationship between the Board of Directors and senior executives
- (3) Organizational design and composition of the Board of Directors and other bodies
- (4) Quality and expertise of Directors and of the Board of Directors

(5) Deliberation by the Board of Directors

(6) Relationship and dialogue with shareholders

(7) Engagement with stakeholders other than shareholders

4. Evaluation Process

The Board of Directors deliberated in view of the results of the evaluation and review by the Governance and Remuneration Committee concerning the overall Board of Directors, including its composition and operation, based on the responses to the questionnaire.

II. Overview of the Evaluation Result

The Board of Directors deliberated in view of the results of the evaluation and review by the Governance and Remuneration Committee and confirmed that, on the whole, the Board of Directors is being operated effectively. The Company will continue to work to maintain and improve the effectiveness of the Board of Directors, reflecting the results of the evaluation and review

Internal Control

Basic Internal Control Policy

Marubeni seeks to steadily increase and maximize corporate value through business activities that are in accordance with its Company Creed and Management Philosophy, and to steadily and continuously build and expand the entire Group's business foundation. To this end, Marubeni has established internal control systems, which serve as a rational process to ensure improvement of efficiency of business operations, accurate financial reporting to stakeholders, compliance with applicable laws and regulations, safeguarding of assets, and appropriateness of corporate activities. Marubeni regularly reviews this internal control system 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, Marubeni confirms the content and implementation of this policy, and implements improvements when necessary. With regard to the internal control report system mandated under the Financial Instruments and Exchange Act, the Internal Control Committee conducts evaluations as

stipulated in the practical standards. As in the year ended March 31, 2017, we submitted our internal control report for the year ended March 31, 2018, which concluded that, "internal control is effective."

Basic Internal Control Policy (Key Items)

- ① System necessary to ensure that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation
- ② Systems to preserve and manage information related to the execution of duties by Directors
- ③ Internal regulations for the risk management of losses and other related systems
- ④ Systems necessary to ensure the efficient execution of duties by Directors
- ⑤ Systems necessary to ensure the appropriateness of operations by the Group
- ⑥ Matters concerning employees assisting the duties of Audit & Supervisory Board Members, and matters concerning the independence of these employees from Directors
- ⑦ Systems for Directors and employees to report to Audit & Supervisory Board Members and other systems for reports to Audit & Supervisory Board Members
- ⑧ Other systems necessary to ensure effective audits by Audit & Supervisory Board Members

Please refer to the corporate website for information on the Company's basic internal control policy.

 https://www.marubeni.com/en/company/governance/measure/internal_control/

Compliance

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 the 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.

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 2017, the Compliance Manual, now in its 14th edition, is available in English as well as Japanese, and can be viewed on the Company's website.

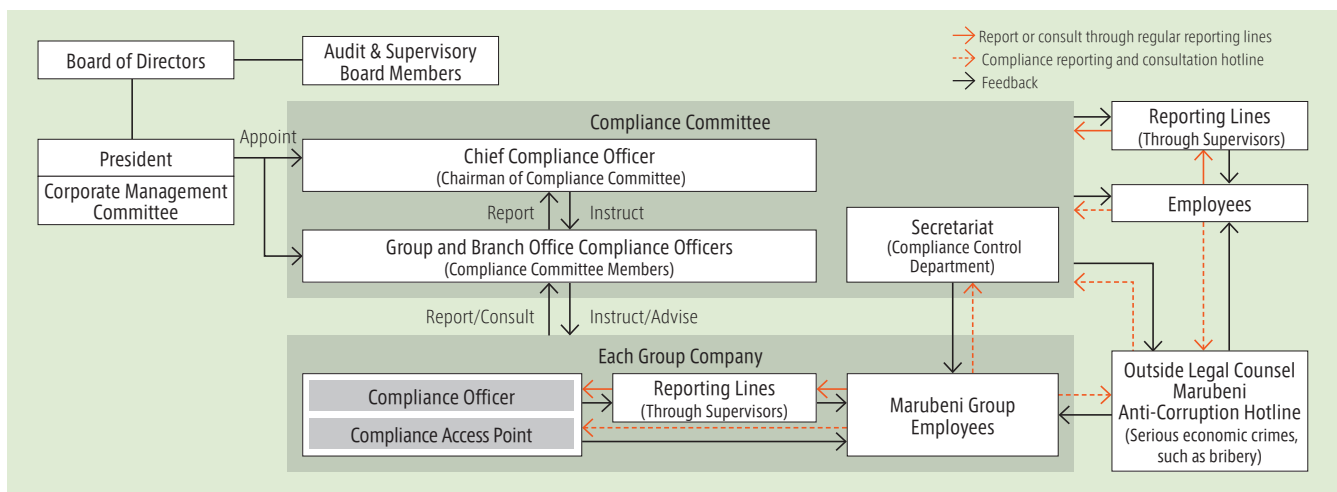
Compliance Education and Training

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.

On-site Investigation by Japan Fair Trade Commission

In December 2017, the Japan Fair Trade Commission (JFTC) publicly alleged that Marubeni had violated Japan's Antimonopoly Act in connection with a bid to supply personal protective gear to the Tokyo Metropolitan Government. In January 2018, subsidiary Marubeni Mates Co., Ltd. was issued a cease and desist order and fined for violating the Antimonopoly Act in connection with transactions involving uniforms supplied to East Japan Railway Company and West Japan Railway Company. In February, the JFTC publicly alleged that Marubeni Mates had violated the Antimonopoly Act in connection with a bid to supply workwear to Nippon Telephone and Telegraph East Corporation. In July 2018, the JFTC publicly alleged that Marubeni Mates had violated the Antimonopoly Act in connection with a bid to supply uniforms to All Nippon Airways Co., Ltd. Marubeni takes seriously the fact that its offices and a subsidiary's offices were raided by JFTC investigators. It has commissioned a law firm to conduct an internal investigation and will implement stringent recurrence prevention measures and continue strengthening its compliance through such means as revising internal regulations and better educating employees with respect to compliance, including the Antimonopoly Act.

Organizational Diagram for the Marubeni Group Compliance System



Marubeni Dialogue



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

FOR SUSTAINABILITY MANAGEMENT

Pursuing the creation of long-term value unique to Marubeni through our search for the meaning of sustainability

We are currently faced with the need to respond to and resolve the variety of issues that threaten the sustainability of the global environment and society, such as a response to climate change, the shift to a low-carbon society, and preservation of biological diversity, as well as human rights in business and risk management in supply chains. All these issues are closely related to the sustainability of corporate activities, and we believe it is the responsibility of companies that mainly control the economy to resolve them. In response to these issues, Sustainable Development Goals (SDGs) were adopted by the United Nations General Assembly in 2015, and the Paris Agreement entered into force in 2016, laying down a global framework for achieving environmental and social sustainability. Marubeni announced support for the UN Global Compact in 2012, and has continued efforts to fulfill the responsibilities of a corporation toward the environment and society, and enhance corporate value. As these efforts proceed, as an ESG issue we are considering how to incorporate global changes for sustainability into our operations and management, based on an awareness that we are at a turning point for taking necessary actions.

In implementing management that prioritizes ESG, the Sustainability Management Committee plays a key role in the sustainability of our Company. Our former CSR & Environment Committee was reorganized into and renamed the Sustainability Management Committee under the direct management of the President in April 2018. With the aim of constantly

The Structure of the Sustainability Management Committee (As of July 1, 2018)

Chairman

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

Vice Chairman

Hirohisa Miyata
Managing Executive Officer,
Member of the Board
CDIO; CSO; Vice Chairman of
Investment and Credit Committee

Committee Members

Yutaka Shimazaki
Executive Officer; General Manager,
Executive Secretariat; General Manager,
Corporate Communications Dept.

Takayuki Furuya
Executive Officer, General Manager,
Corporate Planning & Strategy Dept.;
General Manager, Digital Innovation Dept.

Yasuhiko Ogura
General Manager, Finance Dept.

Koji Kashima
General Manager, Human Resources Dept.

Haruo Inatomi
Senior Operating Officer, Lifestyle Division

Kazuo Hidaka
Senior Operating Officer,
Forest Products Division

Hiroyuki Mizuno
Deputy General Manager, Planning &
Strategy Dept., Energy & Metals Group

Takashi Fujinaga
Senior Operating Officer,
Power Business Division

Advisors

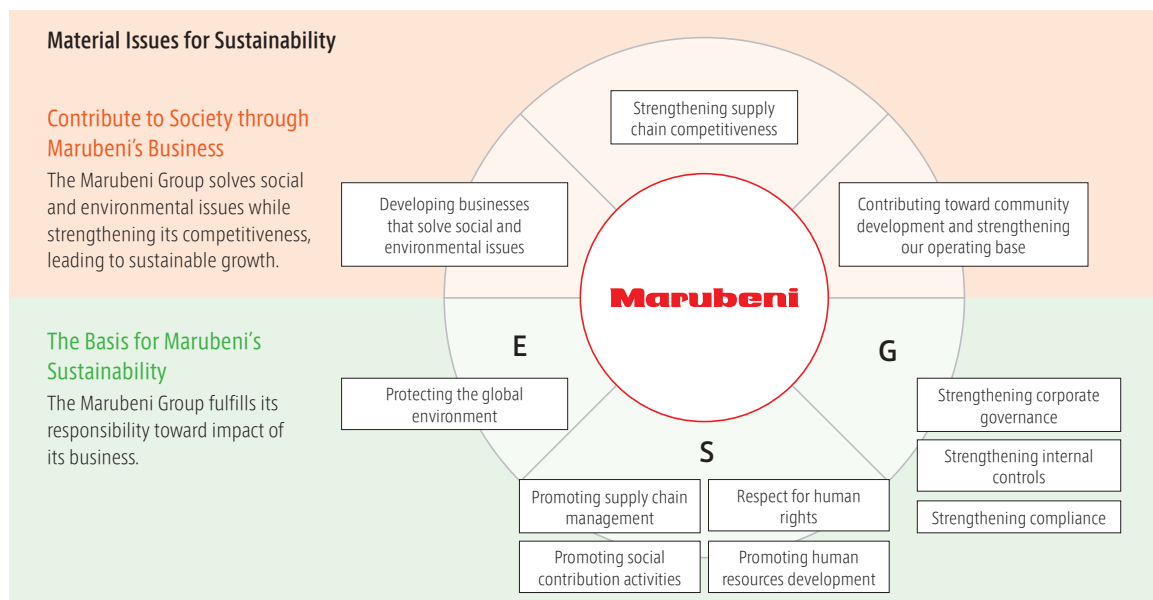
Yuri Okina
External Director,
Member of the Board

Shuichi Yoshikai
External Audit & Supervisory
Board Member

Takashi Hatchoji
External Audit & Supervisory
Board Member

evaluating the Marubeni Group's value creation from an external viewpoint, the Company has appointed a total of three advisors, consisting of an external director and external Audit & Supervisory Board members. The Company has also appointed people from the Business Division, at the forefront of our business, as committee members, in order to incorporate the overall on-site views of the business department engaged in value creation. The Sustainability Management Committee is currently reviewing issues of significant importance to our Company (hereinafter "material issues"), proposing management strategies such as measures against climate change from the perspective of ESG, and implementing initiatives in the supply chain and human resources. Consideration is also being given to the formulation of individual policies on initiatives in, for example, coal-fired thermal power.

Moving forward, we will continuously review the Marubeni Group from the perspective of society and stakeholders, and do our best to earn the trust of all stakeholders by working diligently on the issues that we of the Marubeni Group recognize as being our responsibility to resolve.



⁶⁶Unraveling the corporate value behind Marubeni's non-financial information⁹⁹

Sustainable management is based on an understanding among all companies and employees that management and social issues are inseparable, and that companies are required to enhance management transparency and to be proactive in visualizing information on non-financial matters. Financial information disclosed through figures is propped up by non-financial information. In other words, the power of Marubeni's business to create innovation and what initiatives the company implements to address social issues, are directly related to corporate value. Moving forward, they will become the basis for Marubeni's medium-to-long-term growth. As an advisor for the Sustainability Management Committee, I hope to consider the course of action to be taken by Marubeni to pursue medium- to long-term improvements in corporate value by clarifying the power of the Company's business that has given birth to innovation, and has been built up over 160 years since the Company was founded.



Yuri Okina

External Director, Member of the Board
Sustainability Management Committee Advisor

VOICE

Sustainability Initiatives

Promoting Human Resources Development and Deployment

The Marubeni Group views human resources (HR) as its most valuable asset. For this reason, we strive to create a stronger Marubeni Group in which a diverse range of individuals play an active role. The Group's basic policy for HR systems is to develop a framework that allows employees

to utilize their skills and capabilities to the fullest extent while providing an environment in which every employee can create the most value possible by drawing on their strengths. We are instituting various measures aimed at realizing this vision.

Ideal Employees

Strong individuals with a high level of professionalism, the ability to drive change and a firm commitment, who can play a central role in the development and growth of the business.

Professionalism

- Possesses the comprehensive and specialized abilities required for the various roles of each CS/ Business Group, such as knowledge of the industry, personal connections, and business skills

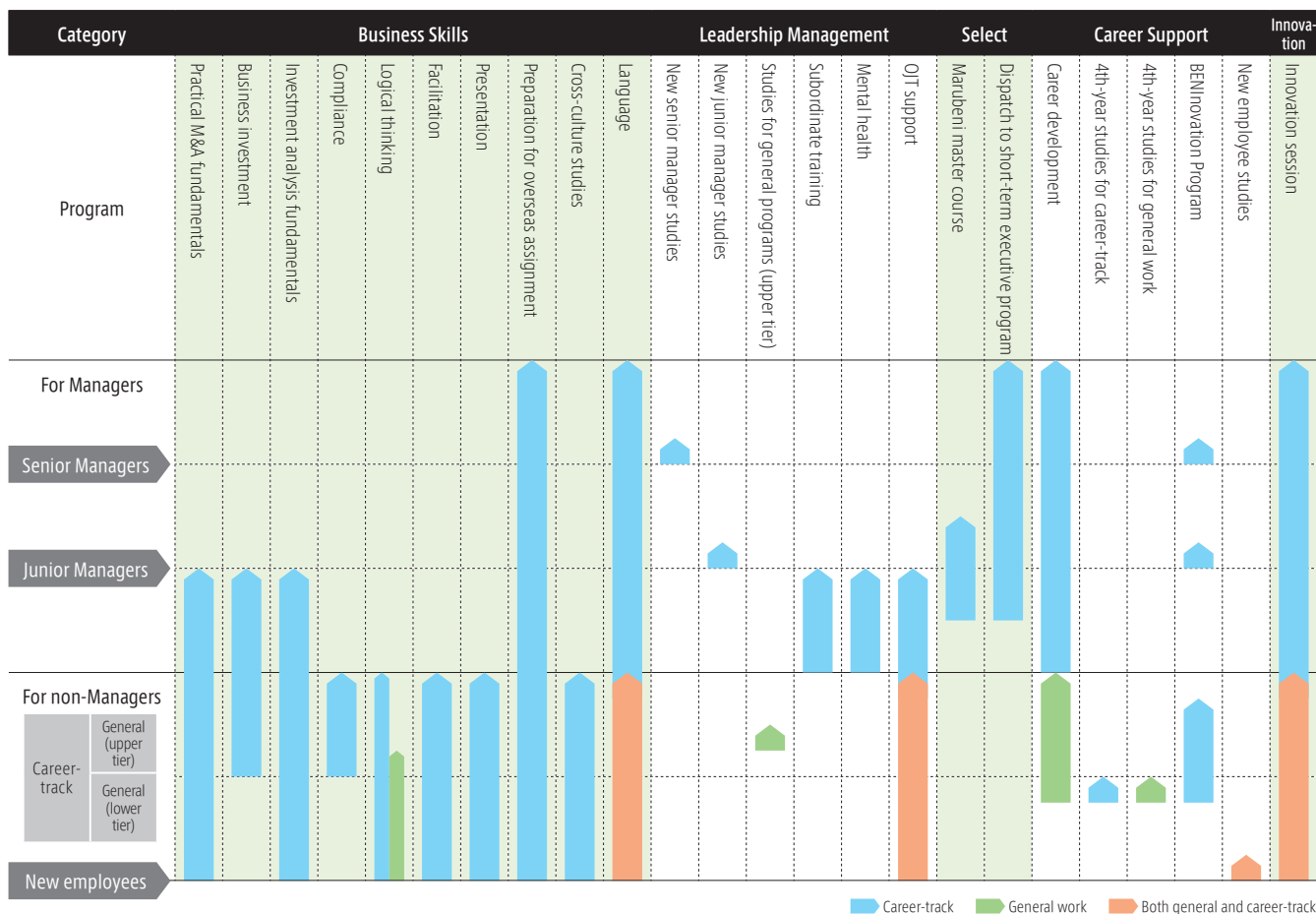
Ability to drive change

- Seeks change without fear of failure
- Alert to the signs of change, and ready to take the initiative
- Works to achieve growth and development for themselves and the organization

Commitment

- Can think and act independently, with strong determination
- Aims high and sees it through to the end
- Takes responsibility for the results

Marubeni Global Academy



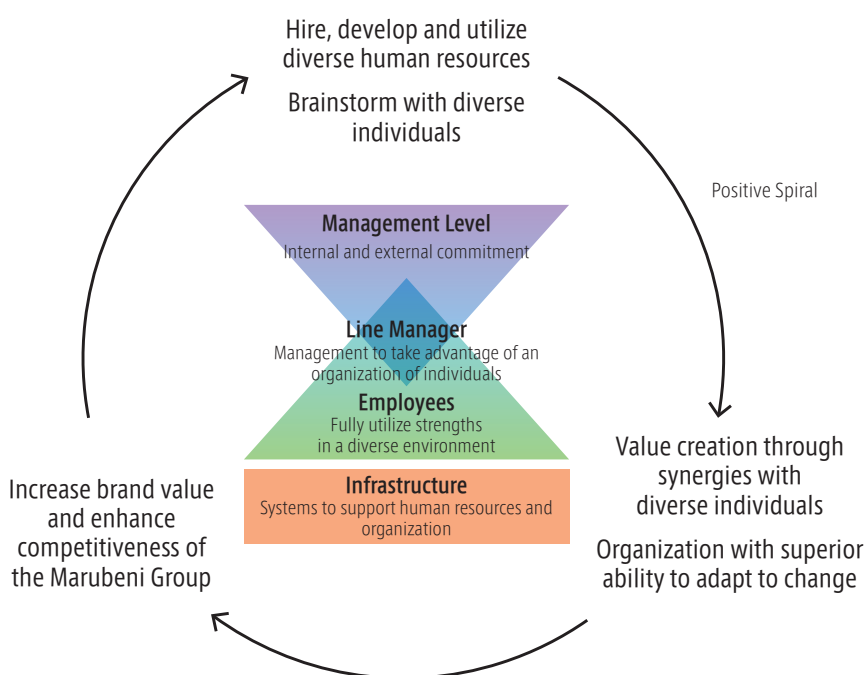
Group HR Strategy within the GC2018 Medium-Term Management Plan

The Marubeni Group's basic policy on HR strategy in its medium-term management plan, GC2018, consists of two points. First is the promotion and training of talented and achievement-oriented personnel that can win in a global environment. Second is to further promote diversity within the Group through appointment and placement practices. Efforts are under way to promote and train the best personnel for maximizing the value of the Group. Furthermore, we have reviewed our hiring strategy, assignment policies, and system for qualifications, compensation, and evaluation with the goal of identifying, developing, and rewarding talented and achievement-oriented individuals who take a central role in the creation of business and growth. These individuals should embody and demonstrate the spirit of Marubeni and the focused determination required of all employees through their daily actions, exhibiting advanced professionalism, innovation, and commitment.

Human Resources Development

In order to train individuals who can succeed globally, human resources development is being enhanced through both On the Job Training (main focus), as well as Off the Job Training (supporting function). For On the Job Training, assignment initiatives are being implemented, including the promotion of field experience and recommendations for overseas assignments of young staff early in their careers to develop professionalism. For Off the Job Training, a review of the company-wide training system was conducted starting in March 2017. As a result, the Marubeni Global Academy (MGA) was established and bolstered to support the achievement of the Marubeni Group HR strategy stipulated in GC2018. Implementing the MGA programs on a global level throughout the Group will help to improve the capabilities of the human resources of the entire Marubeni Group.

Our Goal: A Strong Marubeni Group in Which Diverse Individuals Play Active Roles



The Role of the Management Level

Foster a culture of respect for diversity and a strong sense of unity by believing that the active participation by diverse individuals is the source of strength for Marubeni for achieving goals and practicing its management philosophy, and making the commitment to realize this both internally and externally.

The Role of Line Managers

Understand the strengths of each subordinate and manage them to best utilize these strengths in order to maximize the performance as an organization.

The Role of All Employees

In every situation, respect the diverse strengths of other members, and make full use of your own strengths to achieve the goals of the organization.

Infrastructure

Systems that form the foundations for diversity management (employee compensation, human resource development, work-life balance related, etc.).

Promotion of Diversity Management

With “a strong Marubeni Group in which diverse individuals play active roles” as our goal, a special team was established in 2009 to promote diversity management.

Further Promotion of Opportunities for Women in Managerial Positions

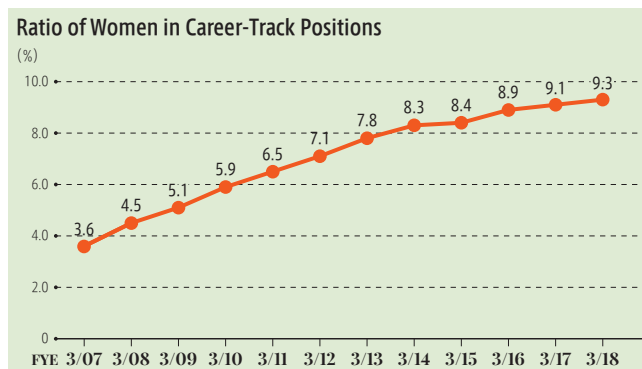
Since 2006, Marubeni has been working hard to recruit more women for managerial staff positions. As of October 1, 2017, there were 316 women in managerial staff positions (9.3% of all managerial staff positions) playing active roles in operations in Japan and other countries around the world. Many of the women in managerial positions are in the early-to-mid-stages of their careers and are viewed as potential candidates for executive positions in the future. As such they are expected to play an even greater role in the years to come. Furthermore, since March of fiscal 2015, Marubeni has been running new programs designed to expand the number of opportunities for women in managerial staff positions. One of these is the “BENInnovation Program,” which targets female employees and their immediate managers to promote new opportunities for women in managerial positions. Moreover, an 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 the foundations for incorporating

Action Plan for Empowering Female Employees

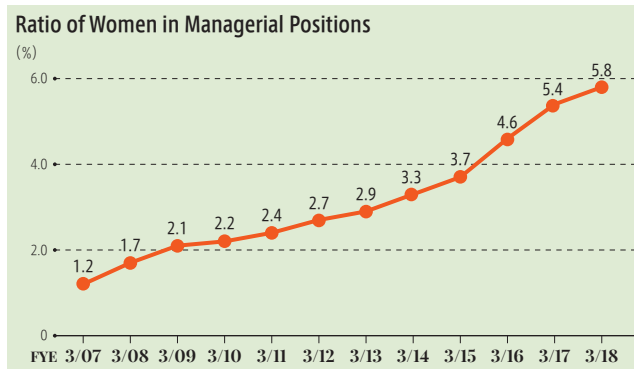
(Phase 1: April 1, 2016–March 31, 2021)

Goals

Construct HR development pipelines by strengthening development of people with overseas experience, etc. and recruitment, with the goals of increasing the ratio of women in career-track positions to more than 10% and raising the ratio of women in managerial positions to above 7% by March 31, 2021



diversity into decision-making. Looking toward the future, Marubeni will bolster recruitment, promote overseas dispatching, and improve career development for women based on this plan.



Marubeni International Women’s Day

Marubeni International Women’s Day was held on March 8 and 9, 2018, based on the idea that people with diverse views, values and ideas are required in order to create new businesses that are not merely extensions of current operations. On the days the event was held, female Marubeni Group executives and employees from more than 10 countries gathered at our head office in Tokyo. Discussions were held on what the Marubeni Group should aim for to ensure that strong individuals with diverse values and ways of thinking can play more active roles within the company. Moreover, the keynote speeches and panel discussions were open to all Group employees regardless of gender, and many people including male employees attended.



Marubeni International Women's Day

Creating a Rewarding Workplace

Marubeni promotes work-life management as a core value that supports employees from a wide range of backgrounds to achieve results.

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 system that allows for continued employment for employees aged 60 or over in accordance with the revised Elderly Employment Stabilization Act. As of June 1, 2018, 139 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 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 June 1, 2018, Marubeni Corporation and Marubeni Office Support Corporation employed a total of 84 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.



Mark signifying certification as a Superior Company for employing persons with disabilities

* Special-purpose subsidiary: A subsidiary that has been certified by the Minister of Health, Labour and Welfare as satisfying the conditions specified in the Act on Employment Promotion, etc., of Persons with Disabilities. The number of workers with disabilities employed by such a subsidiary may be included in the calculation of the employment rate of disabled persons of the parent company.

Promoting Health Management

Our company regards employees as its most important asset, and the maintenance and promotion of health among employees is regarded as a vital administrative

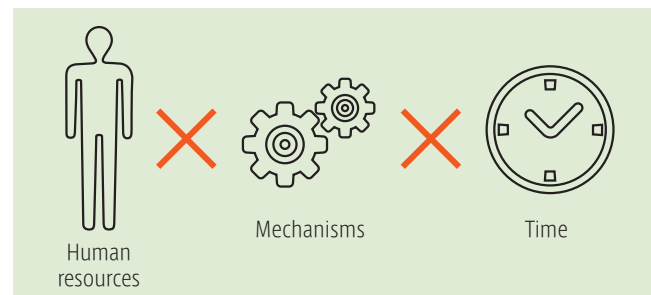
issue. As such, a variety of measures are being implemented to maintain and promote better health through cooperation among the Human Resources Department, the Health Insurance Association and Internal Medical Clinic. Specific measures include the thorough implementation of medical check-ups, the extension of subsidization of cancer screening, and the provision of age-specific full medical checkups (including brain examinations) paid for in full by Marubeni. As for mental health care, work is in progress to improve measures such as the introduction of EAP* counseling and workshops on self-care and line-care methods.

* EAP (Employee Assistance Program): Designed to improve productivity, this program targets complete employee mental well-being with specialized counselors who, in addition to providing health consultations regarding mental illness, are available to discuss a wide range of issues with employees, including concerns in the workplace or at home.

Workstyle Surpassing Our Traditional Framework

In order to promote a method of working that will enable us to grasp the needs of our ever-changing society and clients, create solutions that fit the times and create new distribution channels, Marubeni has been taking on a number of new initiatives since April 2018 that operate from the perspectives of "human resources," "mechanisms" and "time."

"Human Resources" x "Mechanisms" x "Time" — A new system for the future of the Marubeni Group



For example we established Marubeni Academia to bring together people with diverse careers and characteristics globally from among Marubeni Group employees worldwide with the aim of generating actual innovations from their thoughts and discussions. We have set up an "idea box," which is a contact point for employees to submit business ideas and other suggestions, and we have started initiatives including the "15% Rule," a voluntary system for employees to use up to approximately 15% of working hours on activities to create businesses with the potential to lead to improvement in the Marubeni Group's value.

Respect for Human Rights

As a global company, Marubeni regards respect for human rights to be vital and essential for sound corporate management. In accordance with the Compliance Manual, Marubeni supports the ten principles of the UN Global Compact, while promoting Marubeni Group-wide initiatives aimed at creating a corporate culture in which human rights are respected.

Compliance Manual: “Respect Human Rights and Refrain from Any Form of Discrimination, Harassment and the Like”

The first matter highlighted in the Marubeni Compliance Manual is to “respect human rights and refrain from any form of discrimination, harassment and the like.” Here, the notion of human rights includes fundamental human rights stipulated in the Constitution of Japan, the Labor Standards Act, and the Universal Declaration of Human Rights, as well as human rights prescribed in the International Labor Standards (ILO) and the UN Guiding Principles on Business and Human Rights. It is also stipulated in our Basic Supply Chain CSR Policy that we shall “respect human rights, and work to prevent and eliminate discrimination, including physical, verbal, sexual and other forms of harassment or inhumane mistreatment,” and “prohibit child labor, forced labor and excessive working hours” that are in violation of human rights. The supply chain stipulated in this policy includes not only our own company, but also

group companies, suppliers, service providers, contractors, contract manufacturers, joint venture partners, subcontractors and customers.

Human Rights Risks in the Supply Chain

Under the UK Modern Slavery Act enacted in October 2015, companies with annual sales over 36 million pounds sterling that do business within the UK are required to take gradual measures toward confirming that there are no instances of human rights violations, such as slavery or human trafficking, within their company or supply chain. They must also give a statement about those measures the following fiscal year. Within the Group, Marubeni Europe plc, along with some of the Group’s UK-based companies, and Marubeni Corporation, which has a certain degree of control over those companies, published these statements by September 30, 2017. In addition to this, in the supply chain CSR surveys, Marubeni is investigating the status of supplier efforts related to human rights risks, such as forced labor and child labor. While promoting the discovery of human rights risks, we are also working on measures to prevent the increase and spread of such risks. In the supply chain CSR surveys we conduct, we survey the status of human rights risks at our suppliers by visiting them on-site. No cases of violation of human rights or labor standards have been found in these surveys.

Supply Chain Management

As part of our sustainability management, Marubeni is working to achieve supply chain management in partnership with our suppliers. In doing so, Marubeni established the Basic Supply Chain CSR Policy, which has been shared with our suppliers to obtain their understanding and cooperation in adopting this policy. In addition to this, we will continue visiting our suppliers to carry out on-site surveys, ESG risk research and analyses in order to ascertain the regional differences in issues and implement measures to resolve them.

Basic Supply Chain CSR Policy

1 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.

2 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.

3 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,

including 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.

Implementation of CSR On-Site Inspections for the Supply Chain

In regions centered on developing countries, there are latent problems, such as forced labor, child labor, and local environmental pollution. For suppliers in countries and industries where there are concerns about the risk of human rights violations or worker safety, Marubeni conducts site visits to related companies and checks that there are no violations of the Basic Supply Chain CSR Policy. The issues of the survey and the survey methods are constantly being reviewed, taking third-party opinions into account, in an effort to remain relevant to current situations. Survey results are also reported back to the visited sites, so that the information can be shared and used to make further improvements. Furthermore, as part of the Basic Supply Chain CSR Policy, Marubeni has formulated measures and procedures for contract noncompliance with the labor standards set forth in the Basic Supply Chain CSR Policy, and encourages suppliers to make improvements.

On-Site Inspection: Visit to Sweater Factory in Cambodia, March 2018

In March 2018 a visit was made to a factory belonging to Unity Fashion Cambodia Co., Ltd., a supplier of Marubeni that manufactures sweaters in Cambodia, to inspect the company's compliance on CSR issues. The survey revealed no infringements of Marubeni's Supply Chain CSR Policy. We were able to confirm that the company has appropriate policies and management procedures in place for preventing child labor and long working hours, regular testing of emissions and wastewater discharges, a health and safety management system and employee training, a quality management system, the work environment, and the cleanliness and orderliness of the factory.



Entrance

Working environment in the factory

ESG Risk Research and Analyses Conducted on All Products and Projects

As part of our effort to strengthen ESG risk management, Marubeni conducted research and analyses in the fiscal year ended March 31, 2018 on all products and projects handled by the company for potential ESG risks. This was carried out in collaboration with an external consultant with specialist knowledge based on objective perspectives and methods.

For the risk analyses, we referred to the ESG risk-related data published by international organizations, government organizations, research institutions, NGOs, etc., then narrowed down the focus to approximately 30 products and projects that are generally believed to have potential ESG risks, and carried out detailed risk analyses on them.

From the fiscal year ending March 31, 2019, we plan to take a step-by-step approach in carrying out detailed analyses of Marubeni's products/projects, and examine the need for ESG risk mitigation measures.

The ESG Risk Research/Analysis Process

1. Preparing for ESG risk evaluation

Review and organize all products/projects handled by the company

2. Conducting primary ESG risk evaluation/analyses

Step 1: Conduct ESG risk evaluation for all products/projects
⇒ Specify high-risk products/projects

Step 2: Conduct risk evaluation of high-risk products/projects differentiated by ESG issue
⇒ Narrow down to the final list of high-risk products/projects

3. Conducting secondary ESG risk evaluation/analyses

Step 1: Create final risk profiles of the high-risk products/projects

Step 2: Conduct general ESG country risk analyses for Marubeni's supplier/project countries



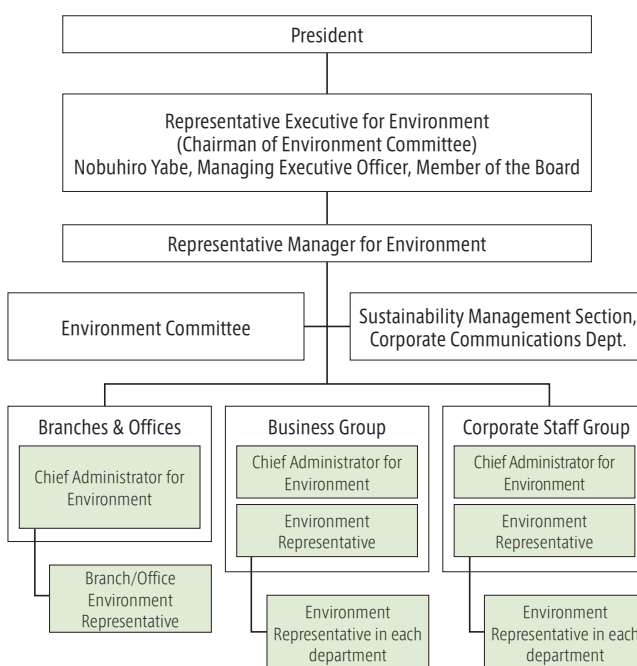
* EBRD: European Bank for Reconstruction and Development

Environmental Management System

The Marubeni Group engages in a wide variety of business activities throughout the world, and strives to take environmental issues into consideration at all times in maximizing efforts to mitigate all forms of environmental impact resulting from such activities. Based on the Marubeni Group Environmental Policy established in 1998, the Group promotes management that shows consideration for the global environment centered on the Environment Committee, and the Marubeni Group as a whole engages proactively in environmental conservation activities.

Environmental Management System

Marubeni has introduced an environmental management system (EMS) based on ISO 14001 as a tool to assist all employees in addressing environmental issues based on a common understanding. Various overseas subsidiaries and Marubeni Group companies have acquired the certification as required, and as of the end of December 2017, 56 Marubeni Group companies had done so. The EMS places importance on the PDCA cycle in planning, implementing, checking and acting, as well as management review to ensure sustained improvements in environmental initiatives.



Environmental Assessment of Development Projects, 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 possibility of adverse impacts on the environment in the event of an accident or other emergency using the Company's Environmental Evaluation Sheet. The completed evaluation sheet is a factor when making the final decision on whether or not to invest in the project. Follow-up evaluations are also conducted for projects considered to have potential environmental risks as a result of the initial assessment. Follow-ups are continued until all concerns have been dispelled. In the fiscal year ended March 31, 2018, we assessed 45 projects with environmental risks related to water pollution, soil contamination, etc.

Number of Environmental Evaluations in the Year Ended March 31, 2018 by Risk Type

Air pollution	16	Waste increase	7
Water pollution	21	Natural resource depletion	5
Soil pollution	14	Global warming	5
Noise/Vibration	17	Biodiversity	2
Offensive odor	3	Other	0
		Total	90

(The total number is not equal to the 45 environmental assessments conducted as some assessments identified no applicable risks, while others detected more than one risk.)

On-Site Inspections at Group Companies without ISO 14001 Certification

The Marubeni Group 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. The Group companies are divided according to the environmental risks they pose due to the details of their operations and state of facilities. Then the targeted Group companies are identified and decisions are made on the frequency of on-site inspections. 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 the 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 fiscal year ended March 31, 2018, a total of 25 operating sites of 21 companies around the world were inspected. No significant environmental issues were identified.

Expansion of Environmental Data Collection and Disclosure

In order to increase the reliability of the Group's efforts toward environmental protection, it publishes group-level information, and it aims to get independent assurance for information for at least part of that information.

As part of this effort, from the fiscal year ended March 31, 2017, the Group started expanding the range of information to be disclosed with independent assurance from the main six sites of the Marubeni Corporation to all domestic and foreign consolidated subsidiaries. Moreover, from the fiscal year ended March 31, 2018, the Company added the environmental impact of transport to the index targeted for assurance. We will continue to drive environmental protection initiatives forward, as we redouble our efforts toward realizing a low-carbon society.

* Refer to page 125 for "Independent Assurance of Environmental and Social Data."

Social Contributions and Participation in Communities

In January 2006, Marubeni formulated the “Basic Policy on Social Contribution Activities,” based on its belief that to build a stronger relationship of mutual support with society, it must responsibly make contributions according to the needs of the community. The Marubeni Group has a long-running history of social contribution activities, including the Marubeni Foundation and overseas scholarship funds, and it also strives to enhance interest in participating in volunteer activities among each and every employee. Going forward, it will continue to further strengthen its relationship of mutual support with society.

Marubeni Foundation

Funded by Marubeni, the Marubeni Foundation was established in 1974 as a private support organization for social welfare activities. It continues its tradition of providing ¥100 million in annual donations to aid welfare facilities and organizations across Japan. It has given a total of 2,484 grants totaling ¥4.3 billion up to the fiscal year ended March 31, 2018.

In the fiscal year ended March 31, 2018, the foundation received grant applications from 525 welfare programs, 59 of which were selected to receive funding, including food-bank projects, children’s food service projects, and numerous other projects that aim to coexist with local communities to support the elderly, disabled persons, and those in need. As pioneering initiatives, it selected a project that aims to integrate the management of welfare services for disabled persons and nursing-care insurance services, and a project to introduce robot suits for nursing care.

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.

Additionally, to match the present situation of varying needs of the recipients, a system for sending Marubeni personnel to the recipient to provide human support began in the fiscal year ended March 31, 2018. With the cooperation of the Human Resources Department, interviews of both recipients and the employees wishing to participate are conducted to understand their needs. As of March 31, 2018, 10 employees have begun administrative or on-site supportive activities for eight recipients.

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 and Brazil.

Each year, we provide support to meet local communities’ needs in accordance with the educational circumstances in each country, including scholarships for students from elementary through university level and vocational training, as well as material assistance such as PCs and stationery.

Country	Year Established	Schools Receiving Scholarships	Scholarship Details
Philippines	1989	Technical and agricultural vocational schools and elementary schools	Donation of PCs and related equipment
Vietnam	1994	Elementary and junior high schools in impoverished areas	Provision of scholarships for students of low-income families and teachers
Indonesia	1999	Universities in Indonesia	Provision of scholarships for high-achieving students
Cambodia	2007	Universities in Cambodia	Provision of scholarships for high-achieving students
Laos	2007	Ethnic boarding schools	Donation of textbooks, uniforms, stationery and boarding supplies
Myanmar	2012	A university under the Ministry of Science and Technology	Provision of scholarships for students from low-income households
India	2016	Universities in India	Provision of scholarships for high-achieving students
Brazil	2006	Vocational schools in Brazil	Subsidization of educational material costs and school fees, provision of scholarships for academic research costs

External Recognition

The Marubeni Group has continually received high ratings for its efforts toward sustainability from various research and rating companies that evaluate the capacity for sustainable growth in companies based on the three aspects of ESG: Environment, Society, and Governance. Among those, Marubeni has been included in the Dow Jones Sustainability Indices (DJSI) World since 2008, and in the similarly prestigious FTSE4Good Index Series since 2002.

Dow Jones Sustainability Indices (DJSI) World

The constituents of the Dow Jones Sustainability Indices (DJSI) World are selected as the top 10% of companies from the 2,500 largest companies worldwide, chosen by a comprehensive assessment based on economic, environmental and social criteria by Dow Jones & Company, Inc. (United States) and RobecoSAM AG* (Switzerland).

Listed stocks are reviewed every September, and in 2017, 320 companies were listed. Among those, 31 were Japanese companies.

* RobecoSAM AG: A research and rating company headquartered in Switzerland. RobecoSAM assesses and rates each company's economic, environmental and social elements from the perspective of sustainability based on the information obtained from a questionnaire conducted with companies, published documents, media, etc.

FTSE4Good Index Series

The FTSE4Good was developed and established by FTSE Russell, a subsidiary of the London Stock Exchange Group. In selecting the constituent companies, evaluators assess candidates based on criteria pertaining to environmental management, climate change, human and labor rights, supply chain labor standards, and anti-bribery measures. In 2018, 953 companies worldwide were listed, with 152 Japanese companies among those selected.

FTSE Blossom Japan Index and MSCI Japan Empowering Women Index

The FTSE Blossom Japan Index was formulated by FTSE Russell as an industry-neutral benchmark that reflects the performance of Japanese companies demonstrating outstanding ESG practices. The MSCI Japan Empowering Women Index (WIN) was developed by MSCI by selecting Japanese companies that boast high gender diversity in various industries. These indices were selected by Japan's Government Pension Investment Fund (GPIF) based on a public call for applications for benchmarks for its ESG investment strategy.

CDP

CDP, a non-profit organization based in London, is a project that requests information on environmental strategy and greenhouse gas emissions from companies listed in the FTSE Index. It then analyzes and evaluates that data and publishes it to investors.

Presently, in addition to its efforts toward reducing carbon footprints, it is also expanding to cover water and forest resources. Marubeni has been participating in CDP since 2007.

Marubeni Certified to "RobecoSAM Silver Class 2018"

In January 2018, Marubeni was awarded the "RobecoSAM Silver Class 2018" in the trading company and distribution industry by RobecoSAM, the research and ratings company for the Dow Jones Sustainability Index. The top 15% of companies in each industry are chosen from among about 60 industries worldwide, and each company is then recognized as belonging to the Gold Class, Silver Class or Bronze Class depending on its performance. The companies recognized as belonging to the Silver Class are companies whose score is within a range of 1% to 5% of the industry's top performing company's score. In 2018, 78 companies were chosen from among approximately 3,500.

Members of the Board



Teruo Asada
Chairman of the Board



Fumiya Kokubu
President and CEO



Yukihiro Matsumura
Senior Executive Vice President, Chief Administrative Officer (CAO); Chief Information Officer (CIO); Senior Operating Officer, Audit Dept.; Senior Operating Officer, Executive Secretariat; Senior Operating Officer, New Office Building Project Dept.; Chairman of Compliance Committee; Chairman of Internal Control Committee; Chairman of IT Strategy Committee



Takao Kitabata
External (Independent) Director



Kyohei Takahashi
External (Independent) Director



Susumu Fukuda
External (Independent) Director

Audit & Supervisory Board Members



Kaoru Kuzume
Audit & Supervisory Board Member



Kazuro Gunji
Audit & Supervisory Board Member



Shuichi Yoshikai
External (Independent) Audit & Supervisory Board Member

Senior Managing Executive Officers

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

Ichiro Takahara
Chief Executive Officer, Energy & Metals Group

Akira Terakawa
Chief Executive Officer, Food Group, Regional CEO for East Asia; Vice Chairman of Investment and Credit Committee

Managing Executive Officers

Hikaru Minami
Chief Executive Officer, Consumer Products Group

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

Toshiaki Ujiie
Chief Executive Officer, Transportation & Industrial Machinery Group

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

Koji Yamazaki
Chief Operating Officer, Food Products Div.

Akihiko Sagara
Chief Operating Officer, Energy Div.

Takeo Kobayashi
Chief Executive Officer, Chemical & Forest Products Group

Michael McCarty
Chief Operating Officer, Agri-Input Business Div.; President and CEO, Helena Agri-Enterprises LLC

**Masumi Kakinoki**

Senior Executive Vice President, Chief Executive Officer, Power Business & Plant Group

**Nobuhiro Yabe**

Managing Executive Officer, Chief Financial Officer (CFO); Chief Operating Officer, Investor Relations and Credit Ratings; Chairman of Investment and Credit Committee; Chairman of Sustainability Management Committee; Chairman of Disclosure Committee

**Hirohisa Miyata**

Managing Executive Officer, Chief Digital Innovation Officer (CDIO); Chief Strategy Officer (CSO); Vice Chairman of Investment and Credit Committee

**Yuri Okina**

External (Independent) Director

**Takashi Hatchoji**

External (Independent) Audit & Supervisory Board Member

**Tsuyoshi Yoneda**

External (Independent) Audit & Supervisory Board Member

Executive Officers

Shinichi Kobayashi

Chief Operating Officer, Metals & Mineral Resources Div.

Soji Sakai

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

Minoru Tomita

General Manager, Osaka Branch

Hidekazu Futai

Senior Operating Officer, Agri-Input Business Div.

Makoto Sato

Regional CEO for Middle East

Yoshiaki Yokota

Chief Operating Officer, Power Business Div.

Koji Kabumoto

Chief Operating Officer, ICT, Logistics & Healthcare Div.

Hisamichi Koga

General Manager, Chubu Branch

Jun Horie

Chief Operating Officer, Chemical Products Div.

Hidenobu Kumada

Chief Operating Officer, Grain Div.

Yuichi Ohira

Chief Operating Officer, Lifestyle Div.

Jiro Itai

Chief Operating Officer, Construction & Industrial Machinery Div.

Eiij Okada

Chief Operating Officer, Plant Div.

Yutaka Shimazaki

General Manager, Executive Secretariat; General Manager, Corporate Communications Dept.

Kenichiro Oikawa

Chief Operating Officer, Insurance, Finance & Real Estate Business Div.

Jun Hirasawa

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

Takayuki Furuya

General Manager, Corporate Planning & Strategy Dept.; General Manager, Digital Innovation Dept.

Kosuke Takechi

Chief Operating Officer, Aerospace & Ship Div.