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Marubeni IR Day 2025

Risk Management

Execution of Corporate Value Enhancement Initiatives

Senior Managing Executive Officer
CAO

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Marubeni's Risk Management is Founded on Anticipating Failure Scenarios (Inversion Thinking), Using the Changing Times to Find Opportunities to Enhance Corporate Value

Possible Factors and Associated Risks:

- Social and Demographic Changes
- Geopolitics and Supply Chain
- Changes in the Economic and Financial Environment
- Technology and Digital Innovation
- Environmental and Climate Change

GC2027 Growth Strategy

- Target medium- to long-term growth markets—U.S., Japan, Asia, and Africa—recognizing global shifts and major changes
- **Apply effective country risk controls** and strengthen domestic businesses to meet intra-regional demand
- **Manage credit, market, and portfolio (diversification) risks rigorously**; pursue greater capital efficiency (ROIC–WACC)
- Introduce advanced tech and digital innovations for value creation, while enhancing low-growth businesses
- Continue green initiatives while seeking long-term growth

Embedding Our Accumulated Risk Management Expertise into Strategic Platform Businesses

- Continuously convert existing businesses into strategic platforms, **shifting to higher-growth, higher value-added, and scalable domains**
- Expansion of existing businesses will bring **forth inevitable and unfamiliar risks to tackle**

Risk Management

Micro-Level Risk Management Know-How

Establish and strengthen expertise through centralized management of credit and market risks.

Identify	Assess	Control	Loss Minimization
Market Risk, Credit Risk, Counter Party Risk	Quantitative and qualitative risk analysis	Avoid, Mitigate, Accept, Transfer	
Risk Assessment Workshop	Scoring model	Limit Control	

Knowledge from Group Companies

Secondment of headquarters' risk management professionals to Group Companies to learn about their distinctive management systems.

Examples of secondment destinations

smartestenergy, Marubeni Power Retail, NOWLAKE, AIRCASTLE (A Marubeni & Mizuho Leasing Company), Pasternak, Baum & Co., Inc., MacroSource

Embedding our expertise into Strategic Platform Businesses **to realize advanced risk management**
(power wholesale/retail, North American mobility)

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Considering Unforeseen Factors behind Our Growth Strategy, Examine Failure Scenarios and Develop Countermeasures

- A stronger financial base and accumulated know-how from existing businesses enable expansion into new areas through fresh initiatives
- Exploring possible failures in simulated scenarios could **boost our investment success rate**

Risk Management

Inversion Thinking: Rigorously Examine the Possible Scenarios of Investment Failure

【Measures and Guidelines】

Investment Process: Strategy Planning → Deal Structuring → Investment Decision

1. **Learn from the Past**
   Share experiences of successes and failures
2. **Set Limits**
   Tighten requirements for sizeable deals
3. **Face the Facts**
   Compare results vs. forecasts; test key actions objectively
4. **Pursuit of True Intentions**
   Seek counterparties' true intentions; rigorously negotiate
5. **Never Compromise**
   Avoid rushing decisions; engage in internal debate

Develop risk countermeasures in advance to **raise investment quality**

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Ensure Soundness of Portfolio through Macro-Level Risk Management

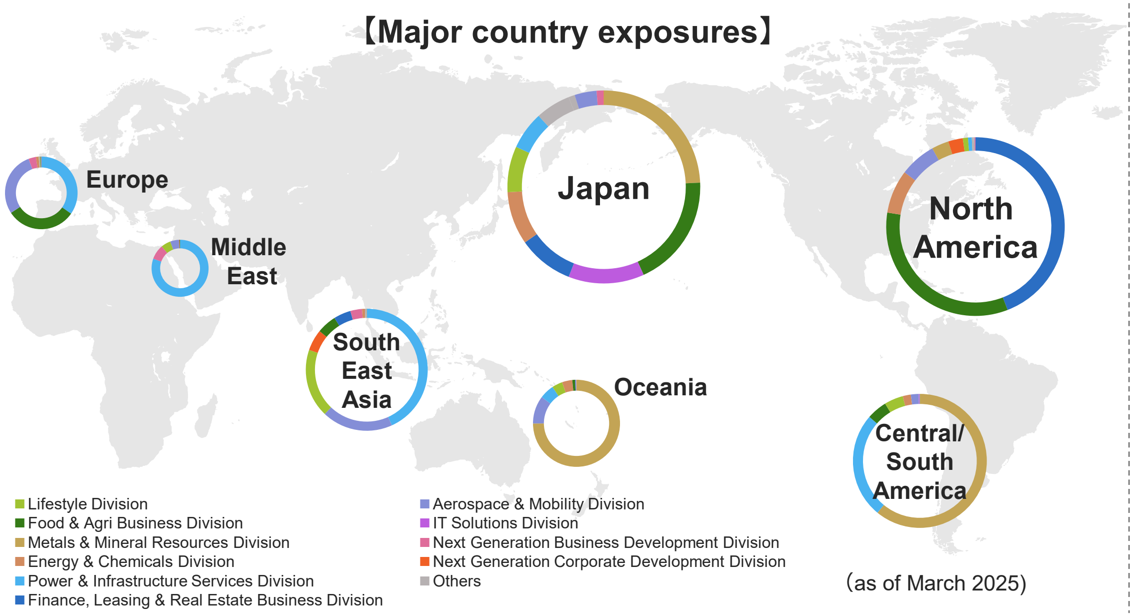
- Portfolio composition changes with the expansion of existing businesses and investments in growth areas
- If exposure is concentrated in a specific country/domain/business, **there is a significant impact** when risk materializes

Risk Management

Country Risk Management

Assess each country's risk level
and set country-specific exposure limits aligned with risk.
Review risk management measures in
a timely manner in response to geopolitical changes

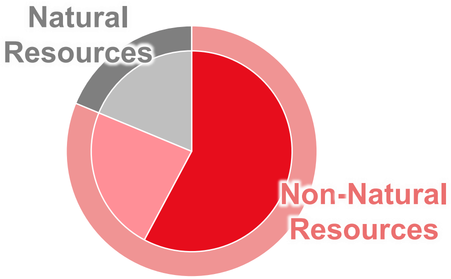
【Major country exposures】



(as of March 2025)

Exposure Management

Aggregate from
multiple angles and **monitor to ensure no concentration of concerning risks**



- By Business Domain
- By Asset Type
- By Biz Division
- By Group Company

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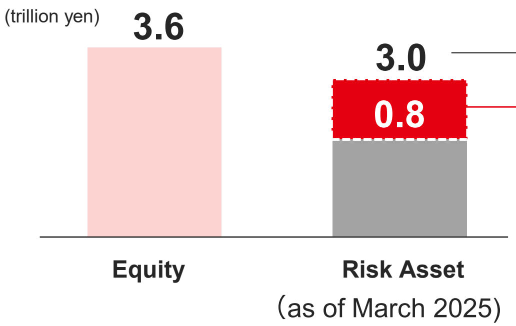
Risk Management

Integrated Risk Management

Quantify Impairment Risk across the Group's Owned Assets	×	Run Risk Simulations with Country/Industry Diversification across 600+ Sectors
Verify Total Risk within Financial Capacity		**Monitor to Ensure No Concentration of Concerning Risks**

Contribution to Lowering WACC through a Diversification Premium



- Risk Assets on a Disclosure Basis
- **Risk Reduction through Diversification**
  A diversified business portfolio—domestic and international, resources and non-resources, etc.—reduces concentration of risk

Transcend stable earnings from diversification into a "diversification premium" that lowers WACC