

The background of the slide features a large, stylized red 'M' shape composed of two overlapping semi-circles. The left semi-circle is white, and the right semi-circle is red. The Marubeni logo is positioned on the white semi-circle.

Marubeni

Marubeni IR Day 2025

Risk Management

**Execution of Corporate Value
Enhancement Initiatives**

Senior Managing Executive Officer
CAO

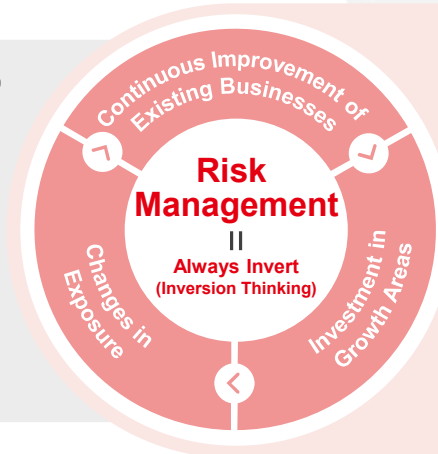
Jun Horie

- My name is Jun Horie, Chief Administrative Officer (CAO) of Marubeni.
- Today, I would like to explain our Risk Management approach for Corporate Value Enhancement.

**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

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31

- Marubeni manages a diverse portfolio of businesses globally. Over the 167 years since our founding in 1858, we have encountered countless external changes but have been able to turn some of those risks into opportunities.
- The diagram on this slide presents a conceptual view of that process.
- The external changes Marubeni is facing today are extensive: geopolitical risks, shifts in the global economic and financial landscapes, and a transforming supply chain, among other concerns. Such factors constitute “risks” but at the same time represent “opportunities” to generate favorable returns.
- Merely avoiding risks does not lead to growth. Our key approach to sustainable growth is inversion thinking —rigorously exploring possible failures in simulated scenarios, discerning the risks, and then, boldly, without fearing change, taking calculated risks that we are able to control.
- Through inversion thinking, our Risk Management:
 - supports continuous improvement of existing businesses;
 - strengthens our defenses in investments in growth areas; and
 - adequately manages changes in consolidated exposure, i.e., the constant changes in the quantitative and qualitative aspects of a variety of assets we own.
- By driving this cycle, we can convert risks into relevant opportunities to enhance our corporate value and contribute to the implementation of our GC2027 Growth Strategy.
- I will now elaborate further on the three processes that make up our risk management strategy.

Embedding Our Accumulated Risk Management Expertise into Strategic Platform Businesses

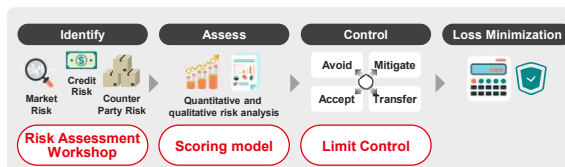


- Continuously convert existing businesses into strategic platforms, shifting to higher-growth, higher value-added, and scalable domains
- Expansion of existing businesses will bring forth inevitable and unfamiliar risks to tackle

Risk Management

Micro-Level Risk Management Know-How

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



Knowledge from Group Companies

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

Examples of secondment destinations



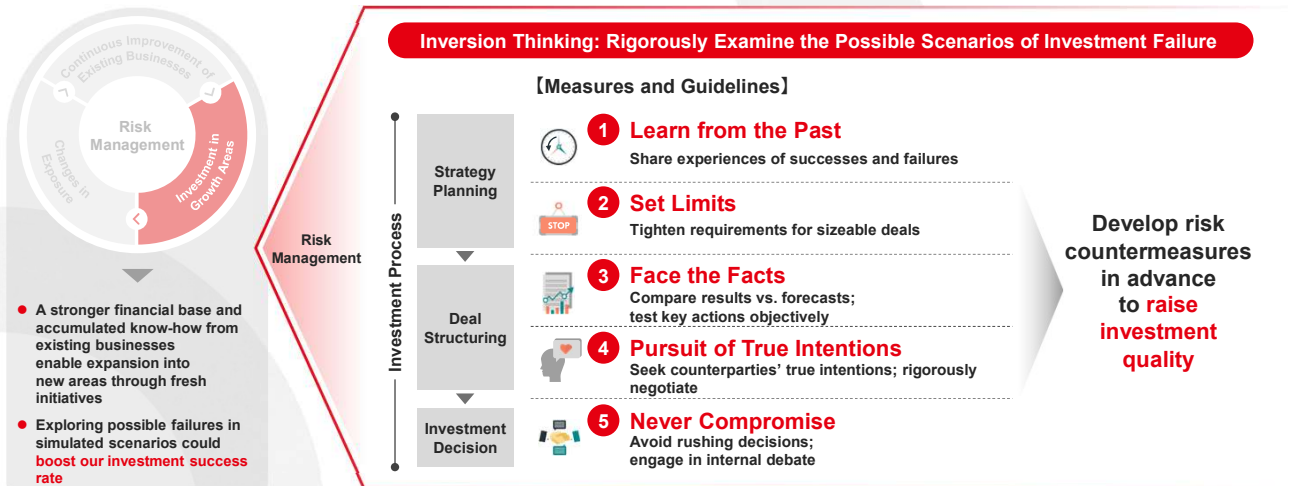
Embedding our expertise into Strategic Platform Businesses to realize advanced risk management
(power wholesale/retail, North American mobility)

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32

- The first process is “Continuous Improvement of Existing Businesses.” This means that within the same product domain, businesses can shift toward areas with higher growth potential, added value, and scalability in response to external changes. This results in the evolution of business models, sales regions, transaction structures, and target customers.
- Inevitably, business divisions and Group companies will encounter new risks they have no prior experience with, and such risks could turn into losses, should they be managed inappropriately.
- At Marubeni, our dedicated Risk Management Team has long been centrally involved in managing risks across our diversified operations, accumulating in-depth knowledge and expertise. Leveraging this foundation, we have established processes to identify, assess, and tackle risks appropriately—minimizing losses in spite of changes that may occur in the structure of a business deal or in the country of the counterparty.
- We will continue to define and refine specific methodologies through:
 - Risk Assessment Workshops that address risks through stakeholder discussions;
 - Scoring models that rate counterparties using our longstanding credit review know-how; and
 - Limit management that sets risk ceilings for each commodity exposed to credit and market risks.
- Our Group companies also have knowledge of alternative risk management methods that we may not have experience with here at headquarters. We are increasing the number of risk management professionals from the head office that we assign to Group companies and using these multi-year assignments as an opportunity for them to make this expertise their own.
- This accumulated expertise is incorporated into our Strategic Platform Businesses, which have expanded from existing operations, and enables us to deal with unfamiliar risks.
- For example, we dispatch risk management professionals to Nowlake, which provides used car financing as the core of our North American mobility business. There, those professionals are able to learn advanced consumer credit underwriting techniques using their vast datasets and apply these techniques to sales finance operations in Australia and other regions, as well as accumulate know-how to support future expansion of our North American mobility platform.

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

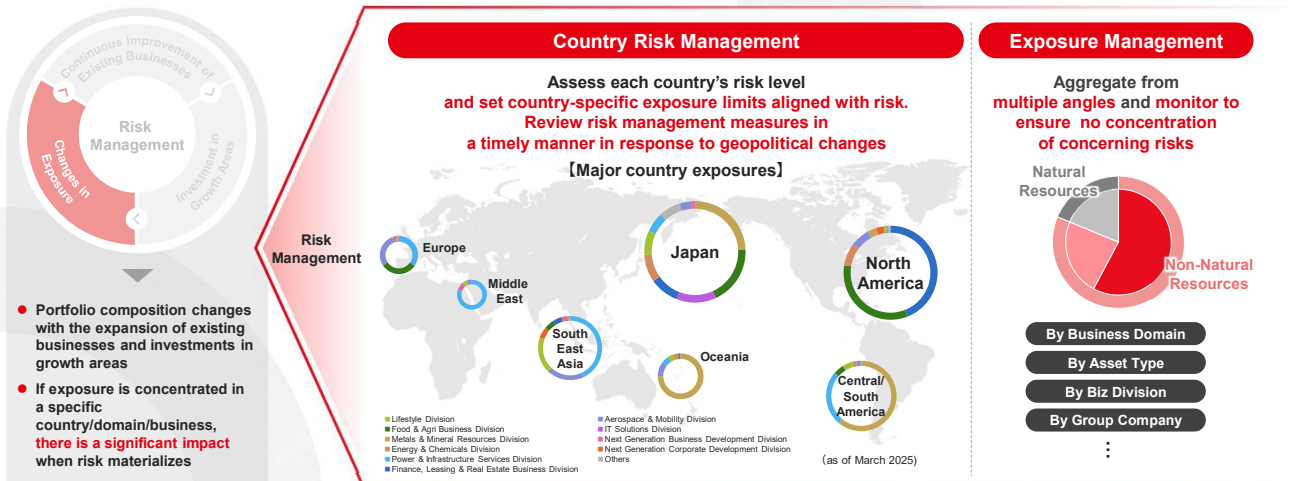


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33

- Behind every growth strategy always lies a certain degree of risk. Unless we consistently grasp the often-overlooked negative factors and thoroughly examine scenarios that could lead to failure, the accuracy of our investment analysis will not improve.
- Success requires more than just asking what to do, and following the idea that you should “Invert, always invert” allows us to pinpoint the possible scenarios of investment failure by studying contributing risks.
- Based on the significant impairment losses recorded in FY2019, we have incorporated inversion thinking into our investment process, translating it into concrete measures and guidelines to raise the quality of our investments. The 5 examples of this include:
 - Learn from the Past. We maintain an internal database that categorizes risks that actually materialized in prior investments and have made it available across the entire Group.
 - Set Limits. We avoid deals that exceed our financial capacity. For sizeable deals, strategy and other factors should be discussed and aligned before decision making.
 - Face the Facts. We compare past results and related business plans and objectively test for key actions to improve assessments such as purchase-price justification.
 - Pursuit of True Intentions. Through productive negotiations, we strive to uncover the true intentions of counterparties and apply strict contractual terms—such as representations, warranties, and risk allocations.
 - Never Compromise. We conduct internal reviews to avoid rushing decisions and engage in thorough debate. Furthermore, we make investment decisions only after meticulously designing post-investment countermeasures against risks as well as value-enhancement strategies.
- We believe that the above initiatives have steadily improved the quality of our investments, as evidenced by our results since FY2020.

Ensure Soundness of Portfolio through Macro-Level Risk Management

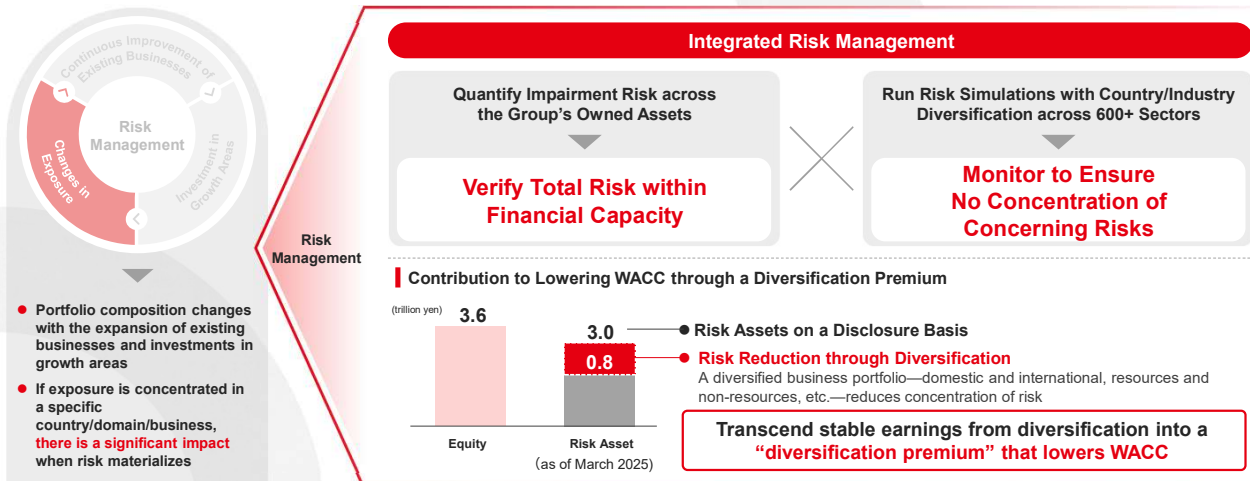


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34

- As the Marubeni Group has a diversified business portfolio, a major event in one particular country or industry will not cause a catastrophic blow to our financials. However, as we concurrently expand existing businesses and invest in areas with potential growth, the Group's exposure will continuously shift across axes such as country/region, business domains, and investment strategy.
- We must absolutely avoid excessive concentration in any single location, domain, or industry that would undermine portfolio diversity and subject us to risk levels exceeding our financial capacity if risks materialize.
- To ensure the soundness of our business portfolio, we adopt macro-level risk management. For country risk, we assess each country's risk level and set country specific exposure limits. This diversifies risk in times of geopolitical shock or crisis which could trigger simultaneous defaults, minimizing the impact of exposure on Marubeni.
- In addition, we aggregate exposure from multiple perspectives—by business domain (resources/non-resources), asset type, business division, and Group company—to monitor for problematic concentrations.
- Given the current heightened geopolitical risk situation, should an event occur, we can analyze the degree of impact on local businesses and supply chains immediately and react accordingly to avoid or mitigate risks. For example, we halted new transactions and exited from existing ones in Russia shortly after the country's invasion of Ukraine, and thus our current exposure in Russia is limited.

Ensure Soundness of Portfolio through Macro-Level Risk Management



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35

- Next, I would like to go over our integrated risk management, which has been our macro-level framework for more than 20 years.
- We quantitatively assess the risk of asset impairment in our diversified business exposure across countries/regions and business domains, which we classify as “risk assets.” By controlling the amount of total risk to within our financial capacity, we ensure financial soundness.
- In our Integrated Report, we disclosed risk assets of JPY 3.0 trillion as of FYE2024 (March 2025), based on a conservative methodology, indicating that we maintain a sufficient risk buffer. However, simulations that factored in each asset’s volatility and credit quality, as well as correlations among assets, indicated that diversification—across resources and non-resources and other heterogeneity in businesses—could reduce the worst-case scenario of maximum risk by approximately JPY 0.8 trillion.
- To enhance our corporate risk tolerance, we will further refine our risk measuring methods and analysis of investment and cash collection as we aim to deliver steadier earnings and, as a diversification premium, contribute to lowering WACC.
- That concludes my overview of the functions of Marubeni’s risk management. Our risk management strategies continue to evolve alongside the evolving businesses of Marubeni Group. With a well established framework—and by positioning the utilization of inversion thinking as the foundation of our risk management—we will continue to drive the cycle towards enhancing corporate value and thus realizing the strategies and goals set for GC2027.
- Thank you for your time and attention.