Marubeni IR Day 2026

Financial Strategy and Cost of Capital Optimization

Director, Representative Executive Officer
CFO
Chijo Tajima

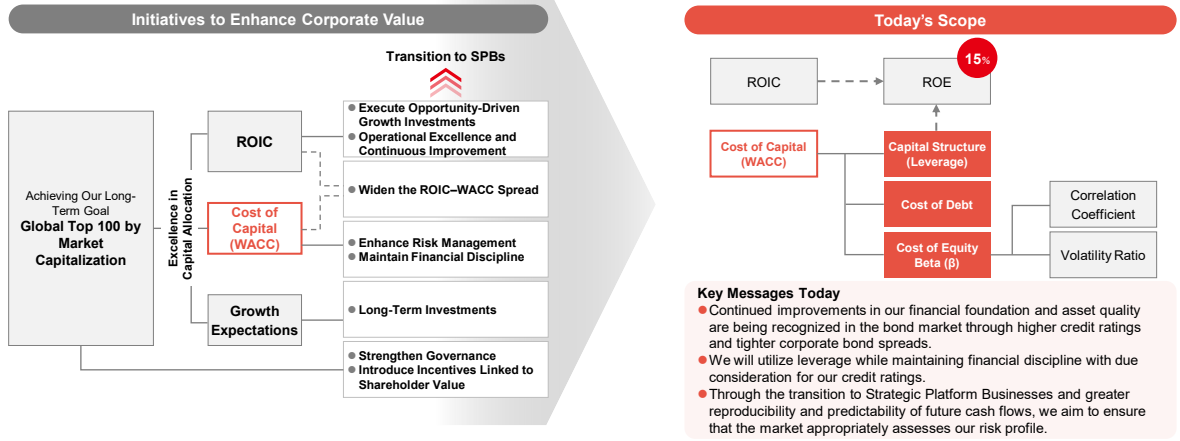
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- Hello, I am Chijo Tajima, Marubeni's CFO.
- Today, I will explain our financial strategy and cost of capital optimization.

Approach to Optimizing Cost of Capital (WACC)

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To widen the ROIC–WACC spread, we will optimize WACC by utilizing leverage and transitioning to Strategic Platform Businesses (SPBs)



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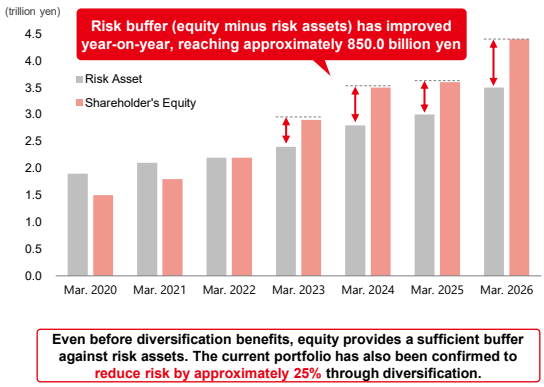
- Marubeni's long-term goal is to rank among the top 100 companies in the world by market capitalization. At the core of this is consistently achieving an ROIC that exceeds WACC, widening the spread between the two, and increasing invested capital.
- At Marubeni, we strongly encourage continuous improvement in capital efficiency by setting ROIC targets for each sales department and reflecting these targets in our evaluation and compensation systems.
- On the other hand, WACC is not determined solely by the operation of individual businesses, but is influenced by a company's overall business portfolio, capital structure, capital policy, and dialogue with capital markets. Therefore, optimizing it is a management issue that headquarters should address responsibly across the entire company .
- The details of ROIC improvement will be covered by the heads of each sales division and the Value Creation Office after my presentation, so I will focus on WACC, a company-wide challenge, and explain our approach.
- There are two main points I would like to convey to investors today.
- First, we have long been committed to improving our business portfolio through advanced risk management. This has resulted in optimized debt costs through improved credit ratings. Next, I will discuss our strategy for utilizing this optimized debt, that is, our future leverage strategy.
- Second, we recognize that there is still room for optimization regarding equity beta, which is an important factor influencing the cost of equity.
- We view beta as a statistical representation of the risk assessment investors make about Marubeni. Thus, in addition to improvements in financial indicators and risk management, we believe that it is essential that investors fully understand and evaluate our business strategy and capital policy.

Improving Our Financial Foundation, Asset Quality, and Cash Flow

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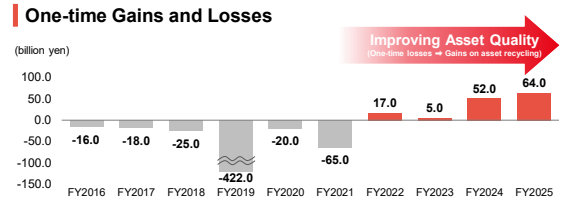
Through cash flow management and rigorous investment discipline, we have strengthened our financial foundation, improved asset quality, and enhanced cash flow stability

Risk Assets and Equity

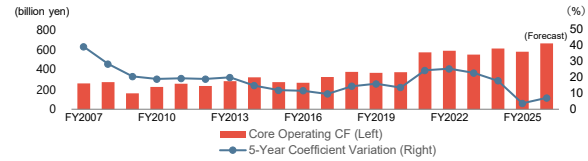


Even before diversification benefits, equity provides a sufficient buffer against risk assets. The current portfolio has also been confirmed to reduce risk by approximately 25% through diversification.

One-time Gains and Losses



Core Operating Cash Flow and 5-Year Coefficient of Variation



Note: The five-year coefficient of variation is calculated by dividing the standard deviation of core operating cash flow over the five most recent years through each fiscal year by its average over the same period.
Note: Core operating cash flow for FY2012 and earlier is calculated as operating profit plus equity in earnings/losses and other items.

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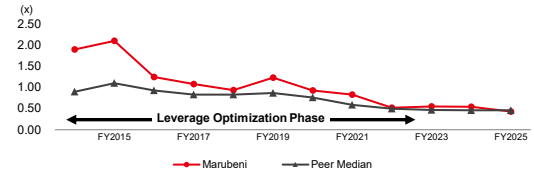
- First, I would like to explain our long-standing efforts to improve our business portfolio and the results we have achieved.
- Marubeni has steadily strengthened the quality of our assets and our financial foundation through advanced risk management, including thorough cash flow management and strengthened investment discipline.
- As shown in the left diagram, shareholder equity relative to risk assets is steadily increasing, and we have recently secured a risk buffer of approximately 850 billion yen. In addition, we have confirmed that the diversification effect of our current portfolio will lead to a further 25% reduction in risk.
- Looking at the graph showing the trend on one-time gains and losses in the upper right corner, we can see that the one-off gains from the sale of low-ROIC assets have already exceeded one-off losses. We believe this is a result of strengthened investment discipline and portfolio improvement and indicates an improvement in the quality of our assets.
- Furthermore, as shown on the image in the lower right, core operating cash flow has remains at a high and stable level. The coefficient of variation, which indicates the variability of cash flows over the past five years, is also low, indicating an improvement in the stability of future cash flows.

Leveraging Debt Capacity Going Forward

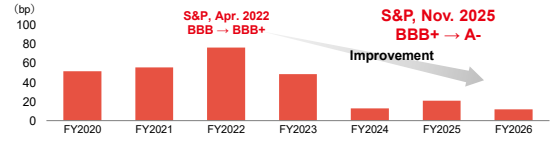
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A stronger financial foundation has translated into higher credit ratings and lower debt costs in the bond market. Going forward, we will deploy debt capacity toward growth investment

Net Debt-to-Equity Ratio

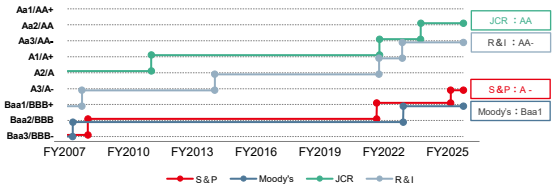


Marubeni Bond Spreads (vs. A-Rated Index)

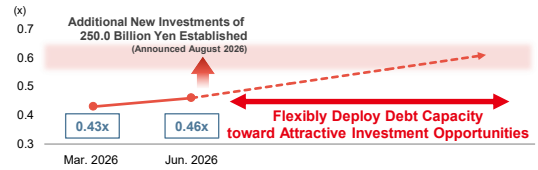


Source: Bloomberg. The figures represent the difference between the secondary-market spread on Marubeni's five-year USD-denominated bond and the spread on the five-year USD-denominated bond index for U.S. A-rated companies as of the respective dates, after adjusting for differences in maturity.

Marubeni Credit Ratings



Leverage Policy (Net Debt-to-Equity Ratio)



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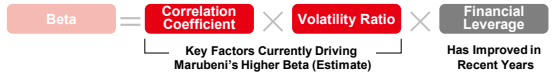
- Consequently, these improvements have been reflected in our valuation in the bond market.
- As shown in the upper left graph, our net debt-to-equity ratio has fallen to around 0.4, the same level as other sogo shosha (diversified trading conglomerates). As a result, as shown in the rating trend in the lower left image, our rating has reached its highest level ever, improving to a level comparable to other sogo shosha.
- The graph in the upper right compares the spread of our 5-year U.S. dollar bonds with an index of A-rated U.S. companies. Thanks in part to the rating upgrade, our relative borrowing costs have improved significantly, leading to borrowing costs in line with those of A-rated companies.
- In other words, improving our financial foundation through cash flow management, investment discipline, and risk management has already led to the optimization of our cost of debt through improved credit ratings.
- We will continue to utilize these optimized cost of debt and the debt capacity resulting from our improved credit rating to optimize our WACC by applying appropriate leverage. In August of this year, we revised our capital allocation from a debt utilization perspective and set aside an additional 250 billion yen for new investments. Going forward, while maintaining our A-level credit rating, we will prudently utilize leverage and actively deploy our debt capacity toward high-quality investment opportunities.

Beta: Components and Current Assessment

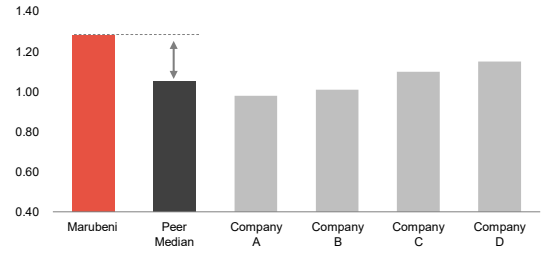
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There is still room for optimization of beta, which reflects the market's assessment of our risk profile. We recognize this as an issue to address in optimizing the cost of equity

Components of Beta

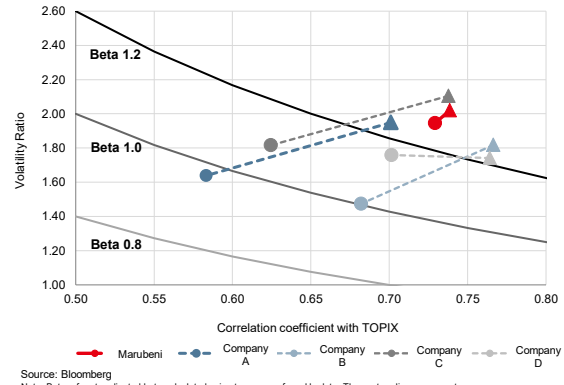


Adjusted Beta Comparison (as of June 2026)



Source: Bloomberg

Correlation Coefficient and Volatility Ratio
(June 2026: ●, June 2024: ▲)



Source: Bloomberg
Note: Beta refers to adjusted beta calculated using two years of weekly data. The contour lines represent adjusted beta levels derived from the correlation coefficient and the volatility ratio.

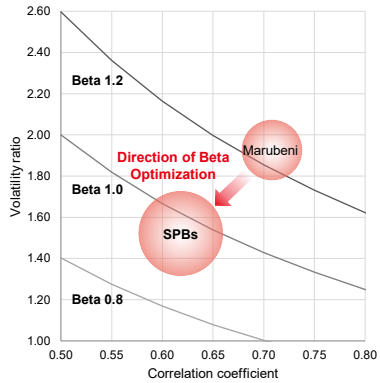
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- As explained previously, we are seeing improvements in leverage and cost of debt, two components of WACC. The final challenge is the cost of equity—specifically beta, one of its components.
- Beta is an indicator that represents the risk assessment investors make about Marubeni and can be understood using three elements: correlation coefficient, volatility ratio, and financial leverage.
- Despite improvements in financial leverage, our beta remains slightly above the median for our industry peers. This suggests that we may be perceived as a company with relatively high market sensitivity and earnings volatility.
- In fact, as shown in the graph on the right, Marubeni ranks highly in both correlation coefficient and volatility ratio compared to other sogo shosha.
- The beta value itself is influenced by market conditions and is not something we can directly control. However, we recognize that there is still room to improve our market risk assessment through the strategies we have already implemented and the initiatives we will pursue in the future.

Optimizing Beta through the Transition to SPBs

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We will leverage our SPBs to improve market recognition of Marubeni's distinctive growth and capital allocation capabilities, as well as the reproducibility and predictability of future cash flows. This will support more appropriate beta assessment through correlation and volatility, optimizing our cost of equity



Transition to Strategic Platform Businesses

Correlation Coefficient — **Increase Recognition of Marubeni's Distinctive Growth and Capital Allocation Capabilities**

Marubeni's distinctive model actively allocates capital, enhances businesses, and generates compounding growth—rather than merely being driven by market conditions

Operational Excellence	Apply global best practices across the organization to improve existing businesses
Capabilities and Focus on Priority Areas	Focusing on areas where we can win and pursuing dynamic, opportunity-driven capital deployment
Demonstrating Growth Track Record	Continuously demonstrate the expansion and portfolio share of SPBs to deepen understanding of Marubeni's distinctive growth potential.

Further enhance transparent, high-quality IR and disclosure to minimize gaps between expectations or guidance and actual results.

Volatility — **Enhance the Reproducibility and Predictability of Future Cash Flows**

Strengthen earnings structure and investment discipline to improve the reproducibility and predictability of future cash flows and, in turn, moderate share-price volatility.

High Value Added	Differentiated products and services grounded in a deep understanding of customers and markets enhance the sustainability of high ROIC
Growth Areas and Scalability	Structural demand growth and expansion across regions, customers, and products increase the certainty of future earnings and cash flow growth
Investment Discipline and Governance	Advanced risk management and rigorous project reviews improve investment quality while reducing impairment risk

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- When optimizing beta, our strategy and initiatives are organized from two perspectives: correlation coefficient and volatility ratio. At the core of this is promoting the development of strategic platform.
- Regarding correlation coefficients, we believe it is important that Marubeni be recognized not simply as a company that is linked to market conditions and the macro environment, but as a company that possesses unique and distinctive growth potential and capital allocation capabilities—an unmistakable Marubeni identity.
- Marubeni has consistently pursued a shift towards Strategic Platform Businesses, proactively allocating capital, improving businesses after investment, and reinvesting profits. In addition, we are committed to operational excellence, which involves embedding lessons learned from global best practices throughout the entire organization to improve existing businesses.
- Going forward, we will strengthen this policy and, while maintaining discipline, allocate capital more flexibly and dynamically than ever before to promising, high-quality investment opportunities, thereby increasing ROIC and achieving compound growth.
- In addition to this opportunity-driven and dynamic capital allocation, we will continue to demonstrate examples of expansion and composition ratios of our core Strategic Platform Businesses along with actual results, thereby deepening market recognition of Marubeni's unique growth potential and capital allocation capabilities.
- Next, let me go over the volatility ratio.
- The key here is to increase the reproducibility and predictability of future cash flows.
- We believe that Strategic Platform Businesses, with their high added-value, growth areas, and scalability, will greatly contribute to achieving this goal.
- Approaching our businesses from a high value-added perspective, we will enhance the sustainability of high ROIC through differentiated products and services based on a deep understanding of our customers and the markets. Furthermore, through growth areas and scalability, we will capture structural demand growth and expand into new regions, customer segments, and product lines, thereby increasing the certainty of future profit and cash flow growth.
- In addition, we will continue to enhance our risk management, as I outlined previously, and reduce impairment risk while improving investment accuracy.
- Moreover, we will continue our efforts to minimize the gap between expectations and actual results through communication with all stakeholders.
- As described in this presentation, by promoting the development of a strategic platform, we will enhance market understanding of Marubeni's unique growth potential and capital allocation capabilities, as well as the reproducibility and predictability of future cash flows. This will lead to the optimization of our risk assessment through correlation coefficients and volatility ratios, and ultimately to beta optimization.
- That concludes my presentation. Thank you for your time.