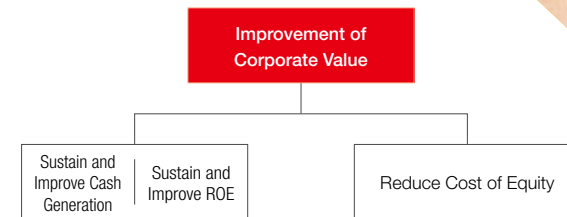


# 01

## SECTION



## Value Creation at Marubeni

In addition to our values and management philosophy, we explain the driving forces and strategies behind the Marubeni Group's value creation, such as our management resources that have been accumulated throughout its more than 160-year history, our value creation story, and our Mid-Term Management Strategy.

- 04** Values of the Marubeni Group
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# Our Values

## Management Philosophy

Realizing the Vision through Corporate Activities

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

## Our Vision

Group Commitment to Increasing Corporate Value in a Lasting Way



Global crossvalue platform  
**Marubeni**

Creating value through innovative solutions for our customers and for the world

Share the challenge

## Company Creed

Values That Act as Constant Guides



Company Creed “Fairness, Innovation, and Harmony”

**Fairness**—Act with fairness and integrity at all times.

**Innovation**—Pursue creativity with enterprise and initiative.

**Harmony**—Give and earn the respect of others through cooperation.

As social and customer issues become increasingly complex, it is not possible for Marubeni alone to provide solutions for everything.

The Marubeni Group addresses social issues, creates value, and works toward the medium- to long-term improvement of corporate value by leveraging its collective strengths and internal and external expertise, as well as engaging in co-creation with our stakeholders.

Our company creed of “Fairness, Innovation, and Harmony” shares connections to the key words of sustainable business activities, even modern times. “**Fairness**” links to human rights and fairness, “**Innovation**” to innovation and challenge, and “**Harmony**” to respect for diversity and harmony with society and the planet. The Marubeni Group will continue on its journey of value creation, steered by these constant guides.



# History of Value Creation

The Marubeni Group has consistently supported the development of society and the economy through business development in tune with the latest needs, while anticipating societal change.

## 1858- Founded

Textile business



Marubeni's founder Chubei Itoh

Mark from which Marubeni company name was derived

Founded  
**165**  
years ago

1858 Marubeni's founder, Chubei Itoh, began selling Ohmi linen

## 1950s- Becoming a general trading company

Expansion of business domains



New York subsidiary

The beginning of Marubeni's strengths  
Earnings base in non-resource fields  
Track record and competitiveness in the U.S.

- 1949 Marubeni Co., Ltd. was established
- 1951 First overseas subsidiary established in New York
- 1961 Non-textile sales exceeded 50% of total sales
- 1963 Received thermal power plant equipment order from Manila Electric Company in the Philippines

## 1980s- Deepening of business

Business evolution from trading to business investment, expansion of overseas operation centered on the U.S.



Helena (U.S.)



Columbia Grain (U.S.)

- 1978 U.S.: Grain collection and export business Columbia Grain established
- 1987 U.S.: Acquired agri-input retailer Helena
- 1994- Start of initiatives in IPP business
- 1996 Qatar: First shipment from Qatar LNG project delivered
- 1996 Chile: Acquired interest in Los Pelambres Copper Mine
- 1997- Start of initiatives in renewable energy power generation business

## 2000s- Resource investment

Securing of natural resource interests that led to current green strategy



Roy Hill iron mine (Australia)



Esperanza Copper Mine (Chile)

## Non-resource investment

Development of diverse businesses to enhance resilience



Nowlake (U.S.)



MUSI Pulp Project (Indonesia)

- 2005 Indonesia: MUSI Pulp Project management interests acquired
- 2008 Chile: Acquired interest in Esperanza Copper Mine
- 2011 U.S.: Invested in Westlake (now Nowlake), a used car retail financing business
- 2012 Australia: Acquired equity stake in Roy Hill Iron Ore Project
- 2013 U.S.: Invested in Aircastle, an aircraft leasing company
- 2013 U.S.: Acquired Gavilon, a grain and fertilizer wholesaler

## Present- Pursuit of higher corporate value by staying one step ahead of changes in the environment and society



Creekstone (U.S.)



Aircastle (U.S.)



Next Generation Business Development Division (Skeleton Estonia)



Adubos Real (Brazil)

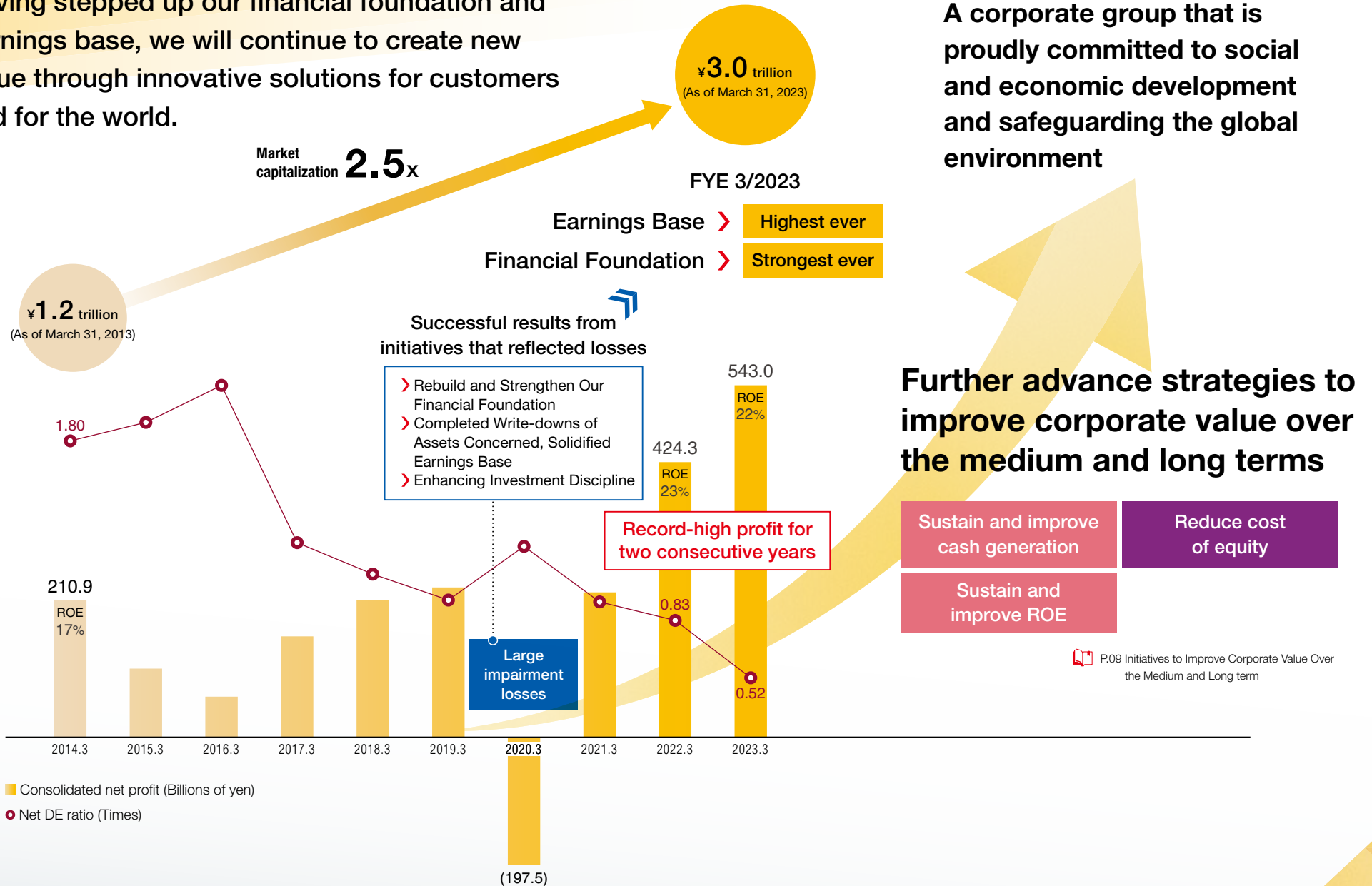
- 2017 U.S.: Acquired Creekstone, a beef processor
- 2019 Next Generation Business Development Division established
- 2019 Brazil: Invested in Adubos Real, an agri-input distributor
- 2020 U.S.: Made additional investment in Aircastle, an aircraft leasing company
- 2022 Next Generation Corporate Development Division established
- 2022 U.S.: Sold Gavilon's grain business

### Business Progress

- 2018 Disclosed policy to pull out of coal-fired power generation
- 2019 Identified materiality, adopted TCFD recommendations
- 2019 Created Business Policies SPP (enhancing investment discipline)
- 2020 Net loss booked on large impairment losses (FYE 3/2020) Removed the risk of future large impairment losses
- 2021 Disclosed Long-Term Vision on Climate Change
- 2022 Disclosed Green Strategy
- 2023 Achieved record-high profit for a second straight year (FYE 3/2023)

Having stepped up our financial foundation and earnings base, we will continue to create new value through innovative solutions for customers and for the world.

A corporate group that is proudly committed to social and economic development and safeguarding the global environment



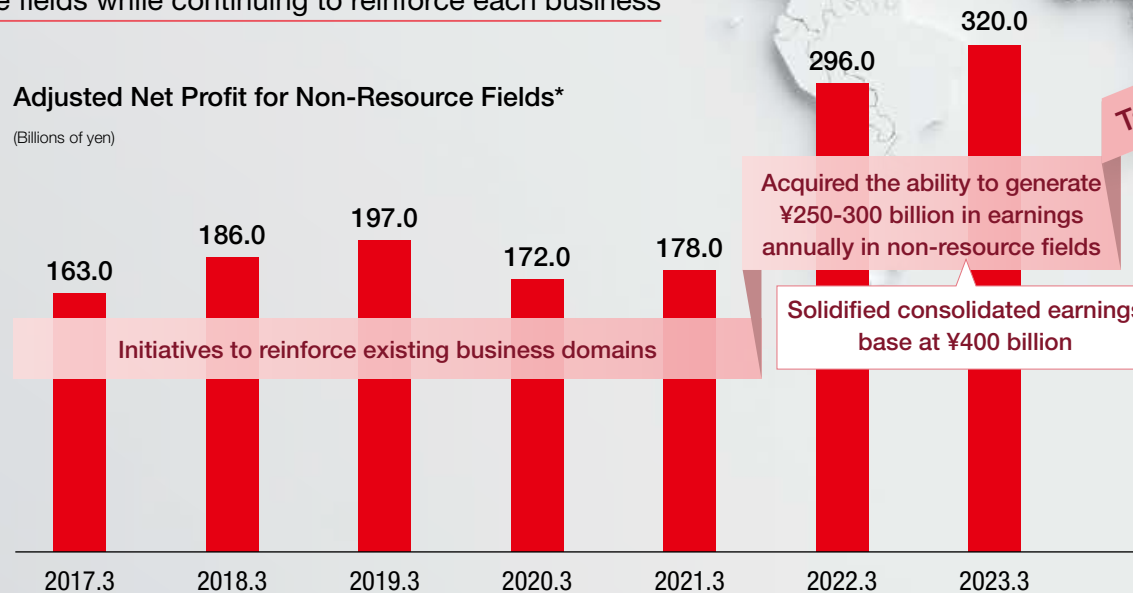
## Marubeni's Accumulated Strengths

# Earnings Base in Non-Resource Fields

- Increase level of profit in non-resource fields by strengthening existing business domains
- Aim for profit growth over the medium and long term driven by non-resource fields while continuing to reinforce each business

Adjusted Net Profit for Non-Resource Fields\*

(Billions of yen)



Initiatives to reinforce existing business domains

Acquired the ability to generate ¥250-300 billion in earnings annually in non-resource fields

Solidified consolidated earnings base at ¥400 billion

Target medium- and long-term profit growth

Strengthening of earnings base by executing strategies

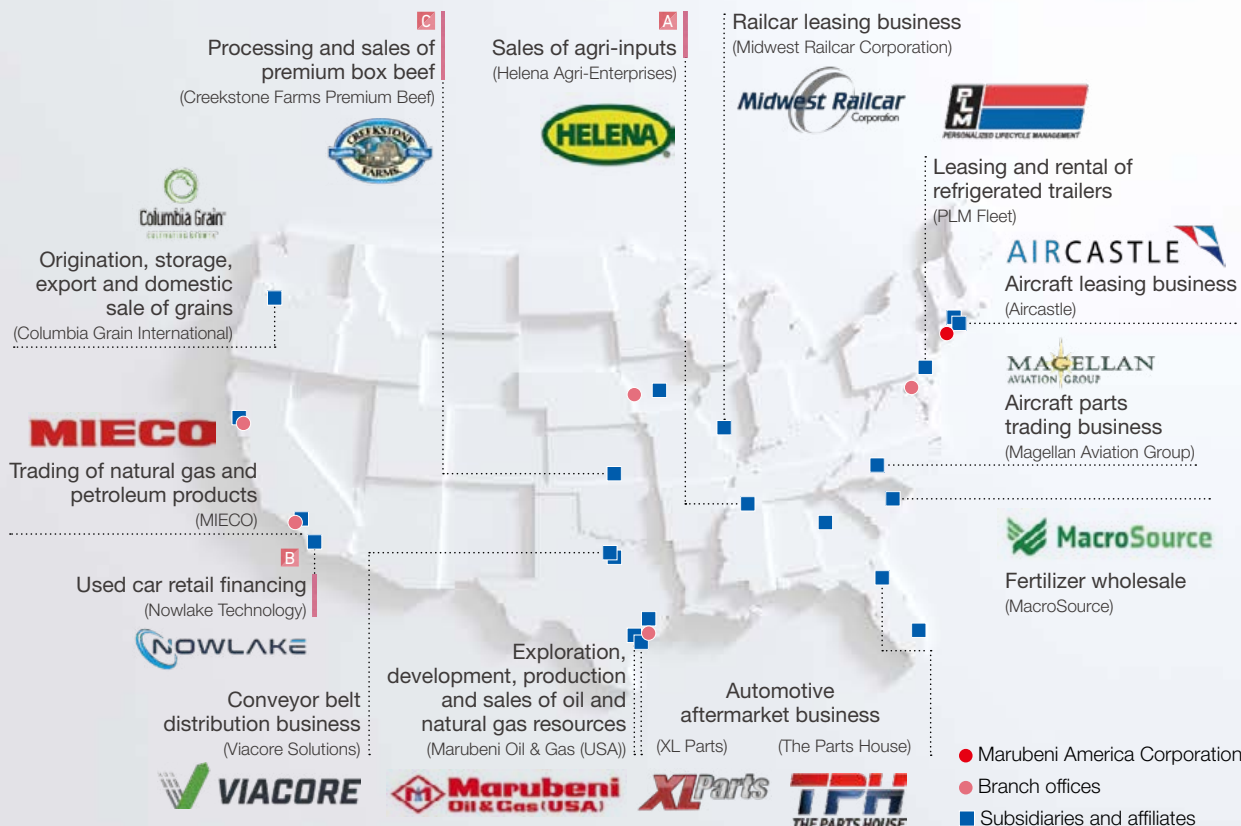
\* Adjusted Net Profit: Net profit excluding one-time items (approximate figure)



Values of the Marubeni Group / History of Value Creation / **Marubeni's Accumulated Strengths** / Initiatives to Improve Corporate Value over the Medium and Long Term / Message from the President & CEO / Value Creation Story / Management Capital / Message from the CSO / Mid-Term Management Strategy GC2024 / Progress of Mid-Term Management Strategy GC2024 / Performance by Business Group / Green Strategy / Improving the Corporate Value of Marubeni from the Perspective of an Outside Director

# Competitiveness in the U.S.

- More than 70 years of business experience in the U.S.
- Developed highly competitive businesses, U.S. generates approx. 30% of profit (fiscal year ended March 31, 2023)
- Increase profit pillars with growth potential and downside resilience, strongly rooted in massive domestic demand in the U.S.



## A Helena Agri-Enterprises

U.S. No. **2** agri-inputs retailer

P.27 01 Food & Agri: Helena Agri-Enterprises

Profit attributable to owners of the parent for fiscal year ended March 31, 2023

**¥47.0** billion

## B Nowlake Technology

The **third**-largest used-car finance provider and the first among nonbank lenders in the U.S.

P.30 03 Finance, Leasing: Nowlake Technology

Profit attributable to owners of the parent for fiscal year ended March 31, 2023

**¥29.6** billion

## C Creekstone Farms Premium Beef

Beef packer with an established premium beef brand

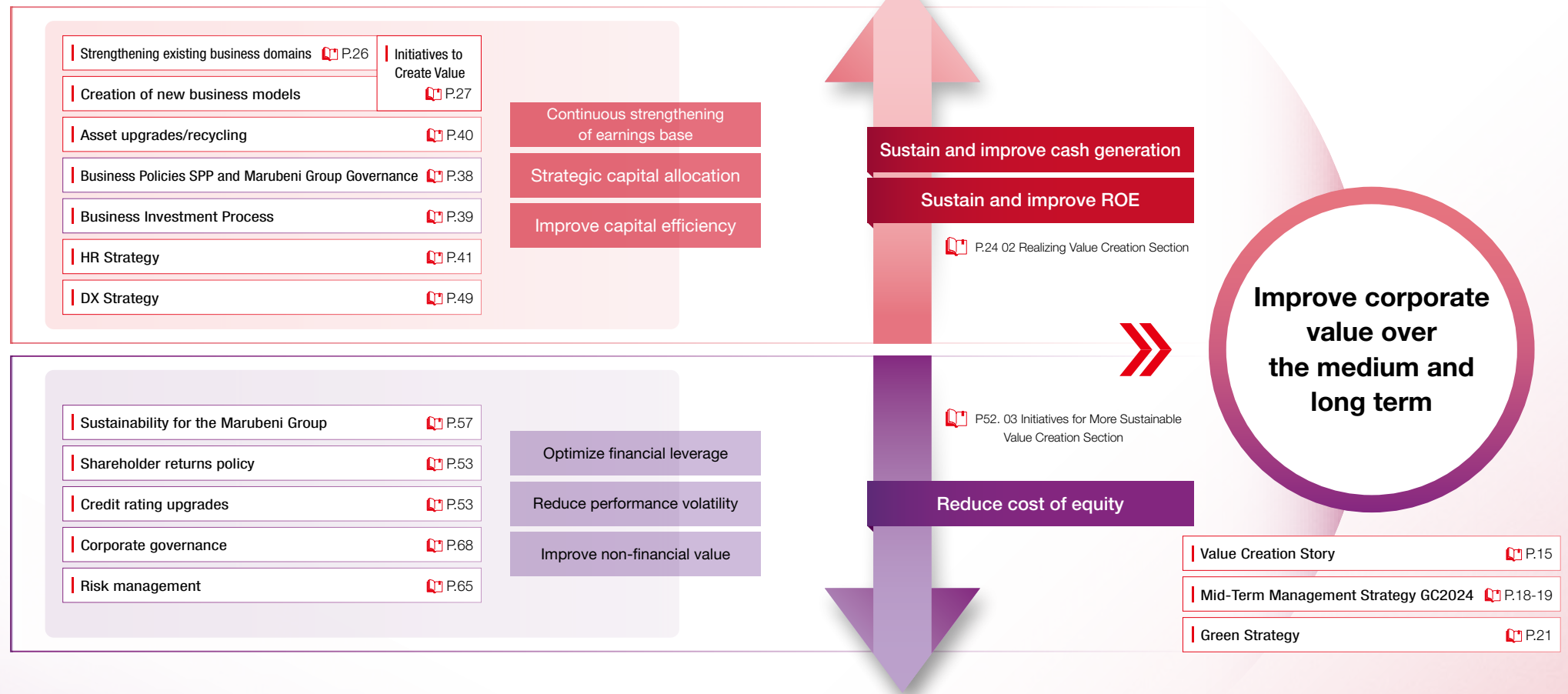
P.29 02 Food & Agri: Creekstone Farms Premium Beef

Profit attributable to owners of the parent for fiscal year ended March 31, 2023

**¥12.5** billion

## Initiatives to Improve Corporate Value over the Medium and Long Term

Aiming to improve corporate value over the medium and long term, Marubeni takes steps to sustain and improve cash generation, sustain and improve ROE, and reduce the cost of equity. By devising and advancing measures and strategies with this in mind, Marubeni has made steady progress on these fronts. Aiming even higher, Marubeni is keen to take bold measures in the future.



# Maximizing the Corporate Value

## Message from the President & CEO

**Enhancing long term corporate value through continuous refinement of our superior business portfolio**

Masumi Kakinoki

President & CEO





## Aiming to become a growing conglomerate by being lean and nimble in these rapidly changing times

In this world of discontinuity and uncertainty, the Marubeni Group aims to be an “essential partner that continually bridges gaps in society.” As a general trading company, one strength of the Marubeni Group is being able to work on anything without regard to business domain or type of product. In times when the outlook is indiscernible, we see opportunities to thrive. In every era, the Marubeni Group has adapted and expanded its role, continuously addressing the challenges of each time. This embodies our mission as a corporation and is the reason why Marubeni has built a history of 165 years. In the 20th century, we bridged geographical gaps through trade. Since the beginning of the 21st century, we have been filling the gap between future value and present value through investment. Looking ahead, our role will be to fill the gap by creating new value in a world that is constantly changing and difficult to predict.

It is often said that general trading companies have a conglomerate discount in evaluations of their corporate value due to the complexity of managing diverse and wide-ranging businesses. However, I believe we have a unique strength precisely because of our engagement in such a wide range of businesses. Firstly, Marubeni can adjust its business portfolio to fit better with the needs of society and customers. We can select business domains that align with the needs of society and customers from around the world, and also business domains where we have knowledge and experience, giving us a good chance of success. In these business domains, we can also selectively choose the most promising investment opportunities. Moreover, our information-gathering capabilities are a major strength. The up-to-date information continuously flowing in from our operations worldwide is an incredibly valuable asset. While recent advancements in digital technology are said to have eliminated information disparity, I feel the quality

of information has become even more important. By leveraging high-quality information in our daily decision-making and refining our portfolio, I believe we can achieve growth that surpasses the macroeconomy. Furthermore, being involved in various businesses provides us with a network spanning a wide range of sectors and regions. This offers the advantage of being able to tie up with optimal partners when embarking on new ventures. One good example of this is being able to enter into new business areas like new energy by collaborating with existing partners.

Leveraging the unique strengths inherent to general trading companies, Marubeni aims to create value by contributing to solutions for the various challenges faced by society and customers. In doing so, we are able to achieve medium- to long-term profit growth. The cash generated from these endeavors is then reinvested in further growth and/or returned to our shareholders. This is the core business model of a general trading company, and the ideal we strive towards. On the flip side, narrowing our focus too much by selection and concentration might leave Marubeni vulnerable to being swayed one-sidedly by unforeseen events. Instead of narrowing down too much, Marubeni is keen to assemble a group of lean businesses while maintaining a broad portfolio.

## A Portfolio for Medium- to Long-Term Profit Growth

The Marubeni Group achieved record-high profits for two consecutive years in the fiscal years ended March 31, 2022, and 2023. As discussed in more detail later, the sale of the grain business of Gavilon Agriculture Investment, Inc. allowed Marubeni to significantly reinforce its financial foundation and thus enabled us to enhance shareholder returns. These major achievements would not have been possible without the employees of the Marubeni Group, to whom I am deeply

grateful. We have received numerous comments from shareholders and investors, praising Marubeni for stepping up as a corporation and making steady progress on what needs to be done.

In the past, Marubeni posted substantial impairment losses that not only damaged its financial foundation but also compelled management to prioritize debt repayment over growth investments, setting back the Company's progress by several years as growth slowed. However, when it posted significant impairment losses in the fiscal year ended March 31, 2020, Marubeni removed the significant risk of future impairment losses. And, by successfully enhancing earnings capacity at the same time, we were able to realize a substantial increase in profits. As explained later, we have also internally strengthened our investment discipline. Looking ahead, without relapsing into impairment losses, the Company is keen to raise the level of profits over the longer run by consistently enhancing its earnings capacity.

With an eye on medium- to long-term profit growth, Marubeni's basic investment strategy revolves around allocating funds for growth investments in business domains where it has a competitive advantage, primarily in non-resource fields, with the intention of strengthening its existing business domains.



It was our steadfast efforts to reinforce individual businesses that led to record-high profits, and we will boldly continue with these efforts. Not only have we reinforced traditionally strong businesses like the Food & Agri Business and the Power & Infrastructure Project, over the past few years we have also expanded the business domains where we have strengths to include transportation machinery, fleet management, and trading. This is a major win from the perspective of increasing our sustained growth potential.

Initiatives to Create Value P.27-

Within the Company, I am constantly cautioning against becoming complacent with our current business position because we are profitable now. The world is changing at an incredible speed, and there is the possibility that the global situation or the demands of our customers might change dramatically one day. For Marubeni to continue growing in the medium to long term, we must always be sensitive to change and continually imagine the type of demand that our customers or potential customers will have. This might not always align with the trajectory of our existing business and organizational structure. This is why it is vital to simultaneously maintain and expand existing business domains while also being always on the ready for creating new business models.

To seize opportunities for new business, we must always be tuned into what is expected of us. A prime example of this is sustainability. The act of monitoring and helping solve issues of high priority to society is becoming fundamental to all businesses, such as decarbonization, the transition to a circular economy, the protection of water resources and bio-diversity, the promotion of human rights, and building sustainable supply chains. In the GC2024 Mid-Term Management Strategy, Marubeni has defined its approach to sustainability management as its “Green Strategy.” This strategy goes beyond strengthening businesses that directly contribute to sustainability and new investments. It calls for “greening” as a means of

solving issues related to sustainability across all industries, helping society and customers, and propelling the Marubeni Group forward. We aim to become a forerunner in Green Business by working with all our stakeholders to realize the international community's goal of a society in harmony with nature. Over a year has passed since the launch of GC2024, and each business division has clarified what they will specifically promote under the Green Strategy. Steady progress is being made. In December 2022, the Akita Offshore Wind Project, Japan's first large-scale offshore wind farm, began operating commercially. Additionally, in March 2023, progress was made on other fronts, such as the signing of a long-term water sales agreement for the water production and transportation project for Corporación Nacional del Cobre de Chile.



In front of the Akita Offshore Wind Project

By fostering a collective consciousness of sustainability throughout the Group, we believe the quality of what we provide will improve. Moreover, as our customers' and suppliers' perception and assessment of Marubeni becomes rooted in green values, we believe they will come to view us as a reliable partner they can conduct business with.

### **While drawing on past lessons, we will not halt our progress toward growth.**

When I was talking about the advantages of a general trading company, I did not intend to refute the principle of selection and concentration. Marubeni is actively recycling assets in

businesses that have not enhanced its corporate value. In October 2022, management made the bold decision to sell the grain business of Gavilon Agriculture Investment, Inc., which brought back in approximately ¥330 billion.

This business primarily entailed amassing and selling grains within the U.S. When it acquired the business, Marubeni aimed to create synergies with its grain trading business with foreign countries, especially China. However, these synergies did not materialize as anticipated. We examined ways to increase value added by venturing into grain processing and production, but these markets are fiercely competitive. Given our limited experience, we came to the conclusion that it was not a wise use of major capital outlays. Ultimately, the returns on this investment did not meet our initial projections. Moreover, operating the business required significant working capital and human resources, making it inefficient. Amid these circumstances, grain prices began rising a few years ago, and a company interested in U.S. grain collection offered us terms that met our interest. We saw this as the optimal time to sell the business, culminating in the agreement. Considering the final sale price, I believe Marubeni broke even on the whole, but the time and human capital expended cannot be reclaimed.

Lessons like this are shared extensively within the Company, and even incorporated into internal systems. When it acquired Gavilon for close to ¥300 billion (including the fertilizer business), Marubeni's annual net profit was around ¥200 billion. In retrospect, I believe it was a venture beyond our means. Companies should always aim for growth and maintain an enterprising spirit, but investments that might endanger a company's foundation if they turn sour should be avoided. I believe this investment discipline should be upheld even when management changes, so we have modified our internal approval processes so that large-scale investments must pass muster. A system has been put in place to prevent investments in early-stage projects from being prematurely

greenlit by an eager CEO willing to bypass the approval process. Even if the CEO is keen on a project, a decision cannot be finalized solely on that enthusiasm. The majority of members on the Board of Directors are outside directors, and large investments above a certain amount cannot move forward without the Board's approval.

Of course, as the Company's scale and profit levels have grown, investments might be larger than in the past. Historically, more so than large investments, Marubeni has tended to flourish by making medium-sized investments in a range of tens of billions of yen that are competitively nourished with hands-on involvement. We plan to continue emphasizing this approach.

While the lessons from past investment failures have permeated even to our employees on the front lines, excessive caution can also be counterproductive. Growth investments are vital. Now that such lessons have been firmly ingrained in our mindset and approach to disciplined investment within Marubeni, my internal messaging now emphasizes the implementation of growth strategies and taking challenges geared towards creating new business opportunities. Investment decisions should be based on robust data analysis and meticulous planning for the future. As the president, I will act decisively and fully support the projects we undertake after thorough discussions.

## New Shareholder Return Policy Decided in Light of Market Expectations

Until February 2023, Marubeni's dividend policy was to set dividend amounts based on annual profits, while specifically targeting a consolidated dividend payout ratio of 25% or more. Also, the Company did not conduct share buybacks until the fiscal year ended March 31, 2022. This was because the scale of shareholders' equity had not been large enough in the past.

In the fiscal year ended March 31, 2020, Marubeni posted a net loss due to significant impairment losses, which resulted in a decrease in shareholders' equity. Consequently, management prioritized the rebuilding and strengthening of our financial foundation. Thereafter, however, as I mentioned earlier, we were able to significantly improve both our earnings base and financial foundation. In light of these achievements, we held dialogues with shareholders, investors, and analysts while exploring the best shareholder return policy for Marubeni and our shareholders. The outcome was the new shareholder return policy announced in February.

The Company's new shareholder return policy is fundamentally about providing a steady dividend and aiming to increase dividends through medium- to long-term profit growth. On this basis, during GC2024, Marubeni has decided to distribute a progressive dividend (i.e., no reduction in dividends regardless of earnings) until the fiscal year ending March 31, 2025, and at the same time, target a total payout ratio of around 30%-35%. With this in mind, the Company takes a flexible approach to share buybacks.

The decision to introduce a progressive dividend was carefully thought out. If we misjudge the Company's earnings capacity when determining the baseline for progressive dividends, the Company may end up paying a dividend disproportionate to profit levels in the event of a sharp decrease in profits, which could potentially be detrimental to Marubeni's corporate value. On the other hand, as of February 2023, we thought about switching to a progressive dividend, without reducing the dividend, and maintain a dividend of ¥78 per share forecast for the fiscal year ended March 31, 2023. While ¥78 per share was our highest-ever dividend, after careful consideration, we concluded that Marubeni's current earnings capacity has sufficiently increased, and we ultimately decided to set that amount as the starting point for the progressive dividend.

Through these measures, management has been able to enhance shareholder returns. We feel that this is the best shareholder return policy that Marubeni can currently offer to our shareholders, who have been concerned by the impairment losses and net losses in the recent past. However, we are not satisfied with this level of shareholder returns. Marubeni aims to increase dividends by realizing profit growth, and, by growing profit even more over the medium and long term, management is keen to raise the level of shareholder returns higher.

## Strengthening initiatives in human capital, aiming for an organization where diverse talents work together

Amid significant changes, such as decarbonization, digital technology, the rise of the next generation of consumers, and diversifying values, the challenges faced by Marubeni are becoming increasingly complex. It is increasingly important to cultivate and support the activities of human capital to drive our business strategy forward. At Marubeni, we need to expand the capabilities and breadth of our human capital to the fullest, not just focusing on HR development or optimal placement, but also on improving engagement, ensuring diversity, and changing work styles as longer-term themes. This is not merely about managing employees. It is about management understanding the multifaceted and changing nature of our human capital, and building human capital that can maximize its potential in driving business strategy forward. In the fiscal year ending March 31, 2024, the Company created the position of Chief Human Resources Officer (CHRO) to formulate and promote an HR strategy that contributes to the management strategy. We are reinforcing our efforts so that our human capital, the most significant capital and driving force behind value creation for the Marubeni Group, can put all of its efforts into executing our business strategy.



To resiliently respond to changes in the business environment, we believe it is essential to secure and leverage the diversity of our human capital. For the Marubeni Group, which is proud to have 46,000 employees worldwide, diversity is especially important. Diversity encompasses various aspects of life, such as gender, age, life stage, nationality, race, social, religious, and cultural backgrounds, and disabilities. Marubeni aims to be a group of companies where everyone respects and admires colleagues of different backgrounds, and anyone with the skills and motivation is given opportunities to rise to new challenges. In 2022, Marubeni declared its intent to focus on long-term growth opportunities for women through the “Female Empowerment at Work 2.0” initiative. Furthermore, we would like to create a workplace environment where anyone regardless of age can enthusiastically work together, such as by training and encouraging young employees, as well as seniors. Marubeni aims for an organization where diverse talents intermingle and work together to address conflicting propositions, such as stability vs. growth and caution vs. boldness.



Management also places importance on having dialogues with employees. Since opportunities are limited for direct conversations, I encourage communication through Opinion Box. Using Opinion Box, I can relay my own video messages about important management topics to Group employees, including employees at consolidated subsidiaries, and directly respond to all feedback and questions from employees. Since my appointment as president in 2019, I have personally responded to about 1,200 queries over approximately four years. Employees attentively view the content of these videos, and they quickly point out any incomplete responses. While no company may be perfect, I think that most people would prefer to work in a place where they feel that they receive and understand explanations, and this might increase their motivation to work harder. I therefore sense there is meaning in directly responding to questions from employees, and will continue to do so with the belief that it is a thread of communication with employees.

### Pursuing higher corporate value through co-creation with all stakeholders

The fiscal year ended March 31, 2023, the first year of GC2024, was a fantastic year marked not only by a second consecutive year of record-high profit but also by the Company's share price reaching an all-time high. As we entered the fiscal year ending March 31, 2024, amid the robust Japanese stock market, the Company's share price continued to rise, setting new historical records one after the other. I am deeply grateful to the investors that view Marubeni in such a positive light, and I am keenly aware of the high expectations set by our shareholders.

In pursuit of further growth in corporate value, we see the importance of aligning our position more closely with that of shareholders. As such, we proposed a major revision to the

executive compensation system at this year's General Meeting of Shareholders, which was approved. By adopting relative Total Shareholder Returns (TSR) as one of the evaluation metrics for executives, which compares our total shareholder returns to stock market performance, we believe the foundation for improving corporate value has been reinforced.

Our corporate philosophy states that the Marubeni Group is proudly committed to social and economic development and safeguarding the global environment by conducting fair and upright corporate activities. This is an everlasting philosophy for Marubeni. While a simple mission, simplicity does not mean it is easy. Given the world's increasingly complex and diverse challenges, what we can accomplish solely on our own is limited. The Marubeni Group has adopted “Global crossvalue platform” as its vision. Even if the contribution of one individual might seem small, when the capabilities of various professionals are marshalled together, most problems can be solved. This is the future that Marubeni envisions: “Share the challenge.” I am confident that by collaborating with stakeholders worldwide, even the most daunting challenges can be overcome.

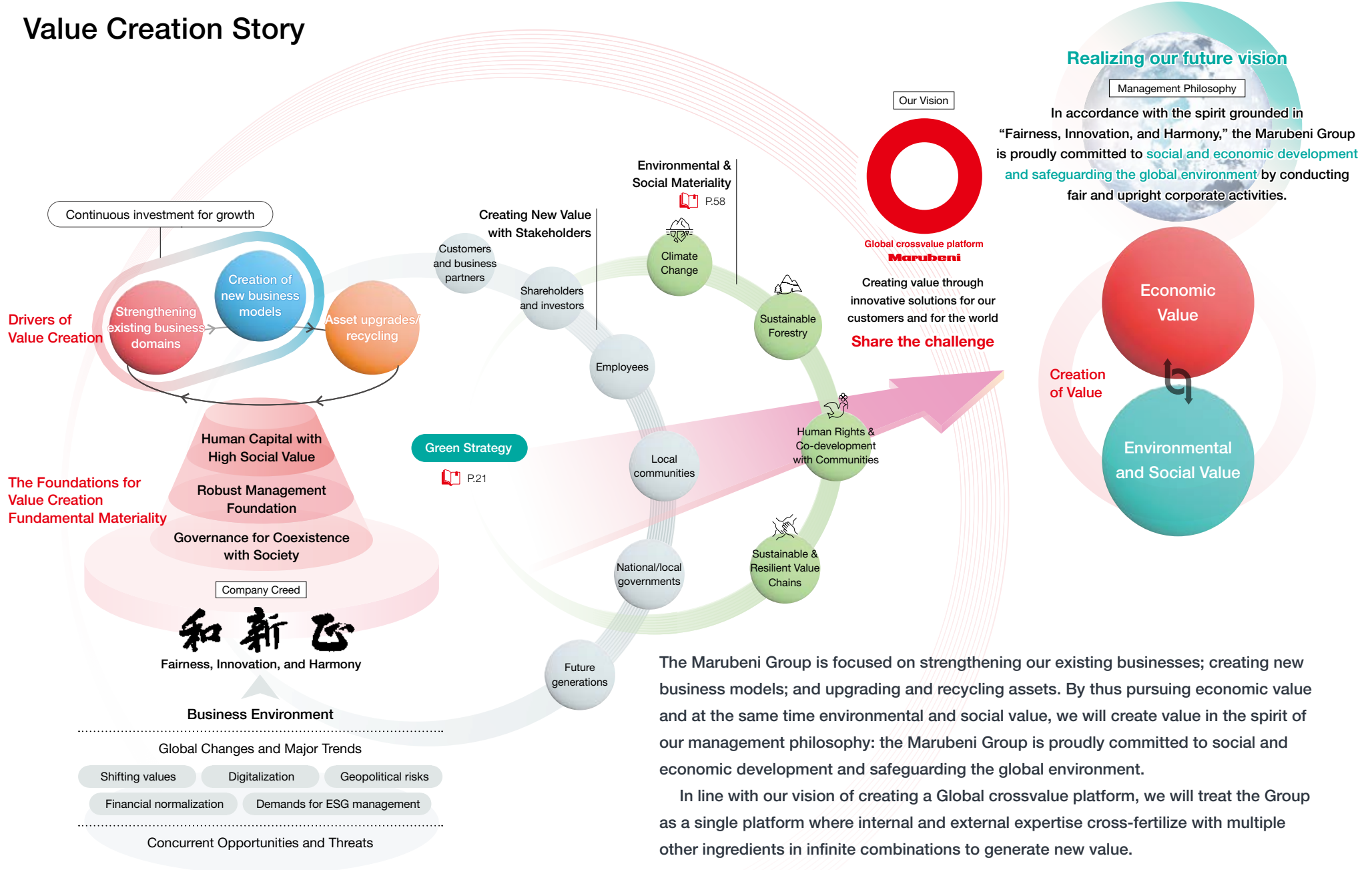
Compared to its past, when shoring up the financial foundation was a challenge and we could not take all the actions toward adequate growth that we wanted to, Marubeni now enjoys a much greater degree of management freedom and strength. Standing on a new stage, the Marubeni Group is focused on raising its share price and TSR and building corporate value over the medium and long term by seeking to address societal issues in partnership with all stakeholders, whether individuals, companies, or other entities, and to create value.

August 2023

**Masumi Kakinoki**

President & CEO

# Value Creation Story



The Marubeni Group is focused on strengthening our existing businesses; creating new business models; and upgrading and recycling assets. By thus pursuing economic value and at the same time environmental and social value, we will create value in the spirit of our management philosophy: the Marubeni Group is proudly committed to social and economic development and safeguarding the global environment.

In line with our vision of creating a Global crossvalue platform, we will treat the Group as a single platform where internal and external expertise cross-fertilize with multiple other ingredients in infinite combinations to generate new value.

# Management Capital

In the 165 years since its establishment, the Marubeni Group has created value by contributing to the resolution of social issues, adjusting and expanding its role with the changing times. We will continue to strengthen the management capital built up in our involvement and investment as a general trading company in a wide range of industries and regions, leveraging these assets for still greater value creation.

	Overview	FYE 3/2023 Overview	Examples of Strengthening Measures
Internal capital	<p><b>Human Capital</b></p> <p>Our greatest management capital and the engine behind value creation. Continue to develop the human capital foundation to drive business activity.</p>	<ul style="list-style-type: none"> <li>No. of Group employees (Consolidated) Approx. <b>46,000</b></li> <li>No. of employees (Non-Consolidated) <b>4,340</b></li> <li>Participation rate of employees' shareholding association <b>86.2%</b></li> </ul>	<ul style="list-style-type: none"> <li>HR Strategy</li> <li>Appointment of Chief Human Resources Officer </li> <li>Female Empowerment at Work 2.0</li> </ul>
	<p><b>Financial Foundation</b></p> <p>Maintain a stable financial foundation and support business operations by ensuring appropriate capital allocation and balance sheet management and by strengthening profitability.</p>	<ul style="list-style-type: none"> <li>Total assets <b>¥8 trillion</b></li> <li>Shareholders' equity <b>¥3 trillion</b></li> <li>ROE <b>22%</b></li> <li>Core operating CF <b>¥584.2 billion</b></li> </ul>	<ul style="list-style-type: none"> <li>Appropriate risk management and stronger investment discipline</li> <li>Credit rating upgrades</li> <li>Continuous strengthening of profitability </li> </ul>
	<p><b>Business Portfolio</b></p> <p>Well-balanced portfolio with many highly competitive businesses and the majority of profit earned in non-resource fields. Continue to strengthen the portfolio through ongoing growth investments and upgrading and recycling existing assets.</p>	<ul style="list-style-type: none"> <li>No. of consolidated companies: <b>480</b></li> <li>Ratio of net profit from non-resource fields: over <b>60%</b></li> <li>Proportion of net profit from U.S. operations: approx. <b>30%</b></li> </ul>	<ul style="list-style-type: none"> <li>Discussion of growth strategy by business domain</li> <li>Strengthening Existing Business Domains </li> <li>Monitoring of ROIC and other efficiency metrics, PDCA cycle </li> </ul>
	<p><b>Business Expertise</b></p> <p>Advanced business expertise accumulated in business activities across diverse fields. Co-create value by combining expertise with the knowledge of customers and partners to generate solutions.</p>	<ul style="list-style-type: none"> <li><b>165<sup>th</sup></b> anniversary of establishment</li> <li><b>16</b> business segments</li> </ul>	<ul style="list-style-type: none"> <li>Cross-departmental initiatives targeting new business domains</li> <li>Use of DX to accelerate growth strategy </li> <li>In-house sharing of unsuccessful measures</li> </ul>
External capital	<p><b>Sales Foundation and Network</b></p> <p>Relationships of trust built up with many customers and partners in a wide variety of sectors and regions. This forms the foundation not only for conducting routine business but also for launching initiatives in new business domains.</p>	<ul style="list-style-type: none"> <li><b>Relationships of trust</b> with numerous customers, partners, and suppliers worldwide</li> <li>Over <b>70-year</b> track record of business activity in U.S.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening of networks through diverse business opportunities</li> <li>Building of relationships of trust with blue-chip partners</li> <li>Building of sustainable and resilient value chains</li> </ul>
	<p><b>Natural Resources</b></p> <p>Marubeni deals in metals, energy, food products, forestry assets, and other natural resources. As well as ensuring a stable supply of these resources, pursue business opportunities arising from the trend toward decarbonization.</p>	<ul style="list-style-type: none"> <li>Forest plantation: <b>130,000 hectares</b></li> <li>Net profit of Metals &amp; Mineral Resources Div. <b>¥199.4 billion</b></li> <li>Avoided emissions from renewable energy power generation: approx. <b>1.12 million t-CO<sub>2</sub></b></li> </ul>	<ul style="list-style-type: none"> <li>Green Strategy </li> <li>The Marubeni Long-Term Vision on Climate Change </li> <li>Sustainable Forest Management </li> </ul>



## Message from the CSO



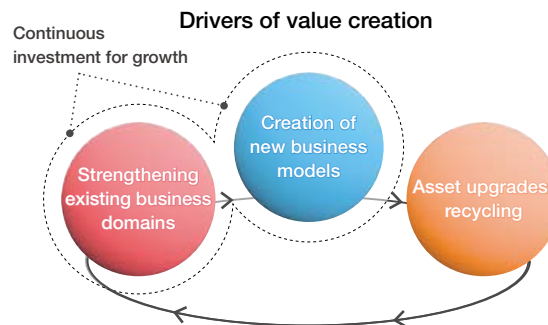
### Kenichiro Oikawa

Senior Managing Executive Officer  
Chief Strategy Officer (CSO);

Regional CEO for East Asia; Regional CEO for Japan Business;  
Vice Chairman of Investment and Credit Committee

### Initiatives for Medium- to Long-Term Growth of Corporate Value

Strengthening our sustained earnings power is essential for the medium- to long-term improvement of our corporate value. To this end, we are constantly working to strengthen our existing businesses domains and explore new business models. While pursuing steady growth now and layering on future-oriented initiatives, we are keen to develop and establish new pillars of earnings.



### Strengthening Our Existing Business Domains Bore Fruit in the Fiscal Year Ended March 2023

Strengthening our existing business domains is where we place the most emphasis. Of our investments in growth, we allocate 80% to 90% of our management resources to this priority, throwing in the weight of the entire Group. We identify competitive advantages in each individual business and upgrade them through ongoing investments in growth. At the same time, we are reinforcing competitiveness by aiming to expand revenue and asset scale, improve profitability, and reduce costs. Investing to further strengthen already strong businesses has not only a high probability of success, but also the added benefit of avoiding the premium paid when acquiring new businesses. We also anticipate further growth through expansion within the same business domain, horizontal development in other regions, and diversification into adjacent business domains.

In the fiscal year ended March 31, 2023, Marubeni achieved record-high profits for a second consecutive year. We believe this is the result of past investments in growth. Growth stood out in the food, agri business and finance domains. The fruits of our consistent efforts in the past are also evident in many other business domains.

P.26 Strengthening Existing Businesses Domains

### Steady Implementation of Strategy

We place importance on discipline and precision when making investments to ensure that growth investments translate into profit expansion. To guarantee returns, we have created Business Policies SPP (see P.38) as a common set of basic principles for all business models. We prioritize growth investments that are needed in business strategies for realizing the future vision set forth by each business division.

Marubeni is keen to steadily expand profits over the medium and long term while adhering to this approach as an organization, and also responding appropriately to change.

### Deepening Business in the Domestic Market

While Marubeni has strengths in its business foundation for the U.S. market overseas, we also view the domestic market in Japan as vitally important. From my standpoint as Regional CEO for Japan Business, I have been strengthening our domestic initiatives since 2020. In Japan, the world's third-largest market by GDP, there are plenty of new growth domains being brought about by global trends and social issues that are appearing in Japan before the rest of the world, such as a declining birthrate and aging population. We believe we can address diverse demand and contribute to solving challenges by leveraging the expertise and talent we have cultivated through various businesses over the years. The outcome of our initiatives has already begun to appear in fields such as the FemTech services business and regional revitalization. We will continue to deepen our presence in each existing business while also advancing in multiple directions, developing new businesses, including through M&A, and forming partnerships with universities and local governments.

# Mid-Term Management Strategy GC2024 (April 2022 – March 2025) – Three Years of Putting Strategy into Practice

Characteristics of Business Environment

**Discontinuous changes and disruptions of existing business models will only accelerate**

- Rapid expansion of digital technology
- Weaker international cooperation and concerns over geopolitical risks
- End of ultra-easy monetary policy
- Contribution to SDGs, rising demands for ESG management

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Basic Policies

**Three years of putting strategy into practice**

**[1] Develop and establish a stable earnings base by strengthening current business domains and exploring new business models**

Reinforce/build Marubeni Group strengths in existing businesses (Horizon 1 & 2) while also creating new business models (Horizon 3) in domains with high growth potential

Horizon 1

Improvement of existing businesses

Horizon 2

Pursuit of strategies in existing business domains

Horizon 3 White Space

New business models and unapproached business domains

Multi-layered approach to “Growth” to enhance corporate value

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Marubeni Group HR Strategy

**Marubeni HR Ecosystem**

Promoting the growth and success of the Marubeni Group's human capital, the critical source of our corporate value

P.41 HR Strategy

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Financial Targets

Consolidated net profit (FYE 3/2025)

¥400.0 billion

Core operating CF (Three-year cumulative)

¥1,300.0 billion

ROE

15%

Pursuing long-term growth of corporate value

Sustain and improve cash generation

Sustain and improve ROE

Reduce cost of equity

P.09 Initiatives to Improve Corporate Value over the Medium and Long Term

Capital Allocation Policy

**While working to strengthen and enhance our financial foundation, the focus will be on Growth and Shareholder Returns**

- Maximizing core operating CF
- Maintaining positive FCF after shareholder distributions (three-year cumulative FCF, excluding effects from changes in working capital)

Appropriate Cash Allocation Maximize Core Operating CF

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Shareholder Returns Policy

**New shareholder returns policy (announced Feb. 2023)**

	Previous policy	New policy
Basic dividend policy	<ul style="list-style-type: none"> <li>• Link dividends to the Company's business results for each fiscal year</li> </ul>	<ul style="list-style-type: none"> <li>• Pay a stable dividend over the long term</li> <li>• Increase dividends in response to medium- and long-term profit growth</li> </ul>
GC2024 shareholder returns	<ul style="list-style-type: none"> <li>• Dividend payout ratio of “25% or more”</li> <li>• ¥60 per share to be set as the minimum annual dividend</li> <li>• Flexible share buybacks</li> </ul>	<ul style="list-style-type: none"> <li>• Progressive dividend policy*1 initially setting ¥78 per share as an annual dividend</li> <li>• Flexible share buybacks conducted by targeting a total payout ratio of around 30-35%</li> </ul>

- Adopt a progressive dividend policy aiming to pay a stable dividend over the long term
- Continue to strive for medium- to long-term profit growth and improvement of TSR\*2 through optimal capital allocation and strategy implementation

\*1. Progressive dividend policy: No reduction in dividends, but maintenance or increase of dividends.  
\*2. Total Shareholder Return: (Capital gains + Dividends) / Purchase price (Invested amount).

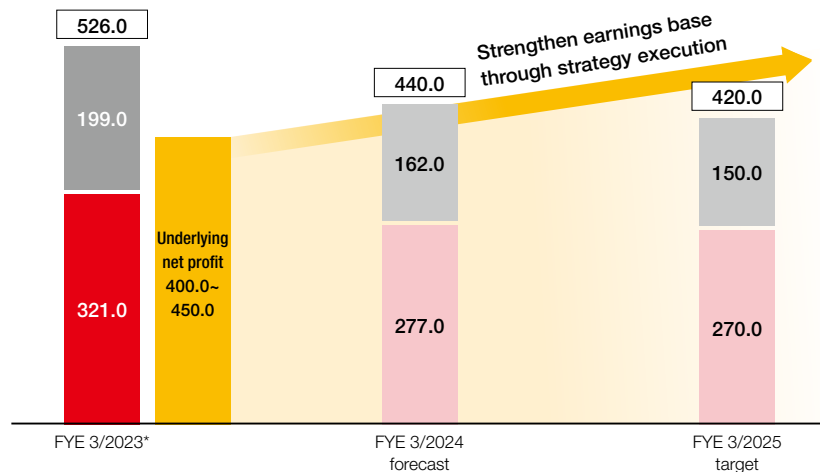
## Progress of Mid-Term Management Strategy GC2024 (FYE 3/2023 performance)

### Sustain and improve cash generation

- Adjusted net profit\* in the year ended March 2023 set a new record of ¥526.0 billion.
- We benefited from increased opportunities to profit from rising prices and our functions as a trading company due to the impact of the COVID-19 pandemic and the Russia-Ukraine situation. Disregarding these and other tailwinds in the operating environment, we believe underlying net profit to be around ¥400.0-450.0 billion.
- Going forward, we will focus capital allocation on existing business domains where we enjoy a competitive advantage, mainly in non-resource fields, enabling us to maintain a solid earnings base at the ¥400.0 billion level during the GC2024 period and continue with efforts to reinforce profitability.

\* Adjusted net profit: Net profit excluding one-time items, shown in an approximate figure.

Adjusted net profit ■ Non-resources ■ Resources ■ Consolidated total  
(Billions of yen)



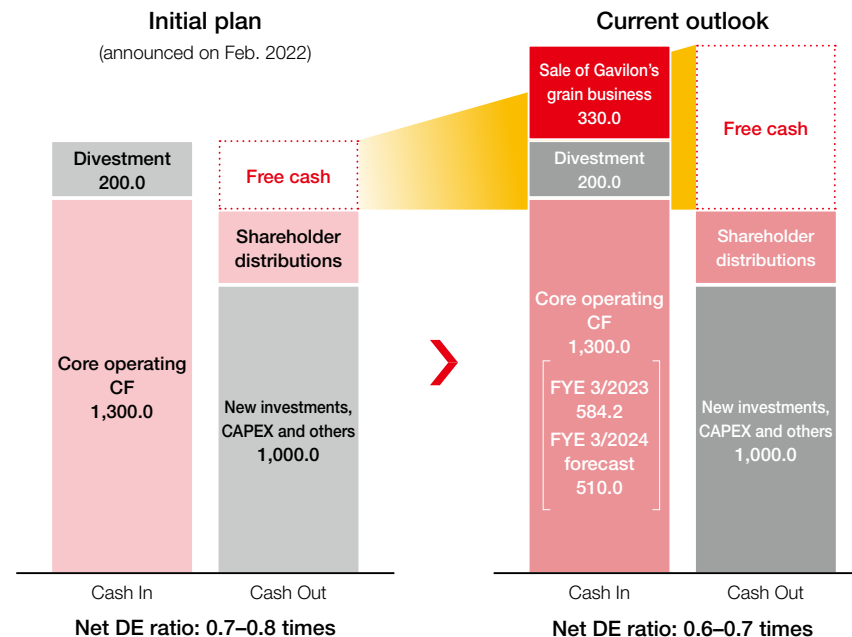
	FYE 3/2023 results	FYE 3/2024 forecast	FYE 3/2025 (GC2024 targets)
Core operating CF (Billions of yen)	584.2	510.0	Three-year cumulative 1,300.0
Adjusted net profit (Billions of yen)	526.0	440.0	420.0
ROE	22%	Approx. 15%	15%
Net DE ratio	0.52 times	Approx. 0.6-0.7 times	Approx. 0.6-0.7 times

\* Based on FYE 3/2024 organization. Figures for FYE 3/2023 have been reclassified.

### Capital allocation

- In October 2022, we completed the sale of Gavilon's grain business, which was not included in GC2024, recovering approximately ¥330.0 billion. Additionally, there is significant potential to improve on the initial GC2024 target for core operating cash flow of ¥1.3 trillion over three years. The resulting growth in free cash will further enhance management's freedom of action.
- In February 2023, we announced a new shareholder returns policy.
- During the GC2024 period, free cash will be used to repay a certain level of debt, with the rest allocated to growth investment and enhancing shareholder returns.

GC2024 three-year cumulative capital allocation (excluding changes in working capital, etc.)  
(Billions of yen)



Financial Targets

Capital Allocation Policy

\* Based on FYE 3/2024 organization. Figures for FYE 3/2023 have been reclassified.

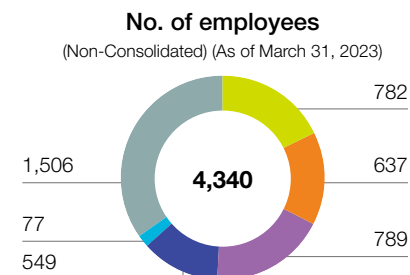
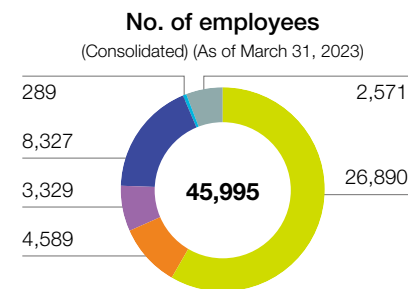
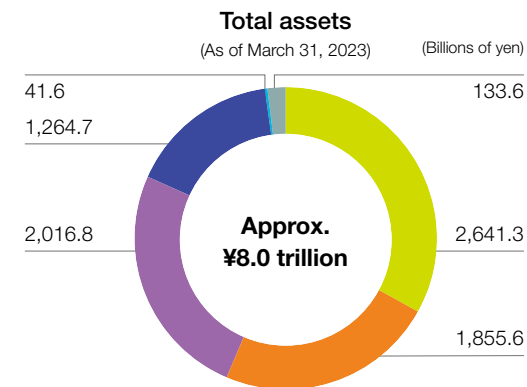
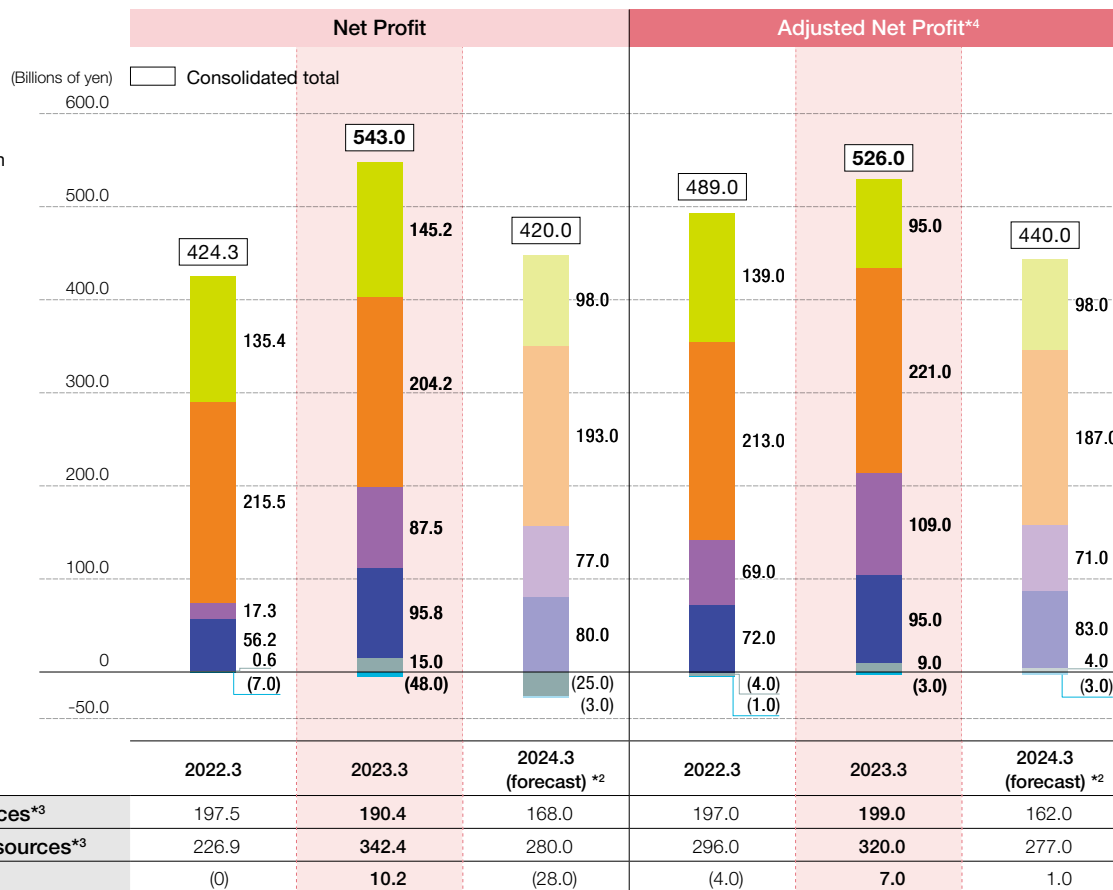


Values of the Marubeni Group / History of Value Creation / Marubeni's Accumulated Strengths / Initiatives to Improve Corporate Value over the Medium and Long Term / Message from the President & CEO / Value Creation Story / Management Capital / Message from the CSO / Mid-Term Management Strategy GC2024 / Progress of Mid-Term Management Strategy GC2024 / Performance by Business Group / Green Strategy / Improving the Corporate Value of Marubeni from the Perspective of an Outside Director

# Performance by Business Group (FYE 3/2023)

## Business Groups\*1

- Consumer Products
- Materials
- Energy & Infrastructure Solution
- Transportation & Industrial Machinery, Financial Business
- CDIO (Chief Digital Innovation Officer)
- Others



\*1. Composition of Business Groups (based on FYE 3/2023 organization)

Consumer Products Group: Lifestyle Div., ICT Business & Logistics Div., Food Div.- I, Food Div.- II, Agri Business Div. / Materials Group: Forest Products Div., Chemicals Div., Metals & Mineral Resources Div. / Energy & Infrastructure Solution Group: Energy Div., Power Div., Infrastructure Project Div. / Transportation & Industrial Machinery, Financial Business Group: Aerospace & Ship Div., Finance, Leasing & Real Estate Business Div., Construction, Industrial Machinery & Mobility Div. / CDIO (Chief Digital Innovation Officer): Next Generation Business Development Div., Next Generation Corporate Development Div.

P.100 Data by Operating Segment

\*2. From FYE 3/2024 the name of the ICT Business & Logistics Div. was changed to IT Solutions Div. Additionally, the following organizational transfers were carried out: transfer of parts of the Lifestyle Div. to the Finance, Leasing & Real Estate Business Div. and the Next Generation Business Development Div., respectively; part of the ICT Business & Logistics Div. to the Next Generation Business Development Div.; part of the Energy Div. to the Power Div.; part of the Next Generation Business Development Div. to the Chemicals Div.; and part of the Other segment to the IT Solutions Div.

\*3. Classification by business field is as follows: Resources: Total of Energy Div. and Metals & Mineral Resources Div. excluding Steel Products Dept.; Other: Total of Next Generation Business Development Div., Next Generation Corporate Development Div., and Other; Non-resource: All other than above.

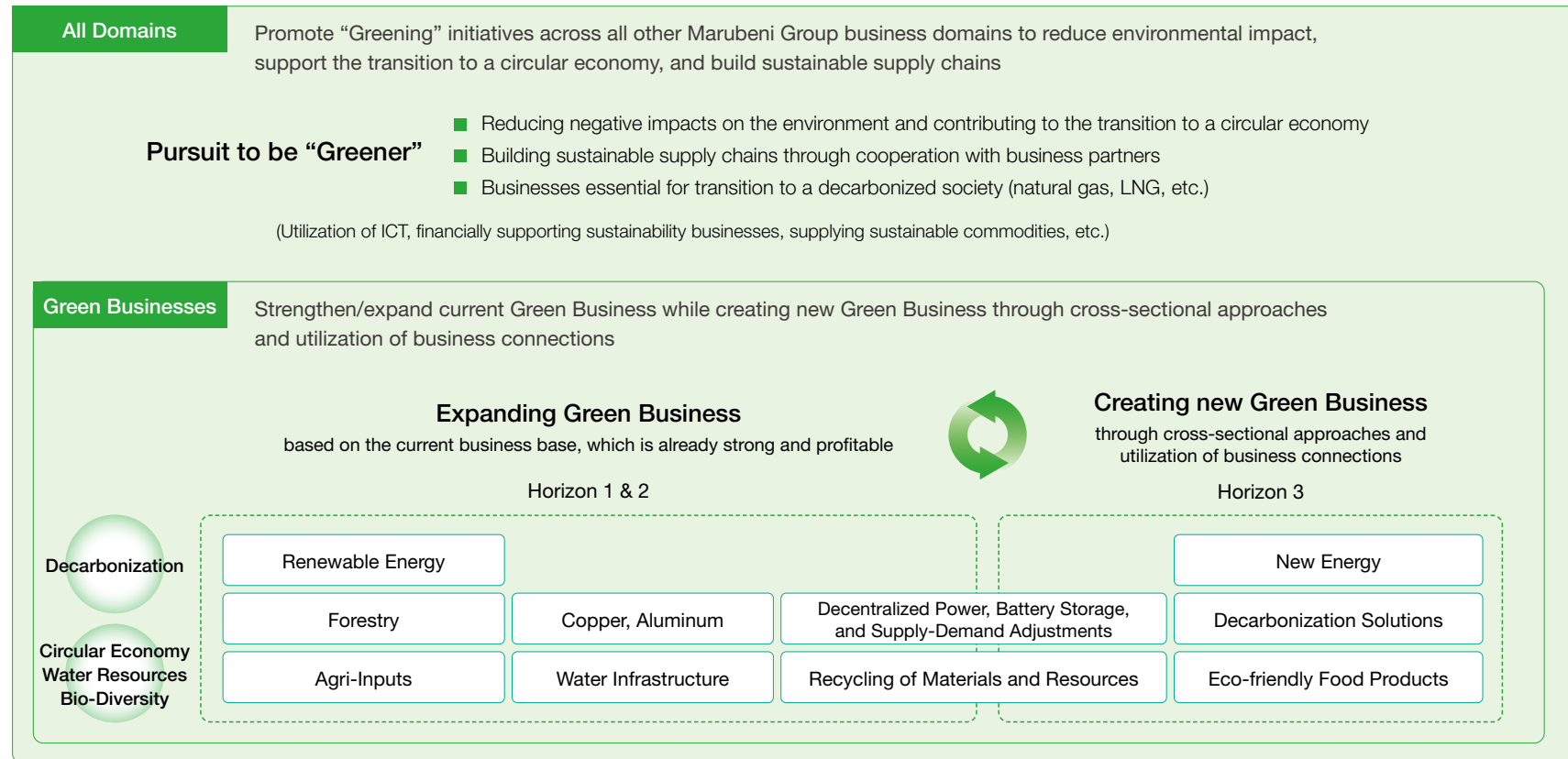
\*4. Adjusted net profit: net profit excluding one-time items, shown in an approximate figure. The totals of the various operating segments and Business Groups and the overall total may not match due to rounding.

# Green Strategy

## Aspiring to become a Forerunner in Green Business

Taking advantage of the high multiplier effect inherent in the diversity and breadth of the Marubeni Group's operations, we aim to build sustainability across all our supply chains. In this way, we aspire to become a forerunner in Green business in realizing a sustainable society.

 [P.102 State of Major Green Business Initiatives](#)  
[P.105 Major Progress in Greening All Business Domains](#)




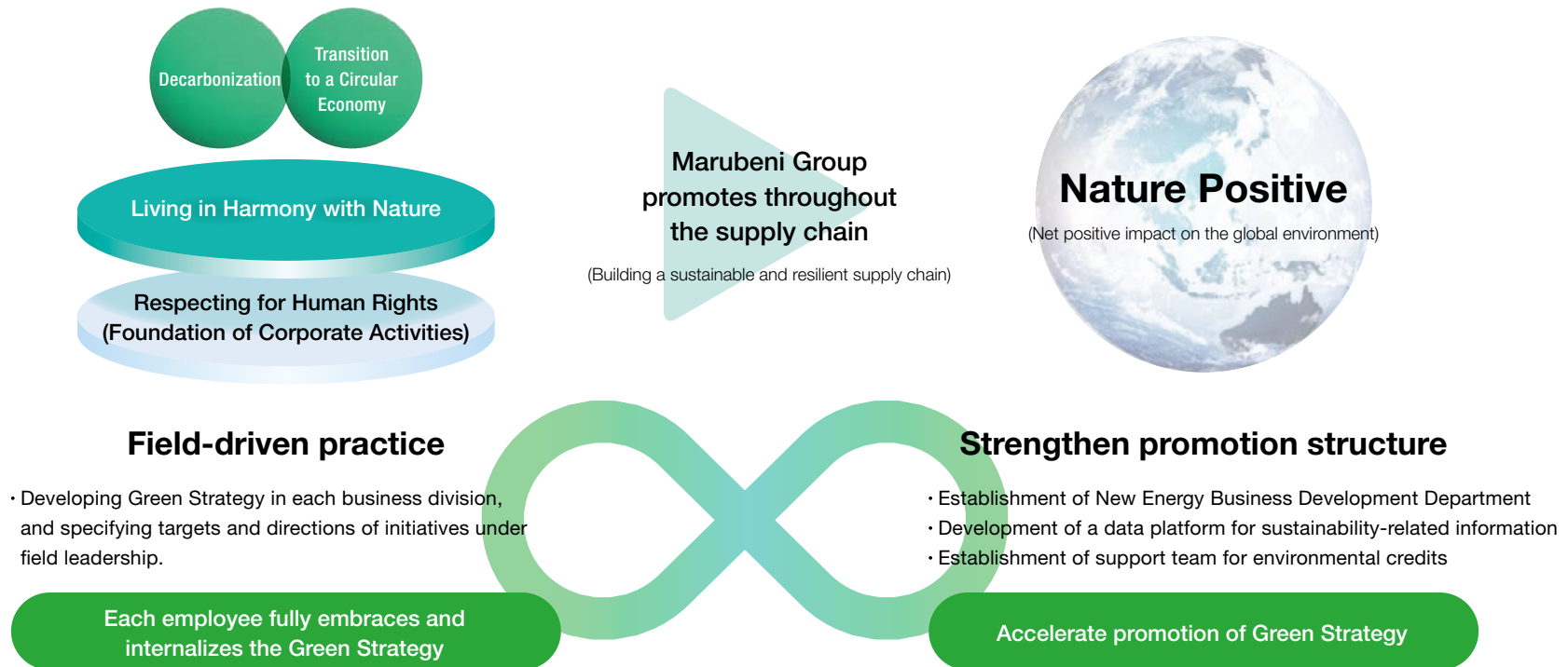
\* Green Business: Sustainable businesses which have positive effects on the environment such as decarbonization and the circular economy, and adjacent businesses which supply those businesses with non-substitutable materials, etc.

## Green Strategy

### Goals of the Marubeni Group

The “Green” that the Marubeni Group aims to achieve means that business activity should have a net positive impact on the global environment (nature positive) and promote the transition to a decarbonized society and a circular economy in order to contribute to the international goal\* of realizing a society living in harmony with nature. Concerted efforts to strengthen our green businesses and advance greening in all business domains are steadily progressing everywhere at the front-line level, while we also work to strengthen our internal framework for advancing the green strategy. To orient toward nature positive business activities, we will continue to reinforce and expand initiatives to address Environmental and Social Materiality.

 P.58 The Material Issues for Sustainability (Materiality)



\* International goals of the Kunming-Montreal Global Biodiversity Framework

The 15th Conference of the Parties to the UN Convention on Biological Diversity (COP15) of December 2022 states its Nature Positive mission for the year 2030 as being "to take urgent action to halt and reverse biodiversity loss to put nature on a path to recovery." The "Green" envisaged by the Marubeni Group aligns with the international goal for 2030 of becoming nature positive and the vision of living in harmony with nature by 2050.



# Improving the Corporate Value of Marubeni from the Perspective of an Outside Director



## Yuri Okina

Outside Director

Ms. Okina has extensive experience in public office, including posts on the Financial System Council at the Financial Services Agency and the Council of New Form of Capitalism Realization at the Cabinet Office. She has also served as a member of the Council of Experts Concerning the Follow-up of Market Restructuring at the Tokyo Stock Exchange

## Management Aware of Cost of Capital and Return on Capital

For a company to achieve sustained growth and longer-term improvement in corporate value, management needs to be more aware of the cost of capital and return on capital. With a firm understanding of the cost of capital at one's own company, management is expected to take steps to realize capital efficiency in excess of the cost of capital.

In order to increase capital efficiency, management must allocate business resources in an optimal way that creates added value, while considering measures from multiple angles, such as ideal portfolios and business models, in addition to reviewing existing assets, such as reducing low-efficiency assets. It is also important to invest in intangible assets, such as human capital essential to advancing business strategy, leverage digital technology to enhance competitiveness, and work to improve sustainability.

## Marubeni's Initiatives to Improve Corporate Value

In its Mid-Term Management Strategy GC2024, Marubeni has set its sights on improving corporate value over the medium and long term by sustaining and improving cash generation, ROE and the cost of equity, and has focused efforts on improving return on capital and the cost of capital. In addition to steadily advancing its growth strategy, Marubeni has taken distinctive actions recently, such as selling the grain business of Gavilon and stabilizing dividends with a progressive dividend policy. Looking at the results, I highly commend the Company for the considerable progress made on improving its earnings power, ROE and credit rating over these past few years.

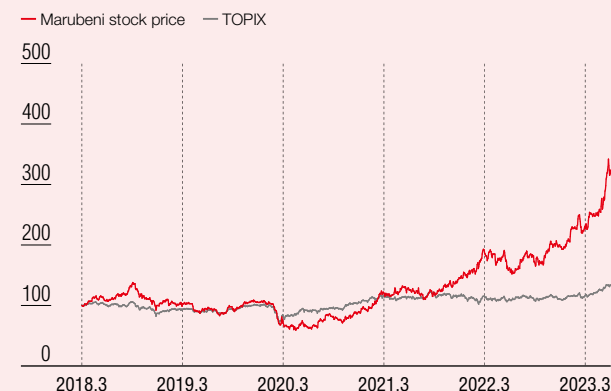
Management is taking steps to clarify and improve return on capital in each business by using ROIC and other indicators of efficiency. I believe management is taking an appropriate approach to instilling these important KPIs in the workplace for the purpose of making improvements on a Companywide level.

Marubeni's share price has also increased considerably as a result of these measures. While taking these initiatives to a deeper level, I hope that management will further lift growth expectations by realizing profit growth over the longer term and enhancing corporate value.

## Stock Price and TSR

With the aim of increasing corporate value, we are making steady progress with measures to sustain and improve cash generation and ROE and reduce the cost of equity. By maintaining these efforts into the future, we envisage further increases in stock price, TSR, and medium- to long-term corporate value.

March 30, 2018–June 30, 2023  
(Price movement based on value of 100 at March 30, 2018)



### Stock Price, TSR, PBR

	FYE 3/2021	FYE 3/2022	FYE 3/2023
Close	¥920.8	¥1,426.0	¥1,795.5
High	¥958.3	¥1,507.0	¥1,933.0
Low	¥456.2	¥842.0	¥1,142.0
5-year TSR	188.9%	236.5%	264.6%
(including dividends; TOPIX)	(162.3%)	(144.3%)	(131.8%)
PBR	1.02	1.17	1.11

\* TSR = Total shareholder return: (Capital gain from price increase + dividends) / Invested amount (share purchase price)

\* PBR = Price-to-book ratio: (Fiscal year-end (March) closing price) / (Assets attributable to owners of the parent per share in relevant fiscal year)