

GC2021

Global crossvalue platform

Medium-Term Management Strategy FYE 3/2020 – FYE 3/2022

*FYE: Fiscal Year Ending

Marubeni

Long-Term Management Direction (Toward 2030)

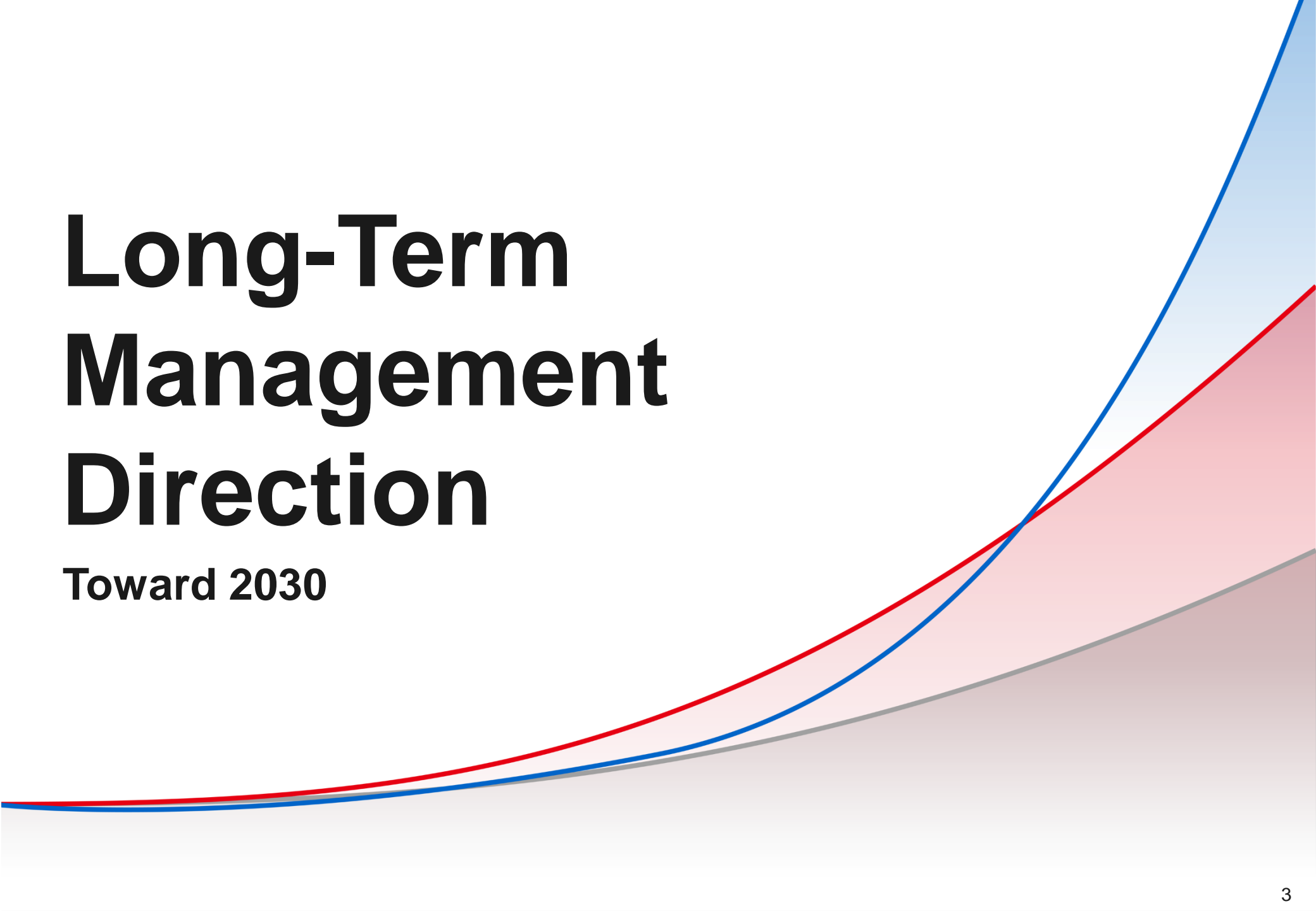
- 01** Long-Term Direction
- 02** Basic Policy of Management Strategy
(Corporate Value Enhancement and Growth Horizons)

Medium-Term Management Strategy GC2021 (FYE 3/2020-FYE 3/2022)

- 01** Cash Flow Management (Capital Allocation Policy)
- 02** Business Policies
- 03** Growth Strategy 1 (Organization Reforms in April 2019)
Growth Strategy 2 (Evolution of Business Strategies)
Growth Strategy 3 (White Space)
- 04** Sustainability and Corporate Governance
- 05** Marubeni Group HR Strategy
- 06** Management Indicators, Financial Targets
- 07** Shareholder Returns Policy

Long-Term Management Direction

Toward 2030



Our vision : **Global crossvalue platform
Value creation company going beyond
the boundaries of the current Sogo Shosha**

**Pursue growth engines and create new business models
by proactively addressing the challenges of customers and society
through vertical evolution and horizontal expansion**

Global Changes and Major Trends toward 2030

- Millennial generation and changing values
- Technological innovation, digital transformation
- Geopolitical risk and the shifting balance of world powers
- Transformation of the industrial structure
- New business ecosystems



Discontinuous changes, Disruptions to the status quo

Concurrent Opportunities and Threats

〈Opportunities〉

- New growth opportunities arising from changes

〈Threats〉

- Risk of existing business models becoming obsolete
- Limitations inherent in solutions based on product-oriented business lines



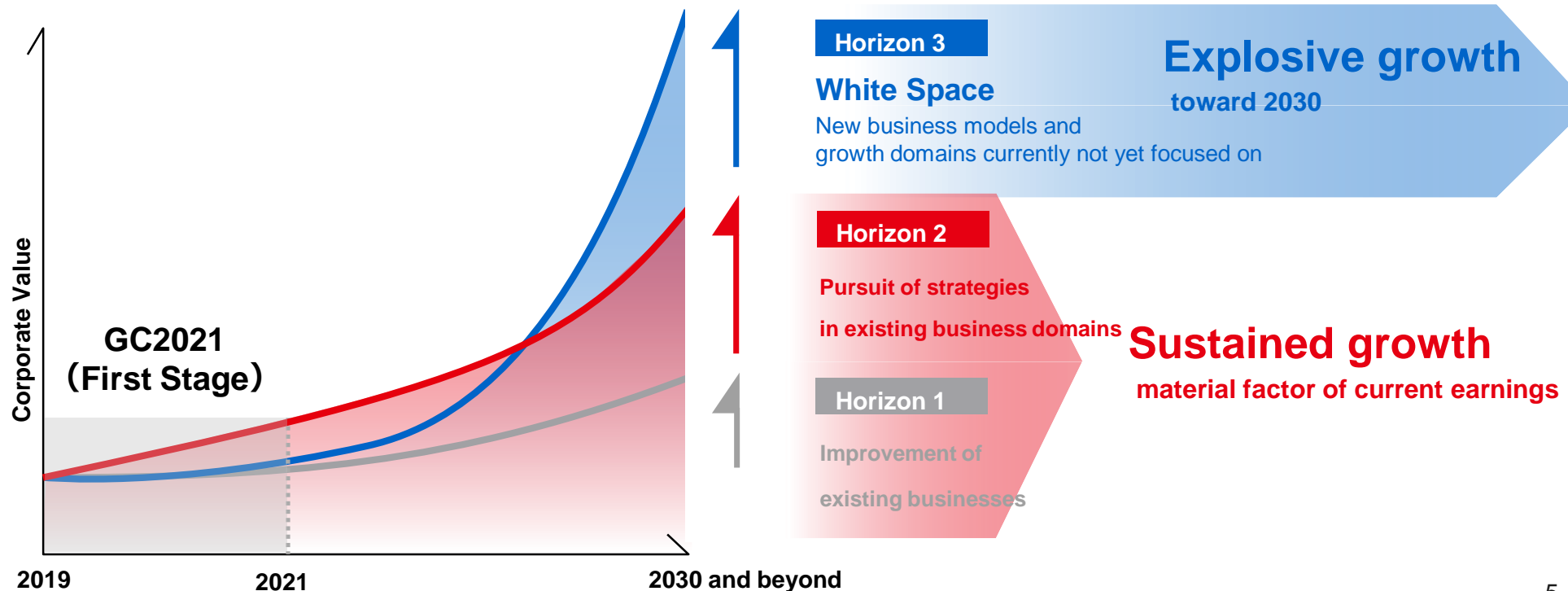
Ability to identify opportunities and threats,
anticipate the future and drive change



Corporate Value Enhancement toward 2030

- Strong financial foundation for growth
- Sustained growth by strengthening existing business
- Explosive growth by creating new business models looking 10 years ahead in the future

Three Growth Horizons





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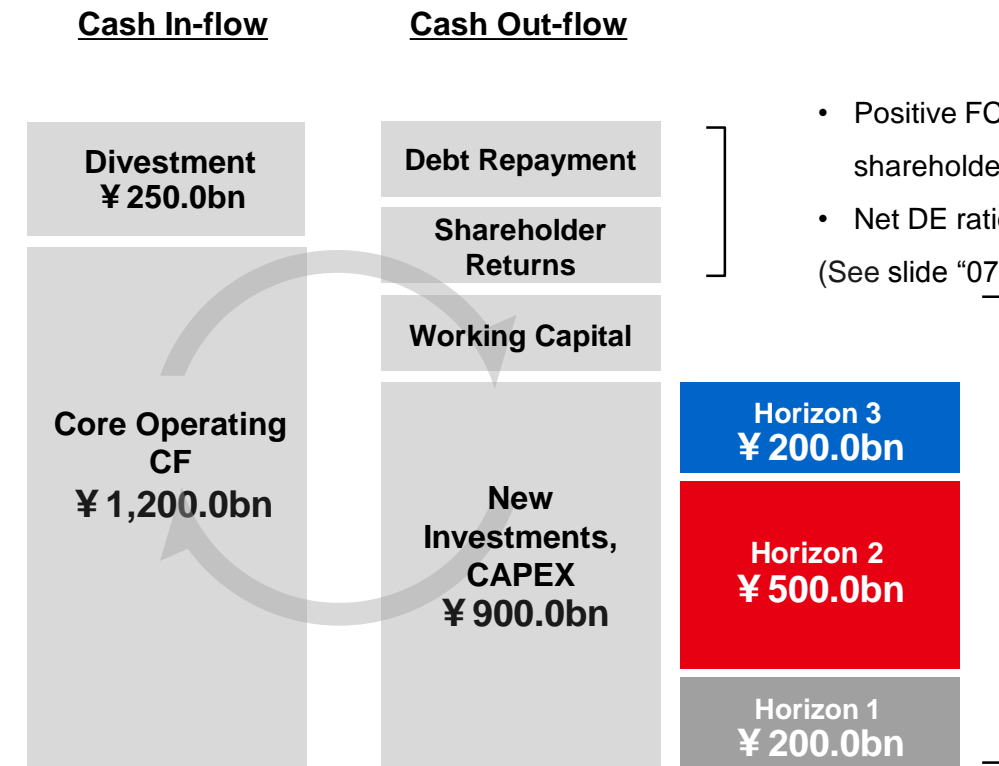
Global crossvalue platform

**Medium-Term Management Strategy
FYE 3/2020 – FYE 3/2022**

Cash Flow Management (Capital Allocation Policy)

- Core operating cash flow of **¥ 1,200.0bn (three-year cumulative)**
- **Positive Free Cash Flow (FCF) of ¥ 100.0bn or more (three-year cumulative) after delivery of shareholder returns**, establishment of positive cycle leading to maximization of core operating cash flow

<Three-year cumulative CF target>



Strengthen financial foundation Enhance shareholder returns

- Positive FCF of ¥ 100.0bn or more (three-year cumulative) after delivery of shareholder returns (Debt repayment)
- Net DE ratio of around 0.8 times as of March 31, 2020, a year ahead of schedule
(See slide “07 Shareholder Returns Policy” for shareholder returns policy)

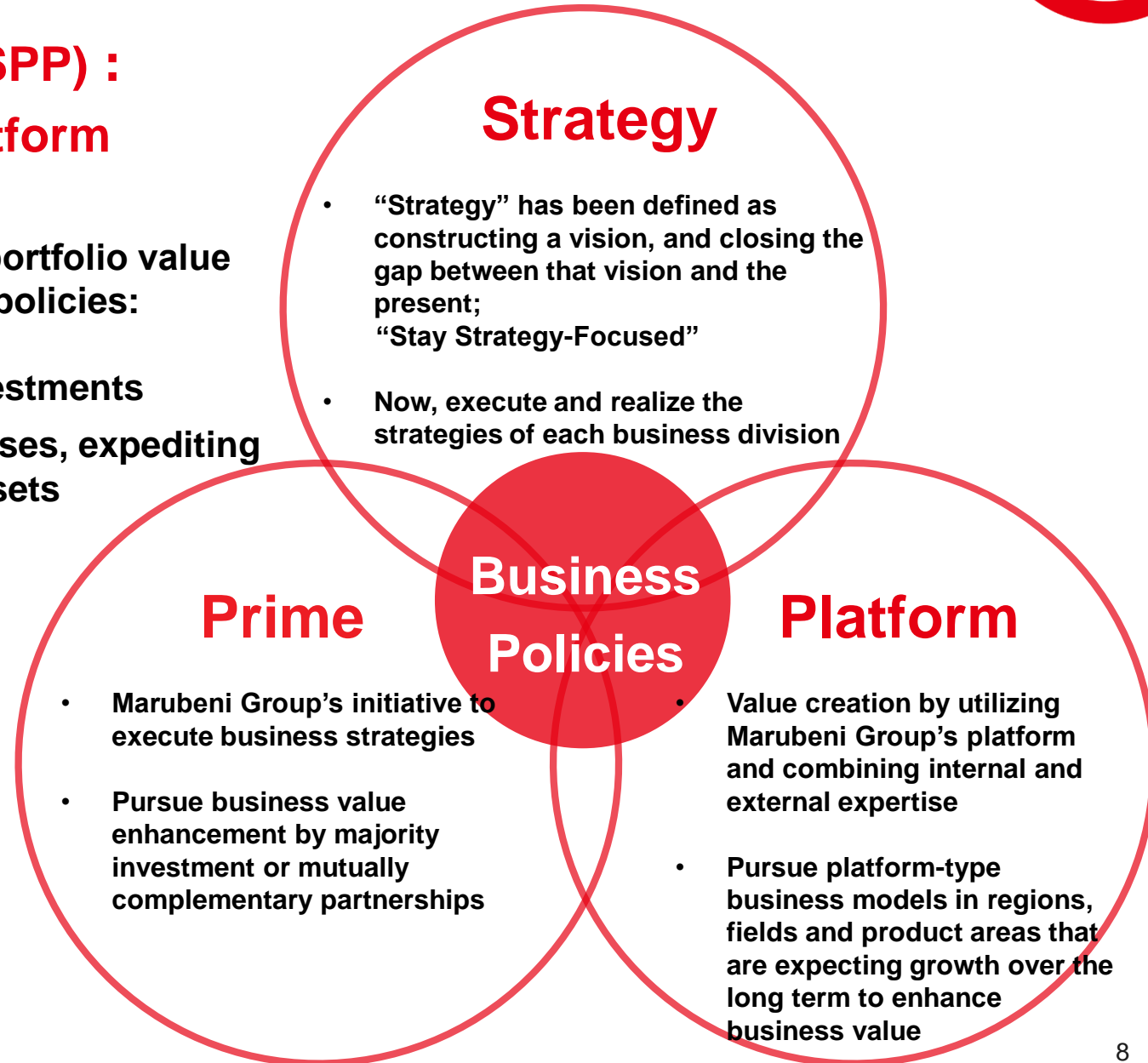
Allocate capital to growth

- Strategic investments and CAPEX with priority
- ¥ 200.0bn to Horizon 1 and ¥ 500.0bn to Horizon 2 to strengthen foundation of existing businesses
- ¥ 200.0bn to Horizon 3, contributing to maximization of future core operating cash flow

New Business Policies (SPP) : Strategy × Prime × Platform

Maximizing Marubeni's business portfolio value
in accordance with new business policies:

- Strategically selecting new investments
- Strengthening existing businesses, expediting divestment and reallocating assets through monitoring



Business Divisions

Horizon 1

Horizon 2

Horizon 3

Consumer Products	Lifestyle
	ICT & Real Estate Business
	Forest Products
Food, Agriculture & Chemicals	Food
	Agri Business★
	Chemicals
Power Business, Energy & Metals	Power Business★
	Energy★
	Metals & Mineral Resources
Machinery, Infrastructure & Financial Business	Plant
	Aerospace & Ship
	Finance & Leasing Business★
	Construction, Auto & Industrial Machinery

Improvement of existing businesses

Pursuit of strategies in existing business domains

★ Key features of organization reforms

Efficiently execute strategies by minimizing the chain of command from four levels to three

(Structural reforms)

- Aggregation of agri-input business & North American grain origination business to pursue further growth in the agri-business domain
- Reorganization of Power Business Division and Energy Division under the same business group to pursue total energy solutions
- Reorganization of finance and leasing businesses under the same business division to pursue new financial solutions
- Establishment of Next Generation Business Development Division to create new business models from the point of view of group-wide optimization

White Space

Pursuit of White Space by Entire Marubeni Group

Next Generation Business Development ★

- Total of around 100 personnel



Business Strategies of the Existing 13 Business Divisions (Existing Business Domains + White Space)

Consumer Products

Lifestyle

ICT & Real Estate Business

Forest Products

- Global ODM business for SPA brands; Direct-to-consumer sales business (SPA, e-commerce, etc.)
- ICT business; Domestic and overseas housing development/sales and asset management business; Technology-enabled solutions such as 5G etc. & value-added service for condominium residents and other customers
- Musi Pulp Project's competitiveness and profitability; Packaging manufacturing and sales business overseas

Power Business, Energy & Metals

Power Business

Energy

Metals & Mineral Resources

- Total Energy Solutions Business, especially renewable energy power and natural gas/ new energy value-chain businesses, in recognition of a low-carbon society
- Global Power-retail/ Power-service related businesses; community-based utility service; distributed power generation and energy businesses
- Superior upstream interests; Initiatives for environmental and circular economy businesses

Food, Agriculture & Chemicals

Food

Agri Business

Chemicals

- Sales and marketing of specialty products in the food and chemical sectors; expanded presence in the life science field in particular in chemicals
- Production and manufacturing capabilities
- Helena Agri-Enterprises; Global agri-input business including Asia and South America; North American grain origination business

Machinery, Infrastructure & Financial Business

Plant

Aerospace & Ship

Finance & Leasing Business

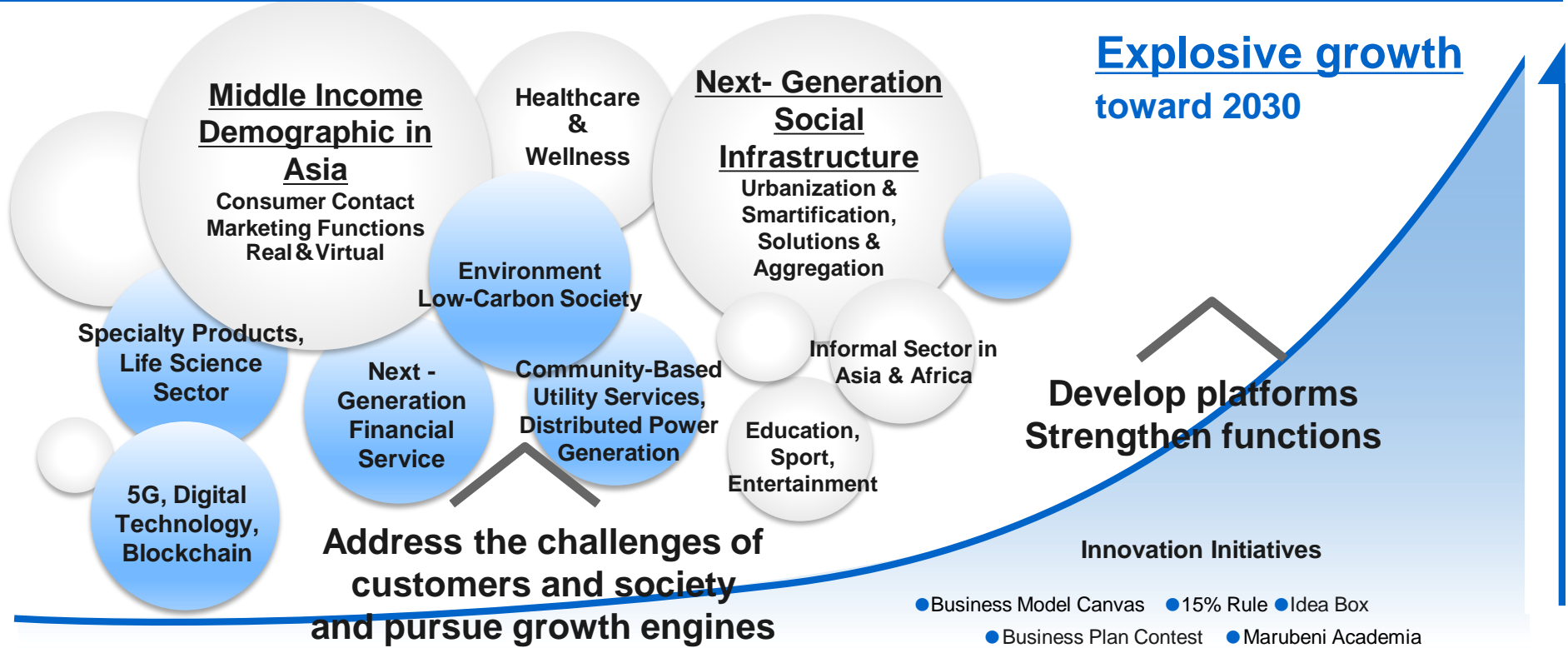
Construction, Auto & Industrial Machinery

- Strong presence in social infrastructure business; Infrastructure fund business
- Finance and leasing businesses that transcend industrial verticals; Next-generation financial services businesses
- Functions in machinery & industrial domains by enhancing high-value-added services

Horizon 3

White Space : New business models and growth domains currently not yet focused on

~Existing 13 Business Divisions and Next Generation Business Development Division~



Marubeni's functions, resources and global networks

- Business Foundation
- Logistic Networks
- Neutrality
- Business Expertise
- Creditworthiness and Trust
- Project Management



External alliances and in-house capabilities

- Distribution and Marketing
- Product Development
- Corporate Venture Capital (CVC)
- Technology

04 Sustainability and Corporate Governance

Practicing Sustainability

The Sustainable Development Report, published in February 2019, specifies three fundamental materiality themes and four environmental and social materiality themes.

Fundamental Materiality

Human Capital with High Social Value

Robust Management Foundation

Governance for Coexistence with Society

Environmental & Social Materiality

Climate Change

Sustainable Forestry

Human Rights & Co-development with Communities

Sustainable & Resilient Value Chains



Further Enhancement of Corporate Governance

Effectiveness

Board of Directors' roles and functions of supervising management

Transparency

Fair and clear disclosure of information and engagement with diverse stakeholders

Group Governance

Execution of Marubeni Group Governance Policy and improvement of group companies' management by clarifying roles of group companies and Marubeni, a shareholder/owner



Development of Global crossvalue platform & Long-term corporate value enhancement

Execute Marubeni Group HR strategy
where every single Marubeni Group
employee is involved in creating new value
as part of “Global crossvalue platform”

Priorities

HR systems strongly aligned with
management strategy

Employee development &
Workplaces for diverse
human resources

Health and productivity management &
Workstyle reforms

Environment going beyond the
boundaries of companies and
organizations

Human Capital with High Social Value

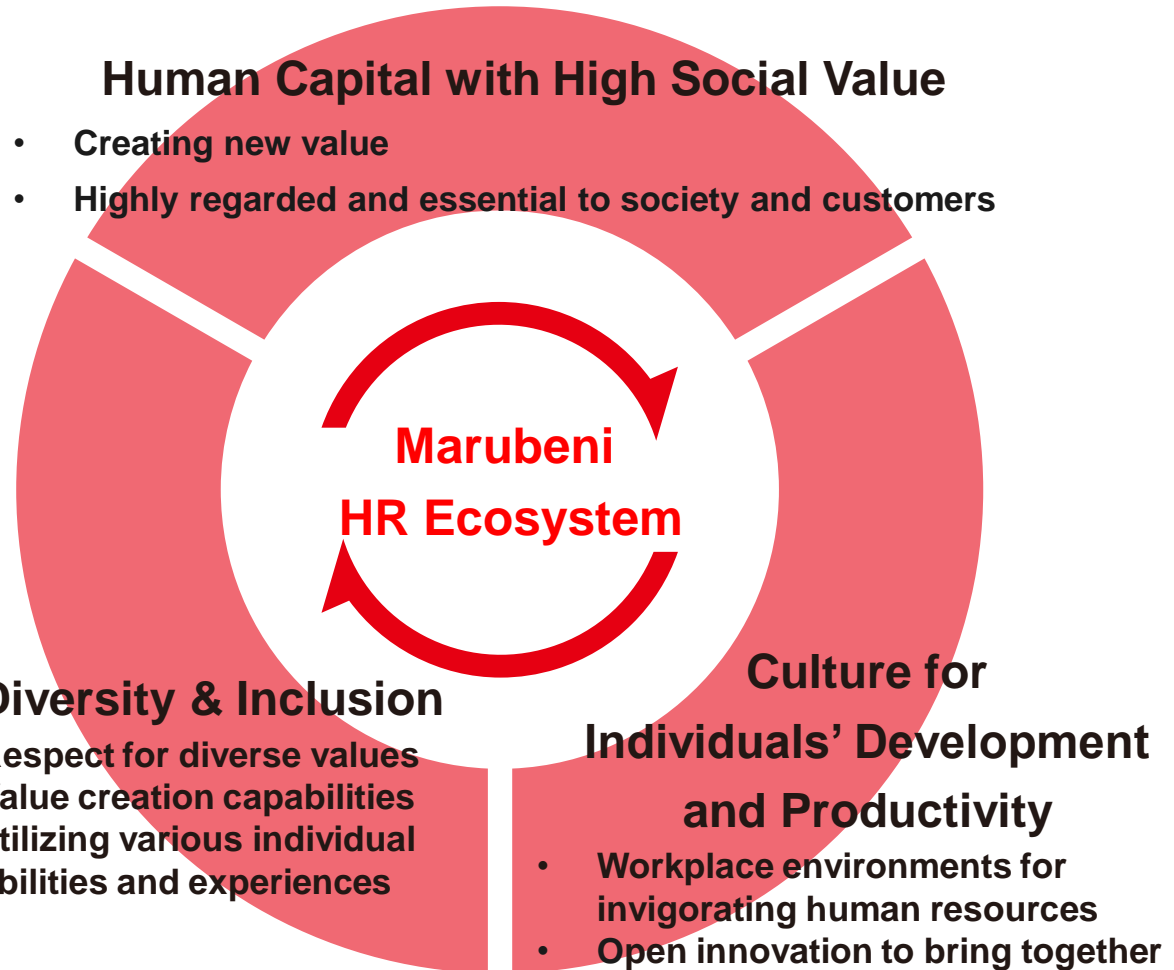
- Creating new value
- Highly regarded and essential to society and customers

Diversity & Inclusion

- Respect for diverse values
- Value creation capabilities utilizing various individual abilities and experiences

Culture for Individuals' Development and Productivity

- Workplace environments for invigorating human resources
- Open innovation to bring together internal and external ideas

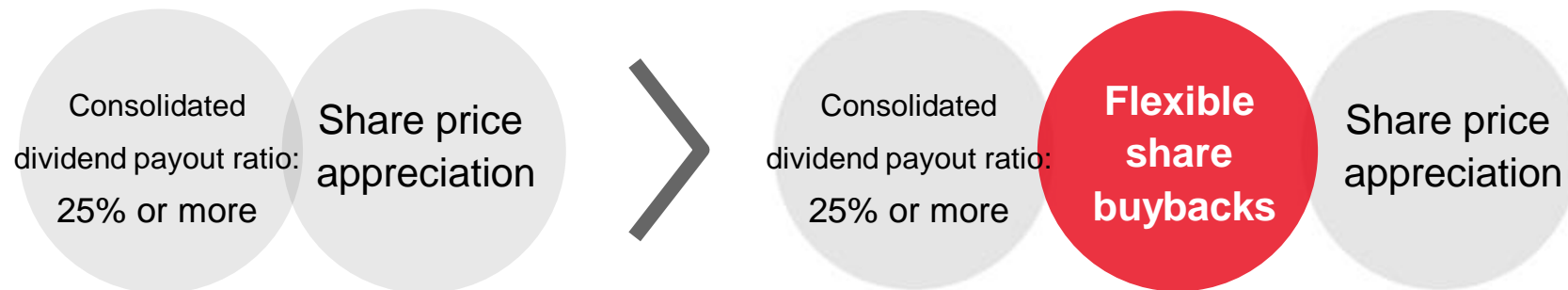


Consolidated net profit		FYE 3/2022	¥ 300.0bn
Cash flow (CF)	Core operating CF	Three-year cumulative	¥ 1,200.0bn
	FCF after delivery of shareholder returns	Three-year cumulative	¥ +100.0bn or more (FYE 3/2022: Net DE ratio of around 0.7 times)
New investments (including CAPEX)		Three-year cumulative	Approx. ¥ 900.0bn Horizon 3 ¥ 200.0bn Horizon 2 ¥ 500.0bn Horizon 1 ¥ 200.0bn (On the condition of achieving targeted FCF after delivery of shareholder returns)
ROE		10 % or more	

Pursue sustained growth in market capitalization

- **Maintain the current consolidated dividend payout ratio of 25% or more of consolidated net profit, and announce the minimum dividend for each fiscal year at the beginning of the fiscal year.**
- **After achieving a net DE ratio of around 0.8 times, flexibly implement share buybacks depending on the state of core operating cash flow and investment pipeline, among other factors.**

Shareholder Returns

**GC2018****After achieving
a net DE ratio of
around 0.8 times****GC2021**

Disclaimer Regarding Forward Looking Statements

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