[Translation]
*This document is an English translation of materials originally prepared in Japanese.
The Japanese original shall be considered the primary version.

Corporate Governance Report

Last Update: June 29, 2018
Marubeni Corporation
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The corporate governance of Marubeni Corporation (the "Company") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

The officers and employees of the Marubeni Group shall comply with laws, regulations and internal rules in accordance with the spirit grounded in Marubeni's company creed "Fairness, Innovation, and Harmony" as well as the Marubeni Corporate Principles and engage in corporate activities conforming to business ethics and the Marubeni Management Philosophy and endeavor to enhance corporate governance. Further, the Company's Board of Directors resolved on the Basic Internal Control Policy regarding the system, etc. for ensuring that the execution of duty by the Directors comply with laws, regulations and the articles of incorporation. Its overview is described in IV.1 Basic Views on Internal Control System and the Progress of System Development in this report.

1- Company Creed and Marubeni Management Philosophy

Company Creed: Fairness (To be fair and bright)
Innovation (To be active and innovative)
Harmony (To respect each other and cooperate)

Marubeni Management Philosophy:

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."

2- Marubeni Corporate Principles

Marubeni Corporation, as a business enterprise, will actively pursue its business interests through the exercise of fair and lawful competition. As a company, Marubeni will also continue to play its part in the growth of the global economy, while always striving to enrich the society within which it operates. In order to achieve these goals,

Marubeni is committed to the following six basic principles of business:

(a) Conduct Fair and Open Business Activities

Comply with laws and promote fair transactions.

Maintain sound relationship with the politics and administration in Japan and abroad and ensure sales activities in free competition.

Take a firm stand against antisocial activities and forces.

(b) Develop a Globally Connected Company

Respect the culture of all countries and regions and contribute to the prosperity of local economies through business activities.

Aim for development that is in harmony with the local communities through a management system that is accepted globally.

(c) Create New Value Through Business Vision

In addition to responding to changes in markets and industries, create changes ourselves and offer new products and services to markets and customers.

Always take on new challenges without being constrained by existing practices or frameworks.

(d) Respect and Encourage Individuality and Originality

Foster a free and vibrant corporate culture that respects the individuality of each person and allows them to fully demonstrate their originality.

Act proactively, under self-management, to achieve goals.

(e) Promote Good Corporate Governance

Proactively disclose information to the shareholders and society and improve the transparency of management.

Respect proposals related to improvement, etc. of management and aim for a management that is open to the shareholders and society.

(f) Safeguard Ecological and Cultural Diversity

Recognize the responsibility as a corporate citizen in international society and engage positively in social contribution activities.

Pay attention to environmental problems to pass on a sound global environment to the future generations.

3- Stakeholders

The Marubeni Group’s corporate activities are supported by various stakeholders from the aspects of economy, environment and society. The group aims to build a stable and sustainable group foundation by giving importance to CSR and through the pursuit of benefits for and satisfaction of the respective stakeholders and gaining their trust. The Marubeni Group’s stakeholders are as follows:

(a) Customers and business partners

Marubeni Group aims to become a company that can be trusted and relied upon by its customers and business partners, and shall endeavor to offer products and services with high satisfaction, promote fair transaction and enhance service functions. The Company will develop and offer socially useful products, reflecting the requirements of its customers and business partners, by giving full consideration to safety and striving at all times to improve

their satisfaction and win their trust through sincere measures.

(b) Shareholders

Marubeni Group shall work to ensure management transparency, enhance disclosure system and strengthen group governance. Further, we aim to improve our corporate value by responding to the changes in business environment and striving to ensure stable earnings while giving importance to environmental and social aspects.

(c) Society and environment

Marubeni Group shall exist in harmony with the local community as one of its members and strive to contribute to the creation of an affluent local community. Overseas, we will respect the local culture and customs and strengthen the management to contribute to local development. Moreover, the Company will firmly take on antisocial forces and organizations that threaten the order and safety of the civil society. We recognize that initiatives to address environmental issues are an essential requirement for the existence and activities of a company, and will act proactively and voluntarily. Further, the Company shall undertake the task of reducing environmental burden and contribute to the conservation of the global environment through the promotion of environment-related businesses.

(d) Employees

Marubeni Group shall respect individual values and life plan of the group employees and strive to improve the work environment and offer appropriate treatments. We shall eliminate all sorts of discriminations and create a work environment in which everyone can work comfortably.

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

Marubeni Group is implementing all the principles of the Corporate Governance Code based on the above-mentioned basic concepts.

[Disclosure Based on the Principles of the Corporate Governance Code]

Entries for all principles are based on the Corporate Governance Code before the revision in June 2018.

● Principle 1.4

<Policy regarding cross-shareholdings of shares in other listed companies>

The Company conducts diversified business activities in a wide range of fields through its networks both in Japan and abroad and believes that its partnerships with various companies is indispensable. For this reason, the Company reviews the significance of the cross-shareholdings based on a comprehensive examination of the economic rationale, etc. to maintain and strengthen the business relationship with companies in which it invests and reports the result to the Board of Directors on a regular basis. If the significance of the cross-shareholding is not established as a result of the review, the Company, in principle, sells the shares. Furthermore, the Company fully complies with the insider trading rules upon acquisition and disposal of listed companies.

<Standards regarding exercising the voting rights as to cross-shareholdings>

Upon exercising the voting rights of the shares it holds in other listed companies in cross-shareholding, the Company comprehensively judges the pros and cons from the perspective of improving the corporate value of the companies it

invests in the medium- to long-term.

●Principle 1.7

<Related party transactions>

The Company receives approval of the Board of Directors for competing transactions by a Director, self-dealing transactions between the Company and a Director and conflict-of-interest transactions, and if the said transaction is implemented, it is reported to the Board of Directors. Moreover, transactions with a major shareholder (a shareholder who holds 10% or more of the Company's shares) shall be implemented following a resolution by the Board of Directors.

● Principle 3.1 (i)

<Management philosophy>

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 to maximize its corporate value.

<Management strategy and plan>

Please refer to the Mid-Term Management Plan formulated based on the above thinking on the Company's website. (https://www.marubeni.com/en/company/plan/)

● Principle 3.1 (ii)

<Basic views and guidelines on corporate governance>

The Company believes in responding to the expectations of its stakeholders – shareholders, customers, local community and employees – by increasing its corporate value to become a proud corporate group committed to social and economic development and safeguarding the global environment by conducting fair and upright corporate activities in accordance with the spirit grounded in "Fairness, Innovation, and Harmony." To realize this, we have been making efforts to enhance corporate governance as the platform for ensuring soundness, transparency and efficiency of management. In accordance with the Basic Approach to Corporate Governance, the Company formulates criteria for judgment of independence of External Directors/Audit & Supervisory Board Members and improves the management surveillance function of Independent External Directors/Audit & Supervisory Board Members. The Company also believes that it is important to have constructive dialogues with shareholders and investors for medium- to long-term improvement of corporate value and endeavors to gain understanding for its management policy through dialogue, understand the position of shareholders and investors and respond appropriately.

● Principle 3.1 (iii)

<Policies and procedure in determining the remuneration of the directors and senior management>

The Company has in place the Governance and Remuneration Committee, an advisory body to the Board of Directors ,

the majority of whose members are External Directors/Audit & Supervisory Board Members. The committee deliberates on the policies in determining the remuneration of the Directors and Executive Officers and adequacy of compensation levels and reports the findings to the Board of Directors. Remuneration of the Directors is determined within the scope that has been authorized at the General Meeting of Shareholders with resolution by the Board of Directors.

● Principle 3.1 (iv)

<Appointment of Directors and Audit & Supervisory Board Members candidates, policies and procedure for appointment of the senior management>

The Nomination Committee of the Company, an advisory body to the Board of Directors, the majority of whose members are External Directors/Audit & Supervisory Board Members, deliberates on the proposal for appointing Director and Audit & Supervisory Board Member candidates and report the findings to the Board of Directors. The Company has prior consent of the Audit & Supervisory Board regarding candidates for Members of Audit & Supervisory Board. The appointment criteria for the Company's Directors and Audit & Supervisory Board Members are as follows:

(Appointment criteria for Directors)

For Directors, the Company appoints internal and external human resources having considerable insight and expertise fostered through ample experience in the Company's diversified business activities or in the respective industries to ensure swift and efficient decision-making and appropriate supervisory function in its management.

(Appointment criteria for Audit & Supervisory Board Members)

For Audit & Supervisory Board Members, the Company appoints internal and external human resources having insight of the Company's management and considerable expertise and ample experience in financial affairs, accounting, law and risk management fields to ensure appropriate supervisory function.

The proposal of candidates for Directors and Members of the Audit & Supervisory Board finalized through the resolution by the Board of Directors is submitted to the General Meeting of Shareholders. The appointment of Executive Officers is decided through a resolution by the Board of Directors.

● Principle 3.1 (v)

<Reasons for the appointment of Directors and Audit & Supervisory Board Members >

In addition to the reasons for the appointment of candidates for External Directors and External Audit & Supervisory Board Members, the Company also discloses the reasons for appointing individual candidates for Internal Directors and Internal Audit & Supervisory Board Members in the Reference Materials for the General Meeting of Shareholders of the General Meeting of Shareholders. See pages 6 to 15 of the Notice of the 94th Ordinary General Meeting of Shareholders available on the Company's website.

http://www.marubeni.com/en/ir/stock/meeting/pdf/fye1803_94th_br_all_en.pdf

● Supplementary Principle 4.1.1

<Brief summary of the scope of delegation to the management>

The Company's management meeting body regulations stipulate submission of matters stipulated by laws and ordinances as well as the Company's Article of Incorporation and other important management-related matters to the Board of Directors and the criteria for the submission is specified in the List of Matters to be Submitted to the Board of Directors. Based on this list, decision making and execution of matters other than those to be decided by the Board of Directors are delegated to the Corporate Management Committee and Executive Officers. The Directors in charge of each operation report to the Board of Directors on duty execution regarding decision-making and the implementation status of the matters delegated to the Corporate Management committee and Executive Officers. The Board of Directors supervises the decision-making and execution of duty by the Corporate Management Committee and Executive Officers through the report, etc.

● Principle 4.8

<Effective use of independent external directors>

Of the 10 Members of the Company's Board, four are External Directors and they satisfy the criteria for judgment of independence stipulated by the Company as well as the independence criteria stipulated by the financial instruments exchanges on which the company lists its shares including Tokyo Stock Exchange.

● Principle 4.9

<Independence standards and qualification for independent directors>

See II 1. [External Directors/Audit & Supervisory Board Members] of this report.

● Supplementary Principle 4.11.1

<Composition, diversity and size of the board of directors>

The Company conducts diversified business activities in a wide range of fields through its networks both in Japan and abroad and it is necessary for the Board of Directors to deliberate the appropriateness of the management strategy, etc. and risks upon the implementation in objective and diversified ways and properly supervise the implementation status. For this reason, the Company appoints human resources who have more diverse experience, knowledge, expertise and views and are well-versed in each business activity so as to improve the effectiveness of the Board of Directors. In addition, the Company appoints a non-executive Director and multiple Independent External Directors/Audit & Supervisory Board Members to introduce views that are not caught up in internal customs, strengthen check and supervisory functions and check conflict of interest. The Company discloses the reasons for appointing the Directors and Audit & Supervisory Board Members in I. Principle 3.1 (v) < Reasons for the appointment of Directors and Audit & Supervisory Board Members > and [Directors] and [Audit & Supervisory Board Members] of 1. Organizational Composition and Operation, II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management of this report.

●Supplementary Principle 4.11.2

<Concurrent positions held by Directors and Audit & Supervisory Board Members >

The status of important concurrent positions held at other companies by the Directors and Audit & Supervisory Board Members and candidates for those posts are disclosed every year in the Notice of the Ordinary General Meeting of Shareholders and the Business Report.

●Supplementary Principle 4.11.3

<Evaluation of the effectiveness of the board of directors>

The Company's Governance and Remuneration Committee, an advisory body to the Board of Directors, the majority of whose members are External Directors/Audit & Supervisory Board Members, evaluates and reviews of the Board of Directors as a whole including its composition and operation and report the result to the Board of Directors. Based on the deliberation by the Board of Directors, the Company discloses the overview of the evaluation result and utilize it in improvement of the operation of the Board of Directors, etc.

The evaluation of effectiveness of the Board of Directors in the fiscal year ended March 31, 2018 was conducted as described below:

I. Framework and method of evaluation

1. Target

All Directors (10 people) and Audit and Supervisory Board Members (five people) *as of December 2017

2. Implementation method

A questionnaire survey was conducted. (Anonymous responses.) *The Company utilized an external specialized institution for its implementation.

3. Evaluation items

(1) Roles and responsibilities of the Board of Directors
(2) Relationship between the Board of Directors and senior executives
(3) Organizational design and composition of the Board of Directors and other bodies.
(4) Quality and expertise of Directors and of the Board of Directors
(5) Deliberation by the Board of Directors
(6) Relationship and dialogue with shareholders
(7) Engagement with stakeholders other than shareholders

4. Evaluation process

The Board of Directors deliberated in view of the results of the evaluation and review by the Governance and Remuneration Committee concerning the overall Board of Directors, including its composition and operation, based

on the responses to the questionnaire.

II. Overview of the evaluation result

The Board of Directors deliberated in view of the results of the evaluation and review by the Governance and Remuneration Committee and confirmed that, on the whole, the Board of Directors is being operated effectively. The Company will continue to work to maintain and improve the effectiveness of the Board of Directors, reflecting the results of the evaluation and review.

●Supplementary Principle 4.14.2

<Training policy for Directors and Audit & Supervisory Board Members >

The Company in an appropriate and timely manner offers information necessary for External Directors and External Audit & Supervisory Board Members to perform their duty to deepen their understanding of the Marubeni Group's management philosophy, corporate management, business activities, organizations, etc. In addition, the Company offers opportunities at its own expense for the Directors and Audit & Supervisory Board Members including External Directors and External Audit & Supervisory Board Members to participate in seminars, etc. necessary for performing their roles and responsibilities.

● Principle 5.1

<Policy for constructive dialogue with shareholders>

(Basic view)

To improve corporate value in the medium- to long-term, the Company considers it important to have constructive dialogues with shareholders and investors, and it strives to gain their understanding of its management policies through dialogue as well as understand the position of shareholders and investors and respond appropriately to them.

(Officer in charge)

The Company appoints its CFO as the director in charge of IR towards realization of constructive dialogue with shareholders and investors.

(Implementation structure)

The Company has in place a department dedicated to IR, which takes initiatives in internal collaboration such as information exchange with involved departments.

(Method of dialogue)

In addition to individual meetings, the Company carries out General Meetings of Shareholders, earnings result briefings for institutional investors, group meetings and briefings for private investors in an effort to enhance the methods of dialogue.

(Measures for giving feedback)

The department dedicated to IR takes up opinions and requests grasped through dialogue and feed them back appropriately to the senior management.

(Measures regarding management of insider information)
The Company carries out dialogue in accordance the Regulation for Prevention of Insider Trading , which are internal regulations, and appropriately manages insider information.

2. Capital Structure

Foreign Shareholding Ratio	More than 30%

[Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	88,763,100	5.10
Japan Trustee Services Bank, Ltd. (Trust account)	76,370,300	4.39
Meiji Yasuda Life Insurance Company	41,818,718	2.40
Sompo Japan Nipponkoa Insurance Inc.	40,000,000	2.30
Japan Trustee Services Bank, Ltd. (Trust account 9)	35,426,700	2.03
STATE STREET BANK WEST CLIENT - TREATY 505234	31,657,661	1.82
Japan Trustee Services Bank, Ltd. (Trust account 5)	30,930,600	1.77
Mizuho Bank, Ltd.	30,000,000	1.72
Tokio Marine & Nichido Fire Insurance Co., Ltd.	24,930,110	1.43
The Dai-ichi Life Insurance Company, Limited	24,859,500	1.43

Controlling Shareholder (except for Parent Company)	―
Parent Company	None

Supplementary Explanation

Nothing particular to be mentioned.

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange First Section, Nagoya Stock Exchange First Section
Fiscal Year-End	March
Type of Business	Wholesale Trade
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 100 to less than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances which may have Material Impact on Corporate Governance

Nothing applicable.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with auditors

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	No upper limit has been set forth.
Term of Office Stipulated in Articles of Incorporation	One year
Chairperson of the Board	Chairman (except when also serving as President)
Number of Directors	10
Appointment of External Directors	Appointed
Number of External Directors	4
Number of Independent Directors	4

External Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Takao Kitabata	Other											
Kyohei Takahashi	From another company								△			
Susumu Fukuda	Other											
Yuri Okina	From another company											

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;
"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;
"▲"when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries
b. Non-executive director or executive of a parent company of the Company
c. Executive of a fellow subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the listed company or an executive thereof
f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/Audit & Supervisory Board Members
g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
i. Executive of a company, between which and the Company external directors/ Audit & Supervisory Board Members are mutually appointed (the director himself/herself only)
j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
k. Others

External Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Takao Kitabata	Yes	Not applicable	Mr. Kitabata served in key positions in the government and has profound insight about economic trends in Japan and overseas. He vigorously stated opinions at meetings of the Board of Directors from an objective, specialist viewpoint. As the Chief External Director of the Corporation, he has been providing advice to management and appropriately supervising business execution. He is also well-versed in corporate governance. As the chairman of the Nomination Committee, he vigorously stated opinions in order to enhance soundness, transparency, and efficiency of the Corporation's management. In view of the above and the report by the Nomination Committee, Mr. Kitabata has been appointed as an External Director.
Kyohei Takahashi	Yes	Mr. Takahashi was an executive of Showa Denko K.K. There is a continuous transaction relationship between Marubeni and Showa Denko K.K., in which the Company sells raw materials, etc. to Showa Denko K.K. and the Company purchases products manufactured by Showa Denko K.K. and so on. Net sales of Marubeni to Showa Denko K.K. for the three business years from FY2014 to FY2016 account for 0.02% of the consolidated revenue of the Company, whereas net sales of Showa Denko K.K. to Marubeni in the said three-year period account for 0.1% of the	Mr. Takahashi has profound insight cultivated through involvement in corporate management at an international company. He vigorously stated opinions at meetings of the Board of Directors from a practical viewpoint. As an External Director of the Corporation, he has been providing advice to management and appropriately supervising business execution. He is also well-versed in corporate governance. As the chairman of the Governance and Remuneration Committee and a member of the Nomination Committee, he vigorously stated his opinions in order to enhance soundness, transparency, and efficiency of the Corporation's management. In view of the above and the report by the Nomination Committee, Mr. Takahashi has been appointed as an External Director.

		consolidated revenue of Showa Denko K.K.; and both of these percentages are insignificant.	
Susumu Fukuda	Yes	Not applicable	Mr. Fukuda served in key positions in the government and has profound insight about finance and tax affairs and a wealth of experience serving as an external officer at various companies. He vigorously stated opinions at meetings of the Board of Directors from an objective, specialist viewpoint in order to enhance soundness, transparency, and efficiency of the Corporation's management. As an External Director of the Corporation, he has been providing advice to management and appropriately supervising business execution. He is also well-versed in corporate governance. As a member of the Governance and Remuneration Committee, he vigorously stated opinions in order to enhance soundness, transparency, and efficiency of the Corporation's management. In view of the above and the report by the Nomination Committee, Mr. Fukuda has been appointed as an External Director.
Yuri Okina	Yes	Not applicable	Ms. Okina has profound insight about economic and financial matters cultivated through her many years of research at a research institute. She also has experience as an external officer at various companies, and experience based on extensive activities as a member of government committees, such as the Industrial Structure Council, the Financial System Council, and the Tax Commission. She vigorously stated opinions at meetings of the Board of Directors from a specialist and multifaceted viewpoint in order to enhance soundness, transparency, and efficiency of the Corporation's management. As an External Director of the Corporation, she has been providing advice to management and appropriately supervising business execution. In view of the above and the report of the

			Nomination Committee, Ms. Okina has been appointed as an External Director.

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established

Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Nomination Committee	Governance and Remuneration Committee
All Committee Members	4	6
Full-time Members	1	2
Internal Directors	1	2
External Directors	2	2
External Experts	0	0
Other	1	2
Chairperson	External Director	External Director

Supplementary Explanation

- A voluntary committee equivalent to the Nomination Committee
  - Nomination Committee (to be held as necessary): The Nomination Committee is an advisory body to the Board of Directors and the majority of its members are External Directors/Audit & Supervisory Board Members. The Nomination Committee deliberates on nomination of candidates for the positions of Director and Audit & Supervisory Board Member and reports to the Board of Directors.
- A voluntary committee equivalent to the Remuneration Committee
  - Governance and Remuneration Committee (to be held as necessary): The Governance and Remuneration Committee is an advisory body to the Board of Directors and the majority of its members are External Directors/Audit & Supervisory Board Members. The Governance and Remuneration Committee deliberates on the policy for determining remuneration for Directors and Executive Officers as well as appropriateness of the level of remuneration, and reports to the Board of Directors. The committee also conducts evaluation and review concerning the overall Board of Directors, including its composition and operation, and reports to the Board of Directors.
  - Committee members falling under "Other" in the committee composition are External Audit & Supervisory Board Members.

[Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	No upper limit has been set forth.
Number of Audit & Supervisory Board Members	5

Cooperation among Audit & Supervisory Board Members, Accounting Auditors and Internal Audit Departments

The Audit & Supervisory Board Members and the Accounting Auditor are striving to grasp the audit status of each other through measures such as exchanging information at monthly meetings. The Company's Accounting Auditor for the fiscal year through March 31, 2018 is Ernst & Young ShinNihon LLC. The Audit & Supervisory Board and the Audit Department, a department which performs internal audits, exchange opinions at monthly meetings and implement audit operations through close cooperation.

Appointment of External Members of Audit & Supervisory Board	Appointed
Number of External Members of Audit & Supervisory Board	3
Number of External Members of Audit & Supervisory Board who are designated as an Independent Audit & Supervisory Board Members	3

Audit & Supervisory Board Members' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Shuichi Yoshikai	Other													
Takashi Hatchoji	From another company										△			
Tsuyoshi Yoneda	Other													

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;
"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;
"▲"when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries
b. Non-executive director or accounting advisor of the Company or its subsidiaries
c. Non-executive director or executive of a parent company of the Company
d. Audit & Supervisory Board Members of a parent company of the Company
e. Executive of a fellow subsidiary company of the Company
f. A party whose major client or supplier is the Company or an executive thereof
g. Major client or supplier of the listed company or an executive thereof
h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/Audit & Supervisory Board Members
i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g or h) (the director himself/herself only)

k. Executive of a company, between which and the Company external directors/Audit & Supervisory Board Members are mutually appointed (the director himself/herself only)
l. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
m. Others

Audit & Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Shuichi Yoshikai	Yes	Not applicable	Mr. Yoshikai has abundant experience in legal services and profound knowledge accumulated through that experience, which the Company believes would strengthen audit by the Audit & Supervisory Board. In view of the above, he has been appointed as an External Audit & Supervisory Board Member. Further, no personal, capital or transaction-related relationships existed between him and the Company in the past or exist currently, he satisfies the requirements in the standards and policies for the independence of External Directors/Audit & Supervisory Board Members of the Company described in II.3 of this report. Hence the Company appointed him as an Independent Auditor.
Takashi Hatchoji	Yes	Mr. Hatchoji was an executive of Hitachi, Ltd. There is a continuous transaction relationship between Hitachi, Ltd and Marubeni in diverse areas, such as sales and purchases and construction contracts. Net sales of Marubeni to Hitachi, Ltd for the three business years from fiscal year 2014 to	Mr. Hatchoji has profound insight cultivated through his involvement in corporate management at an international company and has experience of serving as an external officer of another company. Therefore, the Company believes that he will appropriately fulfill duties as an External Audit & Supervisory Board Member of the Company from a neutral and objective stance with a practical viewpoint and contribute to improvement of corporate governance and enforcement of audits by the Audit & Supervisory Board.

		fiscal year 2016 account for 0.08% of the consolidated revenue of the Company during the said three-year period, whereas net sales of Hitachi, Ltd to Marubeni account for 0.01% of the consolidated revenue of Hitachi, Ltd during the said period; both of these percentages are insignificant.	In view of the above and the report by the Nomination Committee, he has been appointed as an External Audit & Supervisory Board Member by resolution of the General Meeting of Shareholders. No personal, capital or transaction-related relationships existed between Mr. Hatchoji and the Company result in conflicts of interest that could harm the interests of the general shareholders and he satisfies the requirements in the standards and policies for the independence of External Directors/Audit & Supervisory Board Members of the Company described in II.3 of this report. Hence the Company appointed him as an Independent Auditor.
Tsuyoshi Yoneda	Yes	Not applicable	Mr. Yoneda has a wealth of experience serving in key positions in the government from which he gained profound insight. He also has experience of serving as an external officer of another company. Therefore, the Company believes that he will appropriately fulfill duties as an External Audit & Supervisory Board Member of the Company from a neutral and objective stance with a practical viewpoint and contribute to improvement of corporate governance and enforcement of audits by the Audit & Supervisory Board. In view of the above and the report by the Nomination Committee, he has been appointed as an External Audit& Supervisory Board Member by resolution of the General Meeting of Shareholders. Further, no personal, capital or transaction-related relationships existed between him and the Company in the past or exist currently, he satisfies the requirements in the standards and policies for the independence of External Directors/Audit & Supervisory Board Members of the Company described in II.3 of this

			report. Hence the Company appointed him as an Independent Auditor.

[Independent Directors/Audit & Supervisory Board Members]

Number of Independent Directors/Audit & Supervisory Board Members	7

Matters relating to Independent Directors/Audit & Supervisory Board Members

The Company designates all External Directors/Audit & Supervisory Board Members who satisfy the requirements for Independent Directors/Audit & Supervisory Board Members as Independent Directors/Audit & Supervisory Board Members.

[Incentives]

Incentive Policies for Directors	Performance-linked Remuneration / Stock Options

Supplementary Explanation

Remuneration for Directors other than External Directors consists of basic compensation, which is a fixed amount corresponding to each Director's position, and variable compensation, which is linked to business performance in the previous business year. The amount of basic compensation is determined as follows: the variable compensation is zero, if the consolidated net income (profit attributable to owners of the parent) for the previous business year is below 100 billion, and it is an amount of the base amount multiplied by a factor that proportionally increases corresponding to the consolidated net income if the consolidated net income for the previous business year is 100 billion yen or more. Instead of cash, 20% of the aggregation of basic compensation and variable compensation is granted as stock compensation-type stock options, in order to share the benefits and risks of stock price fluctuations with shareholders and further boost motivation to improve the Company's stock price and corporate value. The basic compensation is as described later in Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods.

Recipients of Stock Options	Internal Directors / Other

Supplementary Explanation

As described above, instead of cash, 20% of the aggregation of basic compensation and variable compensation for Directors other than External Directors and Executive Officers is granted as stock compensation-type stock options, in order to share the benefits and risks of stock price fluctuations with its shareholders and further boost motivation for contributions to improve the Company's stock price and corporate value. The stock options are stock compensation-type stock options in which the exercise price paid per share for the shares that may be issued by exercising the stock acquisition rights is one (1) yen.

[Director Remuneration]

Disclosure of Individual Directors' Remuneration	Selected Directors

Supplementary Explanation

(a) The total of remuneration and other payments for Directors and Audit & Supervisory Board Members in the fiscal year ended March 31, 2018 are as follows:

・Directors (other than External Directors) -- six people: the total of remuneration, etc. -- 512 million yen

・Audit & Supervisory Board Members (other than External Audit & Supervisory Board Members) -- three people: the total of remuneration, etc. -- 76 million yen

・External Directors/Audit & Supervisory Board Members -- ten people: the total of remuneration, etc. -- 84 million yen

Note 1. The amounts less than 1 million yen are rounded off.

Note 2. The maximum annual amount of remuneration for Directors was set at 1,100 million yen (including 60 million yen for External Directors; by a resolution of the 92nd Ordinary General Meeting of Shareholders held on June 24, 2016), the maximum monthly remuneration for Audit & Supervisory Board Members was set at 12 million yen (by a resolution of the 88th Ordinary General Meeting of Shareholders held on June 22, 2012) and the maximum annual amount of compensation concerning stock compensation-type stock options for Directors (excluding External Directors) is 220 million yen (by a resolution of the 92nd Ordinary General Meeting of Shareholders held on June 24, 2016).

Note 3. The Company abolished the retirement remuneration plan at the close of the 83rd Ordinary General Meeting of Shareholders held on June 22, 2007, which also resolved on making a final payment of retirement remuneration. In accordance with the resolution, the Company decided to pay retirement remuneration to each Director who is eligible to receive the final payment either at the time of retirement as Director or at the time of retirement as Executive Officer, whichever is later, and to each Audit & Supervisory Board Member who is eligible to receive the final payment at the time of retirement as Audit & Supervisory Board Member. In the fiscal year ended March 31, 2018, retirement remuneration was not paid to Directors/Audit & Supervisory Board Members who are eligible to receive a final payment in relation to the abolition of the Retirement Remuneration plan.

(b) Individuals to whom the total amount of compensation paid exceeded 100 million yen in the fiscal year ended March 31, 2018:

・Teruo Asada (Director): The total of remuneration and other payments – 104 million yen (cash compensation of 83 million yen and stock compensation-type stock options worth 21 million yen).

・Fumiya Kokubu (Director): The total of remuneration and other payments – 128 million yen (cash compensation of 103 million yen and stock compensation-type stock options worth 25 million yen).

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

The maximum total remuneration shall be determined for all Directors by resolution at a General Meeting of Shareholders. The Governance and Remuneration Committee with the majority of its members consisting of External Directors/Audit & Supervisory Board Members deliberates on the policies for compensation decisions and the appropriateness of the compensation levels, and provides reports to the Board of Directors. The remuneration amount is determined by resolution of the Board of Directors.

Remuneration for Directors other than External Directors consists of basic compensation, which is a fixed amount corresponding to each Director's position, and variable compensation, which is linked to business performance in the previous fiscal year. The amount of basic compensation is determined by reflecting the quantitative and qualitative evaluation of each Director. The performance-based compensation described in the above Supplementary Explanation. Remuneration for External Directors and Audit & Supervisory Board Members, all of whom are independent from business execution, consists entirely of basic compensation.

[Supporting System for External Directors and/or Independent Audit & Supervisory Board Members]

System for supporting External Directors: The General Managers of Corporate Planning & Strategy Department and Legal Department explain all the agenda items for the Board of Directors Meeting in advance, and secretaries are assigned to support in daily communication, etc. with External Directors as in the case with other Directors.

System for supporting External Audit & Supervisory Board Members: The General Managers of Corporate Planning & Strategy Department and Legal Department explain all the agenda items for the Board of Directors Meeting in advance, and the Audit & Supervisory Board Member's Office supports in daily communication, etc. with the External Audit & Supervisory Board Members as in the case with other Audit & Supervisory Board Members.

[Status of Those Who Retired as President and CEO, etc.]

Name, etc. of Advisors, Counselors, etc. Who Are Former President and CEO, etc.

Name	Title	Duties	Working form, conditions (Full-time, part-time, compensation, etc.)	Date of retirement as President, etc.	Term
Toru Tsuji	Honorable Corporate Advisor	None	Part-time, no compensation	March 31, 2008	Not set
Nobuo Katsumata	Honorable Corporate Advisor	None	Part-time, no compensation	March 31, 2013	Not set

Number of Advisors, Counselors, etc. Who Are Former Presidents and CEOs, etc.	2

Matters relating to Former Presidents and CEOs, etc.

・While the Company originally has in place an advisor system, it currently does not have advisors. If it appoints an advisor, the advisor would not be involved in business execution of the Company and instead engage in activities in the business community and activities with high social significance. The Company plans to abolish the advisor system as of April 1, 2019. (It has been decided by the meeting of Board of Directors on June 22, 2018.)

・The Company may appoint a Corporate Advisor, who would engage in business community activities and activities with high social significance, roles used to be played by advisors.

・The President appoints those who retired as officers of the Company as Corporate Advisors. When those who have retired from the posts of Chairman or President of the Company are appointed to the post of Corporate Advisor, they are called Honorable Corporate Advisors.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration

The details of the organizations of the Company are as follows:

(a) Board of Directors

The Board of Directors comprises 10 Directors (including four External Directors; nine males and one female), and makes decisions regarding management policy and other important matters and supervises the execution of duties by Directors. To clearly segregate management and execution, the Chairman of the Board without representative rights and the authority for business execution, in principle, chairs the Board of Directors Meetings.

(b) Audit & Supervisory Board

The Audit & Supervisory Board comprises five Audit & Supervisory Board Members (including three External Audit & Supervisory Board Members). The Company adopts a corporate audit governance system and each of Audit & Supervisory Board Members is responsible for overseeing Directors in the execution of their duties by attending important meetings, such as the Board of Directors Meetings, and by monitoring business activities and financial conditions in accordance with the auditing policies and plans set by the Audit & Supervisory Board.

(c) Corporate Management Committee

The Corporate Management Committee is an advisory committee for the President and consists of five Representative Directors including the President, two Senior Managing Executive Officers and three Managing Executive Officers. It deliberates important matters related to management.

(d) Committee of Heads of Divisions

The members of the Committee of Heads of Divisions are the President, the representative directors, Chief Executive Officers (Group CEOs), the Division COOs and Regional CEOs and COOs appointed by the President. They discuss matters pertaining to budgeting, account settlement and financial planning as well as other issues related to the execution of business.

(e) Committee of Executive Officers

The Committee of Executive Officers consists of 34 Executive Officers (five of whom also serve as Director) to communicate management policies issued by the President and other information and discuss matters that affect business execution such as financial performance and results of internal audits.

Further, the Company has established various committees for strengthening of corporate governance. Main committees and their roles are as follows:

・ Investment and Credit Committee (three times a month as a rule)

The committee discusses projects subject to the internal approval ("Ringi"). The Investment and Credit Committee makes decisions on proposals to be submitted to the Corporate Management Committee.

・ Compliance Committee (four times a year, as a rule, and whenever necessary)

The committee provides support and guidance with regard to practicing compliance as well as establishment, maintenance and management of the compliance system of the Marubeni Group.

・ Sustainability Management Committee (once a year, as a rule, and whenever necessary)

The committee deals with the identification and periodic review of "Materiality" which takes into account the ESG (environmental value, social value and governance) point of view as it pertains to business fields as a whole and also operates in areas related to sustainability, including ESG support

・Internal Control Committee (held as necessary)

The committee confirms and reviews status of formulation and operation of basic internal control policy in accordance with the Companies Act, drafts their revision proposals, develops and operates system and evaluates effectiveness regarding financial reporting in accordance with the Financial Instruments and Exchange Act and prepares internal control report drafts.

・ Disclosure Committee (held as necessary)

The committee formulates principles and basic policy drafts regarding disclosure, establishes and improves the internal system regarding statutory disclosure and timely disclosure and judges the significance and appropriateness regarding statutory disclosure and timely disclosure.

Moreover, the status of holding the Company's organ and committee meetings in the fiscal year ended March 31, 2018 is as follows: in the said fiscal year, the Board of Directors met 18 times to make decisions regarding execution of duties by the Company. At the same time, the Board of Directors receive reports regularly from Directors to supervise their execution of duties. The Audit & Supervisory Board met 10 times to formulate audit policy and plan and report audit results. In accordance with the auditing policies and plans, Each Audit & Supervisory Board member audited Directors' execution of duties by attending the Board of Directors Meetings and other important meetings and investigating the status of operation and assets. The Corporate Management Committee met 30 times and discussed and made decisions regarding management-related policies and company-wide important matters. In addition, the Committee of Heads of Divisions met three times, the Committee of Executive Officers four times, and the Investment and Credit Committee 24 times.

The status of measures related to enhancement of the functions of the Audit & Supervisory Board Members

(1) Human resources and system supporting the Audit & Supervisory Board Members

The Company has in place the Audit & Supervisory Board Member's Office (three dedicated staff members) to support the Audit & Supervisory Board Members, which work together with the Audit Department (63 people) directly under the President and the Accounting Auditor, ensuring the human resources and systems for supporting the audits by the Audit & Supervisory Board Members.

(2) Knowledge regarding financial and accounting

The following Audit & Supervisory Board Members are judged to have considerable knowledge regarding financial and accounting as described below:

(Audit & Supervisory Board Member Kaoru Kuzume)

Mr. Kuzume successively held posts of the General Manager Forest Products & General Merchandise Administration Department, and General Manager, Audit Department, and has grasp of the Marubeni Group's overall activities and considerable knowledge of finance and accounting.

(Audit & Supervisory Board Member Kazuro Gunji)

Mr. Gunji successively held posts of the CFO of Marubeni Europe plc and the General Manager of Corporate Accounting Department and has considerable knowledge of finance and accounting.

In order to enable each of the External Directors, namely Messrs. Takao Kitabata, Kyohei Takahashi, Susumu Fukuda and Ms. Yuri Okina, and External Audit & Supervisory Board Members, who are Messrs. Shuichi Yoshikai, Takashi Hatchoji and Tsuyoshi Yoneda, to fully perform his or her duty as External Director or External Audit & Supervisory board Member, the Company has entered into an agreement with each of them in which the liability for damages provided for in Article 423, Paragraph 1 of the Companies Act is limited to the sum of the amounts specified in each

item of Article 425, Paragraph 1 of the Companies Act, if he or she has acted in good faith and without gross negligence in performing his or her duties.

3. Reasons for Adoption of Current Corporate Governance System

The Company conducts a diverse range of business globally. Accordingly, the Company has established a corporate audit governance model of a Company with auditors in which the Board of Directors consisting of Internal Directors and External Directors has been established (to appoint External Directors and liaise with the Audit & Supervisory Board) in order to ensure rapid and efficient decision-making and appropriate supervisory functions in management. The Company has determined that this governance model is functioning effectively as set forth in items (a) and (b) below. Therefore, the Company will retain the current governance structure.

(a) Ensuring rapid and efficient decision-making

The Company ensures rapid and efficient decision-making by appointing Directors who serve concurrently as Executive Officers and are well-versed in the Company's diverse business activities.

(b) Ensuring appropriate supervisory functions

The Company ensures appropriate supervisory functions by implementing various measures, including appointing External Directors that account for a third or more of the members of the Board of Directors; establishing the Audit & Supervisory Board Member's Office; fostering collaboration among the Audit & Supervisory Board Members, the Audit Department and the Accounting Auditor; and carrying out advance briefings, on the same occasion, on matters referred to the Board of Directors for both External Directors and External Audit & Supervisory Board Members.

The Company sets forth the roles and functions of External Directors and External Audit & Supervisory Board Members as follows:

(a) Introduction of diverse external perspectives

Vitalize the Board of Directors and Audit & Supervisory Board by receiving advices and recommendations based on profound insight and expertise cultivated in his or her professional field, and offer useful opinions from a perspective independent of the corporate culture and custom of the Company.

(b) Enhancement of check and supervisory functions

Enhance the function of check and supervision over Representative Directors through discussions and decision-making that are based on fair and clear logics and standards convincing to those external the Company.

(c) Check of conflict of interest

In a situation where conflict of interests exists between the management and stakeholders including shareholders, check whether the management is executing their duties fairly by fully taking into consideration the interest of the stakeholders.

The Company appoints External Directors and External Audit & Supervisory Board Members based on the Standards and Policies for the Independence of External Directors/Audit & Supervisory Board Members of the Company so as to facilitate External Directors and External Audit & Supervisory Board Members to appropriately exercise the above roles and functions.

<Standards and Policies for the Independence of External Directors/Audit & Supervisory Board Members of the Company>

The Company shall determine that a person who is an External director or Audit & Supervisory Board Member is not independent if he or she currently falls, or in the past three business years has fallen, under any of the following times 1 to 7, as well as any provision of the standards for independence set forth by the financial instruments exchanges, such as the Tokyo Stock Exchange, on which the Company's stock is listed.

1. A major shareholder of the Company (who directly or indirectly holds 10% or more of the voting rights in the Company) or an executive person thereof*.
2. An executing person of a lender, from which the borrowed amount exceeds 2% of the Company's consolidated total assets.
3. An executing person of a business partner with which the transaction amount exceeds 2% of the Company's consolidated revenue.
4. A representative partner or a partner of the auditing firm that is the Accounting Auditor of the Corporation.
5. A person who receives money from the Company of which the value exceeds 10 million yen per business year, which derives from a business consultancy and/or an advisory agreement.
6. A person who belongs to an organization that has received a donation from the Company of which the amount exceeds 10 million yen per business year.
7. A Director/Executive Officer/Audit & Supervisory Board Member among the executing persons of the Company and its subsidiaries, as well as a coresident or relative within the second degree of kinship of such Director/Executive Officer/Audit & Supervisory Board Member.

Even if a person falls under any of the items 1 to 7 above, if the Company judges that said person substantially maintains his or her independence, the Company shall explain and disclose the reason for his or her election as a candidate for External Director/Audit & Supervisory Board Member.

*An "executing person" refers to an Executive Director, an Executive Officer, an employee or any other personnel.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	Will have been sent about three weeks ahead of a General Shareholder Meeting.
Scheduling AGMs Avoiding the Peak Day	Held by avoiding the peak day.
Allowing Electronic Exercise of Voting Rights	The Company utilizes a system operated by the administrator of shareholders' register.
Participation in Electronic Voting Platform	The Company uses the electronic voting platform for institutional investors by ICJ.
Providing Convocation Notice in English	English translation of the convocation notice, business report and financial statements are posted on the Company's website on the date of mailing of the convocation notice.
Other	The Company is also implementing the following measures to vitalize General Shareholders Meetings and ensure smooth exercising of voting rights. ・Post the convocation notice, business report and financial statements on the Company's website ahead of sending them to the shareholders ・Visualize reporting items on the day of the General Shareholders Meeting ・Appoint a narrator for part of the reporting items on the day of the General Shareholders Meeting. ・On-demand distribution of the reporting items on the day of the General Shareholders Meeting on the Internet

2. IR Activities

	Supplementary Explanations	Explanation by the representative
Preparation and Publication of Disclosure Policy	The basic policies regarding information disclosure and policies regarding IR activities are posted on the Company's website. It also stipulates the Disclosure Committee Regulations to inculcate its thorough awareness in the Company.	
Regular Investor Briefings for Individual Investors	About three briefings a year held for individual investors and officials from retail sales departments of securities companies.	Yes
Regular Investor Briefings for Analysts and Institutional Investors	In addition to quarterly earnings briefings (two of which are conference calls), the management holds regular meetings for securities analysts and institutional investors about three times a year. (The President or Director in charge of IR explains at these meetings.)	Yes
Regular Investor Briefings for Overseas Investors	About five of individual visits to overseas investors is held a year an d the President, Director in charge of IR, etc. explain overview of business results and business outlook.	Yes
Posting of IR Materials on Website	Business result information, integrated reports, shareholder reports, quarterly reports, annual securities reports, earnings result briefing materials and the convocation notice of General Shareholders Meeting are posted on the Company's website.	

Establishment of Department and/or Manager in Charge of IR	The Company appoints a Director in charge of IR and has in place the IR Section, Finance Department as a division in charge of IR. It also appoints the General Manager of Media Relations Section, Corporate Communications Department as a person in charge of IR-related liaison.	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	Described in 1. of I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information of this report.
Implementation of Environmental Activities, CSR Activities etc.	In each field of CSR including environment, the Company is engaged in a wide range of activities. The details of such activities are introduced in the Integrated Report issued every year. <Sustainability implementation system> In fiscal year 2018, the Company reorganized and strengthened the CSR & Environment Committee and established the Sustainability Management Committee. External directors and external Audit & Supervisory Board members are appointed as advisors, providing the system an external point of view. <Social contribution activities, etc.> The Company has been actively promoting social contribution activities by supporting the activities of the social welfare corporation, Marubeni Foundation, established in 1974 with donations from the Company. For details of the activities, please refer to the Integrated Report. <Creation of environmental and social values through business activities> See the following URL on the Company's website regarding Sustainability Action Plan & Targets. https://www.marubeni.com/en/csr/group/action_plan/
Development of Policies on Information Provision to Stakeholders	The Marubeni Corporate Principles and the Compliance Manual stipulate proactive, timely and appropriate information disclosure to the society in general including stakeholders and they are disclosed.
Other	In the mid-term management plan Global Challenge 2018, the Company calls for recruiting and developing human resources that can succeed on a global scale, and for continuing to promote diversity within the Group and recruit and position diverse human resources. It also promotes a Group human resources strategy with the aim of becoming a corporate group where individual employees can take pride in their work and find their work rewarding. As for the Company's policies and measures for promoting opportunities for female employees, it strengthened hiring of female employees for managerial staff positions starting in the fiscal year ended March 31, 2007 and has been implementing *BENI*novation Program, which is aimed at conscious nurturing of female employees in managerial staff positions, from the fiscal year ended March 2015. These initiatives have been highly acclaimed and the Company was designated as Nadeshiko Brand for companies excelling in promoting opportunities for female employees by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange in 2015 and 2017. In addition, in connection with the enforcement of the Act on Promotion of Women's Participation and Advancement in the Workplace, the Company announced Phase I Action Plan in March 2016. It aims for constructing female HR development

	pipelines by strengthening hiring, overseas dispatch, and other development programs with the goal of increasing the ratio of female career-track employees to more than 10% and raising the ratio of female managers to above 7% by March 31, 2021. The Company is pursuing steady appointment of female employees to managerial positions through strengthening of hiring of women for career-track, active assignment of female employees to overseas dispatch and enhancement of education. Moreover, the Company will promote work-life management so that all employees can realize continuous career formation and perform continuously irrespective of where they stand in their life stage. As measures to assist employees in balancing work and child rearing, the Company has been improving its system to more than fulfill the legal requirements and it has also developed a communication and follow-up mechanism such as a meeting with the manager and the Human Resources Department ahead of child birth, a meeting ahead of returning to work and meetings for career consultation so that female employees can form an enriching career in the medium- to long-term.

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

In accordance with the Companies Act and the Ordinance for Enforcement of the Companies Act, the Company has established a basic policy for Systems necessary to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation and other systems necessary to ensure the properness of Marubeni's operations (hereinafter referred to as the "Basic Internal Control Policy") as described below.

<Basic Internal Control Policy>

Marubeni Corporation (hereinafter referred to as "Marubeni") seeks to steadily increase and maximize corporate value through business activities that are in accordance with its Company Creed and Management Philosophy*, and to build a stable and sustainable group business foundation. To this end, the Company, in accordance with the Companies Act and its implementation guidelines, establishes the policy described below (hereinafter referred to as the "basic internal control policy") to ensure that all business activities of Marubeni and the business group (hereinafter referred to as the "Marubeni Group") made up of Marubeni and all Marubeni Group companies (Marubeni's consolidated subsidiaries and companies deemed as equivalent to subsidiaries; the same shall apply hereinafter) are conducted appropriately. Marubeni regularly reviews the basic internal control policy in response to changes in social conditions so as to realize a system that is more appropriate and efficient.

*Company Creed: Fairness (To be fair and bright)
Innovation (To be active and innovative)
Harmony (To respect each other and cooperate)

Marubeni Management Philosophy:
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."

Marubeni Group: Marubeni's consolidated subsidiaries and companies deemed as equivalent to subsidiaries"

1. System necessary to ensure that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation

(1) Corporate governance

1- Directors and Board of Directors

The Board of Directors, in accordance with laws and regulations and the Articles of Incorporation, sets the important matters related to management and supervises the execution of duties by Directors. To clearly segregate execution and supervision, the Chairman of the Board without representative rights and the authority for business execution, as a rule, chairs the Board of Directors Meetings. Directors execute business operations and report the situation of their duty execution to the Board of Directors once every three months or more often based on operations in charge decided by the Board of Directors in accordance with the laws, regulations and Articles of Incorporation. The term of office

of Directors is one year to clarify management responsibility and flexibly build optimum management structure in response to changing management environment. Marubeni appoints External Directors to ensure effectiveness of corporate governance. Marubeni adopts the executive officer system to improve efficiency of business execution, and it takes a system where its Group CEOs participates in the company's overall management and supervise overall operation of the respective business groups in charge by complying with the company's management policy.

2- Audit & Supervisory Board Members and the Audit & Supervisory Board

Audit & Supervisory Board Members audit execution of duties by the Directors in accordance with the Rules of the Audit & Supervisory Board and the Standards for Audit by the Audit & Supervisory Board Members by exercising their statutory authority in collaboration with the Audit Department and Accounting Auditor.

(2) Compliance

1- Compliance system

Marubeni sets forth code of conduct common for the Marubeni Group such as Marubeni Corporate Principles and Compliance Manual for its Directors and Executive Officers (hereinafter referred to as the "officers") and employees to practice corporate activities in accordance with compliance. To achieve the goal, it establishes various committees including Compliance Committee and takes various measures.

2- Internal whistle-blowing system

To provide for a situation in which a person learns of a questionable act from the perspective of compliance and the organizational reporting line does not function for some reason, Marubeni establishes the following compliance reporting and consulting points for the entire Marubeni Group.

(a) Door of Courage (Compliance Committee line and External legal counsel line)

The Compliance Access Point for general compliance matters for the Marubeni Group.

(b)Marubeni Anti-Corruption Hotline

The Compliance Access Point for concerns relating to bribery and other serious crimes involving the Marubeni Group and its business partners.

3- Blocking relationship with anti-social forces

Marubeni will stand firm against anti-social activities and forces to social order and public security, and will never form or foster relationships with any organization that poses such threats.

(3) Internal audit

Marubeni establishes the Audit Department directly under the President to study the appropriateness of duty execution by executing person and compliance status and implements internal audit by the Audit Department and self-inspection of company-wide Marubeni under instructions by the Audit Department. The result of internal audit is reported to the Board of Directors on a regular basis.

(4) Disciplinary actions

When the execution of duty by an officer or employee results in violation of law or regulation, Marubeni shall seek judgement of the Governance and Remuneration Committee, an advisory committee to the Board of Directors with

the majority of members being External Directors/Audit & Supervisory Board Members, in the case of an officer, and the Award and Disciplinary Committee in the case of an employee and take strict actions in accordance with relevant regulations.

2. Systems to preserve and manage information related to the execution of duties by Directors

(1) Preservation and management of information and prevention of information leakage

Based on the Regulation for Management of Information Assets, Marubeni sets forth the assets subject to storage, storage period and employees in charge of managing the information regarding information related to execution of duties by officers and employees to develop a system to store and manage information and prevent information leakage.

(2) Browsing information

The officers and Audit & Supervisory Board Members may browse such information assets at all time.

3. Internal regulations for the risk management of losses and other related systems

(1) Principle of authority and duties

Officers and employees with titles are given necessary authority for executing their duties based on the resolution by the Board of Directors and the Regulation of Authority and Duties and manage risks associated with execution of duties within the given scope and take responsibility for the result.

(2) Approval system

Individual projects such as important investment are deliberated by the Investment and Credit Committee, submitted to the Corporate Management Committee and approved by the President based on the Regulations of Job Authority Ringi Approval Procedure Regulations. They become subject of approval by the Board of Directors depending on laws and regulations, Articles of Incorporation and the importance of the project. The progress of important projects such as a new business is required to be reported on a regular basis to the Corporate Management Committee to strengthen individual risk management.

(3) Risk evaluation

From the perspective of dispersing company-wide risks, Marubeni implements integrated risk management to grasp risks that can be quantified such as credit and investment risks regarding countries and regions, industries, markets and customers. Marubeni implements management of qualitative risks including reputation risks and information security risks, which are difficult to quantify, through enhancement of compliance structure.

(4) Emergency management

In preparation for occurrence of a serious issues such as a natural disaster, Marubeni formulates a business continuity plan. When a serious situation actually occurs, Marubeni establishes an emergency task force with the President as

the head based on the said plan and makes decisions on and implement concrete measures to limit the damage and loss to the minimum.

4. Systems necessary to ensure the efficient execution of duties by Directors

(1) Management policy, management strategy and management plan

To ensure efficient execution of duties by Directors, Marubeni sets forth goals shared by all Directors and employees at the Marubeni Group such as management policy, management strategy and management plan and instill them, while establishing concrete targets for individual officers and employees should implement for achieving the goals.

(2) Corporate Management Committee

To ensure efficient execution of duties, Marubeni establishes the Corporate Management Committee and deliberates on the highest-order policy regarding management and important company-wide matters.

(3) Business Group and Corporate Staff Group

Marubeni introduces the Business Group system and delegates authority to Group CEOs to enable a structure that facilitates swift decision-making regarding products in charge in Japan and abroad. Further, the Corporate Staff Group manages, checks and supports the Business Group in each specialized fields to enable efficient execution of duties.

(4) Clarification of authorities, duties and responsibilities

The Board of Directors decide Directors in charge and clearly stipulates of each officer's and each employee's roles, authorities, responsibilities and rules for decision making in various regulations.

5. Systems necessary to ensure the appropriateness of operations by the Group

(1) Marubeni Group operation structure

Marubeni shall stipulate necessary systems including a system for appropriate reporting to Marubeni regarding managers in charge of grasping business status of Marubeni Group companies, giving instructions and supervising, guidelines regarding the management system of Marubeni Group companies and execution of duties by Directors etc. of each Marubeni Group company, a system regarding appropriate management of risk of losses at Marubeni Group companies, a system for ensuring efficient execution of duties by Directors, etc. of Marubeni Group companies and a system for ensuring Marubeni Group companies' compliance with laws and regulations in order to enhance internal control of the entire Marubeni Group, improve business performance and progress management. Marubeni Group companies shall ask for advice from Marubeni regarding important management-related matters and report to Marubeni.

(2) Compliance

The Compliance Committee and other committees shall support and give guidance regarding compliance activities by Marubeni Group companies. Door of Courage and Marubeni Anti-Corruption Hotline shall be available for officers and employees of all Marubeni Group companies.

(3) Development of system for ensuring appropriateness of financial reporting and safeguarding of assets
Marubeni Group shall develop, through activities, etc. of the Internal Control Committee, necessary systems for ensuring reliability and continuous monitoring of financial reporting such as consolidated financial statements as well as a system for ensuring appropriate acquisition, storage and disposal of assets held by Marubeni Group companies. It shall also establish the Disclosure Committee and develop a necessary system for information disclosure in an appropriate and timely manner.

(4) Audit
The Audit Department carries out visiting audit at Marubeni Group companies and reports the result to the Board of Directors. The Audit & Supervisory Board Members and Accounting Auditor independently carry out audit or accounting audit at Marubeni Group companies.

6. Matters concerning employees assisting the duties of Audit & Supervisory Board Members, and matters concerning the independence of these employees from Directors
(1) Establishment of Audit & Supervisory Board Member's Office
Marubeni establishes the Audit & Supervisory Board Member's Office and appoints dedicated staff members to assist in the duties of the Audit & Supervisory Board Members.

(2) Personnel affairs of the Audit & Supervisory Board Member's Office staff
The Director in charge of personnel affairs shall implement personnel affairs of the Audit & Supervisory Board Member's Office (personnel changes, evaluation, disciplinary actions, etc.) by hearing the opinions of the Audit & Supervisory Board Members in advance and upon receiving their consent.

7. Systems for Directors and employees to report to Audit & Supervisory Board Members and other systems for reports to Audit & Supervisory Board Members
(1) The Audit & Supervisory Board Members attending important meetings
The Audit & Supervisory Board Members shall attend the Board of Directors Meetings and receive reports on execution of duties and other important matters and also attend the Corporate Management Committee and other important meetings.

(2) Reporting by officers and employees to the Audit & Supervisory Board Members
The President holds meetings with the Audit & Supervisory Board Members on a regular basis, reports on execution of duties and exchange opinions. Other Directors, Group CEOs, COOs and Corporate Staff Group General Managers report their duty execution status to the Audit & Supervisory Board Members every year. Marubeni develops a system

for Directors, Audit & Supervisory Board Members and employees of Marubeni Group companies, or those who received a report from them, to report directly or indirectly to the Audit & Supervisory Board Members. Notwithstanding the above, the Audit & Supervisory Board Members may seek report from officers and employees whenever necessary. Marubeni has in place a system to ensure that the person who made a report to the Audit & Supervisory Board Members would not be treated unfairly at Marubeni or Marubeni Group companies because of the concerned report.

8. Other systems necessary to ensure effective audits by Audit & Supervisory Board Members

(1) Collaboration with the Audit Department, Accounting Auditor and Audit & Supervisory Board Members of Marubeni Group companies

The Audit & Supervisory Board Members receive respective audit plans in advance from the Audit Department and Accounting Auditor, hold regular meetings to exchange opinions regarding audit policy and audit result reports. The Audit & Supervisory Board Members collaborate with Audit & Supervisory Board Members of Marubeni Group companies through Group Auditor Liaison Meeting and exchange information regarding the development of internal control at each company and their operations.

(2) Appointment of External experts

The Audit & Supervisory Board Members independently has a contract with a corporate lawyer, and if the Audit & Supervisory Board Members approve its necessity, they can appoint external advisors such as certified public accountants.

(3) Audit-related expenses

Marubeni shall pay expenses arising from the execution of duties by the Audit & Supervisory Board Members, including the cost of having external experts described above in response to request by the Audit & Supervisory Board Members, through a prescribed procedure and allocate for it in budget.

2. Basic Views on Eliminating Anti-Social Forces

The Company's basic policies for eliminating anti-social forces and the status of their improvement are as follows:

<The Basic policy for eliminating anti-social forces>

The Company's basic policy towards eliminating anti-social forces is to stand firm against anti-social activities and forces threats to the social order and public security and will never form or foster relationships with any organization that poses such threats.

<Status of development towards elimination of anti-social forces>

The Company clearly states its basic policy towards elimination of anti-social forces in the Basic Internal Control Policy and has been implementing measures to block relationship with anti-social forces based on the Marubeni Corporate Principles and the Compliance Manual. As part of these initiatives, the Company prepared a sample of a

contract clause for eliminating anti-social forces (a so-called organized crime elimination clause) and inculcates its thorough awareness in the Company. The Company's system towards elimination of anti-social forces is as described below:

1- Division in charge

The General Affairs Department is the division supervising the response if wrongful demand, etc. is made.

2- Development of database

Information regarding anti-social organizations is gathered at the General Affairs Department, which is building database of related information.

3- Use of information

The General Affairs Department confirms about doubtful organizations and individuals using the above database.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation

Nothing particular to be mentioned.

2. Other Matters Concerning to Corporate Governance System

The Company aims to realize more appropriate and efficient system by constantly reviewing its corporate governance system in response to changes in the society.

