Corporate Governance Report

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The corporate governance of Marubeni Corporation (the "Corporation" or "Marubeni") 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 the Corporation's Company Creed of "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 while endeavoring to enhance corporate governance. Further, the Corporation's Board of Directors resolved on the Basic Internal Control Policy regarding the system, etc. for ensuring that the execution of duties by the Directors comply with laws, regulations and the articles of incorporation, an overview of which 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

The Corporation, as a business enterprise, will actively pursue its business interests through the exercise of fair and lawful competition. As a company, the Corporation 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, the Corporation 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 conducts business with the support of various stakeholders throughout the world. The Marubeni Group recognizes the importance of diligently listening to the opinions of stakeholders, and working together to move forward, based on an understanding of stakeholder interests and concerns, as well as the impact of the Marubeni Group’s activities on society and the environment. The Marubeni Group’s concept of each stakeholder is as follows:

(a) Customers and Business Partners

The Marubeni Group aims to become a company that can be trusted and relied upon by its customers and business partners. The Marubeni Group will develop and offer socially useful products and services, by giving full consideration to safety and striving at all times to improve the satisfaction and earn the trust of its customers and business partners through conducting sincere and honorable business practices.

(b) Shareholders and Investors

The Marubeni Group is dedicated to meeting shareholders' expectations. The Marubeni Group strives thus to enhance its corporate value by responding to changes in the business environment and maintaining stable profitability. In addition, the Marubeni Group works to boost corporate value from social and environmental perspectives, and also disclose pertinent information in a fair and timely manner.

(c) Local Community

The Marubeni Group aims to become a valued member of the local communities where it practices business, and to contribute to the creation of robust local districts through improvement of living standards, creation of job opportunities for the local community, including youth, and offering employment incorporating diversity and inclusion, being aware of gender and disabilities.

Overseas, the Marubeni Group respects local laws, cultures, and customs, and strives to operate its businesses in a way that contributes to local development. Furthermore, the Marubeni Group is firmly opposed to antisocial forces and groups that threaten the order and safety of society.

(d) Employees

The Marubeni Group shall respect the individual values and life goals of each and every employee. The Marubeni Group also works to eliminate all forms of discrimination and foster an atmosphere that is pleasant for all.

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

The Corporation is implementing all the principles of the Corporate Governance Code dated June 11, 2021, including principles for the Prime Market, based on the above-mentioned basic concepts.

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

Please refer to the Corporation's status of initiatives and policies related to all the 83 principles that make up the Basic Principles, Principles, and Supplementary Principles and include disclosure items based on the principles of the Corporate Governance Code dated June 11, 2021, including principles for the Prime Market. This information is attached to this report and is posted on the Corporation's website.

https://www.marubeni.com/en/company/governance/

<Action to Implement Management that is Conscious of Cost of Capital and Stock Price>

For "Action to Implement Management that is Conscious of Cost of Capital and Stock Price," please refer to Principle 5.2 in the document attached to this report.

<Dialogue with Shareholders>

For “Dialogue with Shareholders,” please refer to III.2. IR Activities of this report and the Corporation’s policy for constructive dialogues with shareholders described in Principle 5.1 and Supplementary Principles 5.1.1 and 5.1.2 in the document attached to this report. Furthermore, in the “IR Activities” section of the Integrated Report 2023, the Corporation discloses information on past meetings for investors and securities analysts, the main interests and contents of the dialogues, the cases where the Corporation reflects on their views and external evaluation of its management strategy, capital allocation, etc.

https://www.marubeni.com/en/ir/reports/integrated_report/

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)	264,686,600	15.81
BNYM AS AGT/CLTS 10 PERCENT	162,554,078	9.71
Custody Bank of Japan, Ltd. (Trust account)	89,430,500	5.34
Meiji Yasuda Life Insurance Company	37,636,918	2.25
Mizuho Bank, Ltd.	30,000,000	1.79
STATE STREET BANK WEST CLIENT-TREATY 505234	29,579,703	1.77
JPMorgan Securities Japan Co., Ltd.	25,895,096	1.55
Nippon Life Insurance Company	23,400,585	1.40
JP MORGAN CHASE BANK 385632	22,919,999	1.37
Sompo Japan Insurance Inc.	22,500,000	1.34

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

Supplementary Explanation

The [Status of Major Shareholders] sets forth the information as of March 31, 2024.
As of the date of this report, the following Reports of Possession of Large Volume was submitted:

- Name of Shareholder:
  (1) Nomura Securities Co.,Ltd.
  (2) NOMURA INTERNATIONAL PLC
  (3) Nomura Asset Management Co., Ltd.
- Date of the Changes: March 29, 2024
- Number of Shares Owned: 84,044,701（(1) 3,334,323, (2) 360,378, (3) 80,350,000）
- Percentage: 5.01%（(1) 0.20%, (2) 0.02%, (3) 4.79%）

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Prime
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	More 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

<Approach to and Policy on Group Management>

The Corporation has many group companies that span a wide variety of businesses across the globe. As such, the Corporation respects the autonomy of these group companies and entrusts their senior management with business execution, while also remaining responsible for the business management and monitoring of them as shareholder and business owner, and striving for sustainable growth as well as the improvement and optimization of corporate value for the entire Marubeni Group. Furthermore, the group companies are also responsible for executing management, based on the policies, strategies, and goals of the Marubeni Group, that will contribute to achieving sustainable growth as well as improving and optimizing corporate value.

For the basic approach to the Corporation's business portfolio strategy, please refer to Supplementary Principles 5.2.1 in the document attached to this report.

<Measures to Ensure Effectiveness of Governance Framework for Group Companies>

The Corporation (i) shares and disseminates Marubeni Group management policy, (ii) builds and strengthens group governance through the clarification of the abovementioned responsibilities, and (iii) maintains and plans the codification of necessary systems, policies and rules. To this end, the Corporation established and adopted the "Marubeni Group Governance Policy" in April 2017, mainly for consolidated subsidiaries, and is advancing the dissemination and credentials of group governance.

Examples of the Corporation's specific measures to ensure effectiveness of governance framework for group companies:

- As a shareholder, the Corporation participates in the decision-making process of group companies by exercising voting rights at shareholders' meetings and expressing opinions when they seek the Corporation's insights. Since the Corporation places great importance on constructive dialogue with the group companies, particularly through their Board of Directors, the Corporation adheres to a principle of dispatching more than half of the directors for consolidated subsidiaries. In addition, to provide guidance, supervision, and advice to the overseas consolidated subsidiaries, the Corporation requires each Regional CEO to assign at least one part-time officer to the overseas group companies within their respective regions.

- As part of the "Basic Internal Control Policy," the Board of Directors of the Corporation has resolved to establish a system necessary to ensure the appropriateness of operations by a corporate group (subsidiary management system) and a system necessary to ensure effective audits by Audit & Supervisory Board Members (system of audits by the Audit & Supervisory Board). In order to enhance these systems, the

Corporation entered into confirmation letters with domestic and overseas subsidiaries, obligating them the following:

(i) to report to the Corporation circumstances which will lead to significant losses or damages, circumstances which will lead to a significant violation of any law or regulation, and circumstances which have the possibility to significantly impact the reputation or management;

(ii) in advance of its decision-making on "important matters," to obtain the Corporation's opinion thereon; and

(iii) to secure and guarantee that it will not dismiss or take any other action disadvantageous to any director, officer, employee, or any person that has received a report from any of the foregoing persons, due to such person's (a) report, or cooperation with any investigation, of any violation of any internal rules, any law or regulation, or (b) report to, or cooperation with any investigation of, the Corporation's auditor.

For the system necessary to ensure the appropriateness of operations by a corporate group, please refer to IV.1 Basic Views on Internal Control System and the Progress of System Development in this report.

- The group companies have developed a compliance structure suited to their respective business characteristics, as is the case with overseas subsidiaries, which have developed a compliance structure appropriate to laws and regulations, business customs, etc. of the respective countries and regions. The Corporation has regular audits and monitoring practices in place, including those for bribery prevention management and security export control purposes, to check whether there are any inadequacies in the compliance structures in the Marubeni Group.

<Policy on Ownership of Listed Subsidiaries/Listed Affiliates>

The Corporation decides whether it should own a listed subsidiary or listed affiliate after careful consideration, taking into account if doing so would enhance the corporate value of that listed subsidiary or listed affiliate, as well as the corporate value of the entire Marubeni Group. With respect to the governance of the listed subsidiaries and listed affiliates, the Corporation will ensure their independence so as to avoid any conflict of interest between the Corporation and the minority shareholders of the listed subsidiaries and the listed affiliates. As such, the Corporation does not apply the "Marubeni Group Governance Policy" to the listed subsidiaries and the listed affiliates. At the same time, as a parent company and shareholder, the Corporation will provide necessary advice and support on the internal control systems of the listed subsidiaries and listed affiliates, with sufficient attention to their independence.

As of the end of March 2024, the Corporation does not own any listed subsidiary. The Corporation, however, owns the following listed affiliates (*1):

(*1 Except for GameWith, Inc., this section shows the listed affiliates directly owned by the Corporation)

- GameWith, Inc. (Tokyo Stock Exchange Standard Market; Media business, including provision of game-related information)

  Through our consolidated subsidiary, Arteria Networks Corporation (in which the Corporation has a 66.66% ownership stake, "Arteria"), the Corporation owns GameWith Inc. ("GameWith") as a listed affiliate, with the aim to expand Arteria's D2C business, including communication services, by enhancing its relationship with GameWith.

  As of the end of March 2024, the ratio of Arteria's voting rights in GameWith as a shareholder is 20.76%. Also, one of Arteria's officers/employees concurrently serves as a director of GameWith. The person, however, was elected as a candidate for director based on their expertise and experience, in accordance with the corporate governance structure of GameWith, and was appointed at its shareholders' meeting. It is a fundamental policy of Arteria to respect the independence of GameWith in its business operations.

  Given the above, the Corporation does not have any direct or indirect controlling influence over GameWith that could impair its independence and thus does not apply group management to GameWith.

  The Corporation has no business relationship with GameWith.

- Toyo Sugar Refining Co., Ltd. (Tokyo Stock Exchange Standard Market; Refining and sale of sugar, and manufacture and sale of functional ingredients)

  The Corporation owns Toyo Sugar Refining Co., Ltd. ("Toyo Sugar Refining") as a listed affiliate with the aim to maintain and strengthen its and its group companies' business relationship with Toyo Sugar Refining in transactions of sugar and related products.

  As of the end of March 2024, the ratio of the Corporation's voting rights in Toyo Sugar Refining as a shareholder is 39.26%. Also, two of the Corporation's officers/employees concurrently serve as directors of Toyo Sugar Refining, and one former officer/employee of the Corporation has been appointed as its director. However, they were elected as candidates for directors based on their expertise and experience, in accordance with the corporate governance structure of Toyo Sugar Refining, and were appointed at its shareholders' meeting. It is a fundamental policy of the Corporation to respect the independence of Toyo Sugar Refining in its business operations.

  Given the above, the Corporation does not have any controlling influence over Toyo Sugar Refining that could impair its independence and thus does not apply group management to Toyo Sugar Refining.

  In the transactions of sugar and related products, the Corporation/its group companies and Toyo Sugar Refining independently negotiate and decide prices, volumes, and other terms and conditions.

- Marubeni Construction Material Lease Co., Ltd. (Tokyo Stock Exchange Standard Market; Leasing, sales of steel for temporary construction and related construction work)

  The Corporation owns Marubeni Construction Material Lease Co., Ltd. ("Marubeni Construction Material Lease") as a listed affiliate. As of the end of March 2024, the ratio of the Corporation's voting rights in Marubeni Construction Material Lease as a shareholder is 37.03%. Also, one of the Corporation's

officers/employees concurrently serves as a director of Marubeni Construction Material Lease and one former officer/employee of the Corporation has been appointed as its director. However, they were elected as candidates for directors based on their expertise and experience, in accordance with the corporate governance structure of Marubeni Construction Material Lease, and were appointed at its shareholders' meeting. It is a fundamental policy of the Corporation to respect the independence of Marubeni Construction Material Lease in its business operations. Furthermore, on March 31, 2005, the Corporation and Marubeni Construction Material Lease entered into a memorandum, agreeing that Marubeni Construction Material Lease may make its decision-making without the need for any prior approval of or reporting to the Corporation.

Given the above, the Corporation does not have any controlling influence over Marubeni Construction Material Lease that could impair its independence and thus does not apply group management to Marubeni Construction Material Lease.

The Corporation has no business transactions with Marubeni Construction Material Lease.

- Katakura & Co-op Agri Corporation (Tokyo Stock Exchange Standard Market; Manufacture and sale of fertilizers, feedstuff, and others)

  The Corporation owns Katakura & Co-op Agri Corporation ("Katakura & Co-op Agri") as a listed affiliate with the aim to maintain and strengthen its and its group companies' business relationship with Katakura & Co-op Agri in transactions of fertilizers, etc.

  As of the end of March 2024, the Corporation is not the largest shareholder of Katakura & Co-op Agri, and the ratio of the Corporation's voting rights in Katakura & Co-op Agri as a shareholder is 22.85%. Also, one of the Corporation's officers/employees concurrently serves as a director of Katakura & Co-op Agri and one former officer/employee of the Corporation has been appointed as its director. However, they were elected as candidates for directors based on their expertise and experience, in accordance with the corporate governance structure of Katakura & Co-op Agri, and were appointed at its shareholders' meeting. It is a fundamental policy of the Corporation to respect the independence of Katakura & Co-op Agri in its business operations.

  Given the above, the Corporation does not have any controlling influence over Katakura & Co-op Agri that could impair its independence and thus does not apply group management to Katakura & Co-op Agri.

  In the transactions of fertilizers, etc., the Corporation/its group companies and Katakura & Co-op Agri independently negotiate and decide prices, volumes, and other terms and conditions.

- S Foods Inc. (Tokyo Stock Exchange Prime Market; Wholesaling, manufacturing, retailing and foodservice of meat-related foods products)

  The Corporation owns S Foods Inc. ("S Foods") as a listed affiliate with the aim to maintain and strengthen its and its group companies' business relationship with S Foods in transactions of imported meats, etc.

  As of the end of March 2024, the ratio of the Corporation's voting rights in S Foods as a shareholder is 15.30%. Also, one of the Corporation's officers/employees concurrently serves as a director of S Foods.

The person, however, was elected as candidate for a director based on their expertise and experience, in accordance with the corporate governance structure of S Foods, and was appointed at its shareholders' meeting. It is a fundamental policy of the Corporation to respect the independence of S Foods in its business operations.

Given the above, the Corporation does not have any controlling influence over S Foods that could impair its independence and thus does not apply group management to S Foods.

In the transactions of imported meats, etc., the Corporation/its group companies and S Foods independently negotiate and decide prices, volumes, and other terms and conditions.

- The Nisshin OilliO Group, Ltd. (Tokyo Stock Exchange Prime Market; Oils and fats, processed foods and materials, fine chemicals, etc.)

  The Corporation owns The Nisshin OilliO Group, Ltd. ("Nisshin OilliO") as a listed affiliate with the aim to maintain and strengthen its and its group companies' business transactions with Nisshin OilliO in transactions of oils and fats, etc.

  As of the end of March 2024, the ratio of the Corporation's voting rights in Nisshin OilliO is about 15.96%. Also, one former officer/employee of the Corporation has been appointed as a director of Nisshin OilliO. The person, however, was elected as a candidate for director based on their expertise and experience, in accordance with the corporate governance structure of Nisshin OilliO, and was appointed at its shareholders' meeting. It is a fundamental policy of the Corporation to respect the independence of Nisshin OilliO in its business operations.

  Given the above, the Corporation does not have any controlling influence over Nisshin OilliO that could impair its independence and thus does not apply group management to Nisshin OilliO.

  In the transactions of oils and fats, etc., the Corporation/its group companies and Nisshin OilliO independently negotiate and decide prices, volumes, and other terms and conditions.

As mentioned above, the Corporation does not apply group management to the aforementioned listed affiliates and does not have any influence or controlling rights over these listed affiliates that could impair their independence. As such, the Corporation believes there is little concern about risk of conflicts of interest between the Corporation and the minority shareholders of these listed affiliates.

In addition to the aforementioned listed affiliates, on June 18, 2024, the Corporation made Mizuho Leasing Company Limited (Tokyo Stock Exchange Prime Market) an equity method affiliate. For details, please refer to the timely disclosure "Announcement Regarding Execution of Capital and Business Alliance Agreement by Marubeni Corporation and Mizuho Leasing Company, Limited" on May 14, 2024.

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	1 year
Chairperson of the Board	Chairperson (except when also serving as President)
Number of Directors	10
Appointment of Outside Directors	Appointed
Number of Outside Directors	6
Number of Independent Directors	6

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Yuri Okina	From another company											
Masato Kitera	Other											
Shigeki Ishizuka	From another company								△			
Hisayoshi Ando	Other								○			
Mutsuko Hatano	Other								○			
Soichiro Minami	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 themself only)
i. Executive of a company, between which and the company outside directors/ Audit & Supervisory Board Members are mutually appointed (the director themself only)

j. Executive of a company or organization that receives a donation from the company (the director themself only)
k. Others

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
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 outside officer at various companies, and experience based on extensive activities as a member of government committees, such as the Industrial Structure Council and the Financial System Council, and the chairperson of the Government's Tax Commission. She vigorously stated opinions at meetings of the Board of Directors from a specialist and multifaceted viewpoint. As an Outside Director of the Corporation, she has been providing advice to management and appropriately supervising business execution. Additionally, as the chairperson of the Nomination Committee, she led discussion in order to enhance soundness, transparency, and effectiveness of the Corporation's management. Because she is expected to continue to fulfill the role stated above and in view of the recommendation by the Nomination Committee, the Board of Directors decided to reappoint her as a candidate for Outside Director, and then she was appointed as an Outside Director by resolution of the General Meeting of Shareholders. No personal, capital or transaction relationships between Ms. Okina and the Corporation existed in the past or exist currently, and she satisfies the requirements in the "Standards and Policies for the Independence of Outside Directors/ Audit & Supervisory Board Members of the Corporation" (as set forth on II.3). Hence, the Corporation has appointed her as an Independent Director stipulated by Tokyo Stock Exchange, Inc., which is the financial instruments exchange on which the Corporation's stock is listed, and notified the said exchange of such designation.
Masato Kitera	Yes	Not applicable	Mr. Kitera served in key positions in the government, mainly in the Ministry of Foreign Affairs. He has a wealth of international experience and profound insight concerning international affairs cultivated through his involvement in diplomacy. He also has in-depth understanding and abundant experience related to diversity, which is indispensable in management of the Corporation. He vigorously stated opinions at meetings of the Board of Directors from objective and specialist perspectives in light of the drastically

			changing world situation. As an Outside Director of the Corporation, he has been providing advice to management and appropriately supervising business execution. Additionally, he has been proactively expressing his opinions as a Governance and Remuneration Committee member in order to enhance soundness, transparency, and effectiveness of the Corporation's management. Because he is expected to continue to fulfill the role stated above and in view of the recommendation by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Outside Director, and then he was appointed as an Outside Director by resolution of the General Meeting of Shareholders. No personal, capital or transaction relationships between Mr. Kitera and the Corporation existed in the past or exist currently, and he satisfies the requirements in the "Standards and Policies for the Independence of Outside Directors/ Audit & Supervisory Board Members of the Corporation" (as set forth on II.3). Hence, the Corporation has appointed him as an Independent Director stipulated by Tokyo Stock Exchange, Inc., which is the financial instruments exchange on which the Corporation's stock is listed, and notified the said exchange of such designation.
Shigeki Ishizuka	Yes	Mr. Ishizuka was an executive of Sony Group Corporation (former Sony Corporation), former Sony Imaging Products & Solutions Inc. and former Sony Electronics Corporation (now integrated into the current Sony Corporation). There were no transactions between each one of these companies and the Corporation during the three business years from FY2020 to FY2022.	Mr. Ishizuka has profound insight cultivated through his involvement in corporate management at an international company. As he has a background as a technology and development engineer, he has in-depth understanding and experience in the digital and IT fields, which are indispensable in management of the Corporation. He vigorously stated opinions at meetings of the Board of Directors from objective and specialist perspectives in light of the drastically changing world situation. As an Outside Director of the Corporation, he has been providing advice to management and appropriately supervising business execution. Additionally, he has been proactively expressing his opinions as a Nomination Committee member in order to enhance soundness, transparency, and effectiveness of the Corporation's management. Because he is expected to continue to fulfill the role stated above and in view of the recommendation by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Outside Director, and then he was appointed as an Outside Director by resolution of the General Meeting of Shareholders. No personal, capital or transaction relationships between Mr. Ishizuka and the Corporation 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 Outside Directors/ Audit & Supervisory Board Members of the Corporation" (as

			set forth on II.3). Hence, the Corporation has appointed him as an Independent Director stipulated by Tokyo Stock Exchange, Inc., which is the financial instruments exchange on which the Corporation's stock is listed, and notified the said exchange of such designation.
Hisayoshi Ando	Yes	Mr. Ando is an executive of Tokyo Small and Medium Business Investment & Consultation Co., Ltd. There has been no transactions between the company and the Corporation.	Mr. Ando served in key positions in the government and has profound insight about economic, industrial, and political trends in Japan and overseas. He vigorously stated opinions at meetings of the Board of Directors from objective and specialist perspectives in light of the drastically changing world situation. As an Outside Director of the Corporation, he has been providing advice to management and appropriately supervising business execution. Additionally, he has been proactively expressing his opinions as a Governance and Remuneration Committee member in order to enhance soundness, transparency, and effectiveness of the Corporation's management. Because he is expected to continue to fulfill the role stated above and in view of the recommendation by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Outside Director, and then he was appointed as an Outside Director by resolution of the General Meeting of Shareholders. No personal, capital or transaction relationships between Mr. Ando and the Corporation 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 Outside Directors/ Audit & Supervisory Board Members of the Corporation" (as set forth on II.3). Hence, the Corporation has appointed him as an Independent Director stipulated by Tokyo Stock Exchange, Inc., which is the financial instruments exchange on which the Corporation's stock is listed, and notified the said exchange of such designation.
Mutsuko Hatano	Yes	Ms. Hatano is Senior Aide to the President and Professor at the Department of Electrical and Electronic Engineering, School of Engineering of Tokyo Institute of Technology. There were no transactions between the institute and the Corporation during the three fiscal years from FY2020 to FY2022. In addition, Ms. Hatano was Representative Director and President of the Japan Society of	After having been engaged in research and development at a large manufacturer, Ms. Hatano has been working on quantum-related research as Professor at the Department of Electrical and Electronic Engineering, School of Engineering of a leading university in Japan, while having also served as the chairperson of the Board of Directors as Outside Director of a global company. Accordingly, she has profound insight into the areas of science, technology, and corporate governance, which are essential to the management of the Corporation. She vigorously stated opinions at meetings of the Board of Directors from objective and specialist perspectives in light of the drastically changing world situation. As an Outside Director of the Corporation, she has been providing advice to management and appropriately supervising business execution. Additionally, she has been proactively expressing her opinions as a

		Applied Physics. There has been no transactions between the organization and the Corporation.	Nomination Committee member in order to enhance soundness, transparency, and effectiveness of the Corporation's management. Because she is expected to continue to fulfill the role stated above and in view of the recommendation by the Nomination Committee, the Board of Directors decided to reappoint her as a candidate for Outside Director, and then she was appointed as an Outside Director by resolution of the General Meeting of Shareholders. No personal, capital or transaction relationships between Ms. Hatano and the Corporation result in conflicts of interest that could harm the interests of the general shareholders, and she satisfies the requirements in the "Standards and Policies for the Independence of Outside Directors/Audit & Supervisory Board Members of the Corporation" (as set forth on II.3). Hence, the Corporation has appointed her as an Independent Director stipulated by Tokyo Stock Exchange, Inc., which is the financial instruments exchange on which the Corporation's stock is listed, and notified the said exchange of such designation.
Soichiro Minami	Yes	Mr. Minami is an executive of Stanby, Inc. and Visional, Inc. There has been no transactions between these companies and the Corporation. In addition, Mr. Minami was an executive of BizReach Inc. and former LUXA, Inc. (Currently, au Commerce & Life, Inc.). There is a transaction relationship between BizReach, Inc. and the Corporation, including outsourcing from the Corporation to BizReach. Net sales of BizReach to the Corporation for the three business years from FY2020 to FY2022 accounted for 0.0001% of the consolidated revenue of the Corporation during the said three-year period, which is insignificant, whereas there were no net sales of the Corporation to BizReach during the	After having worked for a foreign securities company, Mr. Minami engaged in starting up a new professional baseball team, opening and launching a major membership job changing site in 2007, and has been serving as Representative and CEO of its holding company since 2020. He has demonstrated excellent management skills as the top management for a long time, including starting up, expanding and diversifying business, and leading the transition to a group management structure after having put it on a growth path. He is expected to provide advice to the Corporation's management and proper supervision of the execution of duties appropriately from a practical perspective since he has expertise in human resources strategy and DX promotion, which are essential for the growth of the Corporation, in addition to a wealth of experience and achievements in the overall management from starting up and growing a company by himself. Therefore, in view of the recommendation by the Nomination Committee, the Board of Directors decided to appoint him as a new candidate for Outside Director, and then he was appointed as an Outside Director by resolution of the General Meeting of Shareholders. No personal, capital or transaction relationships between Mr. Minami and the Corporation 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 Outside Directors/Audit & Supervisory Board Members of the Corporation" (as set forth on II.3). Hence, the Corporation appointed him as an Independent Director stipulated by Tokyo Stock Exchange, Inc., which is the financial

		said three-year period. There has been no transactions between former LUXA, Inc. (Currently, au Commerce & Life, Inc.) and the Corporation.	instruments exchange on which the Corporation's stock is listed, and notified the said exchange of such designation.

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
Outside Directors	3	2
Outside Experts	0	0
Other	0	2
Chairperson	Outside Director	Outside Director

Supplementary Explanation

- A voluntary committee equivalent to the Nomination Committee
  - Nomination Committee (to be convened as necessary): The memberships of the committee are composed so as to ensure independence, as Independent Outside Directors/Audit & Supervisory Board Members constitute the majority of the members and the committee is chaired by an Independent Outside Director as well. The Nomination Committee mainly deliberates on proposals regarding the selection of candidates for Director and Audit & Supervisory Board Member, proposals regarding the selection of the President for the next term, and successor plans formulated and operated by the President (including plans related to necessary qualities and requirements, successor candidate groups, and training), and reports to the Board of Directors. In FY2023, 10 Committee meetings were held for deliberations regarding candidates of Director and Audit & Supervisory Board Member and succession plans, etc.
  - Composition of Committee

Chairperson	Yuri Okina	Outside Director
Members	Masumi Kakinoki	President and CEO, Member of the Board
	Shigeki Ishizuka	Outside Director
	Mutsuko Hatano	Outside Director

- A voluntary committee equivalent to the Remuneration Committee

・ Governance and Remuneration Committee (to be held as necessary): The memberships of the committee are composed so as to ensure independence, as Independent Outside Directors/Audit & Supervisory Board Members constitute the majority of the members and the committee is chaired by an Independent Outside Director as well. 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. Furthermore, it deliberates on important matters related to corporate governance and conducts assessments and reviews of the Board of Directors as a whole, including on its structure, operation, etc., and reports thereon to the Board of Directors. In FY2023, 3 Committee meetings were held for deliberations regarding remuneration for Directors and Executive Officers, review of compensation plans, revision of the Standards and Policies for the Independence of Outside Directors/Audit & Supervisory Board Members of the Corporation, evaluation of the effectiveness of the Board of Directors, and disclosure of information on Directors/Audit & Supervisory Board Members (including improvement of the disclosure of their skill matrix).

・ Composition of Committee

Chairperson	Hisayoshi Ando	Outside Director
Members	Masumi Kakinoki	President and CEO, Member of the Board
	Akira Terakawa	Senior Executive Vice President, Member of the Board
	Masato Kitera	Outside Director
	Tsuyoshi Yoneda	Outside Audit & Supervisory Board Member
	Hiroko Miyazaki	Outside Audit & Supervisory Board Member

・ Committee members falling under “Other” in the committee composition are Outside 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 exchange information and their opinions concerning, for instance, audit plans, audit status and results of the Corporation and each of its group companies (including quarterly review), each audit matter (including selection of key audit matters), important aspects of the

financial results, and trends on accounting audits, etc. at monthly meetings. The Corporation's Accounting Auditor for FY2023 was Ernst & Young ShinNihon LLC. The Audit & Supervisory Board Members and the Audit Department, a department which performs internal audits, exchange opinions at regular meetings (9 times a year) and implement audit operations through close cooperation. In FY2023, the Audit & Supervisory Board met 19 times, and all Audit & Supervisory Board Members were present at all meetings of the Audit & Supervisory Board during their terms of office, excluding Mr. Ando, who was absent for one meeting.

Appointment of Outside Members of Audit & Supervisory Board	Appointed
Number of Outside Members of Audit & Supervisory Board	3
Number of Outside 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
Tsuyoshi Yoneda	Other													
Kana Odawara	Certified Public Accountant										○			
Hiroko Miyazaki	Lawyer										△			

* 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 themself only)
k. Executive of a company, between which and the company outside directors/Audit & Supervisory Board Members are mutually appointed (the director themself only)
l. Executive of a company or organization that receives a donation from the company (the director themself 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
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 outside officer of another company. As an Outside Audit & Supervisory Board Member of the Corporation, he has been appropriately supervising management from objective and specialist perspectives in light of the drastically changing world situation in order to enhance soundness, transparency, and effectiveness of the Corporation's management. Additionally, he vigorously stated opinions as a Governance and Remuneration Committee member. In view of the above and the recommendation by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Outside Audit & Supervisory Board Member, and then he was appointed as an Outside Auditor by resolution of the General Meeting of Shareholders. No personal, capital or transaction relationships between Mr. Yoneda and the Corporation existed in the past or exist currently, and he satisfies the requirements in the "Standards and Policies for the Independence of Outside Directors/ Audit & Supervisory Board Members of the Corporation" (as set forth on II.3). Hence, the Corporation has appointed him as an Independent Auditor stipulated by Tokyo Stock Exchange, Inc., which is the financial instruments exchange on which the Corporation's stock is listed, and notified the said exchanges of such designation .

Kana Odawara	Yes	Ms. Odawara is the Representative of Odawara Coaching & Consulting. There has been no transactions between the institution and the Corporation. In addition, she was an executive of Adecco Group Japan. There were no transactions between the company and the Corporation during the three business years from FY2020 to FY2022.	Qualified as a certified public accountant both in Japan and the U.S., Ms. Odawara, after having been engaged in audits at major accounting firms in Japan and the U.S., has assumed important positions including CFO at a Japanese subsidiary of multiple global companies, and has profound insight and a wealth of experiences in the field of accounting and finance. Currently, she has assumed the position of representative of a private office for coaching and consultation, demonstrating excellent skills in corporate management, including corporate governance, human resources development and business transformation. Utilizing these experiences and insight, she is expected to appropriately fulfill her duties as an Audit & Supervisory Board Member. In view of the recommendation by the Nomination Committee, the Board of Directors decided to appoint her as a new candidate for Outside Audit & Supervisory Board Member, and then she was appointed as an Outside Audit & Supervisory Board Member by resolution of the General Meeting of Shareholders. No personal, capital or transaction relationships between Ms. Odawara and the Corporation result in conflicts of interest that could harm the interests of the general shareholders, and she satisfies the requirements in the “Standards and Policies for the Independence of Outside Directors/Audit & Supervisory Board Members of the Corporation” (as set forth on II.3). Hence, the Corporation appointed her as an Independent Auditor stipulated by Tokyo Stock Exchange, Inc., which is the financial instruments exchange on which the Corporation’s stock is listed, and notified the said exchange of such designation.
Hiroko Miyazaki	Yes	Ms. Miyazaki was an executive of 3M Japan	Qualified as an attorney-at-law both in Japan and the U.S., Ms. Miyazaki, after having worked for

		Limited, 3M Japan Innovation Limited, 3M Japan Products Limited, 3M Phoenix Limited, and KCI. There were no transactions between these companies and the Corporation during the three business years from FY2020 to FY2022.	major law firms in Japan and the U.S., has assumed the position of the head of the legal departments at Japanese subsidiaries of multiple global companies, and therefore has expertise in corporate legal affairs. In addition, she has been engaged in corporate management, including having implemented business restructuring and other policies as president of a Japanese subsidiary of a major U.S. chemical and electric material manufacturer. Utilizing these experiences and insight, she is expected to appropriately fulfill her duties as an Audit & Supervisory Board Member. In view of the recommendation by the Nomination Committee, the Board of Directors decided to appoint her as a new candidate for Outside Audit & Supervisory Board Member. No personal, capital or transaction relationships between Ms. Miyazaki and the Corporation result in conflicts of interest that could harm the interests of the general shareholders, and she satisfies the requirements in the "Standards and Policies for the Independence of Outside Directors/Audit & Supervisory Board Members of the Corporation" (as set forth on II.3). Hence, the Corporation appointed her as an Independent Auditor stipulated by Tokyo Stock Exchange, Inc., which is the financial instruments exchange on which the Corporation's stock is listed, and notified the said exchange of such designation.

[Independent Directors/Audit & Supervisory Board Members]

Number of Independent Directors/Audit & Supervisory Board Members	9

Matters relating to Independent Directors/Audit & Supervisory Board Members

The Corporation appoints all Outside 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 / Other

Supplementary Explanation

The Corporation revised the remuneration plan for Directors of the Corporation with the aim of encouraging management practices that are in line with the vision for the Marubeni Group of the future to create new value together with our stakeholders, further enhancing linkage with medium- to long-term corporate value, and further promoting value sharing with our shareholders.

From FY2023, as Performance-based compensation, the Corporation introduced compensation based on performance evaluation and TSR-linked performance share units with shares transfer restrictions. For the target persons and overview of the said compensation, please refer to "Overview of the Corporation's Policy to Determine the Remuneration And Other Payments for Directors" at the bottom of this report.

Recipients of Stock Options	–

Supplementary Explanation

[Director Remuneration]

Disclosure of Individual Directors' Remuneration	Selected Directors

Supplementary Explanation

(a) For the total of remuneration and other payments for Directors and Audit & Supervisory Board Members in FY2023, please refer to "Total of Remuneration And Other Payments for Directors and Audit & Supervisory Board Members in FY2023" at the bottom of this report.
(b) For the individuals to whom the total amount of compensation paid exceeded 100 million yen in FY2023, please refer to "Total of Remuneration And Other Payments for Directors and Audit & Supervisory Board Members in FY2023" at the bottom of this report.

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 chaired by an Outside Director/Audit & Supervisory Board Member, with the majority of its members consisting of Outside 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.
Please refer to "Overview of the Corporation's Policy to Determine the Remuneration And Other Payments for Directors" at the bottom of this report.

[Supporting System for Outside Directors and/or Independent Audit & Supervisory Board Members]
System for supporting Outside 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 Outside Directors as in the case with other Directors.
System for supporting Outside Audit & Supervisory Board Members: The General Managers of the 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 Outside Audit & Supervisory Board Members as in the case with other Audit & Supervisory Board Members.

[Status of Retired President and CEO, etc.]

Name, etc. of Advisors, Counselors, etc. Who Were Formerly 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	Honorary Corporate Advisor	None	Part-time, no compensation	March 2008 (Retirement as Chairman of the Board)	Not set
Nobuo Katsumata	Honorary Corporate Advisor	None	Part-time, no compensation	March 2013 (Retirement as Chairman of the Board)	Not set
Teruo Asada	Honorary Corporate Advisor	None	Part-time, no compensation	March 2019 (Retirement as Chairman of the Board)	Not set

Number of Advisors, Counselors, etc. Who Were Formerly President and CEO, etc.	3

Matters relating to Former Presidents and CEOs, etc.

- The Corporation abolished the advisor system on April 1, 2019 by resolution of the meeting of the Board of Directors on June 22, 2018.
- The President appoints retired officers of the Corporation as Corporate Advisors. When persons who retired from the posts of Chairman or President of the Corporation are appointed to the post of Corporate Advisor, they are titled Honorary Corporate Advisors.

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

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

(a) Board of Directors

The Board of Directors comprises 10 Directors (including 6 Outside Directors; 8 males and 2 females), and makes decisions regarding management policy and other important matters and supervises the execution of duties by Directors. To clearly segregate management and execution, in principle, the Chairman of the Board, who does not have representative rights or the authority for business execution, serves as the chair of Board of Directors Meetings.

(b) Audit & Supervisory Board

The Audit & Supervisory Board comprises 5 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board Members; 3 males and 2 females), and Mr. Toshiaki Kida, a Full-time Audit & Supervisory Board Member, serves as the chair. The Corporation adopts a corporate audit governance system and each of the 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 has been established as an advisory committee for the President, and consists of 3 Representative Directors including the President, 3 Senior Managing Executive Officers, and 6 Managing Executive Officers. It deliberates management-related policies and important company-wide matters.

(d) Committee of Chief Operating Officers

The members of the Committee of Chief Operating Officers are the President, alongside Executive Officers and Chief Operating Officers 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 41 Executive Officers (3 of whom also serve as Director). The Committee of Executive Officers communicates management information and gives reports on matters that affect business execution such as financial performance and the results of internal audits.

Further, the Corporation has established various committees as the organization directly under the President for dealing with important matters related to business execution and internal control, etc. The main committees and their roles are as follows:

・Investment and Credit Committee (in principle, weekly; 24 times in FY2023)
The Investment and Credit Committee discusses projects subject to the internal approval ("Ringi") system. The Chairman of the Investment and Credit Committee makes decisions on proposals to be submitted to the Corporate Management Committee through discussions at the Investment and Credit Committee.
・Compliance Committee (in principle, 4 times a year, and as needed; 4 times in FY2023)
The Compliance Committee provides enlightenment activities such as training as well as establishment, maintenance and management of the compliance system of the Marubeni Group.
・Sustainability Management Committee (in principle, once a year, and as needed; 4 times in FY2023)
The Sustainability Management 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 deliberates matters related to sustainability, including ESG support, and reports on this to the Board of Directors.
・Internal Control Committee (as needed; 2 times in FY2023)
The Internal Control 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 (as needed; 8 times in FY2023)
The Disclosure Committee formulates principles and basic policy drafts regarding disclosure, establishes and improves the internal system regarding statutory disclosure and timely disclosure, and judges significance and appropriateness regarding statutory disclosure and timely disclosure.

Moreover, the status of holding the Corporation's organization and committee meetings in FY2023 is as follows: in the said fiscal year, the Board of Directors met 15 times to make decisions regarding execution of duties by the Corporation and all members of the Board of Directors were present at all meetings during their terms of office, excluding Mr. Yoneda, who was absent for one meeting. At the same time, the Board of Directors received reports regularly from Directors to supervise their execution of duties. In FY2023, the Board of Directors mainly deliberated as below:

- Review of the Mid-Term Management Strategy "GC2024," "Green Strategy," and progress of the initiatives in the area of sustainability
- Investment and financing projects (Acquisition of Interests in Los Pelambres Copper Mine and Pan Pacific Copper Co., Ltd., etc.)
- Financial results and other finance related matters (share repurchases, etc.)
- Remuneration for Directors/Audit & Supervisory Board Members, revision of the Standards and Policies for the Independence of Outside Directors/Audit & Supervisory Board Members of the Corporation
- Evaluation of the effectiveness of the Board of Directors, internal control related matters, etc.

The Audit & Supervisory Board met 19 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 35times and discussed and made decisions regarding management-related policies and important company-wide matters. In addition, the Committee of Chief Operating Officers met 1 time, and the Committee of Executive Officers met 3 times.

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 Corporation has in place the Audit & Supervisory Board Member's Office (4 dedicated staff members as of April 1, 2024) to support the Audit & Supervisory Board Members, which work together with the Audit Department (75 people as of April 1, 2024) 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 finance and accounting
Audit & Supervisory Board Member Ms. Kana Odawara is a certified public accountant both in Japan and the U.S., and after having been engaged in audits at major accounting firms in Japan and the U.S., has assumed important positions including CFO at a Japanese subsidiary of multiple global companies. Hence, she has considerable knowledge about finance and accounting.

In order to enable (i) each of the Outside Directors, namely Ms. Yuri Okina, Messrs. Masato Kitera, Shigeki Ishizuka, and Hisayoshi Ando, Ms. Mutsumi Hatano, and Mr. Soichiro Minami, (ii) the Director Mr. Fumiya Kokubu, (iii) each of the Outside Audit & Supervisory Board Members, who are Mr. Tsuyoshi Yoneda, Ms. Kana Odawara, and Ms. Hiroko Miyazaki, and (iv) the Internal Audit & Supervisory Board Members, who are Messrs. Takao Ando and Toshiaki Kida, to fully perform their duty and expected rolls as Director (excluding Executive Director) or Audit & Supervisory Board Member, the Corporation 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 they have acted in good faith and without gross negligence in performing their duties.

3. Reasons for Adoption of Current Corporate Governance System

The Corporation conducts a diverse range of business globally. Accordingly, the Corporation has established a corporate governance model of a company with auditors in which the Board of Directors is composed of Internal Directors and Outside Directors in order to ensure rapid and efficient decision-making and appropriate supervisory functions in management. The Corporation has determined that this governance model is functioning effectively as set forth in items (a) and (b) below. Therefore, the Corporation will retain the current governance structure.
(a) Rapid and efficient decision-making
The Corporation ensures rapid and efficient decision-making by appointing Directors who serve concurrently as Executive Officers and are well-versed in the Corporation's diverse business activities.
(b) Appropriate supervisory functions

The Corporation ensures appropriate supervisory functions by implementing various measures. These include appointing Outside Directors that account for the majority of candidates for 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 Outside Directors and Outside Audit & Supervisory Board Members.

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

(a) Introduction of diverse outside perspectives

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

(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 Outside Directors and Outside Audit & Supervisory Board Members.

(c) Check of conflict of interest

In a situation where conflict of interest 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 Corporation appoints Outside Directors and Outside Audit & Supervisory Board Members based on the Standards and Policies for the Independence of Outside Directors/Audit & Supervisory Board Members of the Corporation so as to facilitate Outside Directors and Outside Audit & Supervisory Board Members to appropriately exercise the above roles and functions.

Standards and Policies for the Independence of Outside Directors/Audit & Supervisory Board Members of the Corporation

The Corporation shall determine that a person who is an Outside Director or Audit & Supervisory Board Member is not independent if he/she currently falls, or in the past 3 business years has fallen, under any of the following items 1 to 7, as well as any provision of the standards for independence set forth by the Tokyo Stock Exchange, on which the Corporation's stock is listed.

1. A major shareholder of the Corporation (who directly or indirectly holds 10% or more of the voting rights in the Corporation) or an executive person thereof*.
2. An executing person of a lender, from which the borrowed amount exceeds 2% of the Corporation's consolidated total assets.

3. An executing person of a business partner with which the transaction amount exceeds 2% of the Corporation'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 Corporation of which the value exceeds 10 million yen per business year or a person who belongs to a corporation, partnership, or other organization who receives money from the Corporation of which the value exceeds 2% of such organization's gross profit 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 Corporation 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 Corporation 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 Corporation judges that said person substantially maintains his/her independence, the Corporation shall explain and disclose the reason for his/her election as a candidate for Outside 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 3 weeks ahead of a General Meeting of Shareholders.
Scheduling AGMs to Avoid Peak Day	Held to avoid peak day on which many companies hold general meetings of shareholders.
Allowing Electronic Exercise of Voting Rights	The Corporation utilizes a system operated by the administrator of shareholders' register.
Participation in Electronic Voting Platform	The Corporation uses the voting platform for institutional investors by ICJ.
Providing Convocation Notice in English	English translations of the convocation notice, business report, financial statements, and so on are posted on the Corporation's website on or before the date of sending out the convocation notice.
Other	The Corporation is also implementing the following measures to vitalize General Meetings of Shareholders and ensure smooth exercising of voting rights. • Post the convocation notice, business report and financial statements on the Corporation's website ahead of sending them to the shareholders • Live distribution of the General Meetings of Shareholders on the Internet • On-demand distribution of the reporting items on the day of the General Meeting of Shareholders 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 Corporation's website. https://www.marubeni.com/en/company/governance/disclosure/ The Corporation also stipulates the Disclosure Committee Regulations to inculcate thorough awareness thereof at the Corporation.	
Regular Investor Briefings for Individual Investors	Approximately five times yearly, the Corporation holds briefings for individual investors. The materials used in the previous briefings are disclosed on our website (Japanese language only). https://www.marubeni.com/en/ir/individual/meeting/	Yes
Regular Investor Briefings for Analysts and Institutional Investors	In addition to quarterly earnings briefings (four times yearly), the President and/or Director in charge of IR holds meetings for securities analysts and institutional investors. In FY2023, 399 securities analysts and institutional investors, in total, joined the meetings. <Main Interests of Securities Analysts and Institutional Investors> • Cash allocation plan;	Yes

	• Investment policy and status of investment pipeline; • Drivers of growth and focus areas; • Policy on shareholder returns (e.g., dividends, share buybacks); • Usages of the funds collected through the sale of Gavilon's grain business; • Status of the core businesses and actions to improve unprofitable businesses; • Impacts of market-fluctuations on the business results/performance; and • Policy on holding and reduction of cross-shareholdings.	
Regular Investor Briefings for Overseas Investors	English translations of materials used in quarterly earnings briefings (including conference calls) are posted on the Corporation's website. The President and/or Director in charge of IR holds in-person or virtual regular meetings for overseas investors. In FY2023, the President and/or Director in charge of IR made business trips to North America, the EU, and Asia four times (in total) and held the in-person or online meetings with 231 overseas investors (in total).	Yes
Posting of IR Materials on Website	Business results information, integrated reports, shareholder reports, annual securities reports, quarterly reports, earnings result briefing materials, the convocation notice of General Meetings of Shareholders, and business operation materials are posted on the Corporation's website. https://www.marubeni.com/en/ir/	
Establishment of Department and/or Manager in Charge of IR	The Corporation appoints a CFO, who is a Representative Director, as the Director in charge of IR. On April 1, 2024, in order to enhance its IR activities, the Corporation newly established the IR & SR Department as a department in charge of and dedicated to IR.	

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 Corporation is engaged in a wide range of activities. Creation of environmental and social values through business activities In FY2018, the Corporation established the Sustainability Management Committee. Outside Directors/Outside Audit & Supervisory Board Members are appointed as advisors, providing the system an external point of view. In April 2019, as part of system strengthening, the Chair of the Sustainability Management Committee was made the Chief Sustainable Development Officer, and the Sustainability Management Department was established. Furthermore, Sustainability Leaders and Sustainability Managers in charge of sustainability management were appointed at each organization, and thus the entire group is working together to push forward

	initiatives regarding sustainability. The details of such activities are posted on the Corporation's website. https://marubeni.disclosure.site/en/ Social contribution activities, etc. 1. Marubeni Foundation The Corporation 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 Corporation. Grant recipients include a wide range of facilities and organizations engaged with persons with disabilities, children and youth, and the elderly. In recent years, special consideration has been given to projects which often fall outside of the general scope of governmental reach, such as organizations engaged in support for individuals who have become socially withdrawn, the protection of women, aiding those facing economic uncertainties, and operating children's cafeterias (facilities that provide meals for children for free or at a reduced price). For details of these activities, please see the following page on the Corporation's website. https://www.marubeni.com/en/sustainability/contribution/ Additionally, the total amount of annual grants for social welfare initiatives was increased to 300 million yen starting in FY2024. https://www.marubeni.com/en/news/2024/release/00016.html 2. Marubeni Gallery The Marubeni Gallery was opened at the Corporation's Tokyo head office building in 2021. The Marubeni Gallery contributes to cultural preservation and the passing down of cultural heritage through exhibitions held several times per year, which primarily feature works from the Marubeni Collection, the Corporation's collection of textiles, paintings, and other works of art. 3. Traditional Textile Repair Projects In the late 1920s, Marubeni assembled a collection of and conducted research into ancient textiles, primarily from the 17th to mid-19th centuries, to inform the research and development of new textile products. Over 400 pieces of this collection of ancient textiles remain today. To continue to conserve certain pieces that are in need of repair for future storage and exhibition, the Corporation is engaged in the promotion of the following projects. For details, see the release below. https://www.marubeni.com/en/news/2024/release/00015.html A. Important Cultural Property Conservation and Repair Project Since April 2023, the Corporation has been engaged in a repair project of an early 18th-century kimono with the support and cooperation of the Japan Agency for Cultural Affairs, the Tokyo Metropolitan Government, and Shokakudo Co., Ltd. The kimono, formally entitled *Furisode (Garment with long hanging sleeves) with Design of Latticework, Chrysanthemums, Paste-resist (Yuzen) and Embroidery on Parti-colored Silk Crepe (Chirimen)*, is part of the Marubeni Collection and was designated as an Important Cultural Property by the Japanese national government in 2020. Once the two-year repair project is complete, the Corporation plans to exhibit the kimono to the public at the Marubeni Gallery.

	B. Joint Project with Kyoritsu Women's University and Kyoritsu Women's Junior College The Corporation entered into an agreement on cooperation and collaborative projects with Kyoritsu Women's University and Junior College in order to contribute to the promotion of education and academic research, the preservation and transmission of culture and history, human capital development, and the development of the local region and society. One specific initiative is a project to repair ancient textiles, primarily clothing from the 17th to mid-19th centuries, that began in July 2023.
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 disclose this information.
Other	Our employees are the Marubeni Group's greatest capital and the source of value creation. In the Mid-Term Management Strategy "GC2024", the Corporation will further develop the "Marubeni HR Ecosystem" set forth in the previous Mid-Term Management Strategy "GC2021". The "Marubeni HR Ecosystem" is the fundamental human capital strategy to achieve the Global crossvalue platform, the vision for Marubeni of the future, and provides the direction for reforms. This strategy describes how the Marubeni Group will create an attractive ecosystem where employees with diverse backgrounds and high social value gather, thrive, connect, and combine various insights to take on the challenge of creating new value for society and our customers. By doing so, the Corporation will further promote the creation of a culture and work environment where diverse human capital play an active role. The Corporation promotes work-life management as the foundation for employees with diverse backgrounds to create results. Regardless of an employee's stage in life or individual circumstances, the Corporation is developing measures to ensure that employees can utilize necessary systems as needed in order to aim for sustainable career development and sustained performance. For more initiatives related to Human Capital Strategy, please also refer to Supplementary Principles 2.4.1 and 3.1.3 in the document attached to this report.

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 Regulation for Enforcement of the Companies Act, the Corporation 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 company's operations as described below.

Basic Internal Control Policy

The Corporation 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 Corporation, in accordance with the Companies Act and the Regulation for Enforcement of the Companies Act, establishes the policy described below (the "Basic Internal Control Policy") to ensure that all business activities of the Corporation and the business group (in this IV.1 Basic Views on Internal Control System and the Progress of System Development, the "Marubeni Group") made up of the Corporation and all Marubeni Group companies (the Corporation's consolidated subsidiaries and companies deemed as equivalent to subsidiaries; the same shall apply in this IV.1 Basic Views on Internal Control System and the Progress of System Development) are conducted appropriately. The Corporation 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."

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, in principle, chairs the Board of Directors Meetings. Executive Directors execute business operations decided by the Board of Directors, in accordance with the laws, regulations and Articles of Incorporation and report the situation of

their duty execution to the Board of Directors once every three months or more often. The term of office of Directors is one year to clarify management responsibility and flexibly build optimum management structure in response to the changing management environment. The Corporation appoints Outside Directors to ensure effectiveness of corporate governance. The Corporation adopts the executive officer system to improve efficiency of business execution, and adopts a system whereby its Group CEOs and its CDIO participate in the company's overall management, and instruct, supervise, support, and manage the overall operation of the respective business divisions 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

The Corporation sets forth codes of conduct common for the Marubeni Group such as Marubeni Corporate Principles and Compliance Manual for its Directors and Executive Officers (in this IV.1 Basic Views on Internal Control System and the Progress of System Development, collectively the "officers") and employees to practice corporate activities in accordance with compliance. To achieve the goal, it establishes various committees, including the 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, the Corporation establishes the following compliance reporting and consulting points for the entire Marubeni Group.

(a) Marubeni Hotline (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- Rejecting relationships with anti-social forces

The Corporation 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

The Corporation establishes the Audit Department as an organization directly under the President to study the appropriateness of duty execution by executing persons and compliance status, and implements internal audits through the Audit Department and company-wide self-inspections with support, cooperation, and advisement from the Audit Department. The results of internal audits are 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, the Corporation shall seek judgement of the Governance and Remuneration Committee, an advisory committee to the Board of Directors with the majority of members being Outside 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, the Corporation 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 times.

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 and Ringi Approval Procedure Regulations. However, in the case of any special provisions set forth in these regulations applying, such special provisions shall take precedence in application. Projects become subject to approval by the Board of Directors depending on laws and regulations, the 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

Risk management such as credit risk, country risk, market risk, foreign exchange and interest rate risk, investment risk, etc. shall be conducted under the management policy and rules for each risk. In addition, the Corporation continues to implement integrated risk management in order to grasp the amount of risk to which the Marubeni Group is exposed. The Corporation 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 issue such as a natural disaster, terrorist incident/public disorder/violence, epidemics of infectious diseases and situations in which the Tokyo Head Office loses its ability to function, the Corporation formulates initial response guidelines and a business continuity plan. When a serious situation actually occurs, the Corporation establishes an emergency task force with the President as the head based on the said plan and makes decisions on and implements 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, the Corporation sets forth goals shared by all officers and employees at the Marubeni Group such as management policy, management strategy, and management plan and instills them, while establishing concrete targets which individual officers and employees should implement for achieving the goals.

(2) Corporate Management Committee

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

(3) Business Group and Corporate Staff Group

The Corporation delegates authority to Group CEOs, CDIO, and Division COOs to create a system that enables swift decision-making regarding jurisdictional products in Japan and abroad. Further, the Corporate Staff Group manages, checks, and supports the Business Group in each specialized field to enable efficient execution of duties.

(4) Clarification of authorities, duties, and responsibilities

The Board of Directors decide Directors in charge and clearly stipulates on each officer’s and 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

The Corporation shall stipulate necessary systems including a system for appropriate reporting to the Corporation regarding managers in charge of achieving an understanding of the 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 the Corporation regarding important management-related matters and report to the Corporation.

(2) Compliance

The Compliance Committee and other committees shall support and give guidance regarding compliance activities by Marubeni Group companies. Marubeni Hotline and Marubeni Anti-Corruption Hotline shall be available for officers and employees of all Marubeni Group companies as well as officers and employees within one year of leaving the Marubeni Group.

(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 any necessary system for information disclosure in an appropriate and timely manner.

(4) Audit

The Audit Department carries out 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 inspection and 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

The Corporation 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 Officer 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 from Directors 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 exchanges opinions. Other Directors, CHRO, CSO, CFO, CAO, Group CEOs, CDIO, Division COOs and Corporate Staff Group General Managers report their duty execution status to the Audit & Supervisory Board Members every year. Officers immediately report to the Audit & Supervisory Board Members when they discover that there is a concern that the Corporation will suffer significant damage. The Corporation 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. The Corporation 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 the Corporation or Marubeni Group companies because of the said 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 the 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 can appoint lawyers, certified public accountants, and other external advisors when they deem it necessary.

(3) Audit-related expenses

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

2. Basic Views on Eliminating Anti-Social Forces

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

Basic policy for eliminating anti-social forces

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

Status of development towards elimination of anti-social forces

The Corporation clearly states its basic policy towards elimination of anti-social forces (an official term used by the Japanese government to refer to organized crime) in the Basic Internal Control Policy and has been implementing measures to block relationships with anti-social forces based on the Marubeni Corporate Principles and the Compliance Manual. The Corporation encourages the introduction of a contract clause for the purpose of eliminating anti-social forces (in other words, an organized crime elimination clause) and is working with external advisors on improving its systems for taking quick action against unexpected events, including creating a policy for eliminating anti-social forces and responding to wrongful demands.

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

Corporate Governance System

The Corporation aims to realize a more appropriate and efficient system by constantly reviewing its corporate governance system in response to changes in the society. Please refer to Figure 1 for Corporate Governance System of the Corporation.

Specialty and experience of Members of the Board and Audit & Supervisory Board Members

Please refer to Figure 2 for Specialty and experience of Members of the Board and Audit & Supervisory Board Members (skill matrix).

Overview of Timely Disclosure

1. Purpose

The Corporation has a basic policy on information disclosure to all our stakeholders, including investors, regarding the appropriate disclosure of information concerning the Marubeni Group. Please refer to Figure 3 for information on the disclosure system.

2. Basic Policy of Disclosure

The following is the Corporation's basic policy when it discloses information.

(1) Compliance with Relevant Laws and Regulations

Comply with relevant laws such as the Financial Instruments and Exchange Act and Companies Act and regulations of stock exchanges.

(2) Timeliness

Disclose in a timely manner without delay any facts which should be disclosed when found.

(3) Transparency

Always disclose factual information regardless of its content.

(4) Accuracy

Disclose necessary and sufficient information without creating misunderstanding.

(5) Integrity/Fairness

Consistently disclose information by a method which is equally accessible to stakeholders, while giving full consideration to prevent any selective disclosure.

(6) Continuity

Maintain continuity of content of disclosed information.

(7) Confidentiality

No information is to be leaked to a third party before an official disclosure is made.

3. Information Subject to Disclosure

This basic policy applies to the following information disclosure.

(1) Statutory Disclosure

1- Disclosure in accordance with Financial Instruments and Exchange Act

- Disclosure of corporate information (securities reports, semi-annual reports, internal control reports and extraordinary reports, etc.)
- Disclosure of tender offer (tender offer notification and position statements, etc.)
- Disclosures related to ownership of a large volume of shares (large shareholding reports and holdings change reports, etc.)
- Disclosures based on Fair Disclosure Rule

2- Disclosure in accordance with Companies Act (notices of ordinary General Meetings of Shareholders, financial statements, consolidated financial statements, business reports and supplementary schedules, etc.)

(2) Timely Disclosure

Disclosures in accordance with regulations of stock exchanges

- Decision Information (issuance of stock, acquisition of own stock, dividends, mergers, demergers, stock swap, business transfer, acquisitions, business alliances, takeover bids, etc.)
- Occurrence Information (loss or damage caused by disaster, filing of lawsuits or court decisions, bad debts, suspension of trade with business partners, etc.)
- Earnings Information (content of financial results, revision of earnings and dividends forecasts, etc.)
- Information on subsidiaries
- Information on corporate governance

(3) Voluntary Disclosure

Integrated Reports, Shareholders' Reports, Mid-Term Management Strategy, etc.

4. Disclosure Committee

The Corporation’s Disclosure Committee has been set up in order to construct, maintain and manage a proper information disclosure system. The committee is chaired by a representative Director nominated by the President, and operates under the direct control of the President. The committee formulates general rules and basic policies for disclosure, constructs and adjusts the company structure concerning statutory disclosure and timely disclosure, and also assesses the significance and validity of statutory disclosure and timely disclosure.

5. Other

(1) Dealing with Rumors in the Market

In principle, the Corporation does not comment on inquiries regarding rumors in the market. However, if it is determined that there may be a significant impact on the Corporation caused by ignoring a specific rumor, appropriate action will be taken, such as issuing voluntary news releases.

(2) Handling of Information Related to Forecasts and Future Projections

In order to enable investors to make appropriate assessments of the Corporation's business and future performance, information related to business result forecasts and other future projections will be accompanied by a forward-looking statements disclaimer to clearly indicate that the actual future results may differ.

Figure 1: Corporate Governance System

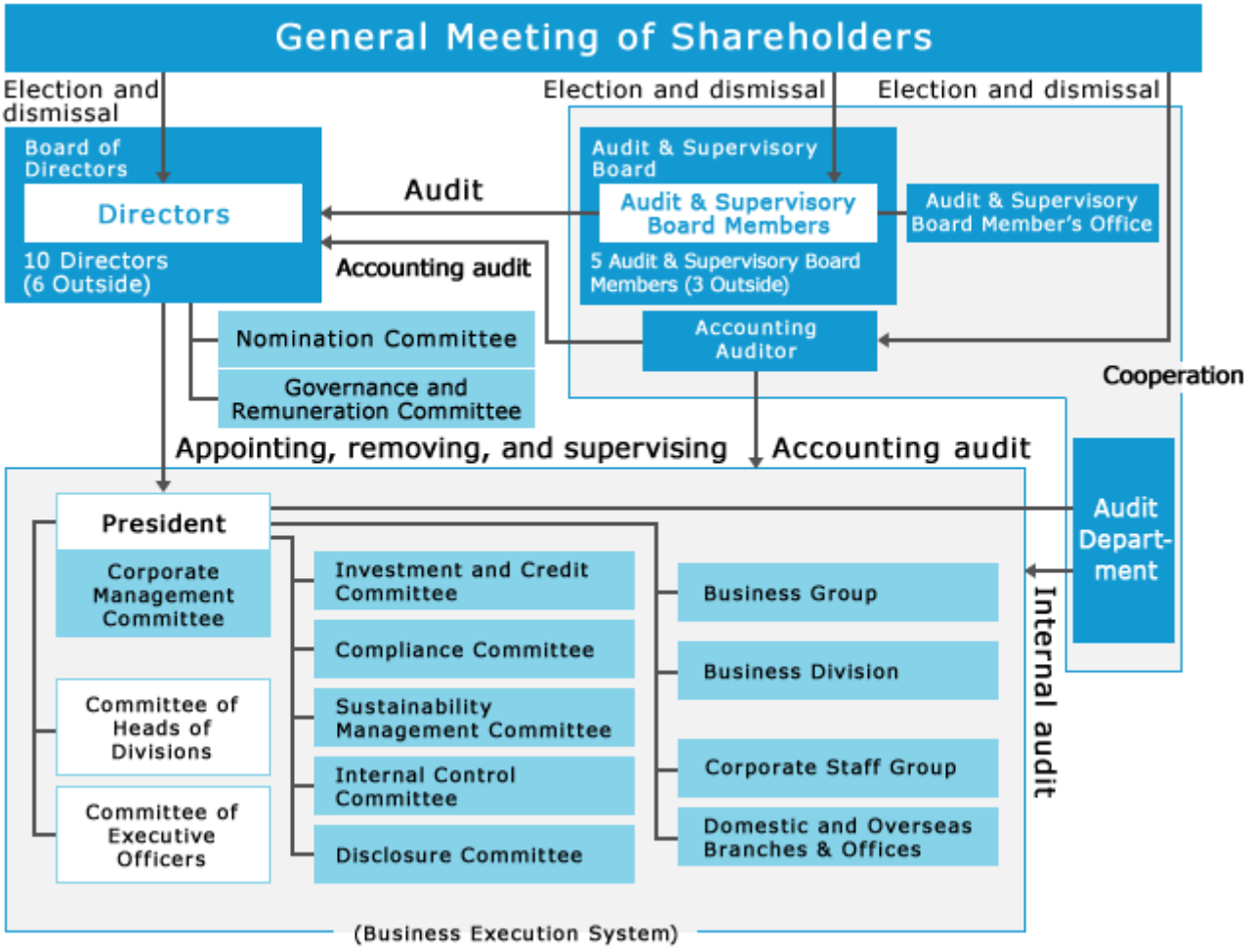


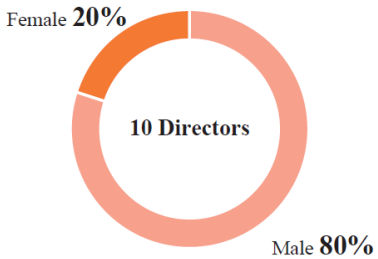
Figure 2: Specialty and experience of Members of the Board and Audit & Supervisory Board Members

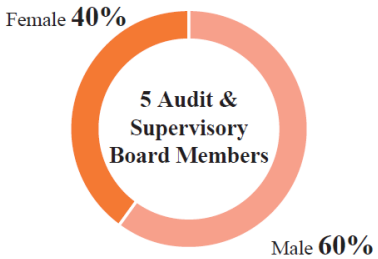
Position		Name	Main career and qualifications / Current positions and concurrent occupations and positions*	A Supplements to knowledge, experience, ability, etc.	No. of years in office (cumulative No. of years in office)	Expertise and experience					
						Corporate management	Finance and accounting	Legal, compliance and risk management	Science & Technology/DX	International experience	Public institutions
Director	Full-time	Fumiya Kokubu	Chairman of the Board	Mainly engaged in energy-related operations, he has been the Chairman of the Board since April 2019 after serving as the President and CEO, Member of the Board. He also has extensive overseas experience, including business experience in the U.S., Singapore, etc. and serving as president of overseas corporate subsidiaries.	12 years (13 years and 9 months)	○				○	
		Masumi Kakinoki	President and CEO	Mainly engaged in power- and machinery-related operations, he has been the President and CEO, Member of the Board since April 2019 after serving as Senior Executive Vice President, Member of the Board. He also has extensive overseas experience, including business experience in the U.S. and the U.K. and serving as president of an overseas corporate subsidiary.	6 years (6 years and 9 months)	○				○	
		Akira Terakawa	Senior Executive Vice President	Mainly engaged in chemicals-related operations, he has subsequently assumed important positions in a corporate staff group and business groups including Corporate Planning & Strategy Dept., Food and Agriculture Group and Consumer Products Group. He has also worked in the U.S. and the U.K.	3 years (5 years)	○				○	
		Takayuki Furuya	Senior Managing Executive Officer, CFO	Mainly engaged in finance- and accounting-related operations, he is presently serving as Chief Operating Officer, Investor Relations and Credit Ratings and Chairman of Investment and Credit Committee in addition to the above. He has also worked in the U.S. and the U.K.	4 years	○	○			○	
	Out-side	Yuri Okina	(Formerly) with Bank of Japan Chairperson, The Japan Research Institute; Director, Bridgestone Corporation	Having joined The Japan Research Institute after the Bank of Japan, she has served in key positions including Executive Researcher of the Institute, and is currently serving as its Chairperson. She has profound insight into the social and economic situation in Japan and abroad, having served in many official positions of the government and is presently assuming the posts of an expert member of the Council of New Form of Capitalism Realization and the Chair of the Government Tax Commission.	7 years		○		○	○	○
		Masato Kitera	(Former) Ambassador and Plenipotentiary to People's Republic of China; Ambassador and Plenipotentiary to France Member of the Board, Japan Tobacco	After joining the Ministry of Foreign Affairs, he has served in key positions at the Ministry including Deputy Minister. He has long international experience and profound insight concerning international affairs, having served as Ambassador to France and to China.	4 years					○	○
		Shigeki Ishizuka	(Former) Vice Chairman, Representative Corporate Executive Officer, Sony Director, LIXIL	After joining Sony, he has served in key positions in the electronics business, including Vice Chairman, Representative Corporate Executive Officer. He has profound insight and in-depth experience in not only global corporate management but also the digital and IT fields with his background as a technology and development engineer.	3 years	○			○	○	
		Hisayoshi Ando	(Former) Vice-Minister of Economy, Trade and Industry President & CEO, Tokyo Small and Medium Business Investment & Consultation; Director, Audit & Supervisory Committee Member, Nitori Holdings	After joining the former Ministry of International Trade and Industry, he served in key positions including the Vice-Minister of Economy, Trade and Industry. He has profound insight about economic, industrial, and political trends in Japan and overseas. Presently, he is assuming the post of President & CEO, Tokyo Small and Medium Business Investment & Consultation which is a public organization that invests and consults with small and medium businesses.	2 years	○				○	○
		Mutsuko Hatano	(Former) Chief Researcher, Hitachi Professor, Department of Electrical and Electronic Engineering, School of Engineering, Tokyo Institute of Technology; Senior Aide to the President, Tokyo Institute of Technology	After having been engaged in research and development at Hitachi, as Chief Researcher, she has been working on quantum-related research as Professor at the Department of Electrical and Electronic Engineering, School of Engineering of Tokyo Institute of Technology, while also contributing to human resource development. She has profound insight in the field of science and technology, having made noted achievements in academic societies and government agencies in Japan and overseas (e.g., Adjunct Executive Member, Council for Science, Technology and Innovation, Cabinet Office).	1 year				○	○	○
		Soichiro Minami	Representative Director and President, Stanby Representative Director and CEO, Visional	After having graduated from a university in the U.S., he worked for a foreign-owned company, before starting up a new professional baseball team, Tohoku Rakuten Golden Eagles. Afterwards, he established a major membership job changing site, BizReach, grew it as a company and listed it on the Tokyo Stock Exchange, while currently serving as Representative Director and CEO of its holding company, Visional, Inc. He has a wealth of experience and profound insight concerning human resources, DX, and start-ups.	—	○			○	○	

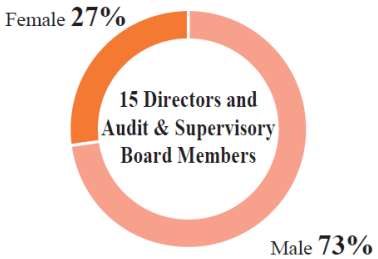
Position		Name	Main career and qualifications / Current positions and concurrent occupations and positions*	A Supplements to knowledge, experience, ability, etc.	No. of years in office (cumulative No. of years in office)	Expertise and experience					
						Corporate management	Finance and accounting	Legal, compliance and risk management	Science & Technology/DX	International experience	Public institutions
Audit & Supervisory Board Member	Full-time	Takao Ando	(Former) Managing Executive Officer; Former General Manager, Risk Management Dept. of the Corporation	Mainly engaged in risk management and corporate planning in the Corporation, he has served as Managing Executive Officer and General Manager, Risk Management Dept. He has also worked in the U.S.	1 year			○		○	
		Toshiaki Kida	(Former) General Manager, Audit Dept. of the Corporation	Mainly engaged in risk management, compliance and auditing, he has served as General Manager, Compliance Control Dept. in addition to General Manager, Audit Dept. He has also worked in Thailand.	3 years			○		○	
	Out-side	Tsuyoshi Yoneda	(Former) Commissioner General, National Police Agency Chairman, Council for Public Policy	After joining the National Police Agency, he has served in key positions, including Commissioner General, National Police Agency. He has in-depth knowledge and experience in the digital field, having launched the Cyber-Attack Analysis Center of the National Police Agency. Currently, he holds the post of Chief Director, Council for Public Policy and has profound insight concerning crisis management in Japan and overseas.	7 years			○	○		○
		Kana Odawara	(Former) SVP, Adecco Group APAC Representative, Odawara Coaching & Consulting; Director, MOS FOOD SERVICES; Certified Public Accountant; U.S. Certified Public Accountant	Qualified as a certified public accountant both in Japan and the U.S., she has engaged in audits at major accounting firms in Japan and the U.S., has assumed important positions including CFO at a Japanese subsidiary of multiple global companies, and accordingly, has profound insight in finance and accounting and a wealth of experience in overall corporate management and international affairs.	—	○	○			○	
		Hiroko Miyazaki	(Former) President and Representative Director, 3M Japan Counsel, GI&T Law Office; Attorney-at-law in Japan and the U.S.; U.S.A. Attorney; Director, NH Foods (planned)	Qualified as an attorney-at-law both in Japan and the state of New York, after having accumulated experience in law firms in Japan and the U.S., she has assumed the position of the head of the legal departments at Japanese subsidiaries of multiple global companies, and therefore has profound insight into corporate legal affairs. In addition, she has been engaged in corporate management as president of a Japanese subsidiary of 3M in the U.S.	—	○		○		○	

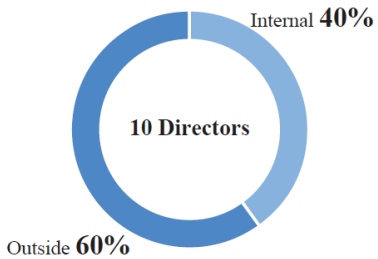
"Reasons for the selection of skills"
While the Corporation's multifaceted business activities require various skills in order to ensure expeditious and efficient decision-making in management and appropriate supervisory functions, the skill matrix has selected core skills among them, seeking a particularly high degree of expertise.
Please note that "Sustainability and ESG" and "Human resources" are not included in the skill matrix because they are required of all members of the Board of Directors.

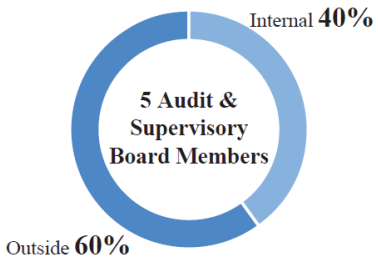
Skill	Reasons for Selection
Corporate management	This skill is considered to be necessary as it is important to deliberate the appropriateness and risks of business activities, etc., from objective multiple viewpoints based on a wealth of experience and profound insight as corporate management. In particular, outside officers are expected to provide advice from the perspectives of different industrial fields in order to create new businesses and transform existing ones.
Finance and accounting	This is considered to be a necessary skill in order to ensure appropriate supervisory functions. While each member of the Board of Directors has certain knowledge, experience and ability, a particularly high degree of expertise, as stated above, is required in determining the appropriateness of skills to ensure a high degree of supervisory functions by the Board of Directors' members as a whole. Moreover, this skill is also considered to be important from the perspective of management conscious about capital cost and stock price.
Legal, compliance and risk management	As with "Finance and accounting," it is considered to be a necessary skill in order to ensure appropriate supervisory functions. While each member of the Board of Directors has certain knowledge, experience and ability, a particularly high degree of expertise, as stated above, is required in determining the appropriateness of skills to ensure a high degree of supervisory functions by the Board of Directors' members as a whole. Moreover, this skill is also considered to be important from the perspective of strengthening and reforming governance.
Science & Technology/DX	This is considered to be a necessary skill because "DX for reforming business strategy and expeditious implementation" is advocated as a strategy among business guidelines SPP in the Mid-Term Management Strategy (GC2024), aiming as the Marubeni Group to deepen and expedite the value creation cycle in the "Global crossvalue platform" using digital technology in order to realize a long-term improvement of corporate value towards 2030.
International experience	This is considered to be a necessary skill as the Corporation is engaged in business globally.
Public institutions	For outside officers, it is expected as one of their roles and functions to introduce diversified external perspectives. With outside officers who have worked for government ministries and agencies, the Bank of Japan and the legal community, the Board of Directors incorporates broad perspectives which cannot be experienced by private companies from the understanding of international affairs at the state level, grasping of economic trends and involvement in policy decisions. This is considered to be a necessary skill because for a general trading company with complex, various and diversified businesses, advice and supervision over management from such perspectives and points of views are indispensable.











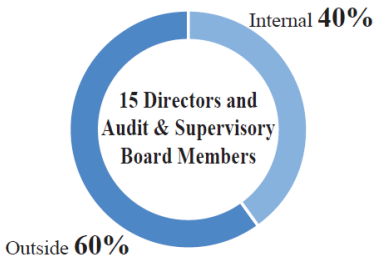
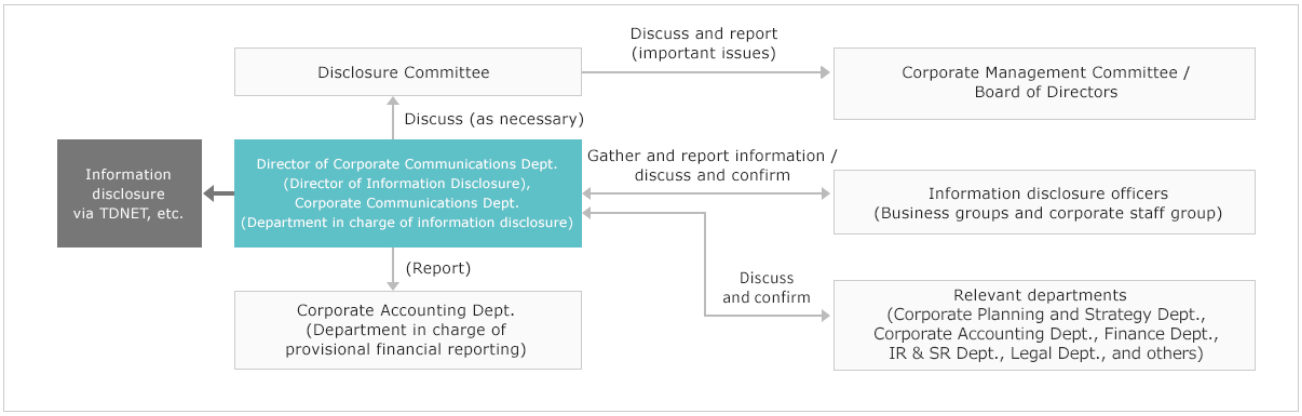


Figure 3: Information Disclosure System



(1) Information Gathering Process

Officers responsible for information disclosure will make efforts to gather information. If any information requiring timely disclosure is grasped, the officer will report it to the Corporate Communications Department (department in charge of information disclosure).

The Corporate Communications Department reports all information requiring timely disclosure to the Corporate Accounting Department in charge of provisional financial reporting.

(2) Analysis and Decision Process

The necessity to disclose information is discussed and confirmed with the relevant divisions and departments.

If necessary, the matter is discussed by the Disclosure Committee.

Important matters are discussed by the Corporate Management Committee and/or Board of Directors.

(3) Disclosure Process

After obtaining approval by the director of the Corporate Communications Department (and after being resolved by the Corporate Management Committee and/or the Board of Directors on important matters), timely disclosure information is submitted to securities exchanges via TDNET. Statutory disclosures excluding disclosures based on Fair Disclosure Rules are provided via EDINET. The information that is disclosed in accordance with Fair Disclosure Rules is posted on the Corporation website.

Total of Remuneration And Other Payments for Directors and Audit & Supervisory Board Members in FY2023

(a) The total of remuneration and other payments for Directors and Audit & Supervisory Board Members in FY2023 are as follows:

Category		Number of recipients	Total amount of payment (Millions of yen)	Breakdown (Millions of yen)					
				Monthly remuneration	Performance-based bonuses	Restricted Stock	TSR-linked Performance Share Units	[Former plan] Market Capitalization-linked Performance Share Units (Granted in fiscal years 2021 and 2022)	[Former plan] Stock-compensation-type stock options subject to market-capitalization-based exercisability conditions (Granted in fiscal year 2020)
Directors	Internal Directors	8	1,108	386	269	150	132	129	42
	Outside Directors	7	118	118	—	—	—	—	—
	Total	15	1,225	503	269	150	132	129	42
Audit & Supervisory Board Members	Internal Audit & Supervisory Board Members	3	85	85	—	—	—	—	—
	Outside Audit & Supervisory Board Members	3	58	58	—	—	—	—	—
	Total	6	142	142	—	—	—	—	—

Notes: 1. The amounts below 1 million yen are rounded off.

2. The above-stated number of recipients includes 5 Directors (including 1 Outside Director) and 1 Internal Audit & Supervisory Board member who retired by the last day of FY2023. As of March 31, 2024, the Corporation had 10 Directors (including 6 Outside Directors) and 5 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board members).
3. “Performance-based bonuses” includes “Individuals’ evaluation-based compensation.” For performance-based bonuses, the amount calculated according to consolidated net profits of 471.4 billion yen and core operating cash flow of 548.0 billion yen are stated, based on the calculation method resolved at a meeting of the Board of Directors after deliberations by the Governance and Remuneration Committee.
4. The Corporation allocates “Restricted Stock” to Directors (excluding Outside Directors) as non-monetary compensation. The above-stated amounts are the amounts charged to expenses during FY2023. During FY2023, based on the resolution by the Board of Directors on June 23, 2023, 57,080 shares of common stock of the Corporation were issued to 4 Directors (excluding Outside Directors) by setting a no transfer period.
5. The Corporation allocates “TSR-linked Performance Share Units” to Directors (excluding Outside Directors) as non-monetary compensation. The above-stated amounts are the amounts charged to

expenses during FY2023 by calculating the estimated amount of monetary remuneration claims corresponding to the estimated number of shares to be granted in FY2026. This compensation plan was introduced in FY2023, and the first evaluation period will end in July 2026. Therefore, there are no results for FY2023 regarding the performance indicators.

6. "[Former plan] Market Capitalization-linked Performance Share Units" was non-monetary compensation allocated as the remuneration of FY2021 and FY 2022, which is stock compensation whose final number of allotted shares is finalized according to the market value growth rate during the Evaluation Period of three years after the allocation. The above-stated amounts are the amounts charged to expenses during FY2023 by calculating the estimated amount of monetary remuneration claims corresponding to the estimated number of shares to be granted in FY2024 and FY2025. This compensation plan was introduced in FY2021, and the first evaluation period will end in July 2024. Therefore, there are no results for FY2023 regarding the performance indicators. This compensation plan was abolished except for those already granted, as after its introduction in FY2021, "TSR-linked Performance Share Units" were introduced in FY2023.
7. "[Former plan] stock-compensation-type stock options subject to market-capitalization-based exercisability conditions" was nonmonetary compensation allocated as the remuneration of FY2020. It is a stock acquisition right of which the number of exercisable shares will be determined in accordance with the growth rate of the market-capitalization-based exercisability conditions during three years of the evaluation period after the grant. The above-stated amount is the amount charged to expenses during the fiscal year for the stock acquisition rights of which the exercisable number was confirmed during the fiscal year after three years of the evaluation period. The actual record of the Corporation's growth rate of the market-capitalization-based exercisability conditions used to calculate the number of exercisable stock acquisition rights for stock-compensation-type stock options subject to the market-capitalization-based exercisability conditions of which the evaluation period is completed during the fiscal year is 412%. After its introduction in FY2019, the remuneration system was abolished, excluding those already granted due to the introduction of Market Capitalization-linked Performance Share Units in FY2021.
8. The amount of remuneration and other payments for Directors for FY2023 (including the monetary compensation claims to be granted for allocating "Restricted Stock" and "TSR-linked Performance Share Units") was resolved as follows.

Type	Amount of remuneration and other payments	Resolution at a General Meeting of Shareholders	Number of Directors for the resolution
Monthly remuneration (Basic Compensation, bonuses)	Up to 650 million yen per year	99th Ordinary General Meeting of Shareholders (held on June 23, 2023)	10 Directors (including 6 Outside Directors)
Including Outside Directors	Up to 150 million yen per year		
Short-term incentive remuneration (Performance-based bonuses, Individuals' evaluation-based compensation)	Up to 700 million yen per year		3 Directors (including 0 Outside Directors)
Medium and long-term incentive remuneration	-		-
Restricted Stock	Up to 200 million yen per year Up to 450,000 shares per year		4 Directors (including 0 Outside Directors)
TSR-linked Performance Share Units	Up to 850 million yen per year Up to 650,000 shares for each evaluation period		

Regarding "[Former plan] Market Capitalization-linked Performance Share Units" introduced at the 97th Ordinary General Meeting of Shareholders held on June 24, 2021, for those whose rights had been granted by FY2022, the annual amount of within 120 million yen resolved at the General Meeting (The upper limit of the Corporation's common stock to be issued or disposed of is within 300,000 shares during each Evaluation Period) was maintained and the amount of the remuneration was included in the amount of remuneration for granting the above TSR-linked Performance Share Units.

9. The amount of remuneration and other payments for Audit and Supervisory Board Members for FY2023 was resolved as follows.

Amount of remuneration and other payments	Resolution at a General Meeting of Shareholders	Number of Audit and Supervisory Board Members for the resolution
Up to 170 million yen per year	99th Ordinary General Meeting of Shareholders (held on June 23, 2023)	5 Audit & Supervisory Board Members

(b) Individuals to whom the total amount of compensation paid exceeded 100 million yen in FY2023 are as follows:

(Millions of yen)

Name	Category	Total amount of payment	Breakdown					
			Monthly remuneration	Performance-based bonuses	Restricted Stock	TSR-linked Performance Share Units	[Former plan] Market Capitalization-linked Performance Share Units (Granted in FYs 2021 and 2022)	[Former plan] Stock-compensation-type stock options subject to market-capitalization-based exercisability conditions (Granted in FY 2020)
Fumiya Kokubu	Director	270	150	-	50	33	29	9
Masumi Kakinoki	Director	404	109	126	62	62	34	11
Akira Terakawa	Director	206	68	78	20	20	20	-
Takayuki Furuya	Director	178	59	65	17	17	15	5

Note. For details of the amounts, monthly remuneration, Performance-based bonuses, Restricted Stock, TSR-linked Performance Share Units, [Former plan]Market Capitalization-linked Performance Share Units (Granted in FYs 2021 and 2022). and [Former plan] Stock-compensation-type stock options subject to market-capitalization-based exercisability conditions (Granted in FY 2020), please refer to Notes to the table in (a) above.

Overview of the Corporation's Policy to Determine the Remuneration And Other Payments for Directors

Overview of the Corporation's policy from FY2023 to determine the remuneration and other payments for Directors is as follows:

1. Remuneration policy

The remuneration for Directors of the Corporation is determined based on the following policy.

1- The remuneration plan shall encourage Directors to face issues of society and customers and create new value with all stakeholders in accordance with the spirit grounded in the Company Creed of "Fairness, Innovation and Harmony" and reward them.

2- The remuneration plan shall place emphasis on the linkage with business results and shareholder value and encourage the enhancement of corporate value over the medium to long term.

3- The remuneration plan shall acquire, maintain and reward excellent human capital, the critical source of corporate value.

4- The remuneration plan shall be a fair and just system by which decisions are made based on a highly transparent process according to responsibilities and performance.

2. Remuneration framework

The target persons of each type of remuneration and other payments are determined by their expected role. Please refer to the table below for details.

A: Executive Director, B: Chairman of the Board, C: Outside Director

Type		Form of Payment		Description	A	B (Note 1)	C (Note 2)
Monthly remuneration	Basic compensation	Fixed	Monetary	○Fixed consumption corresponding to each Director's position	•	•	•
	Bonuses			○Directors who have representative authority are paid representative director bonuses for their responsibilities ○Directors are paid director bonuses for their responsibilities	•	-	-
Short-term incentive remuneration (Note 4)	Performance-based bonuses	Variable		○Remuneration and other payments for business performance of each business year ・The evaluation indicators shall be consolidated net profit (profit attributable to owners of the parent) and core operating cash flow, which are important KPIs. ・The amount of payment is calculated using the actual values of the coefficient by position and the evaluation indicators, and it fluctuates within the range between 0% and 230% of the basic compensation by position. ・Business performance ranges are set between 170 billion yen and 700 billion yen for consolidated net profit and between 270 billion yen and 800 billion yen for core operating cash flow.	•	-	-
	Individuals' evaluation-based compensation			[Organization's performance evaluation] ○Remuneration and other payments according to the achievement of financial targets by headquarters for each business year ・The evaluation indicators shall be net profit and core operating cash flow of each business division. ・The amount of payment is derived by multiplying the ratio to reflect the evaluation determined by the Board of Directors based on the rate of achievement of evaluation indicators against the basic compensation by position.	- (Note 3)	-	-
				[Individuals' qualitative evaluation] ○Remuneration and other payments for new value creation looking toward the future ・As commissioned by the Board of Directors, the President shall evaluate each Director's performance considering his/her contribution to the plans and efforts (sustainability measures including "Green Strategy," etc.) to create new value for the future of the Corporation during the fiscal year. ・The amount of payment is derived by multiplying the ratio to reflect evaluation within the range determined by the Board of Directors against the basic compensation. ・The Governance and Remuneration Committee checks whether the evaluation is appropriately conducted within the scope delegated by the Board of Directors and provides reports to the Board of Directors.	•	-	-
Medium and long-term incentive remuneration	Restricted Stock		Shares	○Remuneration and other payments to promote linkage and sharing with shareholder value ・The Corporation's common stock of the number suitable to the standard amount determined for each position is allotted every year with restriction on transfer for the period from the date of stock allotment until the retirement from a position of Director and Executive Officer or other positions predefined by the Board of Directors of the Corporation or the resignation from the Corporation.	•	•	-

Type		Form of Payment		Description	A	B (Note 1)	C (Note 2)
Medium and long-term incentive remuneration	TSR-linked Performance Share Units	Variable	Shares	○Remuneration and other payments for enhancing corporate value over the medium to long term ・Relative TSR is used as the evaluation indicator. Relative TSR is calculated using the following formula by which the Corporation's Total Shareholder Return (TSR) for a period of three years (evaluation period) is compared with the TOPIX Dividend growth rate for the same period. Relative TSR = the Corporation's TSR for the evaluation period / TOPIX Dividend growth rate ・The number of standard units corresponding to the base amount determined by position is allotted every year, and the Corporation's common stock is allotted according to the magnitude of achievement of relative TSR during the three-year evaluation period. Restriction on transfer is set on the allotted Corporation's common stock from the date of share issuance to the time of retirement from a position of the Corporation's Director, Executive Officer or other position predetermined by the Corporation's Board of Directors, or resignation from the Corporation. ・The number of allotted shares fluctuates within the range between 0% and 150% of the number of shares corresponding to the standard unit according to the magnitude of achievement of relative TSR. 1) If relative TSR is 150% or above: 150% 2) If relative TSR is 50% or above and below 150%: Same percentage as relative TSR 3) If relative TSR is below 50%: 0% Note, however, that if the Corporation's TSR is 100% or below, the maximum shall be 100% even when the relative TSR is 100% or above.	•	•	-

Note 1. Remuneration and other payments for the Chairman of the Board consist of the monthly remuneration as the basic compensation and the medium- and long-term incentive remuneration, considering that the Chairman of the Board is in the position to substantially contribute to the enhancement of corporate value over the medium to long term through leveraging the business expertise gained through managing the Corporation on supervision.

Note 2. Remuneration and other payments for Outside Directors consist entirely of the monthly remuneration as the basic compensation (including remuneration for responsibilities as the chairperson, member, etc., of each respective committee), considering that Outside Directors are in the position to supervise management with independence.

Note 3. The Executive Officer & Chief Operating Officer of business division is eligible to receive the individuals' evaluation-based compensation based on the organization's performance evaluation, and currently there is no Executive Director eligible for the payment.

Note 4. Short-term incentive remuneration will be paid in a lump sum at the end of each fiscal year.

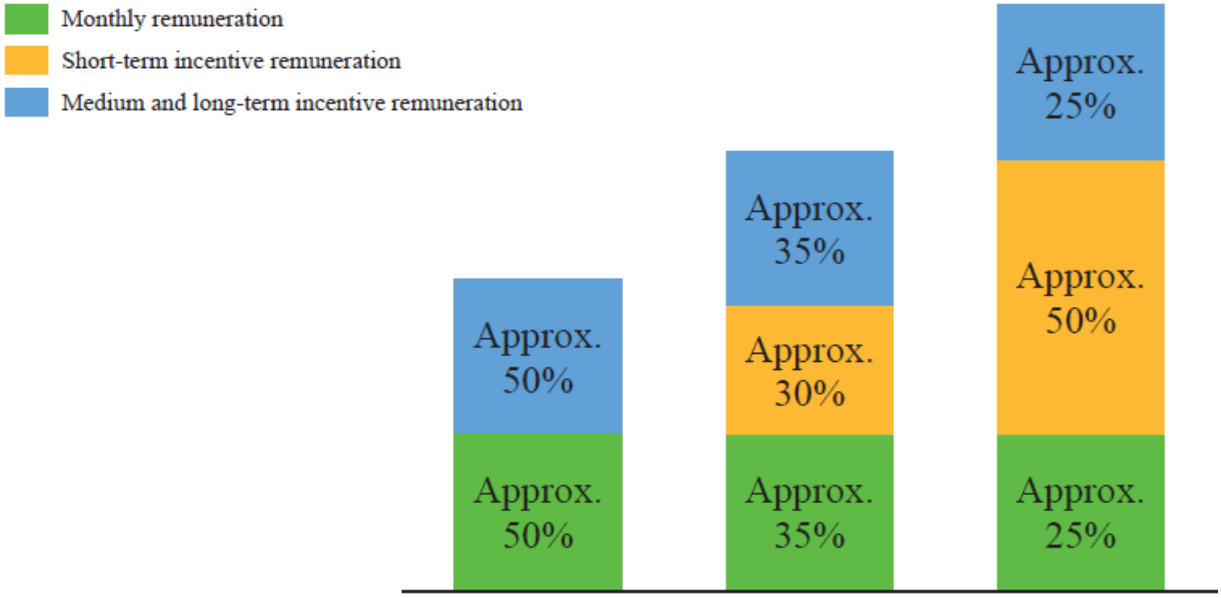
3. Remuneration levels and composition ratio

To ensure that remuneration levels of Directors are competitive so as to secure and maintain excellent human capital, the remuneration levels are examined by comparing them with objective research data on remuneration provided by outside specialized organizations and other sources to determine the appropriate remuneration levels.

As for the composition ratio of remuneration and other payments, it shall focus on the medium- and long-term improvement of corporate value by increasing the composition ratio of the medium- and long-term incentive remuneration. For the President & CEO, its composition ratio of monthly remuneration/the short-term incentive

remuneration/the medium- and long-term incentive remuneration shall be set as 1:1:1 when consolidated net profit is 400 billion yen and core operating cash flow is 500 billion yen. For other internal Directors, based on the remuneration composition ratio of the President and CEO, the Corporation shall set up the ratio considering the role and responsibilities of each position.

[Composition of remuneration for President and CEO]



Consolidated net profit	170 billion yen or below	400 billion yen	700 billion yen or below
Core operating cash flow	270 billion yen or below	500 billion yen	800 billion yen or below

Note: Excluding individuals' evaluation-based compensation and when the payment coefficient of TSR-linked Performance Share Units is 100%.

4. Malus and Clawback

The short-term and the medium- and long-term incentive remuneration shall be the subject of the clauses that allow the Corporation to reduce or cancel the remuneration (Malus) and request the return of the paid remuneration (Clawback) based on the resolution of the Board of Directors when there was an adjustment of financial results after an announcement due to a significant revision of financial statements or there was a significant violation or breach of internal rules by an officer.

5. Method to determine the remuneration and other payments for individual Directors

As for the policy to determine the remuneration and other payments for Directors (including the method to determine individual payments. Hereinafter referred to as the “Determination Policy”), the Governance and Remuneration Committee chaired by an Outside Director with the majority of its members consisting of independent Outside Directors/Audit & Supervisory Board Members deliberates on the Determination Policy, including the appropriateness of the remuneration levels, and provides reports to the Board of Directors for its determination of the Policy.

As for the determination of individual payments for Directors, the Governance and Remuneration Committee confirms the conformity to the Determination Policy and provides reports. Within the range of the maximum amount of remuneration resolved at a General Meeting of Shareholders, the payments are resolved at a meeting of the Board of Directors. However, as for the individual evaluation remuneration of the short-term incentive, the determination of payment for individual quantitative evaluation is commissioned to the President and CEO Masumi Kakinoki because it is judged that the person at the head of business execution is the most appropriate person. To improve the objectiveness, fairness and transparency, as for the amounts to be paid, the Governance and Remuneration Committee shall confirm that the evaluation has been conducted within the scope commissioned by the Board of Directors, and report them to the Board of Directors.

Regarding the remuneration and other payments for individual Directors for FY2023, since the Governance and Remuneration Committee deliberates on the conformity of the Determination Policy and provides reports to the Board of Directors, the Board respects the reports and they are deemed to be in conformity with the Determination Policy.

(Supplementary matter)

The process regarding remuneration for Executive Officers who do not concurrently serve as Director is the same remuneration framework and determination process as those for Directors.

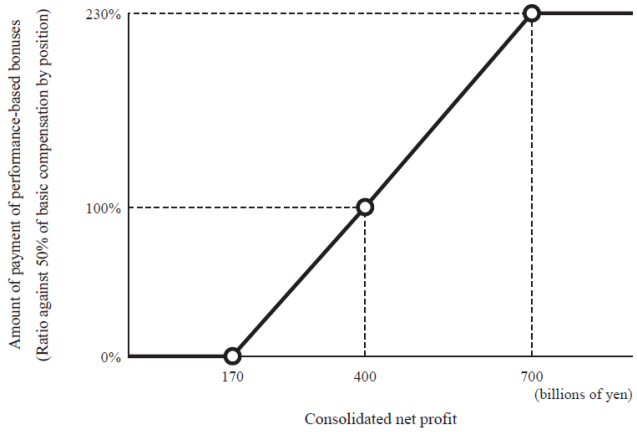
Reference: Performance-based compensation, Restricted Stock, and TSR-linked Performance Share Units

1. Overview of Performance-based compensation

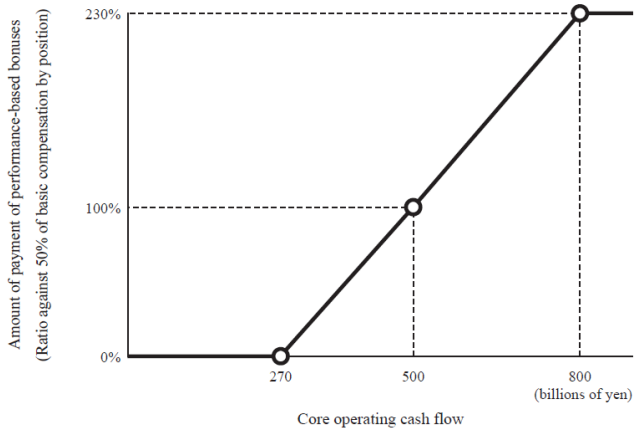
Performance-based compensation is a monetary compensation granted to the Corporation's eligible Executive Directors, the amount of which is calculated based on the evaluation indicators of each fiscal year. The evaluation indicators shall be consolidated net profit (profit attributable to owners of the parent) and core operating cash flow, which are important KPIs for each fiscal year. The amount is calculated using the actual values of the coefficient by position and the evaluation indicators, and it fluctuates within the range between 0% and 230% of the basic compensation by position. It will be paid in a lump sum at the end of each fiscal year.

[Performance-based bonuses / Incentive curve]

<Amount of payment of performance-based bonuses according to the results of consolidated net profit>



<Amount of payment of performance-based bonuses according to the core operating cash flow>



2. Overview of Restricted Stock

The Corporation's common stock of the number suitable to the standard amount determined for each position is allotted to the Eligible Directors every year with restriction on transfer. The Eligible Directors will receive the issue or disposition of the shares in exchange for a contribution in kind of all of the monetary remuneration claims to be paid by the Corporation. In addition, the grant of the shares is subject to the execution of an allotment agreement between the Corporation and the Eligible Directors, which contains the terms and conditions for free acquisition by the Corporation, etc., and the shares granted are subject to a transfer restriction period from the date of stock allotment until the retirement from a position of Director and Executive Officer or other positions predefined by the Board of Directors of the Corporation or the resignation from the Corporation.

3. Overview of TSR-linked Performance Share Units

The plan of TSR-linked Performance Share Units grants to the Eligible Directors a number of reference units equivalent to the reference amounts separately determined for each position each year, and according to the degree of achievement of the relative TSR over a three-year period (the "Evaluation Period"), grants thereto after the end of the Evaluation Period shares of common stock of the Corporation for which a certain transfer restriction period is provided. The Eligible Directors will receive the issue or disposition of the shares in exchange for a contribution in kind of all of the monetary remuneration claims to be paid by the Corporation according to the achievement of the relative TSR. In addition, the grant of the shares under this plan is subject to the execution of an agreement between the Corporation and the Eligible Directors with contents equivalent to the allotment agreement pertaining to Restricted Stock, and the shares granted are subject to a transfer restriction accordingly.

(1) Method of calculating the amount of monetary remuneration claims

The amount of monetary remuneration claims for the grant of the shares to be paid to the Eligible Directors (in this (1), including persons who, during the Evaluation Period, come to hold the position of Directors or Executive Officers of the Corporation, or any other position predetermined by the Board of Directors of the Corporation) is calculated by multiplying the number of the shares ultimately to be allotted to the Eligible Directors (the "Final Number of Allotted Shares") by the value that is not particularly favorable to the Eligible Directors based on the closing price of the Corporation's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors to be held after the end of the Evaluation Period determining the issue or disposition of shares for the allotment.

Method of calculating the Final Number of Allotted Shares

1- The Final Number of Allotted Shares shall be calculated by multiplying the number of reference units corresponding to the reference amounts determined by the Board of Directors in advance for each position by the ratio corresponding to the degree of achievement of the relative TSR during the Evaluation Period as follows:

Final Number of Allotted Shares = the number of reference units multiplied by the following ratio

2- The ratio shall be determined according to the achievement of relative TSR as follows:

Relative TSR	Ratio
150% or above	150%
50% or above and below 150%	Same percentage as relative TSR
Below 50%	0%

Note, however that if the Corporation's TSR is 100% or below, the maximum shall be 100% even when the relative TSR is 100% or above.

3- Relative TSR is calculated using the following formula by which the Corporation's Total Shareholder Return (TSR) for the Evaluation Period is compared with the TOPIX (including dividends) growth rate for the same period.

$$\text{Relative TSR} = \frac{\text{the Corporation's TSR}}{\text{TOPIX (including dividends) growth rate}} = \frac{(B + C) / A}{E / D}$$

A: The average of the closing price of the Corporation's common stock on the Tokyo Stock Exchange on each day for the three months immediately preceding the day before the first date (inclusive) of the Evaluation Period

B: The average of the closing price of the Corporation's common stock on the Tokyo Stock Exchange on each day for the three months immediately preceding the last date (inclusive) of the Evaluation Period

C: The total amount of dividends per share of the Corporation's stock corresponding to the dividend record date during the Evaluation Period

D: The average of the closing price of the TOPIX (including dividends) on the Tokyo Stock Exchange on each day for the three months immediately preceding the day before the first date (inclusive) of the Evaluation Period

E: The average of the closing price for the TOPIX (including dividends) on the Tokyo Stock Exchange on each day for the three months immediately preceding the last date (inclusive) of the Evaluation Period

(2) Terms and conditions of allotment of the shares to Eligible Directors

The Corporation will allot the shares of the Final Number of Allotted Shares to the Eligible Directors after the end of the Evaluation Period if the Eligible Directors meet all of the requirements in the following items or if the Board of Directors of the Corporation deems it necessary to achieve the purpose of the TSR-linked Performance Share Units Plan:

(i) The Eligible Directors held the positions of Director or Executive Officer of the Corporation, or other positions predetermined by the Board of Directors of the Corporation on an ongoing basis during the Evaluation Period; and

(ii) There was no certain misconduct as determined by the Board of Directors of the Corporation.

If the Eligible Directors resign or retire from their positions prescribed in advance by the Board of Directors of the Corporation due to expiration of their terms of office, death, or other justifiable reasons during the Evaluation Period, the Corporation may reasonably adjust the number of the shares to be allotted to those who resigned or retired (or their successors in the event of resignation or retirement due to death) in light of such factors as their terms of office.

Marubeni's Corporate Governance Code Initiatives (Revised on June 11, 2021)

Marubeni's Corporate Governance Code initiatives as they correspond to the relevant General Principles, Principles, and Supplementary Principles of Japan's Corporate Governance Code are as given below.

Section 1: Securing the Rights and Equal Treatment of Shareholders

General Principle 1

Companies should take appropriate measures to fully secure shareholder rights and develop an environment in which shareholders can exercise their rights appropriately and effectively.

In addition, companies should secure effective equal treatment of shareholders.

Given their particular sensitivities, adequate consideration should be given to the issues and concerns of minority shareholders and foreign shareholders for the effective exercise of shareholder rights and effective equal treatment of shareholders.

The Corporation promptly discloses information in order to secure the effective equal treatment of all shareholders and to contribute to the securing of shareholder rights and the appropriate exercise of rights, and endeavors to develop an environment for exercising their rights. For details, please refer to the respective principles and supplementary principles in Principles 1.1 through 1.7.

Principle 1.1 Securing the Rights of Shareholders

Companies should take appropriate measures to fully secure shareholder rights, including voting rights at the general shareholder meeting.

The Corporation provides information necessary to fully secure shareholder rights including the smooth exercise of voting rights through prompt and timely disclosure of information using its website, etc. For details of the development of an environment for the exercise of voting rights, please refer to Supplementary Principles 1.2.4.

Supplementary Principles 1.1.1

When the board recognizes that a considerable number of votes have been cast against a proposal by the company and the proposal was approved, it should analyze the reasons behind opposing votes and why many shareholders opposed, and should consider the need for shareholder dialogue and other measures.

The Corporation analyzes the reasons and considers the need for a response when a considerable number of votes have been cast against a proposal by the Corporation, with the aim of grasping the intentions of shareholders at General Meetings of Shareholders and reflecting such intentions in its management and in dialogue with shareholders.

Supplementary Principles 1.1.2

When proposing to shareholders that certain powers of the general shareholder meeting be delegated to the board, companies should consider whether the board is adequately constituted to fulfill its corporate governance roles and responsibilities. If a company determines that the board is indeed adequately constituted, then it should recognize that such delegation may be desirable from the perspectives of agile decision-making and expertise in business judgment.

The Corporation delegates certain matters requiring resolution of General Meeting of Shareholders to the Board of Directors, including the acquisition of treasury shares and dividends of surplus, based on a resolution of the General Meeting of Shareholders and the provisions in the Corporation's Articles of Incorporation. The Corporation has passed a resolution at meetings of the Board of Directors on the Basic Internal Control Policy regarding a system for ensuring that the execution of duties by Directors conforms to laws and regulations and the Articles of Incorporation. The Corporation has appointed 5 Independent Outside Directors, and has developed a system in which corporate governance functions adequately. Dividends of surplus are determined by the Board of Directors in May, and the Corporation gives consideration to the agile payment of dividends prior to the General Meeting of Shareholders and to promptly providing dividends to shareholders.

Supplementary Principles 1.1.3

Given the importance of shareholder rights, companies should ensure that the exercise of shareholder rights is not impeded. In particular, adequate consideration should be given to the special rights that are recognized for minority shareholders with respect to companies and their officers, including the right to seek an injunction against illegal activities or the right to file a shareholder lawsuit, since the exercise of these rights tend to be prone to issues and concerns.

The Corporation gives adequate consideration to rights granted to shareholders, including the preparation of manuals for administrative procedures so that the Corporation can respond appropriately and seamlessly to requests from shareholders to inspect or copy statutory held documents, and the Corporation has developed a system to ensure that shareholders are not impeded from exercising such rights.

Principle 1.2 Exercise of Shareholder Rights at General Shareholder Meetings

Companies should recognize that general shareholder meetings are an opportunity for constructive dialogue with shareholders, and should therefore take appropriate measures to ensure the exercise of shareholder rights at such meetings.

The Corporation recognizes that General Meetings of Shareholders are an opportunity for constructive dialogue with shareholders, and makes efforts to develop an appropriate environment for exercising such rights, giving adequate consideration to the shareholders' perspective. For details, please refer to Supplementary Principles 1.2.1 through 1.2.5.

Supplementary Principles 1.2.1

Companies should provide accurate information to shareholders as necessary in order to facilitate appropriate decision-making at general shareholder meetings.

The Corporation appropriately discloses information in reference materials for General Meetings of Shareholders, timely disclosures, and news releases on its website. Important matters are discussed in the Disclosure Committee before disclosure. For disclosures of English translations, please refer to Supplementary Principles 1.2.4.

Supplementary Principles 1.2.2

While ensuring the accuracy of content, companies should strive to send convening notices for general shareholder meetings early enough to give shareholders sufficient time to consider the agenda. During the period between the board approval of convening the general shareholder meeting and sending the convening notice, information included in the convening notice should be disclosed by electronic means such as through TDnet*1 or on the company's website.

The Corporation sends convocation notice approximately 1 week prior to the statutory deadlines (approximately 3 weeks prior to the date of a General Meeting of Shareholders) and discloses such notice on its website and on the Tokyo Stock Exchange website approximately ten days prior to sending the notice.

*1 TDnet: The Tokyo Stock Exchange operates a real-time internet service (Timely Disclosure network) which distributes the information provided by listed companies on a timely basis in accordance with its listing rules.

Supplementary Principles 1.2.3

The determination of the date of the general shareholder meeting and any associated dates should be made in consideration of facilitating sufficient constructive dialogue with shareholders and ensuring the accuracy of information necessary for such dialogue.

The Corporation convenes a General Meeting of Shareholders avoiding the peak day on which many companies hold shareholders meeting. Furthermore, the Corporation gives adequate consideration to the capacity of the venue so that the Corporation can accommodate a large number of shareholders.

Supplementary Principles 1.2.4

Bearing in mind the number of institutional and foreign shareholders, companies should take steps for the creation of an infrastructure allowing electronic voting, including the use of the Electronic Voting Platform, and the provision of English translations of the convening notices of general shareholder meeting. In particular, companies listed on the Prime Market should make the Electronic Voting Platform available, at least to institutional investors.

The Corporation uses an electronic voting platform, translates convocation notice into English, and publishes such notice on its website. In addition, the Corporation has also developed an environment that allows voting rights to be exercised by a variety of means, including exercising voting rights by attending a General Meeting of Shareholders, in writing or via the Internet.

Supplementary Principles 1.2.5

In order to prepare for cases where institutional investors who hold shares in street name express an interest in advance of the general shareholder meeting in attending the general shareholder meeting or exercising voting rights, companies should work with the trust bank (*shintaku ginko*) and/or custodial institutions to consider such possibility.

Shareholders with voting rights recorded in the list of shareholders on the record date are shareholders entitled to exercise voting rights, and at present, the Corporation does not allow beneficial shareholders to attend General Meetings of Shareholders as there is no way to confirm their authenticity. However, the Corporation is in consultation with trust banks, etc. that it approves attendance and exercising of voting rights by beneficial shareholders, if the Corporation receives a request to attend a General Meeting of Shareholders in advance of a meeting, and if the Corporation is able to confirm that the party making the request is making it based on proper grounds as a beneficial shareholder.

Principle 1.3 Basic Strategy for Capital Policy

Because capital policy may have a significant effect on shareholder returns, companies should explain their basic strategy with respect to their capital policy.

The Corporation announces its quantitative targets including its Net D/E ratio and ROE and its dividend policy in Mid-Term Management Strategy “GC2024,” following a resolution of the Board of Directors.

Principle 1.4 Cross-Shareholdings

When companies hold shares of other listed companies as cross-shareholdings*2, they should disclose their policy with respect to doing so, including their policies regarding the reduction of cross-shareholdings. In addition, the board should annually assess whether or not to hold each individual cross-shareholding, specifically examining whether the purpose is appropriate and whether the benefits and risks from each holding cover the company's cost of capital. The results of this assessment should be disclosed.

Companies should establish and disclose specific standards with respect to the voting rights as to their cross-shareholdings, and vote in accordance with the standards.

Policy on the Holding and Reduction of Cross-Shareholdings (Listed General Investment Shares*3)

The Corporation conducts diversified business activities in a wide range of fields through its networks both in Japan and abroad and believes that cooperative partnerships with various companies are indispensable. The Corporation reviews the significance of the individual cross-shareholdings every year based on a comprehensive examination of quantitative aspects (ratio of investment gains and losses to the acquisition cost compared and evaluated against the Corporation's weighted average cost of capital) and qualitative aspects (maintenance and strengthening of relationships with investee companies by retaining cross-shareholdings), which is then investigated by the Board of Directors. If the significance of the cross-shareholding is not established as a result of the review, the Corporation, in principle, sells the shares, and reports on such sale to the Board of Directors.

In FY2023, the Corporation's shareholdings other than non-listed shares decreased by 5 issues, resulting in the number of issues held as of the end of March 2024 totaling 47 (170,958 million yen in sum total reported in the balance sheet)*4. For details, please refer to the shareholding status information in the Corporation's annual securities report for FY2023 (Japanese language only).

Standard on Exercising Voting Rights for Cross-Shareholdings (Listed General Investment Shares)

The Corporation makes comprehensive judgements based on, for example, the investee company's mid- to long-term corporate value improvements when exercising voting rights of listed shares held as cross-shareholdings.

*2 Cross-shareholding: There are cases where listed companies hold the shares of other listed companies for reasons other than pure investment purposes, for example, to strengthen business relationships. Cross-shareholdings here include not only mutual shareholdings but also unilateral ones.

*3 General investment shares refer to investment shares held for a purpose other than net investment.

*4 These numbers do not include investment equities issued by investment corporations.

Supplementary Principle 1.4.1

When cross-shareholders (i.e., shareholders who hold a company's shares for the purpose of cross-shareholding) indicate their intention to sell their shares, companies should not hinder the sale of the cross-held shares by, for instance, implying a possible reduction of business transactions.

The Corporation does not hinder the sale of shares by implying that it will reduce existing business transactions when a cross-shareholder indicates their intention to sell their shares.

Supplementary Principle 1.4.2

Companies should not engage in transactions with cross-shareholders which may harm the interests of the companies or the common interests of their shareholders by, for instance, continuing the transactions without carefully examining the underlying economic rationale.

The Corporation does not engage in transactions with cross-shareholders which may harm its interests or the common interests of the corporation's shareholders such as continuing transactions without carefully examining the underlying economic rationale.

Principle 1.5 Anti-Takeover Measures

Anti-takeover measures must not have any objective associated with entrenchment of the management or the board. With respect to the adoption or implementation of anti-takeover measures, the board and *kansayaku*[3] should carefully examine their necessity and rationale in light of their fiduciary responsibility to shareholders, ensure appropriate procedures, and provide sufficient explanation to shareholders.

The Corporation has no plans to introduce anti-takeover measures.

Supplementary Principle 1.5.1

In case of a tender offer, companies should clearly explain the position of the board, including any counteroffers, and should not take measures that would frustrate shareholder rights to sell their shares in response to the tender offer.

If a tender offer is made for the Corporation's shares, the Corporation will promptly disclose the position of the Board of Directors to shareholders. The Corporation does not take measures to unreasonably prevent shareholders from responding to the tender offer that contribute to maximizing the corporate value of the Corporation and common interests of shareholders.

Principle 1.6 Capital Policy that May Harm Shareholder Interests

With respect to a company's capital policy that results in the change of control or in significant dilution, including share offerings and management buyouts, the board and *kansayaku**5 should, in order not to unfairly harm the existing shareholders' interests, carefully examine the necessity and rationale from the perspective of their fiduciary responsibility to shareholders, should ensure appropriate procedures, and provide sufficient explanation to shareholders.

If the Corporation engages in a capital policy that results in the change of control or significant dilution (including share offerings and management buyouts), the Corporation promptly discloses the necessity and rationale, provides sufficient explanations to shareholders as necessary, and ensures that appropriate procedures are taken.

*5 *Kansayaku*: A Company with *Kansayaku* Board is a system unique to Japan in which certain governance functions are assumed by the board, *kansayaku* and the *kansayaku* board. Under this system, *kansayaku* audit the performance of duties by directors and the management and have investigation power by law.

Principle 1.7 Related Party Transactions

When a company engages in transactions with its directors or major shareholders (i.e., related party transactions), in order to ensure that such transactions do not harm the interests of the company or the common interests of its shareholders and prevent any concerns with respect to such harm, the board should establish appropriate procedures beforehand in proportion to the importance and characteristics of the transaction. In addition to their use by the board in approving and monitoring such transactions, these procedures should be disclosed.

The Corporation receives prior approval from the Board of Directors for competing transactions by a Director, self-dealing transactions and conflict-of-interest transactions between the Corporation and a Director, and the Corporation informs the Board of Directors if the said transaction is implemented. The Corporation's policy is to implement transactions with a major shareholder (a shareholder who holds 10% or more shares in the Corporation) following a resolution of the Board of Directors, having excluded Directors with an interest in the transaction from the resolution and deliberations.

Section 2: Appropriate Cooperation with Stakeholders Other Than Shareholders

General Principle 2

Companies should fully recognize that their sustainable growth and the creation of mid- to long-term corporate value are brought about as a result of the provision of resources and contributions made by a range of stakeholders, including employees, customers, business partners, creditors and local communities. As such, companies should endeavor to appropriately cooperate with these stakeholders.

The board and the management should exercise their leadership in establishing a corporate culture where the rights and positions of stakeholders are respected and sound business ethics are ensured.

The Corporation recognizes the importance of cooperating with all stakeholders, including shareholders, for the Corporation's sustainable growth and improvements in mid- to long-term corporate value. The Board of Directors and management are working to appropriately cooperate with all stakeholders based on the Corporation's Management Philosophy. The Corporation is also taking enterprising and proactive measures to address sustainability issues. For its Management Philosophy and initiatives in the area of sustainability, please refer to Supplementary Principle 2.3.1.

Principle 2.1 Business Principles as the Foundation of Corporate Value Creation Over the Mid- to Long-Term

Guided by their position concerning social responsibility, companies should undertake their businesses in order to create value for all stakeholders while increasing corporate value over the mid- to long-term. To this end, companies should draft and maintain business principles that will become the basis for such activities.

The Corporation discloses its Management Philosophy in annual securities reports, corporate governance reports, integrated reports, and on its website, etc.

"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."

Principle 2.2 Code of Conduct

Companies should draft and implement a code of conduct for employees in order to express their values with respect to appropriate cooperation with and serving the interests of stakeholders and carrying out sound and ethical business activities. The board should be responsible for drafting and revising the code of conduct, and should ensure its compliance broadly across the organization, including the front line of domestic and global operations.

The Corporation informs all its stakeholders and discloses the Company Creed, Management Philosophy and the Marubeni Corporate Principles (which consist of 6 items set as basic rules of conduct for employees) in annual securities reports, corporate governance reports, integrated reports, and on the Corporation's website, etc.

Supplementary Principle 2.2.1

The board should review regularly (or where appropriate) whether or not the code of conduct is being widely implemented. The review should focus on the substantive assessment of whether the company's corporate culture truly embraces the intent and spirit of the code of conduct, and not solely on the form of implementation and compliance.

The Corporation obtains an oath from all executives and employees each year regarding adherence to the Marubeni Corporate Principles and Compliance Manual. The status of compliance activities is reported in a timely manner by the Chief Compliance Officer to the Board of Directors and reviewed by the Board of Directors.

Principle 2.3 Sustainability Issues, Including Social and Environmental Matters

Companies should take appropriate measures to address sustainability issues, including social and environmental matters.

The Corporation takes appropriate measures to address sustainability issues, including social and environmental matters. For details of initiatives in the area of sustainability, please refer to Supplementary Principle 2.3.1.

Supplementary Principle 2.3.1

The board should recognize that dealing with sustainability issues, such as taking care of climate change and other global environmental issues, respect of human rights, fair and appropriate treatment of the workforce including caring for their health and working environment, fair and reasonable transactions with suppliers, and crisis management for natural disasters, are important management issues that can lead to earning opportunities as well as risk mitigation, and should further consider addressing these matters positively and proactively in terms of increasing corporate value over the mid- to long-term.

The Marubeni Group operates in line with its Management Philosophy of embodying a corporate group proudly 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 the Company Creed of "Fairness, Innovation and Harmony." The Marubeni Group's Management Philosophy is a clear presentation of its approach to sustainability and, for the Marubeni Group, sustainability means nothing less than putting the Management Philosophy into practice by preemptively addressing challenges to the environment and society and providing solutions.

The Corporation believes that climate change, deforestation, human rights issues, etc. loom as significant challenges threatening the sustainability of the Earth's environment and of societies and that an act of clarifying, and carrying out, mid- to long-term corporate policies for addressing those challenges will create not only economic value but also environmental and social value and will thereby lead directly to overall increases in the corporate value.

Based on such conviction, and with the aim of enhancing its efforts to achieve sustainable improvement of its corporate value, the Marubeni Group established a Sustainability Management Committee and identified 3 categories of Fundamental Materiality and 4 categories of Environmental and Social Materiality in April 2018.

Outside Directors/Audit & Supervisory Board Members are appointed as advisors of the Sustainability Management Committee, providing the system an external point of view. The Board of Directors, by receiving periodic reports on important issues pertaining to the sustainability initiatives discussed by the Committee, oversees sustainability-related issues evaluated from the viewpoints of the appropriateness of its ESG risk management and compatibility with society. In April 2019, as part of system strengthening, the Chair of the Sustainability Management Committee was made the Chief Sustainable Development Officer, and the Sustainability Management Department was established. Furthermore, Sustainability Leaders and Sustainability Managers in charge of sustainability management were appointed at each organization, and thus the entire group is working together to push forward initiatives regarding sustainability. For information on the creation of environmental and social values through business activities, please see the following URL on the Corporation's website.

https://marubeni.disclosure.site/en/

Aware of the importance of disclosing climate-related financial information, the Marubeni Group also

expressed an endorsement of the TCFD Recommendations in February 2019 and is working to comprehend "opportunities" and "risks" precipitated by climate change and enhance its information disclosures. In March 2021, the Corporation formulated the "Marubeni Long-Term Vision on Climate Change." In the vision, the Corporation set a goal for the Marubeni Group to strive for net-zero GHG (greenhouse gas) emissions by 2050. In addition, the Corporation established its action plan toward 2030 and has been disclosing its progress. For details, please refer to Supplementary Principle 3.1.3.

Furthermore, the Corporation announced "GC2024" in February 2022 and has set "Green Strategy" as one of its basic policies. The Marubeni Group strives to be a "Forerunner in Green Business" by contributing to "Nature Positive" and the realization of the international community's goal of "Living in Harmony with Nature" in partnership with our stakeholders. As part of the efforts to live in harmony with nature, it is inevitable to promote the transition to a decarbonized society and a circular economy. The Corporation will contribute to avoid and reduce negative impacts on the environment through climate change countermeasures, efficient use of resources, optimization of land use, control and prevention of environmental pollution, etc., and to restore and regenerate the natural ecology through conservation of forestry resources and soil improvement, etc.

Principle 2.4 Ensuring Diversity, Including Active Participation of Women

Companies should recognize that the existence of diverse perspectives and values reflecting a variety of experiences, skills and characteristics is a strength that supports their sustainable growth. As such, companies should promote diversity of personnel, including the active participation of women.

In the "Marubeni Group HR Strategy" of the Mid-Term Management Strategy "GC2024," the Corporation aims to progress the "Marubeni HR Ecosystem" based on the concepts of "Human Capital with High Social Value," "Diversity & Inclusion," and a "Culture of Individual Development and Productivity" in order to realize the "Global crossvalue platform." With a focus on "the active contribution and development of diverse human capital," the Corporation is working on driving diversity management, including promoting the participation of women in the workplace. For details, please refer to Supplementary Principle 2.4.1.

Supplementary Principle 2.4.1

Companies should present their policies and voluntary and measurable goals for ensuring diversity in the promotion to core human resources, such as the promotion of women, foreign nationals and midcareer hires to middle managerial positions, as well as disclosing their status. In addition, in light of the importance of human resource strategies for increasing corporate value over the mid-to long-term, companies should present its policies for human resource development and internal environment development to ensure diversity, as well as the status of their implementation.

Our employees are the Marubeni Group's greatest capital and the source of value creation. In the Mid-Term Management Strategy "GC2024," the Corporation will further develop the "Marubeni HR Ecosystem" set forth in the previous Mid-Term Management Strategy "GC2021." The "Marubeni HR Ecosystem" is the fundamental human capital strategy for achieving the "Global crossvalue platform," the vision for the Marubeni of the future, and provides direction for reforms. This strategy describes how the Marubeni Group will create an attractive ecosystem where employees with diverse backgrounds and high social value gather, become energized, connect, and combine various insights to take on the challenge of creating new value for society and our customers. By doing so, the Corporation will further promote the creation of a culture and work environment where diverse human capital have an active role. The Corporation promotes work-life management as the foundation for employees with diverse backgrounds to create results. Regardless of an employee's stage in life or individual circumstances, the Corporation is developing measures to ensure that employees can utilize necessary systems as needed in order to aim for sustainable career development and sustained performance.

For details regarding the “GC2024” Marubeni Group HR Strategy, please refer to the Corporation website and Integrated Report. Unless otherwise clearly stated, the headcounts, ratios and scores shown in this item are those of the Corporation (non-consolidated basis).

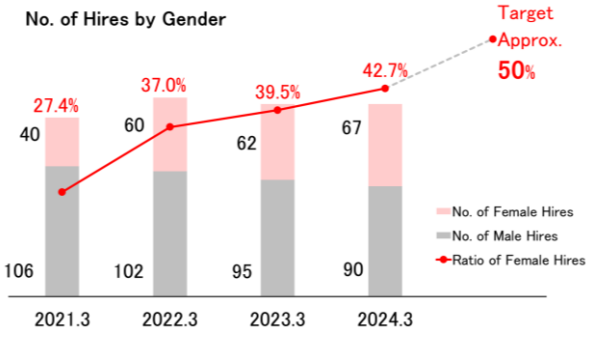
Promoting the Empowerment of Female Employees

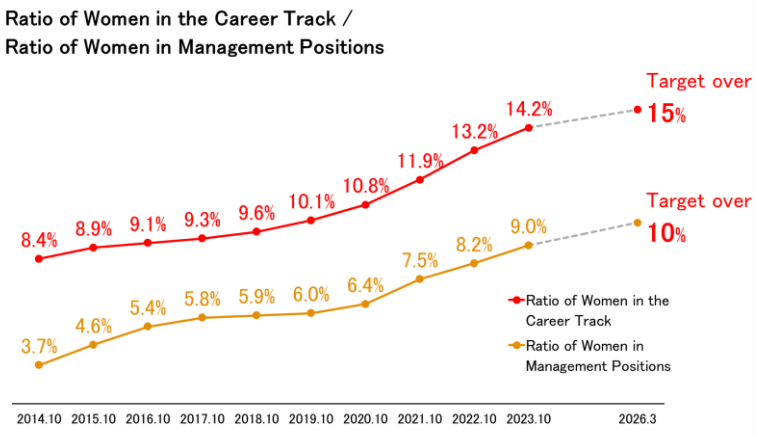
The Corporation believes that human capital diversity must be the foundation of our growth strategy. Heavily male-dominated organizations do not reflect society (1:1 male-female ratio) and are unable to fully grasp social issues, which in turn limits the organization’s ability to turn its vision into reality. Promoting female empowerment at work is the first step towards achieving human capital diversity and is also a key long-term management strategy for making the Corporation’s business more sustainable in the future. From August 2022, the Corporation established "Female Empowerment at Work 2.0" as the policy, and in order to focus more on expanding the female talent pipeline, the Corporation has set clear, numerical KPIs and is working on various measures.

Female Empowerment at Work 2.0

More focus on expanding the talent pipeline so that women are more deeply involved in our corporate management and business decisions

	Female Empowerment at Work 1.0	Female Empowerment at Work 2.0
Fundamental Policy	**Creating an Environment to Ensure Women Can Continue Thriving at Work**	**Expanding the Talent Pipeline**
Priority Measures	• Enhancing the Work Environment Improving operations and updating work-life management measures, including maternity and childcare support. • Fostering Awareness and Corporate Culture Communicating both internally and externally, providing training, and implementing events to deepen understanding (ex. Marubeni International Women’s Day, Marubeni Diversity Days).	• Further Strengthening Recruitment Aiming for the ratio of newly hired female employees (including new graduates and mid-career) to be around 50%. • Expanding Growth Opportunities Requiring on-the-job experience for early career employees to ensure gender balance in growth opportunities. • Advancing Planned Assignments and Promotions Set targets for the number of women hired and assigned to each organization and the ratio of men to women at each organizational level. • Strengthening the Promotion System Talent Management Committee promotes overall measures.





For details on efforts to promote the Empowerment of Female Employees, please refer to "Diversity Management" on the Corporation’s website:

https://marubeni.disclosure.site/en/themes/27/

Promoting the Participation of Foreign National Employees

As of April 2024, the Corporation has approximately 60 non-Japanese employees, of whom 30 are in managerial positions. Hiring foreign national employees is based on the needs of the respective workplace, and although the Corporation does not have a numerical target, the Corporation will ensure diversity in managerial and core positions in accordance with the Marubeni Group HR Strategy. Having a large number of group companies in various countries and regions, the Marubeni Group has an array of human capital, diverse in terms of nationality and other aspects of identity, who play an active role in their respective workplaces and contribute to the enhancement of the Group's corporate value.

Promoting the Participation of Mid-Career Hires

The Corporation conducts mid-career hiring throughout the year and employs human capital from diverse age tiers and backgrounds.

Mid-career recruits accounted for 27.4% of its total hires for FY2023, and as of April 2024, mid-career hires accounted for 17.1% of management positions. The Corporation's mid-career hiring is based on the needs of the workforce, and although the Corporation does not have a numerical target, it will continue to promote diversity in management and core human capital in accordance with the Marubeni Group HR Strategy.

Promoting the Advancement of Late-Career Employees and Employees Involved in Digital Transformation

In order to further promote the activities of its senior human capital, the Corporation introduced a continued employment scheme and established the Career Counselling Section within the Human Resources Department. Additionally, the Corporation enhanced measures to support senior careers in the personnel management reform for FY2021. For another initiative, the Corporation disclosed a series of programs designed to develop and enhance our digital human resources infrastructure in "GC2021 >> DX," our DX strategy, which was released in February 2021.

The Corporation encourages its employees to learn digital-related skills by providing a variety of training opportunities and programs regarding digital technologies. From FY2022, the Corporation introduced the digital talent recognition system under which the Corporation certifies the digital-related skills employees have learned. This system sets four levels of criteria (from introductory to advanced) and shows the minimum digital literacy skills required for *sogo shosha* employees (for introductory and beginners) and provides the intermediate and advanced skill-holders opportunities to utilize their skills (digital talent management).

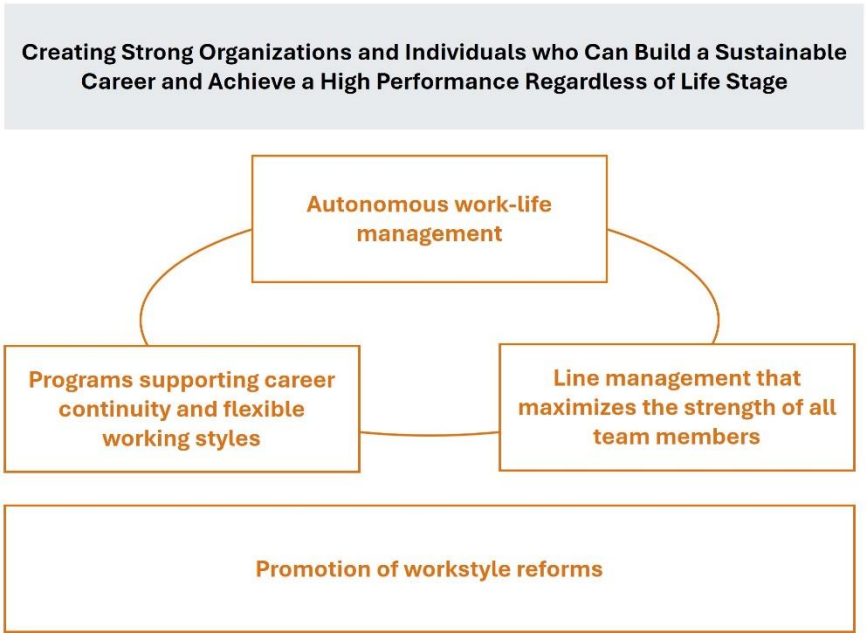
For more information on our DX strategy, please refer to "GC2021 >> DX" below.
https://www.marubeni.com/en/ir/reports/dx/pdf/dx2021_en.pdf

Work-Life Management

The Corporation believes it is important to approach "risks" such as employees leaving due to work-life balance issues or not being able to pursue career advancement opportunities from both system and cultural perspectives, while recognizing that human capital, the source of value creation, is key. Amid a changing environment due to circumstances such as the diversification of values towards work and a declining workforce population, the Corporation is implementing various work-life management measures to enable employees to achieve "sustainable career development" and "high performance" regardless of life stage.

For details on Work-Life Management initiatives, please refer to "Diversity Management" on the Corporation's website:
https://marubeni.disclosure.site/en/themes/27/

Marubeni Work-Life Management



i) Measures for Balancing Work and Parenting/Family Caregiving

In addition to self-management by individuals who take advantage of this system, the Corporation is working to create a system built on mutual cooperation, one that managers and their team understand, fosters mutual respect, and can be utilized effectively regardless of gender. This system offers programs that go further than what the law requires such as “Maternity / Family Caregiving Leave,” which can be used during pregnancy/family caregiving, and “Family Support Leave” to support family members. Moreover, to support career continuity for employees who work shortened hours due to childcare and family caregiving obligations, the policy of uniformly reducing compensation for shortened work hours has been abolished.

There is also a system that allows part of the childcare leave to be taken as paid leave in order to encourage male employees to take paternity leave. The Corporation has introduced a company-wide flexible working hours system and a remote work system for all employees as well. This enables employees to work both autonomously and flexibly.

ii) Measures that Allow an Individual to Continue Their Career Even When Their Spouse Is Transferred to Another Location

Even in the case of temporary circumstances beyond one’s control, such as a spouse's transfer to another location, various measures are in place to allow employees to continue to utilize the work experience and skills they have cultivated at the Corporation. Employee leave and the re-hiring period for employees who leave their positions due to spouse relocation have been extended from 3 to 5 years and eligibility has been expanded (not only employees relocated to overseas locations, but also those relocated within Japan). Engaging in other work for career advancement has also been permitted during leave.

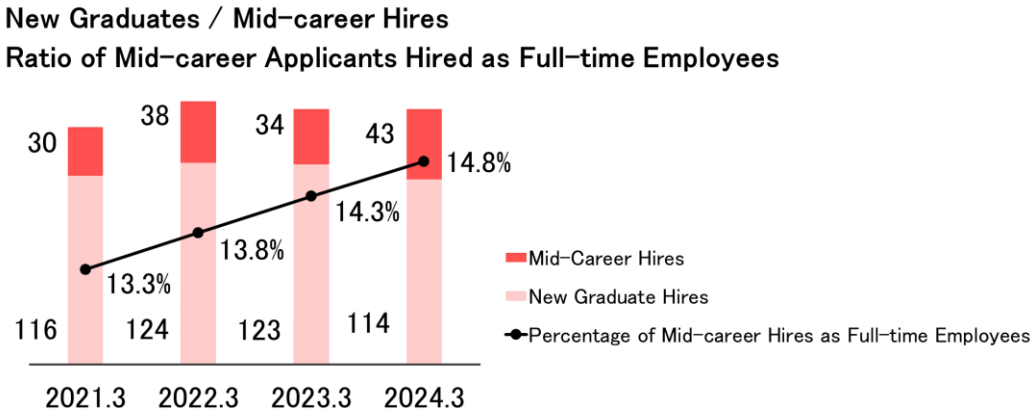
In addition, to support career continuity for employees who relocate to remote areas within Japan due to family circumstances, the newly established Family Remote Support Program allows them to work fully remote.

Initiatives for Diverse Human Capital: "Coming Together"

i) Diverse Recruiting Methods

While incorporating distinctive hiring methods, such as Career Vision recruitment for new graduates (a job-based hiring program for recruiting people who have indicated the responsibilities and department that they want to apply for within the Corporation) and early career recruitment that targets younger

professionals, the Corporation engages with a diverse pool of talent who can become the drivers of new value creation.



ii) Promoting Employment of People with Disabilities

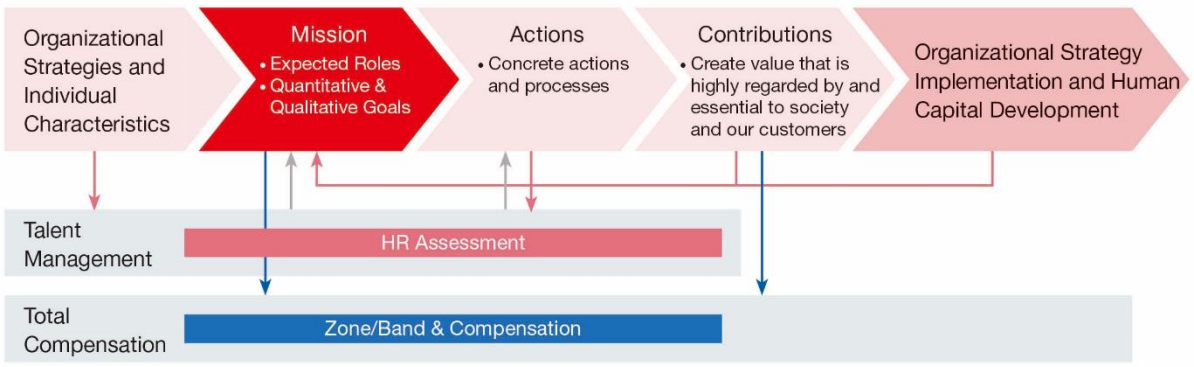
To promote the employment of people with disabilities, the Corporation established the Marubeni Office Support Corporation ("MOS") in 2008, which is certified as a special subsidiary company. In FY2020, MOS was the first company in Tokyo to obtain the "Monisu Certification," awarded to small and medium-sized enterprises that excel in the employment of persons with disabilities. Additionally, in FY2021, MOS was recognized by the Tokyo Metropolitan Government as a best practice company for a Barrier-free Mindset.

Initiatives for Diverse Human Capital: " Being Energized"

i) Mission-oriented HR System

At the Corporation, each employee is given a mission (role) based on their skills and characteristics. The goal of this is to enhance the strategic execution capabilities of the organization by augmenting each individual's contribution. Furthermore, the Corporation believes that employees taking on bold challenges toward more significant missions and striving for excellence will lead to their further growth and their increased market value.

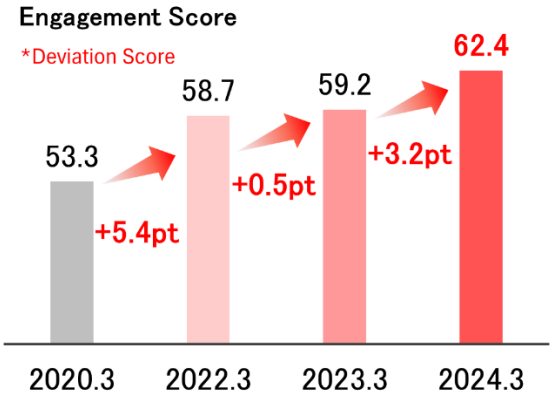
The idea that "the mission of each employee is at the core of organizational strategy execution and talent growth" has been incorporated into our HR system and is reflected in performance evaluations and compensation. Regarding the implementation of our HR system, an emphasis is placed on active communication between supervisors and their employees in order to allow employees to take on more challenging roles and objectives. A cycle has been established where the supervisor and the employee agree on the mission, maintain regular communication in daily operations, and then set the mission for the next fiscal year based on year-end evaluations and feedback to the individual.



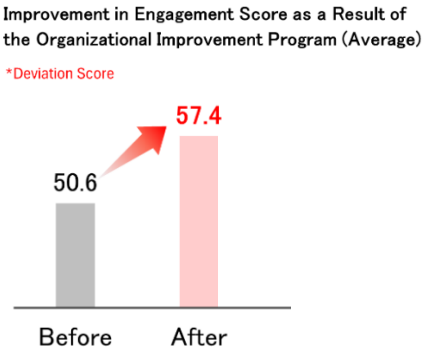
ii) Engagement Survey

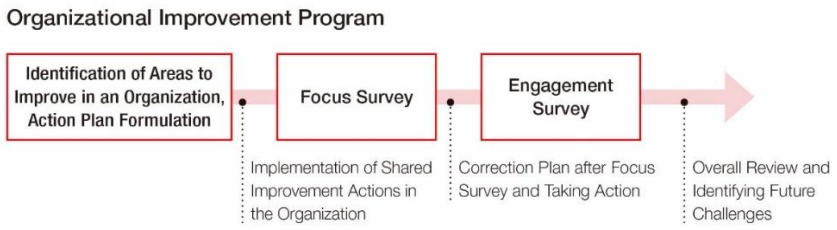
The Corporation defines engagement as "a relationship where individuals and the organization come together and contribute to each other's growth." To improve organizational management and various

organizational systems and to create a dynamic workplace, an internal survey is used to measure the engagement score* of employees. In FY2023, the Corporation's engagement score improved compared with the previous survey. Also, the Corporation received second place in Link and Motivation Inc.'s Best Motivation Company Awards: Leading Companies Division (Over 2,000 Employees).
* The engagement score (deviation score) reflects conditions in the organization. A deviation score of 50 is the average for companies that use services provided by Link and Motivation Inc.



Based on the results of the survey, the Corporation provides organizational programs to departments that seek to improve. After creating and executing improvement action plans, each action plan's effectiveness is evaluated and reviewed through focus surveys and engagement surveys. Several departments that participated in this program achieved higher engagement score results.





iii) Human Capital Development

To promote the growth and active involvement of the Marubeni Group's employees, the source of our corporate value, the Corporation is driving talent development through a dual approach: on the job training as the core and off the job training as a supportive function.



・Talent Assessment

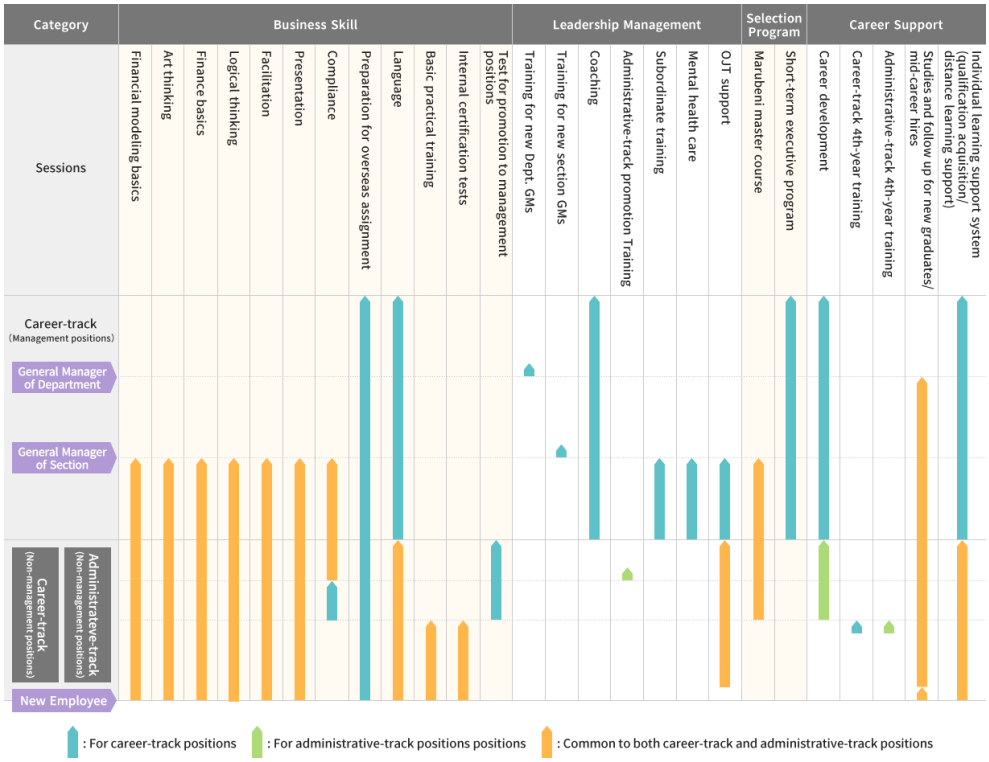
Through multifaceted observations and self-assessments, the Corporation visualizes each employee's distinct behaviors, strengths, and challenges. The visualized information is utilized by each organization for transfers/placements, assigning missions, and daily team management. Individuals can also use this information for self-reflection and to help guide decisions on future skills training and plans for career development.

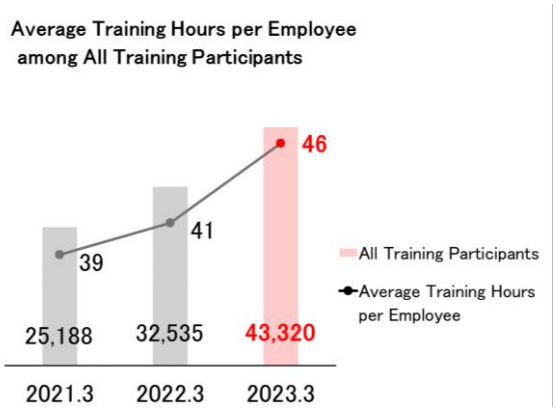
・Individual Learning Support

To further enhance the autonomy of motivated employees, the Corporation offers support for skills development, acquiring knowledge and experience that cannot be gained through regular work activities, and employee skill development.

・Marubeni Global Academy

This training system covers business skills, leadership and management, and individual specializations. In addition to position-specific and open-application training programs, the Corporation integrates selection programs in collaboration with domestic and international business schools. Through these efforts, the Corporation provides growth opportunities tailored to each employee's career.

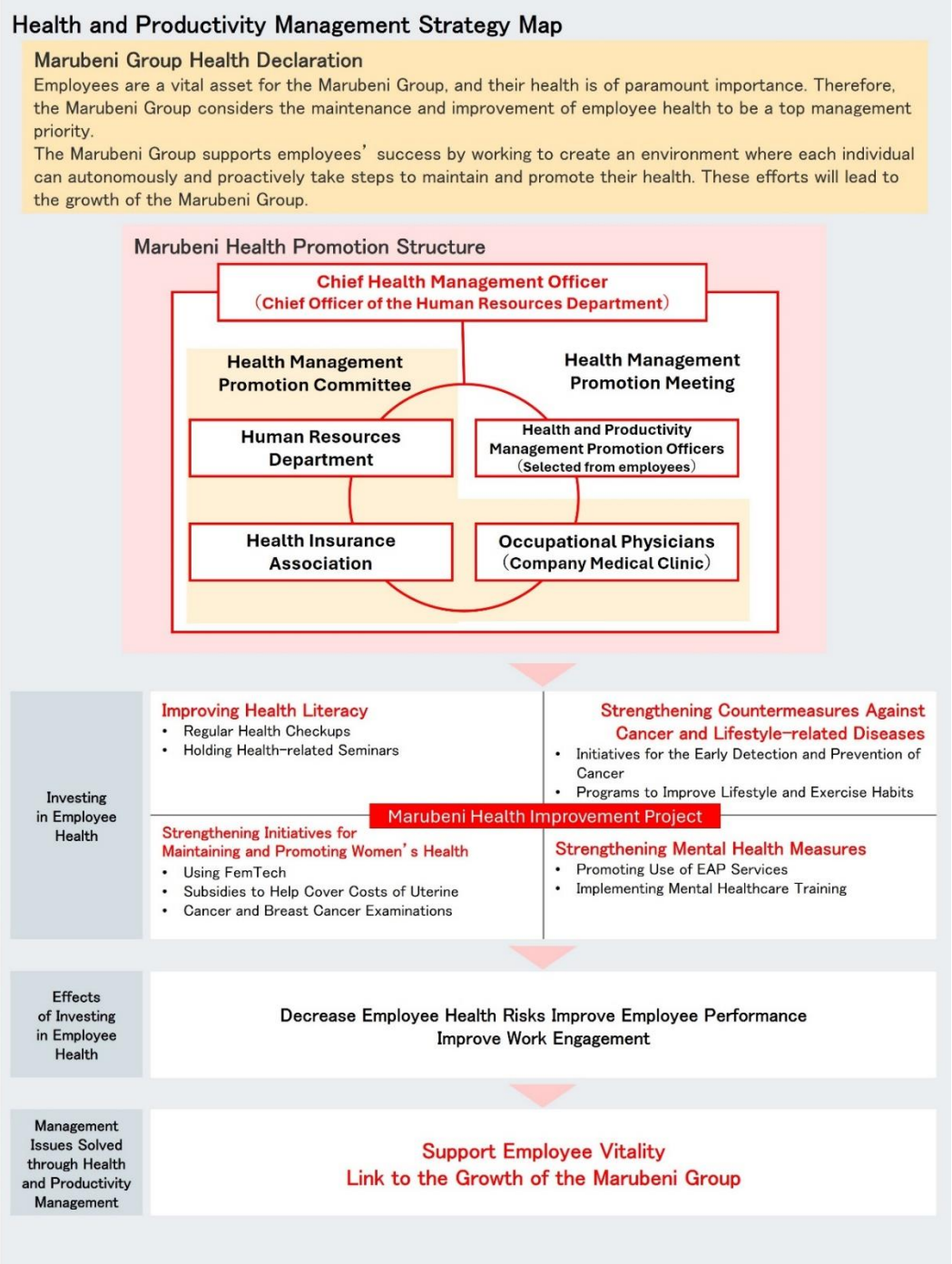




Data for the FY2023 will be updated in the “HR Management” section of the Corporation’s website: https://marubeni.disclosure.site/en/themes/26/

iv) Health and Productivity Management

The Corporation regards employee health maintenance and improvement as important management issues. The Chief Administrative Officer (CAO) takes the utmost responsibility for supporting the vitality of our employees, the source of the Marubeni Group’s growth. The Corporation is advancing health and productivity management initiatives, such as improving health literacy, measures to combat cancer and lifestyle-related diseases, mental health support, and strengthening efforts in women's health maintenance and improvement.



Taking regular health checkups and implementing stress checks play an extremely significant role in the early discovery and early treatment of diseases. Thus, the Corporation has established “Marubeni's Health Project Indicators” to raise employees' health awareness and resolve health issues.

Marubeni Health Project Indicators

	FYE 3/2021	FYE 3/2022	FYE 3/2023	FYE 3/2024
Regular Health Checkup Rate (Employees Working in Japan)	99.0%	100.0%	100.0%	100.0%
Regular Health Checkup Rate (Employees Working Overseas)	63.1%	80.1%	99.7%	98.3%
Rate of Employees Undergoing Stress Check Tests	91.6%	91.6%	95.5%	96.5%

For details on efforts for Health and Productivity Management, please refer to "Health and Productivity Management" on the Corporation's website:
https://marubeni.disclosure.site/en/themes/24/

Initiatives for Diverse Human Capital: "Connecting"

i) Foundation for Innovation

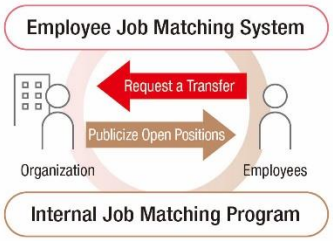
The 15% Rule allows employees to allocate 15% of their working hours to activities outside of their regular work responsibilities that contribute to value enhancement within the Marubeni Group. Crosshelp is a system where organizations can solicit internal assistance from other employees on a part-time basis. Crossvalue Coin is a reward system that grants coins to employees who have contributed to other organizations or regional strategies. These various initiatives are organically linked to encourage the creation of new value across business units.

In addition, the Corporation has an Internal Talent Recruitment System where organizations can publicize job positions and an Employee Job Matching System where employees can request transfers to other organizations. These systems promote autonomous career development for employees and foster an open community where talent can freely move across different departments.

Crossvalue Coin



Employee Job Matching System and Internal Talent Recruitment System



ii) Innovation Creation

To cultivate innovative leaders globally who will lead the future of the Marubeni Group, the Corporation selects diverse talent who excel globally to engage in discussions on various themes over the course of a year through the "Marubeni Academia" program. Additionally, the "Business Plan Contest (Bizcon)," where business proposals are evaluated and developed, plays an important role in fostering an innovative culture.

Principle 2.5 Whistleblowing

Companies should establish an appropriate framework for whistleblowing such that employees can report illegal or inappropriate behavior, disclosures, or any other serious concerns without fear of suffering from disadvantageous treatment. Also, the framework should allow for an objective assessment and appropriate response to the reported issues, and the board should be responsible for both establishing this framework, and ensuring and monitoring its enforcement.

The Corporation has established a whistleblowing system consisting of a "Marubeni Hotline" (as a

compliance consultation point for the group) and a “Marubeni Anti-Corruption Hotline” (specialized consultation point for serious crimes such as bribery). The number of consultations is reported to the Board of Directors, and the system is set up so that it can also be monitored by the Board of Directors.

Supplementary Principle 2.5.1

As a part of establishing a framework for whistleblowing, companies should establish a point of contact that is independent of the management (for example, a panel consisting of outside directors*1 and outside *kansayaku**2). In addition, rules should be established to secure the confidentiality of the information provider and prohibit any disadvantageous treatment.

In addition to the internal whistleblowing system, as part of the whistleblowing system, the Corporation has established an independent external legal counsel hotline at an attorney’s office. Through internal regulations, the Corporation has established a framework to secure the confidentiality of the whistleblowers and prohibit any disadvantageous treatment. The Corporation operates the whistleblowing system in accordance with that framework.

*1 Outside director: A director who satisfies certain requirements such as not holding specific positions, including the position of executive director, in the company or its subsidiaries (Article 2, Paragraph 15 of the Companies Act). Furthermore, matters such as not holding a specific position in the parent company or other subsidiaries and not having specific kinship ties with controlling shareholders will be also required for outside directors after the 2014 amendments to the Companies Act.

*2 Outside *kansayaku*: A *kansayaku* who satisfies certain requirements such as not holding specific positions, including the position of director, in the company or its subsidiaries (Article 2, Paragraph 16 of the Companies Act). Furthermore, matters such as not holding a specific position in the parent company or other subsidiaries and not having specific kinship ties with controlling shareholders will also be required for outside *kansayaku* after the 2014 amendments to the Companies Act.

Principle 2.6 Roles of Corporate Pension Funds as Asset Owners

Because the management of corporate pension funds impacts stable asset formation for employees and companies’ own financial standing, companies should take and disclose measures to improve human resources and operational practices, such as the recruitment or assignment of qualified persons, in order to increase the investment management expertise of corporate pension funds (including stewardship activities such as monitoring the asset managers of corporate pension funds), thus making sure that corporate pension funds perform their roles as asset owners. Companies should ensure that conflicts of interest which could arise between pension fund beneficiaries and companies are appropriately managed.

The Corporation consigns the management of corporate pension funds to the Marubeni Corporate Pension Fund. The Marubeni Corporate Pension Fund organization consists of a Board of Trustees as the decision-making body, an Executive Board as the executive body, Auditors as the internal audit organization, and a Secretariat. A Pension Asset Management Committee has been established as an advisory body to the Marubeni Corporate Pension Fund. The fund is being operated in line with a Basic Management Policy and a Policy Asset Composition Ratio that have been formulated for the management of the Marubeni Corporate Pension Fund. Additionally, from the standpoint of being an institutional investor as an “asset owner,” the fund organization has announced agreeing to the Japan Stewardship Code and requires stewardship activities from its investment trustees.

Each organization is outlined below:

(Board of Trustees)
The Board of Trustees consists of an even number of trustees, half of whom are elected trustees selected by the Corporation and half of whom are mutually elected trustees from among the parties insured under

the Marubeni Corporate Pension Fund. A resolution by the Board of Trustees is necessary to change the Marubeni Corporate Pension Fund bylaws or policies.

(Executive Board)
The Executive Board consists of an even number of executives, half of whom are elected executives and half of whom are mutually elected executives from among the elected trustees and the mutually elected trustees. Furthermore, the Executive Board mutually elects a chairperson from among the elected executives who represents the fund and governs the fund operations. The Executive Board executes its work based on resolutions by the Board of Trustees.

(Auditors)
There are 2 auditors, 1 elected auditor and 1 mutually elected auditor who are mutually elected from among the elected trustees and mutually elected trustees.

(Secretariat)
The Fund's secretariat consists of a managing director, an operating executive director, an administrative director, and general staff. The managing director is nominated by the chairperson of the Executive Board, and they carry out daily work together with the administrative director and general staff. Furthermore, the operating executive director is a member of staff who executes work relating to the management and operation of the pension asset who is nominated by the chairperson from among the executives with the consent of the Executive Board. At present, the managing director of the Marubeni Corporate Pension Fund also serves as the operating executive director.

(Pension Asset Management Committee)
The Pension Asset Management Committee is comprised of CFO; CAO; members selected from the Finance Department, Human Resources Department, and Corporate Accounting Department; and the managing director of the Marubeni Corporate Pension Fund. The criteria for selecting members include being responsible for pension work, and having a deep understanding of asset management, and related matters. The Pension Asset Management Committee prepares quarterly management reports for the Marubeni Corporate Pension Fund and discusses fund management policies.

Section 3: Ensuring Appropriate Information Disclosure and Transparency

General Principle 3

Companies should appropriately make information disclosure in compliance with the relevant laws and regulations, but should also strive to actively provide information beyond that required by law. This includes both financial information, such as financial standing and operating results, and non-financial information, such as business strategies and business issues, risk and governance.

The board should recognize that disclosed information will serve as the basis for constructive dialogue with shareholders, and therefore ensure that such information, particularly non-financial information, is accurate, clear and useful.

The Corporation is aware that information disclosure is an important management issue and that the proper disclosure of information is important for obtaining understanding from stakeholders such as shareholders. Given this awareness, the Corporation endeavors to actively disclose non-financial information, such as information relating to business strategies, business issues, risks, and governance. For details, please refer to Principle 3.1 and Supplementary Principles 3.1.1 through 3.1.3.

Principle 3.1 Full Disclosure

In addition to making information disclosure in compliance with relevant laws and regulations, companies should disclose and proactively provide the information listed below (along with the disclosures specified by the principles of the Code) in order to enhance transparency and fairness in decision-making and ensure effective corporate governance:

i) Company objectives (e.g., business principles), business strategies and business plans;

ii) Basic views and guidelines on corporate governance based on each of the principles of the Code;

iii) Board policies and procedures in determining the remuneration of the senior management and directors;

iv) Board policies and procedures in the appointment/dismissal of the senior management and the nomination of directors and *kansayaku* candidates; and

v) Explanations with respect to the individual appointments/dismissals and nominations based on iv).

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.

Management strategy and plan

Please refer to the Mid-Term Management Strategy “GC2024” formulated based on the above spirit on the Corporation’s website.

Mid-Term Management Strategy GC2024

https://www.marubeni.com/en/company/plan/pdf/gc2024_en.pdf

ii) Basic views and guidelines on corporate governance

The Corporation believes in responding to the expectations of its stakeholders – which includes shareholders, customers, the 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 in accordance with the spirit of the Company Creed of “Fairness, Innovation, and

Harmony." To realize this, the Corporation has been making efforts to enhance corporate governance as the platform for ensuring soundness, transparency, and efficiency of management. Specifically, in accordance with the "1. Basic Views" of "I. the Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information" in the corporate governance report, the Corporation formulates criteria for judgment of independence of Outside Directors/Audit & Supervisory Board Members and improves the management surveillance function by Independent Outside Directors/Audit & Supervisory Board Members. The Corporation 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, etc. through dialogue, understand the position of shareholders and investors, and respond appropriately.

iii) Policies and procedure in determining the remuneration of the directors and senior management

The Corporation has established a Governance and Remuneration Committee (comprised of 6 members: the President, 1 internal Director, and 4 Outside Directors/Audit & Supervisory Board Members, and an Outside Director/Audit & Supervisory Board Member chairs the Committee), as an advisory body to the Board of Directors, the majority of whose members are Outside Directors/Audit & Supervisory Board Members. The Committee deliberates on the policies in determining the remuneration of the Directors and Executive Officers and adequacy of remuneration levels and reports to the Board of Directors. Remuneration for Directors is determined by a resolution by the Board of Directors within the scope that has been authorized at the General Meeting of Shareholders based on such report. Remuneration for executive officers is determined by a resolution of the Board of Directors based on such report.

iv) Appointment of Director and Audit & Supervisory Board Member candidates, policies and procedure for appointment and dismissal of the senior management

The Nomination Committee (comprised of 4 members: the President and 3 Outside Directors/Audit & Supervisory Board Members, and an Outside Director/Audit & Supervisory Board Member chairs the Committee), an advisory body to the Board of Directors, the majority of whose members are Outside Directors/Audit & Supervisory Board Members, deliberates on proposals for appointing Director and Audit & Supervisory Board Members candidates and reports to the Board of Directors. The Corporation has prior consent of the Audit & Supervisory Board regarding candidates for Members of Audit & Supervisory Board. The appointment criteria for the Corporation's Directors and Audit & Supervisory Board Members candidates and the senior management are as follows:

(Appointment criteria for Director candidates)

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

(Appointment criteria for Audit & Supervisory Board Member candidates)

For Audit & Supervisory Board Members, the Corporation appoints internal and external human resources having insight into the Corporation'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.

(Appointment criteria for Group CEOs, CDIO, CAO, CFO, and CSO)

The Corporation appoints Group CEOs, CDIO, CAO, CFO, and CSO from a pool of individuals both internally and externally. Those appointed are recognized as having outstanding expert knowledge, abundant business experience, and insight into the general management of trading companies and global business. These will also be individuals in roles responsible for making decisions on important matters for the Corporation, roles for supervising business execution, and other such leadership positions.

(Appointment criteria for Executive Officers)

The appointment of Executive Officers is decided through a resolution by the Board of Directors.

The Corporation appoints Executive Officers from human resources responsible primarily for roles that maximize the mid- to long-term value of the Marubeni Group. The appointment of Executive Officers is decided through a resolution by the Board of Directors.

(Dismissal criteria)
Decisions on the dismissal of the President or other Executive Officers and the removal from office of the Representative Director shall be made by the Board of Directors in case any of them violates laws or regulations, or cases it is clearly acknowledged that their functions are not being manifested.

v) Reasons for the appointment of Directors and Audit & Supervisory Board Members candidates
In addition to the reasons for the appointment of candidates for Outside Directors and Outside Audit & Supervisory Board Members, the Corporation 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. Please refer to the Notice of the 100th Ordinary General Meeting of Shareholders available on the Corporation's website for more details.
https://www.marubeni.com/en/ir/stock/meeting/pdf/fye2403_100th_br_all_en.pdf

Supplementary Principles 3.1.1

These disclosures, including disclosures in compliance with relevant laws and regulations, should add value for investors, and the board should ensure that information is not boiler-plate or lacking in detail.

The Corporation is aware that information disclosure is an important management issue and that the proper disclosure of information is important for obtaining understanding from stakeholders such as shareholders. Based on this awareness, when disclosing information, the Corporation strives to ensure that it makes value-added disclosure by providing plain and detailed information and actively disclosing non-financial information.

Supplementary Principles 3.1.2

Bearing in mind the number of foreign shareholders, companies should, to the extent reasonable, take steps for providing English language disclosures. In particular, companies listed on the Prime Market should disclose and provide necessary information in their disclosure documents in English.

In view of the percentage made up of foreign shareholders, the Corporation has an English language website, and is working to disclose and provide information in English to overseas investors, including convocation notices of General Meetings of Shareholders, financial statement explanations, and integrated reports. For the percentage of foreign shareholders, please refer to "2. Capital Structure" in "I. the Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information" in the Corporation's corporate governance report.

Supplementary Principles 3.1.3

Companies should appropriately disclose their initiatives on sustainability when disclosing their management strategies. They should also provide information on investments in human capital and intellectual properties in an understandable - 15 - and specific manner, while being conscious of the consistency with their own management strategies and issues. In particular, companies listed on the Prime Market should collect and analyze the necessary data on the impact of climate change-related risks and earning opportunities on their business activities and profits, and enhance the quality and quantity of disclosure based on the TCFD recommendations, which are an internationally well-established disclosure framework, or an equivalent framework.

The Corporation points to its “Green Strategy” in the Mid-Term Management Strategy “GC2024” and also discloses and describes its efforts in the area of sustainability in its disclosure documents, such as securities reports and integrated reports, as well as its website.

Aware of the importance of disclosing climate-related financial information, the Corporation also expressed an endorsement of the TCFD Recommendations in February 2019 and is working to comprehend “opportunities” and “risks” precipitated by climate change and disclose such information. In July 2020, the Corporation released “Disclosure in line with the recommendations of the TCFD” and then, in March 2021, made public the “Marubeni Long-Term Vision on Climate Change.” In the vision, the Corporation set a goal for the Marubeni Group to strive for net-zero GHG (greenhouse gas) emissions by 2050. In addition, the Corporation established its action plan toward 2030 and has been disclosing its progress. Since FY2021, the Corporation has continued its efforts to add further to the TCFD disclosure to show the robustness of its strategy related to climate change by thus disclosing its action policy and strategy founded on the results of its scenario-based analysis completed for its individual businesses. In addition to the above, in sections including that outlining our position and initiatives in the area of sustainability in the annual securities reports, the Corporation discloses particular sustainability information if that information is significant to the Corporation considering its business model and the business environment. Further, the Corporation has recognized climate change risks, environmental risks, as well as risks of natural disasters and other such occurrences, as risks to business operations, etc. and discloses action plans and policies designed to address them in the annual securities reports.

Disclosure in line with the Recommendations of the TCFD
https://marubeni.disclosure.site/en/themes/15/?id=anc_02

Annual Securities Report (Japanese language only)
https://www.marubeni.com/jp/ir/reports/security_reports/

Integrated Report
https://www.marubeni.com/en/ir/reports/integrated_report/

Furthermore, as a human capital strategy that aligns with the Vision for the Marubeni of the Future: "Global crossvalue platform," the Corporation aims for each employee to go beyond existing frameworks and endeavor to create new value, positioned as a part of the “Marubeni HR Ecosystem.” The “Marubeni HR Ecosystem” is a human capital strategy where Marubeni Group employees with diverse backgrounds and high social value gather, thrive, and connect to create a cycle of providing new value to meet the needs of customers and society. Under the current Mid-Term Management Strategy “GC2024,” the Marubeni Group is aiming to further develop the “Marubeni HR Ecosystem,” and several measures have been created to achieve this goal.

The starting point for the idea behind the “Marubeni HR Ecosystem” is linking management strategy with human capital strategy. By continuously bringing management and the HR Department together to discuss human capital-related issues, the Corporation is aiming for a human capital strategy that aligns with management strategy.

Talent Management Committee

To promote human capital strategy that aligns with our management strategy, the Corporation holds human capital strategy meetings featuring the CEO, CHRO*, CSO and CAO as key members. Members not only discuss HR-related systems and measures but also high-priority agenda items related to our human capital strategy, such as leader development, employee engagement, and diversity and inclusion.

*From the FY2023, the CHRO has been newly established with the role of creating and promoting human capital strategies that contribute to management strategy. On April 1, 2024, in order to further the Corporation’s human capital strategy, the CHRO has been placed directly under the management of the CEO. The CHRO assists the CEO and commits to the overall management of the human capital strategy.

Dialogs between Management and Employees

The Corporation is increasing opportunities for direct communication between management and employees to discuss and share thoughts on management philosophy, visions and strategies. In addition to regularly holding meetings to exchange opinions between the CEO and employees, the Corporation also has a direct question-and-answer system for employees called the Opinion Box. To date, the

Corporation has received over 1,300 questions through this system.

Employee Stock Ownership Program

Employees' interest and participation in company management has been increasing yearly, with an employee stock ownership plan enrollment rate of 94.5% (as of the end of FY2023). By having more employees join the stock ownership plan and increase their shareholdings, the Corporation not only contributes to employees' asset building but also aims to foster a stronger sense of collective responsibility towards enhancing corporate value, and the Corporation has been providing special initiatives for employees who join this plan.

For details of the other initiatives related to human capital strategy, please refer to the Supplementary Principles 2.4.1.

Principle 3.2 External Auditors

External auditors and companies should recognize the responsibility that external auditors owe toward shareholders and investors, and take appropriate steps to secure the proper execution of audits.

The Corporation collaborates with the Audit & Supervisory Board and related departments such as the Corporate Accounting Department, and endeavors to ensure a proper audit schedule and audit structure and to ensure proper auditing by accounting auditors.

Supplementary Principles 3.2.1

The *kansayaku* board should, at minimum, ensure the following:

i) Establish standards for the appropriate selection of external auditor candidates and proper evaluation of external auditors; and

ii) Verify whether external auditors possess necessary independence and expertise to fulfill their responsibilities.

i) The Audit & Supervisory Board establishes standards to evaluate the non-reappointment of the accounting auditor and procedures for appointment, etc., and when reappointing the accounting auditor each year, the Audit & Supervisory Board evaluates the work of the accounting auditor based on such standards, makes a decision on reappointment, and reports to the Board of Directors.

ii) The Audit & Supervisory Board checks the accounting auditor's independence and expertise by receiving explanations concerning the accounting auditor's quality control system (including checking the independence of the accounting auditor) and the annual audit plan and service structure at regular

Supplementary Principles 3.2.2

The board and the *kansayaku* board should, at minimum, ensure the following:

i) Give adequate time to ensure high quality audits;

ii) Ensure that external auditors have access, such as via interviews, to the senior management including the CEO and the CFO;

iii) Ensure adequate coordination between external auditors and each of the *kansayaku* (including attendance at the *kansayaku* board meetings), the internal audit department and outside directors; and

iv) Ensure that the company is constituted in the way that it can adequately respond to any misconduct, inadequacies or concerns identified by the external auditors.

monthly meetings with the accounting auditor.

i) Audit schedules are formulated following prior consultation with the Corporate Accounting Department and the accounting auditor, and adequate time is set aside to conduct audits. The Audit & Supervisory Board checks audits plans (details and timings) and checks that sufficient time has been secured for auditing.

ii) The accounting auditor interviews the President and CFO.

iii) The accounting auditor and Audit & Supervisory Board Members shall ensure collaboration by having a monthly meeting as an alternative to the accounting auditor's attending meetings of the Audit & Supervisory Board. The Internal Audit Department works with the accounting auditor to address internal control reporting requirements associated with financial reports and provides necessary information including internal audit reports. Reports on accounting audits conducted by the accounting auditor are made to the Board of Directors, including outside directors, and information is shared with outside directors.

iv) When issues are pointed out by the accounting auditor, the executing side responds individually, and reports are made on the office organization line.

Section 4: Responsibilities of the Board

General Principle 4

Given its fiduciary responsibility and accountability to shareholders, in order to promote sustainable corporate growth and the increase of corporate value over the mid- to long-term and enhance earnings power and capital efficiency, the board should appropriately fulfill its roles and responsibilities, including:

(1) Setting the broad direction of corporate strategy;

(2) Establishing an environment where appropriate risk-taking by the senior management is supported; and

(3) Carrying out effective oversight of directors and the management (including *shikkoyaku**1 and so-called *shikkoyakuin**2) from an independent and objective standpoint.

Such roles and responsibilities should be equally and appropriately fulfilled regardless of the form of corporate organization – i.e., Company with *Kansayaku* Board (where a part of these roles and responsibilities are performed by *kansayaku* and the *kansayaku* board), Company with Three Committees (Nomination, Audit and Remuneration) or Company with Supervisory Committee.

The Corporation sets the broad direction of corporate strategy at meetings of the Board of Directors, including formulating medium-term management strategies (medium-term management plans). The Corporation endeavors to establish management and executive structures in order to secure prompt and efficient decision-making, and appropriate supervisory functions. For details of management and executive structures, please refer to the respective principles and supplementary principles under Principles 4.1 through 4.14.

*1 *Shikkoyaku*: According to the Companies Act, Companies with 3 Committees (Nomination, Audit and Remuneration) must appoint 1 or more *shikkoyaku* from directors or non-directors by a resolution of the board and delegate business administration to *shikkoyaku*. Also, authority to make certain kinds of business decisions may be delegated to *shikkoyaku*.

*2 *Shikkoyakuin*: There are cases where a Company with *Kansayaku* Board or a Company with Supervisory Committee creates positions with the title of "*shikkoyakuin*" for persons who are delegated by the board a certain range of discretion regarding business administration. Unlike *shikkoyaku* in Companies with 3 Committees (Nomination, Audit and Remuneration), *shikkoyakuin* is not a statutory position.

Principle 4.1 Roles and Responsibilities of the Board (1)

The board should view the establishment of corporate goals (business principles, etc.) and the setting of strategic direction as one major aspect of its roles and responsibilities. It should engage in constructive discussion with respect to specific business strategies and business plans, and ensure that major operational decisions are based on the company's strategic direction.

The Corporation's medium-term management strategies (medium-term management plans) are formulated based on its Management Philosophy and the details in the plans are discussed thoroughly by the Board of Directors. Subsequent policies, including investment, management resource allocation, and human resource policies, are decided taking the medium-term management strategy (medium-term management plan) as a guideline.

Supplementary Principles 4.1.1

The board should clearly specify its own decisions as well as both the scope and content of the matters delegated to the management, and disclose a brief summary thereof.

In the Corporation's Board of Directors Rules, it is stipulated that matters set forth in laws and ordinances and the Corporation's Articles of Incorporation and other important matters related to management shall be discussed at meetings of the Board of Directors, and agendas in this regard are clarified in the List of Matters to be Submitted to the Board of Directors. In particular, standards for monetary amounts are set forth with regard to starting, joining, abolishing, and withdrawing from business, acquiring and disposing of fixed assets, and loaning and guaranteeing, etc., and cases in which such standards for monetary amounts will be exceeded are deliberated and decided by the Board of Directors. Based on the above-mentioned list, decision-making and execution of matters other than those that should be decided by the Board of Directors, are delegated to the Representative Director and Executive Officer. Decision-making and execution regarding matters delegated to the Representative Director and Executive Officer, are reported by the supervising Directors at meetings of the Board of Directors. Through these reports, etc. the Board of Directors monitors decision-making and business execution by the Representative Director and Executive Officer.

Supplementary Principles 4.1.2

Recognizing that a mid-term business plan (*chuuki keiei keikaku*) is a commitment to shareholders, the board and the senior management should do their best to achieve the plan. Should the company fail to deliver on its mid-term business plan, the reasons underlying the failure of achievement as well as the company's actions should be fully analyzed, an appropriate explanation should be given to shareholders, and analytic findings should be reflected in a plan for the ensuing years.

The Corporation announces its medium-term management strategy (medium-term management plan), checks the status of progress in a sequential manner, and then discloses this.

When the term of the medium-term management strategy (medium-term management plan) has finished, it is reviewed and its content is thoroughly analyzed. The findings are reflected in the next term's business strategy, and then the next term's business strategy is announced.

Supplementary Principles 4.1.3

Based on the company objectives (business principles, etc.) and specific business strategies, the board should proactively engage in the establishment and implementation of a succession plan for the CEO and other top executives and appropriately oversee the systematic development of succession candidates, deploying sufficient time and resources.

The Nomination Committee, which is an advisory body of the Board of Directors, receives sufficient information from the President regarding successor plans and the development of successor candidates, engages in opinion exchanges, and then examines successor plans based on evaluations of specific candidates.

In the case of selecting the next term's President, the Nomination Committee deliberates on candidate selection proposals prepared by the President and reports the outcomes of its deliberations to the Board of Directors, and the final decision is then made by the Board of Directors.

Principle 4.2 Roles and Responsibilities of the Board (2)

The board should view the establishment of an environment that supports appropriate risk-taking by the senior management as a major aspect of its roles and responsibilities. It should welcome proposals from the management based on healthy entrepreneurship, fully examine such proposals from an independent and objective standpoint with the aim of securing accountability, and support timely and decisive decision-making by the senior management when approved plans are implemented.

Also, the remuneration of the management should include incentives such that it reflects mid- to long-term business results and potential risks, as well as promotes healthy entrepreneurship.

With the aim of clarifying the separation between execution and monitoring, the Corporation has introduced an Executive Officer System, and it endeavors to develop environments that support appropriate risk taking. Individual important matters are discussed at meetings of the Board of Directors in accordance with the Matters to be Submitted to the Board of Directors, and the discussions take place from a multilateral perspective in line with the roles of each Directors. If there are collateral conditions, etc. regarding approval by the Board of Directors, instructions are promptly given and follow-ups are carried out.

The Corporation grants shares with restriction on transfer ("Restricted Stock") and TSR-linked performance share units with shares transfer restrictions ("TSR-linked Performance Share Units") to Directors (excluding Outside Directors) and Executive Officers in order to share the benefits and risks of stock price fluctuations with shareholders and further enhance their motivation to contribute to increasing the stock price and boosting corporate value.

Supplementary Principle 4.2.1

The board should design management remuneration systems such that they operate as a healthy incentive to generate sustainable growth, and determine actual remuneration amounts appropriately through objective and transparent procedures. The proportion of management remuneration linked to mid- to long-term results and the balance of cash and stock should be set appropriately.

The maximum total remuneration for all Directors shall be determined by resolution at a General Meeting of Shareholders. The Governance and Remuneration Committee, chaired by an Outside Director and the majority of its members consisting of independent Outside 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 for each Director is determined by resolution of the Board of Directors. The remuneration of Directors other than Outside Directors consists of (i) monthly remuneration (basic remuneration, bonuses), which is a fixed monetary compensation, (ii) short-term incentive remuneration (performance-based bonuses, individuals' evaluation-based compensation), which is a variable monetary compensation, and (iii) medium and long-term incentive remuneration (Restricted Stock, TSR-linked Performance Share Units), which is a variable stock-based compensation.

Remuneration and other payments for the Chairman of the Board consist of the monthly remuneration as the basic compensation and the medium- and long-term incentive remuneration, considering that the Chairman of the Board is in the position to substantially contribute to the enhancement of corporate value over the medium to long term through leveraging the business expertise gained through managing the Corporation on supervision.

Remuneration for Outside Directors and Audit & Supervisory Board Members, all of whom are independent from business operation, consists entirely of the monthly remuneration as the basic compensation (including remuneration for responsibilities as the chairperson, member, etc., of each respective committee), and does not include performance-linked remuneration.

To ensure that remuneration levels of Directors are competitive so as to secure and maintain excellent human capital, the remuneration levels are examined by comparing them with objective research data on remuneration provided by outside specialized organizations and other sources to determine the appropriate remuneration levels.

As for the composition ratio of remuneration and other payments, it shall focus on the medium- and long-term improvement of corporate value by increasing the composition ratio of the medium- and long-term incentive remuneration. For the President & CEO, its composition ratio of monthly remuneration/the short-term incentive remuneration/the medium- and long-term incentive remuneration shall be set as 1:1:1 when consolidated net profit is 400 billion yen and core operating cash flow is 500 billion yen. For other internal Directors, based on the remuneration composition ratio of the President and CEO, the Corporation shall set up the ratio considering the role and responsibilities of each position

Supplementary Principle 4.2.2

The board should develop a basic policy for the company's sustainability - 20 - initiatives from the perspective of increasing corporate value over the mid- to long- term.

In addition, in light of the importance of investments in human capital and intellectual properties, the board should effectively supervise the allocation of management resources, including such investments, and the implementation of business portfolio strategies to ensure that they contribute to the sustainable growth of the company.

The Corporation has its approach to sustainability and associated action policies, etc. formulated by the Board of Directors. The Board oversees the status of the Corporation's sustainability actions on a regular basis. Long-term corporate value improvement through "Green Strategy" is also an item covered in the Mid-Term Management Strategy "GC2024."

Corporate resources allocation is discussed and overseen by the Board of Directors on relevant occasions, including medium-term management strategy development and revision, quarterly financial reporting and Directors' business execution report presentations.

For business portfolio, please refer to Supplementary Principle 5.2.1.

Principle 4.3 Roles and Responsibilities of the Board (3)

The board should view the effective oversight of the management and directors from an independent and objective standpoint as a major aspect of its roles and responsibilities. It should appropriately evaluate company performance and reflect the evaluation in its assessment of the senior management.

In addition, the board should engage in oversight activities in order to ensure timely and accurate information disclosure, and should establish appropriate internal control and risk management systems.

Also, the board should appropriately deal with any conflict of interests that may arise between the company and its related parties, including the management and controlling shareholders.

The Corporation has set up the Nomination Committee, an advisory body of the Board of Directors, the majority of whose members are Outside Directors/Audit & Supervisory Board Members, and whose chairperson is an Outside Director. The Committee deliberates on the appropriateness of executive appointment procedures, etc., and reports to the Board of Directors. The appointment and dismissal of Executive Officers is as stated in Principle 3.1(iv) above.

The appropriate development of internal control and risk management systems is as stated in Supplementary Principle 4.3.4 below.

Management systems regarding conflicts of interest that arise between affiliated parties such as management teams and controlling shareholders, and the Corporation are as stated in Principle 1.7 above.

Supplementary Principle 4.3.1

The board should ensure that the appointment and dismissal of the senior management are based on highly transparent and fair procedures via an appropriate evaluation of the company's business results.

With regard to the appointment and dismissal of Directors and Executive Officers, monitoring functions are secured by the Board of Directors based on a system that is as stated in Principle 3.1(iv) above.

Supplementary Principle 4.3.2

Because the appointment/dismissal of the CEO is the most important strategic decision for a company, the board should appoint a qualified CEO through objective, timely, and transparent procedures, deploying sufficient time and resources.

This is as stated in Supplementary Principle 4.1.3 above.

Supplementary Principle 4.3.3

The board should establish objective, timely, and transparent procedures such that a CEO is dismissed when it is determined, via an appropriate evaluation of the company's business results, that the CEO is not adequately fulfilling the CEO's responsibilities.

This is as stated in Principle 3.1(iv) above.

Supplementary Principle 4.3.4

The establishment of effective internal control and proactive enterprise risk management systems has the potential to support sound risk-taking. The board should appropriately establish such systems on an enterprise basis and oversee the operational status, besides utilizing the internal audit department.

With regard to compliance, the Compliance Committee has been set up to develop systems, and the status of its activities is reported to the Board of Directors in business execution reports. Marubeni Group companies have developed a compliance structure suited to their respective business characteristics, as is the case with its overseas subsidiaries, which have developed a compliance structure appropriate to laws and regulations, business customs, etc. of the respective countries. The Corporation has regular audits and monitoring practices in place, including those for bribery prevention management and security export control purposes, to check whether there are any inadequacies in the compliance structures in the Marubeni Group.

For internal control, the Internal Control Committee has been set up to develop systems, and it confirms that internal controls are effective by submitting an internal control report to the Board of Directors in accordance with the Financial Instruments and Exchange Act. The Board of Directors evaluates the operational status of internal control systems and reviews the Basic Internal Control Policy at a meeting of the Board of Directors once a year.

On the subject of risk management structures, the Board of Directors discusses risk scenarios and steps to address them, while quantifiable risks are also subject to integrated risk management procedures and qualitative risks are managed through a stricter compliance structure, etc.

On the basis of audit results, the Internal Audit Department submits an audit report to the President and has a copy circulated among personnel concerned, including the organization being audited, the Chairman

of the Board, Directors and Audit & Supervisory Board Members, and also gives reports to the Board of Directors, the Corporate Management Committee and the Executive Committee in a timely fashion. Audit reports contain, among other things, a statement of issues to be improved by the organization being audited, which the Internal Audit Department, as well as the section responsible for individual internal control actions, will subsequently follow up on to monitor the state of improvement and of other steps, etc. taken. In addition to internal audits, the Internal Audit Department conducts an assessment of the internal control effectiveness in connection with financial reporting.

Principle 4.4 Roles and Responsibilities of *Kansayaku* and the *Kansayaku* Board

Kansayaku and the *kansayaku* board should bear in mind their fiduciary responsibilities to shareholders and make decisions from an independent and objective standpoint when executing their roles and responsibilities including the audit of the performance of directors' duties, appointment and dismissal of *kansayaku* and external auditors and the determination of auditor remuneration.

Although so-called "defensive functions," such as business and accounting audits, are part of the roles and responsibilities expected of *kansayaku* and the *kansayaku* board, in order to fully perform their duties, it would not be appropriate for *kansayaku* and the *kansayaku* board to interpret the scope of their function too narrowly, and they should positively and proactively exercise their rights and express their views at board meetings and to the management.

The Audit & Supervisory Board is made up of 5 Audit & Supervisory Board Members (3 of which are Outside Audit & Supervisory Board Members). Based on audit policies and audit plans formulated by the Audit & Supervisory Board, the Audit & Supervisory Board Members attend meetings of the Board of Directors and other important meetings, and audit the execution of duties by Directors through operational and financial status surveys.

Supplementary Principle 4.4.1

Given that not less than half of the *kansayaku* board must be composed of outside *kansayaku* and that at least one full-time *kansayaku* must be appointed in accordance with the Companies Act, the *kansayaku* board should, from the perspective of fully executing its roles and responsibilities, increase its effectiveness through an organizational combination of the independence of the former and the information gathering power of the latter.

In addition, *kansayaku* or the *kansayaku* board should secure cooperation with outside directors so that such directors can strengthen their capacity to collect information without having their independence jeopardized.

3 out of the Corporation's 5 Audit & Supervisory Board Members are Independent Outside Audit & Supervisory Board Members. The Audit & Supervisory Board judges audit on the execution of duties by Directors, the dismissal and appointment of External Accounting Auditor, and Audit & Supervisory Board Member's remuneration from an independent and objective standpoint.

In order to ensure collaboration with Outside Directors, Outside Directors are invited to voluntarily attend business execution status interviews that Audit & Supervisory Board Members conduct with Directors, Group CEOs, etc.

Principle 4.5 Fiduciary Responsibilities of Directors and *Kansayaku*

With due attention to their fiduciary responsibilities to shareholders, the directors, *kansayaku* and the management of companies should secure the appropriate cooperation with stakeholders and act in the interest of the company and the common interests of its shareholders.

The President and CEO, CFO, General Manager of the IR & SR Department (until the end of FY2023, the General Manager of the Finance Department), and others regularly attend meetings with domestic and overseas investors, and CFO, who is a Representative Director, serves as the Director in charge of IR and accordingly reports on the particulars of such meetings to Directors, Audit & Supervisory Board Members, etc. Thus, a system is in place for reflecting the opinions of shareholders and other stakeholders in management.

Principle 4.6 Business Execution and Oversight of the Management

In order to ensure effective, independent and objective oversight of the management by the board, companies should consider utilizing directors who are neither involved in business execution nor have close ties with the management.

The Corporation secures highly effective systems for monitoring management by appointing 6 Independent Outside Directors and having them state opinions from an independent and objective standpoint at meetings of the Board of Directors, etc. Furthermore, the Chairman of the Board, who chairs the Board of Directors is a non-executive Director.

Principle 4.7 Roles and Responsibilities of Independent Directors

Companies should make effective use of independent directors*3, taking into consideration the expectations listed below with respect to their roles and responsibilities:

i) Provision of advice on business policies and business improvement based on their knowledge and experience with the aim to promote sustainable corporate growth and increase corporate value over the mid- to long-term;

ii) Monitoring of the management through important decision-making at the board including the appointment and dismissal of the senior management;

iii) Monitoring of conflicts of interest between the company and the management or controlling shareholders; and

iv) Appropriately representing the views of minority shareholders and other stakeholders in the boardroom from a standpoint independent of the management and controlling shareholders.

The Corporation sets forth independence judgment criteria (see Principle 4.9 below) referring to the guidelines of proxy advisory firms, and appoints Independent Directors who meet such criteria, and can carry out supervision of the conflict of interest, management supervision, and fiduciary responsibilities.

Outside Directors and Audit & Supervisory Board Members, including such Independent Outside Directors, give useful advice aimed at boosting mid to long-term corporate value based on their own expert knowledge and abundant experience; make up the majority of the members of the Nomination Committee, which is an advisory body of the Board of Directors; deliberate on appropriateness of appointment procedures of the Executive Officers, etc.; and appropriately demonstrate supervision functions.

*3 Independent director: The listing rules of securities exchanges provide that the outside directors, as defined in the Companies Act, are independent directors where they satisfy independence criteria of securities exchanges and the company determines that they do not have the possibility of conflicts of interest with its shareholders.

Principle 4.8 Effective Use of Independent Directors

Independent directors should fulfill their roles and responsibilities with the aim of contributing to sustainable growth of companies and increasing corporate value over the mid- to long-term. Companies listed on the Prime Market should therefore appoint at least one-third of their directors as independent directors (two directors if listed on other markets) that sufficiently have such qualities.

Irrespective of the above, if a company listed on the Prime Market believes it needs to appoint the majority of directors (at least one-third of directors if listed on other markets) as independent directors based on a broad consideration of factors such as the industry, company size, business characteristics, organizational structure and circumstances surrounding the company, it should appoint a sufficient number of independent directors.

Out of the Corporation's 10 Directors, 6 are Outside Directors, and all of them meet the independence judgment criteria set forth by the Corporation and the independence criteria set forth by the Tokyo Stock Exchange, Inc.

Both internally and externally, the Corporation appoints personnel with broad experience either in its multifaceted business activities, or in their respective fields of specialty, who also have advanced insight and expertise cultivated through such experience, with appointments by the Corporation encompassing a broad consideration of factors such as the industry, company size, business characteristics, organizational structure and circumstances surrounding the company, and with the aim of ensuring quick and efficient decision-making and proper oversight functions. In the Corporation's opinion, the number of Independent Outside Directors as it currently stands is appropriate, and it maintains a commitment to appointing an appropriate number of candidates for Independent Outside Directors.

Supplementary Principles 4.8.1

In order to actively contribute to discussions at the board, independent directors should endeavor to exchange information and develop a shared awareness among themselves from an independent and objective standpoint. Regular meetings consisting solely of independent directors (executive sessions) would be one way of achieving this.

Meetings in which Independent Outside Directors, Audit & Supervisory Board Members, and the Chairman and/or President participate (in which Independent Outside Directors and/or Audit & Supervisory Board Members are not the only members) are held on a regular basis, with the aims of exchanging information and sharing awareness (such meetings were held 4 times in FY2023).

Supplementary Principles 4.8.2

Independent directors should endeavor to establish a framework for communicating with the management and for cooperating with *kansayaku* or the *kansayaku* board by, for example, appointing the lead independent director from among themselves.

With the aim of further strengthening collaboration between Internal Directors and Audit & Supervisory Board Members and Outside Directors, a Chief Independent Outside Director is appointed.

Supplementary Principles 4.8.3

Companies that have a controlling shareholder should either appoint at least one-third of their directors (the majority of directors if listed on the Prime Market) as independent directors who are independent of the controlling shareholder or establish a special committee composed of independent persons including independent director(s) to deliberate and review material transactions or actions that conflict with the interests of the controlling shareholder and minority shareholders.

As of the date of submission of the corporate governance report, the Corporation has no controlling shareholder.

Principle 4.9 Independence Standards and Qualification for Independent Directors

Boards should establish and disclose independence standards aimed at securing effective independence of independent directors, taking into consideration the independence criteria set by securities exchanges. The board should endeavor to select independent director candidates who are expected to contribute to frank, active and constructive discussions at board meetings.

The Corporation appoints Outside Directors and Audit & Supervisory Board Members based on the following "Standards and policies for the independence of Outside Directors/Audit & Supervisory Board Members of the Corporation" so that Outside Directors can appropriately exercise their expected roles and functions.

Standards and policies for the independence of Outside Directors/Audit & Supervisory Board Members of the Corporation

The Corporation shall determine that a person who is an Outside Director is not independent if he/she currently corresponds to, or in the past 3 business years has corresponded to, any of the following items 1 to 7, or fails to meet the standards for independence set forth by the Tokyo Stock Exchange, Inc.

1. A major shareholder of the Corporation (who directly or indirectly holds 10% or more of the voting rights in the Corporation) or an executing person thereof*4

2. An executing person of a lender, from which the borrowed amount exceeds 2% of the Corporation's consolidated total assets

3. An executing person of a business partner with which the transaction amount exceeds 2% of the Corporation'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 Corporation of which the value exceeds 10 million yen per business year or a person who belongs to a corporation, partnership, or other organization who receives money from the Corporation of which the value exceeds 2% of such organization's gross profit 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 Corporation 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 Corporation and its subsidiaries, as well as a co-resident 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 Corporation judges that said person substantially maintains his/her independence, the Corporation shall explain and disclose the reason for his/her election as a candidate for Outside Director.

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

Principle 4.10 Use of Optional Approach

In adopting the most appropriate organizational structure (as stipulated by the Companies Act) that is suitable for a company's specific characteristics, companies should employ optional approaches, as necessary, to further enhance governance functions.

The Corporation conducts a diverse range of business globally. Accordingly, the Corporation has established a corporate governance model of a company with auditors in which the Board of Directors consists of Internal Directors and Outside Directors in order to ensure rapid and efficient decision-making and appropriate supervisory functions in management.

Supplementary Principle 4.10.1

If the organizational structure of a company is either Company with Kansayaku Board or Company with Supervisory Committee and independent directors do not compose a majority of the board, in order to strengthen the independence, objectivity and accountability of board functions on the matters of nomination (including succession plan) and remuneration of the senior management and directors, the company should seek appropriate involvement and advice from the committees, including from the perspective of gender and other diversity and skills, in the examination of such important matters as nominations and remuneration by establishing an independent nomination committee and remuneration committee under the board, to which such committees make significant contributions.

In particular, companies listed on the Prime Market should basically have the majority of the members of each committee be independent directors, and should disclose the mandates and roles of the committees, as well as the policy regarding the independence of the composition.

The "Governance and Remuneration Committee" and the "Nomination Committee" are set up as advisory bodies of the Board of Directors, and these strengthen management supervision functions. The memberships of both committees are composed so as to ensure independence, as Independent Outside Directors/Audit & Supervisory Board Members make up a majority of the members and both committees are each chaired by an Independent Outside Director or Audit & Supervisory Board Member as well.

The Governance and Remuneration Committee deliberates on policies for determining remuneration of Directors and Executive Officers and on the appropriateness of remuneration levels and then provides recommendations to the Board of Directors. Furthermore, it deliberates on important matters related to corporate governance and conducts assessments and reviews of the Board of Directors as a whole, including the structure, operation, and other aspects of the Board of Directors, and reports thereon to the Board of Directors.

The Nomination Committee deliberates on proposals for Director and Audit & Supervisory Board Member candidate appointments and for president-designated appointments, as well as on successor plans developed and managed by the President (with necessary qualifications and requirements, successor candidate list and training plans included) and then provides recommendations to the Board of Directors.

Principle 4.11 Preconditions for Board and *Kansayaku* Board Effectiveness

The board should be well balanced in knowledge, experience and skills in order to fulfill its roles and responsibilities, and it should be constituted in a manner to achieve both diversity, including gender, international experience, work experience and age, and appropriate size. In addition, persons with appropriate experience and skills as well as necessary knowledge on finance, accounting, and the law should be appointed as *kansayaku*. In particular, at least one person who has sufficient expertise on finance and accounting should be appointed as *kansayaku*.

The board should endeavor to improve its function by analyzing and evaluating effectiveness of the board as a whole.

The Corporation conducts business activities in a wide range of fields in a multifaceted manner through domestic and overseas networks, which requires the Board of Directors to deliberate on the appropriateness of management strategies and related matters, risks, and other factors associated with implementation, in an objective and multifaceted manner, and to appropriately supervise the status of execution. As such, with the aim of boosting the effectiveness of the Board of Directors, the Corporation appoints personnel with diverse experience, knowledge, expertise, insight, and other relevant qualities as well as their being well-versed in business activities, as Directors. Furthermore, by appointing non-

executive Directors and multiple Independent Outside Directors/Audit & Supervisory Board Members, the Corporation introduces perspectives that are not influenced by in-house practices, strengthens governance and supervision functions, and checks conflicts of interest.

As of the date of submission of the corporate governance report, the Board of Directors is composed of 10 members, with 6 of these Outside Directors (8 males and 2 females), and the Audit & Supervisory Board is composed of 5 members, with 3 of these Outside Audit & Supervisory Board Members (3 males and 2 females). The appropriate experience and competencies of 5 of the Audit & Supervisory Board Members, including financial, accounting, and/or legal knowledge, with 1 of these Audit & Supervisory Board Members having particularly high expertise in financial and accounting matters. The reasons for the selection of Directors and Audit & Supervisory Board Members are disclosed and can be viewed in Principle 3.1(v) above and in [Director related] and [Auditor related] under "1. Organizational Composition and Operation" in "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management" of the corporate governance report.

For details of evaluations of the effectiveness of the Board of Directors, please refer to Supplementary Principle 4.11.3.

*5 If a company is either a Company with *Kansayaku* Board or Company with Supervisory Committee, the company is not required to establish a nomination committee or a remuneration committee by the Companies Act. However, the company may establish such committees on its own initiative.

Supplementary Principles 4.11.1

The board should identify the skills, etc. that it should have in light of its managing strategies, and have a view on the appropriate balance between knowledge, experience and skills of the board as a whole, and also on diversity and appropriate board size. Consistent with its view, the board should establish policies and procedures for nominating directors and disclose them along with the combination of skills, etc. that each director possesses in an appropriate form according to the business environment and business characteristics, etc., such as what is known as a "skills matrix." When doing so, independent director(s) with management experience in other companies should be included.

Please refer to Principles 3.1(iv) and 4.1.1 for the criteria for Directors. As for Outside Directors, keeping in mind the Director selection standards stated in Principle 3.1(iv) above, and taking into account an optimal combination of skills and experience that the Board of Directors members should have, the Corporation appoints personnel who endeavor to understand the Corporation's business when making decisions on important matters for the Corporation, and are able to actively participate in management. 3 out of 6 Outside Directors have corporate management experience in other companies.

The Corporation makes public the details of the expertise and experience of all Directors and Audit & Supervisory Board Members in the form of a skill matrix. For the skill matrix, please refer to Figure 2 in "2. Other Matters Concerning to Corporate Governance System" of "V. Other" in the Corporation's corporate governance report.

Supplementary Principles 4.11.2

Outside directors, outside *kansayaku*, and other directors and *kansayaku* should devote sufficient time and effort required to appropriately fulfill their respective roles and responsibilities. Therefore, where directors and *kansayaku* also serve as directors, *kansayaku* or the management at other companies, such positions should be limited to a reasonable number and disclosed each year.

The status of the important concurrent positions of Directors, Audit & Supervisory Board Members, and candidates for such are disclosed in the General Meeting of Shareholders Convocation Notice and annual securities report each year.

Supplementary Principles 4.11.3

Each year the board should analyze and evaluate its effectiveness as a whole, taking into consideration the relevant matters, including the self-evaluations of each director. A summary of the results shouldbe disclosed.

Since FY2016, the Corporation has conducted evaluations on effectiveness regarding the Board of Directors annually and made efforts to improve the Board by striving to address issues identified as a result of these evaluations and analyses.

The concept of the evaluations in FY2022 was "discuss the governance model suitable for the Corporation based on current circumstances and characteristics." By further developing this, the evaluations of effectiveness regarding the Board of Directors in FY2023 (the "FY2023 Board Evaluations") were conducted to enable the Board may discuss each issue identified in the evaluations in FY2022 and the direction toward the ideal governance structure suitable for the Corporation.

I Evaluation Framework and Methodology

1. Evaluation Target

The Board of Directors (including the Governance and Remuneration Committee and the Nomination Committee)

2. Evaluation Process

(i) Questionnaire and interviews conducted with all members of the Board of Directors and Audit & Supervisory Boad Members;

(ii) The Governance and Remuneration Committee analyzed and evaluated the results of the questionnaire and interviews; and

(iii) The Board then reviewed and deliberated upon the evaluations by the Governance and Remuneration Committee.

3. Evaluation Items

- Roles of the Board
- Structure of the Board (composition, diversity, competencies, skills, etc.)
- Deliberations at the Board
- Utilization of the Governance and Remuneration Committee and the Nomination Committee
- Accountability to and dialogues with stakeholders

Additionally, the Corporation included a new question in the questionnaire to assess whether the Outside Directors fully performed their expected roles and responsibilities, though peer-review of each Outside Director was not carried out in the process of this FY2023 Board Evaluations.

4. Utilization of Outside Specialized Organization

Like the past Board evaluations, the Corporation appointed the outside specialized organization. Utilizing the outside specialized organization, the Governance and Remuneration Committee performed the analysis and evaluation based on advanced document inspection, as well as responses to the questionnaire and interviews.

The outside specialized organization mainly gave the following supports:

- Analysis of the agenda of the Board meetings over the past three years;
- Advice on questionnaire items from the outside perspective;
- Independent analysis of the questionnaire responses and conducting the interviews;
- Review and evaluation of the questionnaire and interview results, and providing comments on them as the basis for deliberation at the Governance and Remuneration Committee and the Board; and
- Advice on improvement measures for the identified issues.

The Governance and Remuneration Committee ensured the questionnaire and interviews were conducted and the results analyzed and evaluated on an anonymous basis by the external specialized organization, thereby maintaining the transparency and objectiveness of the FY2023 Board Evaluations.

II Overview of Evaluation Results

1. Overview

Through the process above, it has been confirmed that the Corporation's Board of Directors operates appropriately and that its effectiveness is secured.

Especially, thanks to the following points, sound and deep deliberations at the Board were highly evaluated:

(i) the Corporation selects the Board agenda items considering the Outside Directors' opinions and comments;

(ii) the Corporation provides numerous opportunities to the Outside Directors to acquire deep understanding on the Corporation's business, such as visits to the Group companies and interviews with their management, meetings with the divisional Chief Operating Officers; and

(iii) the Chairman manages the proceedings of the Board meetings effectively.

2. Further Improvement of Board Effectiveness

The Corporation has made efforts to improve the effectiveness of the Board by addressing the issues identified in the Board evaluations in FY2022 as follows:

(1) Deepening Discussions at the Board Regarding Overall Direction of the Board to Strengthen Its Supervisory Functions

The Chairman, the CEO, and the Outside Directors discussed (i) the functions and roles of the Board of Directors considering that the Outside Directors became a majority of Board membership and that the Board is gradually shifting toward being a "monitoring board," and (ii) important management matters and other agenda that the Board should focus on and discuss in depth. Further, the Corporation solicited the opinions of each Director and Supervisory Board Member on (i) and (ii) in the questionnaire and interviews of the FY2023 Board Evaluations.

As stated in (3) of "3. Issues Identified In FY2023 Board Evaluations and How Corporation Will Address Them" below, the Board will continue to discuss their functions and roles.

(2) Considering the Process of Selecting Agenda Items to Be Discussed at the Board and Supervisory Functions Related to Important Matters of Marubeni Group Management

In the process of selecting the agenda to be discussed at the Board, the Corporation takes into account the opinions of the Outside Directors. For instance, at the outset of FY2023, the Corporation gathered the thoughts of each Outside Director on the Board agenda. Further, the Chairman, the CEO, and the Outside Directors had an offsite meeting to discuss important management matters and other agenda the Board should discuss in depth.

In addition to the above, the Corporation enhanced the supervisory functions of the Board on the important management matters of the Marubeni Group as a whole by, for instance, reporting to the

Board the discussions and measures on the Marubeni Group HR Strategy made by the management-side. Moreover, the meetings between the Outside Directors and each divisional Chief Operating Officer were held, and they discussed the business strategies of that division (including, the strategies on the Group companies), core business/focus areas, and concerns.

Like the item (1) above, the Corporation will continue to consider and take necessary measures to deepen the discussions at the Board as stated in (1) and (2) of "3. Issues Identified in FY2023 Board Evaluations and How Corporation Will Address Them" below.

3. Issues Identified in FY2023 Board Evaluations and How Corporation Will Address Them

(1) Clarifying Issues to Monitor Important Group Management Matters

Since the Corporation is an integrated trading and investment business conglomerate that handles products and provides services in a broad range of sectors, its business is highly complicated. Given that complexity and the management structure of the Marubeni Group, in order to strengthen the supervisory functions of the Board, the Corporation believes that it is necessary to facilitate sound and well-grounded deliberations at the Board from broader perspective. For that purpose, in the Board materials or when the management-side explains the agenda to the Board, the Corporation will clarify the key issues of each agenda that the Board should focus on by clearly showing the expected risks and other issues identified in the course of the discussion at the management-side.

(2) Enhancing Discussion on Management Strategy/Important Management Matters for Mid- to Long-Term Growth of Corporate Value of Marubeni Group Considering Comprehensive Group-Strengths

Although the management-side does conduct the business taking into account the capital cost and stock price, it is necessary to further enhance the discussions at the Board on the management strategy to improve the corporate value, such as capital allocation, capital efficiency, and necessary measures for growth. Furthermore, the Board will increase commitment to and deepen its involvement in the process to formulate the next mid-term management strategy (i.e., Post-GC2024).

(3) Continuing Discussion on Functions and Roles of the Board In Governance Structure Suitable for Marubeni

It is confirmed through the FY2023 Borad Evaluations that there is no issue on the current structure of the Board, however, the Corporation believes there is a room for discussion on the future structure (e.g., ideal composition, diversity, and necessary experiences and skills of the Directors) in order to further improve the corporate value of the Corporation.

Based on the results of the FY2023 Board Evaluations, the Corporation will continue to maintain and improve the effectiveness of the Board of Directors going forward and to pursue improvements of the long-term corporate value.

Principle 4.12 Active Board Deliberations

The board should endeavor to foster a climate where free, open and constructive discussions and exchanges of views take place, including the raising of concerns by outside directors.

At meetings of the Board of Directors, free, vigorous, and constructive discussions take place, and opinions are exchanged in a lively manner, without any distinction between Internal and Outside Directors.

Supplementary Principles 4.12.1

The board should ensure the following in relation to the operation of board meetings and should attempt to make deliberations active:

i) Materials for board meetings are distributed sufficiently in advance of the meeting date;
ii) In addition to board materials and as necessary, sufficient information is provided to directors by the company (where appropriate, the information should be organized and/or analyzed to promote easy understanding);
iii) The schedule of board meetings for the current year and anticipated agenda items are determined in advance;
iv) The number of agenda items and the frequency of board meetings are set appropriately; and
v) Sufficient time for deliberations.

i) Materials on meetings of the Board of Directors are in principle distributed at least 7 days in advance of the meetings.

ii) Outside Directors are given a briefing in advance regarding management issues, execution status, agenda, and so on.

iii) Notification regarding the annual schedule for the meetings is in principle given at least approximately 3 months before the start of a new fiscal year, and notification regarding the matters for deliberation is in principle given at least 10 days before each meeting. In addition, the Corporation makes the list of agendas deliberated at the meetings of the Board of Directors in the previous fiscal year and scheduled agendas for the current fiscal year. The Corporation provides the list to the Directors and the Internal Audit & Supervisory Board Members.

iv) In FY2023, a total of 15 meetings of the Board of Directors were held, and in FY2022, a total of 16 were held. As for Matters to be Submitted to the Board of Directors, changes are considered as needed based on the status of the Corporation.

v) The envisioned deliberation times are stated in the notifications of meetings of the Board of Directors, and the extending of deliberation times is flexibly handled based on the agenda.

Principle 4.13 Information Gathering and Support Structure

In order to fulfill their roles and responsibilities, directors and *kansayaku* should proactively collect information, and as necessary, request the company to provide them with additional information.

Also, companies should establish a support structure for directors and *kansayaku*, including providing sufficient staff.

The board and the *kansayaku* board should verify whether information requested by directors and *kansayaku* is provided smoothly.

For active information gathering by Directors, the Executive Department and Corporate Planning & Strategy Department provide support, and for active information gathering by Audit & Supervisory Board Members, the Audit & Supervisory Board Member's Office, and others provide support.

Whether the information and materials that each Director seeks are provided in a seamless manner is assessed and reviewed in the overall evaluations on the effectiveness of the Board of Directors that are carried out by the Governance and Remuneration Committee.

In order to secure opportunities for the provision of the information that Audit & Supervisory Board Members seek, the Audit & Supervisory Board formulates an annual audit plan at the beginning of the fiscal year, and then reviews the status of audit implementation at the end of such fiscal year before issuing

audit reports.

Supplementary Principles 4.13.1

Directors, including outside directors, should request the company to provide them with additional information, where deemed necessary from the perspective of contributing to transparent, fair, timely and decisive decision-making. In addition, *kansayaku*, including outside *kansayaku*, should collect information appropriately, including the use of their statutory investigation power.

As stated in Principle 4.13 above, Directors make additional information provision requests to the Executive Department and Corporate Planning & Strategy Department as needed. Aside from receiving support from the Audit & Supervisory Board Member's Office, etc., Audit & Supervisory Board Members attend meetings of the Board of Directors, Corporate Management Committee, and Committee of Executive Officers, and Internal Audit & Supervisory Board Members are given important internal documents such as decision requests without delay. In addition, Audit & Supervisory Board Members carry out interviews with Directors and management executives regarding the status of business execution, have regular meetings with audit corporations and Corporate Staff Group departments, carry out visiting audit at Marubeni Group companies, and request the submission of additional documents, explanations, and so on, as necessary.

Supplementary Principles 4.13.2

Directors and *kansayaku* should consider consulting with external specialists at company expense, where they deem it necessary.

The Audit & Supervisory Board concludes contracts with legal advisors, and the Corporation covers the expenses for this. In addition, when the Directors and Audit & Supervisory Board Members think it necessary to hire outside experts, the Corporation's policy is to cover the expenses for such.

Supplementary Principles 4.13.3

Companies should ensure coordination between the internal audit department, directors and *kansayaku* by establishing a system in which the internal audit department appropriately reports directly to the board and the *kansayaku* board in order for them to fulfill their functions. In addition, companies should take measures to adequately provide necessary information to outside directors and outside *kansayaku*. One example would be the appointment of an individual who is responsible for communicating and handling requests within the company such that the requests for information about the company by outside directors and outside *kansayaku* are appropriately processed.

Coordination with Directors and Audit & Supervisory Board Members is ensured through the Internal Audit Department's practices of giving reports directly in a timely and appropriate fashion, including giving an annual internal audit report to the Board of Directors and reporting to the Audit & Supervisory Board on issue-specific internal audit findings on a quarterly basis. The role of various communications and coordination operations aimed at enabling Outside Directors and Outside Audit & Supervisory Board Members to acquire accurate company information is undertaken by the Executive Department, Corporate Planning & Strategy Department, Audit & Supervisory Board Member's Office, and so on, as stated in Principle 4.13 and Supplementary Principle 4.13(1) above.

Principle 4.14 Director and *Kansayaku* Training

New and incumbent directors and *kansayaku* should deepen their understanding of their roles and responsibilities as a critical governance body at a company, and should endeavor to acquire and update necessary knowledge and skills. Accordingly, companies should provide and arrange training opportunities suitable to each director and *kansayaku* along with financial support for associated expenses. The board should verify whether such opportunities and support are appropriately provided.

The Corporation provides sufficient information to all Directors and Audit & Supervisory Board Members so that they acquire sufficient knowledge and devote themselves to studying in order to fulfill their expected roles and responsibilities. The Corporation provides Directors and Audit & Supervisory Board Members with opportunities for training, and it also covers the required expenses for such.

Supplementary Principles 4.14.1

Directors and *kansayaku*, including outside directors and outside *kansayaku*, should be given the opportunity when assuming their position to acquire necessary knowledge on the company's business, finances, organization and other matters, and fully understand the roles and responsibilities, including legal liabilities, expected of them. Incumbent directors should also be given a continuing opportunity to renew and update such knowledge as necessary.

Directors and Audit & Supervisory Board Members are provided with the information they need to perform their duties in an appropriate and timely manner, with the Corporate Planning & Strategy Department, Executive Department, Audit & Supervisory Board Member's Office, and so on, playing central roles in this regard. Also, Directors and Audit & Supervisory Board Members may participate in meetings and seminars as necessary, at the Corporation's cost. In addition, in advance of meetings of the Board of Directors, Outside Directors and Audit & Supervisory Board Members are given briefings regarding management issues, execution status, agenda, and so on.

Furthermore, reports on the economic situation are given on a regular basis by the Marubeni Research Institute for the Committee of Executive Officers, and so on, and an effort is made to share information. Outside Directors and Audit & Supervisory Board Members are also given opportunities to receive explanations regarding distributions of operations, issues, and project implementation status at each business group and corporate staff department.

FY2023 Key Achievements

Training and provision of information to deepen understanding of the external environment

- Provision of information to Directors and Audit & Supervisory Board Members about the political and economic environment from the Marubeni Research Institute (on a regular basis, and as needed)

  Themes: Geopolitical risks and their impacts on the supply chains, overviews of major elections in other countries and subsequent political policies, issues and situations related to economic security, economic trends of major countries (e.g., outlooks regarding inflation and related monetary policies), etc.

Training and provision of information to deepen understanding of the Corporation

- Explanations from each business group and each corporate staff department to new Outside Directors on distributions of operations, issues, and project implementation status at each division (June 2023)
- Status updates on the Corporation and promotion of mutual understanding through Audit & Supervisory Board Members' regular meetings with the Chairman of the Board, the President, CSO, CFO, CAO, and Group CEOs respectively (held 13 times in total (Outside Directors attended 9 times))

Themes: Corporate governance of the Corporation and the Marubeni Group, issues regarding internal control and compliance in the Marubeni Group, etc.

- Free discussion among Outside Directors, the Chairperson of the Board, and the President (held 2 times in total)

  Themes:

  (i) The function and roles of the Board of Directors considering that the Outside Directors became a majority of Board membership and that the Board is gradually shifting toward being a "monitoring board"; and

  (ii) How and what the Marubeni Group should do to accelerate innovation to create value through innovative solutions for its customers and for the world.

- Meetings between Outside Directors and divisional Chief Operating Officers

  Purpose: To further the Outside Directors' understanding on the business of the Corporation through interactive discussions with the divisional Chief Operating Officers so that the Board of Directors may improve its effectiveness.

- Visits to Group companies and interviews with their management (Japan and overseas, one time each)
  - Japan: FUKUYAMA PAPER. Co., Ltd., Kyoto Marubeni Co., Ltd., Yamaboshiya Co., Ltd., Marubeni Ele-Next Co., Ltd., and others
  - Overseas: Iron Mine of Roy Hill (Australia), Marubeni Growth Capital Asia Pte. Ltd. (Singapore), and others

- Visits to Group companies by Outside Audit Supervisory & Board Members
  - Interview with the President and CEO of Akita Offshore Wind Corporation ("AOW") and visit to the Akita Port and Noshiro Port where AOW operates the first large-scale offshore wind power project (October 2023);
  - Interview with the management of Atrion Co., Ltd., which manufactures and sells confectionery such as gummi drops, ramune candies, and other candy, and visit to its manufacturing facilities (December 2023);
  - Interview with the management of Pacific Grain Terminal Co., Ltd., whose stores imported grains and conducts stevedoring and transportation operations (March 2024); and
  - Visit to Kagoshima Plant of Marubeni Nisshin Feed Co., Ltd., which produces and sells compound feed (March 2024), etc.

- Explanation of agendas in advance of Board of Directors meetings to Outside Directors and Audit & Supervisory Board Members from the Corporate Planning & Strategy Department and Legal Department (as necessary)

- Sharing of interview details from Internal Audit & Supervisory Board Members to Outside Audit & Supervisory Board Members (as necessary)

Supplementary Principles 4.14.2

Companies should disclose their training policy for directors and *kansayaku*.

With the aim of deepening knowledge regarding the Marubeni Group's Management Philosophy, corporate management, business activities, organization, and so on, Outside Directors and Outside Audit & Supervisory Board Members are provided with the information they need to perform their duties in an appropriate and timely manner. The Corporation also provides opportunities to Directors and Audit & Supervisory Board Members, including Outside Directors and Outside Audit & Supervisory Board Members, to participate in seminars and so on, as needed, so that they can fulfill their roles and duties,

with the Corporation covering the expenses, etc. for such.

Section 5: Dialogue with Shareholders

General Principle 5

In order to contribute to sustainable growth and the increase of corporate value over the mid- to long-term, companies should engage in constructive dialogue with shareholders even outside the general shareholder meeting.

During such dialogue, senior management and directors, including outside directors, should listen to the views of shareholders and pay due attention to their interests and concerns, clearly explain business policies to shareholders in an understandable manner so as to gain their support, and work for developing a balanced understanding of the positions of shareholders and other stakeholders and acting accordingly.

The Corporation recognizes that, in order to realize sustained growth and the improvement of mid to long-term corporate value, constructive dialogues with shareholders are important. As such, the Corporation has prepared an IR system centering on a Director in charge of IR, and establishes opportunities for dialogues to be held with shareholders on a regular basis. For details, please refer to Principle 5.1 and Supplementary Principles 5.1.1 through 5.1.3.

Principle 5.1 Policy for Constructive Dialogue with Shareholders

Companies should, positively and to the extent reasonable, respond to the requests from shareholders to engage in dialogue (management meetings) so as to support sustainable growth and increase corporate value over the mid- to long-term. The board should establish, approve and disclose policies concerning the measures and organizational structures aimed at promoting constructive dialogue with shareholders.

Policy for constructive dialogues with shareholders

(Basic philosophy)

The Corporation believes that in order to boost mid- to long-term corporate value, constructive dialogues with shareholders and investors are important. Based on dialogues, the Corporation obtains understanding from shareholders and investors of its management policies, etc., understands the standpoints of shareholders and investors, and makes efforts to respond appropriately.

(Supervisory manager)

In order to realize constructive dialogues with shareholders and investors, CFO, who is a Representative Director, is appointed as the Director in charge of IR.

(Initiative system)

On April 1, 2024, the IR & SR Department was newly established as an IR specialization department, and the relevant departments carry out information exchanges and other in-house collaboration centering on this department (*until the end of FY2023, the Investor Relations Section of the Finance Department performed this function).

(Means for dialogues)

In addition to individual interviews, the Corporation uses efforts to provide ample means for dialogues, including General Meetings of Shareholders, financial results briefings and group meetings for institutional investors, briefings for individual investors, and so on.

(Feedback policy)

The IR specialization department creates a summary regarding the opinions, requests, and so on recognized through dialogues, and then appropriately provides quarterly feedback to the President, CFO, and Outside Directors, etc.

(Policy regarding control of insider information)

During dialogues, insider information is appropriately controlled in accordance with the in-house rules in the "Regulation for Prevention of Insider Trading."

Supplementary Principles 5.1.1

Taking the requests and interests of shareholders into consideration, to the extent reasonable, the senior management, directors, including outside directors, and *kansayaku*, should have a basic position to engage in dialogue (management meetings) with shareholders.

On the occasion of scheduling a meeting with shareholders, a decision as to who should actually attend such dialogues (management meetings) will be made within a reasonable scope, with requests from the shareholders and the principal issue of interest being considered as well.

Supplementary Principles 5.1.2

At minimum, policies for promoting constructive dialogue with shareholders should include the following:

i) Appointing a member of the management or a director who is responsible for overseeing and ensuring that constructive dialogue takes place, including the matters stated in items ii) to v) below;
ii) Measures to ensure positive cooperation between internal departments such as investor relations, corporate planning, general affairs, corporate finance, accounting and legal affairs with the aim of supporting dialogue;
iii) Measures to promote opportunities for dialogue aside from individual meetings (e.g., general investor meetings and other IR activities);
iv) Measures to appropriately and effectively relay shareholder views and concerns learned through dialogue to the senior management and the board; and
v) Measures to control insider information when engaging in dialogue.

i) CFO, who is the Representative Director, is appointed as the Director in charge of IR.

ii) Centering on IR & SR Department, operational supervisory capacity is assigned to each of the Corporate Planning & Strategy Department, Corporate Accounting Department, Finance Department, General Affairs Department, and Legal Department, and these Departments collaborate with each other by maintaining mutual communication.

iii) The IR & SR Department holds financial result briefings, business briefings, briefings for individual investors, and group meetings with institutional investors, etc. on a regular basis.

iv) The IR & SR Department creates a summary of the questions and opinions of shareholders that have been recognized at briefings, interviews, and so on, and gives a report through an official line to CFO, who is the Representative Director and Director in charge of IR.

v) "Regulation for Prevention of Insider Trading" has been established, and an appropriate information control system has been created in accordance with these regulations.

Supplementary Principles 5.1.3

Companies should endeavor to identify their shareholder ownership structure as necessary, and it is desirable for shareholders to cooperate as much as possible in this process.

The Corporation identifies the composition of the shareholders on the list of shareholders, based on the list of shareholders at the end of March and end of September, and makes efforts to identify the structure of shareholders by implementing surveys on beneficial shareholders based on the list of shareholders as of the end of March.

Principle 5.2 Establishing and Disclosing Business Strategies and Business Plans

When establishing and disclosing business strategies and business plans, companies should articulate their earnings plans and capital policies, and present targets for profitability and capital efficiency after accurately identifying the company's cost of capital. Also, companies should provide explanations that are clear and logical to shareholders with respect to the allocation of management resources, such as reviewing their business portfolio and investments in fixed assets, R&D, and human capital, and specific measures that will be taken in order to achieve their plans and targets.

The Corporation formulated the three-year Mid-Term Management Strategy "GC2024," launched in FY2022. In GC2024, the Corporation maintains its current long-term direction, keeping the focus on our corporate value, and sets "Green Business and Greening" as a basic policy. The Review of "GC2021" and the Basic Policy of "GC2024" are as follows.

Review of "GC2021"

"3 Years of Transformation"

- Rebuilt and Strengthened Our Financial Foundation
- Completed Asset Write-downs, Solidified Earnings Base

Three-year cumulative achievements compared to Target in GC2021 is as below.

		Target	GC2021 Three-year Results (FYE 3/2020-3/2022)
Consolidated net profit (FYE 3/2022)		¥300.0bn	¥424.3bn
CF	Core operating CF (Three-year cumulative)	¥1,200.0bn	¥1,303.9bn
	FCF after shareholder distributions (Three-year cumulative)	¥+100.0bn or more	¥+419.2bn
Net DE ratio		Around 0.7 times *Revised to around 1.0 in the "GC2021 Revision"	0.80 times
New investments including CAPEX (Three-year cumulative)		Approx. ¥900.0bn Horizon 1 ¥200.0bn Horizon 2 ¥500.0bn Horizon 3 ¥200.0bn	Approx. ¥740.0bn Horizon 1 approx.¥300.0bn Horizon 2 approx.¥390.0bn Horizon 3 approx.¥50.0bn
ROE		10% or more	23.0%

< Outline of "GC2024">

"Basic Policy"

- Develop and establish a stable earnings base by strengthening current business domains and exploring new business models
- Lead the transition to a Green economy by expanding "Green business" and "Greening" in all business domains

"Green business*[1]"

- Expanding Green Business based on the current business base, which is already strong and profitable
- Creating new Green Business through cross-sectional approaches and utilization of business connections

*[1] Sustainable businesses which have positive effects on the environment, such as decarbonization and the circular economy, and adjacent businesses which supply those businesses with non-substitutable materials, etc. Also see supplement 1 for detailed descriptions.

"Greening"

- Reducing negative impacts on the environment and contributing to the transition to a Circular Economy
- Building sustainable supply chains through cooperation with business partners
- Businesses essential for transition to a decarbonized society (natural gas, LNG, etc.)

"Business Policies 'SPP'"

The Corporation continues to work on maximizing the value of the group-wide business portfolio through a rigorous selection of new investments on the basis of SPP, as well as by enhancing existing businesses and accelerating divestment and asset recycling.

Strategy:

- "Strategy-Focused", closing the gap between our future vision and the present
- Exploiting dynamic value creation via digital transformation ("DX")

Prime:

- Taking the initiative to execute the strategy
- Pursuing business through majority investment or mutually complementing partnerships, and proactively contributing to enhancing business value

Platform:

- Value creation by utilizing and expanding Marubeni's platform, combining a wide variety of internal and external expertise
- Pursue platform-type businesses that provide synergies and long-term growth

"Improving Profitability"

Through implementing ROIC*2/CROIC*3/RORA*4 to monitor capital efficiency and risk/return ratio, the Corporation improves in ROE through better asset quality.

*2 Return on Invested Capital

*3 Cash Return on Invested Capital

*4 Return on Risk Asset

"Marubeni Group HR Strategy"

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

- Mission-oriented HR System: Merit-based and encourages a challenge mindset
- Developing and Empowering Diversified Human Capital: Optimization of the working environment and strengthening HR development

- Talent Management Committee: Promotion of HR strategy led by core members of the executive team (CEO, CHRO, CSO, and CAO)

For more on human capital investment, please also refer to the Supplementary Principles 2.4.1 and 3.1.3.

"Financial Targets"

Financial Target in GC2024 is as below and pursuing long-term growth of corporate value.

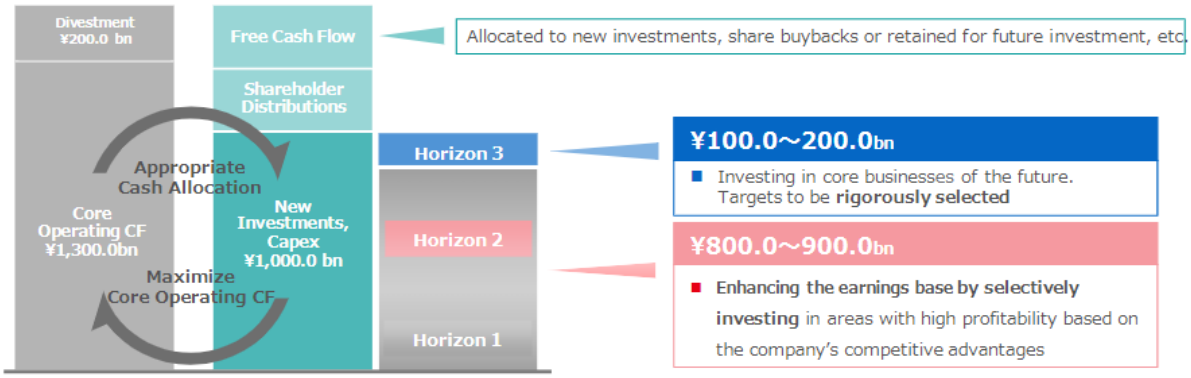
- Consolidated net profit (FY2024): JPY400.0bn
- Core operating CF (Three-year cumulative): JPY 1,300.0bn
- ROE: 15% (Net DE ratio of around 0.7-0.8 times)

"Capital Allocation Policy"

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

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

Capital Allocation for each Horizon (Horizon 1: Improvement of existing businesses, Horizon 2: Pursuit of strategies in existing business domains, Horizon 3: New business models and unapproached business domains) is as below.



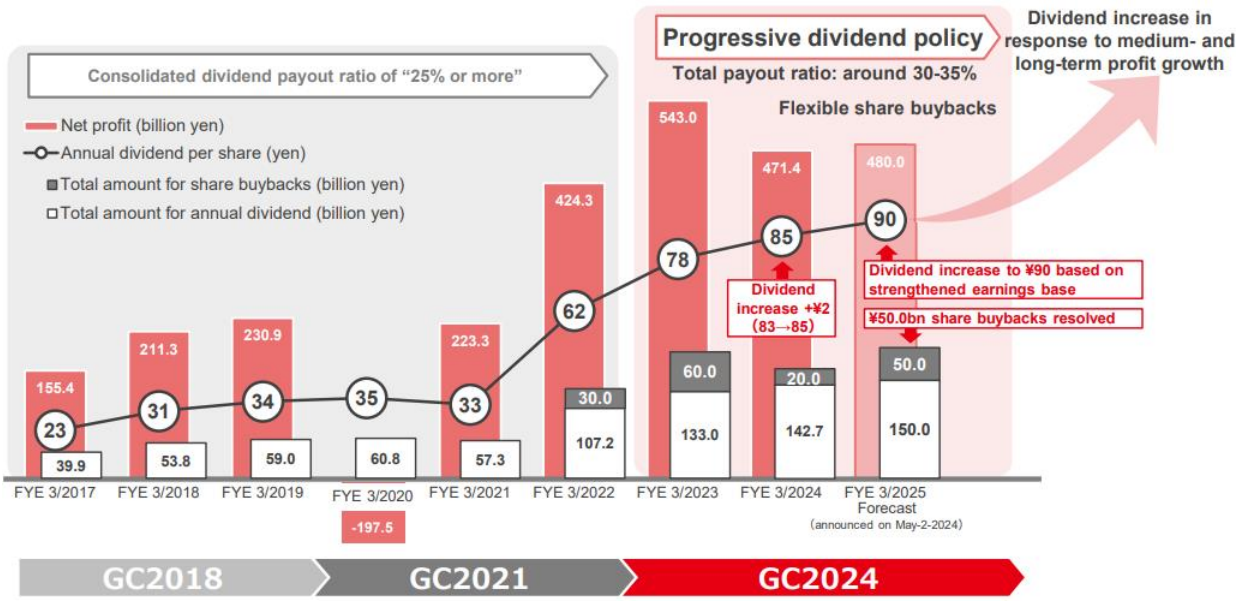
"Shareholder Returns Policy"

"Basic Policy of Dividends"

Paying a stable dividend over the long term and increasing dividends in response to medium- and long-term profit growth.

"Shareholder Returns for GC2024"

- Progressive dividend policy: floor set at 90 yen per share as an annual dividend.
- Conduct flexible share buybacks targeting a total payout ratio of around 30%-35%.

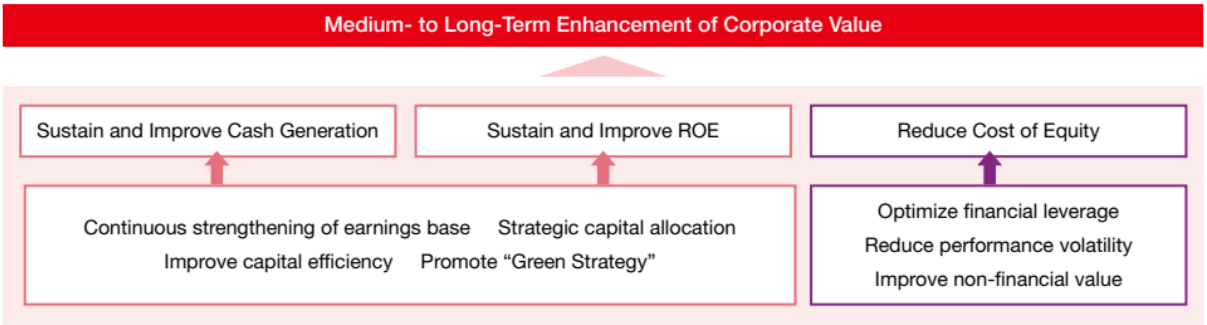


For the progress of the Mid-Term Management Strategy "GC2024," please refer to the IR Materials.

<IR Materials>
https://www.marubeni.com/en/ir/reports/appendix/

In addition to the above, in its Integrated Report 2023, the Corporation discloses its "Action to Implement Management that is Conscious of Cost of Capital and Stock Price" as "Initiatives for More Sustainable Value Creation." Please also refer to the Corporation's Mid-Term Management Strategy "GC2024," IR Materials, and annual securities report (Japanese only).

<Integrated Report 2023> ("Initiatives for More Sustainable Value Creation," page 52-)
https://www.marubeni.com/en/ir/reports/integrated_report/



Supplementary Principles 5.2.1

In formulating and announcing business strategies, etc., companies should clearly present the basic policy regarding the business portfolio decided by the board and the status of the review of such portfolio.

In the Mid-Term Management Strategy "GC2024," the Corporation sets the basic policy of "strengthening current business domains and exploring new business models" and "expanding 'Green business' and 'Greening' in all business domains", with these multi-layered approaches leading to "Growth" to enhance corporate value.

As a basic approach that applies commonly across all business models of the Marubeni Group, the

Group will proceed to work on maximizing the value of the group-wide business portfolio through a rigorous selection of new investments on the basis of SPP, which was newly developed in GC2021, as well as by enhancing existing businesses and accelerating divestment and asset recycling.

In its decision-making process regarding new investments, which should naturally be in line with its approach pursuant to Business Policies SPP, the Corporation will make a final decision only after it reaches a deeper level of understanding of the business model of the prospective deal and ample time is spent to engage in discussions as to: how and by what strategy the Corporation should go about improving the business's value, taking advantage of its strengths; what action should be taken to address external circumstances and industry prospects as are comprehended by conducting an analysis and; how to step up governance over the business administration after the investment is done.

With respect to asset recycling, the Corporation takes the same approach and will perform asset replacement accordingly, as part of its efforts aimed at enhancement and betterment of its existing businesses at large. As processes to follow after the investment are significant for the purpose of achieving strategic growth, the Corporation checks the capital efficiency and risk/return ratio by means of regular monitoring by implementing ROIC/CROIC/RORA, and improves in ROE through better asset quality. Each time there is a change to any condition assumed when the investment was made, the Corporation reshapes the strategy. Any project that is in good shape for the time being but is deemed to have already passed its peak, or is found to lack in significance for strategic purposes, will be subjected to asset recycling.