

Notice of the 93rd Ordinary General Meeting of Shareholders

10:00 A.M., Friday, June 23, 2017

- Reference Materials for the General Meeting of Shareholders
- Business Report
- Consolidated and Non-consolidated Financial Statements, Etc.

Note: This is an unofficial translation of the Japanese language original version. It is provided for your convenience only, without any warranty as to its accuracy or as to the completeness of the information. The Japanese original version is the sole official version. This English translation has not been audited by independent auditors or the Audit & Supervisory Board. Also, for your convenience, this translation includes "Systems necessary to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation, Other systems necessary to ensure the properness of operations", "Matters Concerning the Corporation's Subscription Rights to Shares", "Matters Concerning Accounting Auditor", "Consolidated Statement of Changes in Equity", "Notes to Consolidated Financial Statements", "Non-consolidated Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements", the Japanese original versions of which are listed separately from "Notice of the 93rd Ordinary General Meeting of Shareholders" on the Corporation's website.

Marubeni

(Stock Exchange Code No.8002)

To Our Shareholders

We would like to take the opportunity to express our heartfelt appreciation for your continued support of the Marubeni Group.

We have decided to convene the 93rd Ordinary General Meeting of Shareholders of Marubeni Corporation on Friday, June 23, 2017.

Accordingly, we hereby present you such notice of the Meeting which explains the agendas that will be put before the Meeting, and includes the current status of the Group and other matters for the Business Year from April 1, 2016 to March 31, 2017.

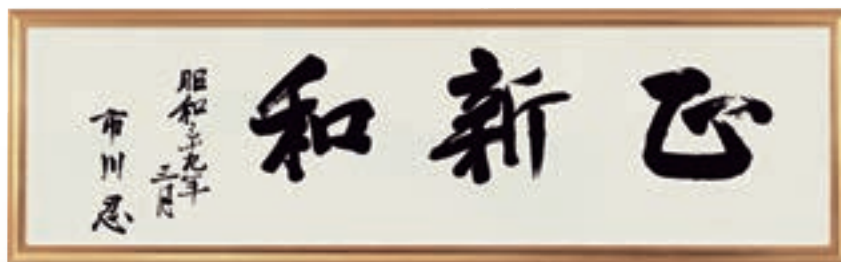
May 2017

Fumiya Kokubu, President and CEO, Member of the Board



Company Creed

Marubeni puts up the Company Creed of "Fairness, Innovation and Harmony."



The Marubeni Management Philosophy

In accordance with the spirit grounded in the Company Creed of "Fairness, Innovation and Harmony," the Marubeni Group is proudly committed to contribute to social and economic development and to safeguard global environment by conducting fair and upright corporate activities.

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◎If any revisions are required to matters contained in the Reference Materials for the General Meeting of Shareholders, the Business Report and the Consolidated and the Non-consolidated Financial Statements, such revisions will be posted on the Corporation's website.

◎Of the Business Report and the Consolidated and the Non-consolidated Financial Statements, which have been audited by the Audit & Supervisory Board and the Accounting Auditor, this Notice of the General Meeting of Shareholders does not contain the items listed below.

Pursuant to the relevant laws and regulations and Article 14 of the Articles of Incorporation of the Corporation, these items are posted on the Corporation's website.

Business report: Systems necessary to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation, Other systems necessary to ensure the properness of operations; Matters Concerning the Corporation's Subscription Rights to Shares; Matters Concerning Accounting Auditor Consolidated Financial Statements: Consolidated Statement of Changes in Equity, Notes to Consolidated Financial Statements
Non-consolidated Financial Statements: Non-consolidated Statement of Changes in Equity, Notes to Non-consolidated Financial Statements

The Corporation's website <http://www.marubeni.com/ir/event/meeting/index.html>



Cover:
Noh robe for woman's role with design of fans and swirling water (*Kanze-mizu*)
Embroidery and metallic leaf imprint on parti-colored satin damask
Late Edo period
Size: Length 148 cm Sleeve plus shoulder width 71 cm
Collection of Marubeni Corporation

To our shareholders:

Notice of the 93rd Ordinary General Meeting of Shareholders

Notice is hereby given that the 93rd Ordinary General Meeting of Shareholders will be held as set forth below. Your attendance at the meeting is cordially requested.

If you are unable to attend the meeting, you may exercise your voting rights by either of the methods below. Please review the Reference Materials for the General Meeting of Shareholders attached hereto, and exercise your voting rights by 5:30, P.M., June 22, 2017 (Thursday).

■ **If exercising your voting rights in written form:**

Please send us the enclosed voting form indicating your approval or disapproval of each agenda by return mail by the exercise deadline set forth above.

■ **If exercising your voting rights via the Internet:**

Please refer to the "Guide to Exercising Your Voting Rights Via the Internet" described in Page 19 and exercise your voting rights by the exercise deadline set forth above.

| | |
|----------------|---|
| Date and Time: | 10:00 A.M., Friday, June 23, 2017 (meeting place opens at 8:30 A.M.) |
| Place: | Palace Hotel Tokyo, Aoi Room (2F) 1-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo (In case Aoi Room is filled up to capacity, please note that you will be escorted to another conference room. In addition, please come early to the venue since the reception counter becomes crowded immediately before the opening of the meeting.) |
| Agenda: | Matters to Report: 1. Reports on Business Report for the 93rd Business Year (from April 1, 2016 to March 31, 2017) and Consolidated Financial Statements and the Audit Reports of the Accounting Auditor and the Board of Corporate Auditors for Consolidated Financial Statements for the 93rd Fiscal Year (from April 1, 2016 to March 31, 2017) 2. Reports on Non-consolidated Financial Statements for the 93rd Business Year (from April 1, 2016 to March 31, 2017) |

| | |
|----------------------------|--|
| Agenda: | Matters for Resolution: Agenda No. 1: To elect 10 Directors (Members of the Board) Agenda No. 2: To elect 3 Audit & Supervisory Board Members |
| Decisions upon Convocation | (1) If you are attending the meeting, please bring the enclosed voting form and submit it to the receptionist for the purpose of your identification. You are also requested to bring with you this document for your reference at the meeting. (2) To exercise voting rights through a proxy, you may exercise your voting rights through a single proxy who is a shareholder of the Corporation with voting rights upon submitting power of attorney. |

Payment of Year-end Dividends for the 93rd Business Year

In accordance with the provisions of the Articles of Incorporation, at the Board of Directors meeting of May 12, 2017, the Corporation decided that the year-end dividend will be 13.5 Yen per share and that the effective date (the payment commencement date) will be June 2, 2017.

If you have requested to transfer dividends to your bank account or your savings account of Japan Post Bank Co., Ltd., please confirm the details specified in the enclosed "Statement of Year-end Dividends for the 93rd Business Year" and "Bank Accounts in Which to Transfer."

If you have requested Allocation Based on the Number of Shares Method (kabushikisu hirei haibun hoshiki), then please confirm the details specified in the enclosed "Statement of Year-end Dividends for the 93rd Business Year" and "Method of Receiving your Year-end Dividends."

If you have not indicated either of the above, then please collect the dividends at your local post office or Japan Post Bank headquarters, branch, or sub-branch office by using the enclosed "Receipt of Year-end Dividends for the 93rd Business Year" during the period from June 2, 2017 (Friday) to July 14, 2017 (Friday).

Reference Materials for the General Meeting of Shareholders

Agenda and Related Matters

Agenda No. 1: To elect 10 Directors (Members of the Board)

The terms of office of all 10 incumbent Directors will expire at the time of close of this General Meeting of Shareholders in accordance with the Articles of Incorporation. Accordingly, we propose the election of 10 Directors.

The candidates for Director are as follows:

| No. | Name | | Present Positions and Responsibilities at the Corporation | Attendance at meetings of the Board of Directors |
|-----|------------------|---|---|--|
| 1 | Teruo Asada | Reappointment Internal Director | Chairman of the Board | 94.7% (18/19) |
| 2 | Fumiya Kokubu | Reappointment Internal Director | President and CEO, Member of the Board | 100% (19/19) |
| 3 | Mitsuru Akiyoshi | Reappointment Internal Director | Senior Executive Vice President, Member of the Board; Chief Executive Officer, Food & Consumer Products Group | 100% (19/19) |
| 4 | Shigeru Yamazoe | Reappointment Internal Director | Senior Executive Vice President, Member of the Board; CSO; Senior Operating Officer, Executive Secretariat; Regional CEO for East Asia; Vice Chairman of Investment and Credit Committee | 100% (19/19) |
| 5 | Hikaru Minami | Reappointment Internal Director | Managing Executive Officer, Member of the Board; CAO; CIO; Senior Operating Officer, Audit Dept.; Chairman of Compliance Committee; Chairman of Internal Control Committee; Chairman of IT Strategy Committee; Vice Chairman of Investment and Credit Committee | 100% (19/19) |
| 6 | Nobuhiro Yabe | Reappointment Internal Director | Managing Executive Officer, Member of the Board; CFO; Chief Operating Officer, Investor Relations & Credit Ratings; Chairman of Investment and Credit Committee; Chairman of CSR & Environment Committee; Chairman of Disclosure Committee | 100% (13/13) |
| 7 | Takao Kitabata | Reappointment Outside Director Independent Director | Member of the Board | 100% (19/19) |
| 8 | Kyohei Takahashi | Reappointment Outside Director Independent Director | Member of the Board | 84.6% (11/13) |
| 9 | Susumu Fukuda | Reappointment Outside Director Independent Director | Member of the Board | 100% (13/13) |
| 10 | Yuri Okina | New appointment Outside Director Independent Director | — | — |

Note: The Attendance at meetings of the Board of Directors indicated for Mr. Nobuhiro Yabe, Mr. Kyohei Takahashi, and Mr. Susumu Fukuda pertains to the Meetings of the Board of Directors held following their assumption of their respective offices as Director on June 24, 2016.

(Reference)

Policy for Election of Candidates for the Positions of Director and Audit & Supervisory Board Member

[Director Election Standards]

In order to ensure swift and efficient decision-making and appropriate supervisory function of the Corporation's management, a person who has a wealth of experience of the Corporation's diverse business activities or in his/her professional field and who has profound insight and expertise cultivated through such experience shall be elected as a Director from inside or outside the Corporation.

[Audit & Supervisory Board Member Election Standards]

In order to ensure appropriate supervisory function, a person who has knowledge of the Corporation's management or a high degree of expertise in such fields as finance, accounting, law, and risk management as well as a wealth of experience shall be elected as an Audit & Supervisory Member from inside or outside the Corporation.

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 a candidate for Outside Director/Audit & Supervisory Board Member is not independent if he/she currently falls, or in the past three business years has fallen, under any of the following items 1–7, as well as any provision of the standards for independence set forth by the financial instruments exchanges, such as the Tokyo Stock Exchange, on which the 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 executing 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, 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/Corporate Officer 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 1–7 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.

1. Teruo Asada (Date of Birth: Oct. 13, 1948)

Reappointment



Career Overview

Apr. 1972: Joined the Corporation
 Apr. 2002: Executive Officer
 Apr. 2004: Managing Executive Officer
 Jun. 2005: Managing Executive Officer, Member of the Board
 Apr. 2006: Senior Managing Executive Officer, Member of the Board
 Apr. 2008: President and CEO, Member of the Board
 Apr. 2013: Chairman of the Board (Present Position)

No. of years served as Director (at the close of this General Meeting of Shareholders):

12 years

Current shareholdings in the Corporation:

233,264 shares

Attendance at meetings of the Board of Directors:

94.7%
(18/19)

Reasons for the appointment of the candidate for the position of Director

Since Mr. Asada joined the Corporation, he has mainly engaged in finance- and accounting-related operations, and has been the Chairman of the Board since 2013 after having served as Managing Executive Officer, Senior Managing Executive Officer, and President and CEO, Member of the Board, from 2008 through 2013. He has excellent expertise and in-depth knowledge of overall management of a general trading company and global business management, in addition to abundant business experience, past achievements and significant contributions to the Corporation. Moreover, he has a sufficient track record as a Director. In fiscal year 2016, Mr. Asada supervised management of the Corporation, taking into consideration all stakeholders, as the Chairman of the Board without representative rights and the authority for business execution. In view of the above and the report by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Director.

2. Fumiya Kokubu (Date of Birth: Oct. 6, 1952)

Reappointment



Career Overview

Apr. 1975: Joined the Corporation
 Apr. 2005: Executive Officer
 Apr. 2008: Managing Executive Officer
 Jun. 2008: Managing Executive Officer, Member of the Board
 Apr. 2010: Senior Managing Executive Officer
 Apr. 2012: Senior Executive Vice President
 Jun. 2012: Senior Executive Vice President, Member of the Board
 Apr. 2013: President and CEO, Member of the Board (Present Position)

No. of years served as Director (at the close of this General Meeting of Shareholders):

6 years 10 months

Current shareholdings in the Corporation:

169,582 shares

Attendance at meetings of the Board of Directors:

100%
(19/19)

Reasons for the appointment of the candidate for the position of Director

Since Mr. Kokubu joined the Corporation, he has mainly engaged in energy-related operations, and has been the President and CEO, Member of the Board since 2013 after having served as Managing Executive Officer, Senior Managing Executive Officer and Senior Executive Vice President, Member of the Board. He has excellent expertise and in-depth knowledge of overall management of a general trading company and global business management, in addition to abundant business experience, past achievements and significant contributions to the Corporation. Moreover, he has a sufficient track record as a Director. In fiscal year 2016, Mr. Kokubu worked to further expand the existing businesses while strategically promoting new businesses that can become the core of the Group in the future. He exercised strong leadership to respond to changes in the competitive environment and supervised management of the Corporation. In view of the above and the report by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Director.

3. Mitsuru Akiyoshi (Date of Birth: Jan. 9, 1956)

Reappointment



No. of years served as Director (at the close of this General Meeting of Shareholders):

7 years

Current shareholdings in the Corporation:

170,214 shares

Attendance at meetings of the Board of Directors:

100%
(19/19)

Career Overview

Apr. 1978: Joined the Corporation

Apr. 2007: Executive Officer

Apr. 2009: Managing Executive Officer

Jun. 2010: Managing Executive Officer, Member of the Board

Apr. 2012: Senior Managing Executive Officer, Member of the Board

Apr. 2014: Senior Executive Vice President, Member of the Board

Apr. 2015: Senior Executive Vice President, Member of the Board; Chief Executive Officer, Food & Consumer Products Group (Present Position)

Status of Important Concurrent Occupations or Positions at Other Organizations

Director, United Supermarket Holdings Inc.

Reasons for the appointment of the candidate for the position of Director

Since Mr. Akiyoshi joined the Corporation, he has mainly engaged in operations related to finance, IT and Food and Consumer Products, and is presently Senior Executive Vice President, Member of the Board and Chief Executive Officer of Food & Consumer Products Group after having served as Managing Executive Officer and Senior Managing Executive Officer, Member of the Board. He has excellent expertise and in-depth knowledge of overall management of a general trading company and global business management, in addition to abundant business experience, past achievements and significant contributions to the Corporation. Moreover, he has a sufficient track record as a Director.

In fiscal year 2016, Mr. Akiyoshi worked to further expand the existing businesses in the Food & Consumer Products Group while strategically promoting new businesses. As a Director of the Corporation, he vigorously stated opinions at the Board of Directors and played an appropriate role in decision-making on important management matters and supervision of business execution, among other roles.

In view of the above and the report by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Director.

Note: The "Food & Consumer Products Group" collectively refers to Grain Div., Food Products Div., Lifestyle Div., ICT, Logistics & Healthcare Div. and Insurance, Finance & Real Estate Business Div.

4. Shigeru Yamazoe (Date of Birth: Aug. 11, 1955)

Reappointment



No. of years served as Director (at the close of this General Meeting of Shareholders):

7 years

Current shareholdings in the Corporation:

140,742 shares

Attendance at meetings of the Board of Directors:

100%
(19/19)

Career Overview

Apr. 1978: Joined the Corporation

Apr. 2006: Executive Officer

Apr. 2009: Managing Executive Officer

Jun. 2010: Managing Executive Officer, Member of the Board

Apr. 2012: Senior Managing Executive Officer, Member of the Board

Apr. 2015: Senior Executive Vice President, Member of the Board

Apr. 2016: Senior Executive Vice President

Member of the Board; CSO;

Senior Operating Officer,

Executive Secretariat; Regional

CEO for East Asia; Vice

Chairman of Investment and

Credit Committee (Present

Position)

Reasons for the appointment of the candidate for the position of Director

Since Mr. Yamazoe joined the Corporation, he has mainly engaged in power- and machinery-related operations, and is presently Senior Executive Vice President, Member of the Board; CSO; Senior Operating Officer, Executive Secretariat; Regional CEO for East Asia; Vice Chairman of Investment and Credit Committee after having served as Managing Executive Officer and Senior Managing Executive Officer, Member of the Board. He has excellent expertise and in-depth knowledge of overall management of a general trading company and global business management, in addition to abundant business experience, past achievements and significant contributions to the Corporation. Moreover, he has a sufficient track record as a Director.

In fiscal year 2016, Mr. Yamazoe vigorously promoted workstyle reform as CSO. As the Vice Chairman of the above-mentioned committee, he sufficiently fulfilled his duties in providing recommendations reflecting the opinions of committee members. As a Director of the Corporation, he vigorously stated opinions at the Board of Directors and played an appropriate role in decision-making on important management matters and supervision of business execution, among other roles.

In view of the above and the report by the Nomination Committee, the Board of Directors decided to nominate him as a candidate for Director.

Note: The "CSO" is the Chief Operating Officer of Human Resources Dept., Corporate Planning & Strategy Dept., Regional Coordination & Administration Dept., Research Institute, and IoT•Big Data Strategy Dept.

5. Hikaru Minami (Date of Birth: Feb. 25, 1957)

Reappointment



No. of years served as Director (at the close of this General Meeting of Shareholders):

2 years

Current shareholdings in the Corporation:

58,331 shares

Attendance at meetings of the Board of Directors:

100%
(19/19)

Career Overview

Apr. 1979: Joined the Corporation
Apr. 2010: Executive Officer
Apr. 2013: Managing Executive Officer

Apr. 2015: Managing Executive Officer, Member of the Board; CAO; CIO; Senior Operating Officer, Audit Dept.; Chairman of Compliance Committee; Chairman of Internal Control Committee; Chairman of IT Strategy Committee; Vice Chairman of Investment and Credit Committee (Present Position)

Reasons for the appointment of the candidate for the position of Director

Since Mr. Minami joined the Corporation, he has mainly engaged in operations related to finance, accounting, logistics, IT and real estate, and is presently the Managing Executive Officer, Member of the Board; CAO; CIO; Senior Operating Officer, Audit Dept.; Chairman of Compliance Committee; Chairman of Internal Control Committee; Chairman of IT Strategy Committee; and Vice Chairman of Investment and Credit Committee after having served as Managing Executive Officer. He has excellent expertise and in-depth knowledge of overall management of a general trading company and global business management, in addition to abundant business experience, past achievements and significant contributions to the Corporation. Moreover, he has a sufficient track record as a Director.

In fiscal year 2016, Mr. Minami vigorously promoted strengthening of risk management and management of information assets as CAO and CIO. As the chairman or the Vice Chairman of the above-mentioned committees, he sufficiently fulfilled his duties in providing recommendations and in formulating and implementing measures, reflecting the opinions of committee members. As a Director of the Corporation, he vigorously stated opinions at the Board of Directors and played an appropriate role in decision-making on important management matters and supervision of business execution, among other roles.

In view of the above and the report by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Director.

Note: The "CAO" is the Chief Operating Officer of General Affairs Dept., Information Strategy Dept., Risk Management Dept., Legal Dept. and Compliance Control Dept.

6. Nobuhiro Yabe (Date of Birth: Jan. 22, 1960)

Reappointment



No. of years served as Director (at the close of this General Meeting of Shareholders):

1 year

Current shareholdings in the Corporation:

55,700 shares

Attendance at meetings of the Board of Directors:

100%
(13/13)

*The attendance at meetings held following his assumption of office as Director on June 24, 2016

Career Overview

Apr. 1982: Joined the Corporation
Apr. 2012: Executive Officer
Apr. 2016: Managing Executive Officer

Jun. 2016: Managing Executive Officer, Member of the Board; CFO; Chief Operating Officer, Investor Relations & Credit Ratings; Chairman of Investment and Credit Committee; Chairman of CSR & Environment Committee; Chairman of Disclosure Committee (Present Position)

Reasons for the appointment of the candidate for the position of Director

Since Mr. Yabe joined the Corporation, he has mainly engaged in finance- and accounting-related operations and is presently the Managing Executive Officer, Member of the Board; CFO; Chief Operating Officer, Investor Relations & Credit Ratings; Chairman of Investment and Credit Committee; Chairman of CSR & Environment Committee; and Chairman of Disclosure Committee after having served as Managing Executive Officer. He has excellent expertise and in-depth knowledge of overall management of a general trading company and global business management, in addition to abundant business experience, past achievements and significant contributions to the Corporation. Moreover, he has a sufficient track record as a Director.

In fiscal year 2016, Mr. Yabe vigorously promoted reinforcement of the Corporation's financial foundation as CFO. As the Chairman of the above-mentioned committees, he sufficiently fulfilled his duties in providing recommendations and in formulating and implementing measures, reflecting the opinions of committee members. As a Director of the Corporation, he vigorously stated opinions at the Board of Directors and played an appropriate role, including in decision-making on important management matters and supervision of business execution.

In view of the above and the report by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Director.

Note: The "CFO" is the Chief Operating Officer, Corporate Communication, Dept., Corporate Accounting Dept., Business Accounting Dept. and Finance Dept.

7. Takao Kitabata (Date of Birth: Jan. 10, 1950)

Outside Director

Reappointment

Independent Director



No. of years served as
Director (at the close of this
General Meeting of Shareholders):

4 years

Current shareholdings in
the Corporation: 0 shares
Attendance at meetings of
the Board of Directors:

100%
(19/19)

■ Career Overview

Apr. 1972: Joined Ministry of International Trade and Industry (METI)
Jul. 1995: Director, Planning Office of Ministry's Secretariat, METI
Dec. 1996: Director, Policy Planning and Coordination Division of Ministry's Secretariat, METI
Jun. 2000: Deputy Director-General, for Policy Coordination of Ministry's Secretariat, METI
Jul. 2002: Deputy Vice-Minister of Ministry's Secretariat, METI
Jun. 2004: Director-General, Economic and Industrial Policy Bureau of METI
Jul. 2006: Vice-Minister of Economy, Trade, and Industry (Resigned in Jul. 2008)
Jun. 2010: Director, Kobe Steel, Ltd. (Present Position)
Audit & Supervisory Board Member of the Corporation
Jun. 2013: Member of the Board of the Corporation (Present Position)
Chairman of the Board, SANDA GAKUEN Junior High School & Senior High School (Present Position)
Jun. 2014: Director, SEIREN Co., Ltd. (Present Position)
Director, Zeon Corporation (Present Position)

■ Status of Important Concurrent Occupations or Positions at Other Organizations

Chairman of the Board, SANDA GAKUEN Junior High School & Senior High School
Director, Kobe Steel, Ltd.
Director, SEIREN Co., Ltd.
Director, Zeon Corporation

Special notes on the candidate for the position of Outside Director

- (1) Submission of the "Independent Director/Auditor Notification":
No personal, capital or transaction relationships between Mr. Kitabata 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 page 5). Hence, the Corporation has appointed him as an Independent Director stipulated by the domestic stock exchanges and notified the exchanges of such designation. If his reappointment is approved at this General Meeting of Shareholders, the Corporation plans to reappoint him as an Independent Director and notify the domestic stock exchanges of such designation.
- (2) Attributes of Independent Director/Auditor:
Mr. Kitabata concurrently serves as Chairman of the Board, SANDA GAKUEN Junior High School & Senior High School, with which the Corporation has no transactions.

Reasons for the appointment of the candidate for the position of Outside Director

Mr. Kitabata served in key positions in the government and has profound insight about economic trends in Japan and overseas. He vigorously stated opinions at the Board of Directors from an objective, specialist viewpoint. As the Chief Outside Director of the Corporation, he has been providing advice to management and appropriately supervising business execution. He is also well-versed in corporate governance. As the Chairman of the Governance and Remuneration Committee and a member of the Nomination Committee, he vigorously stated opinions in order to enhance soundness, transparency, and efficiency of the Corporation's management.

In view of the above and the report by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Outside Director.

8. Kyohei Takahashi (Date of Birth: July 17, 1944)

Outside Director

Reappointment

Independent Director



No. of years served as
Director (at the close of this
General Meeting of Shareholders):

1 year

Current shareholdings in
the Corporation:

0 shares

Attendance at meetings of
the Board of Directors:

84.6%

(11/13)

*The attendance at meetings held
following his assumption of office
as Director on June 24, 2016

■ Career Overview

Apr. 1968: Joined Showa Denko K.K.

Oct. 1995: General Manager of Planning Department of the Headquarters, Japan Polyolefins Corporation

Jun. 1996: President & CEO, Montell JPO Co., Ltd.

Jun. 1999: Executive Vice President, Montell SDK Sunrise Ltd. (Currently, SunAllomer Ltd.)

Mar. 2002: Managing Director, Showa Denko K.K.

Mar. 2004: Senior Managing Director, Showa Denko K.K.

Jan. 2005: Representative Director, President, Showa Denko K.K.

Jan. 2007: Representative Director, President and Chief Executive Officer (CEO), Showa Denko K.K.

Jan. 2011: Representative Director, Chairman of the Board, Showa Denko K.K.

Jun. 2014: Audit & Supervisory Board Member of the Corporation

Mar. 2015: Director, Chairman of the Board, Showa Denko K.K.

Jun. 2016: Member of the Board of the Corporation (Present Position)

Jul. 2016: Audit & Supervisory Board Member, Fukoku Mutual Life Insurance Company (Present Position)

Jan. 2017: Director, Showa Denko K.K.

Mar. 2017: Advisor, Showa Denko K.K. (Present Position)

■ Status of Important Concurrent Occupations or Positions at Other Organizations

Advisor, Showa Denko K.K.

Audit & Supervisory Board Member, Fukoku Mutual Life Insurance Company

Special notes on the candidate for the position of Outside Director

(1) Submission of the "Independent Director/Auditor Notification":

No personal, capital or transaction relationships between Mr. Takahashi 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 page 5). Hence, the Corporation has appointed him as an Independent Director stipulated by the domestic stock exchanges and notified the exchanges of such designation. If his reappointment is approved at this General Meeting of Shareholders, the Corporation plans to reappoint him as an Independent Director and notify the domestic stock exchanges of such designation.

(2) Attributes of Independent Director/Auditor:

Mr. Takahashi was an executive of Showa Denko K.K. There is a continuous transaction relationship between the Showa Denko K.K. Group and the Marubeni Group, in which the Corporation sells raw materials to Showa Denko K.K. and the Corporation purchases Showa Denko K.K.'s products and so on. Consolidated net sales of the Marubeni Group to the Showa Denko K.K. Group for the three business years from fiscal year 2013 to fiscal year 2015 account for 1.18% of the consolidated revenue of the Corporation during said three-year period, whereas consolidated net sales of the Showa Denko K.K. Group to the Marubeni Group account for less than 0.25% of the consolidated revenue of Showa Denko K.K. during said three-year period; both of these percentages are insignificant.

Reasons for the appointment of the candidate for the position of Outside Director

Mr. Takahashi has profound insight cultivated through involvement in corporate management at an international company. He vigorously stated opinions at the Board of Directors from a practical viewpoint. As an Outside Director of the Corporation, he has been providing advice to management and appropriately supervising business execution. He is also well-versed in corporate governance. As a member of the Nomination Committee, he vigorously stated opinions in order to enhance soundness, transparency, and efficiency of the Corporation's management.

In view of the above and the report by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Outside Director.

9. Susumu Fukuda (Date of Birth: Aug. 26, 1948)

Outside Director

Reappointment

Independent Director



No. of years served as
Director (at the close of this
General Meeting of Shareholders):

1 year

Current shareholdings in
the Corporation:

0 shares

Attendance at meetings of
the Board of Directors:

100%

(13/13)

*The attendance at meetings held
following his assumption of office
as Director on June 24, 2016

■ Career Overview

Jul. 1971: Joined Ministry of Finance
Jul. 2003: Director-General, Policy Research Institute, Ministry of Finance
Jul. 2004: Director-General, Tax Bureau of the Ministry
Jul. 2006: Commissioner, National Tax Agency (Resigned in Jul. 2007)
Sep. 2007: Vice-Chairman, The General Insurance Association of Japan
Sep. 2008: Assistant Chief Cabinet Secretary
Aug. 2010: Advisor, The Sumitomo Trust and Banking Co., Ltd. (Currently, Sumitomo Mitsui Trust Bank Limited); Advisor, Nitori Holdings Co., Ltd.
Dec. 2010: Advisor, Nipponkoa Insurance Co., Ltd. (Currently, Sompo Japan Nipponkoa Insurance Inc.)
Nov. 2012: Chief Director, Japan Real Estate Institute (Present Position)
Jan. 2015: Member of National Tax Council, Ministry of Finance (Present Position)
Jun. 2015: Audit & Supervisory Board Member, Tokio Marine & Nichido Fire Insurance Co., Ltd. (Present Position)
Jun. 2016: Member of the Board of the Corporation (Present Position)

■ Status of Important Concurrent Occupations or Positions at Other Organizations

Representative Director and Chief Director, Japan Real Estate Institute
Audit & Supervisory Board Member, Tokio Marine & Nichido Fire Insurance Co., Ltd.

Special notes on the candidate for the position of Outside Director

Submission of the "Independent Director/Auditor Notification":

No personal, capital or transaction relationships between Mr. Fukuda 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 page 5). Hence, the Corporation has appointed him as an Independent Director stipulated by the domestic stock exchanges and notified the exchanges of such designation. If his reappointment is approved at this General Meeting of Shareholders, the Corporation plans to reappoint him as an Independent Director and notify the domestic stock exchanges of such designation.

Reasons for the appointment of the candidate for the position of Outside Director

Mr. Fukuda served in key positions in the government and has profound insight about finance and tax affairs and a wealth of experience serving as an outside officer etc. at various companies. He vigorously stated opinions at the Board of Directors from an objective, specialist viewpoint in order to enhance soundness, transparency, and efficiency of the Corporation's management. As an Outside Director of the Corporation, he has been providing advice to management and appropriately supervising business execution.

In view of the above and the report by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Outside Director.

10. Yuri Okina (Date of Birth: Mar. 25, 1960)

Outside Director

New appointment

Independent Director



No. of years served as
Director (at the close of this
General Meeting of Shareholders):
0 years
Current shareholdings in
the Corporation:
0 shares

■ Career Overview

Apr. 1984: Joined the Bank of Japan
Apr. 1992: Joined The Japan Research Institute, Limited
Apr. 1994: Senior Researcher, The Japan Research Institute, Limited
Jul. 2000: Executive Researcher, The Japan Research Institute, Limited
Jun. 2006: Counselor, The Japan Research Institute, Limited
Jun. 2008: Director, Nippon Yusen Kabushiki Kaisha (Present Position)
Jun. 2013: Director, Seven Bank, Ltd. (Present Position)
Mar. 2014: Director, Bridgestone Corporation (Present Position)
Jun. 2014: Vice Chairman, The Japan Research Institute, Limited (Present Position)

■ Status of Important Concurrent Occupations or Positions at Other Organizations

Vice Chairman, The Japan Research Institute, Limited
Director, Bridgestone Corporation

Special notes on the candidate for the position of Outside Director

- (1) Submission of the "Independent Director/Auditor Notification":
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 page 5). Hence, if her appointment is approved at this General Meeting of Shareholders, the Corporation plans to appoint her as an Independent Director stipulated by the domestic stock exchanges and notify the exchanges of such designation.
- (2) Ms. Okina is scheduled to resign from the position of Director of Nippon Yusen Kabushiki Kaisha and of Seven Bank, Ltd. at the close of their respective General Meetings of Shareholders to be held in June 2017.
- (3) Nippon Yusen Kabushiki Kaisha (NYK), for which Ms. Okina serves as an Outside Director, received a cease and desist order etc. from the Japan Fair Trade Commission in 2014 concerning violation of the Antimonopoly Act related to ocean shipping services for vehicles. NYK entered into a plea agreement with the U.S. Department of Justice, agreeing to pay a fine concerning its violation of U.S. anti-trust laws. In 2015, NYK was notified by the National Development and Reform Commission (NDRC) of China that NYK's action violated China's anti-monopoly law. Although Ms. Okina had been unaware of such violations until they came to light, she had been stating her opinions about legal compliance. After the fact was recognized, she has been fulfilling her duties in striving to further strengthen NYK's legal compliance systems in order to eliminate and prevent recurrence of any violations of anti-trust laws of Japan and other jurisdictions.

Reasons for the appointment of the candidate for the position of Outside Director

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, the Financial System Council, and the Tax Commission. Therefore, the Corporation believes that she is able to provide advice to management of the Corporation from a specialist and multifaceted viewpoint and appropriately supervise business execution.

In view of the above and the report by the Nomination Committee, the Board of Directors decided to nominate her as a new candidate for Outside Director.

Notes: 1. The above candidates have no specific conflict of interest with the Corporation.

2. In accordance with Article 17 of the current Articles of Incorporation, the election of Directors shall not be conducted by cumulative voting.

3. Limitation of Liability Agreement with candidates for the position of Outside Director:

In order to enable Mr. Takao Kitabata, Mr. Kyohei Takahashi, and Mr. Susumu Fukuda among the candidates for the position of Outside Director to fully perform their duties as Outside Directors, 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 the person in question has acted in good faith and without gross negligence in performing his duties. If this agenda is approved, the Corporation intends to continue the said limitation of liability agreement with each of them and plans to also enter into such limitation of liability agreement with Ms. Yuri Okina, who will be newly appointed.

Agenda No. 2: To elect 3 Audit & Supervisory Board Members

Mr. Masahiro Enoki, Mr. Takashi Suetsuna, and Mr. Yoshizumi Nezu will retire from office as Audit & Supervisory Board Members at the close of this General Meeting of Shareholders upon expiration of their terms of office in accordance with the Articles of Incorporation.

Accordingly, we propose the election of 3 Audit & Supervisory Board Members.

This proposal is made with the consent of the Audit & Supervisory Board.

The candidates for Audit & Supervisory Board Member are as follows:

(Please refer to page 5 for details of the Standards of Election of Audit & Supervisory Board Members.)

| No. | Name | | Present Positions and Responsibilities at the Corporation | Attendance at meetings of the Board of Directors |
|-----|------------------|--|---|--|
| 1 | Kazuro Gunji | New appointment Internal Audit & Supervisory Board Member | Managing Executive Officer | — |
| 2 | Takashi Hatchoji | New appointment Outside Audit & Supervisory Board Member Independent Auditor | — | — |
| 3 | Tsuyoshi Yoneda | New appointment Outside Audit & Supervisory Board Member Independent Auditor | — | — |

1. Kazuro Gunji (Date of Birth: Dec. 30, 1956)

New appointment



Career Overview

Apr. 1979: Joined the Corporation
Apr. 2007: CFO, Marubeni Europe plc
Apr. 2008: Senior Executive Vice President, CFO, Marubeni Europe plc
Apr. 2009: General Manager, Corporate Accounting Dept.
Apr. 2012: Executive Officer, General Manager, Corporate Accounting Dept.
Apr. 2015: Managing Executive Officer, General Manager, Corporate Accounting Dept.
Apr. 2017: Managing Executive Officer (Present Position)

No. of years served as Audit & Supervisory Board Member (at the close of this General Meeting of Shareholders):

0 years

Current shareholdings in the Corporation:
42,850 shares

Reasons for the appointment of the candidate for the position of Audit & Supervisory Board Member

Since Mr. Gunji joined the Corporation, he has mainly engaged in accounting-related operations, and is presently a Managing Executive Officer after having served as the General Manager of Corporate Accounting Dept. He has excellent expertise and a wealth of experience in finance and accounting, thus, the Corporation believes that he will appropriately fulfill duties as an Audit & Supervisory Board Member of the Corporation and contribute to improvement of corporate governance and enforcement of audits by the Audit & Supervisory Board.

In view of the above and the report by the Nomination Committee, the Board of Directors decided to appoint him as a new candidate for Audit & Supervisory Board Member.

2. Takashi Hatchoji (Date of Birth: Jan. 27, 1947)

Outside Audit & Supervisory
Board Member

New appointment

Independent Auditor



No. of years served as
Audit & Supervisory Board
Member (at the close of this
General Meeting of Shareholders):
0 years

Current shareholdings in
the Corporation:
0 shares

■ Career Overview

Apr. 1970: Joined Hitachi, Ltd.
Feb. 1995: General Manager, Business Planning Department, Electrical Apparatus Division, Hitachi, Ltd.
Jun. 2003: Vice President and Executive Officer, Hitachi, Ltd.
Apr. 2004: Senior Vice President and Executive Officer, Hitachi, Ltd.
Apr. 2006: Representative Executive Officer, Executive Vice President and Executive Officer, Hitachi, Ltd.
Jun. 2007: President and Representative Director, Hitachi Research Institute
Apr. 2009: Representative Executive Officer, Executive Vice President and Executive Officer, Hitachi, Ltd.
Jun. 2011: Director, Hitachi, Ltd.
Jun. 2015: Director, Nitto Denko Corporation (Present Position)

■ Status of Important Concurrent Occupations or Positions at Other Organizations

Director, Nitto Denko Corporation

Special notes on the candidate for the position of Audit & Supervisory Board Member

- (1) Submission of the "Independent Director/Auditor Notification":
No personal, capital or transaction relationships between Mr. Hatchoji 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 page 5). If his appointment is approved at this General Meeting of Shareholders, the Corporation plans to appoint him as an Independent Auditor stipulated by the domestic stock exchanges and notify the domestic stock exchanges of such designation.
- (2) Attributes of Independent Director/Auditor:
Mr. Hatchoji was an executive of Hitachi, Ltd. There is a continuous transaction relationship between the Hitachi Group and the Marubeni Group in diverse areas, such as sales and purchases and construction contracts. Consolidated net sales of the Marubeni Group to the Hitachi Group for the three business years from fiscal year 2013 to fiscal year 2015 account for 0.91% of the consolidated revenue of the Corporation during said three-year period, whereas consolidated net sales of the Hitachi Group to the Marubeni Group account for 0.84% of the consolidated revenue of the Hitachi Group during said three-year period; both of these percentages are insignificant.
- (3) Mr. Hatchoji is scheduled to assume the office of Director of KONICA MINOLTA, INC. at the Ordinary General Meeting of Shareholders of the said company, set to be held in June 2017.

Reasons for the appointment of the candidate for the position of Outside Audit & Supervisory Board Member

Mr. Hatchoji has profound insight cultivated through his involvement in corporate management at an international company and has experience of serving as an outside officer of another company. Therefore, the Corporation believes that he will appropriately fulfill duties as an Outside Audit & Supervisory Board Member of the Corporation from a neutral and objective stance with a practical viewpoint and contribute to improvement of corporate governance and enforcement of audits by the Audit & Supervisory Board.

In view of the above and the report by the Nomination Committee, the Board of Directors decided to appoint him as a new candidate for Outside Audit & Supervisory Board Member.

3. Tsuyoshi Yoneda (Date of Birth: Apr. 7, 1952)

Outside Audit & Supervisory Board Member

New appointment

Independent Auditor



No. of years served as Audit & Supervisory Board Member (at the close of this General Meeting of Shareholders):

0 years

Current shareholdings in the Corporation:

0 shares

■ Career Overview

Apr. 1976: Joined National Police Agency
 Oct. 1991: Counsellor, Cabinet Legislation Bureau
 Aug. 1996: Director, Traffic Management and Control Division, Traffic Bureau, National Police Agency
 Jul. 1997: General Manager, Wakayama Prefectural Police Headquarters
 Feb. 1999: Director, First Japanese Organized Crime Division, Criminal Investigation Bureau, National Police Agency
 Jan. 2000: Director, Finance Division, Commissioner-General's Secretariat, National Police Agency
 Sep. 2001: General Manager, Criminal Affairs Department, Metropolitan Police Department
 Aug. 2003: General Manager, Kyoto Prefectural Police Headquarters
 May 2005: General Manager, Organized Crime Department, Criminal Affairs Bureau, National Police Agency
 Sep. 2007: Commissioner, Criminal Affairs Bureau, National Police Agency
 Jun. 2009: Commissioner-General's Secretariat, National Police Agency
 Oct. 2011: Deputy Directors-General, National Police Agency
 Jan. 2013: Commissioner General, National Police Agency (Retired in January 2015)
 Jun. 2015: Director, Japan Exchange Group, Inc. (Present Position)

■ Status of Important Concurrent Occupations or Positions at Other Organizations

Director, Japan Exchange Group, Inc.

Special notes on the candidate for the position of Audit & Supervisory Board Member

Submission of the "Independent Director/Auditor Notification":

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 page 5). Hence, if his appointment is approved at this General Meeting of Shareholders, the Corporation plans to appoint him as an Independent Auditor stipulated by the domestic stock exchanges and notify the exchanges of such designation.

Reasons for the nomination of the candidate for the position of Outside Audit & Supervisory Board Member

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. Therefore, the Corporation believes that he will appropriately fulfill duties as an Outside Audit & Supervisory Board Member of the Corporation from a neutral and objective stance with a practical viewpoint and contribute to improvement of corporate governance and enforcement of audits by the Audit & Supervisory Board.

In view of the above and the report by the Nomination Committee, the Board of Directors decided to appoint him as a new candidate for Outside Audit & Supervisory Board Member.

Notes: 1. The above candidates have no specific conflict of interest with the Corporation.

2. Limitation of Liability Agreement with candidates for the position of Audit & Supervisory Board Member:

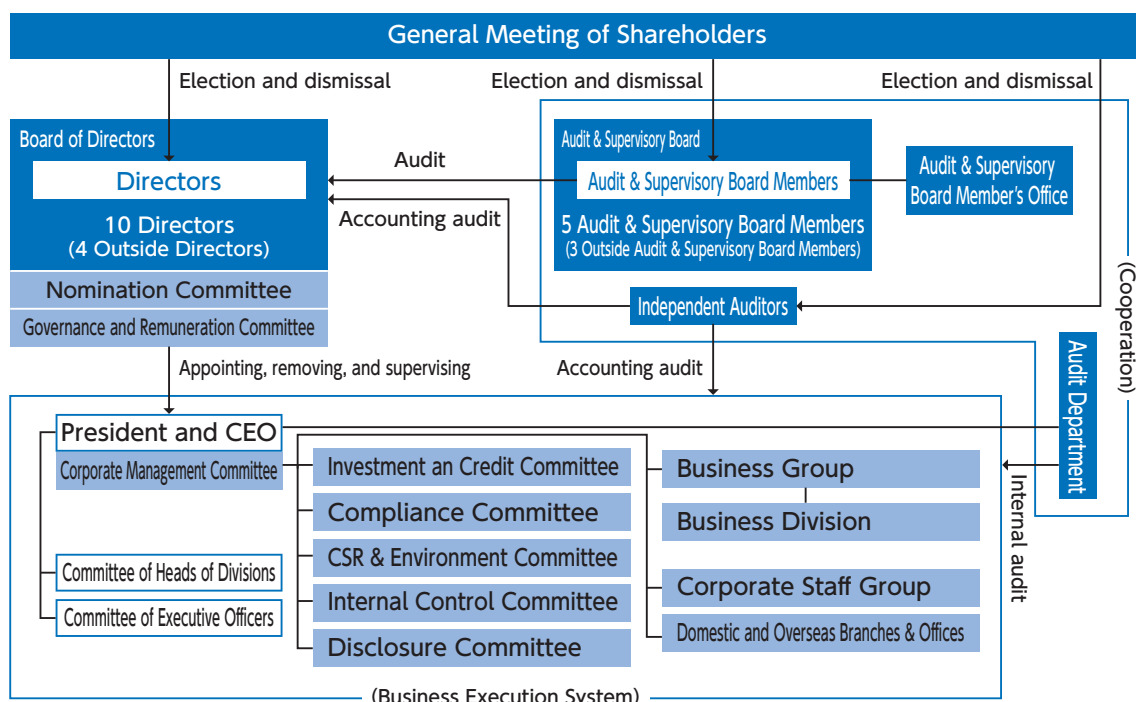
In order to enable Mr. Takashi Hatchoji and Mr. Tsuyoshi Yoneda to fully perform their duties as Outside Audit & Supervisory Board Members, the Corporation plans to enter into an agreement with each of them in which the liability for damages provided for in Article 423, Paragraph 1 of the Companies Act is limited to the sum of the amounts specified in each item of Article 425, Paragraph 1 of the Companies Act, if the person in question has acted in good faith and without gross negligence in performing his duties.

(Reference)

Corporate Governance Structure

The Corporation operates under a corporate audit governance system, adhering closely to the Companies Act, with a control structure designed to facilitate a clearly defined decision-making process, business execution system, and supervisory system. The Corporation has established the structure as shown in the diagram below.

Corporate Governance Structure Diagram



The Corporation conducts a diverse range of businesses globally. Accordingly, the Corporation has established a corporate audit governance model with a Board of Directors consisting 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) Ensuring rapid and efficient decision-making

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

(b) Ensuring appropriate supervisory functions

The Corporation ensures appropriate supervisory functions by implementing various measures, including appointing Outside Directors sufficient to account for one-third or more of the members of the Board; establishing the Audit & Supervisory Board Member's Office; fostering collaboration among the Audit & Supervisory Board Members, the Audit Department, and the Accounting Auditor; and implementing advance briefings on matters referred to the Board of Directors for both Outside Directors and Outside Audit & Supervisory Board Members on the same occasions.

(Reference)

Advisory bodies to the Board of Directors (voluntary committees)

Nomination Committee (to be held as necessary): The Nomination Committee is an advisory body to the Board of Directors and the majority of its members are Outside Directors/Audit & Supervisory Board Members. The Nomination Committee deliberates on nomination of candidates for the positions of Director and Audit & Supervisory Board Member and reports to the Board of Directors.

Nomination Committee's composition (as of April 1, 2017)

Chairman: Fumiya Kokubu, Director, President & CEO
Committee members: Shigeru Yamazoe, Director, Senior Executive Vice President
Takao Kitabata, Outside Director
Yukiko Kuroda, Outside Director
Kyohei Takahashi, Outside Director

Note: From June 23, 2017 onward, an Outsider Director/Audit & Supervisory Board Member appointed through resolution of the Board of Directors will be the chairman.

Governance and Remuneration Committee (to be held as necessary): The Governance and Remuneration Committee is an advisory body to the Board of Directors and the majority of its members are Outside Directors/Audit & Supervisory Board Members. The Governance and Remuneration Committee deliberates on the policy for determining remuneration for Directors and Executive Officers as well as appropriateness of the level of remuneration, and reports to the Board of Directors. The Governance and Remuneration Committee also conducts evaluation and review concerning the overall Board of Directors, including its composition and operation, and reports to the Board of Directors.

Governance and Remuneration Committee's composition (as of April 1, 2017)

Chairman: Takao Kitabata, Outside Director
Committee members: Fumiya Kokubu, Director, President & CEO
Hikaru Minami, Director, Senior Operating Officer
Takashi Suetsuna, Outside Audit & Supervisory Board Member
Yoshizumi Nezu, Outside Audit & Supervisory Board Member

Evaluation of effectiveness of the Board of Directors

At the Corporation, the Governance and Remuneration Committee, an advisory body to the Board of Directors, the majority of whose members are Outside Directors/Audit & Supervisory Board Members, conducts evaluation and review concerning the overall Board of Directors, including its composition and operation, and reports to the Board of Directors. The Corporation discloses the overview of the results of evaluation following the deliberation by the Board of Directors and utilizes these results in improvement of the Board of Directors, including its operation.

Evaluation of effectiveness of the Board of Directors for fiscal year 2016 was conducted as follows:

I. Evaluation framework and method

1. Persons subject to evaluation

All Directors (10 persons) and Audit & Supervisory Board Members (5 persons) *Incumbent as of December 2016

2. Method

A questionnaire survey was conducted. (anonymous responses) *An external specialized agency was requested for implementation.

3. Evaluation items

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

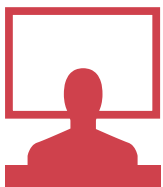
4. Evaluation process

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

II. Overview of the results of evaluation

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

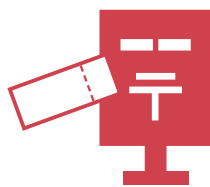
Guide to Exercising Your Voting Rights



Exercise of voting rights by attending the meeting

Please submit the enclosed voting form at the reception desk.

*If you are attending the meeting, you do not need to submit the voting form by mail or exercise your voting rights via the Internet.



Exercise of voting rights in writing

Please indicate your vote for or against the agendas on the enclosed voting form and return it by mail so that it arrives at the Corporation by **5:30 p.m. on Thursday, June 22, 2017.**



Exercise of voting rights via the Internet

Please refer to the Guide to Exercising Your Voting Rights Via the Internet on the next page and exercise your voting rights by **5:30 p.m. on Thursday, June 22, 2017.**

For nominee shareholders, such as trust and banking corporations responsible for administration (including standing proxy):

If shareholders apply in advance for the use of the electronic voting platform operated by a joint venture incorporated by the Tokyo Stock Exchange and other parties, they may be able to utilize said platform as a method for exercising voting rights for the General Meeting of Shareholders of the Corporation in electronic media in addition to the exercise of voting rights via the Internet as specified above.

Inquiries

Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.

Inquiries regarding the method of operation of a personal computer in order to exercise voting rights via the Internet

Telephone: **(0120) 768-524**

(9:00 A.M. to 9:00 P.M., except Saturdays, Sundays and national holidays)

Other Inquiries

Telephone: **(0120) 288-324**

(9:00 A.M. to 5:00 P.M., except Saturdays, Sundays and national holidays)

Guide to Exercising Your Voting Rights Via the Internet

Exercising Your Voting Rights Via the Internet

When exercising your voting rights via the Internet, the Corporation requests your understanding on the following matters.

- Your voting rights may be exercised by PC or mobile phone only via the website that the Corporation specifies (hereinafter referred to as the “Website to Exercise Voting Rights”). If you exercise your voting rights via the Internet, you will need the voting right code and the password described in the enclosed voting form.
- Exercise of voting rights via the Internet will be accepted **until 5:30 P.M., Thursday, June 22, 2017**, a day before the General Meeting of Shareholders. Please also be aware that you will not be able to exercise your voting rights via the Internet after 5:30 P.M. on June 22, 2017 (Thursday) and therefore you will need to complete the input by such time. We ask you to exercise your voting rights promptly.
- ▶ If you exercise multiple votes via the Internet for the same agenda, then the last vote which arrives at the Corporation shall be deemed the valid vote.
- ▶ If you exercise your votes both by way of submitting the voting form and via the Internet, for the same agenda, then the vote via the Internet shall be deemed the valid vote.



Specific Method to Exercise Voting Rights via the Internet

The Corporation requests you to exercise your voting rights via the Internet using the following method:

- 1 Please access the **Website to Exercise Voting Rights**.

Website to Exercise Voting Rights <http://www.it-soukai.com/>

* You can access the Website to Exercise Voting Rights by using mobile phones with barcode reader function and by reading the QR code at the right side. Please see the instruction manual of your mobile phone for details of operations.



- 2 Please enter your voting right code and click the “Proceed” button.
- 3 Please enter your password following the instructions on the screen.
* To ensure security, you need to change the password when you first log into the website.
- 4 Please follow the instructions on the screen in order to exercise your voting rights.

Notes

- Please be assured that voting information will not be manipulated or wiretapped, as we use encryption technology (SHA-2). The voting right code and the password described in the voting form are important in authenticating each shareholder. Please do not divulge this information to anyone. There will be no occasions where the Corporation asks a shareholder about his/her password.
- If you use a commercial Internet provider, you need to bear the communication expenses, including those to connect to the Internet provider and to communicate with telecommunication companies (such as phone charges), for using the Website to Exercise Voting Rights.

Business Report (from April 1, 2016 to March 31, 2017)

I. Current Status of the Group

Business progress and results of the Group

Business Environment

In the fiscal year ended March 31, 2017, developed economies, particularly the U.S., generally continued to gradually recover. The global economy, however, slowed in response to weakness in emerging economies, most notably China. Crude oil and other commodity prices declined before rebounding into the end of 2016. In financial markets, volatility briefly flared up in response to passage of the UK's referendum in favor of exiting the EU and the U.S. presidential election's outcome.

The U.S. economy continued to recover, driven chiefly by personal consumption encompassed by a robust employment environment. Additionally, equities rallied on optimism about the new U.S. administration's policies.

The European economy continued to gradually recover, led by Germany.

Emerging economies grew sluggishly overall as results of the slow-down of the Chinese economy due to weak consumption, investment and exports, as well as the prolonged lackluster demands, both domestic and external, in Brazil and elsewhere.

The Japanese economy remained stuck in an anemic recovery as consumer sentiment softened even amid continued improvement in the employment environment.

Business Results

Profit attributable to owners of the parent for the business year under review increased by 93.1 billion yen from 62.3 billion yen for the previous business year to 155.4 billion yen. This was mainly because of the non-recurrence of an impairment loss recorded for the previous business year.

Looking at the results by operating segment, profit increased at Energy & Metals due to a gain on the sale of a solar power generation business and non-recurrence of year-earlier impairment losses in the copper mine business in Chile, the iron ore business in Australia and the oil and gas development business.

Total volume of trading transactions

Total volume of trading transactions for the fiscal year ended March 31, 2017 decreased 1,073.8 billion yen (8.8%) from the year-earlier period to 11,134.2 billion yen, due mainly to Japanese yen appreciation.

Meanwhile, "**Revenue**" as defined under IFRS was 7,128.8 billion yen, a decline of 171.5 billion yen (2.3%) from the year-earlier period.

Gross trading profit

Gross trading profit decreased 56.2 billion yen (8.4%) from the year-earlier period to 613.9 billion yen. By operating segment, profits decreased mainly at *Food & Consumer Products* and *Chemical & Forest Products*.

Operating profit

Operating profit decreased 12.6 billion yen (12.1%) from the year-earlier period to 91.6 billion yen due to decrease in gross trading profit, despite a decline in selling, general and administrative expenses led by the stronger Japanese yen.

Share of profits of associates and joint ventures

Share of profits of associates and joint ventures increased 82.9 billion yen (260.5%) from the year-earlier period to 114.7 billion yen, due mainly to non-recurrence of the year-earlier impairment losses on one of the copper mine business in Chile and the iron ore business in Australia.

Profit attributable to owners of the parent

Profit attributable to owners of the parent for the fiscal year ended March 31, 2017 amounted to 155.4 billion yen, an increase of 93.1 billion yen (149.5%) year on year.

Total assets and net interest-bearing debt on a consolidated basis (*)

Total assets at the end of the business year under review decreased by 221.0 billion yen on a consolidated basis from the end of the previous business year to 6,896.7 billion yen. Net interest-bearing debt decreased by 662.5 billion yen from the end of the previous business year to 2,099.9 billion yen.

(*) Net interest-bearing debt is calculated as cash and cash equivalents and time deposits subtracted from the sum of corporate bonds and current and non-current borrowings.

Trends in assets, profits and losses

Trends in assets, profits and losses of the Group

(Millions of yen)

| Item | 90th Business Year | 91st Business Year | 92nd Business Year | 93rd Business Year |
|---|--------------------|--------------------|--------------------|--------------------|
| Total volume of trading transactions | 13,633,520 | 13,925,339 | 12,207,957 | 11,134,169 |
| Profit attributable to owners of the parent | 210,945 | 105,604 | 62,264 | 155,350 |
| Basic earnings per share attributable to owners of the parent | ¥121.52 | ¥60.85 | ¥35.88 | ¥88.08 |
| Total assets | 7,256,085 | 7,673,064 | 7,117,686 | 6,896,733 |
| Equity | 1,531,231 | 1,678,713 | 1,415,202 | 1,742,758 |

Notes: 1. The Corporation's consolidated financial statements are prepared in accordance with the IFRS pursuant to the provisions of Article 120, Paragraph 1 of the Ordinance on Accounting of Companies.

2. "Total volume of trading transactions" includes all transactions involving the Corporation and its consolidated subsidiaries regardless of transaction type.

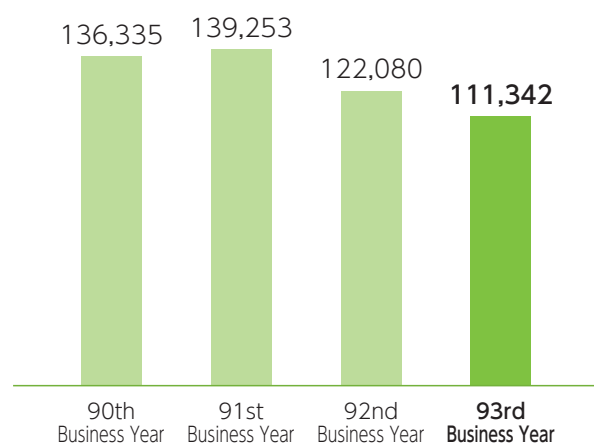
"Total volume of trading transactions" is presented in accordance with Japanese accounting practice for investors' convenience and is not required by the IFRS.

3. "Basic earnings per share attributable to owners of the parent" has been calculated based on the average number of outstanding common shares during the period (after deducting the number of treasury shares) and "profit attributable to owners of the parent" excluding the amount not attributable to ordinary shareholders.

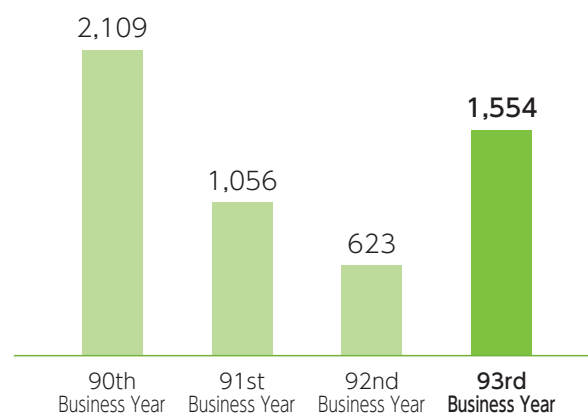
4. The figures from the 90th business year are restated figures after the application of the new accounting principles of the IFRS.

5. The amounts below 1 million yen are rounded off.

Total volume of trading transactions (100 millions of yen)



Profit attributable to owners of the parent (100 millions of yen)



Trends in assets, profits and losses of the Corporation

(Millions of yen)

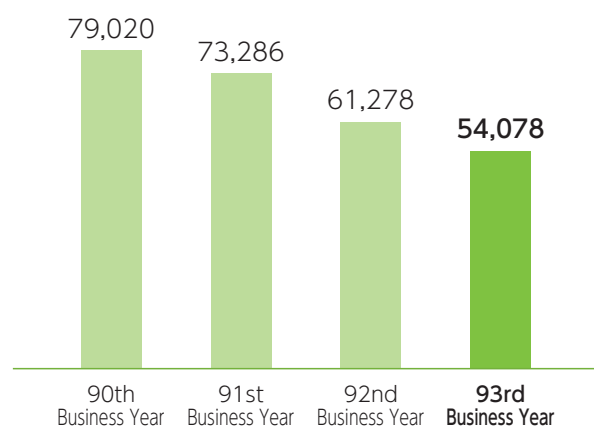
| Item | 90th Business Year | 91st Business Year | 92nd Business Year | 93rd Business Year |
|----------------------|--------------------|--------------------|--------------------|--------------------|
| Sales | 7,901,955 | 7,328,553 | 6,127,775 | 5,407,811 |
| Net income | 3,715 | 6,650 | 196,212 | 63,565 |
| Net income per share | ¥2.14 | ¥3.83 | ¥113.05 | ¥36.63 |
| Total assets | 3,734,806 | 3,672,122 | 3,696,698 | 3,747,100 |
| Net assets | 462,973 | 378,071 | 562,495 | 592,074 |

Notes: 1. Net income per share has been calculated based on the average number of outstanding common shares during the business year (after deducting the number of treasury shares) and net income.

2. The amounts below 1 million yen are rounded off.

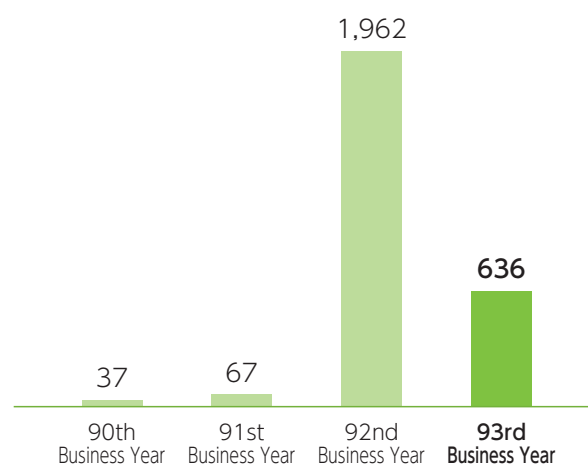
Sales

(100 millions of yen)













Net income

(100 millions of yen)



Operating Segments

| Period | Segment | Total volume of trading transactions | | |
|--------------------|---|--------------------------------------|--------------------|---------------|
| | | | Outsider customers | Inter-segment |
| 93rd Business Year |  Food & Consumer Products | 5,021,301 | 4,984,336 | 36,965 |
| |  Chemical & Forest Products | 2,436,034 | 2,433,392 | 2,642 |
| |  Energy & Metals | 2,505,966 | 2,503,116 | 2,850 |
| |  Power Projects & Plant | 398,048 | 396,949 | 1,099 |
| |  Transportation & Industrial Machinery | 814,055 | 810,649 | 3,406 |
| | Corporate & Elimination | (41,235) | 5,727 | (46,952) |
| | Consolidated | 11,134,169 | 11,134,169 | — |
| 92nd Business Year |  Food & Consumer Products | 5,466,481 | 5,439,693 | 26,788 |
| |  Chemical & Forest Products | 2,564,154 | 2,557,673 | 6,481 |
| |  Energy & Metals | 2,851,173 | 2,845,446 | 5,727 |
| |  Power Projects & Plant | 433,122 | 432,810 | 312 |
| |  Transportation & Industrial Machinery | 917,295 | 916,518 | 777 |
| | Corporate & Elimination | (24,268) | 15,817 | (40,085) |
| | Consolidated | 12,207,957 | 12,207,957 | — |

- Notes: 1. Businesses of the overseas corporate subsidiaries have all been segmented according to the Corporation's operating segments effective as of the 93rd business year. The figures of operating segments for the 92nd business year have been reclassified accordingly.
2. The marketing organization of the Corporation consists of five groups and 18 divisions, and each group of the Corporation corresponds to an operating segment. "Food & Consumer Products Group" consists of Grain Div., Food Products Div., Lifestyle Div., ICT, Logistics & Healthcare Div. and Insurance, Finance & Real Estate Business Div. "Chemical & Forest Products Group" consists of Agri-Input Business Div., Chemical Products Div., and Forest Products Div. "Energy & Metals Group" consists of Energy Div.-I, Energy Div.-II, Steel Products Div. and the Metals & Mineral Resources Div. "Power Projects & Plant Group" consists of Power Projects Div., Energy & Environment Infrastructure Div. and Plant Div. "Transportation & Industrial Machinery Group" consists of Aerospace & Ship Div., Automotive & Leasing Div. and Construction & Industrial Machinery Div.
3. "Total volume of trading transactions" and "Operating profit (loss)" are presented in accordance with Japanese accounting practice for investors' convenience and are not required by the IFRS. "Total volume of trading transactions" includes all transactions involving the Corporation and its consolidated subsidiaries regardless of transaction type. "Operating profit (loss)" is the sum of "Gross trading profit" and "Selling, general and administrative expenses" including "Provision for doubtful accounts".
4. Inter-segment transactions are generally priced in accordance with the prevailing market prices.

(Millions of yen)

| Gross trading profit | Operating profit (loss) | Share of profits of associates and joint ventures | Profit (loss) attributable to owners of the parent | Segment assets |
|----------------------|-------------------------|---|--|----------------|
| 282,585 | 72,280 | 12,317 | 61,269 | 1,880,421 |
| 175,812 | 35,637 | 4,141 | 28,700 | 1,080,307 |
| 26,155 | (21,357) | 19,429 | (6,240) | 1,691,231 |
| 45,279 | (11,438) | 61,097 | 56,508 | 1,117,558 |
| 93,316 | 19,718 | 18,211 | 28,615 | 797,380 |
| (9,267) | (3,243) | (470) | (13,502) | 329,836 |
| 613,880 | 91,597 | 114,725 | 155,350 | 6,896,733 |
| 305,655 | 81,263 | 10,117 | 58,246 | 1,874,173 |
| 197,254 | 48,349 | 4,237 | 33,259 | 1,040,441 |
| 19,417 | (29,336) | (63,846) | (142,409) | 1,711,361 |
| 54,097 | (14,549) | 67,793 | 72,214 | 1,278,555 |
| 98,910 | 25,510 | 13,522 | 24,187 | 806,412 |
| (5,247) | (7,006) | 1 | 16,767 | 406,744 |
| 670,086 | 104,231 | 31,824 | 62,264 | 7,117,686 |

5. "Profit (loss) attributable to owners of the parent" of "Corporate & elimination, etc." includes headquarters expenses that are not allocated to the operating segments and inter-segment eliminations. "Segment assets" of "Corporate & elimination, etc." include assets for general corporate purposes that are not allocated to the operating segments and inter segment-elimination. The assets for general corporate purposes mainly consist of cash and cash equivalents related to financing, other investments and non-current assets for general corporate purposes.

6. The amounts below 1 million yen are rounded off.

Main businesses of the Group

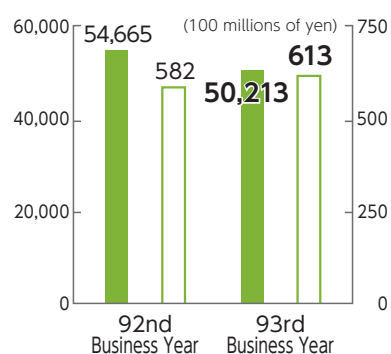
The Group conducts diversified business activities such as importing and exporting (including offshore trading) and domestic business transactions, while providing various services and making domestic and overseas business investment and resource development in “Food & Consumer Products,” “Chemical & Forest Products,” “Energy & Metals,” “Power Projects & Plant” and “Transportation & Industrial Machinery” operating segments, through our worldwide business bases and information network.

The Group's business by operating segment



Food & Consumer Products

- Total volume of trading transactions
- Profit attributable to owners of the parent



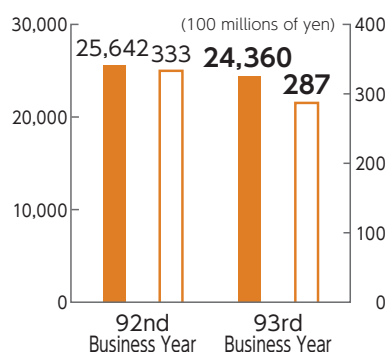
Grain terminal of Terlogs Terminal (Brazil)

In the grain field, the Corporation worked to expand grain trading volume by strengthening the functions of Gavilon (U.S.), Columbia Grain (U.S.) and Terlogs Terminal (Brazil) while capitalizing on the Corporation's global sales network. In the food products field, the Corporation strove to expand trading in Japan and worldwide and reinforce the existing business to expand the scope of the business. Cia. Iguacu de Café Soluvel, an affiliate manufacturing instant coffee in Brazil, achieved profit improvement as a result of completion of a plant to increase production capacity. In the rubber field, the Corporation acquired a 49% stake in Radial Llantas, a Mexican tire retailer. The Corporation intends to use know-how cultivated in the ASEAN region and Radial Llantas's network to expand the tire retail business in Mexico. In the ICT & logistics field, the Corporation is promoting development of new businesses both domestically and abroad related to IoT and big data, which are expected to see rapid market growth. In the healthcare field, the Corporation focused efforts on cultivation of new customers in hospital-related businesses and pharmaceutical sales. In the finance field, the Corporation actively invested in office buildings and logistics centers through private equity funds and publicly traded and private real estate investment trusts (REITs). In the real estate field, the Corporation started large-scale complex development projects, including The Tower Yokohama Kitanaka.



Chemical & Forest Products

- Total volume of trading transactions
- Profit attributable to owners of the parent



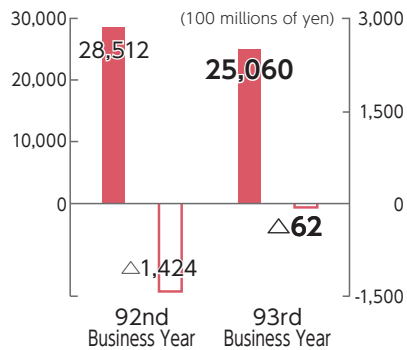
Musi Hutan Persada's eucalyptus plantation (Indonesia)

In the agricultural materials field, in addition to acquiring assets through Helena Chemical Company in order to cultivate new customers and enhance services, the Corporation continues to expand its business globally. The Corporation currently has equity stakes in large retailers in the UK and the Netherlands, an agricultural chemical manufacturing and sales company in Malaysia, and a fertilizer manufacturing and sales company in Myanmar. In the fertilizer raw materials field, capitalizing on distribution using sulfur carrier ships and long-term, stable relationships with suppliers, the Corporation is expanding global trade. In the chemical products field, while developing domestic and international business in various fields, including raw materials such as oil and natural gas and derivatives including plastics and other petrochemicals, inorganic resources such as salt, boric acid, and iodine, and electronics mainly including semiconductors, liquid crystal displays, and solar power generation modules, the Corporation is also working to expand the existing businesses and develop and promote new businesses. In the forest products field, while intensifying efforts in various areas, from forestation to manufacturing of paper products and trade, as part of efforts to promote efficient use of forest resources the Corporation is addressing the biomass fuel business, through means such as the development of its own sources for wood pellets, and has started trading.



Energy & Metals

- Total volume of trading transactions
- Profit attributable to owners of the parent



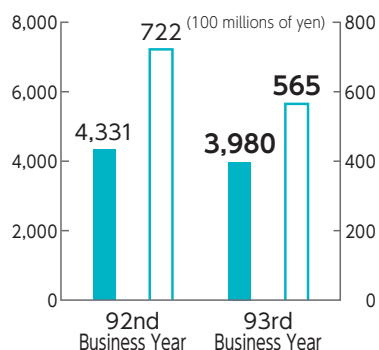
Roy Hill Iron Ore Mine (Australia)

In the metals & mineral resources field, the Antucoya Copper Mine in Chile shifted to full production. The Roy Hill Iron Ore Mine in Australia is steadily increasing production volume, and improvements to the efficiency and stability of mine operations are underway as it advances toward full production. In addition, the Corporation is aiming to increase the value and earning capability of existing businesses, such as coal mines, copper mines, and aluminum refining by reducing costs and improving operational efficiency. In the oil and gas development field, the Corporation is focusing on increasing asset value through appropriate cost management and improvement of operational efficiency of each of its interests. In the natural gas liquification business, existing projects in Qatar, Equatorial Guinea, Peru, and Papua New Guinea continue to operate stably. In the trading field, while deepening relationships with existing clients, acquiring new clients and diversifying suppliers, the Corporation is also strengthening efforts aimed at earnings growth from petroleum products, LNG, uranium, iron and steel products, iron ore, coal, raw copper, and raw aluminum by making use of its domestic and foreign trading infrastructure and networks. The Corporation endeavors to strengthen its earnings foundation from a medium- to long-term viewpoint in terms of both resource development and trading by scrutinizing each project's profitability.



Power Projects & Plant

- Total volume of trading transactions
- Profit attributable to owners of the parent



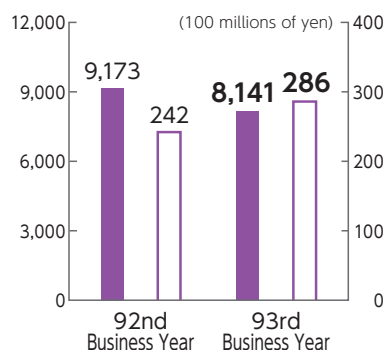
West Deptford Natural Gas Power Plant (United States)

In the overseas power project field, the Corporation acquired an equity stake in the West Deptford Natural Gas Power Plant in the U.S. The St Charles Energy Center, another U.S. natural gas power plant project for which the Corporation provided equity financing in 2014, finished construction and began commercial operation. Long-term power purchase agreements were concluded with customers for one of the world's largest solar power generation projects, the Sweihan solar project in the United Arab Emirates, as well as the Jawa 1 Natural Gas Power Plant project in Indonesia. Additionally, in the overseas electricity EPC field, the Corporation was awarded the replacement project for the combined cycle South Bangkok Power Plant from the Electricity Generating Authority of Thailand. In the domestic power projects field, the Mibu River Daiichi Electric Power Plant refurbishment was completed, in addition to two new mega-solar power plants. In the energy infrastructure field, the Corporation became the first Japanese company to participate in a gas distribution project in Portugal, and also expanded its industrial cogeneration business for chemical plants in Europe. In the public transportation field, the Corporation was awarded a Public-Private Partnership for a tram extension in Gold Coast, Australia, and marked the opening of two transit projects, the Bangkok Metropolitan Rapid Transit Purple Line in Thailand and the Taoyuan International Airport Access MRT System in Taiwan.



Transportation & Industrial Machinery

- Total volume of trading transactions
- Profit attributable to owners of the parent



Mining equipment product support business (Chile)

In the aircraft field, the Corporation strengthened its earnings foundation in the U.S. aircraft leasing business, which continued to make steady progress, securing syndicated loans from Japanese banks and forming a joint venture with a Japanese leasing company. In the ship field, the market appears to have reached a floor, and signs of recovery are evident in the trade and independent ship businesses and LNG ship business. In the automotive field, the Corporation expanded investments in new fields in North and South America, where future growth can be anticipated. In the leasing business field, the Corporation endeavors to strengthen functions and expand its business scale in the lease/rental business of refrigeration and freezing trailers in the U.S. In the construction machinery field, the Corporation acquired an equity interest in a repair business for mining equipment engines and components in Chile. In the general-purpose equipment field, the Corporation acquired a domestic electronic component wholesaler, and entered the general-purpose equipment wholesale field. In the industrial machinery field, the Corporation took steps to reinforce its earnings capability based on trading operations. Centering on all the aforementioned businesses, the Corporation is encouraging the transition to a group-wide profit structure that is less susceptible to the impact of economic fluctuations, ensuring stable earnings.

Future issues for the Group

Economic overview

In the fiscal year ending March 31, 2018, developed economies will likely continue to recover against the backdrop of a robust U.S. economic environment. Emerging market economic growth also will likely pick up in response to commodity prices' gradual recovery. Although the overall global economy should generally continue to recover at a moderate pace, the new U.S. administration's actions and electoral developments in major European countries need to be closely monitored. Commodity prices will likely gradually recover in the wake of global economic recovery.

The Japanese economy is expected to gradually recover, bolstered by various government policies, amid continued improvement in the employment environment.

Mid-term management plan "Global Challenge 2018"

(1) Progress of key measures by the end of the year under review

The Corporation and its group companies (the Group) launched the three year mid-term management plan called "Global Challenge 2018" in April 2016 that specifies what the Group aims to be five years ahead in 2020 as well

as its new management policies. Under the “Global Challenge 2018”, the Group will work to optimize and expand its existing businesses while strategically promoting new businesses that have the potential to become the core of the Group’s future. In this way, the Group will realize sustained growth.

Based on The Road to 2020, the new Mid-Term Management Plan “Global Challenge 2018” has set out five management policies: “Business and Investment Policy,” “Cash Flow Management,” “Portfolio Policy,” “Reinforcement of Global Strategy,” and “Marubeni Group’s Human Resources Strategy.” The outline of each policy is as follows.

Business and Investment Policy: Based on the foundation of long-term earnings expansion in each country and region of operations, the Group will promote businesses and investments strategically to respond to the differing operating environment and business characteristics of each business model.

Cash Flow Management: The Group is to increase available funds for growth investments by maximizing operating cash flow. While working to maximize corporate value through the further generation of profits and cash from new business investments, the Group aims to reinvest cash generated from businesses that are not expecting significant growth into next-generation growth businesses.

Portfolio Policy: While looking to maintain a balance in our portfolio of growth businesses, stable earnings businesses and higher volatility/higher upside businesses, the Group will construct a portfolio that can grow earnings over the long term even in a severe business environment. By strengthening the earnings power of existing businesses each business will be able to reliably achieve their growth targets and increase the value of the business as well. At the same time, the Group will exit non-core businesses to improve the quality of assets.

Reinforcement of Global Strategy: The Group views the advanced countries centered on U.S., and ASEAN, with its growing middle-class, as key markets and is also actively pursuing opportunities in the sub-Saharan region in order to lay the groundwork for future business.

Marubeni Group’s Human Resources Strategy: The Group is to recruit and develop human resources that can succeed on a global scale, to continue to promote diversity within the Group, and to recruit and position diverse human resources. The Group aims to be an organization where all personnel can take pride in their work and find their work rewarding.

The progress of these measures by the end of the year under review is as follows.

Regarding the “Business and Investment Policy,” having classified its businesses into four business models, namely “Distribution Businesses,” “Finance Businesses,” “Stable Earnings-Type Businesses,” and “Natural Resource Investments,” the Corporation implemented the business and investment strategy corresponding to the operating environment and business characteristics of each business model.

Regarding “Cash Flow Management,” free cash flow was significantly positive for the year under review because of expansion of adjusted operating cash flow, optimization of net operating working capital, and accelerated collection of cash.

With respect to the “Portfolio Policy,” looking to maintain a balance in its portfolio of growth businesses, stable earnings businesses and higher volatility/higher upside businesses, the Corporation carefully selected new investments while promoting reshuffling of asset holdings through collection by strategic exits of businesses.

As for “Reinforcement of Global Strategy,” in view of the present status and potential of each region, the Corporation formulated and implemented regional strategies in which local views are reflected, including

cultivation of new fields and regions and collaboration with strategic partners. The Corporation assigned more expatriates in the sub-Saharan region to strengthen the initiatives.

Regarding the “Marubeni Group’s Human Resources Strategy,” the Corporation partially revised its personnel system in order to promote recruitment and assignment of the optimum human resources who can contribute to maximization of the Group’s value.

(2) Revised quantitative targets

In accordance with the revised management policies of “Further Reinforcement of Our Financial Foundation” and “Evolving Business Strategy,” Marubeni revised the quantitative targets of “Global Challenge 2018” as indicated below.

| | Before revision | After revision |
|---|--|--|
| Profit attributable to owners of the parent | 2018 (FYE 3/2019) 250.0 billion yen (Non-natural resources 230.0 billion yen or more) | 2018 (FYE 3/2019) 200.0 billion yen (Non-natural resources 180.0 billion yen or more) |
| Free cash flow (after dividends) | Cumulative total for 2016-2018 (FYE 3/2017-FYE 3/2019) Positive free cash flow (Net D/E ratio of approximately 1.3 times as of March 31, 2019) | Cumulative total for 2016-2018 (FYE 3/2017-FYE 3/2019) Free cash flow (after dividends) of 400.0-500.0 billion yen (Net D/E ratio of approximately 1.0 times as of March 31, 2019) |
| ROE | 10% or more | 10% or more |
| New investments | 2016-2018 (FYE 3/2017-FYE 3/2019) 1 trillion yen (Breakdown) Distribution Businesses 30% Finance Businesses 20% Stable Earnings-Type Businesses 40% Natural Resource Investments 10% | 2016-2018 (FYE 3/2017-FYE 3/2019) 400.0-500.0 billion yen Strictly evaluate new investments in strong strategic terms mainly in non-natural resources |

(3) Forecast for the year ending March 31, 2018 and results for the year ended March 31, 2017

The forecast for the year ending March 31, 2018 and results for the year ended March 31, 2017 are as follows.

| Performance indicator | Forecast for the year ending March 31, 2018 | Results for the year ended March 31, 2017 |
|---|---|---|
| Profit attributable to owners of the parent | 170.0 billion yen | 155.4 billion yen |
| Net D/E ratio | Approximately 1.10 times as of March 31, 2018 | 1.20 times as of March 31, 2017 |

The Group plans to invest 400-500 billion yen during the three years of the “Global Challenge 2018” in the following four business models: Distribution Businesses, Finance Businesses, Stable Earnings-Type Businesses (Infrastructure, etc.), and Natural Resource Investments. During the year under review, the Corporation made new investments totaling some 110.0 billion yen. Main investments were the natural gas-fired thermal power generation business in the United States, the electricity, water, and steam supply business in the Middle East, and the FPSO (floating production, storage and offloading) chartering business in Brazil, and the gas distribution business in Portugal.

Fund procurement

The Group procures funds mainly through the Corporation or a domestic financial subsidiary Marubeni Financial Service Corporation. the Corporation issued a perpetual subordinated loan in the amount of 250.0 billion yen to further bolster the balance sheet, in addition to procuring funds through short-term and long-term borrowings from financial institutions. In addition, Marubeni Financial Service Corporation raised funds through short-term and long-term borrowings from financial institutions. Further, the Corporation's overseas corporate subsidiaries, financial subsidiaries and other consolidated subsidiaries raised funds through borrowings from financial institutions.

Net interest-bearing debt decreased by 662.5 billion yen from the end of the previous business year to 2,099.9 billion yen.

Major lenders

(Millions of yen)

| Lender name | Balance of borrowings at end of 93rd business year |
|--|--|
| Mizuho Bank, Ltd. | 181,301 |
| Meiji Yasuda Life Insurance Company | 168,100 |
| Development Bank of Japan Inc. | 123,000 |
| Sumitomo Mitsui Banking Corporation | 122,266 |
| Nippon Life Insurance Company | 117,385 |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 107,427 |
| The Dai-ichi Life Insurance Company, Limited | 101,219 |
| Sumitomo Mitsui Trust Bank, Limited | 88,851 |
| Japan Bank for International Cooperation | 82,667 |
| SUMITOMO LIFE INSURANCE COMPANY | 53,100 |

Notes: 1. The balances of borrowings are the total balances of borrowings of Marubeni and Marubeni Financial Service Corporation
2. The amounts below 1 million yen are rounded off.

Status of capital investment, etc.

In the business year under review, the Corporation's consolidated subsidiary Marubeni North Sea Limited made an additional investment for crude oil and gas development in the North Sea, the United Kingdom. As a result, the increase in capital investment amounted to 25.1 billion yen. In addition, the Corporation sold the site of the former Tokyo head office (book value at the beginning of the business year under review: 68.4 billion yen) in order to strengthen the financial position. The Corporation has entered into a building lease option agreement concerning the office building to be constructed by the purchaser of the site on that site.

Status of major subsidiaries and consolidation of major businesses

Status of major subsidiaries and affiliates

| Subsidiaries | Paid-in capital | Holding ratio | Main businesses |
|--------------------------------------|-----------------|---------------|--|
| (Domestic) | Millions of yen | % | |
| MX Mobiling Co., Ltd. | 1,000 | 100.00 | Sale of mobile phones and related products |
| Yamaboshiya Co., Ltd. | 2,200 | 75.62 | Wholesale of confectionery products |
| Marubeni Energy Corporation | 2,350 | 66.60 | Sale of petroleum and petrochemical products, management and leasing of terminals and service stations |
| Marubeni Nisshin Feed Co., Ltd. | 5,500 | 60.00 | Manufacture and sale of feed |
| (Overseas) | Thousands of | % | |
| Axia Power Holdings B.V. | US\$ 27 | 100.00 | Overseas power assets holding company |
| Gavilon Agriculture Investment, Inc. | US\$ 2,751,634 | 100.00 | Controlling company of the Gavilon Group (collection of goods and sale of grain, fertilizer, etc.) |
| Helena Chemical Company | US\$ 103,765 | 100.00 | Sales of agricultural materials and provision of various services |
| Marubeni Coal Pty. Ltd. | AU\$ 329,110 | 100.00 | Investment in coal business in Australia |
| Marubeni LP Holding B.V. | US\$ 80,581 | 100.00 | Investment in copper business in Chile |
| Marubeni Oil & Gas (USA) LLC | US\$ 0 | 100.00 | Exploration, development, production and sale of crude oil and natural gas |

Notes: 1. As for paid-in capital, the amounts in yen below 1 million yen are rounded off, and fractions below the shown amounts in foreign currency are rounded off.

2. The holding ratio includes the ratio of interests held through the Corporation's consolidated subsidiaries and equity-method affiliates.

3. Marubeni LP Holding B.V., which has been in the Marubeni Group, merged with Marubeni Los Pelambres Investment B.V. on October 17, 2016.

| Affiliated companies | Paid-in capital | Holding ratio | Main businesses |
|-----------------------------------|-----------------|---------------|---|
| (Domestic) | Millions of yen | % | |
| Marubeni-Itochu Steel Inc. | 30,000 | 50.00 | Import/export, sale and processing of steel products |
| TOBU STORE CO., LTD. | 9,022 | 33.50 | Retail |
| Aeon Market Investment Inc. | 100 | 28.18 | Investment purpose company for United Super Markets Holdings Inc. |
| Katakura & Co-op Agri Corporation | 4,214 | 20.12 | Manufacture and sale of fertilizer and sale of feed and goods |
| (Overseas) | Thousands of | % | |
| TeaM Energy Corporation | US\$ 12,162 | 50.00 | Power generation business in the Philippines |
| Lion Power (2008) Pte. Ltd. | S\$ 1,161,995 | 42.86 | Investment purpose company for Senoko Energy Pte. Ltd. in Singapore |

Notes: 1. As for paid-in capital, the amounts in yen below 1 million yen are rounded off, and fractions below the shown amounts in foreign currency are rounded off.

2. The holding ratio includes the ratio of interests held through the Corporation's consolidated subsidiaries and equity-method affiliates.

Status of business consolidation

| | 90th Business Year | 91st Business Year | 92nd Business Year | 93rd Business Year |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Consolidated subsidiaries | 303 | 303 | 299 | 285 |
| Equity-method affiliated companies | 150 | 149 | 149 | 153 |

Note: The number of consolidated subsidiaries and equity-method affiliated companies has been representing companies which the Corporation directly consolidates or to which the Corporation applies the equity method. Affiliates consolidated by consolidated subsidiaries are excluded from this number.

Major business bases of the Group

Domestic

| | |
|--|--|
| The Corporation's Head Office | 7-1, Nihonbashi 2-chome, Chuo-ku, Tokyo |
| The Corporation's branches and offices | 11 branches and offices including Hokkaido, Tohoku, Nagoya, Osaka, Chugoku and Kyushu branches |

Overseas

| | |
|--|--|
| The Corporation's branches and offices | 56 branches and offices including Johannesburg, Istanbul, Singapore, Kuala Lumpur, Bangkok and Manila branches |
| Overseas corporate subsidiaries | 30 overseas corporate subsidiaries including Marubeni America Corporation, Marubeni Europe plc, Marubeni ASEAN Pte. Ltd. and Marubeni (China) Co., Ltd., and 33 branches and offices of these subsidiaries |

Notes: 1. The status of major companies of the Group is as described in "Status of major subsidiaries and consolidation of major businesses" on page 34 of this booklet.

2. As a result of organizational changes on April 1, 2017, the Corporation currently has 57 overseas branches and offices and 32 overseas branches and offices of overseas corporate subsidiaries.

Employees of the Group

Number of employees of the Group

| Operating Segments | Number of employees | |
|---|---------------------|---------|
| Food & Consumer Products | 18,379 | [4,416] |
| Chemical & Forest Products | 8,583 | [1,540] |
| Energy & Metals | 1,468 | [962] |
| Power Projects & Plant | 2,030 | [459] |
| Transportation & Industrial Machinery | 6,976 | [365] |
| Other (Corporate Staff Group, administration, etc.) | 2,516 | [244] |
| Total | 39,952 | [7,986] |

Notes: 1. The numbers of employees of certain consolidated subsidiaries were as of dates that differ from the consolidated balance sheet date.

2. Seconded employees are included in the number of employees of the segment to which the organizations they are seconded belong.

3. The average annual number of temporary employees is described in the parenthesis without including it in the number of employees.

Employees of the Corporation

| Operating Segments | Number of employees | |
|---|---------------------|--|
| Food & Consumer Products | 1,057 | |
| Chemical & Forest Products | 525 | |
| Energy & Metals | 492 | |
| Power Projects & Plant | 636 | |
| Transportation & Industrial Machinery | 429 | |
| Other (Corporate Staff Group, administration, etc.) | 1,319 | |
| Total | 4,458 | |

Note: The number of employees including local employees of overseas branches, offices and corporate subsidiaries (433 persons) and secondees from other companies (107 persons) and excluding secondees to other companies (1,312 persons) was 3,686.

Other important matters concerning the Group's current status

(1) Important lawsuits

Please be advised of the following summary of the current state of the two lawsuits ("Two Current Cases") involving the Corporation ("Marubeni" or "we") brought before the Indonesian courts by "Sugar Group", an Indonesian corporate group.

In 2010, Sugar Group filed the Two Current Cases before the district courts of Gunung Sugih ("Gunung Sugih Case") and South Jakarta ("South Jakarta Case"), claiming significant damages on the basis of alleged torts. The Indonesian courts partially granted Sugar Group's claims in both of the Two Current Cases. In response, we appealed against those decisions to the Supreme Court of Indonesia, whose rulings remain pending. In October 2016 and December 2016, the Supreme Court of Indonesia's draft decisions on the Two Current Cases were uploaded onto its website. As such, we expect that the Supreme Court of Indonesia's official decisions on the Two Current Cases will likely soon be issued. According to the uploaded draft decisions, the Supreme Court of Indonesia's views are as follows.

Gunung Sugih Case

To find five defendants, including Marubeni, jointly liable for damages in a total amount of US\$250 million to the plaintiffs, i.e., four Sugar Group companies (PT. Indolampung Perkasa, PT. Sweet Indolampung, PT. Gula Putih Mataram and PT. Indolampung Distillery).

South Jakarta Case

To find four defendants, including Marubeni and Marubeni Europe PLC, jointly liable for damages in a total amount of US\$250 million to five Sugar Group companies (PT. Indolampung Perkasa, PT. Sweet Indolampung, PT. Gula Putih Mataram, PT. Indolampung Distillery and PT. Garuda Pancaarta).

We note that the Two Current Cases consist of substantially the same claims as previously decided before the Supreme Court of Indonesia. Namely, in 2006, Sugar Group companies filed litigation claims for significant damages against dozens of defendants, including Marubeni, alleging that the finances provided by Marubeni and other defendants to certain Sugar Group companies (and accompanying security interests) were invalid. After Indonesian lower court decisions were partially in favor of the Sugar Group companies, on appeal in 2010, the Supreme Court of Indonesia ruled in favor of the defendants, including Marubeni, rejecting all of the Sugar Group companies' claims.

Therefore, if the Supreme Court of Indonesia's official decisions on the Two Current Cases are consistent with the draft decisions uploaded onto its website, the Supreme Court of Indonesia will be contradicting its own previous 2010 rulings. Should the Supreme Court of Indonesia issue such contradictory rulings on the Two Current Cases, we intend to file an application for Judicial Review, pursuant to Indonesian Supreme Court legislation, so as to make clear the unfairness of such decisions. Even if such a Judicial Review application is made, it is possible that Sugar Group may seek to enforce any official decisions on the Two Current Cases in their favor by seizing Marubeni assets in Indonesia. If Sugar Group attempts such enforcement action, we will file an objection/request for suspension of the enforcement to the relevant Indonesian court.

(2) On-site inspection by the Japan Fair Trade Commission

The Group received on-site inspections by the Japan Fair Trade Commission (JFTC) concerning transactions related to uniforms etc. as stated below and fully cooperated in the inspections by the JFTC.

- 1) In September 2016, Marubeni Mates Ltd., a subsidiary of the Corporation, and other suppliers of uniforms for East Japan Railway Company and West Japan Railway Company
- 2) In October 2016, the Corporation and other participants in a bid for personal protective tools to be ordered by the Tokyo Metropolitan Government
- 3) In April 2017, the Corporation and Marubeni Mates, Ltd. and other participants in a bid for uniforms to be ordered by Nippon Telegraph and Telephone East Corporation

II. Matters Concerning the Corporation's Shares

Total number of issuable shares 4,300,000,000

Total number of shares issued 1,737,940,900

Total number of shareholders 189,437

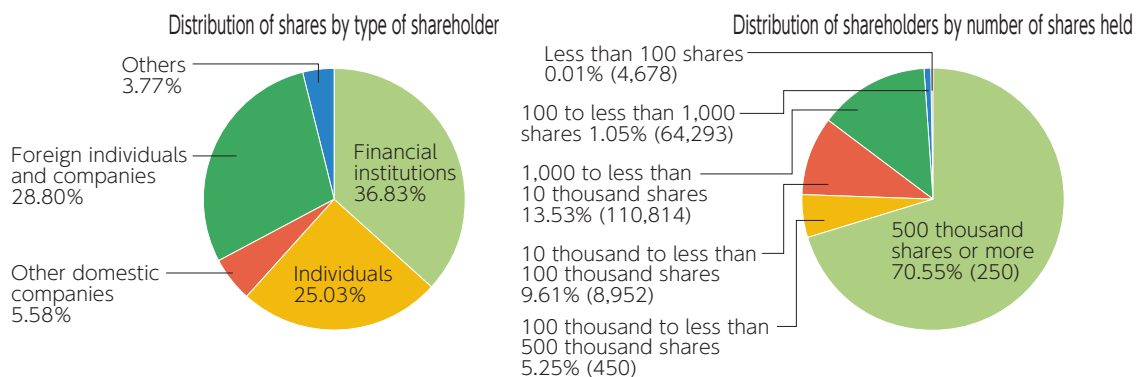
Major shareholders

| Name of shareholder | Stake in the Corporation | |
|---|--------------------------|--------------------|
| | Number of shares held | Shareholding Ratio |
| | thousands of shares | % |
| The Master Trust Bank of Japan, Ltd. (Trust account) | 85,753 | 4.94 |
| Japan Trustee Services Bank, Ltd. (Trust account) | 81,306 | 4.68 |
| Sompo Japan Nipponkoa Insurance Inc. | 42,083 | 2.42 |
| Meiji Yasuda Life Insurance Company | 41,818 | 2.40 |
| Japan Trustee Service Bank, Ltd. (Trust account 9) | 36,872 | 2.12 |
| Japan Trustee Service Bank, Ltd. (Trust account 5) | 35,683 | 2.05 |
| Mizuho Bank, Ltd. | 30,000 | 1.72 |
| BJBS S/A SUHAIL S A AL M BAHWAN A/O SAAD S BAHWAN A/O OMAR S BAHWAN-2 | 29,224 | 1.68 |
| Japan Trustee Service Bank, Ltd. (Trust account 2) | 26,204 | 1.50 |
| Japan Trustee Service Bank, Ltd. (Trust account 1) | 26,186 | 1.50 |

Notes: 1. The number of shares held of less than 1,000 shares was discarded.

2. As for the shareholding ratio, all numbers after the second decimal place were discarded.

Distribution of shareholders



Note: The sum of each ratio may not be 100% because each ratio has been rounded off.

III. Matters Concerning the Corporation's Officers

Name and other information of Directors and Audit & Supervisory Board Members

(As of March 31, 2017)

| Status | Name | Area(s) of responsibility and Status of important concurrent occupations or positions at other organizations |
|--|------------------|---|
| Chairman of the Board | Teruo Asada | |
| * President and CEO, Member of the Board | Fumiya Kokubu | |
| * Member of the Board | Mitsuru Akiyoshi | Chief Executive Officer, Food & Consumer Products Group; Director, United Super Markets Holdings Inc. |
| * Member of the Board | Shigeru Yamazoe | Chief Strategy Officer; Senior Operating Officer, Executive Secretariat; Regional CEO for East Asia; Vice Chairman of Investment and Credit Committee |
| * Member of the Board | Hikaru Minami | Chief Administrative Officer; CIO; Senior Operating Officer, Audit Dept.; Chairman of Compliance Committee; Chairman of Internal Control Committee; Chairman of IT Strategy Committee; Vice Chairman of Investment and Credit Committee |
| ◇ Member of the Board | Nobuhiro Yabe | Chief Financial Officer; Chief Operating Officer, Investor Relations & Credit Ratings; Chairman of Investment and Credit Committee; Chairman of CSR & Environment Committee; Chairman of Disclosure Committee |
| Member of the Board | Takao Kitabata | Chairman of the Board, SANDA GAKUEN Junior High School & Senior High School; Director, Kobe Steel, Ltd.; Director, SEIREN Co., Ltd.; Director, Zeon Corporation |
| Member of the Board | Yukiko Kuroda | Director, People Focus Consulting; Director, CAC Holdings Corporation; Director, Mitsui Chemicals, Inc. |
| ◇ Member of the Board | Kyohei Takahashi | Advisor, Showa Denko K.K.; Audit & Supervisory Board Member, Fukoku Mutual Life Insurance Company |
| ◇ Member of the Board | Susumu Fukuda | Representative Director and Chief Director, Japan Real Estate Institute; Audit & Supervisory Board Member, Tokio Marine & Nichido Fire Insurance Co., Ltd. |
| Full-time Audit & Supervisory Board Member | Masahiro Enoki | |
| Full-time Audit & Supervisory Board Member | Kaoru Kuzume | |
| Audit & Supervisory Board Member | Takashi Suetsuna | Director, TOTETSU KOGYO CO., LTD.; Audit & Supervisory Board Member, JCR Pharmaceuticals Co., Ltd.; Audit & Supervisory Board Member, Kandenko Co., Ltd.; Statutory Auditor, Keikyu Corporation |
| Audit & Supervisory Board Member | Yoshizumi Nezu | President, Representative Director, Tobu Railway Co., Ltd.; Director, Tokyu Corporation; Director, Matsuya Co., Ltd.; Audit & Supervisory Board Member, Fukoku Mutual Life Insurance Company; Director, Japan Post Bank Co., Ltd. |
| ◇ Audit & Supervisory Board Member | Shuichi Yoshikai | Attorney at law |

Notes: 1. Persons marked with * are Representative Directors.

2. Persons marked with ◇ were newly elected at the 92nd Ordinary General Meeting of Shareholders held on June 24, 2016, and assumed office.

3. Mr. Takao Kitabata, Ms. Yukiko Kuroda, Mr. Kyohei Takahashi, and Mr. Susumu Fukuda are Outside Directors.

4. Mr. Takashi Suetsuna, Mr. Yoshizumi Nezu, and Mr. Shuichi Yoshikai are Outside Audit & Supervisory Board Members.

5. Mr. Takao Kitabata, Ms. Yukiko Kuroda, Mr. Kyohei Takahashi, Mr. Susumu Fukuda, Mr. Takashi Suetsuna, Mr. Yoshizumi Nezu, and Mr. Shuichi Yoshikai meet the requirements for Independent Directors/Auditors set forth by domestic financial instruments exchanges and in the "Standards and Policies for the Independence of Outside Directors/Audit & Supervisory Board Members of the Corporation" on page 5 of the booklet; hence, the Corporation has appointed them as Independent Directors/Auditor and notified their appointment to the domestic stock exchanges on which the Corporation is listed.

6. (i) Audit & Supervisory Board Member Mr. Masahiro Enoki has been engaged in the screening of investment and lending from the perspectives of finance and accounting by successively holding various posts in the Corporation, including Chief Operating Officer, Business Accounting Dept. and Senior Operating Officer, Corporate Accounting Dept. and Vice Chairman of Investment and Credit Committee. Hence, he has considerable knowledge about finance and accounting.

(ii) Audit & Supervisory Board Member Kaoru Kuzume has been engaged in screening a wide variety of projects and transactions of the Group from the perspectives of finance and accounting by successively holding various posts in the Corporation, including General Manager, Human Resources Dept., and General Manager, Executive Officers Audit Dept., in addition to a broad range of practical business experience. Hence, he has considerable knowledge about finance and accounting.

(iii) Audit & Supervisory Board Member Mr. Takashi Suetsuna has successively held various posts, including Director, Finance Div. of Commissioner General's Secretariat, National Police Agency and Chief Inspector General of Commissioner General's Secretariat, National Police Agency and Deputy Superintendent General, Tokyo Metropolitan Police Department, among others. Hence, he has considerable knowledge about finance and accounting.

(iv) Audit & Supervisory Board Member Mr. Yoshizumi Nezu has long experience as an executive of corporate entities and Audit & Supervisory Board Member at other companies. Hence, he has considerable knowledge about finance and accounting.

7. Ms. Yukiko Kuroda's officially registered name is Ms. Yukiko Matsumoto.

8. Mr. Kaoru Iwasa, Mr. Akira Terakawa, and Mr. Ichiro Takahara retired from office of Director at the close of the 92nd Ordinary General Meeting of Shareholders held on June 24, 2016.

9. Mr. Kyohei Takahashi resigned from office of Audit & Supervisory Board Member at the close of the 92nd Ordinary General Meeting of Shareholders held on June 24, 2016.

10. "Food & Consumer Products Group" collectively refers to Grain Div., Food Products Div., Lifestyle Div., ICT, Logistics & Healthcare Div., and Insurance, Finance & Real Estate Business Div.

11. The "CSO" is the Chief Operating Officer of Human Resources Dept., Corporate Planning & Strategy Dept., Regional Coordination & Administration Dept. and Research Institute. The "CFO" is the Chief Operating Officer of Corporate Communication, Dept., Corporate Accounting Dept., Business Accounting Dept. and Finance Dept. The "CAO" is the Chief Operating Officer of General Affairs Dept., Information Strategy Dept., Risk Management Dept., Legal Dept. and Compliance Control Dept.

12. The changes in Board Members' and Audit & Supervisory Board Members' Status of Important Concurrent Occupations or Positions at Other Organizations during the business year under review are as follows.

| Status | Name | Detail of change | Date of change |
|----------------------------------|------------------|--|-----------------|
| Member of the Board | Kyohei Takahashi | Assumed office of Audit & Supervisory Board Member, Fukoku Mutual Life Insurance Company | July 5, 2016 |
| Member of the Board | Kyohei Takahashi | The position changed from Chairman of the Board to Director, Showa Denko K.K. | January 4, 2017 |
| Member of the Board | Kyohei Takahashi | Retired from office of Director, Showa Denko K.K., and assumed office of Advisor, Showa Denko K.K. | March 30, 2017 |
| Audit & Supervisory Board Member | Takashi Suetsuna | Assumed office of Audit & Supervisory Board Member, JCR Pharmaceuticals Co., Ltd. | June 22, 2016 |
| Audit & Supervisory Board Member | Takashi Suetsuna | Assumed office of Audit & Supervisory Board Member, Kanden Co., Ltd. | June 29, 2016 |
| Audit & Supervisory Board Member | Takashi Suetsuna | Assumed office of Statutory Auditor, Keikyu Corporation | June 29, 2016 |
| Audit & Supervisory Board Member | Yoshizumi Nezu | Retired from office of Director, Tobu Store Co., Ltd. | May 25, 2016 |

13. The names, status and area(s) of responsibility of Executive Officers as of April 1, 2017 are as follows.

Executive Officers

(As of April 1, 2017)

| Status | Name | Area(s) of responsibility |
|-----------------------------------|--------------------|---|
| * President and CEO | Fumiya Kokubu | |
| • Senior Executive Vice President | Mitsuru Akiyoshi | Chief Executive Officer, Food & Consumer Products Group |
| • Senior Executive Vice President | Shigeru Yamazoe | Chief Strategy Officer; Senior Operating Officer, Executive Secretariat; Regional CEO of East Asia; Vice Chairman of Investment and Credit Committee |
| Senior Managing Executive Officer | Kaoru Iwasa | Chief Executive Officer, Transportation & Industrial Machinery Group |
| Senior Managing Executive Officer | Yukihiko Matsumura | Regional CEO for Americas; Regional COO for North & Central America; President and CEO, Marubeni America Corporation |
| Senior Managing Executive Officer | Naoya Iwashita | Regional CEO for Europe, Africa & CIS; Regional COO for Europe; Managing Director and CEO, Marubeni Europe plc |
| Senior Managing Executive Officer | Masumi Kakinoki | Chief Executive Officer, Power Projects & Plant Group |
| Senior Managing Executive Officer | Ichiro Takahara | Chief Executive Officer, Energy & Metals Group |
| Managing Executive Officer | Keizo Torii | Regional CEO for China; President, Marubeni (China) Co., Ltd. |
| Managing Executive Officer | Shoji Kuwayama | Regional CEO for ASEAN & Southwest Asia; Regional COO for ASEAN; Managing Director, Marubeni ASEAN Pte. Ltd. |
| * Managing Executive Officer | Hikaru Minami | Chief Administrative Officer; CIO; Senior Operating Officer, Audit Dept., Chairman of Compliance Committee; Chairman of Internal Control Committee; Chairman of IT Strategy Committee; Vice Chairman of Investment and Credit Committee |
| Managing Executive Officer | Akira Terakawa | Chief Executive Officer, Chemical & Forest Products Group |
| Managing Executive Officer | Mutsumi Ishizuki | Chief Operating Officer, Metals & Mineral Resources Div. |
| Managing Executive Officer | Takeo Kobayashi | Chief Operating Officer, Forest Products Div. |
| Managing Executive Officer | Kazuro Gunji | |
| Managing Executive Officer | Hajime Kawamura | Chief Operating Officer, Plant Div. |
| * Managing Executive Officer | Nobuhiro Yabe | Chief Financial Officer; Chief Operating Officer, Investor Relations and Credit Ratings; Chairman of Investment and Credit Committee; Chairman of CSR & Environment Committee; Chairman of Disclosure Committee |
| Managing Executive Officer | Hirohisa Miyata | Chief Operating Officer, Power Business Div. |
| Managing Executive Officer | Koji Yamazaki | Chief Operating Officer, Food Products Div. |
| Managing Executive Officer | Michael McCarty | Chief Operating Officer, Agri-Input Business Div.; President and CEO, Helena Chemical Company |
| Managing Executive Officer | Toshiaki Ujiie | Chief Operating Officer, Construction & Industrial Machinery Div. |

Note: Persons marked with * are Representative Directors.

Executive Officers

(As of April 1, 2017)

| Status | Name | Area(s) of responsibility |
|-------------------|--------------------|--|
| Executive Officer | Noriaki Isa | Senior Operating Officer for CSO |
| Executive Officer | Masashi Hashimoto | General Manager, Osaka Branch |
| Executive Officer | Shinichi Kobayashi | Regional CEO for Oceania; Managing Director, Marubeni Australia Ltd. |
| Executive Officer | Akihiko Sagara | Chief Operating Officer, Energy Div. |
| Executive Officer | Koji Kabumoto | Chief Operating Officer, ICT, Logistics & Healthcare Div. |
| Executive Officer | Takeshi Kumaki | General Manager, Nagoya Branch |
| Executive Officer | Eiji Okada | Regional CEO for Middle East |
| Executive Officer | Soji Sakai | Senior Operating Officer for ASEAN & Southwest Asia; President, Marubeni Thailand Co., Ltd.; General Manager, Bangkok Branch |
| Executive Officer | Hisamichi Koga | Chief Operating Officer, Automotive & Leasing Div. |
| Executive Officer | Yoshiaki Mizumoto | Chief Operating Officer, Grain Div. |
| Executive Officer | Yutaka Shimazaki | Chief Operating Officer, Executive Secretariat; General Manager, Corporate Communications Dept. |
| Executive Officer | Minoru Tomita | Chief Operating Officer, Aerospace & Ship Div. |
| Executive Officer | Jun Horie | Chief Operating Officer, Chemical Products Div. |
| Executive Officer | Kenichiro Oikawa | Chief Operating Officer, Insurance, Finance & Real Estate Business Div. |
| Executive Officer | Hidekazu Futai | Senior Operating Officer, Agri-Input Business Div. |

Note: "Food & Consumer Products Group" collectively refers to Grain Div., Food Products Div., Lifestyle Div., ICT, Logistics & Healthcare Div., and Insurance, Finance & Real Estate Business Div. "Chemical & Forest Products Group" collectively refers to Agri-Input Business Div., Chemical Products Div., and Forest Products Div. "Energy & Metals Group" collectively refers to Energy Div., Steel Products Div. and Metals & Mineral Resources Div. "Power Business & Plant Group" collectively refers to Power Business Div. and Plant Div. "Transportation & Industrial Machinery Group" collectively refers to Aerospace & Ship Div., Automotive & Leasing Div. and Construction & Industrial Machinery Div.

The "CSO" is the Chief Operating Officer of Human Resources Dept., Corporate Planning & Strategy Dept., Regional Coordination & Administration Dept., Research Institute and IoT•Big Data Strategy Dept. The "CFO" is the Chief Operating Officer of Corporate Communication, Dept., Corporate Accounting Dept., Business Accounting Dept. and Finance Dept. The "CAO" is the Chief Operating Officer of General Affairs Dept., Information Strategy Dept., Risk Management Dept., Legal Dept. and Compliance Control Dept.

Remuneration and other payments for Directors and Audit & Supervisory Board Members

(1) Policy to determine the remuneration paid to Directors and Audit & Supervisory Board Members

The maximum total remuneration shall be determined for all the Directors and all the Audit & Supervisory Board Members, respectively, by resolution at a General Meeting of Shareholders. As for the remuneration for Directors, the Governance and Remuneration Committee with 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 is determined by resolution of the Board of Directors. The remuneration amount for Audit & Supervisory Board Members is determined through discussions among the Audit & Supervisory Board Members.

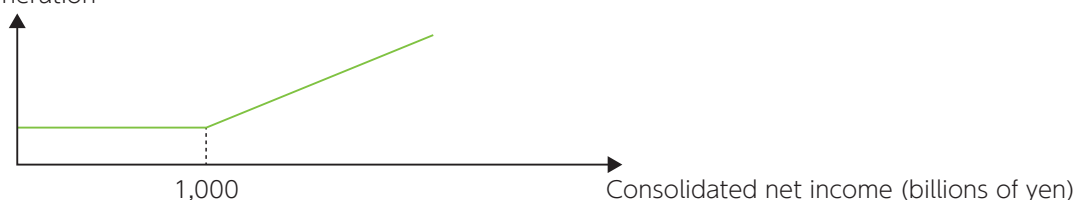
1) Remuneration and other payments for Directors

<Directors (Internal)>

Remuneration for Directors other than Outside Directors consists of basic compensation, which is a fixed amount corresponding to each Director's position, and variable compensation, which is linked to business performance in the previous business year. The amount of basic compensation is determined by reflecting quantitative and qualitative evaluation of each Director. The performance-based compensation is calculated based on the following method.

- If the consolidated net income (profit attributable to owners of the parent) for the previous business year is below 100 billion yen: 0
- If the consolidated net income for the previous business year is 100 billion yen or more:
An amount of the base amount multiplied by a factor that proportionally increases corresponding to the consolidated net income

<Reference: Correlation between consolidated net income and remuneration>



A part of remuneration for Directors other than Outside Directors is granted as stock-compensation-type stock options, instead of cash, in order to share the benefits and risks of stock price fluctuations with shareholders and heighten the motivation to improve the Company's stock price and corporate value.

<Outside Directors>

Remuneration for Outside Directors, all of whom are completely independent from business execution, consists entirely of basic compensation and no performance-linked compensation is paid.

<Audit & Supervisory Board Members >

Remuneration for Audit & Supervisory Board Members, all of whom are completely independent from business execution, consists entirely of basic compensation and no performance-linked compensation is paid.

(2) Remuneration and other payments paid to Directors and Audit & Supervisory Board Members in the business year under review

| Title | Number of recipients | Amount of payment |
|----------------------------------|--|--|
| Director | 13 | 495 million yen |
| Audit & Supervisory Board Member | 6 | 99 million yen |
| Total | 19 (including 8 Outside Directors and Audit & Supervisory Board Members) | 594 million yen (including 78 million yen paid to Outside Directors and Audit & Supervisory Board Members) |

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

2. By resolution of the 92nd Ordinary General Meeting of Shareholders held on June 24, 2016, the maximum annual amount of remuneration for Directors was set at 1,100 million yen (including 60 million yen for Outside Directors) of which the maximum annual amount of compensation concerning stock acquisition rights as stock options for Directors (excluding Outside Directors) is 220 million yen. By resolution of the 88th Ordinary General Meeting of Shareholders held on June 22, 2012, the maximum monthly remuneration for Audit & Supervisory Board Members was set at 12 million yen.

3. The above-stated amounts of remuneration and other payments include compensation concerning stock acquisition rights granted as stock options to 6 Directors (excluding Outside Directors) during the business year under review and charged to expenses during the business year under review amounting to 54 million yen.

4. The agenda to abolish the retirement remuneration plan at the close of the 83rd Ordinary General Meeting of Shareholders held on June 22, 2007, and make a final payment of retirement remuneration was duly resolved. In accordance with the resolution, the Corporation decided to pay retirement remuneration to each Director who is eligible to receive the final payment either at the time of retirement as Director or at the time of retirement as Executive Officer, whichever is later, and to each Audit & Supervisory Board Member who is eligible to receive the final payment at the time of retirement as Audit & Supervisory Board Member. In the business year under review, retirement remuneration was not paid to Directors/Audit & Supervisory Board Members who are eligible to receive a final payment in relation to the abolition of the Retirement Remuneration plan.

Matters concerning Outside Directors and Outside Audit & Supervisory Board Members

(1) Important concurrent occupations or positions at other organizations and relationships between these organizations and the Corporation

| Title | Name | Status of important concurrent occupations or positions at other organizations | Relationships between organizations at which concurrent occupations or positions are held and the Corporation |
|--|------------------|---|---|
| Outside Director | Takao Kitabata | Chairman of the Board, SANDA GAKUEN Junior High School & Senior High School; Director, Kobe Steel, Ltd.; Director, SEIREN Co., Ltd.; Director, Zeon Corporation | There is no special relationship. |
| Outside Director | Yukiko Kuroda | Director, People Focus Consulting; Director, CAC Holdings Corporation; Director, Mitsui Chemicals, Inc. | There is no special relationship. |
| Outside Director | Kyohei Takahashi | Advisor, Showa Denko K.K.; Audit & Supervisory Board Member, Fukoku Mutual Life Insurance Company | There is no special relationship. |
| Outside Director | Susumu Fukuda | Representative Director and Chief Director, Japan Real Estate Institute; Audit & Supervisory Board Member, Tokio Marine & Nichido Fire Insurance Co., Ltd. | There is no special relationship. |
| Outside Audit & Supervisory Board Member | Takashi Suetsuna | Director, TOTETSU KOGYO CO., LTD.; Audit & Supervisory Board Member, JCR Pharmaceuticals Co., Ltd.; Audit & Supervisory Board Member, Kanden Co., Ltd.; Statutory Auditor, Keikyu Corporation | There is no special relationship. |
| Outside Audit & Supervisory Board Member | Yoshizumi Nezu | President, Representative Director, Tobu Railway Co., Ltd.; Director, Tokyu Corporation; Director, Matsuya Co., Ltd.; Audit & Supervisory Board Member, Fukoku Mutual Life Insurance Company; Director, Japan Post Bank Co., Ltd. | Tobu Railway Co., Ltd., invests in Tobu Store jointly with the Corporation and competes with the Corporation in real estate-related businesses. |
| Outside Audit & Supervisory Board Member | Shuichi Yoshikai | Attorney at law | There is no special relationship. |

(2) Major activities

| Title | Name | Major activities |
|--|------------------|--|
| Outside Director | Takao Kitabata | Participated in all meetings of the Board of Directors held during the business year under review and made comments as needed based primarily on his wide experience in government services and his profound knowledge accumulated through such experience. |
| Outside Director | Yukiko Kuroda | Participated in all meetings of the Board of Directors held during the business year under review and made comments as needed based primarily on her wide experience from having been an executive of various corporate entities, and her profound knowledge accumulated through such experience. |
| Outside Director | Kyohei Takahashi | Participated in 11 meetings of the Board of Directors out of a total of 13 meetings held since his assumption of office on June 24, 2016 and made comments as needed based primarily on his wide experience from having been an executive of various corporate entities and his profound knowledge accumulated through such experience. |
| Outside Director | Susumu Fukuda | Participated in all meetings of the Board of Directors held since his assumption of office on June 24, 2016 and made comments as needed based primarily on his wide experience in government services and his profound knowledge accumulated through such experience. |
| Outside Audit & Supervisory Board Member | Takashi Suetsuna | Participated in 18 meetings of the Board of Directors out of a total of 19 meetings and all meetings of the Audit & Supervisory Board held during the business year under review and made comments as needed based primarily on his wide experience in government services and his profound knowledge accumulated through such experience. |
| Outside Audit & Supervisory Board Member | Yoshizumi Nezu | Participated in 12 meetings of the Board of Directors out of a total of 19 meetings and 8 meetings of the Audit & Supervisory Board out of a total 10 meetings held during the business year under review and made comments as needed based primarily on his wide experience from having been an executive of various corporate entities and his profound knowledge accumulated through such experience. |
| Outside Audit & Supervisory Board Member | Shuichi Yoshikai | Participated in all meetings of the Board of Directors and all meetings of the Audit & Supervisory Board held since his assumption of office on June 24, 2016 and made comments as needed based primarily on his wide experience in legal services and his profound knowledge accumulated through such experience. |

(3) Summary of limitation of liability agreement

In order to enable each of the Outside Directors/Audit & Supervisory Board Members to fully perform his or her duty as Outside Director or Outside 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 he or she has acted in good faith and without gross negligence in performing his or her duties.

Systems necessary to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation Other systems necessary to ensure the properness of operations

The Corporation shall develop the basic policies on the systems necessary to ensure the properness of operations of the Corporation and operations of the corporate group, consisting of the Corporation and the Group companies (which refer to consolidated subsidiaries of the Corporation and companies which the Corporation regards as being substantially equivalent to its subsidiaries) (the "Marubeni Group") as described below (the "basic internal control policy"), in accordance with the Companies Act and the Enforcement Regulations of the Companies Act, in order to raise corporate value and build a stable and sustainable group corporate structure through corporate activities conforming to the Company Creed and the Management Philosophy*. The Corporation shall make its systems more appropriate and efficient by constantly reviewing the basic internal control policy in response to changes in society.

| (i) System necessary to ensure that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation | (ii) Systems to preserve and manage information related to the execution of duties by Directors | (iii) Internal regulations for the risk management of losses and other related systems | (iv) Systems necessary to ensure the efficient execution of duties by Directors |
|--|--|---|---|
| <p>(1) Corporate governance</p> <p>(i) Directors and Board of Directors</p> <ul style="list-style-type: none"> ● Board of Directors' supervision of Directors ● In principle, Appointment of Chairman without representative rights and the authority for execution of operations as chairman of the Board of Directors ● Board of Directors' decision on responsibilities of areas of Directors ● Directors' reports to the Board of Directors on execution of duties (more than once in 3 months) ● Terms of office of Directors: 1 year ● Election of Outside Directors ● Efficient execution under the Executive Officer system, participation in the overall management of the Corporation by Group CEOs, and supervision of the overall operations of the Group for which each Group CEOs is in charge <p>(ii) Audit & Supervisory Board Members and Audit & Supervisory Board</p> <ul style="list-style-type: none"> ● Audits of the appropriateness of Directors' execution of duties by Audit & Supervisory Board Members and the Audit & Supervisory Board <p>(2) Compliance</p> <p>(i) Compliance System</p> <ul style="list-style-type: none"> ● Formulation of the norm of conduct commonly applicable to the Group including Company Doctrine and Compliance Manual ● Various measures implemented by varied committees such as the Compliance Committee <p>(ii) Internal whistle-blowing system</p> <ul style="list-style-type: none"> ● Establishment of the "Door of Courage", "Marubeni Anti-Corruption Hotline" <p>(iii) Cutting off relations with antisocial forces</p> <ul style="list-style-type: none"> ● Cutting off all relations with antisocial activities and forces <p>(3) Internal audits</p> <ul style="list-style-type: none"> ● Internal audits by Audit Dept. under the direct control of President, company-wide self-inspection, and Reports to the Board of Directors regarding internal audits by Audit Dept. <p>(4) Disciplinary action</p> <ul style="list-style-type: none"> ● Severe punishment after conferring with the Governance and Remuneration Consultative Committee and the Award and Disciplinary Committee | <p>(1) Preservation and management of information and prevention of information leakage</p> <ul style="list-style-type: none"> ● Formulation of "Regulation for Management of Information Assets" of the Corporation; and the designation of documents and other material to be kept, the retention period and administrators of documents and other material. <p>(2) Perusal of information</p> <ul style="list-style-type: none"> ● Officers and Audit & Supervisory Board Members permitted to peruse information assets kept at any time | <p>(1) Principle of authority</p> <ul style="list-style-type: none"> ● Clear definition of the authority of officers and employees <p>(2) System for internal approval procedure</p> <ul style="list-style-type: none"> ● Deliberation on individual projects at the Investment and Credit Committee in accordance with "Regulation of Authority and Duties" and "Regulation for Internal Approval Procedure" of the Corporation; referring the projects to the Corporate Management Committee for discussion; and approval by President. Further approval by the Board of Directors according to the degree of importance and other matters of the projects. Follow-up of important projects; and reporting the projects regularly to the Corporate Management Committee <p>(3) Risk assessment</p> <ul style="list-style-type: none"> ● Comprehensive risk management of measurable risks ● Management of qualitative risks through enhancement of the compliance system and other means. <p>(4) Crisis management</p> <ul style="list-style-type: none"> ● Formulation of business continuity plans to cope with material events such as natural disasters; and prompt drawing up and implementation of specific measures for minimizing damages and losses | <p>(1) Management policy, strategy and plan</p> <ul style="list-style-type: none"> ● Establishment of targets common to all officers and employees of the Marubeni Group <p>(2) Corporate Management Committee</p> <ul style="list-style-type: none"> ● Establishment of the Corporate Management Committee to deliberate the supreme plan for management and company-wide important matters <p>(3) Business and Corporate Staff Groups</p> <ul style="list-style-type: none"> ● Introduction of the business group system and transfer of the authority to Group CEOs ● Corporate Staff Group's management, check and support of the business group in each specialty field <p>(4) Clarification of authorities and duties</p> <ul style="list-style-type: none"> ● Establishment by the Board of Directors and in various internal regulations of officers' responsibilities of areas, each officer's and each employee's division of rules, authorities and responsibilities, and the decision-making rules |

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

Management Philosophy : In accordance with the spirit grounded in "Fairness, Innovation and Harmony," the Marubeni Group is proudly committed to contribute to social and economic development and to safeguard global environment by conducting fair and upright corporate activities.

| (v) Systems necessary to ensure the appropriateness of operations by the group | (vi) Matters concerning employees assisting the duties of Audit & Supervisory Board Members, and matters concerning the independence of these employees from Directors | (vii) Systems for Directors and employees to report to Audit & Supervisory Board Members and other systems for reports to Audit & Supervisory Board Members | (viii) Other systems necessary to ensure effective audits by Audit & Supervisory Board Members |
|---|--|---|---|
| <p>(1) The Marubeni Group's operating system</p> <ul style="list-style-type: none"> ● Assignment of the person in charge of grasping the situation of, directing and supervising each Group company's management ● Establishment of the guidelines for Group companies' management systems ● Proper Reporting to the Corporation on matters regarding execution of duties by Directors etc., at each Group company ● Proper management of risk of loss at each Group company ● Ensuring of the efficient execution of duties by Directors etc., at each Group company ● Ensuring of legal compliance at each Group company <p>(2) Compliance</p> <ul style="list-style-type: none"> ● Support and direction of Group companies' compliance activities by the Compliance Committee ● Opening the "Door of Courage", "Marubeni Anti-Corruption Hotline" to all Group employees <p>(3) Establishment of a system necessary to ensure the appropriateness of financial reporting and asset safeguarding</p> <ul style="list-style-type: none"> ● Establishment of systems necessary to ensure the reliability of, and continued monitoring of financial reports including consolidated financial statements through the activities of the Internal Control Committee and other activities ● Establishment of a system to ensure the appropriate acquisition, retention and disposal of assets held by Group companies ● Establishment of the Disclosure Committee to disclose information in a timely and appropriate manner <p>(4) Audits</p> <ul style="list-style-type: none"> ● Audit Dept.'s on-site audits of Marubeni Group companies ● Audits and accounting audits of each Marubeni Group company by Audit & Supervisory Board Members and the Accounting Auditor | <p>(1) Establishment of Audit & Supervisory Board Member's office</p> <ul style="list-style-type: none"> ● Establishment of the Corporate Auditor's office and a full-time person to support the duties of Audit & Supervisory Board Members <p>(2) Personnel matters of Audit & Supervisory Board Member's office</p> <ul style="list-style-type: none"> ● Acquisition of prior consent of Audit & Supervisory Board Member on personnel matters (reassignment, appraisal, punishment, etc.) of Audit & Supervisory Board Member's office | <p>(1) Audit & Supervisory Board Member's attendance at important meetings</p> <ul style="list-style-type: none"> ● Audit & Supervisory Board Members' attendance at meetings of Board of Directors, meetings of Corporate Management Committee, and other important meetings <p>(2) Reporting to Audit & Supervisory Board Members by officers and employees</p> <ul style="list-style-type: none"> ● Holding of meetings between President and Audit & Supervisory Board Members on a regular basis ● Reporting to Audit & Supervisory Board Members on execution of duties by Directors, Chief Executive Officer of each Group, Chief Operating Officer of each Division and General Manager of each Department in Corporate Staff Group ● Reporting to Audit & Supervisory Board Members by officers in case of discovery of any fact that may cause significant damages to the Corporation ● Establishment of a system to provide material reports directly or indirectly to Audit & Supervisory Board Members of the Corporation from Directors, Audit & Supervisory Board Members and employees etc. of each Group company or persons who have received reports from such Directors, Audit & Supervisory Board Members or employees etc. ● Cooperation on reporting requested by Audit & Supervisory Board Members ● Establishment of a system to ensure that persons, who have provided such reports to Audit & Supervisory Board Members, are not treated unfairly at Marubeni or any Group company because of the report | <p>(1) Coordination among Audit Dept., the Accounting Auditor and the Marubeni Group companies' Audit & Supervisory Board Members</p> <ul style="list-style-type: none"> ● Prior receipt by Audit & Supervisory Board Members of the auditing plans of Audit Dept. and the Accounting Auditor, and exchange of opinions concerning audit policies and audit results reports at regular meetings ● Coordination between Audit & Supervisory Board Members and each Marubeni Group company's Audit & Supervisory Board Members <p>(2) Appointment of outside specialists</p> <ul style="list-style-type: none"> ● Appointment by Audit & Supervisory Board Members of outside advisors such as lawyers <p>(3) Audit related expenses</p> <ul style="list-style-type: none"> ● Budget setting to cover fees for outside specialists and other expenses for execution of duties by Audit & Supervisory Board Members upon request of Audit & Supervisory Board Members |

Enacted on May 12, 2006
 Amended on April 26, 2017

IV. The Corporation's Systems and Policies

Summary of Operating Status of Internal Control Systems

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

The Corporation's stance on compliance is "When you are faced with a choice between integrity and profit, choose integrity without hesitation." The Corporation reviews the Compliance Manual every year to keep up to date on regulatory changes and economic and social trends. During the business year under review, the Corporation revised the Compliance Manual and all the Company's employees and executives submitted written pledges to adhere to the code expressed in this compliance manual.

Taking the opportunity that the Group received on-site inspections by the Japan Fair Trade Commission concerning the case about the participants in a bid for personal protective tools to be ordered by the Tokyo Metropolitan Government, the Corporation has formulated and strengthened measures to prevent violation of antitrust law, including preventive measures (control of contacts with competitors), control measures (periodic auditing concerning risks of violation of antitrust laws), inculcation measures (education and training about antitrust laws).

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

The Corporation revised the rules for management of information assets in order to strengthen preservation and management of information assets it owns. Specific measures implemented included introduction and renewal of systems in order to prevent risks of information leakage, such as a system that prevents unauthorized access via the Internet, a system that monitors communication with external parties, and a system that controls storing of data on external personal computers.

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

The officers and executives of the Corporation implemented risk management related to their duties and business operations in accordance with the areas of responsibility of their business, which is defined by the resolution of the Board of Directors, as well as by the "Regulation of Authority and Duties" and the "Regulation for Segregation of Duties."

During the business year under review, the Investment and Credit Committee met 23 times to examine new investment and financing projects with reference to analysis by the Corporate Staff Groups, in addition to the quantitative standards such as the PATRAC and IRR guidelines.

Moreover, credit/investment risks regarding the respective countries, regions and customers, etc., were regularly analyzed for risk appraisal in accordance with the "Regulation of Credit Management" and the "Regulation for Management of Country Risk-Exposed Transaction", and the relevant management standards were reviewed, as required. In addition, the continuation and reinforcement of risk management were pursued through the precise understanding of risk-exposed assets and commodity positions.

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

The group-wide management indices and various specific measures were decided in the mid-term management plan "Global Challenge 2018" (FY2016 through FY2018), and their execution was pursued through the organizational chain of command.

The Corporate Management Committee meetings were held 31 times during the business year under review to deliberate on important Group-wide matters. In addition, the Corporate Management Committee by each business group was held twice to establish specific targets of each business group and manage the progress status of such targets.

The area of responsibility of each Director, the selection of Executive Officers and their areas of responsibility are decided by resolution of the Board of Directors. Efficient decision-making and the execution of duties are done in accordance with the Regulation of Authority and Duties.

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

The Corporation strives to understand the actual management circumstances of the respective Group companies, and then instructs and supervises them in accordance with the “Regulation for Group Company”.

During the business year under review, the Corporation established the “Marubeni Group Governance Policy” whose objective is to enhance the Group’s corporate value and achieve sustainable growth. This policy is designed to facilitate sharing and inculcation of the Group’s management policy, strengthening of governance by clarification of the responsibilities and power of Marubeni and companies in the Group, and establishment and systematization of schemes, regulations, rules, etc. at the Group companies.

6. Matters concerning employees assisting the duties of Audit & Supervisory Board Members, and matters concerning the independence of these employees from Directors

Personnel in the Audit & Supervisory Board Member’s Office assist the Audit & Supervisory Board Members’ execution of duties. Regarding personnel matters (reassignment, appraisal, punishment, etc.) of personnel in the Audit & Supervisory Board Member’s Office, Audit & Supervisory Board Members are consulted in advance and their consent is obtained.

7. Systems for Directors and employees to report to Audit & Supervisory Board Members and other systems for reports to Audit & Supervisory Board Members

Meetings between the President and Audit & Supervisory Board Members were held on a regular basis to report the execution of duties and exchange opinions. Directors, Group CEOs, the Chief Operating Officer of each Division and the General Manager of each Department in Corporate Staff Group reported to the Audit & Supervisory Board Members on the execution of duties.

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

Meetings between Audit & Supervisory Board Members and the Accounting Auditor, as well as between Audit & Supervisory Board Members and the Audit Dept., were held monthly for the exchange of information and opinions concerning audit planning, status of audits, including those of subsidiaries, and the status of internal control over financial reporting.

Meetings between Audit & Supervisory Board Members and their counterparts of the Group companies were also held regularly for the exchange of information and opinions concerning the status of design and application of internal control at each company.

Policy concerning decision to distribute surplus by way of dividend and other matters

The Corporation intends to establish a robust financial foundation by expanding internal reserves to establish a strong financial foundation, and enhance its corporate value by strengthening existing businesses and promoting a new investment policy.

To further clarify its stance on redistributing profits to shareholders, the Corporation applies a basic policy to determine dividends. Such policy aims for a consolidated payout ratio of about 25% or more, based on the principle of linking dividends to the Corporation’s business results for each term. As for the frequency of dividend distribution of surplus for each business year, the Corporation maintains its traditional policy of paying dividends twice each year, consisting of a mid-year dividend and a year-end dividend. As the Corporation’s Articles of Incorporation provide that, pursuant to the provisions of Article 459, paragraph 1 of the Companies Act, its Board of Directors is entitled to resolve dividend distribution of surplus, it is the Corporation’s basic policy that payment of each dividend is to be resolved at meetings of the Board of Directors.

Consolidated Financial Statements

Consolidated Statement of Financial Position

| Item | 93rd Business Year (As of March 31, 2017) | Ref: 92nd Business Year (As of March 31, 2016) | Item | 93rd Business Year (As of March 31, 2017) | Ref: 92nd Business Year (As of March 31, 2016) |
|--|--|---|--|--|---|
| Assets | Millions of yen | Millions of yen | Liabilities and equity | Millions of yen | Millions of yen |
| Current assets: | | | Current liabilities: | | |
| Cash and cash equivalents | 704,972 | 600,840 | Bonds and borrowings | 643,049 | 636,536 |
| Time deposits | 1,227 | 5,032 | Notes and trade accounts payable | 1,243,087 | 1,221,150 |
| Investment securities | 10,075 | 10,075 | Other current financial liabilities | 361,768 | 351,246 |
| Notes, trade accounts and loans receivable | 1,235,392 | 1,270,284 | Income tax payable | 19,454 | 15,473 |
| Other current financial assets | 200,560 | 219,652 | Liabilities directly associated with assets held-for-sale | 4,086 | 1,873 |
| Inventories | 767,365 | 779,581 | Other current liabilities | 344,761 | 367,938 |
| Assets held-for-sale | 36,689 | 63,308 | Total current liabilities | 2,616,205 | 2,594,216 |
| Other current assets | 208,206 | 213,808 | | | |
| Total current assets | 3,164,486 | 3,162,580 | Non-current liabilities: | | |
| | | | Bonds and borrowings | 2,163,089 | 2,731,789 |
| Non-current assets: | | | Notes and trade accounts payable | 18,349 | 17,658 |
| Investments in associates and joint ventures | 1,755,952 | 1,651,350 | Other non-current financial liabilities | 70,285 | 76,697 |
| Other investments | 334,441 | 348,063 | Net defined benefit liability | 83,468 | 91,918 |
| Notes, trade accounts and loans receivable | 162,961 | 168,733 | Deferred tax liabilities | 105,630 | 100,617 |
| Other non-current financial assets | 85,799 | 91,434 | Other non-current liabilities | 96,949 | 89,589 |
| Property, plant and equipment | 968,392 | 1,201,444 | Total non-current liabilities | 2,537,770 | 3,108,268 |
| Intangible assets | 289,334 | 335,273 | Total liabilities | 5,153,975 | 5,702,484 |
| Deferred tax assets | 88,216 | 94,113 | | | |
| Other non-current assets | 47,152 | 64,696 | Equity: | | |
| Total non-current assets | 3,732,247 | 3,955,106 | Issued capital | 262,686 | 262,686 |
| Total assets | 6,896,733 | 7,117,686 | Capital surplus | 142,881 | 141,504 |
| | | | Other equity financial instruments | 243,589 | — |
| | | | Treasury stock | (1,374) | (1,369) |
| | | | Retained earnings | 856,647 | 737,215 |
| | | | Other components of equity: | | |
| | | | Gains (losses) on financial assets measured at fair value through other comprehensive income | 54,606 | 43,066 |
| | | | Foreign currency translation adjustments | 165,310 | 193,608 |
| | | | Gains (losses) on cash flow hedges | (40,622) | (59,658) |
| | | | Remeasurements of defined benefit plan | — | — |
| | | | Equity attributable to owners of the parent | 1,683,723 | 1,317,052 |
| | | | Non-controlling interests | 59,035 | 98,150 |
| | | | Total equity | 1,742,758 | 1,415,202 |
| | | | Total liabilities and equity | 6,896,733 | 7,117,686 |

Consolidated Statement of Comprehensive Income

| Item | 93rd Business Year (from April 1, 2016 to March 31, 2017) | Ref: 92nd Business Year (from April 1, 2015 to March 31, 2016) |
|--|--|---|
| | Millions of yen | Millions of yen |
| Revenue: | | |
| Sales of goods | 6,940,332 | 7,077,085 |
| Commissions on services and trading margins | 188,473 | 223,214 |
| Total revenue | 7,128,805 | 7,300,299 |
| Cost of goods sold | (6,514,925) | (6,630,213) |
| Gross trading profit | 613,880 | 670,086 |
| Other income (expenses): | | |
| Selling, general and administrative expenses | (522,283) | (565,855) |
| Gains (losses) on property, plant and equipment: | | |
| Impairment losses | (69,246) | (114,658) |
| Gains (losses) on sales of property, plant and equipment | 5,852 | 11,362 |
| Other-net | 45,934 | (16,035) |
| Total other income (expenses) | (539,743) | (685,186) |
| Finance income (expenses): | | |
| Interest income | 16,213 | 14,602 |
| Interest expenses | (33,318) | (33,628) |
| Dividend income | 17,512 | 18,555 |
| Gains (losses) on investment securities | 11,002 | 74,306 |
| Total finance income (expenses) | 11,409 | 73,835 |
| Share of profits of associates and joint ventures | 114,725 | 31,824 |
| Profit before tax | 200,271 | 90,559 |
| Income tax (expense) | (44,485) | (23,031) |
| Profit for the year | 155,786 | 67,528 |
| Profit for the year attributable to: | | |
| Owners of the parent | 155,350 | 62,264 |
| Non-controlling interests | 436 | 5,264 |
| Other comprehensive income: | | |
| Items that will not be reclassified to profit or loss: | | |
| Gains (losses) on financial assets measured at fair value through other comprehensive income | 7,998 | (57,824) |
| Remeasurements of defined benefit plan | 1,207 | (15,468) |
| Changes in other comprehensive income of associates and joint ventures | 3,384 | (4,436) |
| Items that will be reclassified to profit or loss: | | |
| Foreign currency translation adjustments | (27,860) | (116,361) |
| Gains (losses) on cash flow hedges | 4,185 | 5,203 |
| Changes in other comprehensive income of associates and joint ventures | 7,809 | (22,684) |
| Other comprehensive income, net of tax | (3,277) | (211,570) |
| Total comprehensive income for the year | 152,509 | (144,042) |
| Total comprehensive income for the year attributable to: | | |
| Owners of the parent | 153,449 | (144,593) |
| Non-controlling interests | (940) | 551 |
| Total volume of trading transactions | 11,134,169 | 12,207,957 |

"Total volume of trading transactions" includes all transactions involving the Company and its consolidated subsidiaries regardless of transaction type. "Total volume of trading transactions" is not required by International Financial Reporting Standards ("IFRSs") but is presented here to provide readers with a better understanding and is as presented in common Japanese accounting practice.

Consolidated Statement of Changes in Equity

| Item | 93rd Business Year (from April 1, 2016 to March 31, 2017) | Ref: 92nd Business Year (from April 1, 2015 to March 31, 2016) |
|--|--|---|
| | Millions of yen | Millions of yen |
| Issued capital: | | |
| Balance at beginning of year | 262,686 | 262,686 |
| Balance at end of year | 262,686 | 262,686 |
| Capital surplus: | | |
| Balance at beginning of year | 141,504 | 148,243 |
| Disposal of treasury stock | (1) | — |
| Equity transactions with non-controlling interests and others | 1,378 | (6,739) |
| Balance at end of year | 142,881 | 141,504 |
| Other equity instruments: | | |
| Balance at beginning of year | — | — |
| Issuance of other equity financial instruments | 243,589 | — |
| Balance at end of year | 243,589 | — |
| Treasury stock: | | |
| Balance at beginning of year | (1,369) | (1,361) |
| Purchases and sales of treasury stock | (5) | (8) |
| Balance at end of year | (1,374) | (1,369) |
| Retained earnings: | | |
| Balance at beginning of year | 737,215 | 728,098 |
| Profit for the year attributable to owners of the parent | 155,350 | 62,264 |
| Transfer from other components of equity | 803 | (12,361) |
| Dividends to owners of the parent | (34,711) | (40,786) |
| Distribution to owners of other equity financial instruments | (2,010) | — |
| Balance at end of year | 856,647 | 737,215 |
| Other components of equity: | | |
| Balance at beginning of year | 177,016 | 380,849 |
| Gains (losses) on financial assets measured at fair value through other comprehensive income | 11,212 | (61,130) |
| Foreign currency translation adjustments | (28,298) | (134,174) |
| Gains (losses) on cash flow hedges | 14,054 | 4,868 |
| Remeasurements of defined benefit plan | 1,131 | (16,421) |
| Transfer to retained earnings | (803) | 12,361 |
| Transfer to non-financial assets or non-financial liabilities | 4,982 | (9,337) |
| Balance at end of year | 179,294 | 177,016 |
| Equity attributable to owners of the parent | 1,683,723 | 1,317,052 |
| Non-controlling interests: | | |
| Balance at beginning of year | 98,150 | 160,198 |
| Dividends to non-controlling interests | (3,480) | (6,742) |
| Equity transactions with non-controlling interests and others | (34,695) | (55,857) |
| Profit for the year attributable to non-controlling interests | 436 | 5,264 |
| Other components of equity: | | |
| Gains (losses) on financial assets measured at fair value through other comprehensive income | 235 | 14 |
| Foreign currency translation adjustments | (1,716) | (4,591) |
| Gains (losses) on cash flow hedges | 94 | 55 |
| Remeasurements of defined benefit plan | 11 | (191) |
| Balance at end of year | 59,035 | 98,150 |
| Total equity | 1,742,758 | 1,415,202 |
| Total comprehensive income for the year attributable to: | | |
| Owners of the parent | 153,449 | (144,593) |
| Non-controlling interests | (940) | 551 |
| Total comprehensive income for the year | 152,509 | (144,042) |

Notes to Consolidated Financial Statements

<Notes to significant matters which constitute the basis for preparation of the Consolidated Financial Statements>

1. Basis of Consolidated Financial Statements

The Company's Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") pursuant to the Paragraph 1 of Article 120 of the Ordinance for Company Accounting. However, pursuant to the latter part, certain disclosure that is required on the basis of IFRSs is omitted.

2. Scope of consolidation and application of the equity method

(1) Number of consolidated subsidiaries and names of major consolidated subsidiaries

Number of consolidated subsidiaries: 285
MX Mobiling Co., Ltd., Yamaboshiya Co., Ltd., Marubeni Energy Corporation, Marubeni Nisshin Feed Co., Ltd., Axia Power Holdings B.V., Gavilon Agriculture Investment, Inc., Helena Chemical Company, Marubeni Coal Pty. Ltd., Marubeni LP Holding B.V., Marubeni Oil & Gas (USA) LLC.

(2) Number of associates and joint ventures accounted for under the equity method and names of major companies accounted for under the equity method

Number of associates and joint ventures accounted for under the equity method: 153
Marubeni-Itochu Steel Inc., Tobu Store Co., Ltd., Aeon Market Investment Inc., Katakura & Co-op Agri Corporation, Team Energy Corporation, Lion Power (2008) Pte. Ltd.

The number above represents those companies which the Company directly consolidates or to which the Company applies the equity method. Companies which are sub-consolidated or accounted for under the equity method by other subsidiaries (364 companies) are excluded from this number.

3. Significant accounting policies

(1) Valuation standards and methods for financial assets (The Company and its consolidated subsidiaries apply IFRS 9 *Financial Instruments*)

Financial assets measured at amortised cost:

Financial assets measured at amortised cost are measured at fair value plus transaction costs at initial recognition. After initial recognition, financial assets measured at amortised cost are measured at amortised cost calculated using the effective interest method less any impairment losses. Amortisation using the effective interest method is recognised as part of finance income in the Consolidated Statement of Comprehensive Income.

Financial assets measured at fair value through profit or loss ("Financial assets measured at FVTPL"):

Financial assets measured at FVTPL are measured at fair value. Changes in the fair values, together with the related dividend and interest income, are mainly recognised as part of finance income in the Consolidated Statement of Comprehensive Income.

Financial assets measured at fair value through other comprehensive income ("Financial assets measured at FVTOCI"):

Financial assets measured at FVTOCI are measured at fair value plus transaction costs at initial recognition. After initial recognition, Financial assets measured at FVTOCI are measured at fair value with any change in fair value

recognised in other comprehensive income. The cumulative amount of the change in fair value recognised in other comprehensive income is recognised in other components of equity. However, dividend income arising from equity financial assets measured at FVTOCI is recognised as part of finance income (or expenses) in the Consolidated Statement of Comprehensive Income.

Impairment of financial assets measured at amortised cost:

The Company and its consolidated subsidiaries judge that a financial asset measured at amortised cost is impaired only if there is objective evidence of impairment as a result of one or more events that occur after the initial recognition of the asset, and such an event or events have an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The amount of an impairment loss is estimated based on the present value of estimated future cash flows discounted at the financial asset's original effective interest rate or observable market prices of the financial asset. In addition to the impairment losses recognised in the manner described above, the Company and its consolidated subsidiaries recognise impairment losses on financial assets based on historical credit loss rates calculated in consideration of past experience, etc. or estimated recoverable amounts after evaluating potential risks associated with the obligors, geographic areas, etc. pertaining to the financial assets.

(2) Valuation standards and methods for inventories

Inventories, which mainly consist of commodities, merchandise, and real estate held for sale, are measured at the lower of cost (mainly specific or moving average cost) and net realisable value.

When the cause of a write-down no longer exists, or when there is clear evidence of an increase in net realisable value due to changes in economic conditions, reversals of such write-downs are recognised.

Inventories held for generating profits from short-term fluctuations in market prices are measured at fair value less costs to sell, with fluctuations in fair value less costs to sell recognised in profit or loss in the period in which such fluctuations occur.

(3) Depreciation method for assets

The depreciable amount of items of property, plant and equipment is allocated over each period for the useful life of each item through depreciation, mainly on a straight-line basis over the useful life of each item (buildings and structures from 2 to 60 years, machinery and equipment from 2 to 45 years), or the units of production method based on reserve estimation. Land is not depreciated. The amount of intangible assets with finite useful lives subject to amortisation is allocated as an expense over each period for the useful life of each asset (franchises and customer relationships approximately from 3 years to 45 years, software approximately from 2 years to 20 years) through amortisation, mainly on a straight-line basis. Intangible assets judged to have indefinite useful lives and goodwill are not subject to amortisation.

(4) Impairment of non-financial assets other than inventories

Property, plant and equipment, intangible assets, and goodwill are assessed, at the end of each reporting period, whether there is an indication that an asset may be impaired.

If there is an indication that an asset may be impaired, the recoverable amount of the asset is estimated. Intangible assets with indefinite useful lives and goodwill are evaluated whether the carrying amount of an asset exceeds its recoverable amount on a regular basis (at least annually), irrespective of whether there is any indication that an asset may be impaired. If the recoverable amount of an asset or cash-generating unit is less than its carrying amount, the carrying amount is reduced to the recoverable amount and that reduction is recognised as an impairment loss.

The Company and its consolidated subsidiaries assess, at the end of each reporting period, whether there is an indication that the recognised impairment losses in prior periods for an asset may no longer exist or may have decreased. If there is such an indication, the Company and its consolidated subsidiaries estimate the recoverable amount of the asset. If the estimated recoverable amount exceeds the carrying amount of the asset, a reversal of impairment losses is recognised to the extent that the carrying amount after the reversal does exceed the carrying amount (after deducting accumulated depreciation or accumulated amortisation) that would have been determined had the impairment losses not been recognised previously. However, impairment losses recognised in respect of goodwill are not reversed under any circumstances.

(5) Provisions

The Company and its consolidated subsidiaries recognise a provision when (i) they have a present obligation (legal or constructive) as a result of a past event, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the amount of a provision is measured at the present value of the expenditure expected to be required to settle the obligation, discounted at a discount rate reflecting the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance expenses.

(6) Post-employment benefits

The effect of the remeasurement of a net defined benefit asset or liability is recognised in other comprehensive income and is immediately reclassified from other components of equity to retained earnings. Such remeasurement consists of actuarial gains and losses on the defined benefit obligation and the return on plan assets (excluding the amount of interest income on plan assets). Past service cost is recognised immediately in profit or loss.

(7) Presentation of the total amount of revenue and the net amount of revenue

The Company and its consolidated subsidiaries are deemed to be performing transactions as a principal when they have exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, and the total amount of transactions is presented as revenue. The Company and its consolidated subsidiaries are deemed to be performing transactions as an agent when they do not have exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, and the net amount, after deduction of amounts due to third parties from

the consideration earned on the transactions, is presented as revenue.

"Total volume of trading transactions" includes all transactions involving the Company and its consolidated subsidiaries regardless of transaction type. "Total volume of trading transactions" is not required by IFRSs but is presented here to provide readers with a better understanding and is as presented in common Japanese accounting practice.

(8) Consumption taxes

Revenues, cost and expenses in the Consolidated Statement of Comprehensive Income do not include consumption taxes.

4. Changes in significant accounting policies

(1) Change in the scope of consolidation and application of the equity method

Consolidated subsidiaries: newly included: 11; excluded: 25
Associates and joint ventures accounted for under the equity method: newly included: 10; excluded: 6

(2) Reclassifications

In cases where the presentation method of the consolidated financial statements has been modified, reclassifications and format changes have been made to comparative information.

<Notes to the Consolidated Statement of Financial Position>

1. Pledged assets

| | |
|--|----------------------------|
| Cash and cash equivalents, and time deposits | 1,043 million yen |
| Notes, trade accounts and loans receivable (current and non-current) | 24,069 million yen |
| Inventories | 14,898 million yen |
| Investments in associates and joint ventures | 32,756 million yen |
| Property, plant and equipment (after deducting accumulated depreciation) | 61,856 million yen |
| Other | 13,807 million yen |
| Total | 148,429 million yen |

The obligations secured by such collateral were as follows:

| | |
|--|---------------------------|
| Bonds and borrowings (current and non-current) | 64,969 million yen |
| Notes and trade accounts payable (current and non-current) | 8 million yen |
| Other current liabilities | 8,072 million yen |
| Guarantees of contracts and other | 17,630 million yen |
| Total | 90,679 million yen |

2. Allowance for doubtful receivables directly deducted from assets:

| | |
|--|--------------------|
| Notes, trade accounts and loans receivable (current) | 10,041 million yen |
| Notes, trade accounts and loans receivable (non-current) | 25,726 million yen |

3. Accumulated depreciation and impairment losses on property, plant and equipment

1,248,715 million yen

4. Contingent liabilities

Guarantee obligation

The Company and its consolidated subsidiaries provide various types of guarantees for the obligations of their associates and customers in the ordinary course of business. The guarantees

mainly relate to the repayment of borrowings to third parties. The outstanding balances of guarantees were 357,619 million yen, and 25,353 million yen which exclude the amount secured by secondary guarantees provided for the Company by the third parties of 332,266 million yen at the end of the fiscal year. Outstanding guarantees (total of guarantee payable) represent the maximum potential amount of future payments in which the guarantee could be performed without consideration of the possibilities of fulfillment of the obligations.

Lawsuits, etc.

In regards to the appeal filed by the Company to the Supreme Court of Indonesia after partially losing in the first and second trials of Gunung Sugih and South Jakarta lawsuits ("Two Current Cases"), both of which involved the same claim being made for damages, etc. as the claim in the lawsuit in which the Company had won at the Supreme Court on March 17, 2011 ("Old Lawsuit**"), the draft decisions on the Two Current Cases were uploaded onto the Supreme Court's website in October 2016 and December 2016, respectively.

* The Company had receivables owed by PT. Sweet Indolampung and PT. Indolampung Perkasa—both of which belong to "Sugar Group", an Indonesian corporate group and requested payment from them; in response, Sugar Group companies including the aforementioned two debtors (PT. Sweet Indolampung, PT. Indolampung Perkasa, PT. Gula Putih Mataram, PT. Indolampung Distillery and PT. Garuda Pancaarta) filed lawsuits against the defendants including the Company (creditor) to affirm the nullity of the Company's receivables and collateral and claim compensation for damages.

The draft decisions uploaded onto the Supreme Court's website are summarised below.

Gunung Sugih Case: Among the seven defendants, five defendants including the Company are ordered to jointly pay compensation for damages totaling \$250 million to the four plaintiffs (PT. Indolampung Perkasa, PT. Sweet Indolampung, PT. Gula Putih Mataram and PT. Indolampung Distillery, which are companies belonging to Sugar Group, an Indonesian group).

South Jakarta Case: Among the six defendants, four defendants including the Company and Marubeni Europe PLC are ordered to jointly pay compensation for damages totaling \$250 million to the five plaintiffs (PT. Indolampung Perkasa, PT. Sweet Indolampung, PT. Gula Putih Mataram, PT. Indolampung Distillery and PT. Garuda Pancaarta, which are companies belonging to Sugar Group, an Indonesian corporate group).

The Two Current Cases were filed by Sugar Group against the Company, etc. again in relation to the same claim as in the Old Lawsuit, so if the Indonesian Supreme Court's final rulings are as described in the draft decisions uploaded onto the Supreme Court's website, such decisions will be contradicting its own previous rulings in the Old Lawsuit, in which Sugar Group's allegation was dismissed. Therefore, should the Supreme Court of Indonesia issue such contradictory rulings on the Two Current Cases, the Company intend to file an application for Judicial Review, pursuant to Indonesian Supreme Court legislation.

We are of the view that a Judicial Review application, if it is required, would probably be successful. Therefore, at the end of our consolidated fiscal year 2016, we do not recognize any provision against a litigation loss with respect to the Two Current Cases.

Although there are certain outstanding lawsuits other than the above such as those relating to compensation for damages and debt collection in infrastructure projects oversea at the end of the consolidated fiscal year, the outcome of these cannot be determined at this time. The Company provides no further disclosures on these lawsuits, etc. since the Company believes that such disclosures would prejudice seriously the outcome of the proceedings.

<Notes to the Consolidated Statements of Comprehensive Income>

1. Impairment losses

At March 31, 2017, as a result of the decrease in reserves and other factors, the Company recognised, as an estimated non-recoverable amount, an impairment loss of ¥47,495 million on oil and gas assets in the U.S. Gulf of Mexico, which is recorded in "Impairment losses" in the Consolidated Statement of Comprehensive Income.

2. Other-net

In the fiscal year under review, the Company recognised a gain on transfer of ¥22,387 million associated with the transfer of solar power generation business in Oita Prefecture, which is recorded in "Other-net" in the Consolidated Statement of Comprehensive Income.

<Notes to the Consolidated Statement of Changes in Equity>

1. Type and number of outstanding shares at March 31, 2017:

| | |
|------------------|----------------------|
| Type of shares | Common stock |
| Number of shares | 1,737,940,900 shares |

2. Dividends

(1) Amount of dividends paid

| Resolution | Types of stock | Total amount of dividends paid | Dividend per share | Record date | Effective date |
|---|----------------|--------------------------------|--------------------|--------------------|------------------|
| The Board of Directors meeting held on May 13, 2016 | Common stock | 18,223 million yen | 10.50 yen | March 31, 2016 | June 3, 2016 |
| The Board of Directors meeting held on November 4, 2016 | Common stock | 16,488 million yen | 9.50 yen | September 30, 2016 | December 2, 2016 |

(2) Dividends whose record date was included in the current fiscal year, those whose effective date occurs after the current fiscal year.

| Resolution | Types of stock | Total amount of dividends paid | Dividend resources | Dividend per share | Record date | Effective date |
|---|----------------|--------------------------------|--------------------|--------------------|----------------|----------------|
| The Board of Directors meeting held on May 12, 2017 | Common stock | 23,430 million yen | Retained earnings | 13.50 yen | March 31, 2017 | June 2, 2017 |

3. Other equity financial instruments

In the fiscal year under review, the Company obtained financing through perpetual subordinated loans ("Loans") in order to bolster its balance sheet.

As the Loans are classified as equity instruments in accordance with IFRS, execution of this scheme resulted in an increase in "other equity financial instruments" in the "equity" classification in the amount of 243,589 million yen (after deducting transaction costs of 6,411 million yen).

Overview of the Loans

| | |
|--|---|
| (i) Total amount of financing obtained | 250 billion yen (Tranche A: 100 billion yen, Tranche B: 150 billion yen) |
| (ii) Arranger | Mizuho Bank, Ltd. |
| (iii) Co-arrangers | Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Trust Bank, Limited Sumitomo Mitsui Banking Corporation |
| (iv) Contract date | August 10, 2016 |
| (v) Execution date | August 16, 2016 |
| (vi) Due date of final repayment | No specific maturity has been set. However, the Company has the option to make early repayments of the principal of Tranche A on August 16, 2021 and subsequent interest payment dates and the principal of Tranche B on August 16, 2023 and subsequent interest payment dates, by giving prior notice. |
| (vii) Restrictions on interest | The Company is allowed to suspend and defer interest payments at its discretion by giving prior notice. However, if dividends for common stock, etc. have arisen, feasible and reasonable efforts will be made for the payment of such interest subject to discretionary payment suspension and the additional interest associated therewith. |
| (viii) Subordination clause | If a subordination event (e.g., liquidation) provided for in the contract has arisen, the order of repayment of the Loans will be subordinated to all senior creditors. |
| (ix) Applicable interest rate | Tranche A: 0.25% increase on and after interest payment dates in August 2026 and another 0.75% increase on and after interest payment dates in August 2041 Tranche B: 0.25% increase on and after interest payment dates in August 2026 and another 0.75% increase on and after interest payment dates in August 2043 |

<Financial instruments>

1. Conditions of financial instruments

To strengthen business relationships and for other purposes, the Company and its consolidated subsidiaries invest in various types of financial instruments. Debt instrument financial assets are classified as either financial assets measured at amortised cost or Financial assets measured at FVTPL, and equity financial assets are classified as either Financial assets measured at FVTPL or Financial assets measured at FVTOCI. The fair value of financial instruments is measured based on the market price in an active market. If the market in which a financial instrument is traded is not active or no active market exists for the financial instrument, fair value is determined by using an appropriate valuation technique.

The Company and its consolidated subsidiaries conduct extensive risk management at the credit screening in order to prevent credit risks from materialising regarding customers that relate to Notes, trade accounts and loans receivable.

The fundamental policy of the Company and its consolidated subsidiaries is to maintain an optimal mix of funding in line with the requirements of the asset portfolio. Funding sources include indirect financial procurement firstly from banks and other financial institutions, as well as direct procurement through the issuance of bonds, commercial paper and other means.

The Company and its consolidated subsidiaries are exposed to market risks such as foreign exchange, interest rate and commodity price and enter into derivative transactions, including non-derivative financial instruments which are designated as hedging instruments, to hedge the risks. The Company and its consolidated subsidiaries also enter into derivative transactions for trading purposes. The Company and its consolidated subsidiaries have internal regulations regarding position and loss limits and the actual positions and gains/losses are periodically reported to management.

2. Fair values of financial instruments

Amounts recognised on the Consolidated Statement of Financial Position and fair values as of the end of fiscal year under review are as follows:

| | Amounts recognised on the Consolidated Statement of Financial Position (*) | Fair values |
|---|--|-------------------------|
| Notes, trade accounts and loans receivable (1) | 1,398,353 million yen | 1,398,743 million yen |
| Investment securities and other investments (2) | 344,516 million yen | 344,516 million yen |
| Bonds and borrowing (3) | (2,806,138 million yen) | (2,806,133 million yen) |

(*) Those recognised as liabilities are put in brackets.

Notes: Matters regarding method of calculating fair values of financial instruments and securities and derivative instruments

The estimated fair value of the financial instruments of the Company and its consolidated subsidiaries has been determined using available market information or other appropriate valuation methodologies.

(1) The fair value of notes, trade accounts and loans receivable is estimated using discounted future cash flows based mainly on the interest rates at the year end applicable to notes.

(2) The fair value of investment securities in active markets is measured on the basis of quoted prices at the year end.

The fair value of equity securities in markets that are not active and debt securities classified as Financial assets measured at FVTPL is measured on the basis of discounted future cash flows, third-party valuations and other valuation methods.

The fair value of debt securities measured at amortised cost is estimated using discounted future cash flows based on the market interest rates at the year end applicable to debt securities with identical remaining periods and similar credit ratings.

(3) The fair value of bonds and borrowings is estimated using discounted future cash flows based on the interest rates at the year end applicable to similar loan agreements with identical remaining periods.

(4) The carrying amounts of cash and cash equivalents, and time deposits in the Consolidated Statement of Financial Position approximated fair value.

(5) The carrying amounts of notes and trade accounts payable in the Consolidated Statement of Financial Position approximated fair value.

(6) The carrying amounts of derivative assets classified as "Other financial assets" and derivative liabilities classified as "Other financial liabilities" reflected in the Consolidated Statement of Financial Position represent fair value. The carrying amount of non-derivative assets classified as "Other financial assets" and non-derivative liabilities "Other financial liabilities" in the Consolidated Statement of Financial Position approximated fair value.

<Earnings per Share>

1. Equity per share attributable to owners of the parent:

829.49 yen

The following sets forth the basis of the calculation of equity per share attributable to owners of the parent.

| | |
|--|---------------|
| Numerator (millions of yen) | |
| Total equity attributable to owners of the parent | 1,683,723 |
| Adjustment amount used for the calculation of equity per share attributable to owners of the parent | |
| Amount not attributable to owners of the parent | 244,258 |
| Equity used for calculation of equity per share attributable to owners of the parent | 1,439,465 |
| Denominator (number of shares) | |
| Number of ordinary shares at end of period used for the calculation of equity per share attributable to owners of the parent | 1,735,352,962 |

2. Basic earnings per share attributable to owners of the parent:

88.08 yen

Diluted earnings per share attributable to owners of the parent:

88.06 yen

The following table sets forth the calculation of basic and diluted earnings per share attributable to owners of the parent.

| | |
|--|---------------|
| Numerator (millions of yen) | |
| Profit for the year attributable to owners of the parent | 155,350 |
| Adjustment amount used for the calculation of earnings per share attributable to owners of the parent (basic) | |
| Amount not attributable to owners of the parent | 2,499 |
| Profit for the year used for the calculation of earnings per share attributable to owners of the parent (basic) | 152,851 |
| Adjustment amount used for the calculation of earnings per share attributable to owners of the parent (diluted) | |
| Adjustment concerning stock acquisition rights | (0) |
| Profit for the year used for the calculation of earnings per share attributable to owners of the parent (diluted) | 152,851 |
| Denominator (number of shares) | |
| Weighted average number of ordinary shares used for the calculation of earnings per share attributable to owners of the parent (basic) | 1,735,357,836 |
| Weighted average number of shares Effect of dilution | |
| Adjustment concerning stock acquisition rights | 331,454 |
| Weighted average number of ordinary shares used for the calculation of earnings per share attributable to owners of the parent (diluted) | 1,735,689,289 |

(Reference) Consolidated Statement of Cash Flows <Unaudited>

| Item | 93rd Business Year (from April 1, 2016 to March 31, 2017) | 92nd Business Year (from April 1, 2015 to March 31, 2016) |
|--|--|--|
| | Millions of yen | Millions of yen |
| Operating activities: | | |
| Profit for the year | 155,786 | 67,528 |
| Adjustments to reconcile profit for the year to net cash provided by (used in) operating activities: | | |
| Depreciation and amortisation | 111,682 | 121,463 |
| Gains (losses) on property, plant and equipment | 63,394 | 103,296 |
| Finance income (expenses) | (11,409) | (73,835) |
| Share of profits of associates and joint ventures | (114,725) | (31,824) |
| Income taxes | 44,485 | 23,031 |
| Changes in notes and accounts receivable | (25,820) | 70,178 |
| Changes in inventories | 24,791 | 93,844 |
| Changes in notes and trade accounts payable | 64,793 | (38,174) |
| Other-net | (45,474) | (8,370) |
| Interest received | 13,425 | 15,139 |
| Interest paid | (33,358) | (34,470) |
| Dividends received | 102,467 | 102,278 |
| Income taxes paid | (25,774) | (50,952) |
| Net cash provided by operating activities | 324,263 | 359,132 |
| Investing activities : | | |
| Net increase (decrease) in time deposits | 3,665 | 6,434 |
| Proceeds from sale of property, plant and equipment | 89,684 | 26,514 |
| Proceeds from sale of investment property | 13,446 | 15,551 |
| Collection of loans receivable | 30,005 | 25,848 |
| Proceeds from sale of subsidiaries, net of cash and cash equivalents disposed of | 56,622 | 52,080 |
| Proceeds from sale of investments in associates and joint ventures, and other investments | 105,816 | 116,984 |
| Purchase of property, plant and equipment | (130,987) | (259,332) |
| Purchase of investment property | (181) | (418) |
| Loans provided to customers | (21,052) | (32,834) |
| Acquisition of subsidiaries, net of cash and cash equivalents acquired | (10,705) | (13,772) |
| Purchase of investments in associates and joint ventures, and other investments | (89,809) | (111,651) |
| Net cash used in investing activities | 46,504 | (174,596) |
| Financing activities : | | |
| Net increase (decrease) in short-term borrowings | (135,725) | (64,691) |
| Proceeds from long-term bonds and borrowings | 126,589 | 530,489 |
| Repayments of long-term bonds and borrowings | (450,820) | (391,369) |
| Dividends paid to shareholders of the parent | (34,711) | (40,786) |
| Net cash outflows on purchases and sales of treasury stock | (8) | (22) |
| Capital contribution from non-controlling interests | 374 | 121 |
| Acquisition of additional interests in subsidiaries from non-controlling interests | (1,656) | (63,309) |
| Proceeds from issuance of other equity financial instruments | 243,589 | — |
| Payments of distributions to owners of other equity financial instruments | (2,010) | — |
| Other | (3,745) | (6,701) |
| Net cash used in financing activities | (258,123) | (36,268) |
| Effect of exchange rate changes on cash and cash equivalents | (8,512) | (16,534) |
| Net increase (decrease) in cash and cash equivalents | 104,132 | 131,734 |
| Cash and cash equivalents at beginning of year | 600,840 | 469,106 |
| Cash and cash equivalents at end of year | 704,972 | 600,840 |

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

| Item | 93rd Business Year (As of March 31, 2017) | Ref: 92nd Business Year (As of March 31, 2016) | Item | 93rd Business Year (As of March 31, 2017) | Ref: 92nd Business Year (As of March 31, 2016) |
|--|--|---|--|--|---|
| ASSETS | Millions of yen | Millions of yen | LIABILITIES | Millions of yen | Millions of yen |
| Current assets: | 1,425,581 | 1,441,397 | Current liabilities: | 1,586,715 | 1,551,682 |
| Cash on hand and in banks | 391,774 | 374,997 | Notes and acceptances payable-trade | 168,912 | 145,829 |
| Notes receivable-trade | 6,715 | 7,840 | Accounts payable-trade | 423,473 | 489,248 |
| Accounts receivable-trade | 463,649 | 514,626 | Short-term loans payable | 250,534 | 395,320 |
| Marketable investment securities | 10,075 | 10,075 | Current portion of bonds | 79,442 | 50,000 |
| Inventories | 122,992 | 144,335 | Other payables | 27,043 | 26,523 |
| Advance payments to suppliers | 92,816 | 80,112 | Advance payments received from customers | 55,613 | 59,487 |
| Deferred income taxes | 1,011 | 1,421 | Provision for loss on construction contracts | 190 | 584 |
| Short-term loans receivable | 210,111 | 157,656 | Deposits received | 498,630 | 343,750 |
| Other current assets | 130,560 | 166,566 | Other current liabilities | 82,878 | 40,941 |
| Allowance for doubtful accounts | (4,122) | (16,231) | | | |
| Fixed assets: | 2,320,632 | 2,254,074 | Long-term liabilities: | 1,568,311 | 1,582,521 |
| Property and equipment | 22,476 | 89,348 | Bonds | 288,000 | 367,488 |
| Buildings | 10,025 | 9,571 | Long-term loans payable | 1,193,469 | 1,140,796 |
| Structures | 844 | 648 | Allowance for contingency loss | 73,506 | 62,571 |
| Machinery and equipment | 2,117 | 2,048 | Other long-term liabilities | 13,336 | 11,666 |
| Vessels | 1,201 | 1,393 | Total liabilities | 3,155,026 | 3,134,203 |
| Vehicles | 388 | 500 | | | |
| Furniture and fixtures | 2,589 | 1,469 | NET ASSETS | | |
| Land | 5,312 | 73,719 | Shareholders' equity | 657,766 | 634,345 |
| Intangible assets | 14,501 | 10,364 | Capital stock | 262,686 | 262,686 |
| Computer software | 13,638 | 9,341 | Capital surplus | | |
| Other intangible assets | 863 | 1,023 | Additional paid-in capital | 91,073 | 91,073 |
| Investments and others | 2,283,655 | 2,154,362 | Other capital surplus | 32,088 | 37,516 |
| Investment securities | 194,404 | 195,330 | Retained earnings | | |
| Investments in subsidiaries and affiliates | 1,818,819 | 1,620,885 | Other Retained earnings | | |
| Bonds of subsidiaries and affiliates | 532 | 911 | Retained earnings | 273,266 | 244,412 |
| Other investment securities in subsidiaries and affiliates | 2,327 | 4,250 | Common stock in treasury | (1,347) | (1,342) |
| Investments in capital | 3,733 | 6,280 | Valuation and translation adjustments | (65,872) | (71,850) |
| Other investments in subsidiaries and affiliates | 54,505 | 50,924 | Unrealised gains or losses on other securities | 47,456 | 37,356 |
| Long-term loans receivable | 182,440 | 251,109 | Deferred gains or losses on hedges | (113,328) | (109,206) |
| Doubtful accounts | 10,966 | 7,911 | | | |
| Prepaid pension cost | 2,250 | 1,248 | Stock acquisition rights | 180 | — |
| Deferred income taxes | 24,799 | 29,369 | Stock acquisition rights | 180 | — |
| Other investment | 21,587 | 11,211 | Total equity | 592,074 | 562,495 |
| Allowance for doubtful accounts | (20,588) | (21,796) | Total liabilities and net assets | 3,747,100 | 3,696,698 |
| Allowance for investment loss | (12,119) | (3,270) | | | |
| Deferred charges | 887 | 1,227 | | | |
| Bond issuance costs | 887 | 1,227 | | | |
| Total assets | 3,747,100 | 3,696,698 | | | |

Non-consolidated Statement of Income

| Item | 93rd Business Year (from April 1, 2016 to March 31, 2017) | | Ref: 92nd Business Year (from April 1, 2015 to March 31, 2016) | |
|---|--|-----------------|---|-----------------|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Sales | | 5,407,811 | | 6,127,775 |
| Cost of sales | | 5,319,101 | | 6,017,299 |
| Gross profit | | 88,710 | | 110,476 |
| Selling, general and administrative expenses | | 134,462 | | 130,253 |
| Operating loss | | (45,752) | | (19,777) |
| Non-operating income | | 128,689 | | 326,719 |
| Interest income | 10,291 | | 10,269 | |
| Interest on securities | 37 | | 404 | |
| Dividend income | 101,235 | | 276,061 | |
| Exchange gain | 12,865 | | — | |
| Miscellaneous income | 4,261 | | 39,985 | |
| Non-operating expenses | | 40,408 | | 60,752 |
| Interest expense | 16,380 | | 15,315 | |
| Interest on bonds | 1,268 | | 1,785 | |
| Foreign exchange losses | — | | 29,340 | |
| Miscellaneous expenses | 22,760 | | 14,312 | |
| Ordinary income | | 42,529 | | 246,190 |
| Extraordinary gains | | 67,634 | | 50,940 |
| Gain on sales of property and equipment | 1,944 | | 6,648 | |
| Gain on sales of investment securities | 9,438 | | 19,050 | |
| Gain on sales of subsidiaries and affiliates' stocks | 33,010 | | 25,201 | |
| Gain on transfer of business | 23,069 | | 41 | |
| Gain on extinguishment of tie-in shares | 173 | | — | |
| Extraordinary losses | | 45,655 | | 99,785 |
| Loss on sales of property and equipment | 137 | | 84 | |
| Loss on sales of investment securities | 1,226 | | 306 | |
| Loss on sales of subsidiaries and affiliates' stocks | 6,622 | | 2,083 | |
| Loss on valuation of investment securities | 2,366 | | 2,703 | |
| Loss on valuation of subsidiaries and affiliates' stocks | 9,398 | | 9,166 | |
| Provision for loss on business of subsidiaries and affiliates | 25,814 | | 73,251 | |
| Provision of allowance for doubtful accounts | — | | 6,569 | |
| Impairment losses | 92 | | 5,623 | |
| Income before income taxes | | 64,508 | | 197,345 |
| Provision for income taxes – current | | (5,175) | | (2,749) |
| Provision for income taxes – deferred | | 6,118 | | 3,882 |
| Net income | | 63,565 | | 196,212 |

Non-consolidated Statement of Changes in Net Assets

93rd Business Year (from April 1, 2016 to March 31, 2017)

| | Shareholders' equity | | | | | | Valuation and translation adjustments | | | Stock acquisition rights | Total equity |
|--|----------------------|----------------------------|-----------------------|-----------------------------------|--------------------------|-----------------------------|--|------------------------------------|---|--------------------------|-----------------|
| | Capital stock | Capital surplus | | Retained earnings | Common stock in treasury | Total share holders' equity | Unrealised gains or losses on other securities | Deferred gains or losses on hedges | Total valuation and translation adjustments | | |
| | | Additional paid-in capital | Other capital surplus | Other Retained earnings | | | | | | | |
| | | | | Retained earnings brought forward | | | | | | | |
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Balance on March 31, 2016 | 262,686 | 91,073 | 37,516 | 244,412 | (1,342) | 634,345 | 37,356 | (109,206) | (71,850) | — | 562,495 |
| Changes of items during the Business Year | | | | | | | | | | | |
| Dividends | | | | (34,711) | | (34,711) | | | | | (34,711) |
| Net income | | | | 63,565 | | 63,565 | | | | | 63,565 |
| Treasury stock purchased | | | | | (6) | (6) | | | | | (6) |
| Treasury stock sold | | | (1) | | 1 | 0 | | | | | 0 |
| Decrease by corporate division | | | (5,427) | | | (5,427) | | | | | (5,427) |
| Net changes of items other than shareholders' equity | | | | | | | 10,100 | (4,122) | 5,978 | 180 | 6,158 |
| Total changes of items during the Business Year | — | — | (5,428) | 28,854 | (5) | 23,421 | 10,100 | (4,122) | 5,978 | 180 | 29,579 |
| Balance on March 31, 2017 | 262,686 | 91,073 | 32,088 | 273,266 | (1,347) | 657,766 | 47,456 | (113,328) | (65,872) | 180 | 592,074 |

Ref: 92nd Business Year (from April 1, 2015 to March 31, 2016)

| | Shareholders' equity | | | | | | Valuation and translation adjustments | | | Total equity |
|--|----------------------|----------------------------|-----------------------|-----------------------------------|--------------------------|-----------------------------|--|------------------------------------|---|-----------------|
| | Capital stock | Capital surplus | | Retained earnings | Common stock in treasury | Total share holders' equity | Unrealised gains or losses on other securities | Deferred gains or losses on hedges | Total valuation and translation adjustments | |
| | | Additional paid-in capital | Other capital surplus | Other Retained earnings | | | | | | |
| | | | | Retained earnings brought forward | | | | | | |
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Balance on March 31, 2015 | 262,686 | 91,073 | 37,516 | 88,986 | (1,334) | 478,927 | 43,780 | (144,636) | (100,856) | 378,071 |
| Changes of items during the Business Year | | | | | | | | | | |
| Dividends | | | | (40,786) | | (40,786) | | | | (40,786) |
| Net income | | | | 196,212 | | 196,212 | | | | 196,212 |
| Treasury stock purchased | | | | | (9) | (9) | | | | (9) |
| Treasury stock sold | | | | | 1 | 1 | | | | 1 |
| Net changes of items other than shareholders' equity | | | | | | | (6,424) | 35,430 | 29,006 | 29,006 |
| Total changes of items during the Business Year | — | — | — | 155,426 | (8) | 155,418 | (6,424) | 35,430 | 29,006 | 184,424 |
| Balance on March 31, 2016 | 262,686 | 91,073 | 37,516 | 244,412 | (1,342) | 634,345 | 37,356 | (109,206) | (71,850) | 562,495 |

Notes to Non-consolidated Financial Statements

<Significant Accounting Policies>

1. Method of valuation of inventories

(1) Inventories held for sale in the ordinary course of business:

Inventories held for sale in the ordinary course of business are stated at cost mainly determined by the moving average method or the specific identification method. However, in the case that the net selling value falls below the acquisition cost, inventories are stated at the net selling value on the balance sheet, regarded as the decreased profitability of assets.

(2) Inventories held for trading purposes:

Inventories held for trading purposes are stated at fair value.

2. Method of valuation of assets other than inventories

(1) Securities:

(i) Trading securities:

Trading securities are stated at fair value. Cost of securities sold is determined by the moving average method.

(ii) Held-to-maturity debt securities:

Held-to-maturity debt securities are stated at amortised cost.

(iii) Investments in subsidiaries and affiliates:

Investments in subsidiaries and affiliates are stated at cost determined by the moving average method.

(iv) Other securities:

(Marketable securities):

Other marketable securities are stated at fair value primarily based on market value at the date of the fiscal year-end. The unrealised gains or losses, net of applicable income taxes, are reported directly in net assets and costs of securities sold are determined by the moving average method.

(Non-marketable securities):

Other non-marketable securities are stated at cost determined by the moving average method.

(2) Derivative instruments:

Derivative instruments are stated at fair value.

3. Method of depreciation of fixed assets

(1) Property and equipment:

(i) Property and equipment other than lease assets:

Amortisation of intangible assets is determined by the straight-line method. Useful lives range from 2 years to 50 years for buildings.

(ii) Lease assets:

(Lease assets regarding finance leases which transfer ownership):

Depreciation of lease assets regarding finance leases which transfer ownership is determined in the same manner as fixed assets.

(Lease assets regarding finance leases which do not transfer ownership):

Depreciation of lease assets regarding finance leases which do not transfer ownership is determined by the straight-line method, with the lease term substituted for useful lives and zero substituted for salvage value.

(2) Intangible assets:

Amortisation of intangible assets is determined by the straightline method. Amortisation of computer software for internal use is determined by the straight-line method over its useful life of mainly 5 years in principle.

4. Stock issuance costs and bond issuance costs

(1) Stock issuance costs:

The Company expenses stock issuance costs as they are incurred.

(2) Bond issuance costs:

The Company amortises bond issuance costs equally until maturity.

5. Allowances

(1) Allowance for doubtful accounts:

Allowance for doubtful accounts is determined based on past experience for normal receivables and on an estimate of the collectability of receivables from companies in financial difficulty.

(2) Allowance for investment loss:

In case the real value of a subsidiary's stock declines, allowance for investment loss is determined based on a review of their recoverability.

(3) Provision for loss on construction contracts:

In preparation for future losses regarding construction contracts, provision for loss on construction contracts is determined based on the estimated loss from the next fiscal year and beyond for constructions which are undelivered at the date of the fiscal year-end.

(4) Employees' retirement benefits:

Employees' retirement benefits are recognised by accrual basis, which is determined based on the projected benefit obligation and estimated fair value of plan assets at the date of the fiscal year-end. The method of attributing expected retirement benefits to accounting periods is determined by the benefit formula basis. Prior service costs are amortised as they are incurred over a defined period, not exceeding the average remaining period of employment (mainly 15.0 years), by the straight-line method and accounted for as deductions of pension costs. Unrecognised actuarial gains or losses are amortised over the defined period, not exceeding the average remaining period of employment (mainly 14.9 years), by the straight-line method and are accounted for as the additions to

or the deductions of pension costs from the fiscal year following the fiscal year in which those are incurred.

Prepaid pension costs are recorded in investments and others, for the pension plan assets exceed the total amount of the retirement benefit obligation, adjusted for unrecognised transition adjustments, unrecognised prior service costs and unrecognised actuarial gains and losses.

(5) Allowance for contingency loss:

Allowance for contingency loss from the guarantee of debt for subsidiaries and others is determined based on the financial conditions of guaranteed subsidiaries and others.

6. Accounting for hedges

(1) Accounting for hedges:

The deferred method is generally applied, while the fair value hedge accounting is applied when other securities are hedged items. The special treatment for interest rate swap agreements is applied when the defined conditions are met. When forward foreign exchange contracts are to hedge foreign currency risks on foreign currency denominated receivables and payables, such receivables and payables are recorded at the forward exchange contract rates.

(2) Hedging instruments and hedged items:

Forward foreign exchange contracts, interest rate swap agreements, and commodity future contracts are, separately or collectively, utilised to hedge market risks such as foreign currency exchange rates, interest rates and market price risks.

(3) Hedge policies:

Hedging activities on foreign currency exchange rates, interest rates and commodity price risks are utilised according to the risk management policies established by each Business Group.

(4) Method of assessment of hedge effectiveness:

The Company assesses hedge effectiveness primarily based on the ratio analysis before and after the hedge transactions, depending on the hedged items or hedging instruments.

7. The transactions subject to consumption tax are recorded at amounts exclusive of consumption tax.

8. Interest expenses incurred during the ordinary development period of large-sized real estate development projects (projects with development periods of over 2 years and costs exceeding ¥5,000 million) are capitalized as part of the development costs of related real estate.

9. The Company files a consolidated income tax return.

<Changes in Presentation Methods>

"Deposits received", which had been included in "Other current liabilities" under "Current liabilities" in the previous fiscal year, was presented separately due to its increased monetary materiality from the current fiscal year. To reflect such change in presentation method, 343,750 million yen that had been

presented as a component of "Other current liabilities" under "Current liabilities" in the balance sheet of the previous fiscal year was reclassified into "Deposits received".

<Notes to Balance Sheet>

1. Accounts receivable from and payable to affiliated companies

| | |
|--------------------------------------|---------------------|
| Due from subsidiaries and affiliates | |
| Current | 448,442 million yen |
| Non-current | 181,811 million yen |
| Due to subsidiaries and affiliates | |
| Current | 673,089 million yen |
| Non-current | 992 million yen |

2. Accumulated depreciation on property and equipment

50,944 million yen

3. Assets pledged as collateral and debts collateralised

Assets pledged as collateral

Investment securities and investments
in subsidiaries and affiliates 52,722 million yen

No debts were collateralised. The Company's assets which were provided as collateral were for loans payable of subsidiaries and affiliates.

Assets pledged other than above as substitutes for guarantees of contracts etc.

| | |
|---|-------------------|
| Investment securities and investments in subsidiaries and affiliates | 3,963 million yen |
| Other current liabilities | 2,611 million yen |
| Total | 6,574 million yen |

4. Contingent liabilities

Guarantees for bank loans

| | |
|------------------------------|-----------------------|
| Marubeni Financial Service | 566,135 million yen |
| Marubeni America Corporation | 250,131 million yen |
| Marubeni Iron Ore Australia | 166,922 million yen |
| Others (180 companies) | 772,107 million yen |
| Total | 1,755,295 million yen |

Elimination of duplication (¥163,247 million) is included in "Others".

Commitments to guarantees for bank loans

| | |
|-------------------------|---------------------|
| Marubeni Finance Europe | 8,190 million yen |
| Others (3 companies) | (3,736 million yen) |
| Total | 11,926 million yen |

Elimination of duplication (¥10,419 million) is included in "Others".

Guarantees for client debt are included above.

Export bills of exchange discounted 30,446 million yen

The Company loans funds to Marubeni Financial Service Corporation (MFS) which manages intra-group finance. The loans to MFS which are included in the balance of "Guarantee for bank loans" on the balance sheet at March 31, 2017 and on which the Company bears credit risk of domestic subsidiaries and affiliates

based on the contract with MFS are as follows:

| | |
|-------------------------|---------------------|
| Marubeni Finance Europe | 66,074 million yen |
| Others (29 companies) | 168,836 million yen |
| Total | 234,910 million yen |

Lawsuits, etc.

In regards to the appeal filed by the Company to the Supreme Court of Indonesia after partially losing in the first and second trials of Gunung Sugih and South Jakarta lawsuits ("Two Current Cases"), both of which involved the same claim being made for damages, etc. as the claim in the lawsuit in which the Company had won at the Supreme Court on March 17, 2011 ("Old Lawsuit" *), the draft decisions on the Two Current Cases Gunung Sugih and South Jakarta lawsuits were uploaded onto the Supreme Court's website in October 2016 and December 2016, respectively.

* The Company had receivables owed by PT. Sweet Indolampung and PT. Indolampung Perkasa—both of which belong to "Sugar Group", an Indonesian corporate group—and requested payment from them; in response, Sugar Group companies including the aforementioned two debtors (PT. Sweet Indolampung, PT. Indolampung Perkasa, PT. Gula Putih Mataram, PT. Indolampung Distillery and PT. Garuda Pancaarta) filed lawsuits against the defendants including the Company (creditor) to affirm the nullity of the Company's receivables and collateral and claim compensation for damages.

The draft decisions uploaded onto the Supreme Court's website are summarised below.

Gunung Sugih Case: Among the seven defendants, five defendants including the Company are ordered to jointly pay compensation for damages totaling \$250 million to the four plaintiffs (PT. Indolampung Perkasa, PT. Sweet Indolampung, PT. Gula Putih Mataram and PT. Indolampung Distillery, which are companies belonging to Sugar Group, an Indonesian corporate group).

South Jakarta Case: Among the six defendants, four defendants including the Company and Marubeni Europe PLC are ordered to jointly pay compensation for damages totaling \$250 million to the five plaintiffs (PT. Indolampung Perkasa, PT. Sweet Indolampung, PT. Gula Putih Mataram, PT. Indolampung Distillery and PT. Garuda Pancaarta, which are companies belonging to Sugar Group, an Indonesian corporate group).

The Two Current Cases were filed by Sugar Group against the Company, etc. again in relation to the same claim as in the Old Lawsuit, so if the Indonesian Supreme Court's final rulings are as described in the draft decisions uploaded onto the Supreme Court's website, such decisions will be contradicting its own previous rulings in the Old Lawsuit, in which Sugar Group's

allegation was dismissed. Therefore should the Supreme Court of Indonesia issue such contradictory rulings on the Two Current Cases, the Company intends to file an application for Judicial Review, pursuant to Indonesian Supreme Court legislation. We are of the view that a Judicial Review application, if it is required, would be successful. Therefore, at the end of our consolidated fiscal year 2016, we do not recognize any provision against a litigation loss with respect the Two Current Cases. Although there are certain outstanding lawsuits other than the above such as those relating to compensation for damages and debt collection in infrastructure projects oversea at the end of the consolidated fiscal year, the outcome of these cannot be determined at this time. The Company provides no further disclosures on these lawsuits, etc. since the Company believes that such disclosures would prejudice seriously the outcome of the proceedings.

<Notes to Statement of Income>

1. Operating and non-operating transactions with subsidiaries and affiliates

| | |
|----------------------------|-----------------------|
| Sales | 1,851,344 million yen |
| Purchases | 2,360,814 million yen |
| Non-operating transactions | 115,645 million yen |

2. Gain on sales of subsidiaries and affiliates' stocks

In the fiscal year under review, the Company recorded an extraordinary gain of 17,365 million yen as "Gain on sales of subsidiaries and affiliates' stocks" in conjunction with the sale of some of the shares of Marubeni Rail Transport Inc. (now Marubeni SuMiT Rail Transport), the holding company of Midwest Railcar Corporation, which is engaged in the business of leasing of railroad freight cars, etc. in North America.

3. Gain on transfer of business

In the fiscal year under review, the Company recorded an extraordinary gain of 22,907 million yen as "Gain on transfer of business" in conjunction with the transfer of its solar power generation business in Oita Prefecture through company split.

<Notes to Statement of Changes in Net Assets>

Type and number of treasury stock at March 31, 2017:

| | |
|------------------|------------------|
| Type of shares | Common stock |
| Number of shares | 2,398,261 shares |

<Notes to deferred tax assets and deferred tax liabilities>

The major components of deferred tax assets are losses on devaluation of assets, reorganisation transaction and others. The major components of deferred tax liabilities are unrealised gains or losses on other securities.

<Notes to related party transactions>

Subsidiaries and affiliates:

(Unit: millions of yen)

| Attribute | Company name | Ownership | Business relationship | Transaction | Transaction amount | Account | Balance on March 31, 2017 |
|------------|-----------------------------|----------------|---|---|-------------------------------|--|--------------------------------------|
| Subsidiary | Columbia Grain Trading | Indirect: 100% | Offshore trade etc. | Offshore trade etc. *1 | 828,930 | Accounts receivable Other payables Others | 64,984 4,714 2,845 |
| Subsidiary | Marubeni Petroleum | Direct: 100% | Import and offshore trade etc. Guarantee for accounts payable etc. | Import and offshore trade etc. *1 Debt guarantee *2 | 697,954 83,952 | Accounts payable Other payables Others | 3,805 358 79 |
| Subsidiary | DELZOIL | Indirect: 100% | Paid-in capital increase | Paid-in capital increase *3 | 134,608 | — | — |
| Subsidiary | MARUBENI NORTH SEA | Direct: 100% | Guarantee for loans etc. | Debt guarantee *4 | 193,079 | — | — |
| Subsidiary | MARUBENI IRON ORE AUSTRALIA | Direct: 100% | Guarantee for loans etc. | Debt guarantee *5 | 166,922 | — | — |
| Subsidiary | MARUBENI LP HOLDING | Direct: 100% | Financial assistance | Lending of funds *6 | — | Long-term loans receivable | 121,665 |
| Subsidiary | New GAUDI | Direct: 100% | Paid-in capital increase Paid-in capital decrease | Paid-in capital increase *7 Paid-in capital decrease *8 | 37,768 37,668 | — | — |
| Subsidiary | MMSL | Direct: 100% | Debt guarantee for lease agreements, etc. | Debt guarantee *9 | 94,633 | — | — |
| Subsidiary | ROYAL MARITIME | Direct: 100% | Debt guarantee for purchase agreements, etc. | Debt guarantee *10 | 39,450 | — | — |
| Subsidiary | Marubeni Financial Service | Direct: 100% | Guarantee for loans, etc. Deposit | Debt guarantee *11 Deposit *12 | 566,135 396,275 | — Deposits received | — 451,897 |
| Subsidiary | Marubeni Finance Europe | Direct: 100% | Guarantee for loans etc. Import and offshore trade etc. | Debt guarantee *13 Import and offshore trade etc. *1 | 75,231 1,083,008 | — Accounts payable Other payables Deposits received Others | — 88,766 5,396 11 26,528 |
| Subsidiary | Marubeni America | Direct: 100% | Contribution in kind Guarantee for loans, etc. Financial assistance | Contribution in kind *14 Debt guarantee *15 Lending of funds *6 | 528,363 250,131 108,048 | — — Short-term loans receivable | — — 108,048 |
| Subsidiary | Marubeni Australia | Direct: 100% | Paid-in capital increase | Paid-in capital increase *16 | 40,105 | — | — |

Terms and conditions of the transactions and policies in determining terms and conditions of transaction:

- The trading prices and other terms and conditions are determined by negotiation based on the current market prices, etc.
- The Company has provided a bank guarantee for L/C opening of Marubeni Petroleum (due in March 2018).
- The Company subscribed to the capital increase of DELZOIL.
- The Company has provided a guarantee for loans of MARUBENI NORTH SEA (due in March 2019). The Company has recorded a provision for loss on guarantees of ¥67,054 million on this guarantee. In the fiscal year under review, the Company recorded ¥10,777 million as "Provision for loss on business of subsidiaries and affiliates".
- The Company has provided a guarantee for loans of MARUBENI IRON ORE AUSTRALIA (due in November 2028).
- The interest rates for lending of funds are determined based on the market rates. No security is required for the lending of funds.
- The Company subscribed to the capital increase of New GAUDI.
- The Company has underwritten the stocks from New Gaudi in the form of the Company's "Investments in subsidiaries and affiliates".
- The Company has provided a debt guarantee, etc. for a lease agreement of MMSL (due in January 2033).
- The Company has provided a debt guarantee, etc. for an installment purchase agreement of ROYAL MARITIME (due in July 2024).
- The Company has provided a guarantee for loans, etc. of Marubeni Financial Service (due in September 2028).
- The interest rates for deposits from Marubeni Financial Service are determined based on the market rates. The transaction amount of the deposits is displayed as an average balance over this business year.
- The Company has provided a guarantee for loans, etc. of Marubeni Finance Europe (due in March 2024).
- The Company has made a contribution in kind to Marubeni America in the form of the Company's "Investments in subsidiaries and affiliates" (shares of Gavilon Agriculture Investment, shares of DELZOIL, etc.)
- The Company has provided a guarantee for loans, etc. of Marubeni America (due in March 2021).
- The Company subscribed to the capital increase of Marubeni Australia.

<Notes to per share>

1. Net assets per share 341.04 yen
The following sets forth the basis of the calculation of net assets per share.

| | |
|---|---------------|
| Numerator (millions of yen) | |
| Total net assets | 592,074 |
| Amount deducted from total net assets | |
| Stock acquisition rights | 180 |
| Total net assets concerning ordinary shares | 591,894 |
| Denominator (number of shares) | |
| Number of ordinary shares at end of period | 1,735,542,639 |

2. Earnings per share 36.63 yen
Diluted earnings per share 36.62 yen
The following sets forth the basis of the calculation of earnings per share and diluted earnings per share.

| | |
|--|---------------|
| Numerator (millions of yen) | |
| Profit for the year | 63,565 |
| Adjustment amount used for the calculation of diluted earnings per share | |
| Adjustment concerning stock acquisition rights | (0) |
| Profit for the year used for the calculation of diluted earnings per share | 63,565 |
| Denominator (number of shares) | |
| Average number of ordinary shares during period used for the calculation of earnings per share | 1,735,547,752 |
| Adjustment of number of dilutive shares | |
| Adjustment concerning stock acquisition rights | 331,454 |
| Average number of ordinary shares during period used for the calculation of diluted earnings per share | 1,735,879,205 |



⌘ Audit Report of the Accounting Auditor for the Consolidated Financial Statements (COPY)

Independent Auditor's Report

The Board of Directors
Marubeni Corporation

May 11, 2017

Ernst & Young ShinNihon LLC

Nobuyuki Shimizu
Certified Public Accountant
Designated and Engagement Partner

Yoshifumi Mitsugi
Certified Public Accountant
Designated and Engagement Partner

Hironori Ogawa
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 444, Section 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the notes to the consolidated financial statements of Marubeni Corporation (the "Company") applicable to the 93rd fiscal year from April 1, 2016 through March 31, 2017.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards with some omissions of disclosure items pursuant to the latter part of the Paragraph 1, Article 120 of the Ordinance for Company Accounting, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements prepared in accordance with International Financial Reporting Standards with certain disclosure items omitted pursuant to the latter part of the Paragraph 1, Article 120 of the Ordinance for Company Accounting referred to above present fairly, in all material respects, the financial position and results of operations of the Marubeni Corporation and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2017.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

(Note)

This is an English translation of the Japanese language Independent Auditor's Report issued by Ernst & Young ShinNihon LLC in connection with the audit of the consolidated financial statements of the Company prepared in Japanese, for the year ended March 31, 2017. Ernst & Young ShinNihon LLC have not audited the English language version of the consolidated financial statements for the above-mentioned year.

Audit Report of the Accounting Auditor (COPY)

Independent Auditor's Report

May 11, 2017

The Board of Directors
Marubeni Corporation

Ernst & Young ShinNihon LLC

Nobuyuki Shimizu
Certified Public Accountant
Designated and Engagement Partner

Yoshifumi Mitsugi
Certified Public Accountant
Designated and Engagement Partner

Hironori Ogawa
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 436, Section 2, Paragraph 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Marubeni Corporation (the "Company") applicable to the 93rd fiscal year from April 1, 2016 through March 31, 2017.

Management's Responsibility for the Financial Statements and the Related Supplementary Schedules

Management is responsible for the preparation and fair presentation of these financial statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of Marubeni Corporation applicable to the 93rd fiscal year ended March 31, 2017 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

(Note)

This is an English translation of the Japanese language Independent Auditor's Report issued by Ernst & Young ShinNihon LLC in connection with the audit of the financial statements of the Company prepared in Japanese, for the year ended March 31, 2017. Ernst & Young ShinNihon LLC have not audited the English language version of the financial statements for the above-mentioned year.

The related supplementary schedules referred to in this report are not included in the attached translated version of financial documents.

⌘ Audit Report of the Audit & Supervisory Board (COPY)

Audit Report

The Audit & Supervisory Board discussed on the execution of Directors' duties for the 93rd Business Year from April 1, 2016 to March 31, 2017 based on the audit report prepared by each of the Audit & Supervisory Board Members, prepared this report and reports as follows.

1. Audit Method and Details by Audit & Supervisory Board Members and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board established audit policies, plans and other matters, received reports on the status of performance and results of audit from each Audit & Supervisory Board Member, and reports on the status of execution of duties by Directors, the Accounting Auditor and other staff, and requested explanation when necessary.
- (2) In accordance with audit policies, plans and other matters established by the Audit & Supervisory Board, each Audit & Supervisory Board Member held dialogues with Directors, Chief Operating Officer of each Business Division and General Manager of each Department in Corporate Staff Division including Audit Department and other staff, strived to collect information and develop its audit environment and conducted its audit as following method.
 - (i) Each Audit & Supervisory Board Member attended meetings of the Board of Directors and other important meetings, received reports from Directors and other staff on the execution of their duties, requested explanations when necessary, inspected important written approvals and other documents, and examined the status of operations and assets at the headquarters and major other offices.

With regard to the Corporation's subsidiaries, each Audit & Supervisory Board Member held dialogues with directors, audit & supervisory board members and other staff of subsidiaries, exchanged information, and requested reports on their businesses when necessary.
 - (ii) Each Audit & Supervisory Board Member also received reports from and requested explanations when necessary from Directors and other staff on the details of the resolution by the Board of Directors concerning the development of systems necessary to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation, and other systems provided for in Article 100, Paragraph 1 and Paragraph 3 of the Enforcement Regulations of the Companies Act as systems necessary to ensure the properness of operations of a Corporate Group, consisting of a Stock Company and its group companies, and the status of development and operation of the systems established based on the resolution of the Board of Directors above (internal control system).
 - (iii) The Audit & Supervisory Board monitored and verified whether the Accounting Auditor maintains its independent position and executes its proper audit, and received reports and explanation on the status of execution of the Accounting Auditor's duties, and exchanged opinions when necessary. Furthermore, the Audit & Supervisory Board received notice from the Accounting Auditor that "Systems necessary to ensure that duties are executed properly" (matters set forth in each item of Article 131 of the Corporation Accounting Regulations) had been developed in accordance with the "Quality Management Standards Regarding Audits" (Business Accounting Council; October 28, 2005) and other standards, and requested explanation when necessary.

Based on the above method, the Audit & Supervisory Board examined the Business Report and the Supplementary Schedules thereof, the Non-consolidated Financial Statements (Non-consolidated Balance Sheets, Non-consolidated Statements of Income, Non-consolidated Statements of Changes in Net Assets, and Notes to Non-consolidated Financial Statements) and the supplementary schedules thereof, and the Consolidated Financial Statements (the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the notes to the consolidated financial statements) for the Business Year under review.

2. Audit Results

(1) Audit Results of Business Report and Others

- (i) The Audit & Supervisory Board confirms that the Business Report and the Supplementary Schedules thereof correctly present the Corporation's situation in accordance with laws and regulations and the Articles of Incorporation.
- (ii) With regard to the execution of duties by Directors, the Audit & Supervisory Board confirms that there was no significant instance of wrongful acts, nor violations of laws or regulations, or the Articles of Incorporation.
- (iii) The Audit & Supervisory Board confirms that the details of the resolution by the Board of Directors concerning the internal control system are appropriate and adequate. In addition, the Audit & Supervisory Board confirms that there is no matter on which to remark with regard to the execution of duties by Directors regarding the internal control system.

(2) Audit Results on the Non-consolidated Financial Statements and the Supplementary Schedules thereof

The Audit & Supervisory Board confirms that the audit method of the Accounting Auditor, Ernst & Young ShinNihon LLC, and the results of audit thereof are appropriate and adequate.

(3) Audit Results on the Consolidated Financial Statements

The Audit & Supervisory Board confirms that the audit method of the Accounting Auditor, Ernst & Young ShinNihon LLC, and the results of audit thereof are appropriate and adequate.

May 12, 2017

The Audit & Supervisory Board, Marubeni Corporation

| | |
|--|-------------------------|
| Full-time Audit & Supervisory Board Member | Masahiro Enoki (Seal) |
| Full-time Audit & Supervisory Board Member | Kaoru Kuzume (Seal) |
| Outside Audit & Supervisory Board Member | Takashi Suetsuna (Seal) |
| Outside Audit & Supervisory Board Member | Yoshizumi Nezu (Seal) |
| Outside Audit & Supervisory Board Member | Shuichi Yoshikai (Seal) |

■ Notes to Shareholders

| | |
|--|--|
| Business Year: | From April 1 to March 31 on the following calendar year |
| Ordinary General Meeting of Shareholders: | June every year |
| Date when shareholders that the Corporation pays the year-end dividends are confirmed: | March 31 every year |
| Date when shareholders that the Corporation pays the interim dividends are confirmed: | September 30 every year |
| Administrator of shareholders' register and organization to manage special accounts: | Mizuho Trust & Banking Co., Ltd. 2-1, Yaesu 1-chome, Chuo-ku, Tokyo 103-8670 |
| Transfer agent: | Mizuho Trust & Banking Co., Ltd. Stock Transfer Agency Department, Headquarters 2-1, Yaesu 1-chome, Chuo-ku, Tokyo 103-8670 Telephone No.: (0120)288-324 |
| The number of shares as a Tangen unit: | 100 shares |
| Listed stock exchanges: | Tokyo and Nagoya |
| Method of giving public notices: | Electronic public notice (The Corporation's electronic public notices are given within the Corporation's website at the URL below. However, in the event such electronic public notices are not available due to some accidents or other unavoidable circumstances, such notice shall be given within the Nihon Keizai Shimbun.) http://www.marubeni.co.jp/ir/houteikoukoku.html |

■ Introduction to share administration

Contact address of the Corporation's share administration is as follows.

◆ Payment of unpaid dividends

Requests for the payment of unpaid dividends can be processed at the head offices and all Japanese branches of Mizuho Trust & Banking and Mizuho Bank.

* The head office and all Japanese branches of Mizuho Securities will serve as agents for processing requests for the payment of unpaid dividends

◆ Issuance of payment details

Please direct your inquiries to the contact address below at Mizuho Trust & Banking.

◆ Procedures following the change in address, the request for purchase of shares less than a Tangen Unit by the Corporation or purchase of additional shares less than a Tangen Unit by shareholders, specification of method to receive dividends, filing an income tax return or inheritance

Shareholders who have accounts with securities firms:

Please direct your inquiries to the securities firm that you have accounts with.

Shareholders who do not have accounts with securities firms (shareholders who are registered in special accounts):

Please direct your inquiries to the following contact address at Mizuho Trust & Banking.

* At the time of filing an income tax return, shareholders who selected a method to receive dividends other than Allocation Based on the Number of Shares Method (*kabushikisu hirei haibun hoshiki*) can use the enclosed "Statement of Year-end Dividends."

For shareholders who selected Allocation Based on the Number of Shares Method (*kabushikisu hirei haibun hoshiki*), please confirm details at the securities firm that you have accounts with.

◆ Contact address:

8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-8507

Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.

Toll free: 0120-288-324

Introduction to the Corporation's website

marubeni

URL <http://www.marubeni.com/>



The Corporation's website provides not only the corporate overview, business domains, press releases and other basic information, but also IR information, CSR, global environment and other wide variety of contents.
Please visit our website.

Marubeni

(Stock Exchange Code No. 8002)

7-1, Nihonbashi 2-chome, Chuo-ku, Tokyo 103-6060, Japan

[81](3)3282-2111

Map to Location of General Meeting of Shareholders

Date and Time

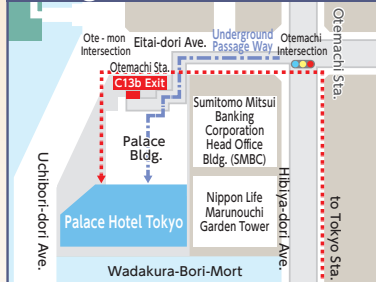
10:00 A.M., Friday, June 23, 2017
(doors open at 8:30 A.M.)

Location

Palace Hotel Tokyo
2F
「Aoi Room」

1-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo
Tel: 03-3211-5211

Enlarged view of entrance



Access

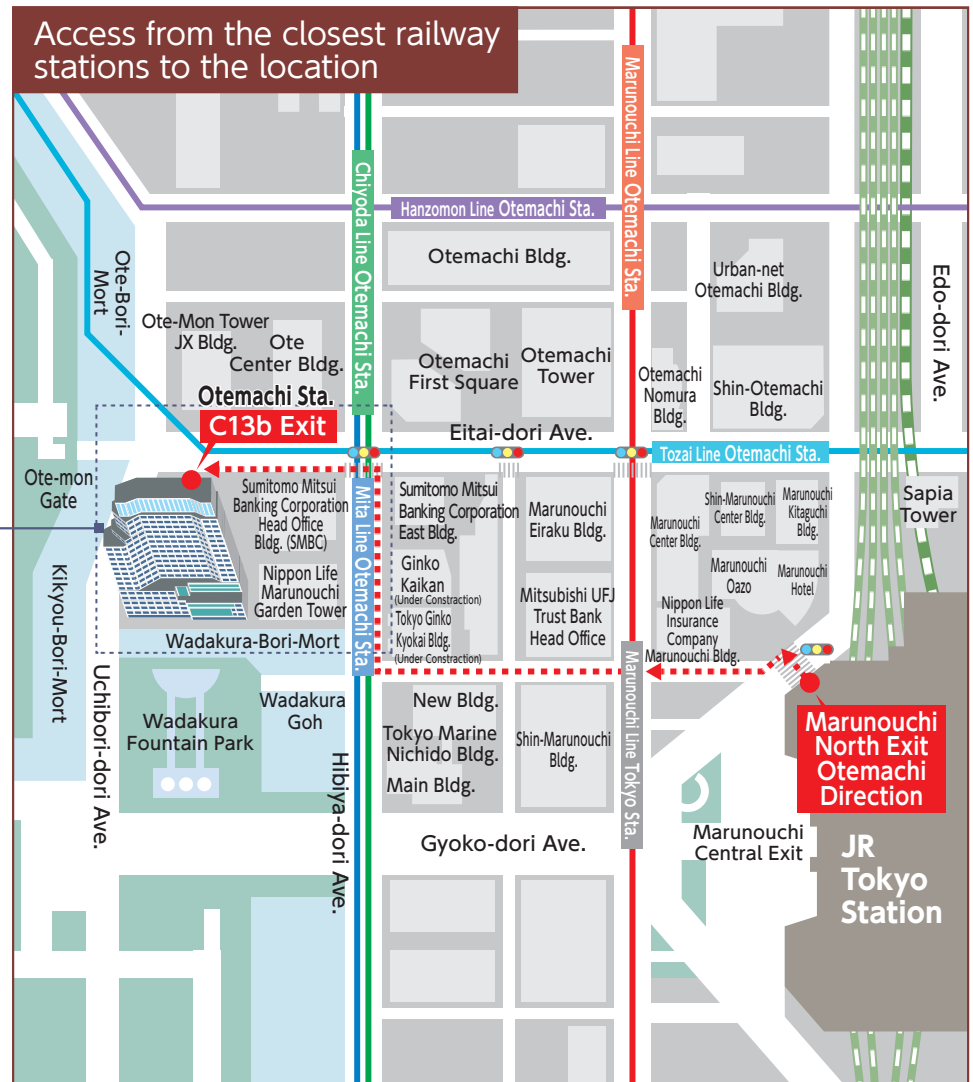
JR「Tokyo sta.」 : 8 minutes walk from **Marunouchi North Exit**

Tokyo Metro ● Chiyoda Line ● Hanzomon Line
● Marunouchi Line ● Tozai Line
Toei Subway ● Mita Line

「Otemachi Sta.」

Direct access from **#C13b Exit**
via underground passage way

※Please abstain from coming to the location by car as the streets in the surrounding area and the parking area are expected to be congested with traffic.



UD FONT

Easy to read universal design fonts that are used.

