



[Translation]

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To Whom It May Concern

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(URL <https://www.marubeni.com/en/>)
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Notice Regarding Revision of Remuneration Plan for Directors

At the meeting of the Board of Directors held today, Marubeni Corporation (“Marubeni” or the “Company”) resolved to revise the remuneration plan for directors. This revision will take effect subject to approval of the relevant proposal regarding director remuneration at the 99th Annual General Meeting of Shareholders to be held on June , 2023.

I. Purpose of revision of remuneration plan for directors

The Company’s management philosophy is that: in accordance with our company creed, “Fairness, Innovation and Harmony,” Marubeni is proudly committed to social and economic development and safeguarding the global environment by conducting fair and upright corporate activities. This time, the Company decided to adopt a new remuneration plan for directors by revising its current remuneration plan in order to encourage its management to realize the Marubeni Group’s ideal of creating new value together with stakeholders, to strengthen the relationship with the medium- and long-term enhancement of corporate value, and to promote greater value sharing with shareholders. Concurrently with the revision of the plan, the Company will also revise the amount of remuneration for directors. In revising the remuneration plan for directors and the amount of remuneration for directors, in order to ensure transparency and objectivity in the process for determining remuneration, the Governance and Remuneration Committee chaired by an outside director with the majority of its members consisting of independent outside directors/audit & supervisory board members deliberated on the appropriateness of compensation levels and other relevant matters and provided reports to the Board of Directors for its determination of those matters.

II. Overview of revision of remuneration plan for directors

An overview of the revision of the remuneration plan for directors is as follows.

- (1) Clarification of the type of remuneration and restructuring of the current remuneration system
Under the new remuneration plan, type of remuneration and form of payment will be aligned, and type of remuneration will be restructured into three types for ease of understanding.: monthly remuneration (fixed; monetary remuneration), consisting of basic compensation and bonuses; short-term incentive remuneration (variable; monetary remuneration), consisting of performance-based bonuses and individuals’ evaluation-based compensation; and medium- and long-term incentive remuneration (variable; remuneration by shares), consisting of shares with transfer restrictions

(“Restricted Stock”) and TSR-linked performance share units with shares transfer restrictions (“TSR-linked Performance Share Units”).

(2) Improvement of the incentive function

Regarding performance-based bonuses, which are part of short-term incentive remuneration, under the current performance-based compensation, performance in the preceding fiscal year is used as an evaluation indicator. The evaluation indicator will be changed to performance in the current fiscal year, and the full amount of performance-based bonuses will be paid after the end of the same fiscal year, thereby aligning the duty execution period with the performance evaluation period and improving the incentive function during the duty execution period.

In addition, regarding medium- and long-term incentive remuneration, given the new shareholder return policy for strengthening shareholder returns recently announced by the Company, the current evaluation indicator for shares with transfer restrictions subject to market capitalization-based exercisability conditions (“Market Capitalization-linked Performance Share Units”) will be changed from a market value growth rate to relative TSR, and a new payment coefficient will be adopted to ensure an appropriate incentive function corresponding to the business results. The name of the remuneration after the revision is to be “TSR-linked Performance Share Units.”

(3) Rectification of the composition ratio of short-term incentive remuneration and medium- and long-term incentive remuneration

By decreasing the ratio of performance-based bonuses out of short-term incentive remuneration and increasing the ratio of medium- and long-term incentive remuneration, the balance in the composition ratio between short-term incentive remuneration and medium- and long-term incentive remuneration will be rectified, and the relationship with more enhanced corporate value in the medium and long term will be increased. As a result, the composition ratio of monthly remuneration/short-term incentive remuneration/medium- and long-term incentive remuneration in the total remuneration of the representative director and president will be approximately 1:1:1.

(4) Setting of more appropriate remuneration levels

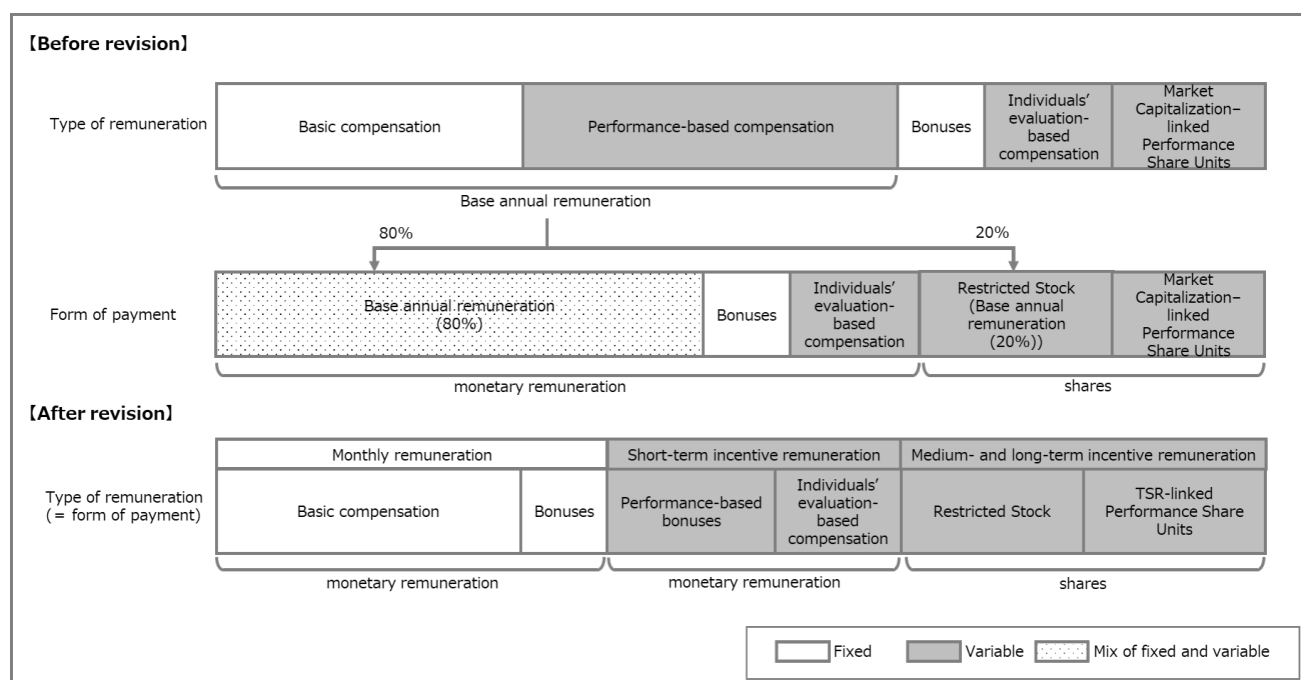
In order to find and retain excellent human resources and equally and fairly treat them based on their duties and performance, the Company will establish appropriate remuneration levels by comparing them with objective research data on remuneration by external professional institutions.

(5) Introduction of malus and clawback clause

Regarding short-term incentive remuneration and medium-and long-term incentive remuneration, if there is an accounting restatement due to a material modification of financial statements or a material violation of internal rules or illegal acts by executives, the Company shall decrease the amount of or not pay the relevant remuneration by a resolution at the Board of Directors meeting, and the Company shall request the return of remuneration already paid.

(i) Remuneration plan for directors before and after revision

For directors eligible for each type of remuneration, please see (ii) Overview of each type of remuneration after revision below.



(ii) Overview of each type of remuneration after revision

An overview of each type of remuneration for directors after the revision is as follows.

Further, the Company will introduce a revised remuneration plan for executive officers that is similar to the revised remuneration plan as described above.

Type of remuneration		Form of payment	Details	Executive director	Chairman of the board (Note 3)	Outside director (Note 4)
Monthly remuneration	Basic compensation	Fixed	<input type="radio"/> Fixed compensation corresponding to the position of each director <input type="radio"/> Representative director bonuses for the duties of a director who has representative authority <input type="radio"/> Director bonuses for the duties of directors	●	●	●
	Bonuses			●	—	—
Short-term incentive remuneration	Performance-based bonuses	Variable	<input type="radio"/> Remuneration for achieving business results in each fiscal year 【Organization performance evaluation】 <input type="radio"/> Remuneration corresponding to degree of achieving financial targets by each division in each fiscal year 【Individual qualitative evaluation】 <input type="radio"/> Remuneration for new value creation toward the future	●	—	—
	Individuals' evaluation-based compensation			— (Note 3)	—	—
Medium- and long-term incentive remuneration	Restricted Stock	Shares	<input type="radio"/> Remuneration for promoting relationship with and sharing of shareholder value <input type="radio"/> Remuneration for enhancing corporate value in the medium and long term	●	●	—
	TSR-linked Performance Share Units (Note 4)			●	●	—

- (Note 1) As the chairman of the board is positioned to substantially enhance the Company's medium- and long-term corporate value by utilizing his business knowledge cultivated by managing the Company, his remuneration consists of basic compensation that is monthly remuneration and medium- and long-term incentive remuneration.
- (Note 2) As outside directors are positioned to supervise management independently, their remuneration consists only of basic compensation (including remuneration based on their duties as chairpersons or members of relevant committees) that is monthly remuneration.
- (Note 3) Individual's evaluation-based compensation based on organization performance evaluation is payable to an executive officer who serves as general manager of the sales department. Currently, there is no applicable executive director.
- (Note 4) The evaluation indicator shall be relative TSR, which shall be calculated using a formula that compares the Company's total shareholder return (TSR) for three years (evaluation period) with the growth rate of the Tokyo Stock Price Index (TOPIX) (dividends included) for the same period:

Relative TSR = the Company's TSR / TOPIX (dividends included) growth rate during the evaluation period

The Company annually allocates the number of base units equivalent to the base amount determined based on the position of each director, allocates its common shares depending on the degree of achievement of relative TSR for the three-year evaluation period. The Company's common shares so allocated are subject to restrictions on transfer from the allotment date until each director retires from the position as director and executive officer of the Company or other positions determined by the Company's Board of Directors in advance.