

May 16, 2014
Marubeni Corporation

Sentence for the Indonesia Tarahan Project and Marubeni's reaction

On May 15, 2014 (EDT), Marubeni Corporation (“Marubeni”) was sentenced by the U.S. District Court for the District of Connecticut for criminal charges relating to violations of the U.S. Foreign Corrupt Practices Act (“FCPA”) with respect to alleged improper payments to Indonesian government officials for a project to expand the coal-fired power plant at Tarahan, Indonesia by adding a steam generator and auxiliaries (the “Project”). Marubeni was a member of the consortium that was awarded the contract for the Project in 2004. On March 19, 2014, Marubeni pleaded guilty to violating and conspiring to violate the FCPA and agreed to pay a fine of US\$ 88 million, which was approved by the court on May 15, 2014.

Since 2002, Marubeni has been improving its compliance program. It has done this by establishing a Compliance Committee under the direct control of the company President, and adopting a comprehensive Compliance Manual setting out high standards of conduct that all members of the Marubeni group must observe. In 2005, Marubeni enacted internal rules to prevent bribery and, starting from that year, it has annually obtained from all of its directors, officers and employees a written pledge that they will adhere to the precepts found in the Compliance Manual. Further, Marubeni has improved its compliance program by discharging its obligations under a January 2012 Deferred Prosecution Agreement which was entered into with the DOJ, relating to a liquefied natural gas project in Nigeria in which Marubeni was involved during the last half of 1990s through the early 2000s. That Agreement required Marubeni to retain a corporate compliance consultant for two years to review and enhance its anti-corruption compliance program to ensure that it satisfies standards specified by the DOJ, and to report to the DOJ regarding the results of this review. This was completed in January 2014, and at the request of the DOJ the related proceeding was dismissed on February 26, 2014.

Although the Tarahan conduct pre-dated the execution of Marubeni's 2012 Deferred Prosecution Agreement with the DOJ, Marubeni is taking this matter seriously and is committed to continuing to thoroughly implement and enhance its anti-corruption

compliance program. To this end, Marubeni has newly established a “Compliance Control Department” which will be effective as of May 26, 2014, moving the Compliance function out of the Legal Department to a stand-alone department. This will ensure even more dedicated and thorough implementation of Marubeni’s compliance program.

In addition, in response to the charges Marubeni has decided to make management pay cuts as follows: 50% of monthly compensation for six months for the President & CEO; 30% of monthly compensation for six months for the Chairman and representative directors; and 10-30% of monthly compensation for one through three months for executive officers. Further, Marubeni has taken disciplinary actions against the employees who were involved in the Project.