

May 18th 2000

Summary of consolidated financial statements for FY1999 (USA accounting principle basis)

Company name : Marubeni Corporation

Code Number : 8002

Listed : Tokyo, Osaka, Nagoya, Fukuoka, Kyoto, Sapporo

Headquarter address : Osaka

Enquiry : (Osaka) Title General Manager, Corporate Strategies (Osaka) Sec., Corporate Strategies Dept.

Name Ueda Yoshiki TEL(06) 6266-2491

(Tokyo) Title Assistant General Manager, Corporate Communications Dept.

Name Ueyama Takeo TEL(03)3282-4802

Date of Director meeting for FY2000 Financial Results : May 17th 2000

1. Consolidated financial results for FY1999

(1) Consolidated statements of income

	Total volume of trading transactions		Net operating profit		Income before taxes & equity in earnings	
	(billions of ¥)	(%)	(billions of ¥)	(%)	(billions of ¥)	(%)
FY1999	10,222	-14.5	16	27.1	5	-
FY1998	11,960	-12.3	13	-85.0	-150	-

	Net income		EPS		Net income/ shareholder's equity	Income before taxes & equity in earnings/ total assets	Income before taxes & equity in earnings/ total volume of trading transaction
	(billions of ¥)	(%)	(¥)	(¥)	(%)	(%)	(%)
FY1999	2	-	1.38	1.38	0.6	0.1	0.1
FY1998	-118	-	-78.80	-	-28.4	-2.2	-1.3

(*) Equity in earnings-net FY1999 ¥ 3.65 billion FY1998 ¥-6.68 billion

Unrealized gains and losses of securities-net ¥46.19 billion

Unrealized gains and losses of derivatives-net ¥33.90 billion

Any changes of accounting method? Yes

The ratio of Total volume of trading transactions, Net operating profit, Income before taxes & equity in earnings, and Net income represents the change from the previous year

(2) Consolidated balance sheet

	Total assets	Shareholders' equity	Shareholder's equity/ total assets	Shareholder's equity / per share
	(billions of ¥)	(billions of ¥)	(%)	(¥)
FY1999	5,584	324	5.8	217.7
FY1998	6,512	354	5.4	236.96

(3) Consolidated cash flow

(billions of ¥)

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financial activities	Cash and cash equivalents at end of FY99
FY1999	185	257	-595	405
FY1998	232	99	-213	579

(4) Total number of consolidated subsidiaries and affiliates

Subsidiaries 456 Affiliates 190

(5) Increase/decrease of consolidated subsidiaries and affiliates

Subsidiaries (Newly nominated) 43 (Exclusion) 75 Affiliates (Newly nominated) 16 (Exclusion) 27

2. Forecast of consolidated financial results for FY2000 (April 1st 1999 ~ March 31st 2000)

(billions of ¥)

	Total volume of trading transactions	Net income
Interim	4,700	5
Year End	10,000	20

(*) forecasted EPS (Year End) ¥13.39

Management Policy and Financial Results

1. Management Policy

(1) Basic Management Policy and Management Issues

Marubeni launched a three-year master policy called VISION2000 since April 1998, to pursue our management philosophy of becoming a value-creating company which contributes to the world's economic prosperity through our competitive position as a globally networked company. The principal focus of VISION2000 is to reinforce the competitiveness of the Marubeni Group. We are accomplishing this by; (1) focusing on priority lines of businesses; (2) accelerating management decision-making and; (3) pursuing management efficiency with greater emphasis on balance sheet improvement.

Today, IT (Information Technology) Revolution is dramatically transforming the existing industrial environments. The changes in these environments is a good opportunity for a general trading house to expand its business. On the other hand, it intensifies the business competitions, and the role of a general trading house is rapidly changing. We need to concentrate management resources to priority lines of businesses and to reinforce our financial structure. While we maintain the general thrust of VISION2000, it is essential to improve medium-to-long-term profitability.

We have been operating the Restructuring Plan by identifying four priorities listed below, started in April 1999, to achieve, within a short time period, the streamlining of balance sheet and cost cutting, the restructuring of associated firms and the review and reform of internal systems:

Financial Restructuring

Our consolidated total assets as of March 2000 was ¥5.6 trillion lowered by ¥0.9 trillion from that of March 1999, while net interest-bearing debt after cash and time deposit was ¥3.3 trillion decreased by ¥0.6 trillion. Personnel expenses and SGA expenses were down by ¥46.7 billion to ¥411.5 billion.

Business Restructuring

We have launched "DE Ratio Control System for Subsidiaries" and "Guideline of Financial Result Evaluation and Exit Rule for Subsidiaries" since FY1999.

To realize this guideline, we have reduced 43 consolidated firms out of 689 since March 1999. Also the number of deficit group firms as of the end of March 2000 was 170 out of 646 consolidated firms, decreased by 60 firms since March 1999, thus the deficit firm ratio was improved to 26%.

Personnel Restructuring

The total number of employees as of April 1st 2000 is 5,051 reduced by 804 employees since April 1999, while the new pay-for-performance personnel system has been launched.

Organizational and Management Restructuring

We have abolished the “Supervisory Director system”, and introduced “Advisor to the President system”. Advisors to the President control and support the organizations in charge, while they participate in making management strategies as members of Corporate Management Committee.

The business groups have been combined and realigned from the 8 groups 20 divisions to the 12 large divisions, each with a president, to accelerate decision-making and implementation.

The administrative departments have been also re-organized from the 21 divisions to the 1 division and 17 departments, while Risk Management Division has been newly established to control comprehensive risks of the whole group.

To establish highly profitable business base in the 21st century, we appointed CIO (Chief Information Officer) as a supervisor to introduce and control our information strategies of the whole company and to strengthen the correspondence to IT-related business. Under the control of the IT Committee which is chaired by CIO, we cultivate and operate internet-related business rapidly and efficiently.

Based on our core competence and the growth potentiality, we are concentrating our management resources into the 4 business fields listed below, in order to expand business bases and strengthen our competitiveness

Retail & Services

We have established an intense relation with Daiei through the comprehensive tie-up since 1994. To make our relation stronger and to expand our business activities, we obtained the exchangeable bond, which can be converted to approximately 5% of issued shares of Lawson, one of the group firms of Daiei. We are also expanding our business in the medical field, while we have gained the management right of Ain Medical Systems, which is a group firm of Ain Pharmacies, one of the major pharmaceuticals companies.

Social Infrastructure & Utility Services

We have been strengthening our business activities in data communication services corresponding with the growing demand.

We have established GBS (Global Bandwidth Solutions Inc.) in US, which enables us to supply global data communication services using our own optical fiber under-sea cables.

Also, we have decided to advance into the private energy services, disposal processing, and private infrastructure business of water supply and sewage in Japan, tied up with the major French company Vivendi.

Trading of high value added Items and Materials

We have continuously established the basis of profitability in the trading of paper and pulp, the export of steel products, chemicals, cereals, etc. We will continue to strengthen our function as a trader with manufacturing and distribution functions in the raw materials market in which we have competitive edge, or the growing new materials market.

Development & Trading of Natural Resources

Development and trading of natural resources such as energy, metals are areas in which we have been very active, and will continue to be. In the energy business, we are operating an oil & gas field in India where we recorded the production of 50,000 barrels per day of crude oil, while in the metal business, we have expanded the trading in iron ore mainly in Hamersley, Australia.

(2) Principles in Profit Allocation

We understand that one of the important responsibilities for corporate entities is to continue to pay dividends to shareholders, as well as to enlarge shareholders' equity and to increase ROE. As for FY1999, we have decided to shelve the payment of annual dividend, judging that it is necessary for the achievement of the former mentioned restructuring plan to enlarge shareholders' equity preferentially.

(3) Management System

Marubeni provides the supervisory directors of the 12 business divisions with the authority they need to run daily activities. Each division also has its own administrative section appropriate to its sales activities. The system enables each division to remain independent. On the other hand, the administrative operations use macro controls to formulate groupwide-financing plans and to monitor and control the Company's risk exposure.

Below is Marubeni's management system:

Board of Directors

As of April 1st 2000, the board comprised 38 directors. The board deliberates and makes decisions on matters provided by law and the Company's Articles of Incorporation on important aspects of the Company's management. To reinforce its management oversight functions, the board allows 2 external and 3 internal corporate auditors to attend board meetings. The board meets monthly and is chaired by the President.

Corporate Management Committee

This committee consists of the President and Advisors to the President. The committee deliberates and makes decisions on important aspects of the Company's management, operating activities, major re-organizations, reshuffles and projects. It is held twice a month and chaired by the President.

Committee of Chief Operating Officers

This committee consists of the President, Advisors to the President, Chief Operating Officers, and Executive Corporate Officers. Held quarterly, it deliberates aspects of the Company's management, budgets, financial results, financial planning, and other aspects concerning the company activities.

2. Financial Results

(1) Outline for FY1999

<Outlook>

For this term, the U.S. economy continued to achieve stable growth, European economy maintained to grow slowly, and Asian economy showed stronger signs of turning around.

In the U. S. economy, personal consumption showed high growth in line with rising share prices and better employment conditions. Moreover, capital expenditure showed increase mainly in the Information and Telecommunications business field, resulting in the longest economic expansion after the war.

The European economy showed gradual expansion, mainly due to the increase in personal consumption triggered by better employment conditions and the smooth increase in exports, thanks to lower Euro currency rate.

In Asia, exports showed a rapid increase mainly in South Korea, Taiwan, Singapore, and Malaysia, in line with the increase in demand for IT related products. Also, aggressive fiscal-stimulus package started to show positive effects, leading to stabilization of the economy. Many countries overcame financial crisis, and financial markets stabilized.

In China, personal consumption slowed down from insecurity for employment due to advancement of restructuring program of state-owned enterprises, but with the execution of economic-stimulus package and rapid increase in exports, the economy managed to avoid deceleration.

In South and Central America and Russia, the economy decelerated due to confusion from currency devaluation. However, the economy showed signs of improvement, through settling down of capital outflow and recovery of world-trade.

In Japan, employment and production facilities still suffered surplus, but the continuation of zero-interest policy and aggressive government expenditure had a role of stopping the downward trend.

Furthermore, owing to recovery of exports mainly towards Asia, and investment and consumption boom for IT related areas, the economy gradually started to turn around since the middle of this year. As for the balance of international payments, the current revenue diminished, because market prices of primary products like crude oil recovered and import of machinery such as electronic devices and computers from Asia rapidly increased.

<Consolidated Financial Results>

The summary of consolidated financial results for FY1999 is as follows:

(billions of ¥)

	FY1999	FY1998	Change	
			Amount	%
Sales Turnover	10,222	11,960	-1,738	-14.5%
Gross Trading Profit	454	522	-69	-13.2%
Operating Profit	16	13	3	27.1%
Income before taxes & Equity in earnings	5	-150	155	-
Net Income	2	-118	120	-

Consolidated sales turnover declined 14.5% to ¥10.2 trillion.

Sales turnover by type are as follows:

Domestic transactions declined 11.8%, because of a reduction in Textile and Metals, an increase in Energy & Chemicals notwithstanding.

Export Transactions declined 42.2%, due to reduction in Machinery (mainly automobiles) and Metals (mainly Iron and Steel Products).

Import Transactions declined 1.8%, because of a reduction in areas other than Textile, Energy & Chemicals, which showed an increase.

Offshore Transactions declined 5.9%, due to a reduction in Machinery (mainly Plant), Metals, and Agri-Marine Products, an increase in Energy & Chemicals, Construction, Forest Products & General Merchandise and Textile notwithstanding.

Gross trading profit was down ¥69 billion, or 13.2%, to ¥454 billion. This stemmed from a decrease in Machinery, and Forest Products & General Merchandise though Energy & Chemicals and Textiles were up.

Sales turnover by operating segment and business summary are as follows:

(billions of ¥)

	Sales turnover			Gross trading profit		
	FY1999	FY1998	Variance	FY1999	FY1998	Variance
Textile	672	815	-143	31	29	2
Metals	1,071	1,335	-265	41	46	-5
Machinery	2,669	4,103	-1,433	120	167	-47
Energy & Chemicals	2,027	1,855	172	56	55	2
Agri-Marine Products	1,074	1,118	-44	66	68	-2
Construction, Forest Products & General M'dise	1,076	1,211	-135	56	70	-14
Domestic Branch	540	664	-124	9	12	-3
Overseas Branch, Corporate Subsidiaries	1,837	1,961	-124	69	75	-6
Others	51	47	4	14	9	6
Elimination	-795	-1,149	354	-10	-8	-2
Consolidated	10,222	11,960	-1,738	454	522	-69

Textile: Sales turnover declined 17.5%, due to a decrease in Textile Materials and Apparel. Gross trading profit grew ¥1.4 billion, or 4.6%, mainly because of an increase in exports in Apparel.

Metals: Sales turnover declined 19.8%, due to a decrease in domestic transactions in Iron and Steel Products and Light Metals. Gross trading profit was down ¥4.6 billion, or 9.9%, because of a decrease in offshore transactions in Iron and Steel Products.

Machinery: Sales turnover declined 34.9%, due to a decrease in export for automobiles, and offshore transactions in Plants. Gross trading profit was down ¥47.1 billion, or 28.1% because of a decrease in exports for Electric Power Project and Plant, and also a decrease in offshore transaction in automobiles.

Energy & Chemicals: Sales turnover increased 9.3%, thanks to a rising prices in crude oil and petrochemical products. Gross trading profit went up ¥1.8 billion, or 3.3%, mainly owing to an increase in Energy, thanks to higher crude oil prices.

Agri-Marine Products: Sales turnover declined 3.9%, because of a fall in prices for grain, and gross

trading profit was down ¥1.4 billion, or 2.0%.

Construction, Forest Products & General Merchandise: Sales turnover declined 11.1%, due to a decrease in domestic transactions for construction materials. Gross trading profit was down ¥14 billion, or 19.9%, since unrealized losses for real estate inventories were added.

Domestic branch: Sales turnover declined 18.7% because of a decline in domestic transactions, and gross trading profit was down ¥3.1 billion, or 25.3%, since unrealized losses for real estate inventories etc. were added.

Overseas branch & Corporate subsidiaries: Sales turnover declined 6.3%, mainly because of a decrease in iron & steel products transactions in Marubeni America, and gross trading profit was down ¥6 billion, or 8.1%.

SGA Expenses declined ¥46.7 billion due to cost-cutting, resulting in an increase by ¥3.5 billion to ¥16.3 billion, for Operating Profit.

Income before income taxes and equity in earnings was up ¥155 billion to ¥5.4 billion, due to gains from sales of assets like investment securities, although there were losses on withdrawal from unprofitable businesses and appraisal losses on fixed assets based on the accounting for FAS #121, as well as unrealized exchange losses due to yen appreciation. Income before equity in earnings was up ¥109 billion, to ¥-1.6 billion, with the effect of accounting for deferred taxes.

Net income was up ¥120 billion to ¥2.1 billion, primarily because of an increase in equity in earnings by ¥10 billion.

The summary of balance sheet as of the end of March 2000 is as follows:

(billions of ¥)

	Mar. 31 st 2000	Mar. 31 st 1999	Variance
Consolidated total assets	5,584	6,512	-928
Consolidated shareholders' equity	324	354	-30
Consolidated interest-bearing debt	3,736	4,547	-811
Consolidated interest-bearing debt net of cash & time deposits	3,328	3,967	-638

Consolidated total assets, major portion of which were trade receivables, investment securities and long term receivables, was down ¥928 billion to ¥5,584 billion, as a result of acceleration of withdrawal of unprofitable businesses, and liquidation and sales of enterprise investments. Consolidated interest-bearing debt declined ¥811 billion to ¥3,736 billion, with the deduction of total assets. Consolidated interest-bearing debt net of cash and time deposits decreased ¥638 billion to ¥3,328 billion.

Consolidated shareholders' equity was down ¥30 billion to ¥324 billion, due to a decrease of currency translation adjustments by ¥34 billion. As a result, Net Debt-to-Equity ratio improved 0.9 points to 10.3 times, from 11.2 times.

As for cash flow, net cash provided by operating activities was ¥185 billion (increase), net cash provided by investing activities was ¥257 billion (increase), net cash used in financing activities was ¥-595 billion (decrease). As a result, cash and cash equivalents at end of year decreased ¥174 billion to ¥405 billion.

(2) Restructuring Cost and Gains from Sales of Assets for FY1999

<Restructuring Cost>

		(billions of ¥)	
	Breakdown	Consolidated	Unconsolidated
Gross Trading Profit (Consolidated)	Evaluation losses on real estate for sale	-21	-21
Extraordinary Losses (Unconsolidated)			
Expenses (Consolidated)	Provisions for doubtful accounts	-9	-4
SGA Expenses (Unconsolidated)	Allowance for overseas doubtful debts etc.	-17	
	Incentive pay for early retirement	-13	
	Total	-39	-4
Other Gains & Losses (Consolidated)	Losses on disposal & liquidation of group firms • provisions	-8	-52
Extraordinary Losses (Unconsolidated)	Allowance for overseas doubtful debts etc.		-21
	Losses on fixed assets	-20	-3
	Unrealized losses on invstmt. securities etc.	-4	-5
	Human resource-related		-20
	Total	-31	-100
Grand Total		-92	-124

Consolidated restructuring cost for this term amounted to ¥-92 billion. This primarily stemmed from ¥-21 billion as evaluation losses on real estate for sale, ¥-20 billion as losses on fixed assets based on the accounting for FAS #121, ¥-17 billion as allowance for overseas doubtful debts etc., and ¥-13 billion as incentive pay for early retirement.

Unconsolidated restructuring cost for this term summed to ¥-124 billion. This primarily stemmed from ¥-52 billion as liquidation losses to associated firms, including the provisions for doubtful accounts, ¥-21 billion as allowance for overseas doubtful debts etc., and ¥-20 billion as incentive pay for early retirement and human resource-related additional contribution to the Pension Fund.

<Gains from Sales of Assets>

(billions of ¥)

	Breakdown	Consolidated	Unconsolidated
Other Income (Expenses) (Consolidated)	Gains from sales of investment securities	43	43
	Gains from sales of group firms	10	20
Other Gains & Losses, & Extraordinary Gains (Unconsolidated)	Gains from sales of fixed assets	15	12
	Total	68	75

For this term, gains from sales of assets on consolidated and unconsolidated basis were ¥68 billion and ¥75 billion, respectively, which were allocated to the restructuring cost.

(3) Financial Forecast for FY2000

The financial forecast for FY2000 is as below:

<Consolidated Financial Forecast>

(billions of ¥)

	Forecast 1 st half FY2000	Forecast FY2000	Result FY1999
Sales turnover	4,700	10,000	10,222
Net income	5	20	2.1

<Unconsolidated Financial Forecast>

	Forecast 1 st half FY2000	Forecast FY2000	Result FY1999
Sales turnover	3,700	8,000	8,859
Ordinary income	25	50	63
Net income	2.5	5	6.1

Consolidated Statements of Income

(billions of ¥)

	FY 1999	FY 1998	Variance	Ratio
Total volume of trading transactions	10,222	11,960	-1,738	- 14.5%
Gross trading profit	453	522	-69	- 13.2%
(ratio)	(4.44%)	(4.37%)		
Expenses:				
Selling, general and administrative expenses	-412	-458	47	- 10.2%
Provision for doubtful accounts	-26	-51	26	- 50.0%
Total	-437	-510	72	- 14.2%
Operating profit	16	13	3	27.1%
Other Income (expenses):				
Interest expense (net of interest income)	-33	-36	4	- 9.9%
Dividends	5	6	-1	- 12.9%
Gains & losses on investment securities	49	-101	150	-
Gains & losses on property and equipment	-5	1	-5	-
Other -net	-28	-32	4	-
Total	-11	-163	152	-
Income (loss) before income taxes and equity in losses	5	-150	155	-
Provision for income taxes	-7	39	-46	-
Income (loss) before equity in losses	-2	-111	109	-
Equity in income(loss) of affiliated companies - net (after income tax effects)	4	-7	10	-
Net income (loss)	2	-118	120	-

(Note)

The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in US.

Consolidated Balance Sheets

Marubeni Corporation

At March 31, 2000 and 1999

	(billions of ¥)		
ASSETS	2000	1999	variance
Current assets:			
Cash and cash equivalents, and time deposits	408	580	-173
Marketable securities	423	648	-224
Notes and accounts receivable - trade			
Notes receivable	290	319	-30
Accounts receivable	1,256	1,476	-220
Due from affiliated companies	123	144	-21
Allowance for doubtful accounts	-17	-20	3
Inventories	490	588	-98
Advance payments to suppliers	86	101	-15
Prepaid expenses and other current assets	155	139	16
Total current assets	3,214	3,976	-762
Investments and long-term receivables:			
Affiliated companies	289	261	28
Securities and other investments	493	477	16
Notes, loans and accounts receivable - trade	714	863	-148
Allowance for doubtful accounts	-125	-109	-16
Property leased to others, less accumulated depreciation	308	315	-7
Total investments and long-term receivables	1,680	1,806	-127
Property and equipment, less accumulated depreciation	510	566	-56
Deferred income taxes	100	82	18
Other fixed assets	82	82	-0
Total assets	5,584	6,512	-927

	(billions of ¥)		
LIABILITIES AND SHAREHOLDERS' EQUITY	2000	1999	variance
Current liabilities			
Short-term loans	951	1,557	-607
Current portion of long-term debt	526	519	7
Notes and accounts payable - trade			
Notes and acceptances payable	248	335	-87
Accounts payable	755	747	8
Due to affiliated companies	45	44	1
Advance payments received from customers	44	82	-37
Income taxes	25	6	19
Deferred Income taxes	9	26	-17
Accrued and other current liabilities	223	241	-18
Total current liabilities	2,827	3,558	-731
Long-term debt, less current portion	2,300	2,470	-170
Employees' retirement benefits	90	91	-1
Deferred income taxes	15	11	4
Minority interest in consolidated subsidiaries	28	29	-0
Shareholders' equity			
Common stock	194	194	0
Additional paid-in capital	217	217	-0
Retained earnings	7	9	-2
Accumulated other comprehensive losses (Note)	-93	-66	-27
Total shareholders' equity	324	354	-30
Total liabilities and shareholders' equity	5,584	6,512	-927

(Note) The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the US. (billions of ¥)

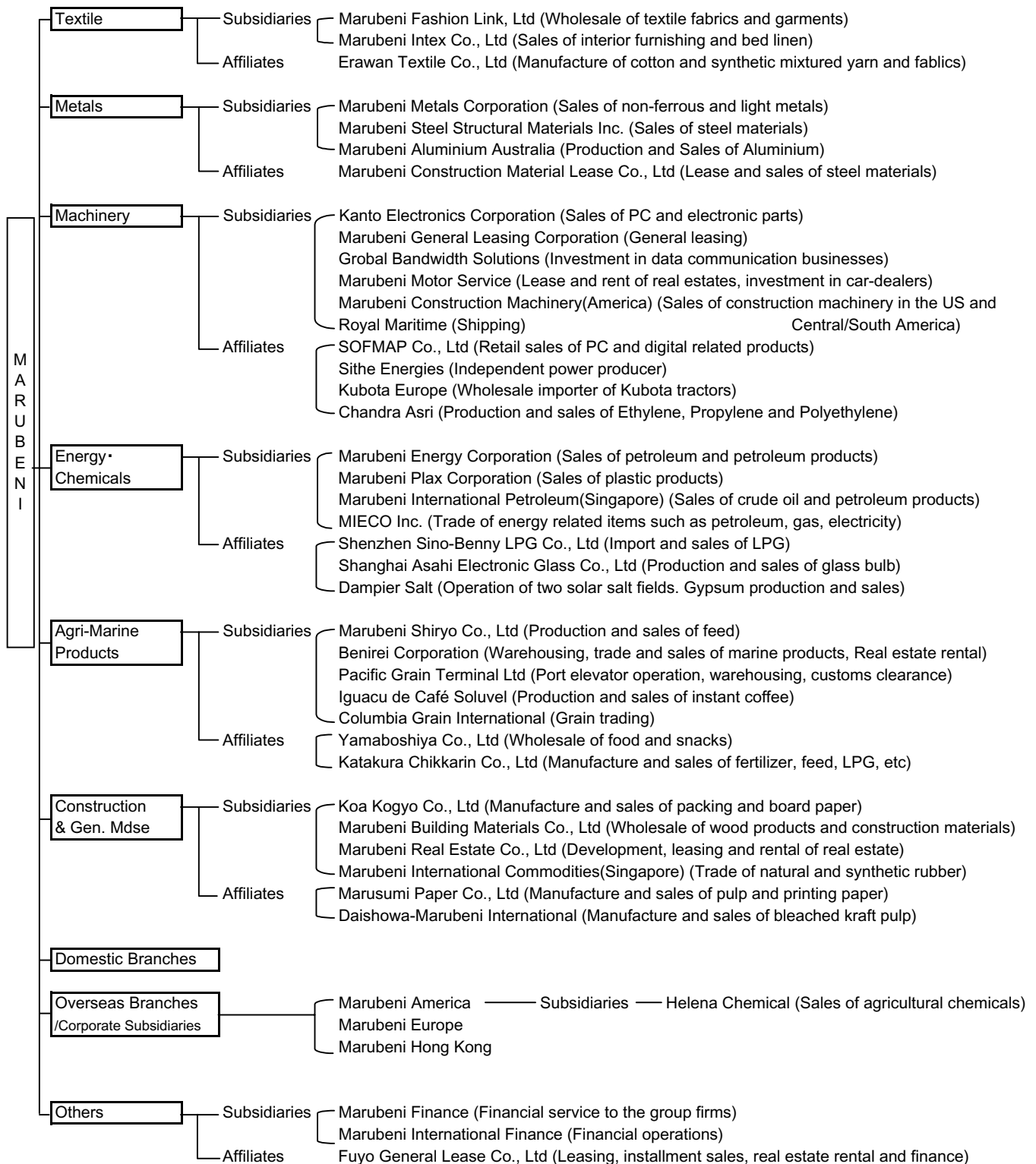
Cash and cash equivalents	405	579	-174
Accumulated other comprehensive losses			
Net unrealized gains (losses) on investment securities	23	16	8
Currency translation adjustments	-86	-52	-34
Minimum pension liability adjustment	-30	-30	-1

The variance in shareholders' equity except for capital transactions is ¥ 25.2 billion (decrease) for March 2000, and is ¥ 116.8 billion (decrease) for March 1999.

About the Business Group

The major activity of our business group is trading in wide range of products and commodities, making the best of our world wide business bases and its information network. In addition, we offer various financing and project-organizing services to business partners, and also work on natural resource development and investment in the engineering frontiers.

Below is the situation of our group firms by the operating segment.



Break down of Total Volume of Trading Transaction

By trading type

(billions of ¥)

	FY 1999		FY1998		Variance	
		Ratio		Ratio		Ratio
Domestic	4,571	44.7%	5,183	43.3%	-612	-11.8%
Export	1,250	12.3%	2,164	18.1%	-914	-42.2%
Import	1,425	13.9%	1,452	12.2%	-27	-1.8%
Offshore	2,976	29.1%	3,161	26.4%	-185	-5.9%
Total	10,222	100%	11,960	100%	-1,738	-14.5%

Total Volume of Trading Transactions by Group

(billions of ¥)

	FY 1999		FY 1998		Variance	
		Ratio		Ratio		Ratio
Machinery	2,971	29.1%	4,299	36.0%	-1,328	-30.9%
Energy · Chemicals	2,472	24.2%	2,178	18.2%	293	13.5%
Metals	1,412	13.8%	1,691	14.1%	-279	-16.5%
Agri-Marine Products	1,289	12.6%	1,398	11.7%	-109	-7.8%
Construction, Forest Products & General Merchandise	1,261	12.3%	1,392	11.6%	-131	-9.4%
Textile	818	8.0%	1,001	8.4%	-183	-18.3%
Total	10,222	100%	11,960	100%	-1,738	-14.5%

Consolidated Statements of Changes in Shareholders' Equity

(billions of ¥)

	2000		1999		Variance	
Common Stock:						
Balance at beginning of year	194.04		194.04		-	
Conversion of debentures	-		-		-	
Balance at end of year	194.04		194.04		-	
Additional paid-in capital:						
Balance at beginning of year	216.99		216.99		-	
Departures of own stock	-0.00		-0.00		-0.00	
Conversion of debentures	-		-		-	
Balance at end of year	216.99		216.99		-0.00	
Retained earnings:						
Balance at beginning of year	9.05		131.26		-122.21	
Net Income (loss)	2.06	2.06	-117.73	-117.73	119.79	119.79
Cash Dividends	-4.48		-4.48		0.00	
Balance at the end of year	6.63		9.05		-2.42	
Accumulated other comprehensive income (losses):						
Balance at beginning of year	-66.07		-67.04		0.98	
Unrealized gains (losses) on investment securities		7.77		22.33		-14.56
Currency translation adjustments		-34.35		-17.82		-16.53
Minimum pension liability adjustment		-0.72		-3.54		2.82
Other comprehensive income (losses), net of tax	-27.29	-27.29	0.98	0.98	-28.27	-28.27
Comprehensive losses		-25.23		-116.75		91.52
Balance at end of year	-93.36		-66.07		-27.29	

The Basic Conditions of Consolidated Balance Sheet

Marubeni Corporation

1 . Subsidiaries and Affiliates

Number of Subsidiaries and Affiliates

	Mar-00	Mar-99	Variance
Subsidiaries	456	488	-32
Affiliates	190	201	-11
Total	646	689	-43

Major Group Firms

Subsidiaries

Overseas 281	Marubeni America Marubeni Europe Marubeni Hong Kong
Domestic 175	Marubeni Energy Corporation Marubeni Real Estate Co. Kanto Electronics Corporation

Affiliates

Overseas 134	Daishowa-Marubeni International Ltd. Dampier Salt Limited Sithe Energies, Inc.
Domestic 56	Marubeni Construction Material Lease Co., Ltd Katakura Chikkarin Co. Marusumi Paper Co.

Changes

Subsidiaries

Newly nominated 43	Global Bandwidth Solutions, Inc. Marubeni Finance Others... 4 1 firms
Exclusion	75

Affiliates

Newly nominated 16	Takatsuki Cable Network Thai Coated Steel Sheet Co.,LTD Others... 1 4 firms
Exclusion	27

2 . Change of Accounting Principles

The Company has changed its inventories' evaluation method from the lower of cost(principally specific or total average cost) or market to the lower of cost(principally specific or moving average cost) or market since April 1st 1999.

There was no material effect on financial statements due to this change.

Consolidated Statement of Cash Flows

(billions of ¥)

	2000	1999	Variance
Operating activities			
Net Income (loss)	2	-118	120
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
Depreciation and amortization etc	60	58	2
Provision for doubtful accounts	26	51	-26
Equity in (earnings) losses of affiliated companies-net	-4	7	-10
Loss (gain) on investment securities	-49	101	-150
Gain on property and equipment	5	-1	5
Evaluation losses on real estate inventories	21	15	7
Deferred income taxes	-33	-69	36
Changes in operating assets and liabilities:			
Notes and accounts receivable	175	341	-166
Inventories	45	65	-19
Advance payments to suppliers and prepaid expenses and other current	0	77	-77
Notes, acceptances and accounts payable	-58	-240	182
Advance payments received from customers and accrued and other current liabilities	-42	-65	23
Income taxes	19	-2	21
Other	18	13	5
Net cash provided by operating activities	185	232	-48
Investing activities			
Proceeds from sales and maturities of securities and other investments	384	554	-170
Purchase of securities and other investments	-202	-242	40
Proceeds from sales of property and equipment and property leased to others	47	20	27
Purchase of property and equipment and property leased to others	-71	-132	60
Collection of loans receivable	231	199	32
Loans made to customers	-124	-280	156
Other	-8	-20	12
Net cash provided by (used in) investing activities	257	99	158
Financing activities			
Net decrease in short-term loans	-531	-172	-359
Proceeds from long-term debt	744	733	11
Payments of long-term debt	-803	-770	-33
Cash dividends paid	-4	-5	0
Departures of own stock	-0	-0	-0
Net cash used in financing activities	-595	-213	-382
Effect of exchange rate changes on cash and cash equivalents	-21	-20	-1
Net increase (decrease) in cash and cash equivalents	-174	99	-273
Cash and cash equivalents at beginning of year	579	481	99
Cash and cash equivalents at end of year	405	579	-174

Segment Information

(1) Information of Operating Segments

Marubeni introduced complex segments by geography and products in FY1999, which is categorized by the peculiarity of productive and geographical markets, for valuation of operating results and decision making for resource allocation. For the disclosure of its information, we group the operating segments into six productive segments, domestic branches and overseas branches/overseas corporate subsidiaries. Each segment is trading wide range of consumers' goods and industrial products including raw materials and production goods in the domestic and overseas markets, and also cultivating new markets. The business activities are accompanied by financial, insurable and other services.

The information of the operating segments for FY1999 and the revised segmental information for FY1998, altered according to the above-mentioned segments, is as follows.

This Term (April 1st 1999 ~ March 31st 2000)

(billions of ¥)

	Textiles	Metals	Machinery	Energy & Chemicals	Agri & Marine Products	Construction & Gen. Mdse
Total volume of trading transactions						
External trading volume	665	963	2,627	1,994	1,059	1,044
Internal trading volume	7	108	42	33	15	32
Total	672	1,071	2,669	2,027	1,074	1,076
Gross Operating Profit	31	41	120	56	66	56
Net Income	- 2	2	- 8	8	8	1
Depreciation and amortization etc	1	3	25	4	6	8
Segment Assets	198	467	1,607	432	339	824
Capital expenditure	0	1	31	4	5	18

	Domestic Branches	Overseas Branches/ Corporate Subsidiaries	Administration and Others	Eliminations	Consolidation
Total volume of trading transactions					
External trading volume	512	1,311	46	1	10,222
Internal trading volume	28	526	5	- 796	-
Total	540	1,837	51	- 795	10,222
Gross Operating Profit	9	69	14	- 10	453
Net Income	0	- 1	10	- 14	2
Depreciation and amortization etc	0	6	8	- 1	60
Segment Assets	164	584	1,464	- 495	5,584
Capital expenditure	0	9	4	- 1	71

Previous Term (April 1st, 1998 ~ March 31st, 1999)

(billions of ¥)

	Textiles	Metals	Machinery	Energy & Chemicals	Agri & Marine Products	Construction & Gen. Mdse
Total volume of trading transactions						
External trading volume	801	1,164	4,033	1,819	1,088	1,178
Internal trading volume	13	171	69	36	29	34
Total	815	1,335	4,103	1,855	1,118	1,211
Gross Operating Profit	29	46	167	55	68	70
Net Income	- 8	- 6	- 4	- 4	1	- 17
Depreciation and amortization etc	1	3	23	8	6	8
Segment Assets	223	512	1,916	421	319	893
Capital expenditure	2	15	63	5	5	24

	Domestic Branches	Overseas Branches/ Corporate Subsidiaries	Administration and Others	Eliminations	Consolidation
Total volume of trading transactions					
External trading volume	624	1,208	45	- 1	11,960
Internal trading volume	39	753	2	- 1,148	-
Total	664	1,961	47	- 1,149	11,960
Gross Operating Profit	12	75	8	- 8	522
Net Income	11	- 3	- 33	- 55	- 118
Depreciation and amortization etc	0	3	6	- 1	58
Segment Assets	197	774	1,507	- 251	6,512
Capital expenditure	1	12	4	-	132

(Note) Internal Trading Volume is based on ordinary market price. Segment P/L is based on Japanese Accounting Standard, and the difference between US and Japanese accounting standard is included in Elimination.

(2) Information of Geographical Segments

Below are the results of business activities for FY1999 and FY1998.

This Term (April 1st, 1999 ~ March 31st,2000)

(billions of ¥)

	Japan	North America	Europe	Asia · Oceania	Others	Eliminations	Consolidation
Total volume of trading transactions							
External trading volume	7,338	1,067	345	820	653	-	10,222
Internal trading volume	1,875	222	60	108	81	-2,346	-
Total	9,214	1,289	404	928	734	-2,346	10,222
Operating Profit	-5	8	2	6	5	-0	16
Other Income (expenses)							-11
Income(loss) before income taxes							5
Segmental Assets	2,873	336	272	196	142	-244	3,574
Other Assets							2,010
Total Assets							5,584
Depreciation and amortization etc.	42	8	4	3	3	-	60
Capital Expenditure	48	13	4	2	5	-	71

Previous Term (April 1st, 1998 ~ March 31st, 1999)

(billions of ¥)

	Japan	North America	Europe	Asia · Oceania	Others	Eliminations	Consolidation
Total volume of trading transactions							
External trading volume	8,157	1,886	432	737	747	-	11,960
Internal trading volume	2,521	322	56	196	77	-3,171	-
Total	10,678	2,208	489	933	823	-3,171	11,960
Operating Profit	-5	13	4	0	4	-2	13
Other Income (expenses)							-163
Income(loss) before income taxes							-150
Segmental Assets	3,723	481	392	244	163	-865	4,138
Other Assets							2,374
Total Assets							6,512
Depreciation and amortization etc.	39	5	6	4	4	-	58
Capital Expenditure	76	22	6	17	11	-	132

Cross Segment Trading Volume is based on the ordinary market price.

Operating profit is the result of deduction of SGA expenses and provisions for doubtful account from gross trading profit.

Other assets are mainly cash and time deposits, marketable securities and investment marketable securities.

(3) Volume of Overseas Trading Transactions

Below is the Volume of overseas trading transactions and the ratio of overseas trading transactions against the total.

This Term (April 1st, 1999 ~ March 31st, 2000)

(billions of ¥)

	North America	Europe	Asia&Oceania	Others	Total
Volume of overseas transactions	1,269	466	1,577	913	4,226
Volume of consolidated transactions					10,222
Ratio of overseas transactions (%)	12.4	4.6	15.4	8.9	41.3

Previous Term (April 1st, 1998 ~ March 31st, 1999)

(billions of ¥)

	North America	Europe	Asia&Oceania	Others	Total
Volume of overseas transactions	2,068	368	1,855	1,034	5,325
Volume of consolidated transactions					11,960
Ratio of overseas transactions (%)	17.3	3.1	15.5	8.6	44.5

(Note) 1. Countries and regions are categorized by geographical classification.

2. Major countries that belong to each category:

(1) North America USA, Canada

(2) Europe England, Belgium

(3) Asia & Oceania Indonesia, China

(4) Others Central and South America, Africa

3. Overseas transactions sum up to the export transactions of the parent and the subsidiaries in Japan, the offshore transactions, and the transactions of the overseas subsidiaries, net of the transaction to Japan.

Carrying amounts and fair value of financial instrument

Marubeni Corporation

1) Fair value of securities (March 31st, 2000)

(billions of ¥)

	Available-for-sale securities		
	Cost	Market price (Book value)	Net unrealized gains (losses)
Current :			
Debt securities	166	173	7
Marketable equity securities	198	222	24
Total	364	395	31
Non-current:			
Debt securities	43	43	0
Marketable equity securities	18	34	16
Total	60	77	16

*The fair value of available-for-sale securities reflected in the balance sheets are based on quoted markets prices. The unrealized gains and losses, net of taxes are added to accumulated other comprehensive income (loss) in shareholders' equity.

	Held-to-maturity securities		
	Cost (Book value)	Market price	Net unrealized gains (losses)
Current:			
Debt securities	17	17	0
Non-current:			
Debt securities	210	208	-1

*Held-to-maturity securities are stated at amortized cost, adjusted for amortization of premiums and accretion of discounts to maturity.

In addition, the trading-purpose securities amount to ¥11.48 billion. Its unrealized gains and losses at March 31st, 2000 amount to ¥1.80 billion.

2) Carrying amounts and unrealized gains and losses of derivative transactions at March 31st, 2000

(billions of ¥)

	Carrying amount		Unrealized gains (losses)
		Over 1year	
Interest rate swaps	1,763	1,447	30
Currency swaps(*)	324	177	4
Foreign exchange contracts(*)	293	15	-0
Commodity futures, forwards	225	11	0
Others	124	70	-0
Total	2,729	1,720	34

(*)The Company and certain of its subsidiaries use derivatives principally to reduce the impact of market-volatility risk on assets and liabilities. Regarding to the trading-purpose derivatives, the net evaluation gains amount to ¥0.26billion . The net gains of currency swaps and foreign exchange contracts amount to ¥7.93billion, off-setting that of foreign currency asset and liabilities. These amounts are not included in the table above.

(*)Carrying amounts of derivative transactions in Japanese Accounting Standard basis
The derivative transactions on foreign-currency assets and liabilities are out of scope of disclosure in Japanese Accounting Standards. The following is based on Japanese accounting standard.

(billions of ¥)

	Carrying amounts
Currency swaps	37
Foreign exchange contracts	148

Changes of Executives

Marubeni Corporation

At the Shareholders' Meeting scheduled to be held on June 28th 2000, candidates to be assigned executives, and executives scheduled to resign are as follows:

1. Candidates to be assigned Director: *() current position

Director	Kazuhiko Nishizawa (Senior Operating Officer, Iron & Steel Div.)
Director	Makoto Isogai (Chief Operating Officer, Forest Products & General Merchandise Div.)
Director	Kazuo Ogawa (Senior Operating Officer, Chemicals Div.)
Director	Yasutaka Emori (Senior Operating Officer, Transportation & Industrial Machinery Div.)
Director	Sadashi Iida (Senior Operating Officer, IT Business Div.)

2. Executives scheduled to resign: *() after retirement

Vice Chairman, Director	Hiroshi Matsumura (Advisor)
Senior Vice President, Director	Kunihiko Iida (Advisor to Katakura Chikkarin Co., Ltd.)
Senior Vice President, Director	Teruo Nagata (Advisor to Kanto Electronics Corporation)
Senior Vice President, Director	Shuichi Tominuki (Advisor to Marubeni Construction Material Lease Co., Ltd.)
Director	Fujio Ishii
Director	Shigetoshi Akasaka (Advisor to Asano Engineering Co., Ltd.)

3. Candidate to be assigned Corporate Auditor: *() current position

Corporate Auditor (Full-time)	Yasuo Ota (Senior Assistant to the ECO, Risk Management Div.)
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4. Corporate Auditors scheduled to resign: *() after retirement

Corporate Auditor (Full-time)	Tetsuro Kitaoka
Corporate Auditor (Full-time)	Masatoshi Kitazawa (Advisor)