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# **Financial Results for FY2000**

**(April 1, 2000 ~ March 31, 2001)**

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## **Marubeni Corporation**

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*\* This document is an English translation of a statement written initially in Japanese.  
The original in Japanese should be considered the primary version.*

**Summary of Consolidated Financial Statements for FY 2000****(US GAAP basis)**

Code Number : 8002

Company name : Marubeni Corporation

Listed : Tokyo, Osaka, Nagoya, Fukuoka, Sapporo

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Date of Director meeting for FY2000 Financial Results : May 17, 2001

Adoption of US GAAP basis : YES

## 1. Consolidated financial results for FY 2000(April 1, 2000 - March 31, 2001)

## (1)Consolidated statements of income

	Total volume of trading transactions		Net operating profit		Income before taxes & equity in earnings	
	(billions of yen)	(%)	(billions of yen)	(%)	(billions of yen)	(%)
FY2000	9,436.9	-7.7	41.5	154.0	6.7	23.4
FY1999	10,222.4	-14.5	16.3	27.1	5.4	-

	Net income		EPS		Net income/ shareholders' equity	Income before taxes & equity in earnings/ total assets	Income before taxes & equity in earnings/ total volume of trading
	(billions of yen)	(%)	(yen)	(yen)			
FY2000	15.0	629.9	10.06	9.40	4.5	0.1	0.1
FY1999	2.1	-	1.38	-	0.6	0.1	0.1

(Note) Equity in earnings-net FY2000 16.9 billion yen  
FY1999 3.7 billion yenAverage number of outstanding shares for the term  
(Consolidated basis)

FY2000 1,494,018,855

FY1999 1,494,018,962

Any changes of accounting method? No

The ratio of total volume of trading transactions, net operating profit, income before taxes and equity in earnings, and net income represents the changes from the previous year

## (2)Consolidated balance sheet

	Total assets	Shareholders' equity	Shareholders' equity/ total assets	Shareholders' equity per share
	(billions of yen)	(billions of yen)	(%)	(yen)
FY2000	5,320.6	342.3	6.4	229.11
FY1999	5,584.4	324.3	5.8	217.07

(Note) Number of outstanding shares at the end of the term  
(Consolidated basis)

FY2000 1,494,017,315

FY1999 1,494,016,843

## (3)Consolidated cash flow

(billions of yen)

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at the end of the term
	FY2000	179.3	188.0	-456.1
FY1999	184.7	257.0	-594.9	405.3

## (4) Number of consolidated subsidiaries and affiliated companies

Subsidiaries 412 Affiliated companies 186

## (5) Increase/decrease of consolidated subsidiaries and affiliated companies

Subsidiaries ( Newly included ) 28 ( Excluded ) 72 Affiliated companies ( Newly included ) 20 ( Excluded ) 24

## 2. Forecast of consolidated financial results for FY2001 ( April 1, 2001 ~ March 31, 2002 )

(billions of yen)

	Total volume of trading transactions	Net income
For the 1st six months ending September 30, 2001	4,300.0	2.5
For the year ending March 31, 2002	9,000.0	15.0

Forecasted EPS for the year ending March 31, 2002

10.04 yen

## Business Group

The major activities of our business group are sales and trades of wide range of products and commodities, making the most of our world wide business bases and information network. In addition, we offer various financing and project-organizing services to customers, and also work on diversified businesses like natural resource development and investment in high-tech industries.

Below are our products and services and some of our major companies by operating segments. From FY2000, the operating segments are reclassified into 12 product divisions, domestic branches & offices, and overseas corporate subsidiaries & branches.

Division	Contents of products and services	Major group firms	
IT Business	Both in domestic and overseas, operating IT related businesses, like various types of IP network infrastructure, overseas data communication plant, <u>mobile telephone, retail and wholesale of PC hardware</u>	Subsidiaries	Kanto Electronics Corporation, Marubeni Telecom Co., Ltd., Vectant, Inc.
		Affiliated companies	Sofmap Co., Ltd.
Utility and Infrastructure	Both in domestic and overseas, developing and operating utility, water, and waste treatment etc as a privatization business / contracting construction, <u>machinery setting and supplying in infrastructure</u>	Subsidiaries	Marubeni Power Systems Corporation, Marubeni Power Ventures, Inc.
		Affiliated companies	Tapal Energies Limited, Uni-Mar Enerji Yatirimlari A.S.
Plant and Ship	Both in domestic and overseas, handling the construction and supply of plants / participating in project investment / supply and lease of cargo ships and tankers etc / <u>owning and operating ships</u>	Subsidiaries	Marubeni Energy and Chemical Project Corporation, Royal Maritime Corporation
		Affiliated companies	Kaji Technology Corporation, Pt. Chandra Asri
Transportation and Industrial Machinery	Both in domestic and overseas, export, import, and domestic sales of vehicles, construction machinery, agro-industrial machinery, production machinery, environmental and industrial machinery, aircraft, <u>defense equipment, and space-related equipment</u>	Subsidiaries	Marubeni General Leasing Corporation, Marubeni Aerospace Corporation, Marubeni Auto & Construction Machinery (America)
		Affiliated companies	Kubota Europe S.A., Unipres U.S.A. Inc.
Energy	Both in domestic and overseas, handling various forms of energy, including oil, gas, nuclear fuel and coal for power generation / participating in all aspects of energy distribution, <u>ranging from natural resources development</u>	Subsidiaries	Marubeni Energy Corporation, MIECO Inc., Marubeni International Petroleum (Singapore)
		Affiliated companies	Shenzhen Sino-Benny Lpg Co., Ltd.
Metals and Mineral Resources	Both in domestic and overseas, manufacturing, processing, and sales of nonferrous metals / overseas development and trading of raw materials of steel and <u>nonferrous metals</u>	Subsidiaries	Marubeni Metals Corporation, Marubeni Tetsugen Co., Ltd. Marubeni Aluminum
		Affiliated companies	Toyo-Memory Technology Sdn. Bhd.
Iron and Steel	Both in domestic and overseas, trading, manufacturing, processing, and sales of steel products / aggressively doing e-commerce business as well	Subsidiaries	Marubeni Steel Trade Corporation, Marubeni Special Steel Corp., Marubeni Steel
		Affiliated companies	Marubeni Construction Material Lease Co., Ltd. Thai Cold Rolled Steel Sheet P.C.L.
Chemicals	Both in domestic and overseas, chemical industry, trading from primary materials to end products. Responding to various industrial and living needs.	Subsidiaries	Marubeni Plax Corporation, Marubeni Chemix Corporation
		Affiliated companies	Shanghai Asahi Electronic Glass Co., Ltd., Dampier Salt Limited
Forest Products and General Merchandise	Both in domestic and overseas, sales of rubber products, footwear, and housing material / operating leisure facilities / manufacturing and sales of pulp and paper / <u>participating in afforestation</u>	Subsidiaries	Koa Kogyo Co., Ltd., Marubeni Building Materials Co., Ltd.
		Affiliated companies	Marusumi Paper Co., Ltd., Daishowa-Marubeni International Ltd.
Agri-Marine Products	Both in domestic and overseas, involving in all aspects of the food business, including agri-marine products, processed foods and beverages, materials for foods and beverages, <u>feed and feed grain</u>	Subsidiaries	Benirei Corporation, Pacific Grain Terminal Ltd., Cia. Iguacu de Café Solúvel
		Affiliated companies	Yamaboshiya Co., Ltd., The Maruetsu, Inc., Katakura Chikkarin Co., Ltd.
Textile	Integration from textile materials to apparel / Both in domestic and overseas, procurement and production of apparel material / Planning and proposal of apparel <u>material and interior textile products / Offering</u>	Subsidiaries	Marubeni Fashion Link, Limited, Marubeni Intex Co., Ltd., Marubeni Textile Asia Ltd.
		Affiliated companies	Erawan Textile Co., Ltd.
Development and Construction	Concentrating on development of condominiums in Japan, development and rental of sporting facilities and commercial buildings, and comprehensive regional <u>development overseas</u>	Subsidiaries	Marubeni Real Estate Co., Ltd., Marubeni Real Estate Sales Co., Ltd.
		Affiliated companies	Koshigaya Community Plaza Corporation
Domestic branches and offices	Sales of various types of products and the related business activities	Subsidiaries	IMT Corporation
		Affiliated companies	Bansei Kouki
Overseas corporate subsidiaries and branches	Sales of various types of products and the related business activities	Overseas corporate subsidiaries	Marubeni America Corporation, Marubeni Europe P. L. C. , Marubeni Hong Kong Ltd.
		Subsidiaries	Helena Chemical Company
		Affiliated companies	ATC Inc.
Corporate and administration etc.	Financial services and logistics	Subsidiaries	Marubeni Finance Corporation, Marubeni International Finance P.L.C.
		Affiliated companies	Fuyo General Lease Co., Ltd.

Domestic listed subsidiaries: Kanto Electronics Corporation (Tokyo Stock Exchange Section 2)

# Management Policy and Financial Results for FY 2000

Marubeni Corporation

## 1. Management Policy

### (1) Basic Management Policy

Marubeni launched a three-year master policy called VISION2000 since April 1998, to pursue our management philosophy of becoming a value-creating company that 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 "focusing on priority lines of businesses", "accelerating management decision-making", and "pursuing management efficiency with greater emphasis on balance sheet improvement".

Then, corresponding to rapid changes of the business environment around us, we launched the two year Restructuring Plan since April 1999, to shape up balance sheets by improving asset efficiency and cutting interest-bearing debts, as the highest priority of the management.

#### Financial Restructuring

At March 31, 2001, consolidated total assets were down ¥0.3 trillion from that of March 31, 2000, to ¥5.3 trillion. Interest-bearing debt net of cash and time deposits was lower ¥0.2 trillion from that of March 31, 2000, to ¥3.1 trillion. We have almost achieved the goals set in the Restructuring Plan.

#### Business Restructuring

We have been trying to improve return on assets through exiting from the unprofitable businesses and disposal of the non-core businesses.

Total number of consolidated subsidiaries and affiliated companies as of March 31, 2001 was 598, decreased by 48 companies since March 31, 2000, though the number is more than the target of 500 companies.

The ratio of unprofitable subsidiaries is down to 19.7% and attained the target of 20% or less.

#### Personnel Restructuring

Marubeni had 4,652 employees on unconsolidated basis as of April 1, 2001, decreased by 399 since April 1, 2000. We achieved our target corporate structure of 5,000 employees.

As the results of the above-mentioned restructuring, we almost all achieved the target set in the plan and our business earnings are on the recovery stage. Now we have established the bases to reform our organization to take more positive business plans towards the new leap.

From FY2001, we launch a new two-year management plan "@ction21". "@ction21" is the extremely important key to the success for the Company aiming to be a value creating company of 21<sup>st</sup> century. The plan sets the following as the bases of management policy, "Reallocation of managerial resources",

“Pursuit of sufficient returns against risks”, and “Advancing intermediary functionality and enlargement of business domains”. The plan propels the changes of company’s future course to take more aggressive management through the execution of concrete plans for “the enlargement of business domains and the evolution of the functionality” for the increase of profits and enlargement of shareholders’ equity.

Also, we make efforts to expand our business bases and enhance our competitive edges through concentrating our management resources in the following 4 business domains.

#### Information Technology :

The Company established Japan Cablenet Holdings, Ltd. in cooperation with Fujitsu Ltd., Tokyo Electric Power Co., and SECOM Co. Ltd to cable-TV operators, then got ready for efficient promotion of digitized broadcasting and high speed communication. Also, more advanced and extensive data communications service is offered through Vectant Inc. (former Global Bandwidth Solutions), which builds and operates optical fiber network and internet-related businesses.

#### Natural Resources & Lifeline:

Energy related businesses expanded by the Qatar LNG project that produced smoothly 7 million ton gas per year, the acquisition of interests in the North Sea oil field in Great Britain, and the investment and loan to the Brazil offshore oil field equipment lease. The Company also expands its electric power business, in addition to overseas electric power plant projects, by the entry into domestic electric power retail area with the purchase of Mibugawa hydroelectric power plant,

#### Raw materials & Finished products:

The Company concentrate its managerial resources onto the raw materials and finished products field where we have strong competitive edge and where we expect future growth, such as pulp & paper (wood chip, pulp, paper and cardboard) and liquid crystal display related electronic materials. In these business areas, we expect further enhancement of our competitive advantages

#### Retail & Services:

As part of strengthening the relationship with the Daiei group, 20% of the stocks of the Maruetsu, Inc., 5% of the stocks of Daiei, Inc. were acquired by the Marubeni group, and, thereby, the Maruetsu, Inc. became our affiliated company. Also, the Company expanded its business through the investments into S Foods Inc., a meat processing business, OM2 Network Co. Ltd., a meat retailing business, and Akagi Suisan Co. Ltd., a processing and sales of marine products business, and then those became the affiliated companies.

## (2) Principles of Profits Distribution

We recognize that one of the important responsibilities for entities is to continue to pay dividends to shareholders, as well as to expand shareholders' equity and to improve ROE. However, we have decided to forgo the payment of the fiscal-year-end cash dividends for FY2000, from the viewpoint of giving first priority to enlarging shareholders' equity.

## (3) Management System

The Company provides the each Chief Operating Officer with authorities that needed to run daily operations. Each business division has its own administrative staff suitable to the business nature and self-controls the business. The corporate administration group does the macro controls over the operations through financing plans and monitoring risk exposure.

The Company is managed by the following system.

### Board of Directors

As of April 1, 2001, the board comprised 36 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 2 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 large projects. It is held twice or three times a month.

### 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 the Company's management, budgets, financial results, financial plan, and other operating issues.

## 2. Financial Results

### (1) Outline for FY2000

#### <Business Environment>

Although the U.S. and Asian economies were in good condition until the first half of this year, a slowdown became eminent after that. On the other hand, European economy continued to show relatively stable growth.

In the U.S., expansion pace became slow mainly in equipment investment and personal consumption, due to the effects of money market tightening and stock prices on adjustment stage.

In Europe, the economy maintained the expansion keynote, with recovering personal consumption backed by the improvement of employment, and increased exports due to lower Euro rate.

In Asia, exports increased supported by global IT (Information Technology) boom. The expansion of production caused strong equipment investments in the countries like the Republic of Korea, Taiwan, and Malaysia as supplying source of IT equipments and electric parts. However, in the second half of FY2000, due to the decreased US demand for IT related products, Asian exports became slow down and the Asian economy decelerated. In China, growth rate decreasing came to a stop thanks to public policy of taking stimulating measures such as increases of public investments and promotion on house acquisition, and great export increases.

In Central America, direct investments into Mexico and Brazil are increased, and equipment investments and exports were in good condition. Russia showed rapid growth, led by an export increase backed by a rise in crude oil price.

In Japan, IT related investments kept steady pace, supported by good corporate earnings. However, personal consumption did not show its powerfulness, reflecting severe employment and income situation. Also, exports to U.S. and Asia became slow down greatly, and from the second half of the year, Japanese economy was at a standstill. On the other hand, in 2001, the Bank of Japan decided to supply a lot of money to the market and, in fact, revived zero interest rate policy pushed by the progressing deflation and continuously depressed stock prices. In the respect of international balance of payment, as a result of expanding import of IT related equipments and textiles from Asia, the current account surplus followed the reduction tendency.

#### <Consolidated Financial Results>

The summary of consolidated financial results for this term is as follows:

(billions of yen)

	FY2000	FY1999	Variance	
			Amount	%
Total volume of trading transactions	9,437	10,222	-786	-7.7%
Gross trading profit	480	454	26	5.8%
Operating profit	42	16	25	154.0%
Income before taxes and equity in earnings	7	5	1	23.4%
Net income	15	2	13	629.9%

Total volume of trading transactions declined 7.7% to 9,437 billion yen.

Total volume of trading transactions by type are as follows:

Domestic transactions declined 17.9%, because of a reduction in Textile, Machinery and Agri-marine products.

Export Transactions declined 5.2%, due to reduction in Metals and Machinery.

Import Transactions increased 23.5%, because of an increase in mainly in Energy.

Offshore Transactions decreased 8.0% due to a decrease in Machinery, an increase in Energy notwithstanding.

Total volume of trading transactions, gross trading profit by operating segment and business summary are as follows:

(billions of yen)

	Total volume of trading transactions			Gross trading profit		
	FY2000	FY1999	Variance	FY2000	FY1999	Variance
IT Business	451	393	58	41.3	37.3	4.0
Utility and Infrastructure	425	456	-31	10.1	6.0	4.2
Plant and Ship	511	698	-186	20.2	19.6	0.6
Transportation and Industrial Machinery	837	1,140	-303	53.2	58.3	-5.1
Energy	1,911	1,469	442	31.3	26.6	4.6
Metals and Mineral Resources	524	507	17	15.5	14.3	1.2
Iron and Steel	530	565	-35	25.5	27.1	-1.6
Chemicals	602	559	43	29.6	29.7	-0.1
Forest Products and General Mdse	794	832	-37	44.0	45.1	-1.2
Agri-Marine Products	1,053	1,074	-21	65.0	66.4	-1.4
Textiles	489	672	-184	30.6	30.6	-
Development and Construction	208	245	-38	29.1	11.1	18.0
Domestic Branches and Offices	435	540	-105	11.4	9.1	2.3
Overseas Corporate Subsidiaries and Branches	1,229	1,837	-608	69.9	68.9	1.0
Corporate and Elimination etc.	-561	-763	202	3.0	3.4	-0.4
Consolidated	9,437	10,222	-786	479.8	453.5	26.3

IT Business: Total volume of trading transactions increased 58 billion yen, or 14.7% mainly because of an increase in IT business. As a result, gross trading profit grew 4.0 billion yen, or 10.8%.

Utility and Infrastructure: Total volume of trading transactions declined 31 billion yen, or 6.9%, due to a decrease in offshore transactions. Gross trading profit increased 4.2 billion yen, or 70.1% because of an increase in overseas power project.

Plant and Ship: Total volume of trading transactions declined 186 billion yen, or 26.7%, due to a decrease in business in Southeast Asia. Gross trading profit went up 0.6 billion yen, or 3.2%, mainly because of an increase in overseas business.

Transportation and Industrial Machinery: Total volume of trading transactions declined 303 billion yen, or 26.6%, due to a decrease in trade of automobiles. Gross trading profit went down 5.1 billion yen, or 8.7% with a decline in export transactions and domestic business in development and machinery as a main factor.

Energy: Total volume of trading transactions increased 442 billion yen, or 30.1%, thanks to rising prices in crude oil. Gross trading profit increased 4.6 billion yen, or 17.3%, mainly owing to an increase in overseas business in development of natural resources.

Metals and Mineral Resources: Total volume of trading transactions increased 17 billion yen, or 3.4%, mainly due to an increase in transactions of aluminum metal. Gross trading profit went up 1.2 billion yen, or 8.8%, because of an increase in overseas business.

Iron and Steel: Total volume of trading transactions decreased 35 billion yen, or 6.1%, mainly due to a decrease in export transactions of steel pipes. Gross trading profit went down 1.6 billion yen, or 5.8%, owing to a decline of profit ratio in export transactions.

Chemicals: Total volume of trading transactions increased 43 billion yen, or 7.7%, due to an increase in offshore transactions. Gross trading profit went down 0.1 billion yen, or 0.3%, mainly owing to a decrease in overseas business, an increase in export transactions of electronics-related materials notwithstanding.

Forest Products and General Merchandise: Total volume of trading transactions declined 37 billion yen, or 4.5%, due to a decrease in domestic transactions for construction materials. Gross trading profit declined 1.2 billion yen, or 2.6%, mainly because of a decrease in leisure related business, an increase in import transactions of pulp and paper notwithstanding.

Agri-Marine Products: Total volume of trading transactions declined 21 billion yen, or 2.0%, because of a decrease of turnover by cutting off low profit transactions. Gross trading profit declined 1.4 billion yen, or 2.1%, mainly because of a decrease in feed and livestock business.

Textile: Total volume of trading transactions declined 184 billion yen, or 27.3%, due to a decrease in domestic transactions, but gross trading profit leveled off.

Development and Construction: Total volume of trading transactions declined 38 billion yen, or 15.4%, due to a decrease in domestic intermediary business. Gross trading profit increased 18 billion yen, or 161.4%, because of adding up of appraisal loss of real estate for sale, in FY1999.

Domestic branches and offices: Total volume of transactions declined 105 billion yen, or 19.4% because of a decline in domestic transactions of development and construction and steel products. Gross trading profit increased 2.3 billion yen, or 25.7% due to the adding up appraisal loss of real estate for sale, in the previous fiscal year.

Overseas corporate subsidiaries and branches: Total volume of transactions declined 608 billion yen, or 33.1%, mainly because of loss in weight by higher yen, and gross trading profit increased 1.0 billion yen, or 1.5 % due to increase in the U.S.

Consequently, gross trading profit increased 26 billion yen, or 5.8% to 480 billion yen.

As SGA expenses declined 11 billion yen due to cost-cutting, provision for doubtful accounts increased 12 billion yen notwithstanding, operating profit went up 25 billion yen, or 154.0%, to 41.5 billion yen.

Income before income taxes and equity in earnings went up 1.3 billion yen, or 23.4% to 6.7 billion yen, due to an improvement in losses related to sales of fixed assets, and interest expenses, although gains related to marketable securities decreased.

Net income went up 13 billion yen, or 629.9% to 15 billion yen, because of an increase in equity in earnings by 13 billion yen, although income taxes increased.

The summary of balance sheet as of the end of March 2001 is as follows:

(billions of yen)

	March 31, 2001	March 31, 2000	Variance
Consolidated total assets	5,321	5,584	-264
Consolidated shareholders' equity	342	324	18
Consolidated interest-bearing debt	3,428	3,736	-308
Consolidated interest-bearing debt net of cash & time deposits	3,090	3,328	-239

Consolidated total assets, decreased 264 billion yen to 5,321 billion yen, mainly in trade receivables, investment securities and long term receivables, as a result of acceleration of withdrawal from low profit businesses and liquidation and disposal of group firms. Consolidated interest-bearing debt declined 308 billion yen to 3,428 billion yen, with the deduction of total assets. Consolidated interest-bearing debt net of cash and time deposits decreased 239 billion yen to 3,090 billion yen.

Consolidated shareholders' equity increased 18 billion yen to 342 billion yen, due to an increase of retained earnings. As a result, net debt-to-equity ratio improved 1.23 points from 10.26 times, to 9.03 times.

As for cash flow, net cash provided by operating activities was 179 billion yen (increase), net cash provided by investing activities was 188 billion yen (increase), and net cash used in financing activities was -456 billion yen (decrease). As a result, cash and cash equivalents at end of this year decreased 76 billion yen to 330 billion yen.

(2) Restructuring Cost and Gains from Disposal of Assets for FY2000

<Restructuring Cost>

(billions of yen)

Items on statement of income	Breakdown	Consolidated	Non-consolidated
Expenses (Consolidated) SGA Expenses (Non-consolidated)	Provision for doubtful accounts	-11.7	-3.4
	Allowance for overseas bad debts etc.	-26.2	-
	Incentive payment for early retirement	-2.2	-
	Total	-40.1	-3.4
Other Gains & Losses (Consolidated) Extraordinary Losses (Non-consolidated)	Liquidation and disposal losses • provisions of group firms	-9.2	-20.3
	Allowance for overseas bad debts etc.	-4.9	-39.5
	Losses on fixed assets	-6.7	-0.3
	Appraisal losses of investment equity securities	-27.7	-17.4
	Currency translation adjustment losses / realized losses	-	-8.3
	Human resource-related	-	-2.1
	Total	-48.5	-87.9
Grand Total		-88.6	-91.3

Consolidated restructuring cost for this term amounted to -88.6 billion yen. This primarily stemmed from -31.1 billion yen as allowance for overseas doubtful debts, -27.7 billion yen as appraisal losses of investment equity securities, -11.7 billion yen as provision for doubtful accounts etc.

Non-consolidated restructuring cost for this term summed to -91.3 billion yen. This primarily stemmed from -39.5 billion yen as allowance for overseas doubtful debts, -20.3 billion yen as liquidation losses to associated firms, -17.4 billion yen as appraisal losses of investment equity securities, etc.

<Gains from Disposal of Assets>

(billions of yen)

Items on statement of income	Breakdown	Consolidated	Non-consolidated
Other gains and losses (Consolidated)	Gains from disposal of investment securities	18.9	10.4
	**	9.5	22.8
Other gains and losses, and extraordinary gains (Non-consolidated)	Gains from disposal of group firms	10.4	7.5
	Gains from disposal of fixed assets		
	Total	38.8	40.8

\*\* Non-consolidated figure includes gains from disposal of investment securities, which are booked on 'other gains and losses'.

For this term, gains from sales of assets on consolidated and non-consolidated basis were 38.8 billion yen and 40.8 billion yen, respectively, which were allocated to the restructuring cost.

(3) Financial Forecast for FY2001

The financial forecast for FY2001 is as below:

<Consolidated Financial Forecast>

(billions of yen)

	Forecast 1 <sup>st</sup> half FY2001	Forecast FY2001	Result FY2000
Sales turnover	4,300.0	9,000.0	9,436.9
Net income	2.5	15.0	15.0

<Non-consolidated Financial Forecast>

	Forecast 1 <sup>st</sup> half FY2001	Forecast FY2001	Result FY2000
Sales turnover	3,400.0	7,000.0	8,154.2
Ordinary income	10.0	30.0	55.0
Net income	2.5	5.0	4.0

## Breakdown of Total Volume of Trading Transactions

### Total Volume of Trading Transaction by Type

( billions of yen )

	FY 2000		FY 1999		Variance	
		Ratio		Ratio		Ratio
Domestic	3,754.7	39.8%	4,571.2	44.7%	-816.5	- 17.9%
Export	1,184.7	12.5%	1,250.2	12.3%	-65.5	- 5.2%
Import	1,760.8	18.7%	1,425.3	13.9%	335.5	23.5%
Offshore	2,736.8	29.0%	2,975.8	29.1%	-239.0	- 8.0%
<b>Total</b>	<b>9,436.9</b>	<b>100.0%</b>	<b>10,222.4</b>	<b>100.0%</b>	<b>-785.6</b>	<b>- 7.7%</b>

### Total volume of trading transactions by products

( billions of yen )

	FY 2000		FY 1999		Variance	
		Ratio		Ratio		Ratio
Machinery	2,361.0	25.0%	2,970.7	29.1%	-609.8	- 20.5%
Energy	1,988.2	21.1%	1,567.2	15.3%	421.1	26.9%
Metals	1,327.0	14.1%	1,412.0	13.8%	-85.0	- 6.0%
Chemicals	909.1	9.6%	904.5	8.9%	4.6	0.5%
Forest products and g'ndse	901.5	9.5%	962.2	9.4%	-60.7	- 6.3%
Agri-marine products	1,139.9	12.1%	1,288.6	12.6%	-148.8	- 11.5%
Textile	587.4	6.2%	818.0	8.0%	-230.7	- 28.2%
Development & construction	222.9	2.4%	299.2	2.9%	-76.3	- 25.5%
<b>Total</b>	<b>9,436.9</b>	<b>100.0%</b>	<b>10,222.4</b>	<b>100.0%</b>	<b>-785.6</b>	<b>- 7.7%</b>

## Consolidated Statements of Income

Marubeni Corporation

Years ended March 31, 2001 and 2000

	(billions of yen)			
	FY 2000	FY 1999	Variance	Ratio
Total volume of trading transactions	9,436.9	10,222.4	- 785.6	- 7.7%
Gross trading profit	479.8	453.5	26.3	5.8%
(ratio)	( 5.08%)	( 4.44%)		
Expenses:				
Selling, general and administrative expenses	- 400.4	- 411.5	11.2	- 2.7%
Provision for doubtful accounts	- 37.9	- 25.7	- 12.3	47.8%
Total	- 438.3	- 437.2	- 1.1	0.3%
Operating profit	41.5	16.3	25.2	154.0%
Other Income (expenses):				
Interest expense (net of interest income)	- 29.5	- 32.6	3.1	- 9.4%
Dividends	7.7	5.2	2.5	47.3%
Gains and losses on investment securities	2.3	49.3	- 47.0	-
Gains and losses on property and equipment	3.7	- 4.8	8.5	-
Others -net	- 19.0	- 28.1	9.1	-
Total	- 34.8	- 10.9	- 23.9	-
Income before income taxes and equity in earnings	6.7	5.4	1.3	23.4%
Provision for income taxes	- 8.5	- 7.0	- 1.5	21.5%
Income (loss) before equity in earning	- 1.8	- 1.6	- 0.2	-
Equity in earnings of affiliated companies - net (after income tax effects)	16.9	3.7	13.2	361.3%
Net income	15.0	2.1	13.0	629.9%

\*This financial statement is according to US GAAP.

## Consolidated Balance Sheets

Marubeni Corporation

At March 31, 2001 and 2000

	(billions of yen)		
<b>ASSETS</b>	Mar-01	Mar-00	variance
<b>Current assets:</b>			
Cash and cash equivalents, and time deposits	338.5	407.7	-69.2
Marketable securities	87.4	423.3	-335.9
Notes and accounts receivable - trade			
Notes receivable	294.1	289.6	4.5
Accounts receivable	1,234.0	1,255.9	-22.0
Due from affiliated companies	145.1	123.3	21.8
Allowance for doubtful accounts	-26.8	-16.7	-10.1
Inventories	481.2	489.9	-8.6
Advance payments to suppliers	76.1	85.7	-9.6
Deferred income taxes	27.9	5.7	22.2
Prepaid expenses and other current assets	115.3	149.4	-34.1
<b>Total current assets</b>	<b>2,772.8</b>	<b>3,213.9</b>	<b>-441.0</b>
<b>Investments and long-term receivables:</b>			
Affiliated companies	289.6	289.5	0.1
Securities and other investments	652.4	493.4	158.9
Notes, loans and accounts receivable - trade	614.9	714.2	-99.3
Allowance for doubtful accounts	-102.9	-125.3	22.4
Property leased to others, less accumulated depreciation	302.2	307.7	-5.6
<b>Total investments and long-term receivables</b>	<b>1,756.2</b>	<b>1,679.6</b>	<b>76.6</b>
<b>Property and equipment, less accumulated depreciation</b>	<b>532.7</b>	<b>509.6</b>	<b>23.2</b>
<b>Prepaid benefit cost</b>	<b>84.5</b>	<b>-</b>	<b>84.5</b>
<b>Deferred income taxes</b>	<b>83.9</b>	<b>99.8</b>	<b>-15.9</b>
<b>Other fixed assets</b>	<b>90.5</b>	<b>81.5</b>	<b>9.0</b>
<b>Total assets</b>	<b>5,320.6</b>	<b>5,584.4</b>	<b>-263.7</b>

	(billions of yen)		
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	Mar-01	Mar-00	variance
<b>Current liabilities</b>			
Short-term loans	835.7	950.8	-115.1
Current portion of long-term debt	475.8	526.3	-50.4
Notes and accounts payable - trade			
Notes and acceptances payable	282.2	248.3	33.9
Accounts payable	796.8	755.1	41.6
Due to affiliated companies	48.8	44.6	4.2
Advance payments received from customers	46.8	44.3	2.6
Income taxes	9.5	25.2	-15.7
Deferred Income taxes	1.7	9.4	-7.6
Accrued and other current liabilities	227.9	223.0	4.9
<b>Total current liabilities</b>	<b>2,725.2</b>	<b>2,826.9</b>	<b>-101.7</b>
<b>Long-term debt, less current portion</b>	<b>2,193.8</b>	<b>2,300.0</b>	<b>-106.2</b>
<b>Employees' retirement benefits</b>	<b>14.0</b>	<b>90.1</b>	<b>-76.1</b>
<b>Deferred income taxes</b>	<b>14.8</b>	<b>14.7</b>	<b>0.1</b>
<b>Minority interest in consolidated subsidiaries</b>	<b>30.6</b>	<b>28.4</b>	<b>2.1</b>
<b>Shareholders' equity</b>			
Common stock	194.0	194.0	-
Additional paid-in capital	217.0	217.0	0.0
Retained earnings	21.7	6.6	15.0
Accumulated other comprehensive losses (Note)	-90.4	-93.4	3.0
<b>Total shareholders' equity</b>	<b>342.3</b>	<b>324.3</b>	<b>18.0</b>
<b>Total liabilities and shareholders' equity</b>	<b>5,320.6</b>	<b>5,584.4</b>	<b>-263.7</b>

\*This financial statement is according to US GAAP.

	(billions of yen)		
<b>Cash and cash equivalents</b>	329.8	405.3	-75.5
<b>Accumulated other comprehensive losses</b>			
Net unrealized gains (losses) on investment securities	-14.2	23.3	-37.6
Currency translation adjustments	-76.0	-86.3	10.4
Minimum pension liability adjustment	-0.2	-30.4	30.2

The variances in shareholders' equity except for capital transactions are 18.0 billion yen (increase) for Mar. 2001, and 25.2 billion yen (decrease) for Mar. 2000.

## Consolidated Statements of Changes in Shareholders' Equity

(billions of yen)

	FY2000		FY1999		Variance	
	(April 2000–March 2001)		(April 1999–March 2000)			
<b>Common Stock:</b>						
Balance at beginning of term	194.04		194.04		-	
Conversion of debentures	-		-		-	
Balance at end of term	194.04		194.04		-	
<b>Additional paid-in capital:</b>						
Balance at beginning of term	216.99		216.99		-0	
Departures of own stock	0		-0		0	
Conversion of debentures	-		-		-	
Balance at end of term	216.99		216.99		0	
<b>Retained earnings:</b>						
Balance at beginning of term	6.63		9.05		-2.42	
Net income (loss)	15.04	15.04	2.06	2.06	12.98	12.98
Cash dividends	-		-4.48		4.48	
Balance at the end of term	21.66		6.63		15.04	
<b>Accumulated other comprehensive income (losses):</b>						
Balance at beginning of term	-93.36		-66.07		-27.29	
Unrealized gains (losses) on investment securities		-37.57		7.77		-45.34
Currency translation adjustments		10.36		-34.35		44.71
Minimum pension liability adjustment		30.17		-0.72		30.88
Other comprehensive income (losses), net of tax	2.96	2.96	-27.29	-27.29	30.25	30.25
Comprehensive gains (losses)		18.00		-25.23		43.23
Balance at end of term	-90.40		-93.36		2.96	

\*This financial statement is according to US GAAP.

## Consolidated Statement of Cash Flows

(billions of yen)

	FY2000	FY1999	Variance
<b>Operating activities</b>			
Net Income (loss)	15.0	2.1	13.0
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
Depreciation and amortization etc	69.9	59.8	10.1
Provision for doubtful accounts	37.9	25.7	12.3
Equity in earnings of affiliated companies-net	-16.9	-3.7	-13.2
Gain on investment securities	-2.3	-49.3	47.0
Gain (Loss) on property and equipment	-3.7	4.8	-8.5
Evaluation losses on real estate inventories	0	21.4	-21.4
Deferred income taxes	-13.3	-32.9	19.7
Changes in operating assets and liabilities:			
Notes and accounts receivable	64.5	174.9	-110.4
Inventories	20.5	45.4	-24.9
Advance payments to suppliers and prepaid expenses and other current assets	5.7	0.1	5.5
Prepaid pension expense	-84.5	0	-84.5
Notes, acceptances and accounts payable	55.8	-58.4	114.2
Advance payments received from customers and accrued and other current liabilities	23.4	-42.3	65.7
Income taxes	-15.9	19.1	-35.0
Other	23.3	18.2	5.1
Net cash provided by operating activities	179.3	184.7	-5.4
<b>Investing activities</b>			
Proceeds from sales and redemptions of securities and other investments	283.6	383.8	-100.2
Purchases of securities and other investments	-133.6	-202.0	68.4
Proceeds from sales of property and equipment and property leased to others	65.8	47.1	18.7
Purchases of property and equipment and property leased to others	-95.4	-71.4	-24.0
Collection of loans receivable	149.0	231.5	-82.5
Loans made to customers	-56.7	-124.4	67.7
Other	-24.7	-7.7	-17.1
Net cash provided by (used in) investing activities	188.0	257.0	-69.0
<b>Financing activities</b>			
Net decrease in short-term loans	-150.1	-531.1	381.1
Proceeds from long-term debt	374.3	743.9	-369.6
Payments of long-term debt	-680.8	-803.2	122.4
Cash dividends paid	0	-4.5	4.5
Purchase of treasury stock	0	0	0
Others	0.4	0	0.4
Net cash used in financing activities	-456.1	-594.9	138.8
<b>Effect of exchange rate changes on cash and cash equivalents</b>	13.3	-20.9	34.2
<b>Net decrease in cash and cash equivalents</b>	-75.5	-174.1	98.6
Cash and cash equivalents at beginning of year	405.3	579.4	-174.1
Cash and cash equivalents at end of year	329.8	405.3	-75.5

## The Basic Conditions of Consolidated Balance Sheet

Marubeni Corporatic

### 1 . Subsidiaries and Affiliates

#### Number of Subsidiaries and Affiliates

	Mar-01	Mar-00	Variance
Subsidiaries	412	456	-44
Affiliates	186	190	-4
Total	598	646	-48

#### Major Group Firms

##### Subsidiaries

Overseas 244	Iguaçu de Café Solúvel Marubeni America Corporation Marubeni Europe P.L.C. Marubeni Hong Kong, Ltd. Marubeni International Finance p.l.c.
Domestic 168	Kanto Electronics Corporation Marubeni Energy Corporation Koa Kogyo Co., Ltd. Pacific Grain Terminal Ltd. Marubeni Real Estate Co., Ltd.

##### Affiliates

Overseas 128	Shanghai Asahi Electronic Glass Co., Ltd. Dampier Salt Limited Daishowa-Marubeni International Ltd.
Domestic 58	Sofmap Co., Ltd. Marubeni Construction Material Lease Co., Ltd Marusumi Paper Co. Katakura Chikkarin Co.

#### Changes

##### Subsidiaries

Newly included 28	NEXION CORPORATION Mibugawa Power Company Marubeni Oil & Gas (U.K.), Limited Others... 25 firms
Excluded	72

##### Affiliates

Newly included 20	OM2 Network Co., Ltd. Nacx Nakamura Corporation The Maruetsu, Inc. Evm Leasing Corporation Others... 16 firms
Excluded	24

### 2 . Change of Accounting Principles

n/a

## Net Income per Share

FY2000 (April 1, 2000 ~ March 31, 2001)

Items	
<b>Numerator</b>	(billions of yen)
Net income - Numerator for net income per issued share	15.0
Adjustment related to potential equity - Convertible bonds	0.4
Numerator for net income per diluted share	15.4
<b>Denominator</b>	(thousands of shares)
Denominator for net income per issued share	1,494,019
Adjustment related to potential equity - Convertible bonds	148,869
Denominator for net income per diluted share	1,642,888

	(yen)
Net income per issued share	10.06
Net income per diluted share	9.40

\* In FY2000, the following convertible bonds had dilution effect;

4th Unsecured CB issued in September 1986

7th Unsecured CB issued in September 1988

8th Unsecured CB issued in November 1996

Above mentioned 7th Unsecured CB was redeemed in September 2000.

\* In FY1999, no convertible bonds had dilution effect.

Segment Information

Marubeni Corporation

(1) Information of Operating Segments

Marubeni introduced complex segments by geography and products, which is categorized by the peculiarity of productive and geographical markets, for valuation of operating results and decision making for resource allocation. Each segment is managed and operated by its market division by product. Moreover, domestic branches and overseas branches / overseas corporate subsidiaries run its business activities according to its characteristic in each region, and each is an individual operating unit. 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. Furthermore, from FY00, the operating segments are altered to the division of 12 segments by product, domestic branches, overseas branches / corporate subsidiaries

The information of the operating segments for FY00 and the revised segmental information for FY99, altered according to the above-mentioned segments, is as follows.

FY2000 (April 1, 2000 - March 31, 2001)

(billions of yen)

	IT business	Utility & Infrastructure	Plant & Ship	Transportation & Industrial Machinery	Energy	
Total volume of trading transactions						
External customers	444.6	424.4	505.4	814.1	1,909.5	
Inter-segment	6.5	0.2	6.0	22.4	1.7	
Total	451.1	424.6	511.4	836.5	1,911.1	
Gross operating profit	41.3	10.1	20.2	53.2	31.3	
Net income	-3.5	-3.5	-14.0	-10.5	8.4	
Segment assets	303.4	198.6	573.7	447.1	319.0	
Depreciation and amortization	2.8	3.6	3.7	21.2	4.3	
Capital expenditure	17.6	1.9	1.4	23.0	17.0	
	Metals & Mineral Resources	Iron & Steel	Chemicals	Forest products & General Merchandise	Agri-marine products	
Total volume of trading transactions						
External customers	470.5	484.0	574.7	759.7	1,029.8	
Inter-segment	53.4	46.0	26.8	34.6	23.0	
Total	523.8	530.0	601.5	794.3	1,052.8	
Gross operating profit	15.5	25.5	29.6	44.0	65.0	
Net income	2.7	-2.4	3.8	8.0	8.7	
Segment assets	207.5	251.5	180.4	381.9	350.1	
Depreciation and amortization	2.5	1.0	4.1	3.7	4.2	
Capital expenditure	0.3	0.6	2.2	2.7	4.1	
	Textile	Development & Construction	Domestic branches and offices	Overseas corporate subsidiaries and branches	Corporate and elimination etc.	Consolidated
Total volume of trading transactions						
External customers	483.6	206.9	408.3	893.8	27.6	9,436.9
Inter-segment	5.3	0.6	26.9	335.5	-588.8	-
Total	488.9	207.5	435.2	1,229.3	-561.2	9,436.9
Gross operating profit	30.6	29.1	11.4	69.9	3.0	479.8
Net income	-3.5	-5.4	1.1	-1.4	26.4	15.0
Segment assets	184.1	426.3	170.6	559.1	767.4	5,320.6
Depreciation and amortization	0.6	3.0	0.3	8.6	6.5	69.9
Capital expenditure	0.3	3.6	0.1	21.7	-1.0	95.4

FY1999 (April 1, 1999 - March 31, 2000)

(billions of yen)

	IT business	Utility & Infrastructure	Plant & Ship	Transportation & Industrial Machinery	Energy	
Total volume of trading transactions						
External customers	386.6	454.9	683.1	1,111.6	1,456.0	
Inter-segment	6.6	1.0	14.3	28.3	12.8	
Total	393.2	456.0	697.5	1,139.8	1,468.7	
Gross operating profit	37.3	6.0	19.6	58.3	26.6	
Net income	1.3	-6.6	2.0	-4.6	1.8	
Segment assets	253.3	208.6	590.0	558.7	262.3	
Depreciation and amortization	0.8	0.1	3.8	20.3	3.2	
Capital expenditure	3.8	1.0	4.4	21.5	3.2	
	Metals & Mineral Resources	Iron & Steel	Chemicals	Forest products & General Merchandise	Agri-marine products	
Total volume of trading transactions						
External customers	449.1	513.7	537.9	800.3	1,059.0	
Inter-segment	57.5	51.0	20.5	31.5	14.8	
Total	506.6	564.7	558.5	831.8	1,073.8	
Gross operating profit	14.3	27.1	29.7	45.1	66.4	
Net income	1.0	1.0	6.0	15.4	7.6	
Segment assets	208.6	259.0	170.1	359.0	339.0	
Depreciation and amortization	0.8	1.5	0.8	4.0	6.0	
Capital expenditure	0.1	0.9	0.3	3.7	5.5	
	Textile	Development & Construction	Domestic branches and offices	Overseas corporate subsidiaries and branches	Corporate and elimination etc.	Consolidated
Total volume of trading transactions						
External customers	665.2	244.2	512.1	1,311.5	37.2	10,222.4
Inter-segment	7.2	1.0	27.7	525.9	-799.9	-
Total	672.4	245.2	539.8	1,837.4	-762.7	10,222.4
Gross operating profit	30.6	11.1	9.1	68.9	3.4	453.5
Net income	-2.4	-14.9	0.1	-1.4	-4.2	2.1
Segment assets	198.4	465.9	163.8	583.5	964.2	5,584.4
Depreciation and amortization	0.6	3.8	0.3	6.3	7.4	59.8
Capital expenditure	0.2	14.3	0.1	8.8	3.6	71.4

(Note) Inter-segment 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 "Corporate and elimination etc".

## (2) Information of Geographical Segments

Below are the results of business activities for FY00 and FY01.

FY2000 ( April 1, 2000 ~ March 31, 2001 )

( billions of yen )

	Japan	North America	Europe	Asia • Oceania	Others	Eliminations	Consolidated
Total volume of trading transactions							
External customers	6,780.1	1,107.6	297.5	552.7	699.0	-	9,436.9
Inter-segment	2,166.7	240.2	41.5	149.7	89.0	-2,687.1	-
Total	8,946.8	1,347.8	338.9	702.4	788.0	-2,687.1	9,436.9
Operating Profit	17.5	1.3	3.7	12.5	6.2	0.3	41.5
Segment Assets	2,758.0	397.8	266.1	204.3	152.1	-191.2	3,587.1
Other Assets							1,733.5
Total Assets							5,320.6

FY1999 (April 1, 1999 ~ March 31, 2000)

( billions of yen )

	Japan	North America	Europe	Asia • Oceania	Others	Eliminations	Consolidated
Total volume of trading transactions							
External customers	7,338.4	1,067.2	344.6	819.7	652.6	-	10,222.4
Inter-segment	1,875.2	221.8	59.7	107.8	81.2	-2,345.7	-
Total	9,213.6	1,289.1	404.3	927.5	733.8	-2,345.7	10,222.4
Operating Profit	-5.4	7.8	2.2	6.3	5.4	0.0	16.3
Segment Assets	2,873.0	335.6	271.5	195.8	142.2	-244.0	3,574.2
Other Assets							2,010.1
Total Assets							5,584.4

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

2. Major countries or areas that belong to each category:

- (1) North America .....USA, Canada
- (2) Europe ..... UK, Belgium
- (3) Asia • Oceania ..... Singapore, China
- (4) Others .....Central and South America, Africa

3. Other assets which are not included in the segments are mainly cash and time deposits, marketable securities, and investment securities. Segmental trading is based on the ordinary market price.

## (3) Volume of Overseas Trading Transactions

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

FY2000 ( April 1, 2000 ~ March 31, 2001 )

( billions of yen )

	North America	Europe	Asia • Oceania	Others	Total
Volume of overseas transactions	1,181.0	354.6	1,557.7	828.2	3,921.4
Volume of consolidated transactions					9,436.9
Ratio of overseas transactions (%)	12.5	3.8	16.5	8.8	41.6

FY1999 (April 1, 1999 ~ March 31, 2000)

( billions of yen )

	North America	Europe	Asia • Oceania	Others	Total
Volume of overseas transactions	1,269.2	466.0	1,577.4	913.4	4,226.0
Volume of consolidated transactions					10,222.4
Ratio of overseas transactions (%)	12.4	4.6	15.4	8.9	41.3

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

2. Major countries or areas that belong to each category:

- (1) North America .....USA, Canada
- (2) Europe ..... UK, Belgium
- (3) Asia • Oceania ..... China, Indonesia,
- (4) Others .....Middle and Near East, Central and South America

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.

## Marketable Securities and Derivative Instruments

Marubeni Corporation

### 1 ) Marketable Equity Securities and Debt Securities

Available-for-sale securities

( billions of yen )

	March 31, 2001				March 31, 2000			
	Cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value	Cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
<b>Current:</b>								
Corporate bonds	70.5	1.2	-0.5	71.2	163.6	7.7	-0.5	170.8
Other debt securities	0.1	-	-	0.1	1.9	0.2	-0.2	2.0
Total debt securities	70.7	1.2	-0.5	71.4	165.5	7.9	-0.7	172.8
Marketable equity securities	-	-	-	-	198.2	57.7	-34.0	221.9
<b>Total</b>	<b>70.7</b>	<b>1.2</b>	<b>-0.5</b>	<b>71.4</b>	<b>363.8</b>	<b>65.6</b>	<b>-34.7</b>	<b>394.7</b>
<b>Non-current:</b>								
Corporate bonds	75.1	1.4	-21.0	55.5	42.5	-	-	42.5
Other debt securities	1.3	0.2	-	1.5	-	-	-	-
Total debt securities	76.4	1.6	-21.0	57.0	42.5	-	-	42.5
Marketable equity securities	204.5	43.9	-44.0	204.4	17.9	19.8	-3.5	34.2
<b>Total</b>	<b>280.8</b>	<b>45.6</b>	<b>-65.0</b>	<b>261.4</b>	<b>60.4</b>	<b>19.8</b>	<b>-3.5</b>	<b>76.7</b>

\*The fair value of available-for-sale securities reflected in the balance sheets are based on quoted market prices.

The unrealized gains and losses, net of taxes are added to accumulated other comprehensive income (loss) in shareholders' equity.

### Held-to-maturity securities

( billions of yen )

	March 31, 2001				March 31, 2000			
	Cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value	Cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
<b>Current:</b>								
Company bonds	15.6	0.2	-	15.9	16.8	0.3	0	17.1
Other debt securities	0	-	-	0	0.4	0	-	0.4
<b>Total</b>	<b>15.6</b>	<b>0.2</b>	<b>-</b>	<b>15.9</b>	<b>17.1</b>	<b>0.3</b>	<b>0</b>	<b>17.4</b>
<b>Non-current:</b>								
Company bonds	132.0	0.6	-2.6	130.1	208.7	1.1	-2.4	207.3
Other debt securities	0.4	-	-	0.4	1.0	0	-	1.0
<b>Total</b>	<b>132.4</b>	<b>0.6</b>	<b>-2.6</b>	<b>130.4</b>	<b>209.7</b>	<b>1.1</b>	<b>-2.4</b>	<b>208.3</b>

\*The held-to-maturity securities are stated in the balance sheets at amortized cost, adjusted by method of depreciation.

\*In addition to the above stated securities, 0.4 billion yen and 11.5 billion yen of marketable securities for sale are held at March 31, 2001 and at March 31, 2000, respectively.

The net unrealized gains/loss of 40 million yen (loss) at March 31, 2001 and 1.8 billion yen (gain) at March 31, 2000 have been included in the income statements at the end of term.

### 2 ) Derivative Instruments

Interest rate swaps, foreign exchange contracts, and commodity futures, forward with hedging purpose

( billions of yen )

	March 31, 2001			March 31, 2000		
	Notional Amount	Carrying amount	Fair value	Notional Amount	Carrying amount	Fair value
Interest rate swaps	1,895.0	-0.4	53.2	1,980.1	1.9	42.3
Foreign exchange contracts	314.3	0.2	0.7	292.6	-0.1	-0.3
Commodity futures, forwards	458.1	0.2	0.2	215.0	0.1	0.1

\*Above interest rate swaps include interest/currency swaps. For transactions which do not adopt accounting standard for hedging activities, the gains/ losses of the foreign exchange or the changes in the fair value are reported in the income statements.

\*In addition to the above transactions, Marubeni Corporation and some of the subsidiaries have option transactions in order to hedge risks mainly concerning currencies and interest rates.

The fair values of the transactions are 0.2 billion yen (gain) at March 31, 2001, and 0.3 billion yen (loss) at March 31, 2000.

Interest rate swap with trading purpose

( billions of yen )

	March 31, 2001		March 31, 2000	
	Notional amount	Fair value (Asset)	Notional amount	Fair value (Asset)
Notional amount	-	-	-	106.9
Fair value (Asset)	-	-	-	0.5
	FY2000		FY1999	
Average fair value (Asset)		0.2		0.6
Net gain		0.4		0.5

\*In addition to the above transactions, Marubeni Corporation and some of the subsidiaries have derivative transactions, such as futures.

The fair values of the transactions are 0.1 billion yen (gain) at March 31, 2001, and 0.2 billion yen (loss) at March 31, 2000.

## Employees' Retirement Benefits

The company and certain of its subsidiaries have unfunded lump-sum retirement plans which, in general, cover all employees other than directors. In addition, the Company and certain of its subsidiaries have contributory and non-contributory funded pension plans with independent trustee for covering eligible employees. Under the terms of the lump-sum retirement plans, eligible employees are entitled under most circumstances, upon mandatory retirement or earlier voluntary severance, to indemnities based on their compensation as of the date of severance and years of service.

Effective April 1, 1991, the Company amended its contributory funded pension plan to combine the plan with the pension benefits normally provided under the Welfare Pension Insurance Law of Japan. The combined welfare pension plan, in general, covers all employees and provides for pension payments for life commencing at age 60 or lump-sum payments upon severance.

The Company and certain of its subsidiaries apply Statement of Financial Accounting Standards No.87, "Employers' Accounting for Pensions", for their unfunded lump-sum retirement plans and contributory funded pension plans.

The net amount recognized in the consolidated balance sheets of the Company and certain subsidiaries at March 31,2001 and March 31,2000 are as follows.

(billions of yen)

	March 31, 2001	March 31,2000
Net amount recognized	73.5	-21.4
Prepaid pension cost (current)	0.6	0.6
Prepaid pension cost (non-current)	84.5	-
Employees' retirement benefits	-14.0	-90.1
Intangible assets	2.1	10.2
Accumulated other comprehensive income, gross of tax	0.3	57.9

The net pension expense of the Company and certain subsidiaries' plans for FY2000 and FY1999 are as follows.

(billions of yen)

	FY2000	FY1999
Net pension expense	17.2	18.5

The discount rates and weighted average rates of increases in future salary levels used in determining the actuarial present value of the projected benefit obligation and the expected long-term rates of return on plan assets for the years were as follows.

	FY 2000	FY 1999
Discount rates	3.0%	3.0%
Weighted average rates of increases in future salary levels	3.4%	3.2%
Expected long-term rates of return on plan assets	3.5%	3.5%

## **Dividend Policy**

Marubeni Corporation

We have executed a restructuring plan that covers FY1999 and FY2000, from April 1999 to March 2001, for the purpose of shaping-up balance sheets by improving asset efficiency and cutting interest-bearing debts.

We deeply understand that it is one of the most important responsibilities to pay dividends continuously to our shareholders, as well as to expand shareholders' equity or to improve ROE.

However, we decided to forgo the payment of the fiscal-year-end cash dividends for FY2000, from the viewpoint of giving first priority to enlarge shareholders' equity, aiming to make the balance sheets healthy.

We will make the best efforts to reward our shareholders, through further improvement of business results.

## Changes of Executives

Marubeni Corporation

At the Shareholders' Meeting scheduled to be held on June 27, 2001, the candidates to be assigned as executives, and the executives scheduled to resign are as follows:

### 1. Candidates to be assigned Director

		Current position
Director	Masakatsu Takita	Chief Operating Officer, Textile Div.
Director	Tomoyuki Nakayama	Chief Operating Officer, Agri-Marine Products Div.
Director	Tadatsugu Nakajima	Chief Operating Officer, Metals & Mineral Resources Div.

### 2. Candidate to be assigned Executive Officer:

		Current position
Senior Executive Officer	Hidemi Kawai	Senior Corporate Officer, Risk Management Div.; Senior Corporate Officer, Corporate Strategies Dept.
Executive Officer	Ko Mori	President, Marubeni Thailand Co., Ltd.; General Manager, Bangkok Branch
Executive Officer	Shinichi Saito	General Manager, Finance Dept.
Executive Officer	Shuzo Yamada	Senior Operating Officer and Chief Information Officer, Agri-Marine Products Div.
Executive Officer	Shuichi Morizane	General Manager, Corporate Planning & Coordination Dept.
Executive Officer	Makoto Ito	Senior Operating Officer and Chief Information Officer, Energy Div.
Executive Officer	Susumu Watanabe	General Manager, Corporate Accounting Dept.
Executive Officer	Kazuoki Matsushita	Senior Operating Officer and Chief Information Officer, Forest Products & General Merchandise Div.
Executive Officer	Fumio Uehara	Senior Operating Officer and Chief Information Officer, IT Business Div.

3. Executives scheduled to resign

		After resignation
Executive Vice President, Director	Masaru Mizuno	Advisor to Marubeni Corporation
Senior Vice President, Director	Tetsuo Nishizaka	Advisor to Marubeni Corporation
Senior Vice President, Director	Masao Matsui	President, Marubeni Management Resources Corporation
Senior Vice President, Director	Hideya Taida	Advisor to Marubeni Corporation
Corporate Vice President, Director	Yoshio Fujimoto	Advisor to Marubeni Corporation
Corporate Vice President, Director	Naoyuki Morimoto	Advisor to Marubeni Construction Material Lease Corporation
Corporate Vice President, Director	Takeshi Hojo	Advisor to Nasca Corporation
Director	Takabumi Konishi	Advisor to Marubeni Corporation
Director	Tatsuji Sueki	Advisor to Pacific Grain Terminal Ltd.
Director	Katsuhiko Ibaraki	Senior Vice President, Marubeni Management Resources Corporation; President, Marubeni Finance Corporation