

Consolidated Statements of Income

Marubeni Corporation

Years ended March 31, 1999 and 1998

	Millions of yen		
	1999	1998	variance
Total volume of trading transactions	11,960,157	13,640,517	(1,680,360)
Gross trading profit	522,356	534,485	(12,129)
Profit ratio	4.37%	3.92%	
Expenses:			
Selling, general and administrative expenses	(458,217)	(439,974)	(18,243)
Provision for doubtful accounts	(51,294)	(9,108)	(42,186)
Total	(509,511)	(449,082)	(60,429)
Operating profit	12,845	85,403	(72,558)
Other Income (expenses):			
Interest expense (net of interest income)	(36,160)	(27,448)	(8,712)
Dividends	5,996	6,502	(506)
Loss on investment securities	(100,905)	(741)	(100,164)
Gain on property and equipment	517	804	(287)
Other -net	(32,197)	(9,598)	(22,599)
Total	(162,749)	(30,481)	(132,268)
Income (loss) before income taxes and equity in losses	(149,904)	54,922	(204,826)
Provision for income taxes	38,857	(30,671)	69,528
Income (loss) before equity in losses	(111,047)	24,251	(135,298)
Equity in losses of affiliated companies	(6,682)	(7,021)	339
- net (after income tax effects)			
Net income (loss)	(117,729)	17,230	(134,959)

(Notes)

The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

Comprehensive losses are 116,754 million yen and 28,712 million yen for the years ended March 31, 1999 and 1998, respectively.

Consolidated Balance Sheets

Marubeni Corporation
At March 31, 1999 and 1998

	Millions of yen		
ASSETS	1999	1998	variance
Current assets:			
Cash and cash equivalents, and time deposits	580,210	482,887	97,323
Investment securities	647,686	1,199,876	(552,190)
Notes and accounts receivable - trade			
Notes receivable	319,261	395,074	(75,813)
Accounts receivable	1,475,873	1,837,435	(361,562)
Due from affiliated companies	143,992	129,934	14,058
Allowance for doubtful accounts	(20,033)	(21,286)	1,253
Inventories	588,226	710,375	(122,149)
Advance payments to suppliers	101,026	188,343	(87,317)
Prepaid expenses and other current assets	139,422	137,957	1,465
Total current assets	3,975,663	5,060,595	(1,084,932)
Investments and long-term receivables:			
Affiliated companies	261,027	248,918	12,109
Securities and other investments	477,063	370,196	106,867
Notes, loans and accounts receivable - trade	753,176	805,657	(52,481)
Property leased to others, less accumulated depreciation	314,951	232,926	82,025
Total investments and long-term receivables	1,806,217	1,657,697	148,520
Property and equipment, less accumulated depreciation	566,005	545,622	20,383
Deferred income taxes	82,175	55,881	26,294
Other assets	81,781	68,306	13,475
Total assets	6,511,841	7,388,101	(876,260)
	Millions of yen		
LIABILITIES AND SHAREHOLDERS' EQUITY	1999	1998	variance
Current liabilities			
Short-term loans	1,557,414	1,813,365	(255,951)
Current portion of long-term debt	519,096	554,453	(35,357)
Notes and accounts payable - trade			
Notes and acceptances payable	335,485	482,169	(146,684)
Accounts payable	746,839	873,316	(126,477)
Due to affiliated companies	43,635	48,392	(4,757)
Advance payments received from customers	81,640	173,048	(91,408)
Income taxes	6,499	8,491	(1,992)
Deferred income taxes	25,875	56,387	(30,512)
Accrued and other current liabilities	241,186	236,190	4,996
Total current liabilities	3,557,669	4,245,811	(688,142)
Long-term debt, less current portion	2,470,171	2,547,228	(77,057)
Employees' retirement benefits	90,847	80,465	10,382
Deferred income taxes	10,521	14,293	(3,772)
Minority interest in consolidated subsidiaries	28,616	25,051	3,565
Shareholders' equity			
Common stock	194,039	194,039	0
Additional paid-in capital	216,993	216,993	0
Retained earnings	9,050	131,261	(122,211)
Accumulated other comprehensive losses (Note)	(66,065)	(67,040)	975
Total shareholders' equity	354,017	475,253	(121,236)
Total liabilities and shareholders' equity	6,511,841	7,388,101	(876,260)

(Note) Accumulated other comprehensive losses

Net unrealized gains (losses) on investment securities	15,554	(6,777)	22,331
Currency translation adjustments	(51,978)	(34,158)	(17,820)
Minimum pension liability adjustment	(29,641)	(26,105)	(3,536)
