Mitsubishi International GmbH
Düsseldorf/Germany

Management Report and
Financial Statements
for the Financial Year from
April 1, 2017 to March 31, 2018

Mitsubishi International GmbH, Düsseldorf/Germany

Management report for the financial year 2017/2018

Basics of the entity

Mitsubishi International GmbH (hereafter called "MIG") was founded in 1955. The purpose of business of the entity is primarily the import and export trade. In addition to transactions on own account, it is engaged in agency and brokerage business of all kinds as well as in therewith related financing transactions.

The main selling and buying markets are Germany, further European countries as well as Japan and other Asian countries.

MIG maintains a head office in Düsseldorf/Germany and branches in Brussels/Belgium and Berlin/Germany.

All of the entity's branch establishments are located in rented premises, while the corporate headquarter has been housed in an entity-owned building since June 30, 1988.

Since MIG is included via Mitsubishi International Europe Ltd, London/Great Britain in the consolidated financial statements of Mitsubishi Corporation, Tokyo/Japan, its financial year corresponds to the financial year of Mitsubishi Corporation, which runs from April 1 of a year to March 31 of the following year.

Economic report

Overall economic environment

Within the euro zone, the economic boom continued throughout all countries. The growth of the gross domestic product reached the highest value within the last decade. This development results from the private consumption as well as also a strong foreign demand, driven by the general economic recovery. Also the still low oil price supports the economic development.

German economy showed a strong expansion and realized the strongest growth since the year 2010 which is also reflected in the growth of the gross domestic product to 2.2%. Growth drivers for the positive development primarily came from Germany. A development above average was observed for the areas trade, production and construction activity. The employment in Germany is on the highest level since the German reunification and also positively affects the economic development.

In contrast, the United Kingdom showed, however, a slowed-down dynamics. The forthcoming Brexit is still causing strong uncertainty. In connection with the devaluation of the British Pound, the reasons for this development can be found in a rather cautious economic growth that fell below the growth rates of the euro zones.

In the United States, the economic activity clearly increased in the financial year. The Federal Reserve continues the gradual monetary tightening and increased the prime rate for three further times.

In Japan, the economic situation improved. The gross domestic product almost doubled, in particular within the scope of the intensified demand from abroad.

Business development

Compared to the prior year, higher revenue of mEUR 1,290.2 (prior year: mEUR 1,168.3) could be realized in the financial year 2017/2018. This growth when compared to the prior year is primarily due to price and volume rises in the Chemical segment and here in particular in the methanol trade. Furthermore, the business activities of the Fossil Fuel segment were expanded, leading to additional revenue growth.

The revenue was thus strongly above the expected level for the financial year (planned revenue was mEUR 1,174).

The strongest-selling segment is still the Chemical segment with approx. 66% followed by the segments Other Merchandise (metallic materials, paper products, wheels etc.) with 19% and Fuels with 10%. The sundry business segments count for a revenue share of 5 % in total revenue.

The business segment Graphical Materials was discontinued in the past financial year. The products still on stock were sold to a company in the Netherlands.

An analysis of the revenue development under geographical aspects shows that the revenue share in Europe, including Germany, amounts to 81% and thus remained almost unchanged (prior year: 85%), while the revenue share in Asia grew from 12% to 17% following the expansion of the business activity.

The revenue as material financial performance indicator increased by 10.4 % compared with the prior year. The gross profit amounts to mEUR 55.1 (prior year: mEUR 53.8) and the gross profit margin slightly declined to 4.3% (prior year: 4.6%). The slight decline is due to the finalization of a project in Vietnam in the previous year and to the closure of the Graphic Materials segment at the beginning of the past financial year.

The employee benefit expenses remained almost unchanged when compared to the prior year and amount to mEUR 14.5 (prior year: mEUR 14.3). Amortization of intangible assets and depreciation on property, plant and equipment declined to mEUR 0.2 (prior year: mEUR 0.4) in the reporting period.

The other operating expenses remained almost unchanged and amounts to mEUR 29.8 compared to mEUR 29.1 in the past financial year. The low increase primarily results from the compensation payments to the employees of the discontinued segment Graphical Products.

The profit from operations as further material financial performance indicator rose by mEUR 1.3 to mEUR 11.9 (prior year: mEUR 10.7). This increase is due to the improved gross profit.

The financial result again declined from mEUR -1.3 in the prior year to mEUR -1.4 in the current financial year. The decline primarily results from the lapse of the dividend from the equity investments and from the higher interest expenses.

Based on the aforementioned effects, the profit for the period rose by mEUR 1.4 to mEUR 7.7 (prior year: mEUR 6.3).

After having realized a profit for the period of mEUR 6.3 in the comparison period, this reporting year closes with a profit for the period of mEUR 7.7. The operative result could be clearly increased due to an improved product mix. This development is favored through lower employee benefit expenses. By means of this, the planned profit for the period (mEUR 3.0) could be clearly exceeded.

The balance sheet total declined to mEUR 325.0 after mEUR 339.0 in the prior year. The decline in the balance sheet total primarily results from a reduction of inventories and trade receivables on the assets-side as well as of the payments received in account of orders due to the completion of the Vietnam project on the liabilities-side.

In line with the higher profit for the period, also the equity rose by mEUR 1.5 to mEUR 86.6 (prior year: mEUR 85.1). In connection with the declined balance sheet total in the current financial year, the equity ratio thus increases from 25.1% in the prior year to 26.6%.

The debt ratio of current liabilities was 64% and thus remained on a similar level than in the prior year. The ratio of liabilities to affiliated companies to balance sheet total slightly rose from 30 % to 36 %.

Property, plant and equipment and financial assets are completely covered by equity.

The inventories amount to mEUR 63.5 (prior year: mEUR 69.6). The inventory turnover rate increased from 17 days in the previous year to now 20 days.

As at the balance sheet date, no lawsuits or other litigations were pending that could materially affect the entity's economic situation.

Financial position

The entity is participating in the cash pooling of Mitsubishi Corporation International (Europe) Plc, London/Great Britain, via the European Treasury Center (ETC) in London/Great Britain.

On the one hand, the financial management of the entity includes the monitoring of incoming payments in due time and, on the other hand, the daily liquidity monitoring.

The current liquidity need of the entity is covered with the cash flow from current business activities. If this would lead to surplus or underfunding, such differences are balanced within the scope of the cash pooling with the ETC. The entity does not disclose any liabilities to other banks.

No material capital investments were made in the financial year 2017/2018.

Staff and corporate social responsibility

The number of persons employed at MIG declined to 142 persons in the annual average (prior year: 150).

The employees of MIG have an excellent qualification. For the further education and for the purpose of increasing the corporate loyalty of these employees, MIG offers a number of internal and external training options.

Mentionable here are in particular the global and regional programs ("Global Management Program", "Gateway Program", "Business Management Seminar"), where the numerous basics of the decision finding and corporate culture are communicated. Also on expert level, numerous trainings and education options are offered on a regular basis as well as situation-related. For all courses offered within the training portfolio, the corporate principles are used.

For supporting the identification of the employees with their firm, the entity offers joint events. Mentionable here are for example the in the current year initially initiated Family Day or the possibility to participate as member of the company relay in the Metro Marathon.

MIG is active with many actions in the field of CSR (Corporate Social Responsibility). Exemplary, we only mention the "JAPAN DAY" as well as the "DRECK-WEG-TAG" (literally: clean-up day) here, where many employees engage voluntarily.

The corporate principles of Mitsubishi Corporation are considered to be material non-financial performance indicators:

- Corporate Social Responsibility
- Fairness & Integrity
- International understanding through trade

These are also reflected in the Code of Conduct of MIG being a binding guideline for each employee that is lived on a daily basis.

Hence, all acting of the employees is directed to a sustainable growth under taking into account the needs of environment and of society. Thus, MIG for example offered to its employees the participation in the Earthwatch program, financed by Mitsubishi Corporation, aiming for protecting the environment as well as supporting the research and education concerning the environment protection and fight against poverty.

Overall statements on the economic situation

Overall, the profit for the period could be increased in the current financial year, being directly due to an increase in ordinary business activities and the therewith connected revenue growth.

Risk and opportunity reporting

Apart of the general market risks, MIG is generally not facing any special risks. These market risks in particular comprise price fluctuations at commodities, currency risks and - to a low extent - storage risks. MIG has established a balanced risk management system for minimizing these risks.

The risk management system aims to identify the risks early and completely, to communicate these promptly to the decision takers as well as to monitor and control these consistently. It includes classic controlling instruments, such as, for example, short-term and long-term planning, their monthly or quarterly comparison with the current results and those of the prior year.

Each identified risk is adequately described and assessed as regards the probability of occurrence and the possible amount of damage. The management team is included in the risk analysis and the assessment and is in charge of the different areas. The annual budget is regularly adjusted under taking into account the current development.

The short ways and the flat hierarchies within the companies assure a fast and efficient risk management. Together with the controlling instruments it is assured that the impacts of the identified risks on the result and the liquidity are monitored on an ongoing basis.

For hedging the existing risks, transactions are performed, as far as possible, without storage, i.e. a sales contract has already been closed with the end customer as at the date of purchase of the goods (back-to-back business). In all cases, where stock is required, the acceptance conditions are agreed in advance with the end customer (stock business).

With respect to existing currency risks, arising from trade receivables and payables, Management aims to reduce these as far as possible. Hence, open currency positions that are not covered by appropriate offsetting items are hedged by means of forward exchange contracts (micro hedges). In this respect, we refer to our explanations in the Notes.

Outlook

After a positive start into the year 2018, a lasting slight positive development is expected for global economy in the year 2018. The ECB increased its forecast for the European GDP for the year 2018 in April to a value of 2.4% at almost unchanged rates for the years thereafter.

The worldwide economic environment is affected by large uncertainty. Here, in particular the Brexit negotiations with the still open result and the plans of the new American government must be mentioned. The economic tension field between the United States and Europe ranges from massive fiscal impulses with positive effects to protectionist measures with negative effect.

Finally, the development of the global economy could also be affected by a higher trade protectionism as well as by an escalation of existing geopolitical conflicts.

Despite these facts, with low interest, the improved situation on the employment market and an increasing confidence in the markets, the framework conditions in the industrial countries remain principally positive.

The business development of MIG notably depends on the economic developments on the international procurement and sales markets. Here, in particular the development of the core markets Europe and Asia is significant. In this context, respective risks can be derived for MIG.

For the upcoming financial year, the Management has resolved the spin-off of the Chemical segment to a newly established, wholly-owned subsidiary of Mitsubishi Corporation, Tokyo/Japan as of October 1, 2018. The seat of the new entity shall be Kennedydamm 19, 40476 Düsseldorf/Germany.

These measures shall help to make the segment more competitive and more dynamic. On account of the increased independence and the stronger specialization, an increased growth of the business activity of the new entity is expected.

For assuring the most administrative tasks, service agreements will be closed between MIG and the newly established entity. The remaining business fields of MIG will continue their business activities unchanged.

In light of the aforementioned framework conditions with the expected development of the markets in Germany, Europe, Japan and the rest of the world as well as the current price level on the commodity markets, we expect a lower result from operative business at also reduced revenue. In case of a positive development of the international commodity markets positive result effects could be realized to exceed the planned result.

The strong position in Germany being one of the most stable markets in Europe, the still broad product portfolio and the inclusion in a strong corporate affiliation allow MIG to limit the numerous risks of the economic development.

Possible risks with regard to the existing investment portfolio are addressed by an adequate investment controlling and respective portfolio strategies.

Apart from the already mentioned aspects, no facts are evident, neither currently nor in the foreseeable future that could directly or materially threaten the entity's continued existence.

Post-Balance-Sheet-Date Events

In addition to the already mentioned spin-off of the Chemical segment to an independent entity, the equity investment held in Tartaros Gonzalo Castello S.L., Alicante/Spain was sold at book value in June 2018 to a sister company within Mitsubishi Group.

Düsseldorf/Germany, August 3, 2018

Mitsubishi International GmbH,

T. Yamaguchi
Managing Director

Mitsubishi International GmbH, Düsseldorf/Germany

Balance sheet as at March 31, 2018

Assets

		Mar. 31, 2018 EUR	Prior year kEUR
A.	**Fixed assets**		
I.	**Intangible assets**		
	Goodwill, data processing programs, acquired for a consideration Licenses and other rights	102,620.44	25
II.	**Property, plant and equipment**		
1.	Land, land rights and buildings, including buildings on third-party land	4,916,891.72	4,944
2.	Other equipment, operating and office equipment	597,374.79	613
		5,514,266.51	5,557
III.	**Financial assets**		
1.	Shares in affiliated companies	7,077,845.72	7,078
2.	Other long-term equity investments	1,650,000.00	1,828
		8,727,845.72	8,906
		14,344,732.67	14,488
B.	**Current assets**		
I.	**Inventories**		
1.	Merchandise	63,389,802.48	63,268
2.	Prepayments made	137,712.46	6,350
		63,527,514.94	69,618
II.	**Receivables and other assets**		
1.	Trade receivables	222,388,320.35	232,448
2.	Receivables from affiliated companies	2,896,147.34	4,417
3.	Receivables from other long-term investees and investors	228.43	1,150
4.	Other assets thereof with a residual term of more than one year: EUR 31,855.19 (prior year: kEUR 49) thereof from taxes: EUR 14,717,727.19 (prior year: kEUR 6,171)	16,292,286.43	6,950
		241,576,982.55	244,965
III.	**Cash-in-hand and bank balances**	2,275,578.65	6,658
		307,380,076.14	321,241
C.	**Prepaid expenses**	350,679.59	459
D.	**Deferred tax assets**	3,205,631.82	2,747
		325,281,120.22	338,935

Equity and Liabilities

		Mar. 31, 2018 EUR	Prior year kEUR
A.	**Equity**		
I.	**Issued capital**	32,000,000.00	32,000
II.	**Retained profits brought forward**	46,913,593.27	46,825
III.	**Profit for the period**	7,681,613.80	6,289
		86,595,207.07	85,114
B.	**Provisions**		
1.	Provisions for retirement benefit obligations and similar commitments	23,791,966.00	21,527
2.	Provisions for taxes	3,333,591.06	4,866
3.	Other provisions	4,150,986.71	5,446
		31,276,543.77	31,839
C.	**Liabilities**		
1.	Payments received on account of orders	235,933.47	8,711
2.	Trade payables	88,354,318.75	107,039
3.	Liabilities to affiliated companies	117,017,071.76	103,293
4.	Liabilities to other long-term investees and investors	0.00	198
5.	Other liabilities thereof with a residual term of up to one year: EUR 1,802,045.40 (prior year: EUR 2,741) thereof from taxes: EUR 1,785,581.05 (prior year: kEUR 2,747) of which within the scope of social security EUR 224,178.05 (prior year: kEUR 230)	1,802,045.40	2,741
		207,409,369.38	221,982
		325,281,120.22	338,935

Mitsubishi International GmbH, Düsseldorf/Germany

Income statement for the period from April 1, 2017 to March 31, 2018

		Mar. 31, 2018 EUR	Prior year kEUR
1.	Revenue	1,290,213,052.69	1,168,315
2.	Other operating income	1,609,881.38	955
3.	Cost of materials Cost of purchased services	1,235,096,945.58	1,114,506
4.	Employee benefit expense		
a)	Wages and salaries	11,627,237.88	11,790
b)	Social security, post-employment costs and other employee benefits	2,924,104.36	2,526
	thereof post-employment costs: EUR 1,696,002.00 (prior year: kEUR 966)		
5.	Amortization of and write-downs on intangible assets and depreciation and write-downs on property, plant and equipment	204,117.67	376
6.	Other operating expenses	29,751,113.76	29,145
	thereof from currency translation: EUR 217,716.38 (prior year: kEUR 137)		
7.	Income from other long-term equity investments	0.00	33
8.	Other interest and similar income	57,445.36	44
9.	Interest and similar expenses	1,464,974.42	1,372
	thereof from accumulation of interest on provisions: EUR 911,578.06 (prior year: kEUR 949)		
10.	Taxes on income	2,882,040.44	3,097
	thereof deferred taxes: EUR 458,973.47 (prior year: kEUR 1,242)		
11.	Earnings after taxes	7,929,845.32	6,535
12.	Other taxes	248,231.52	246
13.	Profit for the period	7,681,613.80	6,289

Mitsubishi International GmbH, Düsseldorf/Germany

Notes to the financial statements for the financial year 2017/2018

General information

1. Application of German Commercial Code (HGB)

Mitsubishi International GmbH (hereafter referred to as "MIG" or "entity") is a large corporation within the meaning of Sec. 267 (3) German Commercial Code (HGB), resident in Düsseldorf/Germany, which is entered in the commercial register of Düsseldorf local court (HRB 713).

The financial statements were prepared on the basis of the German Commercial Code (HGB) in the version from April 11, 2017. The classifications of the balance sheet and the income statement comply with Sec. 266 and 275 German Commercial Code (HGB) as well as Sec. 42 German Law on Limited Liability Companies (GmbHG), with the nature-of-expense format being applied to the income statement.

In the interest of a clear and understandable presentation, the disclosures required to be made according to the legal regulations with respect to the balance sheet and income statement items which can be optionally disclosed either in the balance sheet or income statement or in the notes to the financial statements are fully disclosed in the notes to the financial statements.

The valuation complies with the general requirements under Sec. 252 to 256 German Commercial Code (HGB) under taking into account the special regulations of Sec. 279 to 283 German Commercial Code (HGB).

2. Consolidated Financial Statements

The entity does not prepare consolidated financial statements, since the subsidiaries, listed under Note 5, both individually and together, are of minor importance for the presentation of the Group's net asset position, financial position and results of operations (Sec. 296 (2) German Commercial Code (HGB)).

Information on Accounting and Valuation Rules

3. Accounting and valuation principles

Intangible assets and property, plant and equipment are recognized at acquisition cost, less straight-line depreciation or amortization, respectively, or at their lower fair values on balance sheet date. Buildings are depreciated on a straight-line basis with the amounts required under tax law. Other property, plant and equipment and intangible assets are depreciated or amortized on a straight-line basis over the estimated useful life of the assets. Assets acquired with acquisition costs of up to

EUR 150.00 are immediately depreciated. Assets with acquisition costs between EUR 150.01 and EUR 410.00 are depreciated within a period of one year.

The estimated useful lives of the individual fixed assets are shown in the following table:

	Useful life Years
Intangible assets	
Data-processing programs, licenses and other rights	3 to 15
Goodwill	5
Tangible fixed assets	
Buildings	25 to 50
Fittings and fixtures and other equipment	4 to 15
Other operating and office equipment	2 to 10
Vehicles	5

Financial assets are recognized at acquisition cost or at lower fair value on balance sheet date.

Inventories are recognized at acquisition cost or at the effective values on balance sheet date, where these are lower.

Receivables and other assets are recognized at nominal values. Identifiable risks are taken into account by making specific allowances and the general credit risk by making a general allowance of 2% of the accounts receivable.

Cash and cash equivalents and **equity** have been recognized at nominal value.

Deferred taxes were set up for temporary differences between the balance sheet values of assets, liabilities and accrued items recognized under commercial and under tax law that will presumably reverse in future. In accordance with Sec. 274 (1) Sentence 3 German Commercial Code (HGB), deferred tax liabilities and deferred tax assets are netted.

The **provisions for retirement benefit obligations and similar commitments** are discounted at a general rate in accordance with Sec. 253 (2) Sentence 2 German Commercial Code (HGB) at the average market interest rate of the last seven years determined by the German Central Bank, assuming a residual term of 15 years.

The **provisions** cover all risks and contingent liabilities identifiable on balance sheet date and are set up in the amount of the anticipated settlement.

The **liabilities** have been recognized at the amounts at which they will be repaid.

4. Principles of currency translation

Currency items within the balance sheet are translated into Euro at the rate in effect on balance sheet date March 31, 2018.

Hedged currency items were summarized with the basic transactions to form valuation units and the hedges are disclosed within the balance sheet with their hedging rate.

Income statement items denominated in foreign currencies are translated at the rate in effect on the date of transaction.

The exchange gains and exchange losses result from the measurement of the uncollateralized outstanding currency receivables and liabilities as of balance sheet date.

Notes to the balance sheet

5. Fixed assets

The movements in the single fixed asset items are disclosed under indication of the amortizations and depreciations of the financial year within the statement of movements in fixed assets in accordance with Sec. 284 (3) German Commercial Code (HGB) (Appendix to the Notes).

The following investment of less than 20% is disclosed, which is, however, of material significance for the entity:

Entity	Location	Shareholding %	Share Capital EUR	Equity EUR	Result of the last financial year EUR	Reporting date of available information
MCE Bank	Flörsheim	10	40,903,360.00	171,280,763.79	13,032,619.25	Mar. 31, 2017

The amounts disclosed in the financial statements under the item "Other long-term equity investments" refer to minority investments in foreign corporations. They do not include minority investments of more than 20%.

6. Receivables and other assets

The other assets include receivables with a residual term of more than one year of EUR 0 (prior year: kEUR 0).

All sundry receivables are due within one year. In single cases, the trade payables are collateralized by bank guarantees.

The receivables and other assets from affiliated companies include receivables from shareholders of EUR 6,279.68 (prior year: kEUR 4).

7. Equity

As of balance sheet date, the equity amounts to kEUR 86,595 (prior year: kEUR 85,114). It comprises the issued capital of kEUR 32,000 (prior year: kEUR 32,000), the retained profits brought forward of kEUR 46,914 (prior year: kEUR 46,825) and the profit for the period of kEUR 7,682 (prior year: kEUR 6,289). An amount of kEUR 89 from the prior year's profit for the period was allocated to the retained earnings and an amount of kEUR 6,200 was distributed to the shareholder.

8. Provisions for retirement benefit obligations

The provisions for retirement benefit obligations were computed under actuarial aspects under applying the projected unit credit method. When discounting the provisions for retirement benefit obligations, the entity used a general market interest rate in case of an assumed residual term of 15 years. The computation is thereby based on an anticipated salary rise of 2.5% (prior year: 2.5%). The anticipated pension increase again amounts to 1.8%. In addition, the entity used the 2005 G Standard Tables of Prof. Dr. Klaus Heubeck. On account of the option under Article 67 (1) Sentence 1 Introductory Law to the German Commercial Code (EGHGB), an amount of kEUR 294 (prior year: kEUR 294; corresponding to 1/15th of the difference determined as of April 1, 2011) was added to the provisions for retirement benefit obligations in the financial year. The remaining deficit as of March 31, 2018 thus amounts to kEUR 2,059 (prior year: kEUR 2,354).

The amounts blocked for distribution under Sec. 268 (8) German Commercial Code (HGB) can be analyzed as follows:

Following an increase of the average interest rate from 2.68% to 3.57% within the scope of the expansion of the average interest rate from seven to ten years, the amount blocked for distribution amounts to kEUR 3,865 (prior year: kEUR 3,303).

9. Other provisions

The item includes still outstanding charges from own-account transactions and agency business, including existing contingent liabilities from old transactions, anniversary and vacation commitments towards employees as well as other outstanding administrative costs.

The provisions for long-service awards were computed under actuarial aspects under applying the projected unit credit method. The computation is based on a computation interest rate of 2.68% and on a salary trend of 2.5%.

In addition, the entity used the 2005 G Standard Tables of Prof. Dr. Klaus Heubeck.

As regards the provisions for early retirement benefit obligations, the settlement amount corresponds, under valuations aspects, to the expected value of the cut off services on the basis of the experience available on balance sheet date. The thereof resulting uncertain liability was determined in form of a present value and must thus principally be discounted with a computation rate that corresponds to its residual term, namely 1.59% in the financial year. Furthermore, also the 2005 G Standard Tables of Prof. Dr. Klaus Heubeck were used and the computation was based on a salary trend of 2.5%.

10. Liabilities

Terms and other notes:

	Mar. 31, 2018 EUR	Prior year EUR
Payments received on account of orders	235,933.47	8,710,472.13
Trade payables		
	88,354,318.75	107,039,323.68
Liabilities to affiliated companies	117,017,071.76	103,293,374.16
thereof to shareholders:		
EUR 49,207.55 (prior year: EUR 27)		
Liabilities to other long-term		
investees and investors	0.00	197,817.49
Other liabilities	1,802,045.40	2,741,278.70
thereof from taxes:		
EUR 1,785,581.05 (prior year: EUR 2,517)		
thereof wage and church tax:		
EUR 224,178.05 (prior year: EUR 230)		
	207,409,369.38	221,982,266.16

Like in the prior year, all liabilities are due within one year and are not collateralized.

11. Deferred tax assets

The disclosed deferred tax assets of EUR 3,205,631.82 notably result from temporary differences as regards the pension provisions, amortization of goodwill and property, plant and equipment.

The combined income tax rate of 30 % was used for measuring the deferred taxes.

	Mar. 31, 2017	Variance	Mar. 31, 2018
Deferred tax assets	2,746,658.35	458,973.47	3,205,631.82
Deferred tax liabilities	–	–	–

12. Other financial commitments

	Mar. 31, 2018	Prior year
	EUR	EUR
Commitments under tenancy agreements and leases	213,803.19	228,417.64

Annual commitments under tenancy agreements and leases of EUR 18,339 (prior year: kEUR 34) relate to commitments towards affiliated companies. For the financial years 2018 and 2019, the financial commitments under existing tenancy agreements and leases amount to kEUR 97 and kEUR 61 thousand.

13. Derivative financial instruments

We use derivative financial instruments to hedge and reduce risks from fluctuations in foreign currency items. Our strategy for dealing with exchange risks exclusively consists in closing forward exchange dealings to assure the economic value of the cash flows in foreign currencies. We therefore do not take any risks that might have a serious impact on our operative result.

The following table presents our derivative financial instruments as at March 31, 2018. Their fair value is determined from the difference between the forward rate and the effective rate on balance sheet date. Due to materiality reasons, interest and other possible parameters have been ignored when determining the values.

Forward exchange dealings as at March 31, 2018	**Nominal value**	**Rate on balance sheet date in EUR**	**Forward rate EUR**	**Fair value in EUR**
Purchase contracts				
GBP	207,858.89	-237,099.08	-235,201.13	1,897.95
JPY	92,614,500.00	-630,860.72	-614,195.51	16,665.21
RUB	1,724,843,403.41	-24,391,995.92	-24,197,266.25	194,729.67
USD	12,229,647.69	-9,944,419.98	-9,885,345.77	59,074.21
DKK	764,357.88	-102,547.51	-102,572.08	-24.57
SEK	1,563,023.70	-108,343.53	-111,944.32	-3,600.79
NOK	1,180,608.39	-122,277.46	-121,018.13	1,259.33
PLN	71,960.00	-17,082.76	-17,256.59	-173.83
		-35,554,626.96	**-35,284,799.79**	**269,827.17**
Sale contracts				
GBP	401,336.21	457,793.49	455,919.08	-1,874.41
JPY	75,138,910.00	574,503.80	570,309.30	-4,194.50
RUB	1,742,369,580.21	24,639,843.60	24,443,181.44	-196,662.16
USD	3,529,706.99	2,870,147.17	2,850,070.74	-20,076.43
DKK	10,789,355.11	1,447,517.69	1,449,396.72	1,879.03
SEK	13,486,344.72	1,309,439.16	1,361,722.07	52,282.91
NOK	6,149,443.75	636,907.51	634,146.54	-2,760.97
		31,936,152.41	**31,764,745.89**	**-171,406.53**

Notes to the income statement

14. Revenue

	Apr. 1, 2017 to Mar. 31, 2018		Prior year	
	kEUR	%	kEUR	%
Classification by segments				
Chemical products	856,184	66.4	748,877	64.1
Other Merchandise	248,351	19.2	240,617	20.6
Renewable Energies	238	0.0	65	0.0
Fuels	131,752	10.2	89,638	7.7
Textiles	0.0	0.0	0.0	0.0
Machinery equipment and electronic equipment	51,239	4.0	86,485	7.4
Incidental revenue	2,449	0.2	2,633	0.2
	1,290,213	100.0	1,168,315	100.0
Classification by regions				
Germany	284,255	22.0	212,130	18.2
Europe (without Germany)	764,210	59.2	780,232	66.8
Asia	220,775	17.1	138,255	11.8
Other regions	20,973	1.6	37,698	3.2
	1,290,213	100.0	1,168,315	100.0

15. Other operating income

The item also contains income from other periods from the release of provisions of EUR 361,665.93 (prior year: kEUR 428). On account of the discontinuation of the business segment Graphic Arts Materials, a non-recurring income of EUR 783,000.00 was realized in the reporting year, resulting from the sale of this business segment to a former customer.

16. Employee benefit expense

	Apr. 1, 2017 Mar. 31, 2018	Prior year
	EUR	kEUR
Wages and salaries	11,627,237.88	11,790
Social security	1,283,792.39	1,386
Post-employment costs	1,640,311.97	1,140
	14,551,342.24	14,316

17. Other operating expenses

The other operating expenses notably include selling expenses as well as general business expenses. The exchange losses amounted to EUR 217,716.38 (prior year: kEUR 137) in the financial year.

18. Financial result

	Apr. 1, 2017 to Mar. 31, 2018 EUR	Prior year EUR
Income from other long-term equity investments	0.00	33,352.80
Other interest and similar income	57,445.36	43,979.53
Write-downs on long-term financial assets	0.00	0.00
Interest and similar expenses thereof to affiliated companies EUR 256,859.38 (prior year: EUR 120)	1,464,974.42	1,372,471.86
	1,407,529.06	1,295,139.53

The interest income from the discounting of provisions and the interest expenses from the accumulation of interest on provisions amounted to EUR 911,578.06 (prior year: kEUR 949) in the financial year. Under applying the BilMoG 2010, the interest expenses include an amount of kEUR 294 (prior year: kEUR 294) that results from the reduction of the difference of the pension provision.

19. Taxes on income

The item includes the corporate income tax and the trade tax of the current year as well as corrections from prior years.

Other disclosures

20. Employees

Employees in the annual average:

	2017/2018	Prior year
Management	1	1
Trading departments	89	98
Administration	52	51
	142	150

21. Annual auditor fees

The annual audit fees, recognized in the income statement, amount to kEUR 175. The costs for other consulting services amount to kEUR 0.

22. Members of Management

Managing director in the reporting period was:

Mr. Toru Yamaguchi, business economist

The total remuneration paid to Management has not been disclosed in accordance with Sec. 286 (4) German Commercial Code.

23. Group affiliation

Mitsubishi International GmbH, Düsseldorf/Germany, belongs to the Group controlled by Mitsubishi Corporation, Tokyo/Japan. It is included in the consolidated financial statements prepared by Mitsubishi Corporation for the smallest and largest group of consolidated entities. The consolidated financial statements of Mitsubishi Corporation are available at the registered office of the entity.

24. Major post-balance-sheet-date events

Under strategic aspects, the Management of Mitsubishi International GmbH has resolved a spin-off of the business segment Chemical to an independent entity. This spin-off is planned to be made as of October 1, 2018. The newly established entity will be a wholly-owned subsidiary of Mitsubishi Corporation, Tokyo/Japan, and will be resident Kennedydamm 19, 40476 Düsseldorf/Germany. The sundry business segments remain at the former Mitsubishi International GmbH.

In June 2018, the investment held in Tartaros Gonzalo Castello S.L., Alicante/Spain, of mEUR 1.65 was sold to a sister company at the investment’s book value within the scope of the strategic reorientation of Mitsubishi International GmbH.

25. Profit appropriation

The Management of MIG proposes to carry forward onto new account the profit for the period 2017 of EUR 7,681,613.80.

Düsseldorf/Germany, August 3, 2018

Mitsubishi International GmbH,

T. Yamaguchi
Managing Director

Mitsubishi International GmbH, Düsseldorf/Germany

Movements in fixed assets in the financial year 2017/2018

	Acquisition or production costs				Accumulated amortization/depreciation/write-downs				Residual carrying amounts	
	Apr. 1, 2017 EUR	Additions EUR	Disposals EUR	Mar. 31, 2018 EUR	Apr. 1, 2017 EUR	Additions EUR	Disposals EUR	Mar. 31, 2018 EUR	Mar. 31, 2018 EUR	Prior year EUR
I. Intangible assets										
Goodwill, data processing programs, acquired for a consideration Licenses and other rights	4,545,373.21	95,706.00	65,000.00	4,576,079.21	4,520,450.64	18,008.13	65,000.00	4,473,458.77	102,620.44	24,922.57
II. Property, plant and equipment										
1. Land, land rights and buildings, including buildings on third-party land	17,701,185.42	15,448.32	0.00	17,716,633.74	12,756,858.49	42,883.53	0.00	12,799,742.02	4,916,891.72	4,944,326.93
2. Other equipment, operating and office equipment	1,845,604.10	127,481.31	61,935.70	1,911,149.71	1,232,400.26	143,226.01	61,851.35	1,313,774.92	597,374.79	613,203.84
	19,546,789.52	142,929.63	61,935.70	19,627,783.45	13,989,258.75	186,109.54	61,851.35	14,113,516.94	5,514,266.51	5,557,530.77
III. Financial assets										
1. Shares in affiliated companies	7,077,845.72	0.00	0.00	7,077,845.72	0.00	0.00	0.00	0.00	7,077,845.72	7,077,845.72
2. Other long-term equity investments	3,254,472.25	0.00	177,763.11	3,076,709.14	1,426,709.14	0.00	0.00	1,426,709.14	1,650,000.00	1,827,763.11
	10,332,317.97	0.00	177,763.11	10,154,554.86	1,426,709.14	0.00	0.00	1,426,709.14	8,727,845.72	8,905,608.83
	34,424,480.70	238,635.63	304,698.81	34,358,417.52	19,936,418.53	204,117.67	126,851.35	20,013,684.85	14,344,732.67	14,488,062.17

[Independent] auditors' report

We have audited the [annual] financial statements – comprising the balance sheet, the income statement and the notes to the financial statements – together with the bookkeeping system, and the management report of Mitsubishi International GmbH, Düsseldorf/Germany, for the financial year from April 1, 2017 to March 31, 2018. The maintenance of the books and records and the preparation of the [annual] financial statements and management report in accordance with German commercial law are the responsibility of the Company's legal representatives. Our responsibility is to express an opinion on the [annual] financial statements, together with the bookkeeping system, and on the management report based on our audit.

We conducted our audit of the [annual] financial statements in accordance with Section 317 German Commercial Code (HGB) and German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the [annual] financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the [annual] financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the legal representatives, as well as evaluating the overall presentation of the [annual] financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the [annual] financial statements of Mitsubishi International GmbH, Düsseldorf/Germany, comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the [annual] financial statements, complies with the legal regulations and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development."

Düsseldorf/Germany, August 3, 2018

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed: Prof. Dr. Reichmann	Signed: Leber
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]