Mitsubishi International GmbH
Düsseldorf/Germany

Management Report and
Annual Financial Statements
for the Financial Year from

April 1, 2018 to March 31, 2019

Mitsubishi International GmbH, Düsseldorf/Germany

Management Report for the Financial Year 2018/2019

Basic Information on the Company

Mitsubishi International GmbH (hereafter called "MIG") was founded in 1955. The purpose of business of the Company 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 Company's branch establishments are located in rented premises, while the corporate headquarter has been housed in a company-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.

In the past financial year, the Chemistry segment was sold to a newly established, wholly-owned subsidiary of Mitsubishi Corporation, Tokyo/Japan. The Chemistry segment was transferred as of October 1, 2018 with start of operations as of January 1, 2019. Thus, the 4th quarter's income and expenses of the Chemistry segment were not considered within the annual result of MIG.

Economic Report

Overall Economic Environment

The boom of German economy with real growth rates of more than 2% came to a temporary end in the second half of 2018. Temporary special effects contributed to this development. Significant for the overall economy were in particular the production problems in the automotive industry and negative consequences of the low Rhine tide. This hindered inland shipping, delayed the supply of raw materials and pre-products and apparently affected the production, in particular in the chemical industry. However, also a slow-down of the economic momentum is observable. [Economic Forecast 2018/2019; Expert Council; pages 15/16 et seq.,23,26] In particular the demand from residual Europe, where more than 60% of the German exports are shipped, showed a slow-down in course of the year 2018 [Economic Forecast 2018/2019; Expert Council; page 15 et seq.,23].

The private consumption in the Euro zone showed an increase; positive impacts arose from the higher work income. [European Central Bank, Annual Report, page 11]. The inflation rose from 1.5% to 1.7% following increased energy and food prices [European Central Bank, Annual Report, page 19]. In particular, the growth of worldwide trade further declined in light of the change of the global industry cycle and increased trade conflicts.

In contrast, the United Kingdom showed 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 case of a hard uncontrolled Brexit, clearly negative developments cannot be excluded [European Central Bank, Economic Report, edition 3/2019, page 9].

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. Uncertainties from the sanctions on part of the US-government do not affect the business there [European Central Bank, Annual Report, page 12]. On account of the sale of the Chemistry business of the Company, the increase in activities is not directly reconcilable.

The foreign demand fell clearly below the prior year's level, in particular in Asia. Also here, this is due to the higher uncertainties and trade conflicts. Stronger than expected was the growth slowdown in Japan, supported by temporary special effects. It is thus assumed that the real decline in the Japanese GDP was also caused by earthquakes and severe weather [Economic forecast 2018/2019; Expert Council; page 2 et seq.,2].

Business Development

Compared to the prior year, higher revenue of mEUR 1,317 (prior year: mEUR 1,290) could be realized in the financial year 2018/2019. This increase results from the expansion of the business activities in the Fossile Fuels segment. Like in the prior year, the price and quantity rises within the Chemistry segment are mentionable as additional effect, which contributed to the positive business development until the end of December.

Under taking into account the sale of the Chemistry segment in course of the year, the planned target was thus almost realized. Nevertheless, the revenue fell slightly below the expected level for the financial year of mEUR 1,330.

The strongest-selling segment was still the Chemical segment with approx. 54% followed by the Fossil Fuels segment with 25% and the Other Merchandise segment (metallic materials, paper products, tires etc.) with 18%. The sundry business segments count for a revenue share of 3% in total revenue.

An analysis of the revenue development under geographical aspects shows that the revenue share in Europe, including Germany, rose to 87.1% (prior year: 81.2%), while the revenue share in Asia declined to 11.6% (prior year: 17.1%) following the sale of the Chemistry segment.

The revenue as material financial performance indicator increased by 2.1% compared with the prior year. The gross profit amounts to mEUR 45.8 (prior year: mEUR 55.1); the gross profit margin thus slightly declined to 3.5% (prior year: 4.3%).

Compared to the prior year, the employee benefit expenses declined to mEUR 11.8 (prior year: mEUR 14.5) being due to the transfer of employees from the former Chemistry segment. Amortization of intangible assets and depreciation on property, plant and equipment amounted to mEUR 0.2 (prior year: mEUR 0.2) being thus constant in the reporting period.

The other operating expenses declined in the current financial year by mEUR 3.6 to mEUR 26.1 when compared to the prior year (mEUR 29.7). The decline primarily results from the lower warehouse costs following the sale of the Chemistry business.

The profit from operations as further material financial performance indicator rose by mEUR 5 to mEUR 16.9 (prior year: mEUR 11.9). The improved result is due to the one-time proceeds from the sale of the Chemistry business of mEUR 8.2.

The financial result (including the non-operating result) declined from mEUR -1.4 in the prior year to mEUR -3.5 in the current financial year. In an amount of mEUR 2.0, the decline primarily results from the complete release of the difference from the initial application of the BilMoG (discounting) as well as of the difference from the initial application of the adjusted mortality tables of Heubeck for the measurement of the provisions for retirement benefit obligations (see notes).

After having realized a profit for the period of mEUR 7.7 in the comparison period, this reporting year closes with a profit for the period of mEUR 9.1. The operative result could be clearly increased due to an improved product mix. The development is favored by lower employee benefit expenses and the proceeds realized with the sale of the Chemistry segment of mEUR 8.2. By means of this, the planned profit for the period (mEUR 3.0) could be clearly exceeded.

The balance sheet total declined by mEUR 86.9 to mEUR 238.4 in the financial year. The decline in the balance sheet total primarily results from the reduction of inventories and the decline in the accounts receivable on account of the sale of the inventories at market price to the sister company within the group affiliation, which continues the Chemistry business.

Despite a higher profit for the period, the equity showed a decline of mEUR 30.8 to mEUR 55.8 (prior year: mEUR 86.6). The decline goes hand in hand with the payout of the retained earnings of mEUR 32.2 to the shareholder. This decision was taken on account of the impending Brexit and the therewith connected lapse of the withholding tax exemption for an unforeseeable period. In connection with the declined balance sheet total in the current financial year, the equity ratio thus declines from 26.6% in the prior year to 23.4%.

The debt ratio of short-term liabilities declined from 64% to 63%. The ratio of liabilities to affiliated companies to balance sheet total rose to 53% (prior year: 36%).

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

The inventories amount to mEUR 30.9 (prior year: mEUR 63.5). The inventory turnover rate increased from 20 days in the previous year to now 28 days. Given the sale of the Chemistry segment, the development tendencies cannot be deviated from the prior year's information.

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

Within the scope of the sale of the Chemistry segment, several service agreements were closed between MIG and the new sister company, which assure ruled administrative tasks (accounting, treasury, IT support).

Financial Position

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

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

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

Staff and Corporate Social Responsibility

The number of persons employed at MIG in the annual average declined to 105 persons when compared to 142 persons in the prior year following the transfer of the employees of the Chemistry segment to the newly established sister company.

The employees of MIG have an excellent qualification. For 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 (e.g. "Global Management Program", "Gateway Program", Business Management workshop), where the numerous basics of 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. Mentionable here are also a first time offered workshop on the topic "Resilience and Stress Management". For all courses offered within the training portfolio, the corporate principles are used repeatedly among other things.

For promoting an identification of the employees with the Company, joint events are offered - mentionable here are for example the organized Family Day as well as weekly offered Business Yoga.

MIG is active with many actions in the field of CSR (Corporate Social Responsibility). As an example, we only mention the "Japan Day" in Düsseldorf, Germany, where many employees engage voluntarily.

The corporate principles of Mitsubishi Corporation apply as 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 when compared to the prior year, being primarily due to special effects affecting the annual result that were due to the sale of the Chemistry segment and contrary from the valuation of the provisions for retirement benefit obligations.

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 implemented 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

The newly available information of the ECB from March 2019 confirms that the reduced growth dynamics continues in the current year. Also if there are indications that some of the growth-hindering idiosyncratic domestic factors slow down, the expansion of the economy within the euro zone will still be negatively affected by problematic global conditions.

A considerable risk for the economic development in Europe is the Brexit. A hard, uncontrolled Brexit bears a significant risk for the economic development. Furthermore, strong reactions on the financial markets cannot be excluded. Despite the preparatory measures, problems cannot be fully excluded. The remaining EU member states would also be affected, although to a lower extent.

The economic tension field between the United States and Europe ranges from massive fiscal impulses with positive effects to protectionist measures with negative effects, whose consequences are not yet fully foreseeable at present.

As regards the global economy, a simultaneous occurrence of several risk factors may clearly affect the positive dynamics and thus initiate a downturn. In addition to geopolitical crises, these risk factors comprise the lasting political uncertainty, the economic instability of some emerging countries and upheavals on the international financial markets, in particular a worsening of the international trade conflicts. It is assumed that the already realized and impending customs increases will negatively affect the global economic development [Economic Forecast 2018/2019; Expert Council; pages 103, 207/208].

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.

Based on the lapse of the Chemistry segment, the expected developments on the sales markets in Europe and Asia as well as the current price level on the commodity markets when compared to the prior financial year, the Company expects a declining operative result. Furthermore, a revenue decline is expected. In case of a rather positive development of the international commodity markets, moderate 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 equity investment in MCE Bank are addressed with 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 Company's economic development and continued existence. Based on an expected development of the worldwide economy, MIG expects revenue of mEUR 624, gross profit of mEUR 7 and a profit for the period of mEUR 0.4.

Post-Balance-Sheet-Date Events

In this respect, reference is made to the disclosures within the notes to the financial statements.

Düsseldorf/Germany, September 23, 2019

Mitsubishi International GmbH,
Signed: T. Yamaguchi
Managing Director

Mitsubishi International GmbH, Düsseldorf/Germany

Balance Sheet as at March 31, 2019

Assets

		Mar. 31, 2019 EUR	Prior year kEUR
A.	**Fixed assets**		
I.	**Intangible assets**		
	Concessions, industrial rights and similar rights and assets as well as licenses in such rights and assets acquired for a consideration	75,688.01	103
II.	**Property, plant and equipment**		
1.	Land, land rights and buildings including buildings on third-party land	4,873,664.05	4,917
2.	Other equipment, operating and office equipment	381,254.57	597
		5,254,918.62	5,514
III.	**Investments and other financial assets**		
1.	Shares in affiliated companies	7,077,845.72	7,078
2.	Other long-term equity investments	0.00	1,650
		7,077,845.72	8,728
		12,408,452.35	14,345
B.	**Current assets**		
I.	**Inventories**		
1.	Merchandise	30,422,606.86	63,390
2.	Prepayments made	467,334.72	138
		30,889,941.58	63,528
II.	**Receivables and other assets**		
1.	Trade receivables	147,715,173.75	222,388
2.	Receivables from affiliated companies	11,152,029.21	2,896
3.	Receivables from other long-term investees and investors	42,742.62	0
4.	Other assets	13,571,228.82	16,292
	thereof with a residual term of more than one year: EUR 131,057.54 (prior year: kEUR 32)		
	thereof from taxes: EUR 12,494,775.09 (prior year: kEUR 14,718)		
		172,481,174.40	241,576
III.	**Cash-in-hand and bank balances**	18,438,385.63	2,276
		221,809,501.61	307,380
C.	**Prepaid expenses**	119,269.60	351
D.	**Deferred tax assets**	4,053,421.13	3,206
		238,390,644.69	325,282

Equity and liabilities

		Mar. 31, 2019 EUR	Prior year kEUR
A.	**Equity**		
I.	**Issued capital**	32,000,000.00	32,000
II.	**Retained profits brought forward**	14,715,207.06	46,914
III.	**Profit for the period**	9,131,982.34	7,682
		55,847,189.40	86,596
B.	**Provisions**		
1.	Provisions for retirement benefit obligations and similar commitments	28,584,952.00	23,792
2.	Provisions for taxes	2,088,358.57	3,334
3.	Other provisions	1,769,696.37	4,151
		32,443,006.94	31,277
C.	**Liabilities**		
1.	Payments received on account of orders	2,534,541.53	236
2.	Trade payables	20,109,810.38	88,354
3.	Liabilities to affiliated companies	126,406,064.67	117,017
4.	Other liabilities	1,050,031.77	1,802
	thereof from taxes: EUR 1,024,927.78 (prior year: kEUR 1,786)		
	thereof within the scope of social security: EUR 139,331.37 (prior year: kEUR 224)		
		150,100,448.35	207,409
		238,390,644.69	325,282

Mitsubishi International GmbH, Düsseldorf/Germany

Statement of Profit and Loss for the Period from April 1, 2018 to March 31, 2019

		2018/2019 EUR	Prior year kEUR
1.	Revenue	1,317,340,193.71	1,290,213
2.	Other operating income	9,920,359.31	1,610
3.	Cost of materials		
	Cost of purchased services	1,271,554,472.30	1,235,097
4.	Employee benefit expense		
a)	Wages and salaries	8,451,047.32	11,627
b)	Social security, post-employment costs and other employee benefits	3,378,244.62	2,924
	thereof post-employment costs: EUR 1,528,923 (prior year: kEUR 1,696)		
5.	Amortization of and write-downs on intangible assets and depreciation and write-downs on property, plant and equipment	223,019.53	204
6.	Other operating expenses	26,119,306.32	29,751
	thereof from currency translation: EUR 970,069.62 (prior year: kEUR 218)		
	Income from other long-term equity investments		
7.	Other interest and similar income	142,180.35	57
	thereof from affiliated companies: EUR 8.98 (prior year: kEUR 0)		
8.	Interest and similar expenses	3,658,288.64	1,465
	thereof from accumulation of interest on provisions: EUR 962,118.00 (prior year: kEUR 912)		
	thereof to affiliated companies: EUR 479,539.99 (prior year: kEUR 257)		
9.	Taxes on income	4,319,482.46	2,882
	thereof deferred taxes: EUR 847,789.31 (prior year: kEUR 459)		
10.	Earnings after taxes	9,698,872.18	7,930
11.	Other taxes	566,889.84	248
12.	Profit for the period	9,131,982.34	7,682

Mitsubishi International GmbH, Düsseldorf/Germany

Notes to the Financial Statements for the Financial Year 2018/2019

A. General Information

1. General Bases

Mitsubishi International GmbH (hereinafter referred to as: "MIG" or "the Company") is a large firm organized in a corporate form within the meaning of Section 267 (3) German Commercial Code (HGB). The Company is based in Kennedydamm 19 in 40476 Düsseldorf/Germany and is entered in the commercial register of Düsseldorf local court (HRB 713).

2. Classification Principles

The annual financial statements of Mitsubishi International GmbH were prepared in accordance with the provisions of the German Commercial Code[1] (HGB) and the German Law on Limited Liability Companies[2] (GmbHG). In the interest of a more transparent presentation, single items within the balance sheet and the statement of profit and loss are summarized. A separate disclosure is made in the respective item of the notes to the financial statements. The statement of profit and loss was prepared according to the nature-of-cost format.

The annual financial statements were prepared in euro. If not explicitly otherwise stated, all amounts are indicated in thousand euro (kEUR). Amounts of less than kEUR 0.5 are rounded. Within the tables, decimals were generally not indicated for providing a better overview. Thus, rounding differences could be on hand.

3. Consolidated Financial Statements

The Company 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 assets, liabilities, financial position and financial performance (Section 296 (2) German Commercial Code (HGB)).

1 German Commercial Code in the version dated January 31, 2019.
2 German Law on Limited Liability Companies in the version dated September 8, 2017.

B. Information on Accounting and Valuation Rules

1. 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.

Low-value items with acquisition cost of up to EUR 250.00 are immediately recognized as expense, low-value items with acquisition cost between EUR 250.01 and EUR 800.00 are fully depreciated in the year of addition. In case of a presumably lasting impairment in value, the low-value item is written down and recognized at the lower fair value.

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
Property, plant and equipment	
Buildings	25 to 50
Fittings and fixtures and other equipment	4 to 15
Other operating and office equipment	2 to 10
Vehicles	5

The **financial assets** are measured at acquisition cost or at lower fair values. Presumably lasting impairments in value are taken into account by write-downs. If the reasons for write-downs made in prior years do fully or partially lapse, a write-up is made up to the historical acquisition cost at most.

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. The receivables and other assets are measured at nominal value. Receivables denominated in foreign currencies with a residual term of up to one year are translated at the middle spot rate in effect on balance sheet date. If hedges are closed for receivables denominated in foreign currencies, valuation units are set up between hedges and underlying transactions. The valuation units are accounted under applying the fair value method. For the effective portion, the market value of the derivative financial instruments is accounted for as asset or provision. 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 their nominal value.

Deferred taxes are set up for temporary differences between the values of assets and liabilities as well as of prepaid expenses and deferred income that are recognized under commercial law and under tax law. In accordance with Section 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 determined according to actuarial principles under applying the projected unit credit method. The provision is measured under applying the 2018 G Mortgage Tables of Prof Dr. Klaus Heubeck. Based on the interest rate information that was determined and published by the German Central Bank in accordance with the RückAbzinsV as of January 2019 (Section 253 (2) German Commercial Code (HGB)), the computation interest rate was extrapolated to the balance sheet date with the market data available as of the balance sheet date under assuming unchanged market conditions. This led to an average market interest rate of 2.23% at an assumed residual term of 15 years. Furthermore, an income dynamic of 2.5% is assumed.

The **other provisions** are recognized at the amount of the anticipated liabilities required according to sound business judgment. Future price and cost rises are considered if sufficient objective evidence for their occurrence is on hand. Provisions with a residual term of more than one year are discounted with the average market interest rate of the past seven financial years that corresponds to their residual term and is published by the German Central Bank.

Liabilities are presented at settlement amount. Liabilities denominated in foreign currencies with a residual term of up to one year are translated at the middle spot rate in effect on balance sheet date. If hedges are closed for liabilities denominated in foreign currencies, valuation units are set up between hedges and underlying transactions. The valuation units are accounted under applying the fair value method. For the effective portion, the market value of the derivative financial instruments is accounted for as asset or provision.

2. 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, 2019

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. The items of the statement of profit and loss 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 outstanding currency receivables and liabilities as of balance sheet date.

C. Notes to the Balance Sheet

1. 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 Section 284 (3) German Commercial Code (HGB) (Appendix to the Notes).

On account of the sale of the Chemistry segment to a newly established sister company, some assets with a total value of kEUR 98 were sold at book value to the sister company IVICT Europe GmbH.

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

Company	Location	Shareholding %	Share Capital	Equity	Result of the last financial year	Reporting date of available information
MCE Bank	Flörsheim/ Germany	10	EUR 40,903,360.00	EUR 183,006,377.73	EUR 11,725,613.94	Mar. 31, 2018

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

2. Inventories

The inventories can be analyzed as follows:

	Mar. 31, 2019	Prior year	Variance
	kEUR	kEUR	kEUR
Merchandise	26,167	42,238	-16,071
Goods in transfer	4,256	21,152	-16,896
	30,423	63,390	-32,967
Prepayments made	467	138	329
	30,890	63,528	-32,638

The decline in inventories is due to the sale of the Chemistry segment.

3. Receivables and Other Assets

All receivables and other assets 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 kEUR 6 (prior year: kEUR 6).

4. Deferred Tax Assets

The deferred tax assets of kEUR 4,053 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, 2018	Variance	Mar. 31, 2019
	kEUR	kEUR	kEUR
Deferred tax assets	3,206	847	4,053
Deferred tax liabilities	–	–	–

5. Equity

The equity amounts to kEUR 55,847 as at the balance sheet date (prior year: kEUR 86,595). It comprises the issued capital of kEUR 32,000 (prior year: kEUR 32,000), the retained profits brought forward of kEUR 14,715 (prior year: kEUR 46,914) and the profit for the period of kEUR 9,132 (prior year: kEUR 7,682). An amount of kEUR 2 from the prior year's profit for the period was allocated to the retained earnings and an amount of kEUR 7,680 was distributed to the shareholder.

Furthermore, the retained earnings of the Company were released in an amount of kEUR 32,200 and paid to the shareholder by way of a profit distribution regarding net retained profits of the current financial year.

6. Provisions for Taxes

This is the provision for corporate income tax and solidarity surcharge of kEUR 2,088.

7. 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 Company 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 amounts again to 1.8%. In addition, the Company used the 2018 G Standard Tables of Prof. Dr. Klaus Heubeck.

The computation interest rates were extrapolated on the basis of the interest rate information that is determined and published by the German Central Bank in accordance with the RückAbzinsV as of the reporting date January 31, 2019 (Section 253 (2) German Commercial Code (HGB)) under using the market data available as of this date under assuming unchanged market conditions as of the balance sheet date.

On account of the necessity for a revaluation due to the updating of the mortality tables on the one hand as well as also due to the sale of the chemistry segment to IVICT Europe GmbH, the former approach of an addition pro rata temporis according to Article 67 (1) EGHGB was no longer continued. Thus, the complete remaining deficit amount of kEUR 2,059 (addition prior year: kEUR 294) was added to the provisions for retirement benefit obligations.

The pension commitments of the employees that were transferred in accordance with Section 613a German Civil Code (BGB) are ruled by a pension agreement. IVICT Europe GmbH is assuming joint liability as regards the pension agreement of MIG. Under this, the annual additions to the pensions of the transferred employees are borne by IVICT Europe GmbH by means of cost transfer. The pension commitment remains at Mitsubishi International GmbH.

Following an increase of the average interest rate from 2.24% to 3.07% within the scope of the expansion of the average interest rate from seven to ten years, the amount blocked for distribution in accordance with Section 253 (6) German Commercial Code (HGB) amounts to kEUR 3,198 (prior year: kEUR 3,865).

8. Other Provisions

The item includes still outstanding charges from own-account transactions and agency business, long service awards 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 was based on a computation interest rate of 2.24% and on a salary trend of 2.5%. Furthermore, the Company used the 2018 G Mortality Tables of Prof. Dr. Klaus Heubeck for the first time for the valuation.

As regards the provisions for early retirement benefit obligations, the settlement amount corresponds, under valuation 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 1.03% in the financial year. Furthermore, also the 2018G Standard Tables of Prof. Dr. Klaus Heubeck were initially used and the computation was based on a salary trend of 2.5%.

9. Liabilities

Terms and other notes:

	Mar. 31, 2019 kEUR	Prior year kEUR
Payments received on account of orders	2,535	236
Trade payables	20,110	88,354
Liabilities to affiliated companies	100,928	70,471
Liabilities to shareholders	25,478	46,546
Other liabilities thereof from taxes: kEUR 1,025 (prior year: kEUR 1,786) thereof wage and church tax: kEUR 139 (prior year: kEUR 224)	1,050	1,802
	150,101	207,409

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

D. Notes to the Statement of Profit and Loss

1. Revenue

Revenue amounted to kEUR 1,317,340 in total in the financial year 2018/2019 (prior year: kEUR 1,290,213) and can be assigned to the segments as follows:

	Apr. 1, 2018 to Mar. 31, 2019		Prior year	
	kEUR	%	kEUR	%
Classification by segments				
Chemical products	713,663	54.2	856,184	66.4
Other Merchandise	233,468	17.7	248,351	19.2
Renewable Energies	218	0.0	238	0.0
Fuels	333,759	25.3	131,752	10.2
Machinery equipment and electronic equipment	32,493	2.5	51,239	4.0
Incidental revenue	3,739	0.3	2,449	0.2
	1,317,340	100.0	1,290,213	100.0

The main sales market in the financial year 2018/2019 was Europe followed by Germany. The following table shows the revenue classified by regions, i.e. by the countries, in which the companies are based.

	Apr. 1, 2018 to Mar. 31, 2019		Prior year	
	kEUR	%	kEUR	%
Classification by regions				
Germany	365,304	27.7	284,255	22.0
Europe (without Germany)	782,994	59.4	764,210	59.3
Asia	151,373	11.6	220,775	17.1
Other regions	17,669	1.3	20,973	1.6
	1,317,340	100.0	1,290,213	100.0

2. Other Operating Income

The item also contains income from other periods from the release of provisions of kEUR 949 (prior year: kEUR 362). Due to the sale of the Chemical Products segment to a new, wholly-owned subsidiary of Mitsubishi Corporation, Tokyo/Japan, a one-time income of kEUR 8,264 was realized in the financial year.

3. Employee Benefit Expense

The exchange losses amounted to kEUR 8,451 (prior year: kEUR 11,627) in the financial year 2018/2019. Furthermore, the Company discloses expenses for social security of kEUR 1,849 (prior year: kEUR 1,228) and post-employment costs of kEUR 1,529 (prior year: kEUR 1,696). The post-emyployment costs comprise the actually paid out amounts to pensioners.

4. Other Operating Expenses

The other operating expenses notably include selling expenses as well as general business expenses. The exchange losses amounted to kEUR 970 (prior year: kEUR 218) in the financial year.

5. Financial Result

	Apr. 1, 2018 to Mar. 31, 2019 kEUR	Prior year kEUR
Other interest and similar income thereof from affiliated companies: kEUR 0 (prior year: kEUR 0)	142	57
Interest and similar expenses thereof to affiliated companies: kEUR 480 (prior year: kEUR 257)	3,658	1,465
	-3,516	-1,408

The interest income from the discounting of provisions and the interest expenses from the accumulation of interest on provisions amounted to kEUR 962 (prior year: kEUR 912) in the financial year.

Under applying the BilMoG 2010, the interest expenses include an amount of kEUR 2,059 (prior year: kEUR 294) that results from the complete addition of the difference of the pension provision from the application of the BilMoG 2010.

6. Taxes on Income

The item includes corporate income tax and municipal trade tax of the current year, as well as an income from the release of deferred tax assets of EUR 848 (prior year: income of kEUR 459).

E. Other Disclosures

1. Other Financial Commitments

As of March 31, 2019, the other financial commitments amount to kEUR 139 and relate to commitments under tenancy agreements and leases for buildings and passenger cars.

in kEUR	Mar. 31, 2019	Prior year
	kEUR	kEUR
Due within one year	70	97
Due in one to five years	69	117
Total	139	214

Annual commitments under tenancy agreements and leases of kEUR 6 (prior year: kEUR 18) relate to commitments towards affiliated companies. Those are due within one year.

2. 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, 2019. 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, 2019

	Total amount	Total of balance sheet date rate	Total of forwarding rate	Total of delta EUR
Purchase contracts				
RUB	1,393,093,218.83	-18,883,838.13	-18,027,492.45	856,345.67
USD	1,499,477.83	-1,335,361.86	-1,329,674.12	5,687.74
DKK	164,396.76	-22,019.89	-22,019.71	0.18
SEK	2,709,958.00	-265,034.22	-260,191.85	4,842.37
		-20,506,254.09	-19,639,378.13	866,875.96
Sale contracts				
RUB	1,407,479,791.75	19,078,852.87	18,213,563.28	-865,289.59
USD	73,892.16	65,804.76	65,148.00	-656.76
DKK	7,299,656.72	977,742.16	978,162.57	420.41
SEK	15,646,499.93	1,502,271.19	1,507,057.81	4,786.62
NOK	10,610,996.33	1,097,314.30	1,074,998.03	-22,316.27
		22,721,985.26	21,838,929.69	-883,055,57

3. Employees

In average, Mitsubishi International had 105 employees (prior year: 142 employees) in the financial year 2018/2019. Thereof, 46 employees worked in administration and 58 employees in the operative segment as well as one employee as managing director.

Within the scope of the sale of the Chemistry segment to a new company, the employees in this segment were transferred to the new company causing the decline in the headcount.

4. Fee Paid to the Annual Auditor

The annual audit fees, recognized in the statement of profit and loss, amount to kEUR 98. The costs for other consulting services amount to kEUR 44.

5. 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 Section 286 (4) German Commercial Code.

6. 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 Company. The consolidated financial statements are published at the Japanese commercial register ("Ministry of Finance, Local Finance Bureaus in Tokyo, Japan").

7. Major Post-Balance-Sheet-Date Events

Under strategic aspects, the Group's parent Mitsubishi Corporation, Tokyo/Japan, resolved to discontinue the tire business with Tokyo Tire Russia, which will also affect the Company's result.

Furthermore, with effect from July 1, 2019, most of the metal business will be transferred to the shareholder Mitsubishi Corporation International Europe aiming for a more efficient use of synergy effects.

8. Appropriation of Profits

The management of MIG proposes to carry forward onto new account the profit for the period 2018/2019 of kEUR 9,132.

Düsseldorf/Germany, September 23, 2019

Mitsubishi International GmbH

T. Yamaguchi
Managing Director

Movements in Fixed Assets in the Financial Year 2018/2019

	Acquisition or production costs				Accumulated amortization, depreciation and write-downs				Residual carrying amounts	
	Apr. 1, 2018 EUR	Additions EUR	Disposals EUR	Mar. 31, 2019 EUR	Apr. 1, 2018 EUR	Additions EUR	Disposals EUR	Mar. 31, 2019 EUR	Mar. 31, 2019 EUR	Prior year kEUR
I. Intangible assets										
1. Concessions, industrial rights and similar rights and assets as well as licenses in such rights and assets acquired for a consideration	910,798.20	819.80	25,156.78	886,461.22	808,183.76	27,746.23	25,156.78	810,773.21	75,688.01	103
2. Goodwill	3,665,281.01	0.00	3,665,281.01	0.00	3,665,275.01	6.00	3,665,281.01	0.00	0.00	0
	4,576,079.21	819.80	3,690,437.79	886,461.22	4,473,458.77	27,752.23	3,690,437.79	810,773.21	75,688.01	103
II. Property, plant and equipment										
1. Land, land rights and buildings, including buildings on third-party land	17,716,633.72	0.00	0.00	17,716,633.72	12,799,742.02	43,227.65	0.00	12,842,969.67	4,873,664.05	4,917
2. Other equipment, operating and office equipment	1,911,149.71	26,116.28	185,675.92	1,751,590.07	1,313,774.92	152,039.65	95,479.07	1,370,335.50	381,254.57	597
	19,627,783.43	26,116.28	185,675.92	19,468,223.79	14,113,516.94	195,267.30	95,479.07	14,213,305.17	5,254,918.62	5,514
III. Investments and other 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	7,078
2. Other long-term equity investments	3,076,709.14	0.00	3,076,709.14	0.00	1,426,709.14	0.00	1,426,709.14	0.00	0.00	1,650
	10,154,554.86	0.00	3,076,709.14	7,077,845.72	1,426,709.14	0.00	1,426,709.14	0.00	7,077,845.72	8,728
	34,358,417.50	26,936.08	6,952,822.85	27,432,530.73	20,013,684.85	223,019.53	5,212,626.00	15,024,078.38	12,408,452.35	14,345