

MIRA INFORM REPORT

Report No. :	523110
Report Date :	01.08.2018

IDENTIFICATION DETAILS

Name :	CHIYODA CORPORATION
Registered Office :	Minatomirai Grand Central Tower, 4-6-2 Minatomirai Nishiku Yokohama 220-0012
Country :	Japan
Financials (as on) :	31.03.2018
Date of Incorporation :	January 1948
Com. Reg. No.:	0200-01-018029 (Yokohama-Nishiku)
Legal Form :	Limited Company (Kabushiki Kaisha)
Line of Business :	Plant Engineering of Oil Refining & Petrochemical Plants
No. of Employees :	1,495

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A+
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Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

Maximum Credit Limit :	Yen 8,738.5 Million
Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

NOTES :

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Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Japan	A1	A1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

JAPAN - ECONOMIC OVERVIEW

Over the past 70 years, government-industry cooperation, a strong work ethic, mastery of high technology, and a comparatively small defense allocation (slightly less than 1% of GDP) have helped Japan develop an advanced economy. Two notable characteristics of the post-World War II economy were the close interlocking structures of manufacturers, suppliers, and distributors, known as keiretsu, and the guarantee of lifetime employment for a substantial portion of the urban labor force. Both features have significantly eroded under the dual pressures of global competition and domestic demographic change.

Measured on a purchasing power parity basis that adjusts for price differences, Japan in 2017 stood as the fourth-largest economy in the world after first-place China, which surpassed Japan in 2001, and third-place India, which edged out Japan in 2012. For three postwar decades, overall real economic growth was impressive - averaging 10% in the 1960s, 5% in the 1970s, and 4% in the 1980s. Growth slowed markedly in the 1990s, averaging just 1.7%, largely because of the aftereffects of inefficient investment and the collapse of an asset price bubble in the late 1980s, which resulted in several years of economic stagnation as firms sought to reduce excess debt, capital, and labor. Modest economic growth continued after 2000, but the economy has fallen into recession four times since 2008.

Japan enjoyed an uptick in growth since 2013, supported by Prime Minister Shinzo ABE's "Three Arrows" economic revitalization agenda - dubbed "Abenomics" - of monetary easing, "flexible" fiscal policy, and structural reform. Led by the Bank of Japan's aggressive monetary easing, Japan is making modest progress in ending deflation, but demographic decline - a low birthrate and an aging, shrinking population - poses a major long-term challenge for the economy. The government currently faces the quandary of balancing its efforts to stimulate growth and institute economic reforms with the need to address its sizable public debt, which stands at 235% of

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GDP. To help raise government revenue, Japan adopted legislation in 2012 to gradually raise the consumption tax rate. However, the first such increase, in April 2014, led to a sharp contraction, so Prime Minister ABE has twice postponed the next increase, which is now scheduled for October 2019. Structural reforms to unlock productivity are seen as central to strengthening the economy in the long-run.

Scarce in critical natural resources, Japan has long been dependent on imported energy and raw materials. After the complete shutdown of Japan's nuclear reactors following the earthquake and tsunami disaster in 2011, Japan's industrial sector has become even more dependent than before on imported fossil fuels. However, ABE's government is seeking to restart nuclear power plants that meet strict new safety standards and is emphasizing nuclear energy's importance as a base-load electricity source. In August 2015, Japan successfully restarted one nuclear reactor at the Sendai Nuclear Power Plant in Kagoshima prefecture, and several other reactors around the country have since resumed operations; however, opposition from local governments has delayed several more restarts that remain pending. Reforms of the electricity and gas sectors, including full liberalization of Japan's energy market in April 2016 and gas market in April 2017, constitute an important part of Prime Minister Abe's economic program.

Under the Abe Administration, Japan's government sought to open the country's economy to greater foreign competition and create new export opportunities for Japanese businesses, including by joining 11 trading partners in the Trans-Pacific Partnership (TPP). Japan became the first country to ratify the TPP in December 2016, but the United States signaled its withdrawal from the agreement in January 2017. In November 2017 the remaining 11 countries agreed on the core elements of a modified agreement, which they renamed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Japan also reached agreement with the European Union on an Economic Partnership Agreement in July 2017, and is likely seek to ratify both agreements in the Diet this year.

Source : CIA

COMPANY NAME & ADDRESS

CHIYODA CORPORATION

REGD NAME: Chiyoda Kako Kensetsu KK
MAIN OFFICE: Minatomirai Grand Central Tower, 4-6-2 Minatomirai Nishiku Yokohama
220-0012 JAPAN
Tel: 045-225-7777

URL: <http://www.chiyoda-corp.com/>
E-Mail address: (thru the URL)

ACTIVITIES: Plant engineering of oil refining & petrochemical plants
BRANCHES: Tokyo, Osaka, Nagoya, Sapporo, Naha, Sendai, Kurashiki, other (Tot 10)
OVERSEAS: Abu Dhabi, Doha, Teheran, Shanghai, Beijing, Jakarta, Singapore, Hague,
Milan, Ulsan, India, UAE (--subsidiaries)
FACTORIES: Kawasaki (research center)

OFFICEE: MASAJI SANTO, PRES Katsuo Nagaoka, ch
Arata Sawara, v pres Arata Sawara, v pres
Daishi Hayashi, v pres Masahiko Kojima, s/mgn dir

Yen Amount: In million Yen, unless otherwise stated

SUMMARY

FINANCES	FAIR	A/SALES	Yen 510,873 M
PAYMENTS	REGULAR	CAPITAL	Yen 43,396 M
TREND	SLOW	WORTH	Yen 157,557 M
STARTED	1948	EMPLOYES	1,495

COMMENT: MAJOR COMPREHENSIVE PLANT ENGINEERING COMPANY, AFFILIATED TO MITSUBISHI CORP. FINANCIAL SITUATION CONSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

MAX CREDIT LIMIT: YEN 8,738.5 MILLION, 30 DAYS NORMAL TERMS

HIGHLIGHTS

The subject company was established on the basis of a construction division spun off from Mitsubishi Oil Co Ltd. This is a leading comprehensive plant engineering company with oil refining and petrochemical plants. Boasts high-level engineering technology with recognition by oil majors. Engaged in major LNG engineering plant projects in Asia, Oceania and Near & Middle East. Mitsubishi Corp is the top shareholder. As the firm developed

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a unique dehydrogenation technology, it intends to use it for construction and operation of special hydrogen plants. It plans to start those businesses at Kawasaki City by the end of the March 2016 term. Pursuing structural reform & re-growth simultaneously, in the medium term under the guidance of President Santo, the company's first president from Mitsubishi Corp.

FINANCIAL INFORMATION

The sales volume for Mar/2018 fiscal term amounted to Yen 510,873 million a 15.38% down from Yen 603,745 million in the previous term. The recurring loss was posted at Yen 10,100 million and the net profit at Yen 6,445 million, respectively, compared with Yen 3,080 million recurring loss and Yen 4,116 million net losses, respectively, a year ago.

For the current term ending Mar 2019 the recurring profit is projected at Yen 12,500 million and net profit at Yen 6,500 million, respectively, on a 21.7% fall in turnover, to Yen 400,000 million.

The financial situation is considered FAIR and good for ORDINARY business engagements. Max credit limit is estimated at Yen 8,738.5 million, on 30 days normal terms.

REGISTRATION

Date Registered: Jan 1948
Regd No.: 0200-01-018029 (Yokohama-Nishiku)
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 570 million shares
Issued: 260,324,529 shares
Sum: Yen 43,396 million

Major shareholders (%): Mitsubishi Corp (33.3), Master Trust Bank of Japan T (6.1), Japan Trustee Services T (4.5), MUFG Bank (3.4), Northern Trust (AVFC) Silchester (2.2), State Street Bank & Trust 505225 (2.1), other: foreign owners (23.9)

No. of shareholders: 17,547

Listed on the S/Exchange (s) of: Tokyo

Nothing detrimental is known as to the commercial morality of executives.

Related companies: Chiyoda Keiso, Chiyoda Kosho, other

OPERATION

Activities: Plant engineering works:

(Sales breakdown by divisions): LNG plants (71%), gas & electric power plants (2%), petroleum & petrochemicals plants, general chemicals plants, social development works & environmentally-related, others (--10%), others (17%).

Overseas sales ratio (79%)

Clients: [Oil, LNG, petrochemical industries] Oman LNG, Exxon Chemical Singapore, Shell Eastern Petroleum, Tokyo Electric Power, Tokyo Gas, Teijin Polycarbonate Singapore, Kobe Steel, Eastern Petrochemical, Yokohama City government, Nippon Shinyaku, Esso Highlands, Bayer & Dow Chemical, Qatar Liquefied Gas Co, other.

No. of accounts: 2,000

Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Mitsubishi Corp, Ebara Corp, Mitsubishi Heavy Ind, Nippon Steel, Fisher Japan, Yokogawa Electric, Mitsubishi Electric, Man Turbo Machinery, Chiyoda System Technologies, Mikuni Engineering, other.

Payment record: Regular

Location: Business area in Yokohama City. Office premises at the caption address are owned and maintained satisfactorily.

Bank References:

MUFG (H/O)

Mitsubishi UFJ Trust Bank (H/O)

Relations: Satisfactory

FINANCES

(In Million Yen)

Terms Ending:	31/03/2019	31/03/2018	31/03/2017	31/03/2016
Annual Sales	400,000	510,873	603,745	611,548
Recur. Profit	12,500	-10,100	-3,080	16,205
Net Profit	6,500	6,445	-4,116	3,375
Total Assets		420,704	461,331	528,219
Net Worth		157,557	155,340	200,167
Capital, Paid-Up		43,396	43,396	43,396
Div.P.Share(¥)		7.50	6.00	10.00
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	-21.70	-15.38	-1.28	27.15

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CHIYODA CORPORATION - 523110

PAGE NO. : 7

Current Ratio	
N.Worth Ratio		37.45	33.67	37.89
N.Profit/Sales	1.63	1.26	-0.68	0.55

Notes: Forecast (or estimated) figures for the 31/03/2019 fiscal term.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.61
UK Pound	1	INR 90.07
Euro	1	INR 80.37
YEN	1	INR 0.61

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	PRA
Report Prepared by :	TPT

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)