

MIRA INFORM REPORT

Report No. :	523430
Report Date :	03.08.2018

IDENTIFICATION DETAILS

Name :	MARUBENI CORPORATION
Registered Office :	Tokyo Nihombashi Tower, 2-7-1 Chuoku Tokyo 103.0027
Country :	Japan
Financials (as on) :	31.03.2018
Date of Incorporation :	December 1949
Com. Reg. No.:	0100-01-008776
Legal Form :	Limited Company
Line of Business :	A general trading house
No. of Employees :	4,463

RATING & COMMENTS

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

MIRA's Rating :	A++
	With Financial

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default

Status :	Excellent
Payment Behaviour :	Regular
Litigation :	Clear

NOTES :

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

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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 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

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COMPANY SUMMERY

MARUBENI CORPORATION

REGD NAME: Marubeni KK

MAIN OFFICE: Tokyo Nihombashi Tower, 2-7-1 Chuoku Tokyo 103.0027 JAPAN

Tel: 03-3282-2111 Fax: 03-3282-7456

URL: <http://www.marubeni.co.jp/>

E-Mail address: info@marubeni.co.jp

ACTIVITIES: A general trading house

BRANCHES: Tokyo, Osaka, Nagoya, other (Tot 68 domestic)

OVERSEAS: 65 overseas branches & offices; 30 overseas corporate subsidiaries
totaling 95 offices in 64 countries/areas.

OFFICERS: FUMIYA KOKUBU, PRES Teruo Asada, ch
Mitsuru Akiyoshi, adviser Shigeru Yamazoe, v ch
Hikaru Minami, mgn dir Nobuhiro Yabe, mgn dir

Yen Amount: In million Yen, unless otherwise stated

SUMMARY:	FINANCES	FAIR	A/SALES	Yen 7,540,337 M
	PAYMENTS	REGULAR	CAPITAL	Yen 262,686 M
	TREND	STEADY	WORTH	Yen 1,771,475 M
	STARTED	1949	EMPLOYES	4,463

COMMENT

GENERAL TRADING HOUSE, CORE OF FUYO GROUP FIRMS.

FINANCIAL SITUATION COSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS

HIGHLIGHTS

This is one of the leading general trading house, originated in Osaka as a textile merchant, with its roots same as the present Itochu Corp, actually a breakaway from the same roots. Strong in areas of grain, machinery, industrial plants, chemicals & communications. Tops in pulps & paper. Well-experienced in domestic construction operations, including housing. Also maintains a strong presence in grain trading. Recently strength being focused on information communications sector entering satellite broadcasting thru CATV network. Developing & producing uranium at mine in Kazakhstan, jointly with Tokyo Electric Power & others, having right to obtain 2,000 tons/year with 60% equity share. Acquired electric power holding company in Caribbean area at cost of some Yen 70 billion. Tied up with largest grain reserve operation group firm in China to expand local supply of raw material soybeans and rapeseeds. In China, making 30% capital participation in wastewater

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treatment plant construction/operation firm in preparation for central government's plan to improve sewerages in urban areas. In grain division, trying up with national oil extraction firm to take in surging soybean demand in China. The firm acquired Chile's third largest private sector waterworks business jointly with Innovation Network Corp of Japan. It will further seek acquisitions in South America via the firm. Chile's Esperanza Mine, where the firm has a 30% stake, started shipments in Jan 2011. The firm will actively engage in the power generation business also in Japan. It acquired a thermal power plant in Sodegaura, Chiba-Pref. It will also start collaborating with US firms to create business meeting the needs of domestic customers. It will book partial asset impairment on shale gas development.

FINANCIAL INFORMATION

The sales volume for Mar/2018 fiscal term amounted to Yen 7,540,337 million, a 5.77% up from Yen 7,128,805 million in the previous term. The recurring profit was posted at Yen 255,004 million and the net profit at Yen 211,259 million, respectively, compared with Yen 200,271 million recurring profit and Yen 155,350 million net profit, respectively, a year ago.

For the current term ending Mar 2019 the recurring profit is projected at Yen 245,000 million and the net profit at Yen 195,000 million, respectively, on a 0.53% fall in turnover, to Yen 7,500,000 million.

The financial situation is considered FAIR and good for ORDINARY business engagements.

REGISTRATION

Date Registered: Dec 1949
Regd No.: 0100-01-008776 (Tokyo-Chuoku)
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 4,300 million shares
Issued: 1,737,940,900 shares
Sum: Yen 262,686 million

Major shareholders (%): Master Trust Bank of Japan T (5.1), Japan Trustee Service T (4.5), Sompo Japan Ins (2.4), Meiji Yasuda Life Ins (2.4), Japan Trustee Services T5 (2.2), others: foreign owners (30.5)

No. of shareholders: 171,446

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

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

Related companies: Marubeni Energy, Marubeni Nisshin Feed, Marubeni Pulp & Paper, other

OPERATION

Activities: General trading house for import, export and wholesale of:

(Sales breakdown by Divisions):

Energy Division (22%): oil & gas exploration & production (E&P), LNG projects, nuclear fuels from Kazakhstan, naphtha trading, LPG, other; engaged in Peru LNG project, promoting Kazakhstan uranium mine project;

Foods Division (45%): production & trading of food-related products, including livestock feed & fodder, grain, soybeans, wheat, sugar, processed foods, beverages & related ingredients, commercial foods & agricultural & marine products, frozen/chilled foods; engaged in midstream/downstream operations with Daiei Inc, Maruetsu Inc (--supermarket chains) as subsidiaries;

Power Project & Plant (4%);

Chemicals Division (22%): basic chemicals (olefins & synthetic fiber intermediates), petrochemical products (vinyl alkali products & polymers), inorganic chemicals (salt, sulfur, agrochemicals, specialty chemicals, electronic materials (LCD, semiconductor-related products; engaged in synthetic rubber business in China;

Transportation & Industrial Machinery Division (5%): aircraft, aero engines, helicopters, defense systems, automotive, construction & agricultural machinery, automotive production lines, pulp & paper machinery, semiconductor & DVD production machinery, precision machine tools, printing machinery, visual inspection systems, food packaging machines, chemical machinery & new energy-related systems;

Plant, Ship & Infrastructure Projects Division (7%): plant machinery & equipment (oil & gas, steel & cement), infrastructure (rail transport, airports, water supply, sewage) projects, shipbuilding & related equipment, sale & purchase of used vessels, textile machinery & related equipment;

Overseas operations (47%)

Clients: [Mfrs, electric powers, wholesalers] Tokyo Electric Power, Chubu Electric Power, Nissan Motors, Showa Denko, Idemitsu Kosan, JFE Steel, Uniqlo, Daio Paper Corp, Mitsubishi Heavy Ind, Columbia Grain Trading, other.

No. of accounts: 1,000

Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Nissan Motors, Showa Denko, Nippon Paper, Hitachi Construction Machinery, Idemitsu Kosan, Komatsu Ltd, Marubeni International Commodities, Marubeni USA, other.

Payment record: Regular

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

Bank References:

Mizuho Bank (H/O)

MUFG (H/O)

Relations: Satisfactory

Banking details

Nissan Motor: Mizuho Bank (H/O), MUFG (H/O)

Showa Denko: Mizuho Bank (H/O), Norin Chukin Bank (H/O)

Nippon Paper: Norin Chukin Bank (H/O), SMBC (H/O)

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Hitachi Construction Machinery: Mizuho Bank (H/O), MUFG (H/O)
Idemitsu Kosan: MUFG (H/O), SMBC (Tokyo)
Komatsu Ltd: SMBC (H/O), Mizuho Bank (H/O)

FINANCES

(In Million Yen): Terms Ending:	31/03/2019	31/03/2018	31/03/2017	31/03/2016
Annual Sales	7,500,000	7,540,337	7,128,805	7,300,299
Recur. Profit	245,000	255,004	200,271	90,559
Net Profit	195,000	211,259	155,350	62,264
Total Assets		6,877,117	6,896,733	7,117,686
Current Assets		3,278,771	3,164,486	3,162,580
Current Liabs		2,761,714	2,616,205	2,594,216
Net Worth		1,771,475	1,683,723	1,316,052
Capital, Paid-Up		262,686	262,686	262,686
Div.P.Share(¥)		29.00	23.00	21.00
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	-0.53	5.77	-2.35	-6.82
Current Ratio	..	118.72	120.96	121.91
N.Worth Ratio	..	25.76	24.41	18.49
R.Profit/Sales	3.27	3.38	2.81	1.24
N.Profit/Sales	2.60	2.80	2.18	0.85
Return On Equity	..	11.93	9.23	4.73

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.36
UK Pound	1	INR 89.52
Euro	1	INR 79.57
YEN	1	INR 0.61

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	TRU

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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)