

MIRA INFORM REPORT

Report No. :	545870
Report Date :	18.12.2018

IDENTIFICATION DETAILS

Name :	MITSUBISHI CHEMICAL CORPORATION
Registered Office :	Palace Bldg, 1-1-1 Marunouchi Chiyodaku Tokyo 100-8251
Country :	Japan
Financials (as on) :	31.03.2018
Date of Incorporation :	June 1950
Com. Reg. No.:	0100-01-146760
Legal Form :	Limited Company
Line of Business :	Manufacturing of Petrochemicals, Functional Chemicals, Health-Care Products, Other.
No. of Employees :	12,955

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++	Minimum Risk	Business dealings permissible with minimum risk of default

Maximum Credit Limit :	Yen 21,132.0 Million
Status :	Excellent
Payment Behaviour :	Regular
Litigation :	Clear

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NOTES :

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 (30.06.2018)	Current Rating (30.09.2018)
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

COMPANY NAME AND DRESS

MITSUBISHI CHEMICAL CORPORATION

REGD NAME: Mitsubishi Chemical KK
MAIN OFFICE: Palace Bldg, 1-1-1 Marunouchi Chiyodaku Tokyo 100-8251 JAPAN
Tel: 03-6748-7300 Fax: 03-3286-1210

URL: <http://www.m-kagaku.co.jp/>
E-Mail address: (thru the URL)

ACTIVITIES: Mfg of petrochemicals, functional chemicals, health-care products, other
BRANCHES: Osaka, Nagoya, Fukuoka Sapporo, Sendai, other (Tot 14)
OVERSEAS: USA, Germany, Hong Kong, China, Singapore, Thailand (--subsidiaries)
FACTORIES: Kurosaki, Yokkaichi, Naoetsu, Mizushima, Sakaide, Kashima, Tsukuba,
Matsuyama, Odawara (Tot 17)
R&D Centers: Yokohama, Tsukuba

OFFICER(S): MASAYUKI WAGA, PRES Kazuyuki Okubo, mgn dir
Jun'ichi Okamoto, s/mgn dir Steve Yulik, dir
Kazuyuki Futamata, dir Kenkichi Kosakai, dir

Yen Amount: In million Yen, unless otherwise stated

SUMMARY

FINANCES	FAIR	A/SALES	Yen 1,227,020 M
PAYMENTS	REGULAR	CAPITAL	Yen 53,229 M
TREND	STEADY	WORTH	Yen 437,939 M
STARTED	1950	EMPLOYES	12,955

COMMENT

MFR SPECIALIZING IN CHEMICALS, WHOLLY OWNED BY MITSUBISHI CHEMICAL HOLDINGS CORP.

FINANCIAL SITUATION CONSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

MAX CREDIT LIMIT: YEN 21,132.0 MILLION, 30 DAYS NORMAL TERMS.

HIGHLIGHTS

This is the nation's largest comprehensive chemical mfr. Tops in ethylene production. Reborn through the merger between Mitsubishi Kasei and Mitsubishi Petrochemical. In Oct 2005, founded a joint-stock holding company, Mitsubishi Chemical Holdings Corp, jointly with Mitsubishi Pharma Corp by means of a stock-to-stock exchange, and became its wholly owned subsidiary, simultaneously de-listed from Tokyo & Osaka S/E's. By the stead, Mitsubishi Chemical Holdings Corp was listed on Tokyo S/E. This is the core of the Group, with petrochemicals accounting for about 85% of total group sales. The subject is the top ethylene mfr, producing petrochemicals, functional chemicals, healthcare products, other. In Apr/2017 merged three group firms and sales rose.

FINANCIAL INFORMATION

The sales volume for Mar/2018 fiscal term amounted to Yen 1,227,020 million, a 483% up from Yen 210,568 million in the previous term. This is attributed to the said merger of 3 group firms. The recurring profit was posted at Yen 125,416 million and the net profit at Yen 57,983 million, respectively, compared with Yen 11,781 million recurring profit and Yen 6,289 million net losses, respectively, a year ago.

For the current term ending Mar 2019 the recurring profit is projected at Yen 126,000 million and the net profit at Yen 61,000 million, respectively, on a 5% rise in turnover, to Yen 1,289,000 million. .

The financial situation is considered FAIR and good for ORDINARY business engagements. Max credit limit is estimated at Yen 21,132.0 million, 30 days normal terms.

REGISTRATION

Date Registered: Jun 1950

Regd No.: 0100-01-146760 (Tokyo-Chiyodaku)

Legal Status: Limited Company (Kabushiki Kaisha)

Authorized: 1,200 million shares

Issued: 572,034,109 shares

Sum: 53,229 million

Major shareholders (%): Mitsubishi Chemical Holdings Corp (100)

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

OPERATION

Activities: Manufactures petrochemicals (35%), polymers (25%), functional chemicals (10%), functional materials (10%), healthcare products (5%), services, others (15%).

Overseas Sales Ratio (31%) (% is all about)

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Clients: [Mfrs, wholesalers] Mitsubishi Corp, Nisshin Steel, Meiwa Corp, Shimada Shokai, Sumitomo Shoji Chemical, other.

No. of accounts: 350

Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Fuji Filter, Thai MMA Co, Mitsui Chemical, Mitsubishi Chemical Engineering, Idemitsu Kosan, Daicel Corp, other.

Payment record: Regular

Location: Business area in Tokyo. Office premises at the caption address are owned by the parent, Mitsubishi Chemical Holdings Corp, and maintained satisfactorily.

Bank References:

MUFG (H/O)

Mizuho Bank (H/O)

Relations: Satisfactory

FINANCIALS

(Consolidated In Million Yen)

Terms Ending:	31/03/2019	31/03/2018	31/03/2017	31/03/2016
Annual Sales	1,289,000	1,227,020	210,568	223,490
Recur. Profit	126,000	125,416	11,781	20,347
Net Profit	61,000	57,983	6,289	21,199
Total Assets		1,558,267	466,173	465,875
Net Worth		437,939	168,718	165,086
Capital, Paid-Up		53,229	53,229	53,229
Div.P.Share(¥)		0.00	0.00	0.00
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	5.05	482.72	-5.78	-11.77
Current Ratio	
N.Worth Ratio		28.10	36.19	35.44
N.Profit/Sales	4.73	4.73	2.99	9.49

Notes: Forecast figures for the 31/03/2018 fiscal term

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.67
UK Pound	1	INR 90.20
Euro	1	INR 81.07
YEN	1	INR 0.63

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

INFORMATION DETAILS

Analysis Done by :	VIV
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)