

MIRA INFORM REPORT

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| Report No. : | 544302.2 |
| Report Date : | 18.12.2018 |

IDENTIFICATION DETAILS

| | |
|--------------------------------|--|
| Name : | NCT CHEMICAL CO LTD |
| Registered Office : | M Square 11F, 1-10-6 Shimbashi Minatoku Tokyo 105-0004 |
| Country : | Japan |
| Financials (as on) : | 31.12.2017 |
| Date of Incorporation : | May 2013 |
| Com. Reg. No.: | 0104-01-105568 (Tokyo-Minatoku) |
| Legal Form : | Limited Company (Kabushiki Kaisha) |
| Line of Business : | Import, export and wholesale of chemicals, other |
| No. of Employees : | 17 |

RATING & COMMENTS

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

MIRA's Rating :

A

| Credit Rating | Explanation | Rating Comments |
|---------------|-----------------|---|
| A | Acceptable Risk | Business dealings permissible with moderate risk of default |

| | |
|----------------------------|------------------|
| Status : | Satisfactory |
| Payment Behaviour : | Slow but Correct |
| 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.

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 ADDRESS

NCT CHEMICAL CO LTD

REGD NAME: NCT Kagaku KK

MAIN OFFICE: M Square 11F, 1-10-6 Shimbashi Minatoku Tokyo 105-0004 JAPAN

Tel: 03-3574-6963 Fax: 03-3574-6913

URL

<http://www.ttc-group.com>

E-Mail address: tks1@ttc-group.com

ACTIVITIES

Import, export, wholesale of chemicals, other

BRANCHES

Nil

OFFICERS

TAKASHI MASAYAMA, PRES

Shiro Masayama, ch

Yen Amount: In million Yen, unless otherwise stated

SUMMARY

| | | | |
|----------|------------------|-----------|-------------|
| FINANCES | FAIR | A/SALES | Yen 7,791 M |
| PAYMENTS | Slow but Correct | CAPITAL | Yen 8 M |
| TREND | STEADY | WORTH | Yen 169 M |
| STARTED | 2013 | EMPLOYEES | 17 |

COMMENT

TRADING FIRM SPECIALIZING IN INDUSTRIAL CHEMICALS.
FINANCIAL SITUATION CONSIDERED R/WEAK BUT SHOULD BE GOOD FOR NORMAL BUSINESS ENGAGEMENTS.

HIGHLIGHTS

The subject company is a trading firm for import, export and wholesale of industrial chemicals, chemical products, other, belonging to Tokyo Trading Co Groups. In 2018 acquired NCT Chemical Co Ltd and the firm changed the name, and the firm became a wholly owned subsidiary of New Chemical Trading in May.2018. Goods are supplied to Tokyo Trading Co and its Group firms, other. .

FINANCIAL INFORMATION

Financials are only partially disclosed for the 31/12/2017 fiscal term. Profits are only estimated as not disclosed for this term.

The sales volume for Dec/2017 fiscal term amounted to Yen 6,800 million, a shade up from Yen 6,739 million in the previous term. The net profit is estimated to a Yen 0 million, compared with Yen 1,856 million recurring profit and Yen 77 million net losses, respectively, a year ago.

For the current term ending Dec 2018 the net profit is projected at Yen 10 million, on a 3% rise in turnover, to Yen 7,000 million.

The financial situation is considered R/WEAK but should be good for NORMAL business engagements.

REGISTRATION

Date Registered: May 2013
Regd No.: 0104-01-105568 (Tokyo-Minatoku)
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 1,800 shares
Issued: 160 shares
Sum: Yen 8 million
Major shareholders (%): New Chemical Trading (100)

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

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OPERATION

Activities: A trading firm for import, export and wholesale of industrial chemicals, synthetic resins, chemical products, other (--100%)

Clients: [Mfrs, wholesalers] Tokyo Kokusai Boeki (30%), Trading Co Ltd & Group firms, other

No. of accounts: 300

Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Tokyo Kokusai Boeki (30%), Mitsui Chemical, Sekisui Chemical Ind, Denka Co, Nippon Steel & Sumikin Chemical, Sumitomo Chemical, other

Payment record: Slow but Correct

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

Bank References:

Mizuho Bank (Shimbashi)

Resona Bank (Shimbashi)

Relations: Satisfactory

FINANCES (IN MILLION YEN)

| Terms Ending: | 31/12/2018 | 31/12/2017 | 31/12/2016 | 31/12/2015 |
|--------------------------------|------------|------------|------------|------------|
| Annual Sales | 7,000 | 6,800 | 6,739 | 7,791 |
| Recur. Profit | .. | .. | 1,856 | 1,704 |
| Net Profit | 10 | 0 | -77 | 15 |
| Total Assets | | N/A | 5,027 | 4,960 |
| Net Worth | | 1,856 | 1,856 | 1,704 |
| Capital, Paid-Up | | 8 | 8 | 8 |
| Div.P.Share(¥) | | 0.00 | 0.00 | 0.00 |
| <Analytical Data> | (%) | (%) | (%) | (%) |
| S.Growth Rate | 2.94 | 0.91 | -13.50 | -0.27 |
| Current Ratio | | .. | .. | .. |
| N.Worth Ratio | | .. | 36.92 | 34.35 |
| N.Profit/Sales | 0.14 | 0.00 | -1.14 | 0.19 |

Notes: Financials for the 31/12/2017 fiscal term is only partially disclosed. Profits are only estimated as not disclosed.

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Forecast (or estimated) figures for the 31/12/2018 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 |
| JPY | 1 | INR 0.63 |

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

INFORMATION DETAILS

| | |
|-----------------------------|-----|
| Analysis Done by : | DIV |
| Report Prepared by : | POJ |

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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)