

MIRA INFORM REPORT

| | |
|---------------|------------|
| Report No. : | 518734 |
| Report Date : | 06.07.2018 |

IDENTIFICATION DETAILS

| | |
|-------------------------|--|
| Name : | SHIONO CHEMIAAL CO LTD |
| Registered Office : | Shin-Yaesu Bldg, 2-10-10 Yaesu Chuoku Tokyo 104-0028 |
| Country : | Japan |
| Financials (as on) : | 30.09.2017 |
| Date of Incorporation : | March, 1971 |
| Com. Reg. No.: | 0100-01-046345 (Tokyo-Chuoku) |
| Legal Form : | Limited Company (Kabushiki Kaisha) |
| Line of Business : | Manufacturer of generic pharmaceuticals, other. |
| No. of Employees : | 198 |

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 |

| | |
|------------------------|-------------------|
| Maximum Credit Limit : | Yen 475.2 Million |
| Status : | Good |
| Payment Behaviour : | Regular |
| Litigation : | Clear |

NOTES:

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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 |

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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

SHIONO CHEMIAAL CO LTD

REGD NAME: Shiono Chemical KK

MAIN OFFICE: Shin-Yaesu Bldg, 2-10-10 Yaesu Chuoku Tokyo 104-0028 JAPAN
Tel: 03-5202-0213 Fax: 03-5202-0230

URL: <http://www.shiono.co.jp>
E-Mail address: (Thru the URL)

ACTIVITIES

Mfg of generic pharmaceuticals, other

BRANCHES

Osaka

OVERSEAS

Taiwan

FACTORIES

Fujioka (Gumma)

OFFICERS

| | |
|----------------------------|------------------------|
| KAN'ICHI SHIONOYA, PRES | Hiroyuki Niwa, mgn dir |
| Kan'ichi Miyamoto, mgn dir | Toshio Imai, dir |
| Ritsuko Kotaka, dir | Takashi Fukumura, dir |

Yen Amount: In million Yen, unless otherwise stated

SUMMARY

| | | | |
|----------|---------|----------|--------------|
| FINANCES | FAIR | A/SALES | Yen 26,362 M |
| PAYMENTS | REGULAR | CAPITAL | Yen 50 M |
| TREND | SLOW | WORTH | Yen 22,250 M |
| STARTED | 1971 | EMPLOYES | 198 |

COMMENT

MFR OF GENERIC PHARMACEUTICALS, OTHER.

FINANCIAL SITUATION CONSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

MAX CREDIT LIMIT: ESTIMATED AT YEN 475.2 MILLION, ON 30 DAYS NORMAL TERMS.

HIGHLIGHTS

The subject company is a specialized mfr of generic pharmaceuticals, pharmaceutical consulting, other. Clients include pharmaceutical makers, wholesalers, other.

FINANCIAL INFORMATION

Financials are disclosed only partially.

The sales volume for Sept/2017 fiscal term amounted to Yen 26,362 million, a 10% fall from Yen 29,381 million in the previous term. The net profit was posted at Yen 499 million, compared with Yen 1,620 million a year ago.

For the current term ending Sept 2018 the net profit is projected at Yen 510 million, on a 3% rise in turnover, to Yen 27,150 million.

The financial situation is considered FAIR and good for ORDINARY business engagements. Max credit limit is estimated at Yen 475.2 million, on 30 days normal terms.

REGISTRATION

Date Registered: Mar 1971
Regd No.: 0100-01-046345 (Tokyo-Chuoku)
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 400,000 shares

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Issued: 100,000 shares
Sum: Yen 50 million
Major shareholders (%): Kan'ichi Shionoya (55.2), Hiroko Shionoya (36.8), Kan'ichi Miyamoto (4), Toshio Imai (4)
No. of shareholders: 4

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

OPERATION

Activities: Manufactures generic pharmaceuticals, consultancy business, other (--100%)

Clients: [Mfrs, wholesalers] Takeda Pharma, Nippon Chemipha, Towa Pharmaceutical, Maruhiro Enterprise, other

No. of accounts: 350

Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Takeda Pharma, Choseido Pharma, DKSH Japan, other

Payment record: Regular

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

Bank References:

SMBC (Kyobashi)

Ashikaga Bank (Tokyo)

Relations: Satisfactory

FINANCES

(In Million Yen)

| Terms Ending: | 30/09/2018 | 30/09/2017 | 30/09/2016 | 30/09/2015 |
|--------------------------------|------------|------------|------------|------------|
| Annual Sales | 27,150 | 26,362 | 29,381 | 27,348 |
| Recur. Profit | .. | .. | .. | .. |
| Net Profit | 510 | 499 | 1,620 | 1,298 |
| Total Assets | | N/A | N/A | N/A |
| Net Worth | | 32,250 | 31,751 | 30,131 |
| Capital, Paid-Up | | 50 | 50 | 50 |
| Div.P.Share(¥) | | 0.00 | 0.00 | 0.00 |
| <Analytical Data> | (%) | (%) | (%) | (%) |

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

SHIONO CHEMIAAL CO LTD - 518734

PAGE NO. : 7

| | | | | |
|----------------|------|--------|------|-------|
| S.Growth Rate | 2.99 | -10.28 | 7.43 | -0.39 |
| Current Ratio | | .. | .. | .. |
| N.Worth Ratio | | .. | .. | .. |
| N.Profit/Sales | 1.88 | 1.89 | 5.51 | 4.75 |

NOTES: Financials are only partially disclosed.

Forecast (or estimated) figures for the 30/09/2018 fiscal term.

FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | INR 68.75 |
| UK Pound | 1 | INR 91.07 |
| Euro | 1 | INR 80.48 |
| Yen | 1 | INR 0.62 |

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

INFORMATION DETAILS

| | |
|-----------------------------|-----|
| Analysis Done by : | NIS |
| Report Prepared by : | NIT |

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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)