

MIRA INFORM REPORT

Report No. :	518850
Report Date :	06.07.2018

IDENTIFICATION DETAILS

Name :	TOAGOSEI CO LTD
Registered Office :	1-14-1 Nishishimbashi Minatoku Tokyo 105-8419
Country :	Japan
Financials (as on) :	31.12.2017
Date of Incorporation :	March 1942
Com. Reg. No.:	0104-01-020186 (Tokyo-Minatoku)
Legal Form :	Limited Company (Kabushiki Kaisha)
Line of Business :	Manufacturing of Industrial Chemicals
No. of Employees :	1,197

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 6,632.1 Million
Status :	Good
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

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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

TOAGOSEI CO LTD

REGD NAME: Toa Gosei KK
MAIN OFFICE: 1-14-1 Nishishimbashi Minatoku Tokyo 105-8419 JAPAN
Tel: 03-3597-7215 Fax: 03-3597-7217

URL: <http://www.toagosei.co.jp/>
E-Mail address: info@toagosei.co.jp

ACTIVITIES: Mfg of industrial chemicals
BRANCHES: Osaka, Nagoya, Toyama, Sakaide (Kagawa), Fukuoka
OVERSEAS: USA, Korea, China, Hong Kong, Taiwan, Singapore (--subsidiaries)
FACTORIES: Nagoya, Tokuyama, Takaoka, Sakaide, Kawasaki

OFFICERS: MIKISHI TAKAMURA, PRES Nobuhiro Ishikawa, v pres
Soichi Nomura, dir Akira Komine, dir
Katsuyuki Ito, dir Yoshitaka Suzuki, dir

Yen Amount: In million Yen, unless otherwise stated

SUMMARY

FINANCES	FAIR	A/SALES	Yen 144,708 M
PAYMENTS	REGULAR	CAPITAL	Yen 20,886 M
TREND	UP	WORTH	Yen 182,625 M
STARTED	1942	EMPLOYES	1,197

COMMENT: MFR OF INDUSTRIAL CHEMICALS. FINANCIAL SITUATION COSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

MAX CREDIT LIMIT: YEN 6,632.1 MILLION, 30 DAYS NORMAL TERMS.

HIGHLIGHTS

This is a medium-sized chemical mfr of Mitsui group. Originally founded in 1933 as Yahagi Kogyo Co Ltd for mfg ammonium sulfate, sulfuric & nitric acid using surplus electricity from the then parent company, Mitsui Chemical Co Ltd. In 1942, reorganized and established second Yahagi Kogyo Co Ltd. In 1944, merged 3 soda companies and became general chemical maker, named Toagosei Chemical Industry Co Ltd, and later renamed as captioned. Shifted mainstay items from electrolytic process chemicals to acrylic-based products. Leads the industry in acrylic-related products. Instant glue is another revenue source. Known for end-product instant glue "Aron Alpha". Expectation on growth of LHC, purest in Japan, for use as cleaning agent for semiconductor wafers. Belongs to Mitsui Group.

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FINANCIAL INFORMATION

The sales volume for Dec/2017 fiscal term amounted to Yen 144,708 million, a 6.89% up from Yen 135,382 million in the previous term. The recurring profit was posted at Yen 18,492 million and the net profit at Yen 12,911 million, respectively, compared with Yen 16,935 million recurring profit and Yen 13,861 million net profit, respectively, a year ago.

For the current term ending Dec 2018 the recurring profit is projected at Yen 18,200 million and the net profit at Yen 13,000 million, on a 2.97% rise in turnover, to Yen 149,000 million.

The financial situation is considered FAIR and good for ORDINARY business engagements. Max credit limit is estimated at Yen 6,632.1 million, on 30 days normal terms.

REGISTRATION

Date Registered: Mar 1942
Regd No.: 0104-01-020186 (Tokyo-Minatoku)
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 550 million shares
Issued: 263,992,598 shares
Sum: Yen 20,886 million

Major shareholders (%): Japan Trustee Services T (4.4), SMBC (4.4), Master Trust Bank of Japan T (3.3), Customers' S/Holding Assn (2.9), Group Employees' S/Holding Assn (2.3), MUFG (2.1), Chase London SL Omnibus Acct (1.5), Norin Chukin Bank (1.4), Mitsui Life Ins (1.3), Bank of New York Mellon SANV10 (1.3); foreign owners (29.2).

No. of shareholders: 12,928

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

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

Related companies: Aron Kasei Co, Oita Chemical Co, MT Aqua Polymer Inc, Tsurumi Soda Co, other.

OPERATION

Activities: Manufactures industrial chemicals: commodity chemicals (46%), polymer & oligomer (20%), adhesive materials (8%), performance chemicals (5%), others (2%)

Overseas Sales Ratio (17%)

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Clients: [Mfrs, wholesalers] TG Corporation, Sumitomo Chemical, Nagase Corp, Mitsubishi Chemical, Mitsubishi Corp, Nippon Soda, OG Chemical, Konishi Co, MT Aquapolymer Inc, Saiden Chemical Ind, Jusco, Konishi Co, Akros Trading Co, KISCO, Inagaki Yakuin Co, Toko Shoji Co, other.

No. of accounts: 1,000

Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Mitsubishi Chemical, Showa Denko, Shikoku Electric Power, Chubu Electric Power, Mitsubishi Corp, Sumitomo Corp, Mitsui & Co, Itochu Corp, Mitsubishi Gas Chemical, Nippon Shokubai, Oita Chemical, Kaneka Corp, Komatsuya Co, other.

Payment record: Regular

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

Bank References:

SMBC (H/O)

MUFG (Tokyo)

Relations: Satisfactory

FINANCIALS

(in Million Yen)

Terms Ending:	31/12/2018	31/12/2017	31/12/2016	31/12/2015
Annual Sales	149,000	144,708	135,382	139,848
Recur. Profit	18,200	18,492	16,935	13,201
Net Profit	13,000	12,911	13,801	6,696
Total Assets		239,338	219,520	208,018
Net Worth		182,625	167,991	158,174
Capital, Paid-Up		20,886	20,886	20,886
Div.P.Share(¥)		26.00	26.00	24.00
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	2.97	6.89	-3.19	-6.09
Current Ratio	
N.Worth Ratio		76.30	76.53	76.04
N.Profit/Sales	8.72	8.92	10.19	4.79

Notes: Forecast (or estimated) figures for the 31/12/2018 fiscal term.

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.75
UK Pound	1	INR 91.07
Euro	1	INR 80.47
YEN	1	INR 0.62

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)