

MIRA INFORM REPORT

Report No. :	519337
Report Date :	10.07.2018

IDENTIFICATION DETAILS

Name :	SOJITZ CORPORATION
Registered Office :	2-1-1 Uchisaiwaicho Chiyodaku Tokyo 100-8691
Country :	Japan
Financials (as on) :	31.03.2017
Date of Incorporation :	Dec., 1982
Com. Reg. No.:	(Tokyo-Minatoku) 049977
Legal Form :	Limited Company (Kabushiki Kaisha)
Line of Business :	Import, export, wholesale of machinery, energy & metals, chemicals, other
No. of Employees :	2,318

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

Maximum Credit Limit :	Yen 30,829.9 Million
Status :	Excellent
Payment Behaviour :	Regular
Litigation :	Clear

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.

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 (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 - a 10% average 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 entailed considerable time for firms 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 in 2013 on the basis of 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 necessity of addressing 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 another recession, so Prime Minister ABE has twice postponed the next increase, 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.

In October 2015, Japan and 11 trading partners reached agreement on the Trans-Pacific Partnership (TPP), a pact that had promised to open Japan's economy to increased foreign competition and create new export opportunities for Japanese businesses. Japan was the first country to ratify the TPP in December 2016; the United States signaled its withdrawal from the TPP in January 2017, and 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).

Source : CIA

COMPANY NAME AND ADDRESS

SOJITZ CORPORATION

REGD NAME: Sojitz KK
MAIN OFFICE: 2-1-1 Uchisaiwaicho Chiyodaku Tokyo 100-8691 JAPAN
Tel: 03-6871-5000 Fax: 03-6871-2430
URL: <http://www.sojitz.com>
E-Mail address: info@sojitz.com

ACTIVITIES

Import, export, wholesale of machinery, energy & metals, chemicals, other

BRANCHES

4 domestic, 84 overseas
(Subsidiaries/affiliates): 117 domestic, 322 overseas

OFFICERS

MASAYOSHI FUJIMOTO, PRES Yoji Sato, ch
Futoshi Hara, v pres Satoshi Nagai, v pres
Seiichi Tanaka, s/mgn dir Yoko Kurita, dir

Yen Amount: In million Yen, unless otherwise stated

SUMMARY

FINANCES	FAIR	A/SALES	Yen 1,555,349 M
PAYMENTS	REGULAR	CAPITAL	Yen 160,339 M
TREND	SLOW	WORTH	Yen 550,513 M
STARTED	2003	EMPLOYES	2,318

COMMENT

GENERAL TRADING HOUSE.

FINANCIAL SITUATION CONSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

MAX CREDIT LIMIT: YEN 30,829.9 MILLION, 30 DAYS NORMAL TERMS

HIGHLIGHTS

The subject company was established in Apr 2003 by forming a joint holding company, named Nissho Iwai-Nichimen Holdings Company, by the then Nissho Iwai Co and Nichimen Co, and subsequently in Apr 2004 the two merged into Sojitz Corp as captioned. The holding company, at the same time, renamed Sojitz Holdings Corporation. The merger was formed in order to restructure the two firms through supports from financial institutions including the then UFJ Bank (now MUFG), the main bank for the two firms. On 01/Oct/2005, in order to further streamline the Group's management framework, Sojitz Holdings merged with its principal operating arm and wholly owned subsidiary, Sojitz Corporation. The company's name was then changed to Sojitz Corporation. This is a general trading house succeeding the business rights & operations of the said two firms, excluding liquidation or separation of unprofitable divisions & operations. This is the sixth-ranked general trading house. Major handling items are machinery, energy & resources, which former Nissho Iwai Corp was the stronger, and textiles, etc, which the former Nichimen Corp was stronger. Highly competitive in fields of aircraft, lumber and urban development. The company is the Japanese agent for aircraft of Boeing of the US and also has strengths in lumber, feeds and the automobile sales business overseas. The company is intensifying Brazil's cereal crop cargo pickup/export business for Asia. It is investing Yen 16 billion in local major firm to expand commercial distribution channels.

FINANCIAL INFORMATION

The operating revenue for Mar/2017 fiscal term amounted to Yen 1,555,349 million, a 6% down from Yen 1,658,072 million in the previous term. The recurring profit was posted at Yen 57,955 million and the net profit at Yen 40,760 million respectively, compared with Yen 44,269 million recurring profit and Yen 36,526 million net profit, respectively, a year ago

For the current term ending Mar 2018 the recurring profit is projected at Yen 69,000 million and the net profit at Yen 50,000 million, respectively, on a 6% rise in revenue turnover, to Yen 1,650,000 million.

The financial situation is considered FAIR and good for ORDINARY business engagements. Max credit limit is estimated at Yen 30,829.9 million, on 30 days normal terms.

REGISTRATION

Date Registered: Dec 1982
Regd No.: (Tokyo-Minatoku) 049977
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 2,500 million shares
Issued: 1,251,499,501 shares
Sum: Yen 160,339 million

Major shareholders (%): Japan Trustee Services T (11.1), Ichigo Trust (8.8), Chase Manhattan GTS Escrow (5.0), Master Trust Bank of Japan (3.5), JPMCB ITS (London) Morgan Stanley (3.0); foreign owners (45.7)

No. of shareholders: 142,955

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

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

Related companies: Sojitz Marine & Engineering, Sojitz Building Materials Corp, other

OPERATION

Activities: A general trading house:

(Sales breakdown by Divisions):

Machinery Division (26%): Automotive Unit, Environment & Infrastructure Unit, IT Business Unit, Marine & Aerospace Unit;

Energy & Metals Division (17%): Energy & Nuclear Unit, Coal & Non-ferrous Metals Unit, Ferrous Metals & Steel Products Unit;

Chemicals & Functional Materials Division (12%): Chemicals Unit, Functional Materials Unit;

Lifestyle Business Division (18%): Foods Resources Unit, General Commodities & Textile Unit, Forest Products & Real Estate Development Unit;

Others (28%)

Overseas trading (51%)

Clients: [Mfrs, wholesalers] Kobe Steel, NM Life, First Retailing, Uto Kosan, Zao Severstal, Varig S.A., Auto-Isuzu PT Indofood Sukses Makmur TBK, MMC Automotriz SA, Tata Steel, other

No. of accounts: 1,000

Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Hitachi Zosen, Hitachi Ltd, Toyo Rubber, Yamazaki Nabisco, Sun Building Materials Corp, Sumitomo Metal Mining, Fuji Electric Systems, Sojitz Asia, Philip Morris Japan, Sojitz USA, other.

Payment record: Regular

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.

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

Bank References:

MUFG (H/O)
Mizuho Bank (H/O)
Relations: Satisfactory

FINANCIALS

(In Million Yen)

Terms Ending:	31/03/2018	31/03/2017	31/03/2016	31/03/2015
Annual Sales	1,650,000	1,555,349	1,658,072	1,809,701
Recur. Profit	69,000	57,955	44,269	52,584
Net Profit	50,000	40,760	36,526	33,075
Total Assets		2,138,466	2,056,670	2,297,358
Current Assets		1,229,747	1,146,344	1,323,497
Current Liabs		717,748	673,776	780,538
Net Worth		550,513	520,353	550,984
Capital, Paid-Up		160,339	160,339	160,339
Div.Ttl in Million (¥)		10,008	9,382	5,629
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	6.09	-6.20	-8.38	0.37
Current Ratio	..	171.33	170.14	169.56
N.Worth Ratio	..	25.74	25.30	23.98
R.Profit/Sales	4.18	3.73	2.67	2.91
N.Profit/Sales	3.03	2.62	2.20	1.83
Return On Equity	..	7.40	7.02	6.00

Notes: Forecast (or estimated) figures for the 31/03/2018 fiscal term.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.65
UK Pound	1	INR 91.47
Euro	1	INR 80.78
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 :	TPT

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)