

MIRA INFORM REPORT

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|----------------------|------------|
| Report No. : | 538029 |
| Report Date : | 31.10.2018 |

IDENTIFICATION DETAILS

| | |
|--------------------------------|---|
| Name : | MITSUI & CO LTD |
| Registered Office : | Nihon Seimei Marunouchi Garden Tower, 1-1-3 Marunouchi Chiyodaku Tokyo, 100-0005 |
| Country : | Japan |
| Financials (as on) : | 31.03.2018 |
| Date of Incorporation : | July 1947 |
| Com. Reg. No.: | 0100-01-008767 |
| Legal Form : | Limited Company |
| Line of Business : | Import, export, wholesale of: iron & steel, metals, machinery, chemicals, foodstuffs, textiles, crude oil, fuels, electronics |
| No. of Employees : | 5,971 |

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 |

| | |
|----------------------------|-----------|
| Status : | Excellent |
| Payment Behaviour : | Regular |
| Litigation : | Clear |

NOTES :

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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 SUMMARY

MITSUI & CO LTD

REGD NAME: Mitsui Bussan KK

MAIN OFFICE: Nihon Seimei Marunouchi Garden Tower, 1-1-3 Marunouchi Chiyodaku Tokyo
100-0005 JAPAN
Tel: 03-3285-1111 Fax: 03-3285-9800

URL: <http://www.mitsui.co.jp/>

E-Mail address: (through the URL to each division)

ACTIVITIES: Import, export, wholesale of: iron & steel, metals, machinery, chemicals, foodstuffs, textiles, crude oil, fuels, electronics

BRANCHES: Domestic (12) (Head Office 1, Offices 6, Branches 5)
Overseas (126) (Overseas Offices 30, Overseas trading Affiliates 96 (Head Offices 34))

OFFICERS: TATSUO YASUNAGA, PRES Masami Iijima, ch
Shinsuke Fujii, v pres Shin Suzuki, v pres
Satoshi Tanaka, v pres Nobuaki Kitamori, s/mgn dir

Yen Amount: In million Yen, unless otherwise stated

| | | | | |
|-----------------|----------|---------|----------|-----------------|
| SUMMARY: | FINANCES | FAIR | A/SALES | Yen 4,892,149 M |
| | PAYMENTS | REGULAR | CAPITAL | Yen 341,482 M |
| | TREND | STEADY | WORTH | Yen 3,974,715 M |
| | STARTED | 1947 | EMPLOYES | 5,971 |

COMMENT

JAPAN'S LEADING GENERAL TRADING HOUSE, NUCLEUS OF THE MITSUI GROUP.

FINANCIAL SITUATION CONSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

HIGHLIGHTS

The subject company is an offshoot of Japan's wealthiest merchant house of Edo era founded in 1600. Now ranked one of the largest general trading houses of Japan vying with Mitsubishi Corp for top position. Ranked 2nd in foodstuffs trade next to Mitsubishi Corp but 1st in chemicals. Nucleus firm of the Mitsui group. Handling items vary from metals & minerals, machinery, electronics & information, to chemicals, petrochemicals, plastics, foods, etc. Traditionally strong in field of heavy industries. Active in overseas business expansion such as oil/gas development in Russia and construction of large thermal power plant in Thailand. Strengthening partnership strategy with US Douglas, Unisys and other big firms. Stressing on natural resources, including LNG, and

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telecommunications sectors. The company will invest around Yen 66 billion in the general cargo transportation business of Brazil-based Vale, with the aim of expanding the infrastructure business. The copper mine in Chile will book Yen 14 billion in asset impairment due to swelling development costs. The company has a competitive edge in Brazil & Russia, and boost the best Portuguese-speaking staff in the industry. Reinforcing non-resources businesses, including overseas infrastructure 6 hospital-related operations in Asia.

FINANCIAL INFORMATION

The sales volume for Mar/2018 fiscal term amounted to Yen 4,892,149 million, a 12.1% up from Yen 4,363,969 million in the previous term. The recurring profit was posted at Yen 544,384 million and the net profit at Yen 418,479 million, respectively, compared with Yen 460,791 million recurring profit and Yen 306.131 million net loss, respectively, a year ago.

For the current term ending Mar 2019 the recurring profit is projected at Yen 550,000 million and the net profit at Yen 400,000 million, respectively, on a 4.25% rise in turnover, to Yen 5,100,000 million. .

The financial situation is considered FAIR and good for ORDINARY business engagements.

REGISTRATION

Date Registered: Jul 1947
Regd No.: 0100-01-008767 (Tokyo-Chiyodaku)
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 2,500 million shares
Issued: 1,829,153,527 shares
Sum: Yen 341,482 million

Major shareholders (%): Master Trust Bank of Japan, T (7.5), Japan Trustee Services Bank T (6.0), Japan Trustee Services T9 (1.0), Company's Treasury Stock (1.8), Japan Trustee Services T5 (1.7), Mitsubishi UFJ Morgan Stanley Sec (1.6), State Street Bank West Tr. 505234 (1.5), Japan Trustee Services T7 (1.4), SMBC (1.4), Nippon Life Ins (1.3); foreign owners (26.6)

No. of shareholders: 319,456

Listed on the S/Exchange (s) of: Tokyo, Nagoya, Fukuoka, Sapporo

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

Related companies: Mitsui & Co (USA), Mitsui Foods, Telepark Corp, other

OPERATION

Activities: A general trading house for import, export and wholesale of:

(Sales breakdown by divisions):

Metals (17%): iron ore, steel materials, ferroalloys, coal, coke, nonferrous metals, precious metals, electric wires, other;

Machinery & Information (9%): industrial machinery, automobiles, electronics & information equipment, office machines, other;

Chemicals (17%): organic & inorganic chemicals, petrochemicals, fine chemicals, fertilizers, other;

Energy (11%): crude oil, LNG, LPG, fuels, other petroleum products, other;

Lifestyle (22%): clothing, upholstery, fabrics, textile raw materials, other;

Steel Products (2%) steel slabs, billets, hot-rolled sheets, coated sheets, tin plates, electrical sheets, pipes, wire rods, automotive steel, stainless steel, other;

Others (22%) lumber, flooring, other construction materials, sporting goods, cereals, alcoholic beverages, other foodstuffs).

Overseas sales ratio (55%)

Clients: [Steel mills, mfrs, wholesalers] Mitsui Foods, Mitsui & Co Hong Kong, Mitsui Oil Hong Kong, Taiyo Kenki Rental Co, Kato Sangyo Co, Toray Ind, Tokyo Electric Power, Mitsui Engineering & Shipbuilding Ind, Mitsui Oil & Gas, Inpex Operations Australia, other.

No. of accounts: 2,000 – 3,000

Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Mitsui Chemical, Mitsui Oil, Toshiba Corp, Toyota Motor, Fuji Heavy Ind, Abu Dhabi Gas Liquefaction, Mitsui & Co USA, Toyo Suisan Kaisha, other.

Payment record: Regular

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

Bank References:

SMBC (H/O)

Mizuho Bank (H/O)

Relations: Satisfactory

FINANCES

(In Million Yen)

| Terms Ending: | 31/03/2019 | 31/03/2018 | 31/03/2017 | 31/03/2016 |
|----------------------|-------------------|-------------------|-------------------|-------------------|
| Annual Sales | 5,100,000 | 4,892,149 | 4,363,969 | 4,759,694 |
| Recur. Profit | 550,000 | 544,384 | 460,791 | 24,329 |
| Net Profit | 400,000 | 418,479 | 306,136 | -83,410 |

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MITSUI & CO LTD - 538029

PAGE NO. : 7

| | | | | |
|--------------------------------|-------|------------|------------|------------|
| Total Assets | | 11,306,660 | 11,501,013 | 10,910,511 |
| Current Assets | | 4,226,156 | 4,474,748 | 4,286,695 |
| Current Liabs | | 2,698,772 | 2,523,967 | 2,562,779 |
| Net Worth | | 3,974,715 | 3,732,179 | 3,379,725 |
| Capital, Paid-Up | | 341,482 | 341,482 | 341,482 |
| Div.P.Share(₹) | | 70.00 | 55.00 | 60.00 |
| <Analytical Data> | (%) | (%) | (%) | (%) |
| S.Growth Rate | 4.25 | 12.10 | -8.31 | -11.94 |
| Current Ratio | .. | 156.60 | 177.29 | 167.27 |
| N.Worth Ratio | .. | 35.15 | 32.45 | 30.98 |
| R.Profit/Sales | 10.78 | 11.13 | 10.56 | 0.51 |
| N.Profit/Sales | 7.84 | 8.55 | 7.02 | -1.75 |
| Return On Equity | .. | 10.53 | 8.20 | -2.47 |

Forecast (or estimated) figures for the 31/03/2019 fiscal term.

FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | INR 73.57 |
| UK Pound | 1 | INR 94.18 |
| Euro | 1 | INR 83.71 |
| Yen | 1 | INR 0.65 |

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

INFORMATION DETAILS

| | |
|-----------------------------|------|
| Analysis Done by : | VIVR |
| Report Prepared by : | SYL |

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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)