

MIRA INFORM REPORT

Report No. :	532178
Report Date :	27.09.2018

IDENTIFICATION DETAILS

Name :	TOYOTA TSUSHO CORPORATION
Registered Office :	Century Toyota Bldg, 4-9-8 Meieki Nakamura-ku Nagoya 400-8575
Country :	Japan
Financials (as on) :	31.03.2018
Date of Incorporation :	July 1948
Com. Reg. No.:	1800-01-031731
Legal Form :	Limited Company
Line of Business :	Import, export, wholesale of metals, machinery, vehicles, industrial materials
No. of Employees :	2,721

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

Maximum Credit Limit :	YEN 111,292.8 Million
Status :	Excellent
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 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 SUMMARY

TOYOTA TSUSHO CORPORATION

REGD NAME: Toyota Tsusho KK

MAIN OFFICE: Century Toyota Bldg, 4-9-8 Meieki Nakamuraku Nagoya 400-8575 JAPAN

Tel: 052-584-5000 Fax: 052-584-5663

*.. The given address is its Tokyo Office

URL: <http://www.toyota-tsusho.co.jp/>

E-Mail address: info@toyota-tsusho.co.jp

ACTIVITIES: Import, export, wholesale of metals, machinery, vehicles, industrial materials, etc

BRANCHES: Tokyo, Osaka, Toyoda, Kariya, Sendai, Niigata, Fukuoka, other (Tot 17)

OVERSEAS: Asia (32), Oceania (3), Europe (15), Mid East (2), Africa (3), North America (24), Central/South America (7)

OFFICERS: ICHIRO KASHITANI, PRES Jun Karube, ch
Kuniaki Yamagiwa, v pres Soichiro Matsudaira, v pres
Yuichi Ohi, v pres Yasuhiro Nagai, mgn dir

Yen Amount: In million Yen, unless otherwise stated

SUMMARY:	FINANCES	FAIR	A/SALES	Yen 6,491,035 M
	PAYMENTS	REGULAR	CAPITAL	Yen 64,936 M
	TREND	STEADY	WORTH	Yen 1,174.719 M
	STARTED	1948	EMPLOYES	2,721

COMMENT

GENERAL TRADING HOUSE AFFILIATED WITH TOYOTA MOTORCORP.
FINANCIAL SITUATION COSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

MAX CREDIT LIMIT: YEN 111,292.8 MILLION, 30 DAYS NORMAL TERMS.

HIGHLIGHTS

This is the sole general trading house in Toyota Motor group. Established originally in 1936 as an auto loan firm for Toyota automobiles. Incorporated in 1948 on the basis of a spin-off from Toyoda Sangyo Kaisha in order to engage in foreign trading, as Nisshin Tsusho Kaisha Ltd. Renamed as captioned in 1987. This is a general trading house specializing in automobile-related products, steel, machinery & chemical products. Steel & nonferrous metals account for about 50% of total sales. Extends business support to Toyota Motor. Exports

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Toyota cars chiefly to S/E Asia, China, Mideast and Latin America. Merged with Tomen Corp in 2006. Automobile-related sales account for around 60%. Also fostering non-automobile business, such as lifestyle industry, foods, wind power generation & plants.

FINANCIAL INFORMATION

The sales volume for Mar/2018 fiscal term amounted to Yen 6,491,095 million, an 11.97% up from Yen 5,797,362 million in the previous term. The recurring profit was posted at Yen 209,749 million and the net profit at Yen 130,228 million, respectively, compared with Yen 140,895 million recurring profit and Yen 107,903 million net losses, respectively, a year ago.

For the current term ending Mar 2019 the recurring profit is projected at Yen 225,000 million and the net profit at Yen 140,000 million, on a 7.84% rise in turnover, to Yen 7,000,000 million.

The financial situation is considered FAIR to EXCELLENT and good for ORDINARY business engagements. Max credit limit is estimated at Yen 111,292.8 million, on 30 days normal terms.

REGISTRATION

Date Registered: Jul 1948
Regd No.: 1800-01-031731 (Nagoya-Nakamuraku)
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 1,000 million shares
Issued: 354,056,576 shares
Sum: Yen 64,936 million

Major shareholders (%): Toyota Motor Corp (21.5), Toyota Industries (11.1), Master Trust Bank of Japan T (5.2), Japan Trustee Services Bank (3.5), MUFG (2.2), Mitsui Sumitomo Ins (1.6), Aioi Nissay Dowa Ins (1.1), Nippon Life Ins (1.1), Tokio Marine Nichido Fire Ins (1.1); foreign owners (20.9)

No. of shareholders: 24,656

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

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

Related companies: Toyota Tsusho America Inc, other

OPERATION

Activities: A general trading house for import, export, wholesale operations:

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Metals (25%), global parts & logistics (13%), automotive (10%), machinery & energy (14%), chemicals & electronics (23%), foods (6%), others (9%)

Overseas Sales Ratio (75%)

Clients: [Car makers, wholesalers, other mfrs] Toyota Motor, Toyota Tsusho America, Toyota Tsusho Thailand, Toyota Steel Center, Crown Motors, Denso Corp, Toyota Motor China, JX Nippon Oil & Minerals Corp, other.

No. of accounts: 2,000

Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Toyota Motor, JFE Steel, Nippon Steel, Toyota Steel Center, Toyota Industries, Denso Corp, Toyota Tsusho America, other.

Payment record: Regular

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

Bank References:

MUFG (Nagoya)

SMBC (Nagoya)

Relations: Satisfactory

FINANCES

(In Million Yen)

Terms Ending:	31/03/2019	31/03/2018	31/03/2017	31/03/2016
Annual Sales	7,000,000	6,491,035	5,797,362	8,170,237
Recur. Profit	225,000	209,749	140,895	128,095
Net Profit	140,000	130,228	107,903	-43,714
Total Assets		4,310,043	4,212,064	3,969,868
Net Worth		1,174,719	1,050,620	888,637
Capital, Paid-Up		64,936	64,936	64,936
Div.P.Share(¥)		94.00	70.00	62.00
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	7.84	11.97	-29.04	-5.69
Current Ratio	
N.Worth Ratio		27.26	24.94	22.38
N.Profit/Sales	2.00	2.01	1.86	-0.54

Note; Forecast figures for the 31/03/2019 fiscal term.

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.71
UK Pound	1	INR 95.76
Euro	1	INR 85.36
Yen	1	INR 0.64

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	DNS

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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)