

IN-DEPTH CREDIT REPORT

References

Customer name: Sample Customer
 Our ref: 2345567

Status

Date: 09-04-2014
 Speed: Flash
 Report: Final

IDENTIFICATION

Given

Subject name: SAMPLE COMPANY CORPORATION
 Address: 19-0-1 MARUNOUCHI CHIYODA-KU
 Town: TOKYO
 Zip/postal code: 100-0023
 Country: Japan

Verified

Subject name: SAMPLE COMPANY CORPORATION
 Other style: ABCEG KK
 Address: 1 Sample Tower
 19-0-1 Marunouchi
 Chiyoda-Ku
 Town: Tokyo
 Zip/postal code: 100-0023
 Country: Japan
 Telephone: +81 (3) 1111111 / 22222222
 Website: www.samplecompany.com
www.samplegroup.co.jp (Group)

EXECUTIVE SUMMARY

Date established: 18-06-1962
 Legal form: Joint Stock Company
 Authorised capital: JPY 10,000,000,000
 Sales turnover: JPY 4,374,696,000,000 (Group consolidated 12 months, 31-03-2013)
 Main activities: Import and sale of liquefied petroleum gas (LPG).
 Employees: 346 (Subject); 8,684 (Group)

CREDIT RISK RATING

Risk Rating

As at 19.08.2018

Analysis

■	Excellent
>	Good
■	Satisfactory
■	Passable
■	Poor
■	No classification

- Organisational structure is consistent
- Management is adequately experienced
- No detrimental records found
- Group financial performance is sound
- Operational trend is steady
- No payment delays noted

Interpretation

Sound group financial and operational base. Medium to large credits can be considered with high confidence that commitments can be met under most circumstances. Normal credit control policy applies.

Credit Limit

Recommended limit: USD 500,000

REGISTRY DATA

Key Facts

Date established: 18-06-1962
Date registered: January 1988
Legal form: Joint Stock Company
Registry auth: Japan Register of Companies
Registry status: Live/Active
Previous names: The Subject initially operated under the name of XYZ CO. LTD. and changed to the present style in April 2006.

LEGAL FILINGS

Bankruptcy filings: None
Court judgements: None
Tax liens: None
Other: None

MANAGEMENT & STAFF

Key Managers

Name: Sample Person 1
Job title: Chairman

Name: Sample Person 2
Job title: President

Name: Sample Person 3
Job title: Vice President

Staff

No of employees 346 (Subject); 8,684 (Group)

BOARD OF DIRECTORS / OTHER APPOINTMENTS

Appointments

Name: Sample Person 1
Board function: Chairman
Address: Japan

Name: Sample Person 2
Board function: President
Address: Japan

Name: Sample Person 3
Board function: Vice President
Address: Japan

SHARE CAPITAL

Composition

Authorised: JPY 10,000,000,000

SHAREHOLDERS/OWNERS

How Listed

Full List

Composition

Name: ABC CO., LTD.
% of shares: 51%
Address: 1-1, Sample Street 3-chome
Chiyoda-ku
Tokyo 100-8888
Japan

Name: ABC CORPORATION
% of shares: 49%
Address: Japan

CORPORATE AFFILIATIONS

Structure

Name: SAMPLE GROUP., LTD.
Affiliation type: Parent Company
Address: 1-1, Marunouchi 3-chome
Chiyoda-ku
Tokyo 100-8321
Japan

Name: OTHER SAMPLE LTD.
Affiliation type: Associate
Address: Japan

Name: XYZ CO., LTD.
Affiliation type: Associate
Address: Japan

Name: BCC CORP.
Affiliation type: Associate
Address: Japan

Comments: Other companies of the SAMPLE GROUP Group should also be considered as affiliates of the Subject. A list of major affiliated companies is attached to this report.

BANKING & FINANCING

Bankers

Bank name: BANK OF TOKYO-MITSUBISHI UFJ
Address: Japan

Bank name: MITSUBISHI UFJ TRUST AND BANKING
Address: Japan

Bank name: MIZUHO BANK
Address: Japan

Bank name: SUMITOMO MITSUI BANKING
Address: Japan

Comments

It is generally not the policy of local banks to provide credit status information to non-bona fide applications, and interested parties would be advised to consult first with the Subject if banker's references are required.

FINANCIAL ACCOUNTS

Description

Required to file: No
 Source: Group Consolidated Statements
 Presentation: Attached to this report / Summarised below
 Date of accounts: 31-12-2013
 Type of accounts: Full audited (Nine-Month Group Interim Statements – Unaudited)
 Currency: Japanese Yen (JPY)
 Exchange rate: USD 1 = JPY 102.61 as of 09-04-2014

Summarised

	31-12-2013	31-03-2013	31-03-2012
Consolidation:	Group consolidated	Group consolidated	Group consolidated
Period:	9 months	12 months	12 months
Sales turnover:	3,659,278,000,000	4,374,696,000,000	4,310,348,000,000
Gross profit:	275,464,000,000	369,044,000,000	397,427,000,000
Operating profit:	81,821,000,000	110,684,000,000	138,078,000,000
Profit before tax:	84,636,000,000	101,351,000,000	122,539,000,000
Profit after tax:	42,713,000,000	50,167,000,000	64,376,000,000
Non-current assets:	1,504,355,000,000	1,417,264,000,000	1,351,580,000,000
Current assets:	1,557,010,000,000	1,311,216,000,000	1,330,559,000,000
Inventories:	746,726,000,000	646,448,000,000	585,579,000,000
Total assets:	3,061,365,000,000	2,728,480,000,000	2,682,139,000,000
Current liabilities:	1,360,014,000,000	1,184,149,000,000	1,178,135,000,000
Non-cur. liabilities:	966,799,000,000	856,383,000,000	889,491,000,000
Total liabilities:	2,326,813,000,000	2,040,532,000,000	2,067,626,000,000
Shareholders' equity:	734,552,000,000	687,948,000,000	614,513,000,000

Comments

The above group consolidated figures relate to the Subject's Parent Company SAMPLE PARENT. and its subsidiaries.

OPERATIONS & HISTORY

Activities

Full description: The Subject is engaged in the import and sale of liquefied petroleum gas (LPG). It also owns, rents, leases, sells and purchases ships; operates a network of import/production terminals, secondary terminals, filling stations, automobile gas stations, and gas cylinder distribution companies in Japan; and provides advice on remodeling, home equipment and appliances, and gifts.

In addition, the company provides services, including information on competing forms of energy and fuel contracts, as well as conversions to LPG and liquefied natural gas; planning and designing for LPG cogeneration, gas air-conditioning, and gas supply systems; technical services relating to environmental compliance and quality control; and LPG delivery by large trailers and bulk trucks. Further, it offers improvements to energy utilization, and energy conserving facilities and equipment, including thermal inspections of boilers and combustion analyses of furnaces; and gas facilities and equipment, including energy conserving boilers, gas heat pump air conditioners, and gas engine cogenerator systems for purchase and on lease.

The company distributes LPG to homes and businesses in Japan through a network of dealerships, retail stores, and regional distributors.

Purchases

Local: Yes

Sales

Local: Yes

PROPERTY & ASSETS

Premises

The Subject's head office is located at the heading address.

Branches

The Company also operates from the following locations:

Sample Bldg.
34-09 Ichijo Nishi
Chuo-ku
Sapporo
Hokkaido 060-0111
Japan

111 Sample Buildingi
1-00-10 Honcho
Aoba-ku
Sendai
Miyagi 980-0111
Japan

PAYMENTS

Purchase Terms

Local: Cash
Credits 14-30 days
Imports: L/Cs
Credits 30 days net

Sales Terms

Local: Cash
Credits 14-30 days
Exports: L/Cs
Credits 30 days net

**Debt Collections /
Judgements**

No negative information was found.

**Payment
Experience**

Payment behaviour: As trade references were not supplied, the Subject's payment track record history CANNOT BE ACCURATELY DETERMINED, but payments are believed to be PROMPT.

INVESTIGATIVE NOTES

Sources:

Interviews and material provided by the Subject
Other official and local business sources

ATTACHMENTS

Attachments: Group consolidated financial statements
 List of affiliated companies

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Group Consolidated Financial Statements
(1) Consolidated Quarterly Balance Sheets

(Unit: ¥million)

Item	FY2012 (As of March 31, 2013)	3 rd Quarter of FY2013 (As of December 31, 2013)
(Assets)		
<u>Current assets</u>	<u>1,311,216</u>	<u>1,557,010</u>
Cash and deposits	116,847	177,742
Notes and accounts receivable, trade	425,920	524,023
Inventories	646,448	746,726
Other	122,719	108,760
Less: Allowance for doubtful accounts	(719)	(242)
<u>Fixed assets</u>	<u>1,417,264</u>	<u>1,504,355</u>
<u>Property, plant and equipment</u>	<u>1,030,335</u>	<u>1,041,826</u>
Land	596,023	594,024
Other, net	434,311	447,801
<u>Intangible fixed assets</u>	<u>52,047</u>	<u>52,406</u>
Goodwill	36,780	37,805
Other	15,266	14,601
<u>Investments and other assets</u>	<u>334,881</u>	<u>410,121</u>
Oil field premium assets	90,190	90,791
Other	245,014	319,555
Less: Allowance for doubtful accounts	(323)	(224)
Total assets	2,728,480	3,061,365
(Liabilities)		
<u>Current liabilities</u>	<u>1,184,149</u>	<u>1,360,014</u>
Notes and accounts payable, trade	405,307	496,831
Short-term loans payable	349,196	343,029
Commercial paper	29,997	99,993
Accounts payable, other	277,053	273,768
Income taxes payable	26,782	28,048
Accrued bonuses to employees	6,635	2,917
Other	89,176	115,424
<u>Long-term liabilities</u>	<u>856,382</u>	<u>966,799</u>
Bonds payable	20,000	45,000
Long-term loans payable	493,875	568,070
Liability for employees' retirement benefits	15,948	14,205
Reserve for repair work	21,009	25,926
Asset retirement obligations	44,201	49,241
Oil field premium liabilities	95,326	95,488
Other	166,020	168,866
Total liabilities	2,040,532	2,326,813

(Unit: ¥million)

Item	FY2012 (As of March 31, 2013)	3 rd Quarter of FY2013 (As of December 31, 2013)
(Net assets)		
<u>Shareholders' equity</u>	<u>511,148</u>	<u>545,268</u>
Common stock	108,606	108,606
Capital surplus	71,131	71,131
Retained earnings	331,529	365,655
Treasury stock	(118)	(124)
<u>Accumulated other comprehensive income</u>	<u>142,413</u>	<u>150,701</u>
Unrealized gains (losses) on available-for-sale securities	3,818	7,628
Deferred gains (losses) on hedging activities, net	(3,281)	(2,941)
Surplus from land revaluation	149,782	149,229
Foreign currency translation adjustments	(7,905)	(3,214)
<u>Minority interests in consolidated subsidiaries</u>	<u>34,386</u>	<u>38,581</u>
Total net assets	687,948	734,552
Total liabilities and net assets	2,728,480	3,061,365

(2) Consolidated Quarterly Statements of Income and Comprehensive Income

1) Consolidated Quarterly Statements of Income

(Unit: ¥million)

Item	3 rd Quarter of FY2012 (From April 1, 2012 to December 31, 2012)	3 rd Quarter of FY2013 (From April 1, 2013 to December 31, 2013)
Net sales	3,157,822	3,659,278
Cost of sales	2,916,331	3,383,814
Gross profit	241,491	275,464
Selling, general and administrative expenses	186,489	193,642
Operating income	55,001	81,821
Non-operating income	8,581	13,747
Interest income	1,132	1,261
Dividend income	2,912	3,714
Gain on foreign exchange, net	1,883	-
Equity in earnings of non-consolidated subsidiaries and affiliates, net	1,500	5,447
Other	1,152	3,323
Non-operating expenses	13,090	15,838
Interest expense	10,725	9,525
Loss on foreign exchange, net	-	3,926
Other	2,365	2,387
Ordinary income	50,492	79,730
Extraordinary income	1,131	24,617
Gain on sales of fixed assets	1,012	670
Insurance proceeds	-	20,630
Other	119	3,316
Extraordinary loss	5,900	19,711
Impairment loss on fixed assets	2,963	16,646
Loss on sales of fixed assets	382	175
Loss on disposals of fixed assets	1,347	1,941
Other	1,207	948
Income before income taxes and minority interests	45,723	84,636
Income taxes	26,293	37,136
Net income before minority interests	19,430	47,499
Minority interests	3,046	4,786
Net income	16,383	42,713

CONSOLIDATED BALANCE SHEET

[] and Consolidated Subsidiaries

As of March 31, 2013

Thousands of
U.S. dollars
(Note 1)

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2012	2013	2013
ASSETS			
Current assets:			
Cash and cash equivalents (Notes 2(F) and 18)	¥171,080	¥116,446	\$1,238,129
Notes and accounts receivable, trade (Note 8 and 18)	452,348	425,920	4,528,657
Inventories (Notes 2(H) and 4)	585,579	646,448	6,873,456
Accounts receivable, other	63,827	58,464	621,633
Short-term loans	5,360	3,555	37,800
Deferred tax assets (Note 15)	12,026	12,582	133,781
Derivative assets (Note 19)	168	905	9,629
Other	41,260	47,613	506,258
Less: Allowance for doubtful accounts	(1,092)	(719)	(7,653)
Total current assets	1,330,559	1,311,216	13,941,695
Property, plant and equipment (Notes 5, 7 and 17):			
Buildings and structures (Note 8)	128,074	132,449	1,408,293
Machinery and equipment (Note 8)	196,546	224,453	2,386,530
Land (Notes 6 and 8)	601,434	596,023	6,337,305
Construction in progress	29,287	38,157	405,715
Other	30,782	39,250	417,338
Total property, plant and equipment	986,125	1,030,335	10,955,183
Intangible fixed assets:			
Goodwill	32,027	36,780	391,077
Other	20,713	15,266	162,325
Total intangible fixed assets	52,741	52,047	553,403
Investments and other assets:			
Investments in securities (Notes 3, 8 and 18)	42,216	47,288	502,802
Investments in non-consolidated subsidiaries and affiliates (Notes 3 and 18)	97,213	102,985	1,095,005
Long-term loans (Note 18)	6,423	8,292	88,169
Guarantee deposits	15,705	14,394	153,053
Long-term prepaid expenses	14,247	16,314	173,466
Exploration and development expenditures	29,861	37,206	395,604
Deferred tax assets (Note 15)	17,536	14,756	156,898
Oil field premium assets (Note 2(T))	89,018	90,190	958,965
Other	888	3,776	40,149
Less: Allowance for doubtful accounts	(396)	(323)	(3,437)
Total investments and other assets	312,713	334,881	3,560,678

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2012	2013	2013
LIABILITIES AND EQUITY			
Current liabilities:			
Notes and accounts payable, trade (Note 18)	¥407,490	¥405,307	\$4,309,487
Short-term borrowings (Notes 8 and 18)	220,712	232,207	2,468,982
Commercial paper (Notes 8 and 18)	14,998	29,997	318,951
Current portion of long-term debt (Notes 8 and 18)	132,912	116,988	1,243,898
Accounts payable, other	273,369	278,029	2,956,191
Accrued expenses	30,575	26,220	278,794
Income taxes payable	25,429	26,782	284,772
Accrued bonuses to employees	8,244	6,635	70,553
Derivative liabilities (Note 19)	44	827	8,800
Deferred tax liabilities (Note 15)	6,677	9,998	106,308
Other (Note 8)	57,678	51,153	543,897
Total current liabilities	1,178,135	1,184,149	12,590,637
Long-term liabilities:			
Long-term debt (Notes 8 and 18)	547,303	513,875	5,463,852
Deferred tax liabilities (Note 15)	24,920	30,540	324,724
Deferred tax liability related to land revaluation (Notes 6 and 15)	104,291	103,459	1,100,051
Liability for employees' retirement benefits (Notes 2(S) and 9)	24,387	15,948	169,577
Reserve for repair work	25,064	21,009	223,391
Derivative liabilities (Note 19)	9,033	6,338	67,396
Oil field premium liabilities (Note 2(T))	92,473	95,326	1,013,572
Asset retirement obligations (Notes 2(M) and 10)	31,511	44,201	469,978
Other (Note 8)	30,504	25,682	273,068
Total long-term liabilities	889,490	856,382	9,105,613
Total liabilities	2,067,626	2,040,532	21,696,251
Contingent liabilities (Note 11)			
Equity (Note 12):			
Shareholders' equity:			
Common stock:	108,606	108,606	1,154,778
Authorized : 109,000,000 shares in 2013 and 2012			
Issued : 40,000,000 shares in 2013 and 2012			
Capital surplus	71,131	71,131	756,312
Retained earnings	288,762	331,529	3,525,034
Treasury stock, at cost, 10,283 shares and 10,413 shares at March 31, 2012 and 2013, respectively	(117)	(118)	(1,262)
Total shareholders' equity	468,382	511,148	5,434,862
Accumulated other comprehensive income:			
Surplus from land revaluation (Note 6)	151,432	149,782	1,592,585
Deferred gains (losses) on hedging activities, net (Note 19)	(5,876)	(3,281)	(34,895)
Unrealized gains (losses) on available-for-sale securities	843	3,818	40,599
Foreign currency translation adjustments	(28,205)	(7,905)	(84,059)
Total accumulated other comprehensive income	118,193	142,413	1,514,230
Minority interests in consolidated subsidiaries	27,936	34,386	365,616
Total equity	614,513	687,948	7,314,709
Total liabilities and equity	¥2,682,139	¥2,728,480	\$29,010,960

CONSOLIDATED STATEMENT OF INCOME

[] and Consolidated Subsidiaries

For the year ended March 31, 2013

Thousands of
U.S. dollars
(Note 1)

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2012	2013	2013
Net sales (Note 22)	¥4,310,348	¥4,374,696	\$46,514,582
Cost of sales (Note 4)	3,912,921	4,005,652	42,590,668
Gross profit	397,427	369,044	3,923,914
Selling, general and administrative expenses (Note 13)	259,349	258,359	2,747,046
Operating income (Note 22)	138,078	110,684	1,176,867
Non-operating income (expenses):			
Interest income	1,910	1,505	16,006
Gain (loss) on foreign exchange, net	(670)	2,253	23,965
Dividend income	4,264	5,213	55,429
Interest expense	(15,358)	(14,186)	(150,838)
Subsidy income	968	4,862	51,705
Impairment in value of investment securities	(412)	(0)	(2)
Gain on sales of tangible fixed assets, net	691	647	6,879
Equity in earnings (losses) of non-consolidated subsidiaries and affiliates, net	5,117	1,601	17,029
Impairment loss on fixed assets (Note 7)	(1,922)	(4,415)	(46,946)
Loss on disposals of tangible fixed assets	(3,844)	(3,112)	(33,091)
Business structure improvement expenses	(3,699)	—	—
Other, net	(2,583)	(3,703)	(39,373)
	(15,539)	(9,333)	(99,236)
Income before income taxes and minority interests	122,539	101,351	1,077,631
Income taxes – Current (Note 15)	41,846	43,213	459,472
– Deferred (Note 15)	12,395	3,963	42,141
Total income taxes	54,242	47,176	501,614
Net income before minority interests	68,297	54,174	576,017
Minority interests	(3,920)	(4,006)	(42,604)
Net income	¥64,376	¥50,167	\$533,412
Basic net income per share (in yen and dollars) (Note2(V) and 20)	¥1,609.83	¥1,254.51	\$13.33
Diluted net income per share (in yen and dollars) (Note2(V) and 20)	¥1,609.77	¥1,254.47	\$13.33
Weighted average number of shares of common stock (in thousands of shares)	39,989	39,989	