

## MIRA INFORM REPORT

Report No. :	524168
Report Date :	08.08.2018

### IDENTIFICATION DETAILS

Name :	TAJIMA INDUSTRIES LTD
Registered Office :	Tajima Bldg, 3-19-22 Shirakabe Higashiku Nagoya 461-0011
Country :	Japan
Financials (as on) :	28.02.2017
Date of Incorporation :	May 1970
Com. Reg. No.:	1800-01-017306
Legal Form :	Limited Company
Line of Business :	Export and wholesale of multi-head electronic embroidery machines & equipment.
No. of Employees :	54

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Maximum Credit Limit :	Yen 505.3 Million
Status :	Satisfactory
Payment Behaviour :	No Complaints
Litigation :	Clear

### NOTES:

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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 NAME AND ADDRESS**

### **TAJIMA INDUSTRIES LTD**

**REGD NAME:** Tajima Kogyo KK  
**MAIN OFFICE:** Tajima Bldg, 3-19-22 Shirakabe Higashiku Nagoya 461-0011 JAPAN  
Tel: 052-932-3811  
Fax: 052-932-3899  
**URL:** <http://www.tajimac.com>  
**E-Mail address:** (thru the URL)

## **ACTIVITIES**

Export, wholesale of multi-head electronic embroidery machines & equipment

## **BRANCHES**

Nagoya (Division Office)

## **OVERSEAS**

USA, China (--subsidiaries)  
(Sales agents) in 50 countries worldwide

## **OFFICERS**

HITOSHI TAJIMA, PRES	Hideki Tajima, s/mgn dir
Minoru Tominaga, mgn dir	Yoshinobu Nakamura, dir
Hitomi Tajima, dir	Ikumi Kojima, dir

Yen Amount: In million Yen, unless otherwise stated

## **SUMMARY**

FINANCES      FAIR                              A/SALES                              Yen 9,753 M

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PAYMENTS	NO COMPLAINTS	CAPITAL	Yen 65 M
TREND	SLOW	WORTH	Yen 12,404 M
STARTED	1970	EMPLOYES	54

## **COMMENT**

TRADING FIRM SPECIALIZING IN ELECTRONIC EMBROIDERY MACHINES.

FINANCIAL SITUATION CONSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

MAX CREDIT LIMIT: YEN 505.3 MILLION, 30 DAYS NORMAL TERMS

## **HIGHLIGHTS**

The subject company was established on the basis of a trading division separated from Tokai Industrial Sewing Machine Co Ltd. This is a trading firm specializing in export and wholesale of "Tajima" brand multi-head electronic embroidery machines & related equipment. Hitoshi Tajima took the pres office in May 1991. Exports to China, S/E Asia, other, with sales agents in 50 countries worldwide. Domestic clients include major sewing machine makers.

## **FINANCIAL INFORMATION**

The sales volume for Feb/2017 fiscal term amounted to Yen 9,753 million, a 13% fall from Yen 11,147 million in the previous term. The recurring profit was posted at Yen 61 million and the net profit at Yen 21 million, respectively, compared with Yen 381 million recurring profit and Yen 400 million net profit, respectively, a year ago.

For the term that ended Feb 2018 the recurring profit was projected at Yen 65 million and the net profit at Yen 25 million, respectively, on a 3% rise in turnover, to Yen 10,045 million. Final results are yet to be released.

The financial situation is considered FAIR and good for ORDINARY business engagements. Max credit limit is estimated at Yen 505.3 million, on 30 days normal terms.

## **REGISTRATION**

Date Registered:	May 1970
Regd No.:	1800-01-017306 (Nagoya-Higashiku)
Legal Status:	Limited Company (Kabushiki Kaisha)
Authorized:	524,000 shares
Issued:	131,000 shares
Sum:	Yen 65.5 million

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**Major shareholders (%)**: TIK Corp (30), Hitoshi Tajima (15), Employees' S/Holding Assn (10), other  
**No. of shareholders**: 15

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

## **OPERATION**

**Activities**: Exports and wholesales "Tajima" brand multi-head electronic embroidery machines & related equipment (--100%)

**Clients**: [Mfrs, wholesalers] Naka-Nihon Juki Co, Yokoyama Tokushu Machine Co, Seiken Co, other  
Exports to about 100 countries worldwide thru sales agents  
**No. of accounts**: 200  
Domestic areas of activities: Nationwide

**Suppliers**: [Mfrs, wholesalers] Tokai Industrial Sewing Machine Co (98%), Pulse Microsystems (1%), other

**Payment record**: No Complaints

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

### **Bank References:**

Chukyo Bank (Daikancho)  
MUFG (Higashi)  
Relations: Satisfactory

## **FINANCES**

(In Million Yen)

Terms Ending:	28/02/2018	28/02/2017	29/02/2016	28/02/2015
Annual Sales	10,045	9,753	11,147	11,197
Recur. Profit	65	61	381	650
Net Profit	25	21	400	465
Total Assets		14,384	14,853	14,676
Net Worth		12,404	12,395	12,008
Capital, Paid-Up		65	65	65
Div.P.Share(¥)		0.00	0.00	0.00
<b>&lt;Analytical Data&gt;</b>	(%)	(%)	(%)	(%)
S.Growth Rate	2.99	-12.51	-0.45	31.76

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***TAJIMA INDUSTRIES LTD - 524168***

***PAGE NO. : 7***

Current Ratio		..	..	..
N.Worth Ratio		86.23	83.45	81.82
N.Profit/Sales	0.25	0.22	3.59	4.15

**Notes:** Forecast (or estimated) figures for the 28/02/2018 fiscal term.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.80
UK Pound	1	INR 89.14
Euro	1	INR 79.56
Yen	1	INR 0.62

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

**INFORMATION DETAILS**

Analysis Done by :	PRA
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)