

## MIRA INFORM REPORT

Report No. :	524127
Report Date :	08.08.2018

### IDENTIFICATION DETAILS

Name :	UBE MACHINERY CORPORATION LTD
Registered Office :	1980 Okinoyama Kogushi Ube City Yamaguchi-Pref 755-8633
Country :	Japan
Financials (as on) :	31.03.2017
Date of Incorporation :	September 1999
Com. Reg. No.:	2500-01-003050
Legal Form :	Limited Company
Line of Business :	Manufactures industrial machinery: die casting machines (58%), injection molding, extrusion press, vertical mill, kiln (25%), bulk handling machines, water screening equipment, bridges, floodgate, steel structure, other (7%), other industrial equipment (10%)
No. of Employees :	1,006

### 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+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

#### NOTES :

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto: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 - 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 second country to ratify the TPP in December 2016; the United States signaled its withdrawal from the TPP on January 23, 2017, and as of April 2017 the agreement has not gone into effect.

Source : CIA

## **COMPANY NAME AND ADDRESS**

### **UBE MACHINERY CORPORATION LTD**

**REGD NAME:** Ube Kosan Kikai KK  
**MAIN OFFICE:** 1980 Okinoyama Kogushi Ube City Yamaguchi-Pref 755-8633 JAPAN  
Tel: 0836-22-0072 Fax: 0836-22-6457

**URL:** <http://www.ubemachinery.co.jp>  
**E-Mail address:** (thru the URL)

**ACTIVITIES:** Mfg of industrial machinery  
**BRANCHES:** Tokyo, Omiya, Shizuoka, Nagoya, Osaka (2), Hiroshima, Okinawa (Tot 17)  
**OVERSEAS:** Korea, Taiwan, China, USA, Mexico, Thailand, India, Germany, Brazil  
**FACTORIES:** At the caption address

**OFFICERS:** YUKIO HISATSUGU, PRES Tokuhisa Okada, ch  
Tetsumi Shirabe, mgn dir Shin'ichi Furuta, mgn dir  
Hiroaki Furuya, mgn dir Hironori Miyauchi, dir

**Yen Amount:** In million Yen, unless otherwise stated

## **SUMMARY**

FINANCES	FAIR	A/SALES	Yen 40,666 M
PAYMENTS	REGULAR	CAPITAL	Yen 6,700 M
TREND	SLOW	WORTH	Yen 36,107 M
STARTED	1999	EMPLOYES	1,006

## **COMMENT**

MFR OF INDUSTRIAL MACHINERY, OWNED BY UBE INDUSTRIE LTD. FINANCIAL SITUATION CONSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

## **HIGHLIGHTS**

The subject company was established on the basis of a division separated from Ube Industries Ltd (See **REGISTRATION**). This is a specialized mfr of industrial machinery: die casting machine, injection molding, extrusion press, other (See **OPERATION**). In 2012 went into mfg tie-up of die casting machines with Toyo Machinery & Metal Co Ltd. In Oct 2013 merged into a sister company, Ube Techno End Co. Clients include major car makers, government agencies, other

## **FINANCIAL INFORMATION**

The sales volume for Mar/2017 fiscal term amounted to Yen 40,666 million, a 10% fall from Yen 45,077 million in the previous term. The recurring profit was posted at Yen 3,637 million and the net profit at Yen 2,715 million, respectively, compared with Yen 3,476 million recurring profit and yen 2,279 million net profit, respectively, a year ago.

For the current term ending Mar 2018 the recurring profit is projected at Yen 3,700 million and the net profit at Yen 2,800 million, respectively, on a 3% rise in turnover, to Yen 41,900 million. Final results are yet to be released.

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

## **REGISTRATION**

**Date Registered:** Sept 1999  
**Regd No.:** 2500-01-003050 (Yamaguchi-Ube)  
**Legal Status:** Limited Company (Kabushiki Kaisha)  
**Authorized:** 88,000 shares  
**Issued:** 22,000 shares  
**Sum:** Yen 6,700 million  
**Major shareholders (%):** Ube Industries Ltd\* (100)

\*.. Diversified mfr of chemicals & cement, Tokyo, founded 1942, listed Tokyo S/E, capital Yen 58,435 million, sales Yen 616,563 million, operating profit Yen 34,960 million, recurring profit Yen 33,348 million, net profit Yen 24,185 million, total assets Yen 722,314 million, net worth Yen 300,614 million, employees 10,998, pres Yuzuru Yamamoto

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

## **OPERATION**

**Activities:** Manufactures industrial machinery: die casting machines (58%), injection molding, extrusion press, vertical mill, kiln (25%), bulk handling machines, water screening equipment, bridges, floodgate, steel structure, other (7%), other industrial equipment (10%)

**Clients:** Auto makers, aluminum makers, Government agencies, local governments, cement makers, electric powers, other  
Exports to overseas makers.  
No. of accounts: 500  
Domestic areas of activities: Nationwide

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**Suppliers:** [Mfrs, wholesalers] Ube Steel, TU Electronics, Nippon Steel & Sumikin Metal Corp, Metso Minerals Inc, JFE Steel, Yokoyama Haguruma, Fuji Conveyor, other

**Payment Record:** Regular

**Location:** Business area in Ube City, Yamaguchi-Pref. Office premises at the caption address are owned and maintained satisfactorily.

**Bank References:**

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

**FINANCES**

(In Million Yen) Terms Ending:	31/03/2018	31/03/2017	31/03/2016	31/03/2015
Annual Sales	41,900	40,666	45,077	47,564
Recur. Profit	3,700	3,637	3,476	4,011
Net Profit	2,800	2,715	2,279	2,683
Total Assets		57,252	50,166	49,784
Net Worth		36,107	34,319	33,291
Capital, Paid-Up		6,700	6,700	6,700
Div.Ttl in Million (¥)		1,142	1,344	2,533
<b>&lt;Analytical Data&gt;</b>	(%)	(%)	(%)	(%)
S.Growth Rate	3.03	-9.79	-5.23	24.20
Current Ratio		..	..	..
N.Worth Ratio		63.07	68.41	66.87
N.Profit/Sales	6.68	6.68	5.06	5.64

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.80
UK Pound	1	INR 89.14
Euro	1	INR 79.55
YEN	1	INR 0.62

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

**INFORMATION DETAILS**

Analysis Done by :	VIV
Report Prepared by :	TPT

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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)