

MIRA INFORM REPORT

Report No. :	526995
Report Date :	25.08.2018

IDENTIFICATION DETAILS

Name :	SHIMADZU CORPORATION
Registered Office :	1 Nishinokyo-Kuharacho Nakagyoku Kyoto 604-8442
Country :	Japan
Financials (as on) :	31.03.2018
Date of Incorporation :	September 1917
Com. Reg. No.:	1300-01-021068 (Kyoto-Nakagyoku)
Legal Form :	Limited Company (Kabushiki Kaisha)
Line of Business :	Manufacturing of Precision Equipment
No. of Employees :	3,279

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+	Low Risk	Business dealings permissible with low risk of default

Maximum Credit Limit :	Yen 14,508.4 Million
Status :	Good
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 (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

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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 & ADDRESS

SHIMADZU CORPORATION

REGD NAME: Shimadzu Seisakusho KK
MAIN OFFICE: 1 Nishinokyo-Kuharacho Nakagyoku Kyoto 604-8442 JAPAN
Tel: 075-823-1111 Fax: 075-822-0709 -

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

ACTIVITIES: Mfg of precision equipment
BRANCHES: Kyoto, Kanagawa, Shiga, Tokyo, other (Tot 19)
OVERSEAS: USA (8), China (11), Europe, Mid East, Africa, Oceania, other
FACTORIES: At the caption address (Tot 5); USA, other overseas factories

OFFICERS: TERUHISA UEDA, PRES Akira Nakamoto, ch
Hiroshi Fujino, s/mgn dir Yasuo Miura, s/mgn dir
Koji Furusawam s/mgn dir Minoru Sawaguchi, dir

Yen Amount: In million Yen, unless otherwise stated

SUMMARY

FINANCES	FAIR	A/SALES	Yen 376,530 M
PAYMENTS	REGULAR	CAPITAL	Yen 26,648 M
TREND	UP	WORTH	Yen 267,697 M
STARTED	1917	EMPLOYES	3,279

COMMENT: MFR OF PRECISION EQUIPMENT FINANCIAL SITUATION COSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

MAX CREDIT LIMIT: YEN 14,508.4 MILLION, 30 DAYS NORMAL TERMS

HIGHLIGHTS

This is a time-honored mfr of general precision equipment. The mainstays are analysis equipment & measuring equipment, including chromatographs (separating & analyzing chemical mixtures) and mass spectrometers for protein analysis. Also mfrs medical image diagnostic equipment such as digital X-ray systems, industrial equipment such as LCD TFT array inspection equipment and solar battery manufacturing-use deposition equipment, as well as aircraft equipment including head-up displays. Well-known for R&D capabilities as shown in the fact that the company's employee & researcher, Koichi Tanaka, won the Nobel Prize in Chemistry in 2002.

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FINANCIAL INFORMATION

The sales volume for Mar/2018 fiscal term amounted to Yen 376,530 million, a 9.94% up from Yen 342,479 million in the previous term. The recurring profit was posted at Yen 41,871 million and the net profit at Yen 29,838 million, respectively, compared with Yen 37,039 million recurring profit and Yen 26,473 million net profit, respectively, a year ago.

For the current term ending Mar 2019 the recurring profit is projected at Yen 44,000 million and the net profit at Yen 32,000 million, respectively, on a 3.58% rise in turnover, to Yen 390,000 million. Sales of mass spectrometers will rise.

The financial situation is considered FAIR and good for ORDINARY business engagements. Max credit limit is estimated at Yen 14,508.4 million, on 30 days normal terms.

REGISTRATION

Date Registered: Sept 1917
Regd No.: 1300-01-021068 (Kyoto-Nakagyoku)
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 800 million shares
Issued: 296,070,227 shares
Sum: Yen 26,648 million

Major shareholders (%): Meiji Yasuda Life Ins (7.0), Master Trust Bank of Japan T (6.0), Japan Trustee Services T (4.7), Taiyo Life Ins (2.5), MUFG (2.5), Japan Trustee Services T9 (2.2), Tokio Marine & Nichido Fire Ins (2.1), Zenkyoren (2.0), Bank of Kyoto (1.6), State Street Bank West Treaty (1.5); foreign owners (32.5)

No. of shareholders: 24,186

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

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

Related companies: Shimadzu Techno Service, Shimadzu Rika Corp, other.

OPERATION

Activities: Manufactures precision instruments & equipment: measuring equipment (61%), medical equipment (18%), aircraft equipment (7%), industrial equipment (12%), others (2%)

Overseas Sales Ratio (50%)

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Clients: [Mfrs, wholesalers] Defense Ministry, Mitsubishi Heavy Ind, Takeda Rika Kogyo, Shimane Shimadzu, Fuji Koei, other
No. of accounts: 1,000
Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Shimadzu Precision Technology, J-Com, Seamens Japan, Shimane Shimadzu, other

Payment record: Regular

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

Bank References:
MUFG (Kyoto-Chuo)
Bank of Kyoto (H/O)
Relations: Satisfactory

FINANCES

(In Million Yen)

Terms Ending:	31/03/2019	31/03/2018	31/03/2017	31/03/2016
Annual Sales	390,000	376,530	342,479	342,236
Recur. Profit	44,000	41,871	37,039	34,840
Net Profit	32,000	29,838	26,473	23,899
Total Assets		419,764	375,754	350,398
Net Worth		267,697	241,332	219,694
Capital, Paid-Up		26,648	26,648	26,648
Div.P.Share(¥)		24.00	20.00	18.00
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	3.58	9.94	0.07	8.75
Current Ratio	
N.Worth Ratio		63.77	64.23	62.70
N.Profit/Sales	8.21	7.92	7.73	6.98

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.14
UK Pound	1	INR 89.97
Euro	1	INR 81.17
YEN	1	INR 0.63

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

INFORMATION DETAILS

Analysis Done by :	DIV
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)