

MIRA INFORM REPORT

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| Report No. : | 526599 |
| Report Date : | 29.08.2018 |

IDENTIFICATION DETAILS

| | |
|--------------------------------|---|
| Name : | JMS CO LTD |
| Registered Office : | 12-17 Kakomachi Nakaku Hiroshima 730-8652 |
| Country : | Japan |
| Financials (as on) : | 31.03.2018 |
| Date of Incorporation : | June 1965 |
| Com. Reg. No.: | 2400-01-004384 |
| Legal Form : | Limited Company |
| Line of Business : | Manufactures, imports, exports and wholesales disposable medical supplies: infusion & transmission sets, dialysis, cardiovascular, transfusion, others. |
| No. of Employees : | 1,621 |

RATING & COMMENTS

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

MIRA's Rating : A

| Credit Rating | Explanation | Rating Comments |
|---------------|-----------------|---|
| A | Acceptable Risk | Business dealings permissible with moderate risk of default |

| | |
|----------------------------|---------|
| Status : | Good |
| Payment Behaviour : | Regular |
| Litigation : | Clear |

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NOTES :

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 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

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COMPANY SUMMERY

JMS CO LTD

REGD NAME: KK JMS

MAIN OFFICE: 12-17 Kakomachi Nakaku Hiroshima 730-8652 JAPAN

Tel: 082-243-5844 Fax: 082-243-5997

URL: <http://www.hello-ims.co.jp/>

E-Mail address: info@ims.co.jp

ACTIVITIES: Mfg of disposable medical appliances & supplies; artificial kidney

BRANCHES: Tokyo, Hiroshima, other (Tot 31)

OVERSEAS: Singapore, China, Korea, Indonesia, Philippines, USA, Germany (--subsidiaries)

FACTORIES: Hiroshima (3), Izumo (Shimane)

OFFICERS: HIROAKI OKUKUBO, PRES Yasuhiro Awane, mgn dir
Jun Kunitomi, dir Shigemi Morikawa, dir
Masafum Sato, dir Ryuji Katsura, dir

Yen Amount: In million Yen, unless otherwise stated

| | | | | |
|-----------------|----------|---------|----------|--------------|
| SUMMARY: | FINANCES | FAIR | A/SALES | Yen 56,520 M |
| | PAYMENTS | REGULAR | CAPITAL | Yen 7,411 M |
| | TREND | SLOW | WORTH | Yen 31,422 M |
| | STARTED | 1965 | EMPLOYES | 1,621 |

COMMENT

MFR OF DISPOSABLE MEDICAL SUPPLIES.

FINANCIAL SITUATION COSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

HIGHLIGHTS

The subject company is a leading mfr of disposable medical appliances, established by Dr Tsuchiya, former chairman. Strong in transfusion fluid systems and artificial kidneys. Handles medical peripherals, too, including sales of PC software. Operates 3 overseas branches & 7 overseas subsidiaries. Began production of prefilled syringes in a joint venture with Otsuka Pharmaceutical Factory Inc in 2006. Entered into a capital alliance with Kaneko Corp in 2007, and collaborates in development & sales. Focuses on the prevention of in-hospital infections & medical accidents. Products are exported mainly to Asian countries.

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FINANCIAL INFORMATION

The sales volume for Mar/2018 fiscal term amounted to Yen 56,520 million, a 1.70% fall from Yen 55,574 million in the previous term. The recurring profit was posted at Yen 820 million and the net profit at Yen 631 million, respectively, compared with Yen 1,451 million recurring profit and Yen 1,182 million net, respectively, a year ago.

For the current term ending Mar 2019 the recurring profit is projected at Yen 1,200 million and the net profit at Yen 800 million, on a 2.62% rise in turnover, to Yen 58,000 million.

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

REGISTRATION

Date Registered: Jun 1965
Regd No.: 2400-01-004384 (Hiroshima-Nakaku)
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 100 million shares
Issued: 49,466,932 shares
Sum: Yen 7,411 million

Major shareholders (%): Kaneka Corp (10.0), Tsuchiya Memorial Medical Foundation (7.6), Saeko Tsuchiya (4.0), Sanjukai (4.0), Hiroshima Bank (3.6), Dai-ichi Life Ins (3.4), Oshimo Sangyo (2.3), Company's Kyoeikai Assn (2.0), Nishikawa Rubber (1.4); foreign owners (7.0)

No. of shareholders: 3,769

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

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

Related companies: JMS Singapore, Dalian Medical Supply Co, other

OPERATION

Activities: Manufactures, imports, exports and wholesales disposable medical supplies: infusion & transmission sets (41%), dialysis (32%), cardiovascular (8%), transfusion (17%), others (2%)

Overseas Sales Ratio (35%)

Clients: [Mfrs, wholesalers] Suzuken Co, Sanshodo Co, Alfresa Corp, ASTEM Inc, Nagoya I-Rika Shokai, Yagami Mfg, other.

No. of accounts: 1,000

Domestic areas of activities: Nationwide

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Suppliers: [Mfrs, wholesalers] JMS Singapore Pte, Sanko Dengyo, Sumitomo Corp, Golden State Medical Supply, Med-Tech Inc, Ansell Healthcare Japan, other.
Imports from China & other overseas subsidiaries

Payment record: Regular

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

Bank References:

Hiroshima Bank (H/O)
Momiji Bank (H/O)
Relations: Satisfactory

FINANCES

| (In Million Yen) | 31/03/2019 | 31/03/2018 | 31/03/2017 | 31/03/2016 |
|--------------------------------|------------|------------|------------|------------|
| Annual Sales | 58,000 | 56,520 | 55,574 | 57,636 |
| Recur. Profit | 1,200 | 820 | 1,451 | 1,252 |
| Net Profit | 800 | 631 | 1,182 | 754 |
| Total Assets | | 67,727 | 65,681 | 65,174 |
| Net Worth | | 31,422 | 30,931 | 30,790 |
| Capital, Paid-Up | | 7,411 | 7,411 | 7,411 |
| Div.P.Share(¥) | | 16.00 | 8.00 | 10.00 |
| <Analytical Data> | (%) | (%) | (%) | (%) |
| S.Growth Rate | 2.62 | 1.70 | -3.58 | 4.03 |
| Current Ratio | | .. | .. | .. |
| N.Worth Ratio | | 46.40 | 47.09 | 47.24 |
| N.Profit/Sales | 1.38 | 1.12 | 2.13 | 1.31 |

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

FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | INR 70.17 |
| UK Pound | 1 | INR 90.33 |
| Euro | 1 | INR 81.93 |
| YEN | 1 | INR 0.63 |

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

INFORMATION DETAILS

| | |
|----------------------|-----|
| Analysis Done by : | NIS |
| Report Prepared by : | TRU |

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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)