

## MIRA INFORM REPORT

Report No. :	484364
Report Date :	03.01.2018

### IDENTIFICATION DETAILS

Name :	TOSHIBA CORPORATION
Registered Office :	Toshiba Bldg, 1-1-1 Shibaura Minatoku Tokyo 105-8001
Country :	Japan
Financials (as on) :	31.03.2017
Date of Incorporation :	June, 1904
Com. Reg. No.:	0104-01-044997 (Tokyo-Minatoku)
Legal Form :	Limited Company (Kabushiki Kaisha)
Line of Business :	Manufacturer of Digital Products, Electronic Devices, Home Appliances.
No. of Employees :	23,467

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

<b>Status :</b>	Moderate
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<b>Payment Behaviour :</b>	No Complaints
<b>Litigation :</b>	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.

**ECGC Country Risk Classification List**

Country Name	Previous Rating (30.06.2017)	Current Rating (30.09.2017)
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 2016 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**

### **TOSHIBA CORPORATION**

**REGD NAME:** KK Toshiba

**MAIN OFFICE:** Toshiba Bldg, 1-1-1 Shibaura Minatoku Tokyo 105-8001 JAPAN  
Tel: 03-3457-4511 Fax: 03-3456-1632

**\*.. The given address is its Kanagawa Office**

**URL:** <http://www.toshiba.co.jp>  
**E-Mail address:** [info@toshiba.co.jp](mailto:info@toshiba.co.jp)

## **ACTIVITIES**

Mfg of digital products, electronic devices, home appliances

## **BRANCHES**

Sapporo, Sendai, Chiba, Yokohama, Nagoya, Osaka, Hiroshima, other (Tot 32)

## **OVERSEAS**

Asia/Pacific (69), Europe/Mid East/Africa (46), North & South America (31)

## **FACTORIES**

Fuchu, Ohme, Oita, Kawasaki, Himeji, Saitama, other (Tot 9)

## **OFFICERS**

SATOSHI TSUNAKAWA, PRES  
Masayoshi Hirata, s/mgn dir  
Akiko Noda, dir

Shin'ichiro Akiba, v pres  
Naoya Sakurai, mgn dir  
Koichi Ikeda, dir

Yen Amount:

In million Yen, unless otherwise stated

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## **SUMMARY**

FINANCES	FAIR	A/SALES	Yen 4,870,773 M
PAYMENTS	REGULAR	CAPITAL	Yen 200,000 M
TREND	SLOW	WORTH	Yen (-) 352,947 M
STARTED	1904	EMPLOYEES	23,467

## **COMMENT**

ELECTRIC MACHINERY PRODUCER.

FINANCIAL SITUATION CONSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

## **HIGHLIGHTS**

This is one of the largest comprehensive electrical machinery mfrs, with NAND flash memory devices & social infrastructure systems as mainline. Also strong in heavy electric machinery, and note-type personal computers. Has con sub Westing House (US). Maintains many technological tie-ups with foreign firms. Top ranked in semiconductors and digital equipment in Japan and leading producer of note-type PC's. Improper accounting was found in the spring of 2015, and the delay in reform of the business foundation after the Lehman Brothers crisis was surfaced. Accordingly, urged to implement thorough restructuring such as withdrawal from unprofitable businesses and staff cuts of 10 thousand people both I Japan and overseas. Cost overruns were surfaced in the construction projects of N-power plants in the US, and the company posted a huge deficit also in the March 2017 term to have excessive liabilities. Aiming to recover by selling the memory business, the main profit-earner.

## **FINANCIAL INFORMATION**

The sales volume for Mar/2017 fiscal term was amounted to Yen 4,870,773 million, a 14.08% fall from Yen 5,668,688 million in the previous term. The recurring profit was posted at Yen 225,531 million while the net losses at Yen 965,661 million, respectively, compared with Yen 633,145 million recurring loss and Yen 460,013 million net losses, respectively, a year ago.

For the current term ending Mar 2018 the recurring profit is projected at Yen 400,000 million and the net profit at Yen 110,000 million, respectively, on a 0.6% rise in turnover, to Yen 4,900,000 million.

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

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## **REGISTRATION**

**Date Registered:** Jun 1904  
**Regd No.:** 0104-01-044997 (Tokyo-Minatoku)  
**Legal Status:** Limited Company (Kabushiki Kaisha)  
**Authorized:** 10,000 million shares  
**Issued:** 4,237,602,026 shares  
**Sum:** Yen 200,000 million

**Major shareholders (%):** Goldman Sacks International (8.8), Goldman Sachs (Regular acct) (7.9), Barclay Capital (5.8), JP Morgan Chase Bank 380055 (5.2), other; foreign owners (58.3)

**No. of shareholders:** 245,544

**Listed on the S/Exchange (s) of:** Tokyo, Nagoya (both second sections)

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

**Related companies:** Toshiba Plant System, Toshiba Tec, other

## **OPERATION**

**Activities:** Manufactures comprehensive electric machinery (sales breakdown by divisions): Energy & infrastructure (28%), community solutions (19%), health care (6%), electronic devices & components (24%), lifestyle (16%), others (7%)

**Overseas Sales Ratio (54%).**

**Clients:** [Electric powers, wholesalers] Tokyo Electric Power, Tohoku Electric Power, Chubu Electric Power, Toshiba America Information Systems, Toshiba Digital Media Network, Toshiba System Europe, other

No. of accounts: 1,000

Domestic areas of activities: Nationwide

**Suppliers:** [Mfrs, wholesalers] Toshiba Information Equipment Philippines, Iwate Toshiba Electronics, Intel, Toshiba LSI Package Solution, Toshiba Media Equipment, Toshiba Taiwan, Toshiba Plant System, Toshiba Lease, other.

**Payment record:** No Complaints

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

**Bank References:**

SMBC (H/O)

Mizuho Bank (H/O)

Relations: Satisfactory

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## **FINANCES**

Terms Ending:	31/03/2018	31/03/2017	31/03/2016	31/03/2015
Annual Sales	4,900,000	4,870,773	5,668,688	6,654,895
Recur. Profit	400,000	225,531	-633,145	136,644
Net Profit	-110,000	-965,663	-460,013	-37,825
Total Assets		4,269,513	5,433,341	6,334,778
Current Assets		2,736,293	3,458,585	3,338,406
Current Liabs		2,718,403	3,072,009	2,910,868
Net Worth		-552,947	328,874	1,083,996
Capital, Paid-Up		200,000	200,000	200,000
Div.Ttl in Million (¥)		0.00	0.00	37,262
<b>&lt;Analytical Data&gt;</b>	(%)	(%)	(%)	(%)
S.Growth Rate	0.60	-14.08	-14.82	16.30
Current Ratio	..	100.66	112.58	114.69
N.Worth Ratio	..	-12.95	6.05	17.11
R.Profit/Sales	8.16	4.63	-11.17	2.05
N.Profit/Sales	-2.24	-19.83	-8.11	-0.57
Return On Equity	..	..	-139.88	-3.49

**Note:** Forecast (or estimated) figures for the 31/03/2018 fiscal term

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 63.67
UK Pound	1	INR 86.11
Euro	1	INR 76.59
Yen	1	INR 0.57

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

**INFORMATION DETAILS**

Analysis Done by :	PRA
Report Prepared by :	NIT

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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)

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