

MIRA INFORM REPORT

Report No. :	484830
Report Date :	06.01.2018

IDENTIFICATION DETAILS

Name :	OILES CORPORATION
Registered Office :	1-2-70 Konan Minatoku Tokyo
Country :	Japan
Financials (as on) :	31.03.2017
Date of Incorporation :	March, 1952
Com. Reg. No.:	0104-01-006049 (Tokyo-Minatoku)
Legal Form :	Limited Company (Kabushiki Kaisha)
Line of Business :	Manufacturer of Bearings.
No. of Employees :	782

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

Status :	Good
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Payment Behaviour :	Regular
Litigation :	Clear

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 (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

OILES CORPORATION

REGD NAME: Oiles Kogyo KK

MAIN OFFICE: 8 Kiriharacho Fujisawa City Kanagawa-Pref 252-0811 JAPAN
Tel: 0466-44-4901 Fax: 0466-44-4953

***.. Registered at: 1-2-70 Konan Minatoku Tokyo**

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

ACTIVITIES

Mfg of bearings

BRANCHES

17 locations nationwide

OVERSEAS

USA, Europe, Asia, China, other (--subsidiaries)

FACTORIES

Fujisawa, Ritto, Ashikaga, Nakatsu (Tot 4); India, USA, Thailand, Czech, China, other

OFFICERS

MASAMI IIDA, PRES	Toshio Okayama, ch
Takashi Maeda, advisor	Hiroshi Suda, dir
Kazuharu Tanabe, dir	Kiyoshi Kawasaki, dir

Yen Amount: In million Yen, unless otherwise stated

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SUMMARY

FINANCES	FAIR	A/SALES	Yen 56,893 M
PAYMENTS	REGULAR	CAPITAL	Yen 8,585 M
TREND	SLOW	WORTH	Yen 54,776 M
STARTED	1952	EMPLOYES	782

COMMENT

MFR OF OIL-LESS BEARINGS
FINANCIAL SITUATION COSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

HIGHLIGHTS

This is oil-less bearing mfr with 50% domestic market share. Also makes structural equipment, with anti-seismic systems making up majority of domestic share. R&D oriented firm holding many patents licensed at home and abroad. Active in expanding orders for seismic isolation systems. Overseas production centers established in the US, Thailand, Czech and China. Its plant in India started operation in 2013. Deals with a wide lineups, from compact products for OA equipment to large products for automobiles and construction machinery. More than 60% of bearings are delivered to the automobile industry. Its subsidiary deals with ventilation and air conditioning systems for buildings. Has its proprietary technology with many patents. Good financial standing.

FINANCIAL INFORMATION

The sales volume for Mar/2017 fiscal term amounted to Yen 56,893 million, a 5.31% down from Yen 60,083 million in the previous term. The recurring profit was posted at Yen 4,601 million and the net profit at Yen 1,466 million, respectively, compared with Yen 5,034 million recurring profit and Yen 4,927 million net profit, respectively, a year ago.

For the current term ending Mar 2018 the recurring profit is projected at Yen 4,900 million and the net profit at Yen 3,300 million, respectively, on a 4.53% rise in turnover, to Yen 59,500 million.

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

REGISTRATION

Date Registered: Mar 1952

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Regd No.: 0104-01-006049 (Tokyo-Minatoku)
Listed company: Tokyo S/E
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 153,200,000 shares
Issued: 36,300,505 shares
Sum: Yen 8,585 million

Major shareholders (%): TYO Sm. & Med Business Inv. & Cons. (8.6), Company's Treasury Stock (8.0), Master Trust Bank of Japan T (3.8), Mizuho Bank (3.4), Japan Trustee Services T (3.2), Nippon Life Ins (2.8), Keisuke Kawasaki (2.4), Northern Trust (AVFC) Re NV101 (2.3), Keita Kawasaki (2.1), Oiles Higashinohon Kyoeikai (2.0); foreign owners (16.7)

No. of shareholders: 7,749

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

Related companies: Oiles ECO, Oiles America Corp, Taihei Co, other.

OPERATION

Activities: Manufactures bearing equipment (76%), structural equipment (12%), construction equipment (10%), others (2%)

Overseas Sales Ratio (37%)

Clients: [Mfrs, wholesalers] Shimizu Corp, JTEKT, Taihei Co, Oiles East Japan Hambai, Oiles West Japan Hambai, Sho-Bond Corp, Toda Corp, IHI Infra System, other

No. of accounts: 500

Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Nagase Plastics, Bridgestone Corp, Nitto Kako, Sakyo Kasei Corp, other

Payment record: Regular

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

Bank References:

MUFG (Toranomom)

Mizuho Bank (Tokyo)

Relations: Satisfactory

FINANCES

(In Million Yen)

Terms Ending:	31/03/2018	31/03/2017	31/03/2016	31/03/2015
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Annual Sales	59,500	56,893	60,083	61,897
Recur. Profit	4,900	4,601	5,054	6,637
Net Profit	3,300	1,466	4,927	4,300
Total Assets		69,110	70,882	75,322
Current Assets		43,559	42,389	40,963
Current Liabs		10,499	10,160	11,290
Net Worth		54,776	56,303	58,737
Capital, Paid-Up		8,585	8,585	8,585
Div.Ttl in Million (₹)		1,599	1,674	1,563
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	4.58	-5.31	-2.93	4.24
Current Ratio	..	414.89	417.21	362.83
N.Worth Ratio	..	79.26	79.43	77.98
R.Profit/Sales	8.24	8.09	8.41	10.72
N.Profit/Sales	5.55	2.58	8.20	6.95
Return On Equity	..	2.68	8.75	7.32

Notes: Forecast (or estimated) figures for the 31/03/2018 fiscal term.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 63.38
UK Pound	1	INR 86.02
Euro	1	INR 76.50
Yen	1	INR 0.56

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

INFORMATION DETAILS

Analysis Done by :	NIS
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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