

## MIRA INFORM REPORT

Report No. :	518051
Report Date :	02.07.2018

### IDENTIFICATION DETAILS

Name :	TSUDAKOMA CORPORATION
Registered Office :	5-18-18 Nomachi Kanazawa Ishikawa-Pref 921-8650
Country :	Japan
Financials (as on) :	30.11.2017
Date of Incorporation :	December 1939
Com. Reg. No.:	2200-01-004330
Legal Form :	Limited Company
Line of Business :	Manufactures textile machinery: air jet looms, water jet looms, conversion kits, rapier looms, doffing systems, filament sizing machines, preparatory machinery, part stock information, product data download, others; machine tools & attachments
No. of Employees :	949

### RATING & COMMENTS

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

**MIRA's Rating :** A+

Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

### NOTES :

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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 - 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

## **COMPANY SUMMARY**

### **TSUDAKOMA CORPORATION**

**REGD NAME:** Tsudakoma Kogyo KK  
**MAIN OFFICE:** 5-18-18 Nomachi Kanazawa Ishikawa-Pref 921-8650 JAPAN  
Tel: 076-242-1111 Fax: 076-242-4172

**URL:** <http://www.tsudakoma.co.jp/>  
**E-Mail address:** info1@tsudakoma.co.jp

**ACTIVITIES:** Mfg of textile machinery, machine tools  
**BRANCHES:** Hamamatsu, Fukuoka  
**OVERSEAS:** USA, France, Germany, Italy, Spain, Sweden, Indonesia, Thailand, Pakistan, India, Brazil, China & Korea (--agent dealers)  
**FACTORIES:** At the caption address, other (Tot 3)

**OFFICERS:** NOBUHIRO TAKANO, PRES Shoji Hishinuma, ch  
Hiroyuki Matsuhito, mgn dir Mitsuru Suwa, dir  
Shigeo Yamada, dir Koji Kitano, dir

Yen Amount: In million Yen, unless otherwise stated

<b>SUMMARY:</b>	FINANCES	FAIR	A/SALES	Yen 39,686 M
	PAYMENTS	REGULAR	CAPITAL	Yen 12,316 M
	TREND	UP	WORTH	Yen 13,320 M
	STARTED	1939	EMPLOYES	949

## **COMMENT**

MFR SPECIALIZING IN TEXTILE MACHINERY.

FINANCIAL SITUATION CONSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

## **HIGHLIGHTS**

The subject company was established originally in 1909 by Komajiro Tsuda for mfg silk & artificial silk loom, on his account. Incorporated in 1939 as Tsudakoma Ind Co and the firm has been succeeded by his descendants. Renamed as captioned in 1982. Nobuhiro Takano took the pres office in Feb 2015. This is the largest comprehensive mfr of textile machines. Now world's largest maker of water/air jet looms. Branching out into machine tools including rotary tables for MC's. Highly reliant on exports including those to China. Fostering laminating machines for carbon fiber composite materials. Its main competitor is Toyota Industries Corp, (with which the company has a JV for preparatory machinery.)

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## **FINANCIAL INFORMATION**

The sales volume for Nov/2017 fiscal term amounted to Yen 39,686 million, a 2.1% up from Yen 38,870 million in the previous term. The recurring profit was posted at Yen 356 million and the net profit at Yen 183 million, respectively, compared with Yen 584 million recurring profit and Yen 437 million net profit, respectively, a year ago

For the current term ending Nov 2018 the recurring profit is projected at Yen 1,000 million and the net profit at Yen 850 million, respectively, on a 5.83% rise in turnover, to Yen 42,000 million.

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

## **REGISTRATION**

**Date Registered:** Dec 1939  
**Regd No.:** 2200-01-004330 (Ishikawa-Kanazawa)  
**Legal Status:** Limited Company (Kabushiki Kaisha)  
**Authorized:** 199,003,000 shares  
**Issued:** 68,075,552 shares  
**Sum:** Yen 12,316 million

**Major shareholders (%):** Customers' S/Holding Assn (14.1), Japan Trustee Services T (9.7), Company's Treasury Stock (6.1), Meiji Yasuda Life Ins (5.1), Hokuriku Bank (3.7), Hokkoku Bank (3.4), Employees' S/Holding Assn (2.6), Mitsui Sumitomo Ins (2.6), Tokio Marine & Nichido Fire Ins (2.6), Marubeni Corp (1.5); foreign owners (3.8)

**No. of shareholders:** 4,218

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

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

**Related companies:** Kyowa Electronics & Machinery Ind, Tsudakoma Transportation, Tsudakoma General Service, Tsudakoma (Shanghai) Co, other

## **OPERATION**

**Activities:** Manufactures textile machinery (78%): air jet looms, water jet looms, conversion kits, rapier looms, doffing systems, filament sizing machines, preparatory machinery, part stock information, product data download, others; machine tools & attachments (22%):

**Overseas sales ratio (73%)**

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**Clients:** [Mfrs, wholesalers] Marubeni Techmatex, T-Techno Japan, Osaka Nissshin YK, Tsudakoma Machinery Mfg Ind, Itochu Systech Corp, Kitamura Machinery, other.

Exports to: China, India, Pakistan, Thailand, Indonesia, Korea, Brazil, France, Germany, Italy, Spain, Sweden, USA, other. Exports into Europe through Tekmatex Europe SA, and into USA through Tekmatex Inc.

No. of accounts: 1,000

Domestic areas of activities: Nationwide

**Suppliers:** [Mfrs, wholesalers] Kyowa Electronics & Machinery Ind, Kanazawa Kiko, Hokuryo Denko, Hikida Sangyo, Higashiyama Ind, Staubli, Fanuc Corp, other.

**Payment record:** Regular

**Location:** Light industrial area in Kanazawa City. Office premises at the caption address are owned and maintained satisfactorily.

**Bank References:**

Hokuriku Bank (Kanazawa)

Hokkoku Bank (H/O)

Relations: Satisfactory

## **FINANCES**

(In Million Yen)

Terms Ending:	30/11/2018	30/11/2017	30/11/2016	30/11/2015
Annual Sales	42,000	39,686	38,870	36,916
Recur. Profit	1,000	356	584	-381
Net Profit	850	183	437	-443
Total Assets		38,358	36,179	37,810
Net Worth		13,320	12,312	13,041
Capital, Paid-Up		12,316	12,316	12,316
Div.P.Share(¥)		0.00	0.00	0.00
<b>&lt;Analytical Data&gt;</b>	(%)	(%)	(%)	(%)
S.Growth Rate	5.83	2.10	5.29	6.28
Current Ratio		..	..	..
N.Worth Ratio		34.73	34.03	34.49
N.Profit/Sales	2.02	0.46	1.12	-1.20

Notes: Forecast (or estimated) figures for the 30/11/2018 fiscal term.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.58
UK Pound	1	INR 89.93
Euro	1	INR 79.85
Yen	1	INR 0.62

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	NIS
<b>Report Prepared by :</b>	SYL

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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)