

MIRA INFORM REPORT

Report No. :	519105
Report Date :	07.07.2018

IDENTIFICATION DETAILS

Name :	PANASONIC CORPORATION
Registered Office :	1006 Kadoma Kadoma City Osaka-Pref 571-0050
Country :	Japan
Financials (as on) :	31.03.2018
Date of Incorporation :	December 1935
Com. Reg. No.:	1200-01-158218
Legal Form :	Limited Company (Kabushiki Kaisha)
Line of Business :	Manufacturer of AV, Other Home Electric Appliances.
No. of Employees :	57,484

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++	Minimum Risk	Business dealings permissible with minimum risk of default

Maximum Credit Limit :	134,315.9 million
Status :	Excellent
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 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 NAME AND ADDRESS

PANASONIC CORPORATION

REGD NAME: Panasonic KK

MAIN OFFICE: 1006 Kadoma Kadoma City Osaka-Pref 571-0050 JAPAN
Tel: 06-6908-1121 Fax: 06-6901-7130 -

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

ACTIVITIES

Mfg of AV, other home electric appliances

BRANCHES

Sapporo, Sendai, Tokyo, Osaka, Fukuoka, other (Tot 100)

OVERSEAS

Worldwide

FACTORIES

At the caption address, Kobe, Kusatsu, Hikone, Takatsuki, Niigata, other

CHIEF EXEC

KAZUHIRO TSUGA, PRES

Yen Amount: In million Yen, unless otherwise stated

SUMMARY

FINANCES	FAIR	A/SALES	Yen 7,982,164 M
PAYMENTS	REGULAR	CAPITAL	Yen 258,740 M
TREND	STEADY	WORTH	Yen 1,707,551 M
STARTED	1935	EMPLOYES	57,484

COMMENT

MFR OF HOME ELECTRIC APPLIANCES

FINANCIAL SITUATION COSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.
MAX CREDIT LIMIT: YEN 134,315.9 MILLION, 30 DAYS NORMAL TERMS

HIGHLIGHTS

This is the largest comprehensive mfr of AV and other home electric appliances. Under its auspices, controls 2 core operating subsidiaries: Panasonic Electric Works, major housing materials & equipment maker, and Sanyo Electric excelling in field of energy. Around 50% of consolidated sales generated by overseas business. The company is targeting operating profit at Yen 350 billion and operating profit ratio at 50% in the March 2016 term under the new medium-term business plan. Achievement of those targets depends on shift away from in-house products and profit emergence in the TV and semiconductor businesses. It aims to expand sales of products for enterprise. The company will buy a leading wiring device maker in Turkey, and will vigorously spend capital in growing fields. The company is trying to shift its focus to automotive- & business-related businesses, positioning them as growth fields.

FINANCIAL INFORMATION

The sales volume for Mar/2018 fiscal term amounted to Yen 7,982,164 million, an 8.89% up from Yen 7,743,707 million in the previous term. The recurring profit was posted at Yen 378,590 million and the net profit at Yen 236,040 million, respectively, compared with Yen 275,066 million recurring profit and Yen 149,360 net profit, respectively, a year ago.

For the current term ending Mar 2019 the recurring profit is projected at Yen 425,000 million and the net profit at Yen 255,000 million, on a 5.23% rise in turnover, to Yen 8,400,000 million.

The financial situation is considered FAIR and good for ORDINARY business engagements. Max credit limit is estimated at Yen 134,315.9 million, on 30 days normal terms.

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REGISTRATION

Date Registered: Dec 1935
Regd No: 1200-01-158218 (Osaka-Kadoma)
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 4,950 million shares
Issued: 2,453,053,497 shares
Sum: Yen 258,740 million

Major shareholders (%): Japan Trustee Services T (6.2), Master Trust Bank of Japan T (5.3), Company's Treasury Stock (4.9), State Street Bank & Trust (2.8), Nippon Life Ins (2.8), Employees' S/Holding Assn (1.7), Sumitomo Life Ins (1.5), Bank of New York Mellon SANV 10 (1.3), Matsushita Real Estate (1.1), other; foreign owners (34.7)

No. of shareholders: 394,084

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

Managements: Shusaku Nagase, ch; Kazuhiro Tsuga, pres; Yoshihiko Yamada, v pres; Ikusaburo Kashima, s/mgn dir; Yoshiiku Miyata, s/mgn dir; Kazunori Takami, s/mgn dir; Hideaki Kawai, s/mgn dir; Yoshiyuki Miyabe, s/mgn dir; Takashi Toyama, mgn dir

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

Related companies: Sanyo Electric, Panasonic Electric Works, other.

OPERATION

Activities: Manufactures AP (29%), Echo solutions (19%), AVC (13%), ATS (32%), others (8%)
Overseas Sales Ratio (50%)

(Mfg Items):

Digital AV: projector, digital cameras, cameras, dual camera, ventilator, air purifier, portable power supply, telephones, network cameras

Car AV & Navigation System

Home Appliances & Batteries

Beauty & Healthcare: hair dryer, hair iron, facial ionic steamer, eyelash curler, epilator, compact toothbrush, oxygen concentrator, massage chairs, hygiene toilet seat, blood pressure meter, other

Clients: [Mfrs, wholesalers] Sekisui House, Kansai Kikai Hambai, Hitachi Hi-Technologies, Panasonic Consumer Marketing, Toyota Motor, Panasonic North America, Panasonic Europe, other

No. of accounts: 2,000

Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Hitachi Hi-Technologies, Sanyo Electric, other

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Payment record: Regular

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

Bank References:

SMBC (Osaka H/O)
Resona Bank (Osaka)
Relations: Satisfactory

FINANCES

(In Million Yen)

Terms Ending:	31/03/2019	31/03/2018	31/03/2017	31/03/2016
Annual Sales	8,400,000	7,982,164	7,343,707	7,626,306
Recur. Profit	425,000	378,590	275,066	227,529
Net Profit	255,000	236,040	149,360	165,212
Total Assets		6,291,148	5,982,961	5,596,982
Current Assets		3,485,958	3,204,819	3,054,309
Current Liabs		3,097,935	2,712,063	2,380,900
Net Worth		1,707,551	1,571,889	1,705,056
Capital, Paid-Up		258,740	258,740	258,740
Div.P.Share(¥)		30.00	25.00	25.00
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	5.23	8.69	-3.71	-1.15
Current Ratio	..	112.53	118.17	128.28
N.Worth Ratio	..	27.14	26.27	30.46
R.Profit/Sales	5.06	4.74	3.75	2.98
N.Profit/Sales	3.04	2.96	2.03	2.17
Return On Equity	..	13.82	9.50	9.69

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.88
UK Pound	1	INR 91.14
Euro	1	INR 80.63
Yen	1	INR 0.62

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

INFORMATION DETAILS

Analysis Done by :	PRA
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)