

MIRA INFORM REPORT

Report No. :	522584
Report Date :	28.07.2018

IDENTIFICATION DETAILS

Name :	NIPPON SEIKI CO LTD
Registered Office :	2-2-34 Higashi-Zao Nagaoka City Niigata-Pref
Country :	Japan
Financials (as on) :	31.03.2018
Date of Incorporation :	Dec 1946
Com. Reg. No.:	1100-01-023135 (Niigata-Nagaoka)
Legal Form :	Limited Company (Kabushiki Kaisha)
Line of Business :	Manufacturing of Automotive Parts & Accessories, Other
No. of Employees :	1,803

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

Maximum Credit Limit :	Yen 8,601.1 Million
Status :	Good
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.

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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

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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 NAME & ADDRESS

NIPPON SEIKI CO LTD

REGD NAME: Nippon Seiki KK
MAIN OFFICE: 2-2-34 Higashi-Zao Nagaoka City Niigata-Pref JAPAN
Tel: 0258-24-3311 Fax: 0258-21-2151

*.. The given name is its European subsidiary

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

ACTIVITIES: Mfg of automotive parts & accessories, other
BRANCHES: Tokyo, Niigata, other (Tot 13)
OVERSEAS: USA, Mexico, Brazil, UK, Netherlands, Thailand, Indonesia, Vietnam, India,
Taiwan, China, Hong Kong (--subsidiaries)
FACTORIES: Niigata (2)

OFFICERS: MORITO SATO, PRES Shoji Nagai, ch
Hirotooshi Takada, v pres Shinobu Okawa, s/mgn dir
Koichi Sato, s/mgn dir Jun'ichi Suzuki, mgn dir

Yen Amount: In million Yen, unless otherwise stated

SUMMARY

FINANCES	FAIR	A/SALES	Yen 263,163 M
PAYMENTS	REGULAR	CAPITAL	Yen 14,494 M
TREND	UP	WORTH	Yen 170,382 M
STARTED	1946	EMPLOYES	1,803

COMMENT: MFR OF AUTOMOTIVE PARTS & ACCESSORIES, OTHER FINANCIAL SITUATION
COSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

MAX CREDIT LIMIT: YEN 8,601.1 MILLION, 30 DAYS NORMAL TERMS

HIGHLIGHTS

This is an automotive parts mfr, commanding a 30% market share in motorcycle instruments, the highest in the world. Also boasts a high global market share in automobile instruments. Honda Motor is the major shareholder, and sales to Honda account for 20% of total turnover. Moving forward with the evolution of four-wheeler

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instruments for information system equipment such as head-up displays. Operates production bases in over 10 countries. .

FINANCIAL INFORMATION

The sales volume for Mar/2018 fiscal term amounted to Yen 263.163 million, a 6.99% up from Yen 245,967 million in the previous term. The recurring profit was posted at Yen 15,858 million and the net profit at Yen 11,105 million, respectively, compared with Yen 15,356 million recurring profit and Yen 10.164 million net profit, respectively, a year ago.

For the current term ending Mar 2019 the recurring profit is projected at Yen 12,000 million and the net profit at Yen 9,200 million, respectively, on a 1.96% fall in turnover, to Yen 258,000 million.

The financial situation is considered FAIR and good for ORDINARY business engagements. Max credit limit is estimated at Yen 8,601.1 million, on 30 days normal terms.

REGISTRATION

Date Registered: Dec 1946
Regd No.: 1100-01-023135 (Niigata-Nagaoka)
Listed company: Tokyo (Second Section)
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 220 million shares
Issued: 60,907,599 shares
Sum: Yen 14,494 million

Major shareholders (%): Honda Motor (6.1), Company's Treasury Stock (5.9), JP Morgan Chase Bank (4.3), BBH Fidelity Low Prices Stock (4.3), MUFG Bank (2.9), Master Trust Bank of Japan T (2.8), other; foreign owners (35.5)

No. of shareholders: 2,298

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

OPERATION

Activities: Manufactures car 6 multi-use meters (79%), consumer equipment (5%), automobile sales (9%), others (7%)

Overseas Sales Ratio (62%)

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Clients: [Mfrs, wholesalers] Nippon Seki Hong Kong, Kyocera Display, Honda Motor, Sumitomo Mfg,
Mitsubishi Electric, other

No. of accounts: 1,000

Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Resona Kessai Service, NS Advantec, NS Electronics, Kyocera
Display, other

Payment record: Regular

Location: Business area in Nagaoka City-Niigata-Oref. Office premises at the caption address are owned and maintained satisfactorily.

Bank References:

MUFG (Niigata)

Daishi Bank (Nagaoka)

Relations: Satisfactory

FINANCES

(In Million Yen)

Terms Ending:	31/03/2019	31/03/2018	31/03/2017	31/03/2016
Annual Sales	258,000	263,163	245,967	243,606
Recur. Profit	12,000	15,858	15,356	16,378
Net Profit	9,200	11,105	10,164	9,143
Total Assets		298,132	290,934	292,130
Net Worth		170,382	158,274	154,490
Capital, Paid-Up		14,494	14,494	14,494
Div.P.Share(¥)		42	35	35
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	-1.96	6.99	0.97	7.34
Current Ratio	
N.Worth Ratio		57.15	54.40	52.88
N.Profit/Sales	3.57	4.22	4.13	3.75

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.70
UK Pound	1	INR 89.99
Euro	1	INR 79.98
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 :	TPT

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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)