

MIRA INFORM REPORT

Report No. :	538912
Report Date :	13.11.2018

IDENTIFICATION DETAILS

Name :	YKK CORPORATION
Registered Office :	1 Kanda-Izumicho Chiyodaku Tokyo 101-8642
Country :	Japan
Financials (as on) :	31.03.2018
Date of Incorporation :	Jan., 1934
Com. Reg. No.:	0100-01-032696 (Tokyo-Chiyodaku)
Legal Form :	Limited Company (Kabushiki Kaisha)
Line of Business :	Manufacturer of fasteners, aluminum sashes, fastener mfg machinery.
No. of Employees :	4,149

RATING & COMMENTS

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

MIRA's Rating : A++

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default

Status :	Excellent
Payment Behaviour :	Regular
Litigation :	Clear

NOTES:

Any query related to this report can be made on e-mail: while quoting report number, name and date.

ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
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 NAME AND ADDRESS

YKK CORPORATION

REGD NAME: YKK KK
MAIN OFFICE: 1 Kanda-Izumicho Chiyodaku Tokyo 101-8642 JAPAN
Tel: 03-3864-2000 Fax: 03-3864-2050
URL: <http://www.ykk.co.jp>
E-Mail address: hp-tp@ykk.co.jp

ACTIVITIES

Mfg of fasteners, aluminum sashes, fastener mfg machinery

BRANCHES

21 Domestic; 90 overseas in 71 countries (--subsidiaries)

FACTORIES

Kurobe, Toyama, Ishikari (Hokkaido), Miyagi, Kagawa, Kumamoto

OVERSEAS

USA, Mexico, Sri Lanka, Poland, Bangladesh, Rumania, China, Korea, Taiwan, South Africa

OFFICERS

HIROAKI OTANI, PRES	Masayuki Sarumaru, ch
Koichi Matsushima, v pres	Fumio Ikeda, v pres
Akira Yoshida, dir	Tetsuo Yazawa, dir

Yen Amount: In million Yen, unless otherwise stated

SUMMARY

FINANCES	FAIR	A/SALES	Yen 747,762 M
PAYMENTS	REGULAR	CAPITAL	Yen 11,992 M
TREND	STEADY	WORTH	Yen 621,274 M
STARTED	1934	EMPLOYES	4,149

COMMENT

MFR SPECIALIZING IN FASTENERS, ALUMINUM SASHES, OTHER.

FINANCIAL SITUATION CONSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

HIGHLIGHTS

The subject company was established by Tadahiko Yoshida in order to make most of his experience in the subject line of business. The firm specializes in mfg fasteners, aluminum sashes, fastener making machinery, other industrial machinery. Tops in fasteners and second in aluminum sashes. Goods are branded as "YKK" and the firm renamed as captioned in 1996 after the brand name. Has 114 subsidiaries (21 domestic & 90 overseas in 90 countries worldwide). Fasteners and sashes are also manufactured overseas.

FINANCIAL INFORMATION

The sales volume for Mar/2018 fiscal term amounted to Yen 747,762 million, a 4.91% up from Yen 712,783 million in the previous term. The recurring profit was posted at Yen 59,924 million and the net profit at Yen 38,728 million, respectively, compared with Yen 61,545 million recurring profit and Yen 45,180 million net profit, respectively, a year ago.

For the current term ending Mar 2019 the recurring profit is projected at Yen 60,000 million and the net profit at Yen 39,500 million, respectively, on a 3% rise in turnover, to Yen 770,200 million. Business continues rising steadily.

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

REGISTRATION

Date Registered: Jan 1934
Regd No.: 0100-01-032696 (Tokyo-Chiyodaku)

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Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 4.26 million shares
Issued: 1,199,240,000 shares
Sum: Yen 11,992 million
Major shareholders (%): YKK Koyukai (18.6), Yoshida Kosan (14.5), Tadahiro Yoshida (5.5), other
No. of shareholders: 6,250

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

OPERATION

Activities: Manufactures metal & plastic buttons, hooks, fasteners, needles, pins, other (43.9%), clothing accessories used in jeans, casual wear, sports wear, work clothes, other garments, their fixing equipment, including leasing, maintenance services, aluminum sashes, doors, house exterior materials, dies, fastener mfg machinery & equipment, other (--56.1%).

Overseas Sales Ratio 40% (about).

Clients: [Mfrs, wholesalers] YKK AP Inc, YKK Fastening Products Sales Inc, Shanghai YKK Zipper, YKK Zipper Shenzhen, YKK Taiwan, Dalian YKK Zipper (--subsidiaries), other.

No. of accounts: 800

Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Mitsui & Co, Marubeni Corp, Mitsui Metal Mining, Asahi Kasei Corp, Mitsui Chemical, YKK Aluminum Australia, other subsidiary mfrs domestic & overseas.

Payment record: Regular

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

Bank References:

Mizuho Bank (H/O)

MUFG (Tokyo)

Relations: Satisfactory

FINANCES

(In Million Yen)

Terms Ending:	31/03/2019	31/03/2018	31/03/2017	31/03/2016
Annual Sales	770,200	747,762	712,783	741,935
Recur. Profit	60,000	59,924	61,545	70,988
Net Profit	39,500	38,728	45,180	44,646

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Total Assets		978,563	963,231	954,060
Net Worth		621,274	595,003	547,921
Capital, Paid-Up		11,992	11,992	11,992
Div.Ttl in Million (₹)		2.88	2.88	2.64
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	3.00	4.91	-3.93	0.94
Current Ratio	
N.Worth Ratio		63.49	61.77	57.43
N.Profit/Sales	5.13	5.18	6.34	6.02

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.91
UK Pound	1	INR 93.99
Euro	1	INR 82.43
Yen	1	INR 0.64

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

INFORMATION DETAILS

Analysis Done by :	VIVR
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)