

MIRA INFORM REPORT

Report No. :	539759
Report Date :	15.11.2018

IDENTIFICATION DETAILS

Name :	BOSCH CORPORATION
Registered Office :	3-6-7 Shibuya Shibuyaku Tokyo 150-8360
Country :	Japan
Financials (as on) :	31.12.2017
Date of Incorporation :	July 1939
Com. Reg. No.:	0110-01-012340
Legal Form :	Limited Company
Line of Business :	Manufactures fuel injection systems for controlling diesel engine fuel , automobile brake systems, automobile electronics, power trains, imports automotive aftermarket equipment, work-shop testing equipment, power tools, security systems, others
No. of Employees :	5,228

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

Maximum Credit Limit :	Yen 10,234.1 Million
Status :	Excellent
Payment Behaviour :	Regular
Litigation :	Clear

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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 (30.06.2018)	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

BOSCH CORPORATION

REGD NAME: Bosch KK

MAIN OFFICE: 3-6-7 Shibuya Shibuyaku Tokyo 150-8360 JAPAN

Tel: 03-3400-1551 Fax: 03-3499-4116

*.. The is its Shiki Branch Office in Saitama-Pref

URL: <http://www.bosch.co.jp/>

E-Mail address: info@bosch.co.jp

ACTIVITIES: Mfg of diesel engine fuel injection systems, car air-conditioning equipment, other

BRANCHES: Osaka, Sapporo, Nagoya, Hiroshima, Yokohama, other (Tot 12); Taiwan

FACTORIES: Saitama (3), Gunma, other (Tot 5)

OFFICERS: MEDER CLAUS, PRES
Noriko Morikawa, v pres
Ryuichi Mitsuoka, s/mgn dir

Yen Amount: In million Yen, unless otherwise stated

SUMMARY:	FINANCES	FAIR	A/SALES	Yen 298,201 M
	PAYMENTS	REGULAR	CAPITAL	Yen 17,000 M
	TREND	STEADY	WORTH	Yen 94,332 M
	STARTED	1939	EMPLOYES	5,228

COMMENT

MFR OF DIESEL ENGINE FUEL INJECTION SYSTEMS, CLOSELY TIED WITH ROBERT BOSCH GmbH, GERMANY.

FINANCIAL SITUATION COSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

MAX CREDIT LIMIT: YEN 10,234.1 MILLION, 30 DAYS NORMAL TERMS

HIGHLIGHTS

The subject company was established originally in 1939 as Diesel Kiki (Kiki means equipment), renamed Zexel in 1990), before renamed as captioned, by engine manufacturers including Isuzu Motor, for making fuel pumps under license from Bosch (Germany). Isuzu Motor sold most of its shares to Bosch in 1997. The subject is the largest producer of fuel injection pumps for diesel engines. Automobile air-condition units are also a

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mainstay, as the firm formed tie-up with Valeo (France) in the air-conditioner area. In Jul 2005 merged Bosch KK, wholly owned by Robert Bosch GmbH, and renamed from Bosch Automotive Systems Corp to Bosch Corporation. By this merger the whole operations of the Bosch group in Japan have been integrated into the subject firm. Clients include major carmakers nationwide.

FINANCIAL INFORMATION

The sales volume for Dec/2017 fiscal term amounted to Yen 298,201 million, a 13% up from Yen 264,623 million in the previous term. The recurring profit was posted at Yen 30,884 million and the net profit at Yen 30,968 million, respectively, compared with Yen 25,861 million recurring profit and Yen 21,279 million net profit, respectively, a year ago.

For the current term ending Dec 2018 the recurring profit is projected at Yen 33,000 million and the net profit at Yen 32,500 million, respectively, on a 5% rise in turnover, to Yen 313,200 million.

The financial situation is considered FAIR and good for ORDINARY business engagements. Max credit limit is estimated at Yen 10,234.1 million, on normal 30 days terms.

REGISTRATION

Date Registered: Jul 1939
Regd No.: 0110-01-012340 (Tokyo-Shibuyaku)
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 136,000 shares
Issued: 34,000 shares
Sum: Yen17 million
Major shareholders (%): Robert Bosch Invest Nederland (65.5), Robert Bosch LLC (17.2)
No. of shareholders: 5

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

OPERATION

Activities: Manufactures fuel injection systems for controlling diesel engine fuel (48%), automobile brake systems (23%), automobile electronics, power trains (17%), imports automotive aftermarket equipment, workshop testing equipment, power tools, security systems, others (12%).

Overseas sales ratio (25%) (Breakdowns are all about).

Clients: [Carmakers] Isuzu Motors, Mazda Motor, Nissan Motors, Toyota Motor, Nissan Diesel, Mitsubishi Fuso Truck & Bus, Mitsubishi Motor, Hyundai Motor, Robert Bosch GmbH, Jatco Ltd, Mitsubishi Heavy Ind, Fuji Heavy Ind, other.

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No. of accounts: 350

Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Robert Bosch group firms, Gunma Seiki Co, Tokyo Foundry, other.

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 Trust Bank (H/O)

Relations: Satisfactory

FINANCES

(In Million Yen)

Terms Ending:	31/12/2018	31/12/2017	31/12/2016	31/12/2015
Annual Sales	313,200	298,201	264,623	267,335
Recur. Profit	33,000	30,884	25,861	31,806
Net Profit	32,500	30,968	21,279	21,352
Total Assets		168,402	153,552	205,105
Net Worth		94,332	89,814	88,126
Capital, Paid-Up		17,000	17,000	36,800
Div.P.Share(¥)		0.00	0.00	0.00
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	5.03	12.69	-1.01	-4.30
Current Ratio	
N.Worth Ratio		56.02	58.49	42.97
N.Profit/Sales	10.38	10.38	8.04	7.99

Notes: Forecast (or estimated) figures for the 31/12/2018 fiscal term.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.10
UK Pound	1	INR 93.70
Euro	1	INR 81.44
YEN	1	INR 0.64

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	KET

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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)