

MIRA INFORM REPORT

Report No. :	533304
Report Date :	04.10.2018

IDENTIFICATION DETAILS

Name :	JGC CORPORATION
Registered Office :	2-2-1 Ohtemachi Chiyodaku Tokyo
Country :	Japan
Financials (as on) :	31.03.2018
Date of Incorporation :	October 1928
Com. Reg. No.:	0100-01-008732
Legal Form :	Limited Company
Line of Business :	General engineering works (sales breakdown by divisions): Comprehensive engineering works, catalysts & chemicals, others
No. of Employees :	2,291

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

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 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

JGC CORPORATION

REGD NAME: Nikki KK

MAIN OFFICE: Queen Tower A 15F-36F, 2-3-1 Minatomirai Nishiku Yokohama 220-6001 JAPAN

Tel: 045-682-1111 Fax: 045-682-1112

*.. Registered at: 2-2-1 Ohtemachi Chiyodaku Tokyo

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

E-Mail address: webmaster@jgc.co.jp

ACTIVITIES: Plant engineering works

BRANCHES: Tokyo, Osaka, Yokohama, other (Tot 16)

OVERSEAS: Beijing, Singapore, Paris, London, Jakarta, Bangkok, Abu Dhabi, Algiers, Teheran, Arzew (Algeria)

(Affiliated): China, Philippines, Singapore, Korea, Malaysia, Indonesia, Pakistan, Saudi Arabia, UAE, Qatar, UK, Netherlands, Nigeria, Algeria, USA, Venezuela

OFFICERS: TADASHI ISHIZUKA, PRES Masayuki Sato, ch
Hiroshi Yamazaki, v pres Tsutomu Akabane, v pres
Satoshi Sato, s/mgn dir Haruki Furuta, mgn dir

Yen Amount: In million Yen, unless otherwise stated

SUMMARY:	FINANCES	FAIR	A/SALES	Yen 722,987 M
	PAYMENTS	REGULAR	CAPITAL	Yen 23,511 M
	TREND	STEADY	WORTH	Yen 394,702 M
	STARTED	1928	EMPLOYES	2,291

COMMENT

INDUSTRIAL PLANT ENGINEERING COMPANY.

FINANCIAL SITUATION CONSIDERED FAIR TO GOOD AND RESPONSIBLE FOR ORDINARY BUSINESS ENGAGEMENTS.

HIGHLIGHTS

This is the largest oil & natural gas plant engineering firm in Japan. EPC (Engineering, Procurement & Construction) projects that undertakes from plant engineering, material procurement to construction are its core business. Most of the projects the company handles are in the overseas markets including the Middle East, S/E Asia & North Africa, etc. Has a track record in oil refining, natural gas processing, petrochemical & other plants. In particular, it is one of the four leading engineering firms in the global market for LNG plant, where natural gas is

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liquefied through ultra-cooling processes. Engaged in the production of catalysts & operation of hospital as well. Also engaged in the investment business that makes an investment in social infrastructure, new energy, resource development & other projects. The former president resigned due to a huge deficit posted in March 2017 term. Streamlining the internal structure by organizational reform & other measures.

FINANCIAL INFORMATION

The sales volume for Mar/2018 fiscal term amounted to Yen 722,987 million, a 4.30% up from Yen 693,152 million in the previous term. The recurring profit was posted at Yen 24,927 million and the net losses at Yen 16,589 million, respectively, compared with Yen 15,215 million recurring loss and Yen 22,057 million net losses, respectively, a year ago.

For the current term ending Mar 2019 the recurring profit is projected at Yen 29,000 million and the net profit at Yen 10,000 million, respectively, on a 3.18% fall in turnover, to Yen 700,000 million. .

The financial situation is considered FAIR to GOOD and responsible for ORDINARY business engagements.

REGISTRATION

Date Registered: Oct 1928
Regd No.: 0100-01-008732 (Tokyo-Chiyodaku)
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 600 million shares
Issued: 259,052,929 shares
Sum: Yen 23,511 million

Major shareholders (%): Master Trust Bank of Japan T (12.7), Japan Trustee Services T (10.1), JGC Trading & Services (4.6), SMBC (4.2), JGC Scholarship Foundation (3.2), Company's Treasury Stock (2.6), Mizuho Bank (2.2), BONY GCM Client JPRDSFIAC (2.0), Japan Trustee Services T9 (1.9), Trust & Custody Services Inv. T (1.7); foreign owners (31.7)

No. of shareholders: 16,635

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

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

Related companies: JGC Catalysts & Chemicals Ind, JGC Information Systems, JGC Projects Services, Japan Fine Ceramics, JGC Plantech, other . .

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OPERATION

Activities: General engineering works (sales breakdown by divisions): Comprehensive engineering works (93%), catalysts & chemicals (--6%), others (1%).

Overseas sales ratio (79%)

* **Products:** catalysts-related (FCC catalysts, hydraulic treatment catalysts, de-sulfurization catalysts, catalysts for petrochemicals); new functional-related products (colloidal silica, CRT/FPD surface treatment agents, LCD's materials, semiconductor materials, batteries, cosmetics, optical, other materials, antibacterial agents, other.

Clients: [Oil refineries, chemical mfrs, other mfrs] Esso High-Runs, Ras Gas, Saudi Aramco, Taganito HPAL Nickel Corp (Philippines), Sona Truck, Telmo Yamaguchi, Taihei Electric, other.

No. of accounts: 1,000

Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Nikki Plant Innovation, Mitsubishi Heavy Ind Compressor Corp, other.

Payment record: Regular

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

Bank References:

SMBC (H/O)

MUFG (H/O)

Relations: Satisfactory

FINANCES

(Consolidated): (In Million Yen)

Terms Ending:	31/03/2019	31/03/2018	31/03/2017	31/03/2016
Annual Sales	700,000	722,987	693,152	879,954
Recur. Profit	29,000	24,927	-15,215	52,047
Net Profit	10,000	16,589	-22,057	42,793
Total Assets		685,002	646,291	689,782
Net Worth		394,702	382,215	418,695
Capital, Paid-Up		23,511	23,511	23,511
Div.P.Share(¥)		25.00	30.00	42.50
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	-3.18	4.30	-21.23	10.12

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Current Ratio	
N.Worth Ratio		57.62	59.14	60.70
N.Profit/Sales	1.43	2.29	-3.18	4.86

Notes: Forecast for the 31/03/2019 fiscal term.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.03
UK Pound	1	INR 94.99
Euro	1	INR 84.58
Yen	1	INR 0.64

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	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)