

MIRA INFORM REPORT

Report No. :	535711
Report Date :	22.10.2018

IDENTIFICATION DETAILS

Name :	AGC INC
Formerly Known As :	ASAHI GLASS CO LTD
Registered Office :	Shin-Marunouchi Bldg 30F, 1-5-1 Marunouchi Chiyodaku Tokyo 100-8405
Country :	Japan
Financials (as on) :	31.12.2017
Date of Incorporation :	June 1950
Com. Reg. No.:	0100-01-008650
Legal Form :	Limited Company
Line of Business :	Manufactures glass, Electronic parts & display, chemicals, specialty glass, others
No. of Employees :	6,401

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 48,193.4 Million
Status :	Excellent
Payment Behaviour :	Regular

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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

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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

AGC INC (Renamed in July 2018 from Asahi Glass Co Ltd)

REGD NAME: Asahi Garasu KK

MAIN OFFICE: Shin-Marunouchi Bldg 30F, 1-5-1 Marunouchi Chiyodaku Tokyo 100-8405 JAPAN

Tel: 03-3218-5096 Fax: 03-3218-7815

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

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

ACTIVITIES: Mfg of sheet glass, automobile glass, CRT glass, other

BRANCHES: Yokohama, Kitakyushu, Chiba, other (Tot 9)

OVERSEAS: USA (12), Canada (2), Mexico, Belgium (4), Netherlands, UK (3), Czech, Russia, France, Italy, Spain, Indonesia (5), Thailand (6), Singapore (7), Philippines (2), Malaysia, India, Taiwan (2), China (10), Korea (3) (--subsidiaries/affiliates)

FACTORYIES: Yokohama, Amagasaki, Kitakyushu, Takasago, Chiba, Chita, Toyota, Kashima, Kanagawa

OFFICERS: TAKUYA SHIMAMURA, PRES Takuya Ishimura, ch
Yoshinori Hirai, s/mgn dir Shinji Miyaji, s/mgn dir
Hiroshi Kimura, dir Masako Uno, dir

Yen Amount: In million Yen, unless otherwise stated

SUMMARY:	FINANCES	FAIR	A/SALES	Yen 1,463,532 M
	PAYMENTS	REGULAR	CAPITAL	Yen 90,873 M
	TREND	SLOW	WORTH	Yen 1,184,035 M
	STARTED	1950	EMPLOYES	6,401

COMMENT: MFR OF FLAT GLASS, SHEET GLASS, AUTOMOTIVE GLASS, OTHER.
FINANCIAL SITUATION COSIDERED FAIR AND GOOD FOR ORDINARY
BUSINESS ENGAGEMENTS.

CREDIT LIMIT: YEN 48,193.4 MILLION, 30 DAYS NORMAL TERMS.

HIGHLIGHTS

This is the largest comprehensive glass mfr and tops in the field of sheet glass and automobile glass. The first Japanese company to produce sheet glass. Diversifying into chemicals, electronic parts & ceramics. Closely tied with Mitsubishi group. Operates 59 overseas bases in 15 countries including US, China, Indonesia, Singapore, and Thailand. Active in operations in Europe Glass for LCDs and PDPs becoming major earnings source. The company plans to double production of active pharmaceutical ingredients for glaucoma, developed jointly with Santen Pharmaceutical, in March 2013. The company is increasing investments in newly emerging countries, including China, Indonesia & Brazil. Focusing on chemical products such as caustic soda &

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fluororesin, and aims to boost their sales to one third of the total. The corporate name was changed to AGC Inc in July 2018.

FINANCIAL INFORMATION

The sales volume for Dec/2017 fiscal term amounted to Yen 1,463,532 million, a 14.11% up from Yen 1,282,570 million in the previous term. The recurring profit was posted at Yen 114,424 million and the net profit at Yen 69,225 million, respectively, compared with Yen 67,563 million recurring profit and Yen 47,438 million net profit, respectively, a year ago.

For the current term ending Dec 2018 the recurring profit is projected at Yen 126,000 million and the net profit at Yen 83,000 million, on a 5.34% rise in turnover, to Yen 1,555,000 million.

The financial situation is considered maintained FAIR and good for ORDINARY business engagements. Max credit limit is estimated at Yen 48,193.4 million, on 30 days normal terms.

REGISTRATION

Date Registered: Jun 1950
Regd No.: 0100-01-008650 (Tokyo-Chiyodaku)
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 400,000 million shares
Issued: 236,177,781 shares
Sum: Yen 90,873 million

Major shareholders (%): Master Trust Bank of Japan T (6.2), Japan Trustee Services Bank (4.6), Meiji Yasuda Life Ins (4.0), Company's Treasure Stock (3.9), Barclays Securities Japan (2.5), Asahi Glass Foundation (2.1), Mitsubishi Estate (1.9), Tokio Marine & Nichido Fire Ins (1.8), Customers' S/Holding Assn (1.7), Japan Trustee Services T9 (1.6); foreign owners (28.9)

No. of shareholders: 49,059

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

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

Related companies: Asahi Techno Glass, Glaverbel SA (Belgium), other

OPERATION

Activities: Manufactures glass (50%), Electronic parts & display (30%), chemicals (18%), specialty glass, others (2%)

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Overseas trading ratio 72%

Clients: [Mfrs, wholesalers] Asahi Fine Techno Taiwan, Sharp Corp, Asahi Fine Techno Korea, Mitsubishi Corp, Toyota Motors, AGC Display Glass Taiwan, Asahi Glass Fine Techno Korea, other.

No. of accounts: 2,000

Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] AGC Finance, Asahi Glass Fine Techno, Maruzen Petro chemical Ind, Nippon Oil, Keiyo Monomer, other.

Payment record: Regular

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

Bank References:

MUFG (H/O)
Mizuho Bank (Uchisaiwaicho)
Relations: Satisfactory

FINANCE

(IN Million Yen)

Terms Ending:	31/12/2018	31/12/2017	31/12/2016	31/12/2015
Annual Sales	1,555,000	1,463,532	1,282,570	1,326,293
Recur. Profit	126,000	114,424	67,563	84,522
Net Profit	83,000	69,225	47,438	42,906
Total Assets		2,228,560	1,981,451	1,991,262
Net Worth		1,184,035	1,095,438	1,094,173
Capital, Paid-Up		90,873	90,873	90,873
Div.P.Share(¥)		105.00	18.00	18.00
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	6.25	14.11	-3.30	-1.63
Current Ratio	
N.Worth Ratio		53.13	55.28	54.95
N.Profit/Sales	5.34	4.73	3.70	3.24

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.44
UK Pound	1	INR 95.65
Euro	1	INR 84.17
Yen	1	INR 0.65

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

INFORMATION DETAILS

Analysis Done by :	VIV
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)