

MIRA INFORM REPORT

Report No. :	536465
Report Date :	25.10.2018

IDENTIFICATION DETAILS

Name :	FUJI ELECTRIC CO LTD
Registered Office :	1-1, Tanabeshinden, Kawasaki-Ku, Kawasaki-Shi, Kanagawa 210-9530
Country :	Japan
Financials (as on) :	31.03.2018
Date of Incorporation :	August 1923
Com. Reg. No.:	0200-01-071492 (Tokyo-Shinagawaku)
Legal Form :	Limited Company (Kabushiki Kaisha)
Line of Business :	Manufacturer of Heavy Electric Machinery
No. of Employees :	10,745

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 20,213.1 Million
Status :	Excellent
Payment Behaviour :	Regular
Litigation :	Clear

NOTES :

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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

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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 & ADDRESS

FUJI ELECTRIC CO LTD

REGD NAME: Fuji Denki KK
MAIN OFFICE: Gate City Osaki East Tower, 1-11-2 Osaki Shinagawaku Tokyo 141-0032 Japan
Tel: 03-5435-7111 Fax: 03-5435-7486

Registered at 1-1, Tanabeshinden, Kawasaki-Ku, Kawasaki-Shi, Kanagawa 210-9530, Japan

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

ACTIVITIES: Mfr of heavy electric machinery
BRANCHES: Nationwide (59 branches)
OVERSEAS: USA, Singapore, Thailand, Vietnam, Indonesia, India, Philippines, Malaysia, Taiwan, Korea, Bahrain, Myanmar, Cambodia, China, Hong Kong, Germany, France, other (--subsidiaries)
FACTORIES: Kobe, Chiba, Ibaraki, Kawasaki, Mie, other (Tot 10)

OFFICERS: MICHIIRO KITAZAWA, PRES Kenzo Sugai, v pres
Michio Abe, s/mg dir Masashi Tomotaka, s/mgn dir
Jun'ichi Arai, mgn dir Toshihito Niwa, dir

Yen Amount: In million Yen, unless otherwise stated

SUMMARY

FINANCES	FAIR	A/SALES	Yen 893,451 M
PAYMENTS	REGULAR	CAPITAL	Yen 47,586 M
TREND	STEADY	WORTH	Yen 330,636 M
STARTED	1923	EMPLOYES	10,745

COMMENT: HEAVY ELECTRIC MACHINERY MFR. FINANCIAL SITUATION COSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

MAX CREDIT LIMIT: YEN 20,213.1 MILLION, 30 DAYS NORMAL TERMS.

HIGHLIGHTS

The subject company is one of the top-ranked heavy electric machinery mfr. Originally JV formed in 1923 by Furukawa Electric and Siemens. Mother company of Fujitsu Ltd. Maintaining higher shares in automatic vending

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machines and power semiconductors. Earnings concentrate in 2nd half each term. As for power generation facilities, has a strength in geothermal generation in addition to thermal generation. Also manufactures transforming equipment for industrial use, control systems, inverters, hard disc memory media, power semiconductors, vending machines, refrigerated display cases for convenience stores & others.

FINANCIAL INFORMATION

The sales volume for Mar/2018 fiscal term amounted to Yen 893,451 million, a 6.65% up from Yen 837,765 million in the previous term. The recurring profit was posted at Yen 56,047 million and the net profit at Yen 37,763 million, respectively, compared with Yen 46,296 million recurring profit and Yen 40,978 million net profit, respectively, a year ago.

For the current term ending Mar 2019 the recurring profit is projected at Yen 62,000 million and the net profit at Yen 42,000 million, respectively, on a 1.85% rise in turnover, to Yen 910,000 million.

The financial situation is considered FAIR and good for ORDINARY business engagements. Max credit limit is estimated at Yen 20,213.1 million, on 30 days normal terms.

REGISTRATION

Date Registered: Aug 1923
Regd No.: 0200-01-071492 (Tokyo-Shinagawaku)
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 1,800 million shares
Issued: 746,484,957 shares
Sum: Yen 47,586 million

Major shareholders (%): Japan Trustee Services T (8.4), Master Trust Bank of Japan T (7.4), Company's Treasury Stock (4.3), Fujitsu Ltd (2.7), Asahi Life Ins (2.6), Fanuc Corp (1.7), Japan Trustee Services T5 (1.5), Mizuho Bank (1.5), Furukawa Co (1.4); foreign owners (33.4)

No. of shareholders: 30,303

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

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

Related companies: Fuji Electric Systems, Fuji Electric Device Technology, Fuji Electric Retail Systems, other

OPERATION

Activities: Manufactures heavy electric machineries:

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(Sales by divisions):

Power generation & social infrastructure (24%): steam turbine, power generation facilities, fuel cells, cluster energy management system, electric power storage systems;

Industrial infrastructure (34%): substation equipment, rectification equipment, industrial drive systems, data centers, industrial measuring systems;

Power electric equipment (11%): general-purpose & industrial meters, synchronous drive systems, EV systems (quick chargers), uninterruptible power supply systems, magnetic switches/molded-case circuit breakers;

Electronics devices (14%): power semiconductors, organic photoconductive circuits, magnetic disks;

Others (16%)

Overseas Sales Ratio (24%):

Clients: [Mfrs, wholesalers] Sojitz Corp, Sumitomo Corp, Fujitsu Ltd, JFE Steel, Chubu Electric Power, Tokyo Electric Power, Denso Corp, Metawater Co, Nippon Steel & Sumitomo Meatal Corp, other

No. of accounts: 1,000

Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Fuji Furukawa E&C, Fuji IT, Fuji IT Center, Nagase Corp, Fuji Electric IT Center, Fuji Electric F-Tech Co, 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 (H/O)

Relations: Satisfactory

FINANCES

(In Million Yen)

Terms Ending:	31/03/2019	31/03/2018	31/03/2017	31/03/2016
Annual Sales	910,000	893,451	837,765	813,550
Recur. Profit	62,000	56,047	46,296	45,614
Net Profit	42,000	37,763	40,978	30,644
Total Assets		918,859	886,663	845,378

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Current Assets		536,234	512,470	493,932
Current Liabs		405,236	412,404	417,819
Net Worth		330,636	291,216	230,399
Capital, Paid-Up		47,586	47,586	47,586
Div.P.Share(₹)		8.00	6.00	6.00
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	1.85	6.65	2.98	0.35
Current Ratio	..	132.33	124.26	118.22
N.Worth Ratio	..	35.98	32.84	27.25
R.Profit/Sales	6.81	6.27	5.53	5.61
N.Profit/Sales	4.62	4.23	4.89	3.77
Return On Equity	..	11.42	14.07	13.30

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.26
UK Pound	1	INR 95.05
Euro	1	INR 83.99
YEN	1	INR 0.65

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

INFORMATION DETAILS

Analysis Done by :	DIV
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)