

MIRA INFORM REPORT

Report No. :	537362
Report Date :	27.10.2018

IDENTIFICATION DETAILS

Name :	NIKON CORPORATION
Registered Office :	Shinagawa Intercity Tower C, 2-15-3 Konan Minatoku Tokyo 108-6290
Country :	Japan
Financials (as on) :	31.03.2018
Date of Incorporation :	July, 1917
Com. Reg. No.:	0100-01-008763 (Tokyo-Chiyodaku)
Legal Form :	Limited Company (Kabushiki Kaisha)
Line of Business :	Manufacturer of cameras, precision equipment, imaging products, other.
No. of Employees :	4,444

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++	Minimum Risk	Business dealings permissible with minimum risk of default

Maximum Credit Limit :	Yen 18,129.9 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: 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

NIKON CORPORATION

REGD NAME: KK Nikon

MAIN OFFICE: Shinagawa Intercity Tower C, 2-15-3 Konan Minatoku Tokyo 108-6290 JAPAN
Tel: 03-0433-3600

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

ACTIVITIES

Mfg of cameras, precision equipment, imaging products, other

BRANCHES

Yokosuka, Mito, Kumagaya, Yokohama, Sagamihara, Shinagawa (Tokyo)

OVERSEAS

USA (6), Europe (18), Asia/Oceania (12), China (7), Canada, Mexico, Brazil, Russia, Australia, UAE (-- subsidiaries)

FACTORIES

Oh'i (Tokyo), Yokohama, Sagamihara, Kumagaya, Mito, Yokosuka (tot 6)

OFFICERS

KAZUO USHIDA, PRES	Masashi Oka, v pres
Masayuki Okamoto, mgn dir	Sho Odajima, mgn dir
Satoru Hagiwara, mgn dir	Akio Negishi, dir

Yen Amount: In million Yen, unless otherwise stated

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SUMMARY

FINANCES	FAIR	A/SALES	Yen 717,078 M
PAYMENTS	REGULAR	CAPITAL	Yen 65,476 M
TREND	SLOW	WORTH	Yen 572,908 M
STARTED	1917	EMPLOYES	4,444

COMMENT

MFR OF CAMERA & OTHER PRECISION EQUIPMENT.

FINANCIAL SITUATION COSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

MAX CREDIT LIMIT: YEN 18,129.9 MILLION, 30 DAYS NORMAL TERMS

HIGHLIGHTS

Time-honored precision machinery manufacturer founded in 1917. Built a global brand name in SLR cameras. Today the company's two mainlines are digital cameras and semiconductor & LCD mfg equipment. Also produces biological & industrial microscopes & measuring equipment. Holds the second highest market share in digital SLR cameras after CANON. Earnings from camera sales are high compared with global companies. Has strengths in high value-added exposure equipment for application in semiconductor mfg requiring technological expertise, such as immersion-type exposure equipment, and is ranked second in the world after ASML of the Netherlands. Also has a forte in LCD mfg-use exposure equipment.

FINANCIAL INFORMATION

The sales volume for Mar/2018 fiscal term amounted to Yen 717,078 million, a 4.30% down from Yen 749,273 million in the previous term. The recurring profit was posted at Yen 56,257 million and the net profit at Yen 34,772 million, respectively, compared with Yen 3,068 million recurring profit and yen 3,967 million net profit, respectively, a year ago

For the current term ending Mar 2019 the recurring profit is projected at Yen 76,000 million and the net profit at Yen 53,000 million, respectively, on a 3.20% rise in turnover, to Yen 740,000 million.

The financial situation is considered maintained FAIR and good for ORDINARY business engagements. Max credit limit is estimated at Yen 18,129.9 million, on 30 days normal terms.

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REGISTRATION

Date Registered: Jul 1917
Regd No.: 0100-01-008763 (Tokyo-Chiyodaku)
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 1,000 million shares
Issued: 400,878,921 shares
Sum: en 65,476 million

Major shareholders (%): Master Trust Bank of Japan T (10.0), Japan Trustee Services T (7.8), Meiji Yasuda Life Ins (4.8), MUFG (1.8), Jyoy Bank (1.6), State Street Bank & Trust (1.6), Jyoy Bank (1.6), Nippon Life Ins (1.6), Tokio Marine & Nichido Fire Ins (1.5), Mitsubishi UFJ Trust & Banking (1.3); foreign owners (31.4)

No. of shareholders: 10,628

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

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

Related companies: Nikon Imaging Japan, Nikon Inc USA, Nikon Inc, other

OPERATION

Activities: Manufactures precision equipment, imaging products, instruments, other:

(Sales breakdown by divisions):

Precision Machinery (32%): IC stepper & scanners, LCD steppers & scanner;

Visual Equipment (50%): digital cameras, film cameras, interchangeable lenses, speed lights, film scanners, photographic accessories, software;

Instruments (8%): biological microscopes, industrial microscopes, stereoscopic microscopes, measuring instruments, semiconductor inspection equipment;

Medical (8%),

Other (10%): sport optics, customized products, glass, encoders, ophthalmic lenses & surveying instruments.

Overseas Sales Ratio (86%)

Clients: [Mfrs, wholesalers] Nikon Imaging Japan, Nikon Inc USA, Nikon Europe BV, Samsung Japan, Nikon Imaging China Sales Co, Nikon Hong Kong Ltd, Nikon Precision Inc, other

No. of accounts: 1,000

Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Sanyo Electric, UKC Techno Solution, Electronics Inc, Nikon Co Ltd, USC, Renesas Electronics Corp, Nano Metrix Japan, Nikon Thailand, Yamato Wireless, Kawaju Trading, other

Payment record: Regular

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

Bank References:

MUFG (H/O)
Resona Bank (Tokyo)
Relations: Satisfactory

FINANCES

(In Million Yen)

Terms Ending:	31/03/2019	31/03/2018	31/03/2017	31/03/2016
Annual Sales	740,000	717,078	749,273	822,915
Recur. Profit	76,000	56,257	3,068	42,870
Net Profit	53,000	34,772	3,967	22,192
Total Assets		1,098,343	1,018,351	945,827
Current Assets		754,182	659,013	661,646
Current Liabs		389,756	341,918	294,424
Net Worth		572,908	537,524	539,138
Capital, Paid-Up		65,476	65,476	65,476
Div.P.Share(¥)		22.00	14.00	4.00
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	3.20	-4.30	-8.95	-4.06
Current Ratio	..	193.50	192.74	224.73
N.Worth Ratio	..	52.16	52.78	57.00
R.Profit/Sales	10.27	7.85	0.41	5.21
N.Profit/Sales	7.16	4.85	0.53	2.70
Return On Equity	..	6.07	0.74	4.12

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.37
UK Pound	1	INR 94.05
Euro	1	INR 83.41
Yen	1	INR 0.65

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

INFORMATION DETAILS

Analysis Done by :	NIS
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)