

## MIRA INFORM REPORT

<b>Report No. :</b>	536842
<b>Report Date :</b>	30.10.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	EBARA CORPORATION
<b>Registered Office :</b>	11-1 Haneda-Asahicho Ohtaku Tokyo 144-8510
<b>Country :</b>	Japan
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	May, 1920
<b>Com. Reg. No.:</b>	0108-01-001748 (Tokyo-Ohtaku)
<b>Legal Form :</b>	Limited Company (Kabushiki Kaisha)
<b>Line of Business :</b>	Manufacturer of industrial pumps, freezers, garbage incinerators, semiconductor Equipment, other
<b>No. of Employees :</b>	2,930

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> January 2017)

<b>MIRA's Rating :</b>	A+
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Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

<b>Status :</b>	Excellent
<b>Payment Behaviour :</b>	Regular
<b>Litigation :</b>	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**

### **EBARA CORPORATION**

**REGD NAME:** Ebara KK

**MAIN OFFICE:** 11-1 Haneda-Asahicho Ohtaku Tokyo 144-8510 JAPAN  
Tel: 03-3743-6111 Fax: 03-3745-3356

**URL:** <http://www.ebara.co.jp>  
**E-Mail address:** [webmaster@ebara.co.jp](mailto:webmaster@ebara.co.jp)

## **ACTIVITIES**

Mfg of industrial pumps, freezers, garbage incinerators, semiconductor Equipment, other

## **BRANCHES**

Tokyo, Osaka, Nagoya, Sapporo, Sendai, Saitama, Chiba, Yokohama, Niigata, Kanazawa, Hiroshima, Takamatsu, Fukuoka, other (Tot 80)

## **OVERSEAS**

Indonesia, Bahrain, Taiwan (--offices). USA (5), Europe (3), Mid East (1), Asia/Oceania (20) (-subsidiaries or group firms)

## **FACTORIES**

Haneda (at the caption address & vicinities), Fujisawa, Sodegaura (Chiba), Suzuka (Mie)

## **OVERSEAS**

China, Korea, Taiwan, Vietnam, Indonesia, and Malaysia

## **OFFICERS**

TOICHI MAEDA, PRES                      Atsuo Oi, s/mgn dir  
Shinji Nomichi, s/mgn dir              Natsunosuke Yago, ch  
Sakon Uda, dir                              Shiro Kunitani, dir

Yen Amount:    In million Yen, unless otherwise stated

## **SUMMARY**

FINANCES	FAIR	A/SALES	Yen 381,993 M
PAYMENTS	REGULAR	CAPITAL	Yen 79,039 M
TREND	SLOW	WORTH	Yen 277,957 M
STARTED	1920	EMPLOYES	2,930

## **COMMENT**

MFR SPECIALIZING IN INDUSTRIAL PUMPS & AIR BLOWERS.

FINANCIAL SITUATION CONSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

## **HIGHLIGHTS**

This is a time-honored mfr of industrial pumps and air blowers, dating back to 1912 when started making centrifugal pumps, by a local entrepreneur, on his account. Since incorporated, the firm has grown rapidly to mfg various types of industrial pumps, freezers, garbage incinerators and semiconductor equipment. Ranked 1<sup>st</sup> in both large & mass-produced industrial pumps. Heavily depends upon public demand. Top class in in-house technologies for environment-related lines including garbage incinerators and smoke desulfurizers, as well as semiconductor polishing systems. The company established a base in Dubai, UAE in fiscal 2013 in a bid to strengthen its support system in the overseas market including Middle East and Southeast Asia. Shale gas-related facilities in North America will start up in 2017.

## **FINANCIAL INFORMATION**

The sales volume for Mar/2018 fiscal term amounted to Yen 381,993 million, a 19.77% fall from Yen 476,104 million in the previous term. The recurring profit was posted at Yen 16,529 million and the net profit at Yen 9,531 million, respectively, compared with Yen 28,464 million recurring profit and Yen 20,587 million net profit, respectively, a year ago.

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For the current term ending Mar 2019 the recurring profit is projected at Yen 37,000 million and the net profit at Yen 22,600 million, respectively, on a 32.99% rise in turnover, to Yen 508,000 million.

The financial situation is considered FAIR and should be good for ORDINARY business engagements.

## ***REGISTRATION***

**Date Registered:** May 1920  
**Regd No.:** 0108-01-001748 (Tokyo-Ohtaku)  
**Legal Status:** Limited Company (Kabushiki Kaisha)  
**Authorized:** 200 million shares  
**Issued:** 101,783,253 shares  
**Sum:** Yen 79,039 million

**Major shareholders (%):** Master Trust Bank of Japan T (8.7), Ichigo Trust PTE (7.0), Japan Trustee Services T (6.0), Bank of New York 113522 (3.1), Mizuho Bank (1.9), other; foreign owners (45.1)

**No. of shareholders:** 19,378

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

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

Related companies: Ebara Engineering Service Corp, Ebara Techno-Serve Co, other.

## ***OPERATION***

**Activities:** Manufactures industrial pumps, freezers, garbage incinerators, semiconductor equipment, other:

**(Sales Breakdown by Divisions):**

**Fluid Machinery & System Company (59%):** fluid machinery & systems, various types of industrial pumps, blowers, gas & steam turbines, sewage collection systems, others;

**Environmental Engineering Company (12%):** solid waste incinerators, waste water treatment plants, wind power generation systems, fuel cell cogeneration systems, inorganic chemicals, thermal energy systems, soil & groundwater remediation systems, others;

**Precision Machinery Company (28%):** vacuum pumps, clean ozonizers for semiconductor device fabrication, pure-water pumps, chemical mechanical polishers, waste gas treatment equip, automated water carriers, other.

**Overseas sales ratio (60%)**

**Clients:** [Government agencies, municipal offices, wholesalers] Ebara Field Tech Corp, Taiwan Semiconductor Mfg Co, Japanese Red Cross Society, IHI Plant Engineering, Kitasato Daiichi Vaccine Corp, Tokyo Univ, Keio Univ, Chiyoda Corp, Shimadzu Corp, Donated Blood Distribution Foundation, other.

No. of accounts: 1,000

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Domestic areas of activities: Nationwide

**Suppliers:** [Mfrs, wholesalers] Toshiba Industrial Products & Systems Corp, Hitachi Plant Engineering & Construction, Tsukishima Kikai, Ebara Jitsugyo (subsidiary), Nippon Glass Building Materials, Ebara Eliot, Ebara Hamada Blower Co, Sanso Electro Co, Ebara Refrigeration & Systems Co, TSG, Kumagai-Tekkoshu Co, Okura Seiki 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 (Kyobashi)  
Relations: Satisfactory

## **FINANCES**

(In Million Yen)

Terms Ending:	31/12/2018	31/12/2017	31/12/2016	31/12/2015
Annual Sales	508,000	381,993	476,104	486,235
Recur. Profit	37,000	16,529	28,464	36,471
Net Profit	22,600	9,531	20,587	17,254
Total Assets		612,919	588,457	579,543
Net Worth		277,957	271,357	241,017
Capital, Paid-Up		79,039	79,039	79,039
Div.P.Share(¥)		30.00	15.00	30.00
<b>&lt;Analytical Data&gt;</b>	(%)	(%)	(%)	(%)
S.Growth Rate	32.99	-19.77	-2.08	0.73
Current Ratio		..	..	..
N.Worth Ratio		45.35	46.11	41.59
N.Profit/Sales	4.45	2.50	4.32	3.55

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

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.42
UK Pound	1	INR 94.26
Euro	1	INR 83.69
Yen	1	INR 0.65

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	VIVR
<b>Report Prepared by :</b>	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)