

MIRA INFORM REPORT

Report No. :	528119
Report Date :	03.09.2018

IDENTIFICATION DETAILS

Name :	JUKI CORPORATION
Registered Office :	2-11-1 Tsurumaki Tama City Tokyo-Metrop 206-8551
Country :	Japan
Financials (as on) :	31.12.2017
Date of Incorporation :	December 1938
Com. Reg. No.:	(Tokyo-Metrop-Tama Shi) 006169
Legal Form :	Limited Company (Kabushiki Kaisha)
Line of Business :	Manufactures, imports and exports industrial sewing machines, household sewing machines, industrial equipment, electronics, precision instruments.
No. of Employees :	6,021

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 :

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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 (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

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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 - a 10% average 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 entailed considerable time for firms 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 in 2013 on the basis of 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 necessity of addressing 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 another recession, so Prime Minister ABE has twice postponed the next increase, 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.

In October 2015, Japan and 11 trading partners reached agreement on the Trans-Pacific Partnership (TPP), a pact that had promised to open Japan's economy to increased foreign competition and create new export opportunities for Japanese businesses. Japan was the first country to ratify the TPP in December 2016; the United States signaled its withdrawal from the TPP in January 2017, and 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).

Source : CIA

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COMPANY NAME & ADDRESS

JUKI CORPORATION

REGD NAME: JUKI KK
MAIN OFFICE: 2-11-1 Tsurumaki Tama City Tokyo-Metrop 206-8551 JAPAN
Tel: 042-357-2211 Fax: 042-357-2540

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

ACTIVITIES: Mfg of industrial sewing machines, industrial machinery
BRANCHES: Domestic 122 locations; globally 79 locations
OVERSEAS: China, Singapore, India, Sri Lanka, Vietnam, Bangladesh, UAE, Cambodia, Thailand, Myanmar, Poland, Germany, Italy, Romania, Russia, Belarus, Turkey, USA, Brazil, other (including subsidiaries).
FACTORIES: Ohtawara (Tochigi), other; China, Vietnam, India, other

CHIEF EXEC: AKIRA KIYOHARA, PRES

Yen Amount: In million Yen, unless otherwise stated

SUMMARY

FINANCES	FAIR	A/SALES	Yen 103,659 M
PAYMENTS	REGULAR	CAPITAL	Yen 18,044 M
TREND	STEADY	WORTH	Yen 32,726 M
STARTED	1938	EMPLOYES	6,021

COMMENT: MFR OF INDUSTRIAL SEWING MACHINES. FINANCIAL SITUATION COSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

HIGHLIGHTS

The subject company was established originally as a rifle mfr, shifted into home sewing machines after WW2 and succeeded in production of nation's first machine in 1947. Now the firm is the largest producer of industrial sewing machines in the world and third largest in home-use machines in Japan. Has various models of industrial sewing machines with prices ranging from less than Yen 1 million to Yen 10 million or over. Although used to focus on the Chinese market, shifted its priority to countries such as Vietnam & Indonesia in recent years as clothing plants are increasingly relocating to South East Asia. Boasts a broad lineup of industrial chip mounters, form low-priced model to general-purpose models, in addition to high-speed types. Co-developed with YKK Corp the sewing machines for fasteners.

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FINANCIAL INFORMATION

The sales volume for Dec/2017 fiscal term amounted to Yen 103,659 million, a 6.07% up from Yen 97,724 million in the previous term. The recurring profit was posted at Yen 7,839 million and the net profit at Yen 5,642 million, respectively, compared with Yen 5,728 million recurring profit and Yen 1,833 million net profit, respectively, a year ago

For the current term ending Dec 2018 the recurring profit is projected at Yen 4,900 million and the net profit at Yen 7,200 million, respectively, on a 0.64% fall in turnover, to Yen 103,000 million.

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

REGISTRATION

Date Registered: Dec 1938
Regd No.: (Tokyo-Metrop-Tama Shi) 006169
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 80 million shares
Issued: 29,874,179 shares
Sum: Yen 18,044 million

Major shareholders (%): Master Trust Bank of Japan T (3.5), Japan Trustee Services T (3.2), Mizuho Bank (3.1), BNP Paribus (Lux) J FIM Lux F (2.9), Nippon Life Inc (2.4), JP Morgan Chase Bank 380634 (2.3), Company's Treasury Stock (1.9), Asahi Life Ins (1.9), Dai-ichi Life Holdings (1.7), State Street B&T OM02 505002 (1.6);; foreign owners (22.9).

No. of shareholders: 9,551

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

Managements: Akira Kiyohara, pres; Naotake Miyashita, mgn dir; Minoru Wada, mgn dir; Shinsuke Uchinashi, mgn dir; Hirofumi Gotoh, mgn dir; Katsumi Nihei, mgn dir; Kimio Honma, dir; Toshimasa Minura, dir; Toshinobu Shinozuka, dir

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

Related companies: JUKI Denshi Kogyo, JUKI Singapore, other

OPERATION

Activities: Manufactures, imports and exports industrial sewing machines, household sewing machines, industrial equipment, electronics, precision instruments:

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(Sales breakdown by divisions):
Sewing Machines (78%)
Industrial Sewing Machines (16%)
Others (7%)
Overseas sales ratio (84%)

Clients: [Mfrs, wholesalers] JUKI Hong Kong, JUKI Singapore, JUKI Automation Systems, JUKI European Holdings, JUKI Union Special, JUKI China Co, JUKI Shanghai, JUKI Household Sewing Machine, JUKI Central Europe, JUKI Sales, other.

No. of accounts: 2,000

Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] JUKI Matsue, JUKI Denshi Kogyo, JUKI Hiroshima Seisakusho, JUKI Shanghai, other.

Payment record: Regular

Location: Business area in Tama City, Tokyo-Metrop. Office premises at the caption address are owned and maintained satisfactorily.

Bank References:
Mizuho Bank (Shinjuku)
Mizuho Trust Bank (H/O)
Relations: Satisfactory

FINANCES

(In Million Yen)

Terms Ending:	31/12/2018	31/12/2017	31/12/2016	31/12/2015
Annual Sales	103,000	103,659	97,724	112,865
Recur. Profit	4,900	7,839	3,022	5,728
Net Profit	4,200	5,642	1,883	3,853
Total Assets		110,554	111,415	119,492
Current Assets		79,102	80,066	86,958
Current Liabs		55,589	61,254	64,436
Net Worth		32,726	27,006	27,678
Capital, Paid-Up		18,044	18,044	18,044
Div.P.Share(¥)		35.00	20.00	20.00
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	-0.64	6.07	-13.42	4.91
Current Ratio	..	142.30	130.71	134.95

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N.Worth Ratio	..	29.60	24.24	23.16
R.Profit/Sales	4.76	7.56	3.09	5.08
N.Profit/Sales	4.08	5.44	1.93	3.41
Return On Equity	..	17.24	6.97	13.92

Notes: Forecast (or estimated) figures for the 3112/2018 fiscal term.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.93
UK Pound	1	INR 92.35
Euro	1	INR 82.84
YEN	1	INR 0.64

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

INFORMATION DETAILS

Analysis Done by :	NIS
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)