

## MIRA INFORM REPORT

Report No. :	529077
Report Date :	07.09.2018

### IDENTIFICATION DETAILS

Name :	JAPAN DRILLING CO LTD
Registered Office :	Shin-Horidome Bldg 2F, 2-4-3 Nihombashi-Horidomecho Chuoku Tokyo 103 0012
Country :	Japan
Financials (as on) :	31.03.2017
Date of Incorporation :	April 1968
Com. Reg. No.:	0100-01-095234 (Tokyo-Chuoku)
Legal Form :	Limited Company (Kabushiki Kaisha)
Line of Business :	Drilling Offshore oil & Natural Gas Fields
No. of Employees :	158

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	<b>A+</b>
------------------------	-----------

Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

Maximum Credit Limit :	Yen 1,008.3 Million
Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**NOTES :**

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto: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

### **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

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

## **COMPANY NAME & ADDRESS**

### **JAPAN DRILLING CO LTD**

**REGD NAME:** Nihon Kaiyo Kussaku KK  
**MAIN OFFICE:** Shin-Horidome Bldg 2F, 2-4-3 Nihombashi-Horidomecho Chuoku Tokyo 103-0012  
Japan  
Tel: 03-5847-5850 Fax: 03-5644-5701 -

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

**ACTIVITIES:** Drilling offshore oil & natural gas fields  
**BRANCHES:** Nil  
**OVERSEAS:** Panama, USA, Netherlands, Malaysia, Indonesia, Iran (--subsidiaries)

**CHIEF EXEC:** YUICHIRO ICHIKAWA, PRES

**Yen Amount:** In million Yen, unless otherwise stated

## **SUMMARY**

FINANCES	FAIR	A/SALES	Yen 15,376 M
PAYMENTS	REGULAR	CAPITAL	Yen 7,572 M
TREND	SLOW	WORTH	Yen 29,048 M
STARTED	1968	EMPLOYEES	158

**COMMENT:** OIL DRILLING COMPANY FINANCIAL SITUATION COSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

MAX CREDIT LIMIT: YEN 1,008.3 MILLION, 30 DAYS NORMAL TERMS

## **HIGHLIGHTS**

This is the sole company in Japan involved in drilling offshore oil & natural gas fields and sinking wells, mainly in S/E Asia, Middle East and other areas. Semi-major company in world with sub carrying on sales of undersea well-sinking apparatus (rig). Earnings come from daily income received from operations of rigs. The company is also providing operation and management services for exploration ship "Chikyu" to Japan Agency for Maritime-Earth Science and Technology thru its JV. Commercial drillings between scientific drillings by using the exploration ship are making a major contribution to profits.

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

## **FINANCIAL INFORMATION**

The sales volume for Mar/2017 fiscal term amounted to Yen 15,376 million, a 57.56% down from Yen 36,227 million in the previous term. The operations continued in the deficit to post Yen 11,515 million recurring loss and Yen 23,053 million net losses, respectively, compared with Yen 3,219 million recurring loss and Yen 7,019 million net losses, respectively, a year ago.

For the current term ending Mar 2018 the recurring loss is projected at Yen 7,500 million and the net loss at Yen 8,500 million, respectively, on a 39.83% rise in turnover, to Yen 21,500 million.

The financial situation is considered FAIR and good for ORDINARY business engagements. Max credit limit is estimated at Yen 1,008.3 million, on 30 days normal terms.

## **REGISTRATION**

**Date Registered:** Apr 1968  
**Regd No.:** 0100-01-095234 (Tokyo-Chuoku)  
**Legal Status:** Limited Company (Kabushiki Kaisha)  
**Authorized:** 60 million shares  
**Issued:** 18 million shares  
**Sum:** Yen 7,572 million

**Major shareholders (%)**: Japan Petroleum Exploration (30.9), Mitsubishi Materials (20.0), Inpex Corp (6.4), Japan Marine United (3.1), Mitsui Eng. & Shipbuilding (2.0), Macquarie Bank Ltd. MBL London (1.7), TMEIC (1.3), Daiichi Jitsugyo (1.1), Mitsui Co (1.0), Tokio Marine & Nichido Fire Ins (0.8); foreign owners (1.5)

**No. of shareholders:** 11,204

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

**Managements:** Yuichiro Ichikawa, pres; Hironori Imazato, v pres; Kenzo Yamada, s/mgn dir; Michiharu Ureshino, s/mgn dir; Toshio Harada, mgn dir; Yoichi Onoe, mgn dir; Yasuro Yasui, dir; Takanori Hioki, dir

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

**Related companies:** Mantle Quest Japan Co, Pars Drilling Kish, other.

## **OPERATION**

**Activities:** Offshore drilling (40%), drilling service and operation (43%), others (17%)  
**Overseas Sales Ratio (31%)**

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**Clients:** [Mfrs, wholesalers] Japan Petroleum Exploration Co, Saga Drill 2, UMW JDC Drilling, NEC Corp, other

No. of accounts: 300

Domestic areas of activities: Nationwide

**Suppliers:** [Mfrs, wholesalers] Daiichi Jitsugyo, NOV Rig Solutions, Shinwa Co, 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)

SMBC (Hibiya)

Relations: Satisfactory

## **FINANCES**

(In Million Yen)

Terms Ending:	31/03/2018	31/03/2017	31/03/2016	31/03/2015
Annual Sales	21,500	15,376	36,227	32,584
Recur. Profit	-7,500	-11,516	-3,219	3,260
Net Profit	-8,500	-23,053	-7,017	1,892
Total Assets		80,221	109,589	115,902
Current Assets		49,559	64,237	62,457
Current Liabs		17,290	19,534	20,246
Net Worth		29,048	52,565	61,529
Capital, Paid-Up		7,572	7,572	7,572
Div.P.Share(¥)		0.00	10.00	25.00
<b>&lt;Analytical Data&gt;</b>	(%)	(%)	(%)	(%)
S.Growth Rate	39.83	-57.56	11.18	-18.81
Current Ratio	..	286.63	328.85	308.49
N.Worth Ratio	..	36.21	47.97	53.09
R.Profit/Sales	-34.88	-74.90	-8.89	10.00
N.Profit/Sales	-39.53	-149.93	-19.37	5.81
Return On Equity	..	-79.36	-13.35	3.07

**Notes:** Forecast (or estimated) figures for the 31/03/2018 fiscal term.

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.92
UK Pound	1	INR 92.80
Euro	1	INR 83.60
Yen	1	INR 0.65

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	VIV
<b>Report Prepared by :</b>	TPT

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**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)