

JCR's Financial Indicators by Rating Range 2013

JCR calculated financial indicators by rating range (average values) using financial data of corporations, to which JCR assigns ratings (including 'p' ratings and ratings under Credit Monitor), as part of objective validation of the adequacy of JCR's ratings. This report is the updated 2013 version of the last "Financial Indicators by Rating Range 2012" released on November 29, 2012. The ratings are determined both quantitatively and qualitatively, but consistency between the grades of rating ranges and financial indicators, which should exist as a base, has been reaffirmed by these statistics. JCR calculates financial levels and uses them to check individual ratings. Since JCR not only conducts evaluation and qualitative assessment for indicators other than those shown in this report, but also takes into consideration future prospects when actually determining ratings, the said ratings are not necessarily assigned to the corporations, which satisfy average values given in this report.

Time Period for Data Collection

Two time periods are adopted for data collection: "the most recent FY" (from April 2012 to March 2013) and "the most recent 5 fiscal years" (from April 2008 to March 2013). (The previous two time periods are from April 2011 to March 2012 for the most recent FY and are from April 2007 to March 2012 for the most recent 5 fiscal years.)

Data Used

Data for Japanese industrial corporations (excluding financial institutions, electric power and gas companies, air transport, agriculture and forestry, fishery, and mining industries) subject to JCR's ratings were used. However, as the number of corporations in B or below B range is small, data were collected for those in BB or above BB range. JCR related the financial indicators to the JCR's ratings that were assigned when 5 months have passed since the end of the fiscal year (for example, FY ended March 31, 2013 referenced to JCR's rating as of August 31, 2013). As a result, the number of corporations subject to data collection from April 2008 to March 2013 totaled 1,009 for manufacturing industry (194 for the most recent FY only) and totaled 881 for non-manufacturing industry (166 for the most recent FY only).

(Financial Technology Division)

Table 1: Average Values of Financial Indicators by Rating Range

			Manufacturing				Non-Manufacturing			
			Most Recent 5 Fiscal Years		Most Recent FY		Most Recent 5 Fiscal Years		Most Recent FY	
			through FY2012	through FY2011	FY2012	FY2011	through FY2012	through FY2011	FY2012	FY2011
Number of Corporations		AAA	0	0	0	0	19	17	3	3
		AA Range	137	145	25	25	98	100	19	19
		A Range	507	511	101	103	320	318	67	65
		BBB Range	360	381	66	67	403	420	71	73
		BB Range	5	5	2	3	41	54	6	8
Profitability	Operating Income Margin (%)	AAA	-	-	-	-	15.80	17.42	20.16	19.84
		AA Range	6.91	7.70	7.28	7.33	8.71	8.98	8.45	9.29
		A Range	4.72	5.20	5.10	5.52	7.02	7.17	7.14	7.57
		BBB Range	3.08	3.57	3.33	4.03	5.26	5.71	5.36	5.73
		BB Range	2.24	4.12	-2.46	4.49	7.39	7.78	13.62	12.64
	Net Income/Total Capital Employed Ratio (%)	AAA	-	-	-	-	3.30	3.63	4.43	3.60
		AA Range	2.70	3.27	2.95	3.19	2.53	2.53	3.24	2.75
		A Range	1.64	1.98	2.29	2.20	2.43	2.47	2.54	2.79
		BBB Range	0.66	0.99	1.30	1.68	1.70	1.78	1.95	1.80
		BB Range	-0.97	0.85	-4.61	0.18	-2.79	-1.79	0.59	2.04
	Business Income/Total Capital Employed Ratio (%)	AAA	-	-	-	-	6.90	7.71	8.54	8.36
		AA Range	5.93	6.79	5.81	6.56	5.60	5.75	5.85	5.84
		A Range	4.62	5.23	4.74	5.30	5.01	5.14	5.09	5.57
		BBB Range	3.37	3.92	3.51	4.13	4.65	4.99	4.21	4.91
		BB Range	2.56	3.56	-0.80	3.91	3.84	5.01	5.18	5.90
Debt Service Capacity	Interest-bearing Debt/EBITDA Ratio (year)	AAA	-	-	-	-	2.02	2.00	1.96	2.10
		AA Range	2.03	1.81	2.04	1.86	3.70	3.37	3.84	3.56
		A Range	3.14	2.79	3.12	2.69	5.19	5.03	5.10	4.91
		BBB Range	5.74	5.24	5.02	4.22	5.87	5.74	5.78	6.55
		BB Range	5.64	5.45	6.61	4.15	11.40	10.30	11.19	9.79
	Net Interest-bearing Debt/EBITDA Ratio (year)	AAA	-	-	-	-	1.88	1.82	1.88	1.93
		AA Range	1.46	1.32	1.36	1.28	2.94	2.69	3.00	2.76
		A Range	2.14	1.95	2.20	1.82	4.15	4.07	3.72	3.95
		BBB Range	4.00	3.70	3.35	2.70	4.39	4.31	4.30	5.01
		BB Range	3.29	2.97	4.42	1.54	9.17	8.13	9.62	8.33
	Interest-bearing Debt/Operating Cash Flow Ratio (year)	AAA	-	-	-	-	2.56	2.66	2.54	2.85
		AA Range	3.24	3.00	2.78	3.35	5.45	5.07	5.59	5.45
		A Range	4.72	4.40	5.38	5.45	7.48	7.81	6.75	7.88
		BBB Range	7.36	7.01	8.29	6.93	8.82	9.18	7.28	11.56
		BB Range	16.44	18.54	20.69	26.51	11.53	12.20	12.18	9.53
	Net Interest-bearing Debt/Operating Cash Flow Ratio (year)	AAA	-	-	-	-	2.40	2.43	2.43	2.61
		AA Range	2.34	2.24	1.79	2.43	4.32	4.01	4.48	4.02
		A Range	3.33	3.06	3.86	3.60	6.05	6.47	5.48	6.31
		BBB Range	4.61	4.52	5.67	4.50	6.89	6.88	6.31	9.34
		BB Range	9.71	5.27	13.22	5.80	9.20	9.71	10.09	8.45
Financial Structure	Equity Capital Ratio (%)	AAA	-	-	-	-	42.50	40.11	44.04	41.58
		AA Range	51.69	51.55	54.50	52.55	40.36	40.65	39.98	40.74
		A Range	46.34	47.15	45.54	45.56	37.25	36.64	39.38	37.84
		BBB Range	39.80	39.60	41.33	39.87	35.03	35.00	34.78	34.70
		BB Range	31.19	35.75	38.21	44.67	25.14	24.19	27.94	33.25
	Debt/Equity Ratio (Interest-bearing Debt) (Times)	AAA	-	-	-	-	0.83	0.91	0.79	0.89
		AA Range	0.53	0.51	0.45	0.47	0.90	0.85	0.92	0.87
		A Range	0.75	0.70	0.72	0.74	1.20	1.26	1.00	1.15
		BBB Range	1.08	1.05	1.06	1.01	1.55	1.60	1.43	1.54
		BB Range	1.23	1.28	0.89	1.01	4.40	4.40	2.28	1.95
	Debt/Equity Ratio (Net Interest-bearing Debt) (Times)	AAA	-	-	-	-	0.78	0.84	0.76	0.83
		AA Range	0.39	0.37	0.30	0.33	0.72	0.69	0.73	0.68
		A Range	0.57	0.53	0.54	0.55	1.00	1.05	0.81	0.93
		BBB Range	0.78	0.77	0.77	0.72	1.23	1.29	1.14	1.23
		BB Range	0.67	0.74	0.59	0.43	3.49	3.46	1.88	1.67
	Earned Surplus/Equity Capital Ratio (%)	AAA	-	-	-	-	70.66	78.30	85.02	88.10
		AA Range	78.93	77.42	78.19	83.09	67.59	66.12	66.46	69.13
		A Range	59.29	58.18	61.73	62.66	60.20	59.00	60.11	62.00
		BBB Range	38.84	38.93	41.71	45.94	52.92	50.61	53.27	53.99
		BB Range	2.10	31.35	-1.72	32.28	-70.61	-58.56	48.85	48.99
Size	Equity Capital (¥100 mn)	AAA	-	-	-	-	24,733	24,211	29,905	27,529
		AA Range	7,130	6,907	8,257	7,266	6,041	5,780	7,004	6,187
		A Range	2,165	1,975	2,724	2,264	1,930	1,811	2,234	2,037
		BBB Range	702	696	711	660	541	527	614	579
		BB Range	258	307	228	418	178	187	208	214
	EBITDA (¥100 mn)	AAA	-	-	-	-	8,623	9,199	9,868	9,749
		AA Range	1,829	1,992	1,716	1,806	1,432	1,435	1,592	1,490
		A Range	564	534	683	637	514	498	577	581
		BBB Range	183	193	176	179	164	178	141	147
		BB Range	67	75	13	100	31	51	55	49

Table 2: Calculating Formulas for Financial Indicators

Financial Indicator	Unit	Formula
Operating Income Margin	%	Operating Income/Net Sales x 100
Net Income/Total Capital Employed Ratio	%	Y (Net Income)/A (Total Capital Employed) x 100
Business Income/Total Capital Employed Ratio	%	Y (Operating Income + Total Amount of Interest and Dividend Income)/A (Total Capital Employed) x 100
Interest-bearing Debt/EBITDA Ratio	year	A (Interest-bearing Debt)/EBITDA
Net Interest-bearing Debt/EBITDA Ratio	year	A (Net Interest-bearing Debt)/EBITDA
Interest-bearing Debt/Operating Cash Flow Ratio	year	A (Interest-bearing Debt)/Operating Cash Flow
Net Interest-bearing Debt/Operating Cash Flow Ratio	year	A (Net Interest-bearing Debt)/Operating Cash Flow
Equity Capital Ratio	%	Equity Capital/(Total Assets - New Stock Subscription) x 100
Debt/Equity Ratio (Interest-bearing Debt)	times	Interest-bearing debt/Equity Capital
Debt/Equity Ratio (Net Interest-bearing Debt)	times	Net Interest-bearing debt/Equity Capital
Earned Surplus/Equity Capital Ratio	%	Earned Surplus/Equity Capital x 100
Equity Capital	Y100 mn	(Net Assets - Share Warrants - Minority Interests)/100
EBITDA	Y100 mn	(Operating Income + Total Amount of Interest and Dividend Income + Depreciation Expense)/100
Total Capital Employed	Y mn	Total Assets - New Stock Subscription - Treasury Stock + Notes Receivable Discounted + Notes Receivable Endorsed
Net Interest-bearing Debt	Y mn	Larger of (Interest-bearing Debt – Cash and Deposits) or Zero

Notes:

- *1: Y...: In cases where the number of months of a fiscal year is less than 1 year, indicators are annualized.
- *2: A...: Average of the beginning value and ending value.
- *3: Excluded are outliers for Interest-bearing Debt/Operating Cash Flow Ratio, Net Interest-bearing Debt/Operating Cash Flow Ratio, Interest-bearing Debt/EBITDA Ratio, and Net Interest-bearing Debt/EBITDA Ratio in average calculation.
- *4: Excluded are below -3000% figures for Earned Surplus/Equity Capital Ratio in average calculation.

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