

February 19, 2014

REGISTERED NAME & COMPANY SUMMARY

IDENTIFICATION DETAILS






Name: TOKO INC
Registered Office: 18 Gomigaya Tsurugashima City Saitama-Pref 350-2281
Country: Japan
Financials (as on): 31.12.2012
Date of Incorporation: 09.08.1955
Legal Form: Limited Company
Line of Business: Manufacturer of coils
No. of Employees: 11684

CREDIT RECOMENDATION

Current Credit Rating: C

Current Credit Limit: £500,000

Credit Rating / Limit additional comments:

Rating Explanation	
	A Very Good Credit Worthiness (Lowest Risk)
	B Good Credit Worthiness (Low Risk)
	C Satisfactory Credit Worthiness (Moderate Risk)
	D Not credit worthy
	E Rating suspended

Creditserve Business Information Ltd – Reg. No. 06534336

Lyric House, St Andrew Street, Hertford, SG14 1JA

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DIRECTORS/MANAGEMENT

CHIEF EXEC

SHIGERU KAWATSUHARA, PRES

Yen Amount: In million Yen, unless otherwise stated

Managements: Shigeru Kawatsuhara, pres; Takashi Kuwajima, s/mgn dir; Masafumi Mizuno, mgn dir; Minoru Hojo, mgn dir; Etsuo Hayakawa, dir

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

NEGATIVE INFORMATION

Litigation: Clear

SHARE & SHARE CAPITAL INFORMATION

Authorized: 300 million shares

Issued: 108,122,646 shares

Sum: Yen 17,446 million

Major shareholders (%): Murata Manufacturing (9.7), Goldman Sachs International (3.9), Saitama Resona Bank (3.8), Dai-ichi Life Ins (3.3), Master Trust Bank of Japan T (2.5), Mizuho Bank 2.5), UBS (London) IPB Segregated CI (2.3), Japan Trustee Services T (2.2), BONY GCM Client JPRDISGFEAC (2.1), Alps Electric (1.5); foreign owners (24.5)

No. of shareholders: 9,146

PAYMENT INFORMATION

Payment Behaviour: Slow but Correct

Clients: [Mfrs, wholesalers] Samsung, Panasonic Corp, Continental Automotive, Sony Corp, Compal, Denso, Motorola Mobility, Alps, Sharp, LG, other

No. of accounts: 500

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Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Mitsubishi Electric Wire, Epson Atomix, Hitachi Metal, Shoei Chemical Ind, other

GROUP STRUCTURE & AFFILIATED COMPANIES

Related companies: Toko Coiltec Co, Hikari Electronics Co, Ele-Kitakami Co, other.

FINANCIAL INFORMATION

A/SALES Yen 26,829 M

WORTH YEN 16,530 M

FINANCIAL INFORMATION

The sales volume for Dec/2012 fiscal term amounted to Yen 26,829 million, a 2% down from Yen 27,277 million in the previous term. The recurring profit was posted at Yen 926 million and the net profit at Yen 120 million, respectively, compared with Yen 503 million recurring loss and Yen 2629 million net loss, respectively, a year ago.

(Jan/Sept/2013 results): Sales Yen 24,223 million (up 21.1%), operating profit Yen 2,600 million (up 227.3%), recurring profit Yen 2,441 million (up 497.9%), net profit Yen 1,620 million (previously Yen 358 million loss). (% & figures compared with the corresponding period a year ago).

For the current term ending Dec/2013 the recurring profit is projected at Yen 2,800 million and the net profit at Yen 1,900 million, on a 21% rise in turnover, to Yen 32,400 million. Sales of metal alloy coils for new smartphones of global leading smartphone makers rose substantially, buoyed by the positive impact of the weaker Yen. Operating profit will expand sharply, absorbing higher depreciation costs.

The financial situation is considered FAIR and good for ORDINARY business engagements. Max credit limit is estimated at Yen 749.8 million, on 30 days normal terms.

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FINANCES

(In Million Yen)

FINANCES: (Consolidated in million yen)

Terms Ending: 31/12/2012 31/12/2011

INCOME STATEMENT

Annual Sales	26,829	27,277
Cost of Sales	19,648	21,115
GROSS PROFIT	7,181	6,162
Selling & Adm Costs	5,946	6,410
OPERATING PROFIT	1,234	-248
Non-Operating P/L	-308	-255
RECURRING PROFIT	926	-503
NET PROFIT	120	-2,629

BALANCE SHEET

Cash	8,192	6,685
Receivables	6,826	6,851
Inventory	5,151	4,573
Securities, Marketable		
Other Current Assets	1,218	1,160
TOTAL CURRENT ASSETS	21,387	19,269
Property & Equipment	12,708	10,344
Intangibles	201	108
Investments, Other Fixed Assets	61,799	1,876

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TOTAL ASSETS	96,095	31,597
Payables	2,645	2,082
Short-Term Bank Loans	6,472	7,436
Other Current Liabs	3,087	2,673
TOTAL CURRENT LIABS	12,204	12,191
Debentures	1,500	
Long-Term Bank Loans	2,034	2,701
Reserve for Retirement Allw	2,296	2,640
Other Debts	1,531	1,585
TOTAL LIABILITIES	19,565	19,117
MINORITY INTERESTS		
Common stock	17,446	17,446
Additional paid-in capital	3,803	5,604
Retained earnings	(293)	(3,207)
Evaluation p/l on investments/securities	115	19
Others	(4,088)	(6,931)
Treasury stock, at cost	(453)	(451)
TOTAL S/HOLDERS` EQUITY	16,530	12,480
TOTAL EQUITIES	36,095	31,597

CONSOLIDATED CASH FLOWS

	Terms ending: 31/12/2012	31/12/2011
Cash Flows from Operating Activities	1,937	772

Cash Flows from Investment Activities	-2,483	-1,438
Cash Flows from Financing Activities	1,485	-335
Cash, Bank Deposits at the Term End	8,127	6,591

ANALYTICAL RATIOS	Terms ending:	31/12/2012	31/12/2011
	Net Worth (S/holders' Equity)	16,530	12,480
	Current Ratio (%)	175.25	158.06
	Net Worth Ratio (%)	45.80	39.50
	Recurring Profit Ratio (%)	3.45	-1.84
	Net Profit Ratio (%)	0.45	-9.64
	Return On Equity (%)	0.73	-21.07

ADDITIONAL INFORMATION

JAPAN ECONOMIC OVERVIEW

In the years following World War II, government-industry cooperation, a strong work ethic, mastery of high technology, and a comparatively small defence allocation (1% of GDP) helped Japan develop a technologically advanced economy. Two notable characteristics of the post-war 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 labour force. Both features are now eroding under the dual pressures of global competition and domestic demographic change. Japan's industrial sector is heavily dependent on imported raw materials and fuels. A small agricultural sector is highly subsidized and protected, with crop yields among the highest in the world. While self-sufficient in rice production, Japan imports about 60% of its food on a caloric basis. For three decades, overall real economic growth had been spectacular - a 10% average in the 1960s, a 5% average in the 1970s, and a 4% average in the 1980s. Growth slowed markedly in the 1990s, averaging just 1.7%, largely because of the after effects of inefficient investment and an asset price bubble in the late 1980s that required a protracted period of time for firms to reduce excess debt, capital, and labour. Modest economic growth continued after 2000, but the economy has fallen into recession three times since 2008. A sharp downturn in business investment and global demand for Japan's exports in late 2008 pushed Japan into recession. Government stimulus spending helped the economy recover in late 2009 and 2010, but the economy

contracted again in 2011 as the massive 9.0 magnitude earthquake and the ensuing tsunami in March disrupted manufacturing. The economy has largely recovered in the two years since the disaster, but reconstruction in the Tohoku region has been uneven. Newly-elected Prime Minister Shinzo ABE has declared the economy his government's top priority; he has pledged to reconsider his predecessor's plan to permanently close nuclear power plants and is pursuing an economic revitalization agenda of fiscal stimulus and regulatory reform and has said he will press the Bank of Japan to loosen monetary policy. Measured on a purchasing power parity (PPP) basis that adjusts for price differences, Japan in 2012 stood as the fourth-largest economy in the world after second-place China, which surpassed Japan in 2001, and third-place India, which edged out Japan in 2012. The new government will continue a longstanding debate on restructuring the economy and reining in Japan's huge government debt, which exceeds 200% of GDP. Persistent deflation, reliance on exports to drive growth, and an aging and shrinking population are other major long-term challenges for the economy.

Company name

TOKO INC

REGD NAME

Toko KK

MAIN OFFICE

18 Gomigaya Tsurugashima City Saitama-Pref 350-2281 JAPAN

Tel: 049-285-2511 Fax: 049-286-7381 -

RL: <http://www.toko.co.jp>

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ACTIVITIES

Mfg of coils

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BRANCHES

Osaka, Nagoya

OVERSEAS

USA (2), Hong Kong, China (5), Taiwan, Singapore, Germany, Thailand

FACTORIES

At the caption address, subsidiaries; China (3), Hong Kong, Taiwan, Vietnam (2), Malaysia

STARTED 1955

EMPLOYEES 11684

HIGHLIGHTS

This is the leading mfr of coils. Developed in 1956 intermediate-frequency coil for transistor radios, first in world. Under auspices as listing sub of Murata Manufacturing by the end of December 2013 term. Leads other makers in field of magnetic metal alloy products. The company continues procedures related to TBO by Murata Mfg. It intends to use Murata's sales channels to promote metal alloy coils for electronic control units used for automobile engines.

Product Details

Coil Based Products

- Coil, Transformer, and Inductor
- Widely applicable on DVD, DSC/DVC, digital AV devices such as LCD TV, and communication devices such as mobile phones
- Common-mode Choke Coil, Interface module
- Applicable on TI and network equipment such as personal computers, LAN, FTTH, etc.

Module Products

- Digital broadcasting and receiving module
- Digital radio for North America
- Contactless power transmission module
- Contactless power charger is suitable for cordless phone, TV game, headphone, etc.

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Electronic Ceramic Products

- Dielectric Filter, Antenna
- Suitable for various communication equipment, navigation systems.
- Multilayer Related Products (such as chip inductors)
- Multilayer chip products are suitable for mobile communication products such as cellular phones.

REGISTRATION

Date Registered: 09 Aug 1955

Legal Status: Limited Company (Kabushiki Kaisha)

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

OPERATION

Activities: Manufactures coils, other:

(Sales Breakdown by Divisions):

Coil Products (83%): coil, transformer, inductor, common-mode choke coil, interface module, other;

Module Products (7%): digital broadcasting & receiving module, contactless power transmission module, other;

Solid State Products (10%): dielectric filter, antenna, multilayer related products (such as chip inductors), other

Location: Business area in Tsurugashima City, Saitama-Pref. Office premises at the caption address are owned and maintained satisfactorily.

Bank References:

Mizuho Bank (Uchisaiwaicho)

Saitama Resona Bank (Tokyo)

Relations: Satisfactory

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NOTES & COMMENTS

MFR OF COILS

FINANCIAL SITUATION COSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

MAX CREDIT LIMIT: YEN 749.8 MILLION, 30 DAYS NORMAL TERMS

Business	Terms Ending	Annual Sales*	R.Profit*	N.Profit*	S.Growth	Net Worth*
Results:	31/12/2009	37,986	-199	93	(%)	19,720
(Consolidated)	31/12/2010	27,477	30	-1,719	-27.67	16,071
	31/12/2011	27,277	-503	-2,629	-0.73	12,480
	31/12/2012	26,829	926	120	-1.64	16,530
	31/12/2013	32,400	2,800	1,900	20.76	..

Units: In Million Yen

Forecast figures for the 31/12/2013 fiscal term.