

JCR's Financial Indicators by Rating Range 2024

JCR has compiled financial data with the fiscal year ended March 2024 as the most recent fiscal year for corporations rated by JCR (including 'p' ratings and ratings under Credit Monitor) and calculated financial indicators (average values) by rating range. While ratings are determined based on both quantitative and qualitative assessments, JCR confirmed that the relationship between the ranks in the ratings and the performance of financial indicators is basically consistent in the calculation. However, some indicators show individual impacts with respect to the average values in areas with a small number of corporations. As JCR determines actual rating based on assessments of other financial indicators in addition to these financial indicators and qualitative assessments, as well as future prospects, the ratings are not necessarily assigned to the corporations that meet the average values of the calculated results. Even so, JCR hereby releases the calculated results as part of efforts to improve its rating transparency.

Periods Covered for Calculation

The periods covered for calculation are the following two periods: "Most Recent Period" (from April 2023 to March 2024) and "Most Recent 5-Year Period" (from April 2019 to March 2024). The periods covered for calculation for the previous fiscal year were the following: "Most Recent Period" (from April 2022 to March 2023) and "Most Recent 5-Year Period" (from April 2018 to March 2023).

Data Covered for Calculation

The data covered for calculation are Japanese industrial corporations to which JCR assigned ratings in the BB range and higher (excluding those in the financial, electric power, gas, air transportation, agriculture, forestry, fishery and mining sectors). JCR used the ratings assigned 5 months after the end of the fiscal year when the indicators were observed for the calculation (e.g., the rating as of the end of August 2024 in the case of the fiscal year ended March 2024). As a result, the number of corporations covered for Most Recent 5-Year Period totaled 921 (181 for Most Recent Period) in the manufacturing industry and 865 (174 for Most Recent Period) in the non-manufacturing industry.

(Information Services Department)

Table 1: Average Values of Financial Indicators by Rating Range

	Rating Range	Manufacturing				Non-Manufacturing				
		Most Recent 5-Year Period (Previous Period)		Most Recent Period (Previous Period)		Most Recent 5-Year Period (Previous Period)		Most Recent Period (Previous Period)		
Number of Corporations	AAA	6	4	2	2	23	23	5	5	
	AA	164	162	34	34	139	129	32	30	
	A	514	512	105	105	499	486	106	103	
	BBB	221	236	38	39	192	209	29	35	
	BB	16	16	2	4	12	12	2	2	
Profitability	Operating Income Margin (%)	AAA	16.90	15.12	20.45	21.44	8.78	9.77	17.85	12.40
		AA	11.01	11.25	10.60	11.20	9.15	9.04	10.73	9.79
		A	6.02	6.22	6.10	5.81	6.79	6.94	7.19	6.95
		BBB	4.73	4.69	5.03	4.84	5.12	5.09	7.75	6.59
		BB	1.06	1.44	1.90	3.87	4.73	6.39	6.11	-11.65
	Net Income Margin (%)	AAA	13.61	12.29	16.25	15.91	3.62	4.22	10.84	8.27
		AA	7.56	7.70	7.44	7.74	6.20	5.83	8.30	7.44
		A	3.99	4.07	4.41	4.02	5.16	5.17	5.60	6.15
		BBB	2.91	2.89	3.24	3.39	4.34	4.24	4.44	5.00
		BB	-1.88	-1.25	-2.59	0.07	2.43	3.18	2.88	-0.55
	ROA (Business Income) (%)	AAA	9.83	9.05	11.39	13.71	3.66	4.34	5.18	4.10
		AA	8.11	8.43	7.76	8.42	5.28	5.47	5.66	5.69
		A	5.32	5.46	5.63	5.25	4.93	4.94	5.24	5.14
		BBB	4.39	4.32	4.86	4.35	4.23	4.22	6.05	4.75
		BB	1.49	1.85	2.08	3.65	1.76	1.80	2.71	-3.39
Debt Service Capacity	Interest-bearing Debt / EBITDA (years)	AAA	3.66	4.34	2.30	2.89	18.76	18.21	5.29	7.00
		AA	1.98	1.89	2.01	2.01	8.19	7.94	5.89	4.71
		A	3.16	3.02	3.11	3.47	5.72	5.80	4.60	4.66
		BBB	3.64	3.79	3.65	3.69	5.16	5.27	3.93	4.69
		BB	9.68	9.13	8.51	6.54	13.51	13.38	14.88	8.74
	Net Interest-bearing Debt / EBITDA (years)	AAA	2.79	3.34	1.69	2.14	17.45	16.96	4.79	6.42
		AA	1.28	1.23	1.31	1.34	4.10	3.84	4.03	3.43
		A	1.90	1.82	1.94	2.28	4.10	4.28	2.98	3.37
		BBB	1.95	1.93	2.11	2.08	3.37	3.61	2.10	2.91
		BB	5.95	5.58	6.07	4.53	9.10	9.63	7.39	6.43
	Interest-bearing Debt / Operating Cash Flow (years)	AAA	5.86	6.61	4.37	5.00	13.66	13.08	6.41	8.23
		AA	3.07	3.02	2.45	4.97	7.50	7.16	7.13	8.47
		A	5.69	5.69	3.65	10.50	7.72	7.82	7.56	6.83
		BBB	5.75	5.77	5.30	7.22	7.08	7.87	4.62	6.99
		BB	13.08	13.67	6.69	20.76	17.36	20.95	8.56	20.68
Financial Structure	Equity Ratio (%)	AAA	52.83	49.08	60.34	59.98	35.23	38.25	31.97	31.00
		AA	54.84	55.20	55.04	54.53	40.57	40.02	42.84	40.60
		A	49.36	49.10	50.91	49.29	41.46	41.15	42.01	41.54
		BBB	46.60	46.14	47.90	47.09	40.68	40.04	43.03	41.82
		BB	15.98	16.82	10.65	21.48	26.24	27.90	20.67	22.30
	Debt-to-Equity Ratio (Interest-bearing Debt) (times)	AAA	0.70	0.79	0.54	0.52	1.32	1.18	1.43	1.50
		AA	0.40	0.39	0.39	0.40	0.96	0.96	0.86	0.93
		A	0.59	0.59	0.54	0.60	0.98	0.99	0.96	1.00
		BBB	0.66	0.66	0.63	0.62	1.05	1.10	0.83	0.99
		BB	3.13	2.92	4.16	2.57	2.88	2.61	3.58	3.70
	Debt-to-Equity Ratio (Net Interest-bearing Debt) (times)	AAA	0.53	0.60	0.40	0.39	1.21	1.08	1.29	1.36
		AA	0.25	0.25	0.25	0.27	0.71	0.70	0.65	0.69
		A	0.38	0.38	0.34	0.40	0.69	0.72	0.63	0.67
		BBB	0.39	0.40	0.36	0.37	0.70	0.76	0.50	0.67
		BB	2.24	2.07	3.15	1.91	1.79	1.73	1.69	1.96
Size	Equity Capital (JPY 100 mn)	AAA	200,564	204,649	192,395	161,046	37,932	39,121	38,239	33,759
		AA	14,866	13,821	17,838	17,023	13,183	12,223	15,538	13,925
		A	4,164	4,000	4,574	3,973	3,578	3,480	3,893	3,776
		BBB	856	847	691	982	802	773	905	739
		BB	1,436	1,560	1,333	1,154	411	380	397	380
	EBITDA (JPY 100 mn)	AAA	40,676	38,468	45,092	31,684	10,693	10,912	12,004	10,466
		AA	3,430	3,295	3,799	3,985	3,114	3,020	3,348	3,258
		A	891	878	935	841	666	690	692	694
		BBB	179	178	138	186	161	157	221	164
		BB	577	629	735	457	60	50	94	-147

Table 2: Calculating Formulas for Financial Indicators

Financial Indicator	Formula
Operating Income Margin	Operating Income / Net Sales x 100
Net Income Margin	Net Income After tax / Net Sales x 100
ROA (Business Income)	Y (Operating Income + Total of Interest and Dividend Income) / A (Total Capital Employed) x 100
Interest-bearing Debt / EBITDA	Interest-bearing Debt / EBITDA
Net Interest-bearing Debt / EBITDA	Net Interest-bearing Debt / EBITDA
Interest-bearing Debt / Operating Cash Flow	Interest-bearing Debt / Operating Cash Flow
Equity Ratio	Equity Capital / (Total Assets - Paid-in Advances on New Stocks) x 100
Debt-to-Equity Ratio (Interest-bearing Debt)	Interest-bearing Debt / Equity Capital
Debt-to-Equity Ratio (Net Interest-bearing Debt)	Net Interest-bearing Debt / Equity Capital
Equity Capital	Capital - Paid-in Advances on New Stocks
EBITDA	Operating Income + Total of Interest and Dividend Income + Depreciation Expenses + Goodwill Amortization
Total Capital Employed	Total Assets - Paid-in Advances on New Stocks + Notes Receivable Discount + Notes Receivable Transfer
Interest-bearing Debt	Short-term Loans Payable + CP + Current Portion of Long-term Loans + Current Portion of Bonds + Bonds Payable + Long-term Loans Payable + Current Portion of Lease Obligations, etc. + Lease Obligations, etc.
Net Interest-bearing Debt	Interest-bearing Debt - Cash and Deposits

Notes:

1. Y: In cases where the number of months in a fiscal period is less than 12, indicators are annualized.
2. A: Average of the values at the beginning and end of the fiscal period
3. In the calculation of Net Interest-bearing Debt, the amount is zero when the interest-bearing debt is less than cash and deposits.
4. In the calculation of average values, outliers for Interest-bearing Debt / Operating Cash Flow, Interest-bearing Debt / EBITDA and Net Interest-bearing Debt / EBITDA are excluded.
5. The formula for calculating Operating Income is Gross Profit – SGA Expenses for some of the companies adopting IFRS.

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