

JCR's Financial Indicators by Rating Range 2025

JCR has compiled financial data with the fiscal year ended March 2025 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 2024 to March 2025) and "Most Recent 5-Year Period" (from April 2020 to March 2025). The periods covered for calculation for the previous fiscal year were the following: "Most Recent Period" (from April 2023 to March 2024) and "Most Recent 5-Year Period" (from April 2019 to March 2024).

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 2025 in the case of the fiscal year ended March 2025). As a result, the number of corporations covered for Most Recent 5-Year Period totaled 921 (184 for Most Recent Period) in the manufacturing industry and 875 (177 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	8	6	2	2	23	23	5	5
		AA	175	164	43	34	149	139	32	32
		A	516	514	100	105	521	499	114	106
		BBB	207	221	37	38	170	192	24	29
		BB	15	16	2	2	12	12	2	2
Profitability	Operating Income Margin (%)	AAA	17.54	16.90	19.48	20.45	8.45	8.78	18.35	17.85
		AA	10.74	11.01	9.74	10.60	9.52	9.15	11.65	10.73
		A	6.14	6.02	6.77	6.10	6.91	6.79	7.62	7.19
		BBB	4.97	4.73	4.61	5.03	5.30	5.12	8.10	7.75
		BB	1.47	1.06	1.86	1.90	3.54	4.73	8.17	6.11
	Net Income Margin (%)	AAA	14.05	13.61	15.38	16.25	3.45	3.62	11.27	10.84
		AA	7.53	7.56	6.32	7.44	6.75	6.20	8.96	8.30
		A	4.19	3.99	4.36	4.41	5.51	5.16	5.98	5.60
		BBB	3.58	2.91	4.39	3.24	4.26	4.34	5.18	4.44
		BB	-1.08	-1.88	0.01	-2.59	1.77	2.43	5.16	2.88
	ROA (Business Income) (%)	AAA	10.01	9.83	10.56	11.39	3.25	3.66	5.10	5.18
		AA	8.12	8.11	8.05	7.76	5.29	5.28	6.12	5.66
		A	5.45	5.32	6.11	5.63	5.08	4.93	5.84	5.24
		BBB	4.65	4.39	4.38	4.86	4.29	4.23	5.78	6.05
		BB	1.86	1.49	2.25	2.08	1.95	1.76	3.93	2.71
Debt Service Capacity	Interest-bearing Debt / EBITDA (years)	AAA	3.39	3.66	2.59	2.30	19.18	18.76	5.10	5.29
		AA	2.00	1.98	2.08	2.01	8.08	8.19	4.64	5.89
		A	3.11	3.16	2.52	3.11	5.55	5.72	3.96	4.60
		BBB	3.67	3.64	4.13	3.65	5.06	5.16	4.36	3.93
		BB	9.74	9.68	7.00	8.51	12.33	13.51	9.26	14.88
	Net Interest-bearing Debt / EBITDA (years)	AAA	2.59	2.79	1.98	1.69	17.85	17.45	4.75	4.79
		AA	1.26	1.28	1.26	1.31	4.21	4.10	3.66	4.03
		A	1.86	1.90	1.50	1.94	3.96	4.10	2.81	2.98
		BBB	1.94	1.95	2.22	2.11	3.21	3.37	2.50	2.10
		BB	5.88	5.95	4.86	6.07	7.84	9.10	4.90	7.39
	Interest-bearing Debt / Operating Cash Flow (years)	AAA	5.71	5.86	5.27	4.37	14.31	13.66	7.04	6.41
		AA	3.07	3.07	2.48	2.45	7.48	7.50	6.30	7.13
		A	5.69	5.69	4.56	3.65	8.02	7.72	8.50	7.56
		BBB	5.96	5.75	5.45	5.30	6.48	7.08	6.99	4.62
		BB	12.86	13.08	9.86	6.69	15.89	17.36	7.24	8.56
Financial Structure	Equity Ratio (%)	AAA	54.75	52.83	60.49	60.34	32.57	35.23	33.10	31.97
		AA	54.77	54.84	54.96	55.04	40.87	40.57	41.20	42.84
		A	49.95	49.36	51.86	50.91	41.84	41.46	42.94	42.01
		BBB	47.15	46.60	48.35	47.90	41.42	40.68	41.80	43.03
		BB	16.35	15.98	10.51	10.65	24.22	26.24	21.18	20.67
	Debt-to-Equity Ratio (Interest-bearing Debt) (times)	AAA	0.66	0.70	0.54	0.54	1.45	1.32	1.39	1.43
		AA	0.39	0.40	0.38	0.39	0.96	0.96	0.98	0.86
		A	0.58	0.59	0.52	0.54	0.96	0.98	0.90	0.96
		BBB	0.63	0.66	0.64	0.63	1.00	1.05	0.91	0.83
		BB	3.12	3.13	4.24	4.16	3.34	2.88	2.91	3.58
	Debt-to-Equity Ratio (Net Interest-bearing Debt) (times)	AAA	0.50	0.53	0.41	0.40	1.33	1.21	1.28	1.29
		AA	0.24	0.25	0.22	0.25	0.72	0.71	0.78	0.65
		A	0.36	0.38	0.33	0.34	0.66	0.69	0.61	0.63
		BBB	0.37	0.39	0.38	0.36	0.65	0.70	0.55	0.50
		BB	2.23	2.24	3.03	3.15	1.91	1.79	1.32	1.69
Size	Equity Capital (JPY 100 mn)	AAA	201,149	200,564	202,905	192,395	37,162	37,932	40,457	38,239
		AA	16,138	14,866	16,926	17,838	14,114	13,183	16,119	15,538
		A	4,137	4,164	3,961	4,574	3,728	3,578	3,956	3,893
		BBB	1,116	856	2,052	691	808	802	771	905
		BB	1,443	1,436	1,307	1,333	427	411	424	397
	EBITDA (JPY 100 mn)	AAA	41,256	40,676	42,995	45,092	10,569	10,693	12,025	12,004
		AA	3,659	3,430	3,659	3,799	3,212	3,114	3,686	3,348
		A	870	891	859	935	661	666	777	692
		BBB	222	179	346	138	155	161	165	221
		BB	618	577	775	735	80	60	148	94

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.

Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

Information herein has been obtained by JCR from the issuers and other sources believed to be accurate and reliable. However, because of the possibility of human or mechanical error as well as other factors, JCR makes no representation or warranty, express or implied, as to accuracy, results, adequacy, timeliness, completeness or merchantability, or fitness for any particular purpose, with respect to any such information, and is not responsible for any errors or omissions, or for results obtained from the use of such information. Under no circumstances will JCR be liable for any special, indirect, incidental or consequential damages of any kind caused by the use of any such information, including but not limited to, lost opportunity or lost money, whether in contract, tort, strict liability or otherwise, and whether such damages are foreseeable or unforeseeable. JCR's ratings and credit assessments are statements of JCR's current and comprehensive opinion regarding redemption possibility, etc. of financial obligations assumed by the issuers or financial products, and not statements of opinion regarding any risk other than credit risk, such as market liquidity risk or price fluctuation risk. JCR's ratings and credit assessments are statements of opinion, and not statements of fact as to credit risk decisions or recommendations regarding decisions to purchase, sell or hold any securities such as individual bonds or commercial paper. The ratings and credit assessments may be changed, suspended or withdrawn as a result of changes in or unavailability of information as well as other factors. JCR receives a rating fee paid by issuers for conducting rating services in principle. JCR retains all rights pertaining to this document, including JCR's rating data. Any reproduction, adaptation, alteration, etc. of this document, including such rating data, is prohibited, whether or not wholly or partly, without prior consent of JCR.

JCR is registered as a "Nationally Recognized Statistical Rating Organization" with the U.S. Securities and Exchange Commission with respect to the following four classes. (1) Financial institutions, brokers and dealers, (2) Insurance Companies, (3) Corporate Issuers, (4) Issuers of government securities, municipal securities and foreign government securities.

JCR publishes its press releases regarding the rating actions both in Japanese and in English on the same day. In case that it takes time to translate rating rationale, JCR may publicize the summary version, which will be replaced by the full translated version within three business days. (Regarding Structured Finance products, JCR only publicize the summary version in English.)