

MIRA INFORM REPORT

Report No. :	525532
Report Date :	23.08.2018

IDENTIFICATION DETAILS

Name :	MEDIROM INC
Registered Office :	3FI Keikyu Dai-ju Bldg 3-26-33 Takanawa, Minato-ku, Tokyo 1080074
Country :	Japan
Financials (as on) :	December 2017 (Summarized)
Date of Incorporation :	13.07.2000
Com. Reg. No.:	0110-01-063607
Legal Form :	Private Company with Limited Liability
Line of Business :	Providing Professional Services
No. of Employees :	140

RATING & COMMENTS

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

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	No Complaints
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

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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 - averaging 10% 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 resulted in several years of economic stagnation as firms sought 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 since 2013, supported by 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 need to address 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 a sharp contraction, so Prime Minister ABE has twice postponed the next increase, which is 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.

Under the Abe Administration, Japan's government sought to open the country's economy to greater foreign competition and create new export opportunities for Japanese businesses, including by joining 11 trading partners in the Trans-Pacific Partnership (TPP). Japan became the first country to ratify the TPP in December 2016, but the United States signaled its withdrawal from the agreement in January 2017. 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). Japan also reached agreement with the European Union on an Economic Partnership Agreement in July 2017, and is likely seek to ratify both agreements in the Diet this year.

Source : CIA

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COMPANY DETAILS

Country : Japan
Business Entity Name : MEDIROM INC ⁽¹⁾
Operating Address : 3FI Keikyu Dai-ju Bldg 3-26-33 Takanawa, Minato-ku, Tokyo 1080074
Tel : [+81] 3-67217364
Fax : [+81] 3-67217365
Website : https://medirom.co.jp/
Primary Business Activity : Service
Primary Industry : Professional Services

KEY FACTS

Registered Legal Address : 3FI Keikyu Dai-ju Bldg 3-26-33 Takanawa, Minato-ku, Tokyo 1080074

Name History	Business Entity Name	Effective Date
	RERAKU INC	13 Jul, 2000
	MEDIROM INC	1 Jan, 2017

Registration No. : 0110-01-063607
Date of Registration : 13 Jul, 2000
Issuing Authority : LEGAL AFFAIRS BUREAU, MINISTRY OF JUSTICE
Legal Form - Category : Private Company with Limited Liability
Legal Form - Full Name : Incorporated
Legal Form - Abbreviation : INC ⁽²⁾
License Status : License exists - Normal.
Operational Status of Business : Normal
Employees : 140
Capital : n/a ⁽³⁾

Note:

⁽¹⁾ Legal status of the English corporate name

The English name of the Subject Business Entity (SBE) is a randomly selected translation / transliteration made by the owners of the SBE. It is not a registered English corporate name, but simply a translation / transliteration of the local language name.

⁽²⁾ The abbreviation appearing at the end of the SBE's name above, is an abbreviation of the Legal Form "INCORPORATED" which is automatically generated by software.

⁽³⁾ Not applicable.

Based on the current corporate laws of Japan there is no longer a requirement for Authorized Capital.

ADVERSE DATA



Results : Total of **0** record found.

FINANCIALS - SUMMARY

(Currency: USD - US Dollar)

Year	Turnover	Assets	Net Income
2015 Annual	21,722,465	n/a	172,518
2016 Annual	19,254,352	n/a	266,965
2017 Annual	20,643,662	n/a	21,310

SALES TREND - ANALYSIS

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
-	-	-	-	-	-	-	-	 11.36%	 7.22%

KEY PERSON

Legal Title : Chief Executive Officer - CEO
Name : Mr. Koji Eguchi
Nationality : Japanese

PRIMARY PRODUCTS

Products / Materials / Services Description	Activity
Franchising	Service
Healthcare research	Service
Massage studio management	Service
Relaxation salon management	Service
Staffing agency	Service

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FULLCHECK REPORT DETAILS

Country : Japan
Business Entity Name : MEDIROM INC
Primary Business : Service
Activity
Primary Industry : Professional Services

Office Contact Details

Operating Address : 3Fl Keikyu Dai-ju Bldg 3-26-33 Takanawa, Minato-ku, Tokyo 1080074
Tel : [+81] 3-67217364
Fax : [+81] 3-67217365

Website Details

Website : <https://medirom.co.jp/>
Status : Normal - operational
Country of Registration : Japan
Ownership Type : Registered ownership by Subject Business Entity

Tax / VAT Details

Tax Issuing Authority : NATIONAL TAX AGENCY (NTA)
Tax Number : 7011001063607
Date of Issuance : 5 Oct, 2015

SIC PRODUCT CLASSIFICATION & ACTIVITY

Product/Service Description	Code	Activity
Business Services	7300	Service
Employment Agencies	7361	Service
Management Services	8741	Service

HARMONIZED PRODUCT CLASSIFICATION & ACTIVITY

Product/Service Description	Code	Activity
Business services, health, financial/insur. legal/real estate, hotels, and misc repairs	9900	Service
Employment agencies	9914	Service
Franchising	9973	Service
Management services	9874	Service

CORE BUSINESS DESCRIPTION

Core Business

The primary business focus of MEDIROM INC is Specialized professional services, including:
Franchising

Key services include :

Massage studio management
Relaxation salon management
Healthcare research
Staffing agency

COMPANY MANAGEMENT

Management Listings

	Name	Nationality	Job Description	Dept. / Division
1	Mr. Koji Eguchi	Japanese	President	-
2	Mr. Tsukasa Kariu	Japanese	Auditor	-
3	Mr. Yasushi Sato	Japanese	Auditor	-
4	Mr. Minekazu Shimada	Japanese	Auditor	-

Management Details - 1

Personal Unique Identifier : MI04481503
Name : Mr. Koji Eguchi

Management Details - 2

Personal Unique Identifier : MI04481507
Name : Mr. Tsukasa Kariu

Management Details - 3

Personal Unique Identifier : MI04481505
Name : Mr. Yasushi Sato

Management Details - 4

Personal Unique Identifier : MI04481506

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Identifier
Name : Mr. Minekazu Shimada

CAPITAL

(Currency: JPY - Japanese Yen)

No. of Authorized Shares : 10,000,000
Paid-up Capital : ¥ 245,100,000.00

Date	Paid-up Capital - History
13 Jul, 2000	50,000,000
24 Dec, 2015	50,100,000
20 Dec, 2016	85,100,000
30 Dec, 2016	215,100,000
31 Mar, 2017	245,100,000

FINANCIAL STATEMENT – DETAILED

Income Statement

Financial Highlights	2015 Annual	2016 Annual		2017 Annual
		2016 Annual	2017 Annual	2017 Annual
Turnover(*)	2,619,512,000	2,256,225,000	2,338,514,000	2,338,514,000
Profit After Tax attributable to Shareholders(*)	20,804,000	31,283,000	2,414,000	2,414,000

Note: (*)

Financial Highlights

REPUTATION

Reference checking for the purpose of establishing MEDIROM INC's reputation within the respective industry failed to reveal any adverse information.

NEGA-SCAN - ADVERSE DATA MONITORING

DISHONORED CHECKS	No Record Found
DEBT	No Record Found
CIVIL LITIGATION	No Record Found
PERFORMANCE DEFAULTS	No Record Found
ADVERSE LOCAL MEDIA COVERAGE / ADVERSE FILING HISTORY	No Record Found

BANK DETAILS

Bank Name : HIGASHI NIPPON BANK LTD, THE
Branch : HIGASHI NIPPON BANK LTD , THE, KATAKURA
Branch Address : Katakura
SWIFT Code : HNPBJPJT

Bank Name : JOHNNAN SHINKIN BANK
Branch : JOHNNAN SHINKIN BANK , THE, SHIBUYA
Branch Address : Shibuya
SWIFT Code : JSBKJPJT

Bank Name : KIRABOSHI BANK LTD
Branch : KIRABOSHI BANK LTD, JIYUGAOKA
Branch Address : JIYUGAOKA
SWIFT Code : YACYJPJT

Bank Name : MIZUHO BANK LTD , THE
Branch : MIZUHO BANK LTD, SHIBUYA-CHUO
Branch Address : Shibuya-chuo
SWIFT Code : MHCBJPJT

Bank Name : SHOKO CHUKIN BANK, THE
SWIFT Code : SKCKJPJT

Bank Name : SUMITOMO MITSUI BANKING CORP

SWIFT Code : SMBCJPJT

LOCAL BRANCHES & MANAGEMENT

Branch : **MEDIROM INC - NISHI-KU, YOKOHAMA-SHI**
Branch Address : 2-2-1 Minato-mirai, Nishi-ku, Yokohama-shi, Kanagawa 2200012

RELATED PARTIES

(Subsidiaries , Joint-ventures & Affiliates)

The following provides a summary of the number of businesses that are related to MEDIROM INC:

TYPE	DOMESTIC TOTAL
Subsidiaries	-
Joint-Ventures	-
Minority shareholdings	-
Affiliates	3
Liaison / Representative Offices	-

Domestic

Business Entity Name : **BELLEPOC WELLNESS INC**
Country : Japan
Relationship : Affiliate

Business Entity Name : **JOYHANDS WELLNESS INC**
Country : Japan
Relationship : Affiliate

Business Entity Name : **RERAKU WELLNESS INC**
Country : Japan
Relationship : Affiliate

SHAREHOLDERS

Total number of shareholders : n/a

Total number of shares : 3,765,001

No.	Shareholders	Country	Shares Number	Currency : JPY - Japanese Yen	
				Amount (JPY)	%
1	Mr. Koji Eguchi	Japan	1,932,501	125,805,011.76	51.33
2	Undisclosed Shareholders	n/a	1,193,500	77,696,353.87	31.70
3	MEDIROM GROUP'S SHAREHOLDERS FUND	n/a	259,000	16,860,792.33	6.88
4	FRANCHISE ADVANTAGE INC	Japan	188,500	12,271,271.64	5.01
5	Mr. Masato Kamiguchi	Japan	99,000	6,444,858.85	2.62
6	MEDIROM INC (TREASURY STOCK)	n/a	92,500	6,021,711.55	2.46
Total			3,765,001	245,100,000.00	100.00

Shareholder Details - 1

Personal Unique Identifier : MI04481503
Name : Mr. Koji Eguchi

Shareholder Details - 5

Personal Unique Identifier : MI04481557
Name : Mr. Masato Kamiguchi

Based on corporate statutory laws / regulations in Japan, there is no requirement for public disclosure of Shareholders.

However in the absence of data normally obtained from local Statutory Authorities, it is not possible to verify the accuracy of data supplied and hence is provided as reference ONLY.

COMPANY DIRECTORS

1
Personal Unique Identifier : MI04481504
Name : Mr. Fumitoshi Fujiwara

2
Personal Unique Identifier : MI04481502
Name : Mr. Jones Kim

3
Personal Unique Identifier : MI04481503
Name : Mr. Koji Eguchi

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Personal Unique Identifier : MI04481499
Name : Mr. Miki Aoki

5

Personal Unique Identifier : MI04481500
Name : Mr. Tomoya Ogawa

6

Personal Unique Identifier : MI04481501
Name : Mr. Toru Shimada

DOMESTIC SUPPLIERS

Business Entity Name
DAIWA HOUSE INDUSTRY CO LTD
METRO PROPERTIES CO LTD
MITSUBISHI JISYO PROPERTY MANAGEMENT CO LTD
MITSUI FUDOSAN CO LTD
RECRUIT HOLDINGS CO LTD

DOMESTIC CUSTOMERS

Business Entity Name
AEON RETAIL CO LTD
ITO-YOKADO CO LTD
PRINCE HOTELS INC

OFFICE & FACILITIES

The following information relates to the Business Entity's office as listed above:

Name : **MEDIROM INC - MINATO-KU, TOKYO**
Primary Use : Office & Administration facilities
Address : 3FI Keikyu Dai-ju Bldg 3-26-33 Takanawa, Minato-ku, Tokyo 1080074
Country : Japan
Status : Operational

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PREVIOUS CONTACT DETAILS

Company : 4-3-3 Shibuya, Shibuya-ku, Tokyo 1500002
Address
Date of : 13 Nov, 2014
Relocation

Company : 7-1-5 Minami-Aoyama, Minato-ku, Tokyo 1070062
Address
Date of : 10 Mar, 2018
Relocation

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.67
UK Pound	1	INR 89.40
Euro	1	INR 80.25
YEN	1	INR 0.63

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

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	TRU

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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)

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