

MIRA INFORM REPORT

Report No. :	527324
Report Date :	28.08.2018

IDENTIFICATION DETAILS

Name :	SHIN HIROSE SHOJI CORPORATION
Registered Office :	4133-2 Hongo Tachiaraimachi Miigun Fukuoka-Pref 830-1211
Country :	Japan
Financials (as on) :	31.07.2017
Date of Incorporation :	January 2006
Com. Reg. No.:	2900-01-050845
Legal Form :	Limited Company
Line of Business :	Manufactures plastic food containers: injection plate, injection tub, PSP tub, glass cover, bowl cover, food preserving container, plastic raw materials, other
No. of Employees :	30

RATING & COMMENTS

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

MIRA's Rating :	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
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 SUMMERY

SHIN HIROSE SHOJI CORPORATION

REGD NAME: Shin Hirose Shoji KK

MAIN OFFICE: 4133-2 Hongo Tachiaraimachi Miigun Fukuoka-Pref 830-1211 JAPAN

Tel: 0942-77-3000 Fax: 0942-77-3939

URL: <http://www.hirose-cm.co.jp/>

E-mail: royalweb@hirose-cm.co.jp

ACTIVITIES: Mfg of food containers (plastic)

BRANCHES: Tokyo

FACTORIES: At the caption address

OVERSEAS: Qingdao (3), Langfang, Yantai (--China), Vietnam

OFFICER(S): SHIGETAKA HIROSE, PRES Norio Yoshiki, s/mgn dir
Ikuo Maruyama, dir Chieko Sezaki, dir

Yen Amount: In million Yen, unless otherwise stated

SUMMARY:	FINANCES	R/WEAK	A/SALES	Yen 768 M
	PAYMENTS	NO COMPLAINTS	CAPITAL	Yen 43 M
	TREND	STEADY	WORTH	Yen 60 M
	STARTED	2006	EMPLOYEES	30

COMMENT

MFR OF PLASTIC FOOD CONTAINERS
FINANCIAL SITUATION CONSIDERED RATHER WEAK BUT SHOULD BE GOOD FOR MODERATE
BUSINESS ENGAGEMENTS

HIGHLIGHTS

The subject company was established on the basis of succession of business operations of KK Marx, mfr of food containers, founded 1966, in order to engage in mfg of plastic food containers. This is a specialized mfr of plastic food containers: plastic bowl covers, injection plate, glass cover, food preserving containers, other. Goods are manufactures at subsidiary makers in China (5), Taiwan, Vietnam and other subcontracted makers overseas. Goods are also exported to China, other S/E Asian countries.

FINANCIAL INFORMATION

The sales volume for Jul/2017 fiscal term amounted to Yen 768 million, a 6% up from Yen 723 million in the previous term. The recurring profit was posted at Yen 10 million and the net profit at Yen 7 million, respectively, compared with Yen 2 million recurring profit and Yen 1 million net profit, respectively, a year ago.

For the term that ended Jul 2018 the recurring profit was projected at Yen 13 million and the net profit at Yen 10 million, respectively, on a 3% rise in turnover, to Yen 790 million. Final results are yet to be released.

The financial situation is considered RATHER WEAK but should be good for MODERATE business engagements.

REGISTRATION

Date Registered: Jan 2006

Regd No.: 2900-01-050845 (Fukuoka-Miigun-Tachiarai)

Legal Status: Limited Company (Kabushiki Kaisha)

Authorized: 17,200 shares

Issued: 4,300 shares

Sum: Yen 43 million

Major shareholders (%): D E Co (46.5), Shigetaka Hirose (32.5), Futaba Sangyo (11.6), Ikuo Maruyama (9.4)

No. of shareholders: 4

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

OPERATION

Activities: Manufactures plastic food containers: injection plate, injection tub, PSP tub, glass cover, bowl cover, food preserving container, plastic raw materials, other (--100%).

Goods are both imported from and exported to China, Taiwan, Vietnam and other S/E Asian markets

Clients: [Mfrs, wholesalers] Orikei Co, Hatae Corp, Ichihashi Hamonoten (Cutlery shop), Imura Sangyo Co, Nishiya Shoji, other

Exports to China, other

No. of accounts: 300

Domestic areas of activities: Centered in Kyushu

Suppliers [Mfrs, wholesalers] Imports from China, Taiwan, Vietnam, other

Domestically supplied from: TI Shoji, MK Projects, Daiei Dan Boru (Dan Boru means Cardboard), other

Payment record: No Complaints

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Location: Business area in Fukuoka. Office premises at the caption address are owned and maintained satisfactorily.

Bank References:

Kitakyushu Bank (Kurume)
Shoko Chukin Bank (Fukuoka)
Relations: Satisfactory

FINANCES

(In Million Yen)

Terms Ending:	31/07/2018	31/07/2017	31/07/2016	31/07/2015
Annual Sales	790	768	723	685
Recur. Profit	13	10	2	5
Net Profit	10	7	1	3
Total Assets		807	692	455
Net Worth		60	53	51
Capital, Paid-Up		43	43	43
Div.P.Share(¥)		0.00	0.00	0.00
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	2.86	6.22	5.55	5.38
Current Ratio	
N.Worth Ratio		7.43	7.66	11.21
N.Profit/Sales	1.27	0.91	0.14	0.44

Notes: Forecast (or estimated) figures for the 31/07/2018 fiscal term

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.04
UK Pound	1	INR 89.95
Euro	1	INR 81.30
YEN	1	INR 0.63

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

INFORMATION DETAILS

Analysis Done by :	PRA
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)