

MIRA INFORM REPORT

Report No. :	542019
Report Date :	01.12.2018

IDENTIFICATION DETAILS

Name :	P.T. KASEN INDONESIA
Registered Office :	EJIP Industrial Park, Plot *K-1, Sukaresmi, Cikarang Selatan, Bekasi 17550, West Java
Country :	Indonesia
Financials (as on) :	2018 [January-June - Summarized]
Date of Incorporation :	09.06.1995
Com. Reg. No.:	AHU-AH.01.03-0213203
Legal Form :	Limited Liability Company
Line of Business :	Spinning Spinnerette Manufacturing
No. of Employees :	310

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 :	Slow but correct
Litigation :	Clear

NOTES :

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ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Indonesia	A2	A2

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

INDONESIA - ECONOMIC OVERVIEW

Indonesia, the largest economy in Southeast Asia, has seen a slowdown in growth since 2012, mostly due to the end of the commodities export boom. During the global financial crisis, Indonesia outperformed its regional neighbors and joined China and India as the only G20 members posting growth. Indonesia's annual budget deficit is capped at 3% of GDP, and the Government of Indonesia lowered its debt-to-GDP ratio from a peak of 100% shortly after the Asian financial crisis in 1999 to 34% today. In May 2017 Standard & Poor's became the last major ratings agency to upgrade Indonesia's sovereign credit rating to investment grade.

Poverty and unemployment, inadequate infrastructure, corruption, a complex regulatory environment, and unequal resource distribution among its regions are still part of Indonesia's economic landscape. President Joko WIDODO - elected in July 2014 – seeks to develop Indonesia's maritime resources and pursue other infrastructure development, including significantly increasing its electrical power generation capacity. Fuel subsidies were significantly reduced in early 2015, a move which has helped the government redirect its spending to development priorities. Indonesia, with the nine other ASEAN members, will continue to move towards participation in the ASEAN Economic Community, though full implementation of economic integration has not yet materialized.

Source : CIA

BASIC SEARCH

Name of Company :
P.T. KASEN INDONESIA

Address :

Head Office & Factory

EJIP Industrial Park, Plot *K-1,
Sukaesmi, Cikarang Selatan,
Bekasi 17550, West Java
Indonesia

Phone - (62-21) 897 0445, 897 0831
Fax. - (62-21) 897 0694
Land Area - 6,000 sq. meters
Building area - 4,800 sq. meters
Region - Industrial Estate
Status - Rent

Date of Incorporation :
09 June 1995

Legal Form :
P.T. (Perseroan Terbatas) or Limited Liability Company

Company Reg. No. :

The Ministry of Law and Human Rights

- a. No. C2-9238.HT.01.01.TH.95
Dated 31 July 1995
- b. No. AHU-49655.AH.01.02.Tahun 2011
Dated 11 October 2011
- c. No. AHU-AH.01.10-37640
Dated 22 October 2012
- d. No. AHU-AH.01.03-0149662
Dated 03 July 2017
- e. No. AHU-AH.01.03-0213203
Dated 06 June 2018

Company Status :
National Private Company

Permit by the Government Department :
The Department of Finance
NPWP No. 01.071.090.3-055.000

Related/Affiliated Companies:

- a. KASEN NOZZLE MANUFACTURING COMPANY Ltd., (Investment Holding)
- b. KASEN NOZZLE INCORPORATED (Investment Holding)

CAPITAL AND OWNERSHIP

Capital Structure :

Authorized Capital	- Rp. 19,105,900,000.- (US\$.3,200,000)
Issued Capital	- Rp. 19,105,900,000.- (US\$.3,200,000)
Paid up Capital	- Rp. 19,105,900,000.- (US\$.3,200,000)

Shareholders/Owners :

- a. KASEN NOZZLE MFG COMPANY Ltd.** - Rp. 18,478,987,656.25 (96.72%)
Address : Nishitenma Kita-ku,
Osaka 530-0047,
Japan
- b. KASEN NOZZLE INCORPORATED** - Rp. 597,059,375.00 (3.12%)
Address : Nishitenma Kita-ku,
Osaka 530-0047,
Japan
- c. Mr. Ramohona of Indonesia** - Rp. 29,852,968.75 (0.16%)
Address : Villa Mutiara Cikarang,
Cikarang, Bekasi, West Java
Indonesia

BUSINESS ACTIVITIES

Lines of Business :

Spinning Spinnerette Manufacturing

Product Items:

- a. Wet and Dry Spinning Spinnerette
- b. Melt Spinning Spinnerette
- c. Conjugate Spinnerette Assembly
- d. Auto Mobile Parts

Total Investment :

- a. Equity Capital - Rp. 19.1 billion
- b. Loan Capital - Rp. 20.0 billion
- c. Total Investment - Rp. 39.1 billion

Started Operation :

1996

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Brand Name :
KASEN INDONESIA

Technical Assistance :
KASEN NOZZLE MFG COMPANY Ltd. , of Japan

Number of Employee :
310 persons

Marketing Area :
a. Export - 60%
b. Local - 40%

Main Customers :
a. Textile Industries and Automotive Industries in the country
b. Overseas buyers in South East Asia, India and Middle East Asia

Market Situation :
Very Competitive

Business Trend :
Growing

BANKER, AUDITOR & LITIGATION

Bankers :

- a. MUFG BANK LTD.
MidPlaza 1 Building 1-3 Floor,
Jl. Jend. Sudirman Kav. 10-11
South Jakarta
Indonesia
- b. P.T. Bank CENTRAL ASIA Tbk.
Menara BCA,
Jl. M.H. Thamrin No. 12
Central Jakarta
Indonesia

Auditor :
Internal Auditor

Litigation :
No litigation record in our database

FINANCIAL FIGURE

Annual Sales (estimated) :

2015 – Rp. 207.0 billion
2016 – Rp. 236.0 billion
2017 – Rp. 268.0 billion
2018 – Rp. 152.0 billion (January – June)

Net Profit (estimated) :

2015 – Rp. 15.6 billion
2016 – Rp. 17.8 billion
2017 – Rp. 20.2 billion
2018 – Rp. 11.4 billion (January – June)

Payment Manner :

Slow but correct

Financial Comments :

Fairly

KEY EXECUTIVES

Board of Management :

President Director - Mr. Osami Ito
Vice President Director - Mr. Koki Mori
Director - Mr. Hideo Tani

Board of Commissioners :

Commissioner - Mr. Kenji Sato

Signatories :

President Director (Mr. Osami Ito) or Vice President Director (Mr. Koki Mori) or Director (Mr. Hideo Tani) which must be approved by Board of Commissioner (Mr. Kenji Sato)

CAPABILITIES

Management Capability :

Good

Business Morality :

Good

OVERALL PERFORMANCE

P.T. KASEN INDONESIA was established in Jakarta based on Notary Deed of Dr. Widjojo Wilami, SH., No. 89 dated Juni 9, 1995 with an authorized capital of Rp. 2,229,000,000.- (US\$.1,000,000) entirely was issued and fully paid up. The founding shareholders of the company are KASEN NOZZLE MANUFACTURING COMPANY LIMITED (99.90%) and KASEN ENGINEERING CORPORATION (0.10%), both of Japan. The Deed of establishment has been approved by the Minister of Law and Human Rights of the Republic of Indonesia through its Decision Letter No. C2-9238.HT.01.01.Th.95 dated July 31, 1995. The Articles of association of the company have frequently been revised. In September 2012 based on notarial Deed of Amalia,SH. No. 02 dated September 14, 2012 the authorized capital was raised to Rp. 19,105,900,000.- (US\$.3,200,000) entirely was issued and paid up. Since then, the shareholders of the company are KASEN NOZZLE MANUFACTURING COMPANY LIMITED (96.875%) and KASEN ENGINEERING CORPORATION (3.125%). The amendment to Deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia through Decree No. AHU-AH.01.10-37640 dated October 22, 2012.

The most recently by notarial Deed of Ir. Nanette Cahyanie Handari Adi Warsito, SH., No. 78 dated May 30, 2018, concerning the change in composition of the Company's shareholders, board of directors and commissioners. Since then, the shareholders of the company are KASEN NOZZLE MANUFACTURING COMPANY LIMITED (96.72%), KASEN ENGINEERING CORPORATION (3.12%) and Mr. Ramohona (0.16%) of Indonesia This amendment to Deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia through its Decree No. AHU-AH.01.03-0213203 dated June 06, 2018.

P.T. KASEN INDONESIA (P.T. KI) obtained a foreign investment company (PMA) facility issued by Investment Coordinating Board (BKPM) in 1995 for dealing with spinning spinnerette manufacturing with its plant located at EJIP Industrial Park Plot 8K-1, Desa Sukaresmi, Cikarang Selatan, Bekasi, West Java, where it stands on a 6,000 sq. meters landsite. The plant has been in operation since mid-1996 with the product items are: wet and dry spinning spinnerette, melt spinning spinnerette, conjugate spinnerette assembly and auto mobile parts. In addition, the Company also produces precision parts, industrial parts, molding for film sheet, repairing molding for film sheet and repairing molding for non-woven spinnerette. P.T. KI gets technological assistance from KASEN NOZZLE MANUFACTURING COMPANY LIMITED of Japan. Some 60% of its products are sold to local market especially to textile and automotive Industries in Indonesia and the rest 20% are exported to South East Asia, India and Middle East Asia. We observed that P.T. KI is classified as a large-sized company of its kind in the country of which the operation has been growing in the last three years.

Generally, the demand for spinning spinnerette in the country had significantly rising by 6% to 8% per year in the last five years, in line with the growth of textile and textile product industries. According to the Central Bureau of Statistics (BPS) the Indonesia textile products export in 2006 amounted to 1,477.8 tons (US\$ 3,908.6 million) declined to 1,473.6 tons (US\$ 4,178.0 million) in 2007 declined to 1,312,200 tons (US\$ 4,127.9 million) in 2008 to 1,369,600 tons (US\$ 3,602.8 million) in 2009 to 1,525,900 tons (US\$ 4,721.8 million) in 2010 declined to 1,493,3000 tons (US\$ 5,563.3 million) in 2011 rose again to 1,508,500 tons (US\$ 5,278.1 million) in 2012 to 1,633.1 thousand tons (US\$ 5,293.6 million) in 2013 and to 1,815.6 thousand tons (US\$ 5,379.9 million) in 2014 and dropped to 1,481.7 thousand tons (US\$ 4,415.0 million) in 2015 to 1,563.9 thousand tons (US\$.4,60.0 million) in 2016 and rose again to 1,634.2 thousand tons (US\$.4,837.0 million) in 2017.

The export volume and value of the national TPT products in 2006 to 2017 are pictured on the following table.

Year	Textile Products		Garment	
	(Thousand Ton)	(US\$ Million)	(Thousand Ton)	(US\$ Million)

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2006	1,477.8	3,908.6	399.6	5,608.1
2007	1,473.6	4,178.0	399.8	5,712.9
2008	1,312.2	4,127.9	417.6	6,092.2
2009	1,369.6	3,602.8	393.4	5,735.6
2010	1,525.9	4,721.8	445.2	6,598.0
2011	1,493.3	5,563.3	450.9	7,801.5
2012	1,508.5	5,278.1	450.2	7,304.8
2013	1,633.1	5,293.6	470.2	7,501.0
2014	1,815.6	5,379.9	463.9	7,450.9
2015	1,481.7	4,415.0	378.6	6,410.9
2016	1,563.9	4,660.0	425.9	7,212.6
2017	1,634.2	4,837.0	445.0	7,537.2

Until this time P.T. KI has not been registered with Indonesian Stock Exchange, so that they shall not obliged to announce their financial statement. Therefore, the company has no obligation to publish financial statement publicly. We have checked to Department of Trade and Industry and found that no financial statement has been reported. P.T. KI's management is very reclusive to outsider and rejecting to disclose its financial condition but we estimated the total sales turnover of the company in 2015 amounted to Rp. 207.0 billion increased to Rp. 236.0 billion in 2016 and rose again to Rp. 268.0 billion in 2017. The operation in 2017 yielded a net profit at least Rp. 20.2 billion and the company has a total net worth of Rp. 120.0 billion. It is projected that total sales turnover of the company will increase at least 8% in 2018. So far we did not hear that P.T. KI has been black listed by Bank Indonesia (Central Bank) or having detrimental cases being settled in local district court. The company usually pays its debts punctually to suppliers.

The company's management is headed by Mr. Osami Ito (appr.55) as President Director and CEO of the company. He is a professional manager of Japan with experience for 20 years in spinnerette manufacturing and trading. In daily activities, he is assisted by Mr. Koki Mori (appr.48) as Vice President Director and Mr. Hideo Tani (appr.50) as Director. The company's management has wide relations in private business circles within and outside the country and in the ranks of high-ranking government officials as well. So far, we did not hear that the management of the company being filed to the district court for detrimental cases or involved in any business malpractices. The company's litigation record is clean and it has not registered with the black list of Bank of Indonesia.

P.T. KASEN INDONESIA is appraised to be good for business transaction. However, in view of the economic condition in the country is still unstable, we recommend to treat prudently in extending any new loan to the company.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.65
UK Pound	1	INR 89.08
Euro	1	INR 79.35
IDR	1	INR 0.0049

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

INFORMATION DETAILS

Analysis Done by :	PRI
Report Prepared by :	TPT

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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)