

## MIRA INFORM REPORT

Report No. :	547243
Report Date :	29.12.2018

### IDENTIFICATION DETAILS

Name :	UBE MACHINERY THAI CO., LTD.
Registered Office :	24/11 Moo 13, T. Rachathewa, A. Bangphli, Samutprakarn 10540
Country :	Thailand
Financials (as on) :	31.03.2017
Date of Incorporation :	01.04.2005
Com. Reg. No.:	0135548003193
Legal Form :	Private Limited Company
Line of Business :	The subject is engaged in importing and distributing various kinds of industrial machineries, equipment's and spare parts for metal works, plastic parts and other industries.
No. of Employees :	30

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	<b>A+</b>
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Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

### NOTES :

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

**ECGC Country Risk Classification List**

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Thailand	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

### THAILAND - ECONOMIC OVERVIEW

With a relatively well-developed infrastructure, a free-enterprise economy, and generally pro-investment policies, Thailand is highly dependent on international trade, with exports accounting for about two-thirds of GDP. Thailand's exports include electronics, agricultural commodities, automobiles and parts, and processed foods. The industry and service sectors produce about 90% of GDP. The agricultural sector, comprised mostly of small-scale farms, contributes only 10% of GDP but employs about one-third of the labor force. Thailand has attracted an estimated 3.0-4.5 million migrant workers, mostly from neighboring countries.

Over the last few decades, Thailand has reduced poverty substantially. In 2013, the Thai Government implemented a nationwide 300 baht (roughly \$10) per day minimum wage policy and deployed new tax reforms designed to lower rates on middle-income earners.

Thailand's economy is recovering from slow growth during the years since the 2014 coup. Thailand's economic fundamentals are sound, with low inflation, low unemployment, and reasonable public and external debt levels. Tourism and government spending - mostly on infrastructure and short-term stimulus measures - have helped to boost the economy, and The Bank of Thailand has been supportive, with several interest rate reductions.

Over the longer-term, household debt levels, political uncertainty, and an aging population pose risks to growth.

Source : CIA

## **COMPANY NAME**

UBE MACHINERY THAI CO., LTD.

## **SUMMARY**

**BUSINESS ADDRESS** : 24/11 MOO 13, T. RACHATHEWA, A.  
BANGPHLI, SAMUTPRAKARN 10540, THAILAND  
**TELEPHONE** : [66] 2738-8077-8  
**FAX** : [66] 2738-8079  
**E-MAIL ADDRESS** : -  
**REGISTRATION ADDRESS** : SAME AS BUSINESS ADDRESS  
**ESTABLISHED** : 2005  
**REGISTRATION/TAX ID NO.** : 0135548003193  
**CAPITAL REGISTERED** : BHT. 106,000,000  
**CAPITAL PAID-UP** : BHT. 106,000,000  
**SHARES PROPORTION** : JAPANESE : 100%  
**FISCAL YEAR CLOSING DATE** : MARCH 31  
**LEGAL STATUS** : PRIVATE LIMITED COMPANY  
**EXECUTIVE** : MR. KEIZABURO MISUMI, JAPANESE  
MANAGING DIRECTOR  
**NO. OF STAFF** : 30  
**LINES OF BUSINESS** : INDUSTRIAL MACHINERY, EQUIPMENT  
AND SPARE PARTS  
IMPORTER AND DISTRIBUTOR

## **CORPORATE PROFILE**

**OPERATING TREND** : STABLE  
**PRESENT SITUATION** : OPERATING NORMALLY  
**REPUTATION** : GOOD WITH NORMAL BUSINESS ENGAGEMENT  
**MANAGEMENT STANDARD** : MANAGEMENT WITH GOOD PERFORMANCE

## **HISTORY**

The subject was established on April 1, 2005 as a private limited company under the registered name UBE MACHINERY THAI CO., LTD., by Japanese group, with the business objective to import and distribute industrial machinery, equipment and spare parts. It currently employs approximately 30 staff.

The subject is a subsidiary of Ube Machinery Corporation Ltd., Japan.

The subject's registered address is 24/11 Moo 13, T. Rachathewa, A. Bangphli, Samutprakarn 10540, and this is the subject's current operation address.

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## THE BOARD OF DIRECTOR

<u>Name</u>	<u>Nationality</u>	<u>Age</u>
Mr. Masaya Takemura	Japanese	67
Mr. Shiro Kubara	Japanese	56
Mr. Keizaburo Misumi	[x] Japanese	45
Mr. Toshifumi Momose	Japanese	51

## AUTHORIZED PERSON

One of the above directors can sign on behalf of the subject with company's affixed.

## MANAGEMENT

**Mr. Keizaburo Misumi** is the Managing Director.  
He is Japanese nationality with the age of 45 years old.

## BUSINESS OPERATIONS

The subject is engaged in importing and distributing various kinds of industrial machineries, equipment's and spare parts for metal works, plastic parts and other industries.

### The products are as follows:

- Die casting machine
- Injection molding machine
- Extrusion press machine
- Peripheral equipment [automatic ladler]
- etc.

The subject also provides after sale service such as maintenance and modification, testing and analyze, consulting and others.

## PURCHASE

90% of the products is imported from Japan, Germany, Republic of China and U.S.A., the remaining 10% is purchased from local suppliers.

## MAJOR SUPPLIERS

Ube Industries Ltd. : Japan

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Ube Europe GmbH. : Germany  
Ube Machinery Corporation Ltd. : Japan  
Ube Machinery Inc. : U.S.A.

## **SALES**

100% of the products is sold locally to wholesalers, and end-users.

## **SUBSIDIARY AND AFFILIATED COMPANY**

The subject is not found to have any subsidiary or affiliated company here in Thailand.

## **LITIGATION**

### Bankruptcy and Receivership

There are no litigation on bankruptcy and receivership cases filed against the subject found at Legal Execution Department for the past five years.

### Others

There are no legal suits filed against the subject according to the past two years.

## **CREDIT**

Sales are by cash or on the credits term of 30-60 days.  
Local bills are paid by cash or on the credits term of 30-60 days.  
Imports are by T/T.

## **BANKING**

**Bangkok Bank Public Company Limited**

**Bank of Tokyo Mitsubishi UFJ Ltd. [Bangkok Branch]**

## **EMPLOYMENT**

The subject employs approximately 30 staff.

## **LOCATION DETAILS**

The premise is owned for administrative office at the heading address. Premise is

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located in provincial, on the outskirts of Bangkok.

Branch/Korat Service Center :

- 1849/16 Suebsiri Road, T. Naimuang, A. Muang, Nakornratchasima 30000

**COMMENT**

The subject's operating performance in 2017 has seen a strong improvement with an increase in both sales or service income and net profit comparing to the previous year, mainly caused by high consumption of the products from industrial sector in the past year. Generally, the subject operates a healthy business and remains profitable.

**FINANCIAL INFORMATION**

The capital was registered at Bht. 4,000,000 divided into 400 shares of Bht. 10,000 each with fully paid.

The capital was increased later as follows:

Bht. 6,000,000 on August 4, 2010  
Bht. 103,000,000 on March 28, 2014  
Bht. 106,000,000 on December 30, 2016

The latest registered capital was increased to Bht. 106,000,000 divided into 10,600 shares of Bht. 10,000 each with fully paid.

**THE SHAREHOLDERS LISTED WERE : [as at June 1, 2018]**

<u>NAME</u>	<u>HOLDING</u>	<u>%</u>
<b>Ube Machinery Corporation Ltd.</b> Nationality: Japanese Address : 1980 Okinoyama, Kogushi, Ube, Yamagushi 755-8633, Japan	10,394	98.06
<b>Ube Steel Co., Ltd.</b> Nationality: Japanese Address : 1978-19 Okinoyama, Kogushi, Ube, Yamagushi 755-8633, Japan	103	0.97
<b>Fukushima Ltd.</b> Nationality: Japanese Address : 9-80 Mikawa Kita-machi, Fukushima, Fukushima 960-8064 Japan	103	0.97

**Total Shareholders : 3**

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**Share Structure [as at June 1, 2018]**

Nationality	Shareholders	No. of Share	% Shares
Thai	-	-	-
Foreign - Japanese	3	10,600	100.00
<b>Total</b>	<b>3</b>	<b>10,600</b>	<b>100.00</b>

**NAME OF AUDITOR & CERTIFIED PUBLIC ACCOUNTANT NO. :**

Mrs. Suwanna Pungsujarit No. 1053

**BALANCE SHEET [BAHT]**

The latest financial figures published for March 31, 2017, 2016 and 2015 were:

**ASSETS**

Current Assets	2017	2016	2015
Cash and Cash Equivalents	109,589,706.18	87,058,465.94	81,650,134.17
Short-term Investment	43,416,350.15	43,386,112.68	83,356,142.85
Trade Accounts and Other Receivable	41,919,086.75	43,053,778.06	24,806,204.77
Inventories	26,272,689.60	27,680,742.11	22,407,923.98
Other Current Assets	1,340,860.97	2,204,382.66	705,008.07
<b>Total Current Assets</b>	<b>222,538,693.65</b>	<b>203,383,481.45</b>	<b>212,925,413.84</b>
Property, Plant and Equipment	4,317,337.54	3,744,381.44	3,787,939.56
Intangible Assets	33,381,787.43	37,080,556.04	1,018,103.05
Other Non-current Assets	1,962,932.00	1,757,532.00	1,100,356.00
<b>Total Assets</b>	<b>262,200,750.62</b>	<b>245,965,950.93</b>	<b>218,831,812.45</b>

**LIABILITIES & SHAREHOLDERS' EQUITY [BAHT]**

Current Liabilities	2017	2016	2015
Trade Accounts and Other Payable	34,225,282.09	40,739,735.93	17,042,628.52
Accrued Income Tax	1,173,691.00	-	624,068.44
Other Current Liabilities	10,147,198.37	4,999,835.88	6,705,436.56
<b>Total Current Liabilities</b>	<b>45,546,171.46</b>	<b>45,739,571.81</b>	<b>24,372,133.52</b>
Other Non-current Liabilities	5,549,383.99	5,011,096.40	-

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<b>Total Liabilities</b>	51,095,555.45	50,750,668.21	24,372,133.52
<b>Shareholders' Equity</b>			
Share capital : Baht 10,000 par value authorized, and issued share capital 10,600 shares in 2018 & 2017 10,300 shares in 2016	106,000,000.00	106,000,000.00	103,000,000.00
Capital Paid	106,000,000.00	106,000,000.00	103,000,000.00
Retained Earning - [Deficit]			
Appropriated statutory reserve	10,600,000.00	10,600,000.00	600,000.00
Unappropriated	94,505,195.17	78,915,282.72	90,859,678.93
<b>Total Shareholders' Equity</b>	<b>211,105,195.17</b>	<b>195,215,282.72</b>	<b>194,459,678.93</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>262,200,750.62</b>	<b>245,965,950.93</b>	<b>218,831,812.45</b>

**PROFIT & LOSS ACCOUNT**

<b>Revenue</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Sales or Services Income	201,806,075.27	115,928,345.57	121,789,027.88
Other Income	2,810,563.55	1,014,291.93	1,139,388.26
<b>Total Revenues</b>	<b>204,616,638.82</b>	<b>116,942,637.50</b>	<b>122,928,416.14</b>
<b>Expenses</b>			
Cost of Goods Sold or Services	139,970,918.69	75,099,199.89	70,622,869.21
Selling Expenses	41,934,698.68	36,466,500.40	35,581,645.96
Administrative Expenses	-	-	594,158.25
<b>Total Expenses</b>	<b>181,905,617.37</b>	<b>111,565,700.29</b>	<b>106,798,673.42</b>
Profit/[Loss] before Income Tax	22,711,021.45	5,376,937.21	16,129,742.72
Income Tax	[4,701,109.00]	[1,235,333.42]	[3,412,620.84]
<b>Net Profit / [Loss]</b>	<b>18,009,912.45</b>	<b>4,141,603.79</b>	<b>12,717,121.88</b>

**FINANCIAL ANALYSIS**

<b>ITEM</b>	<b>UNIT</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>LIQUIDITY RATIO</b>				
CURRENT RATIO	TIMES	4.89	4.45	8.74

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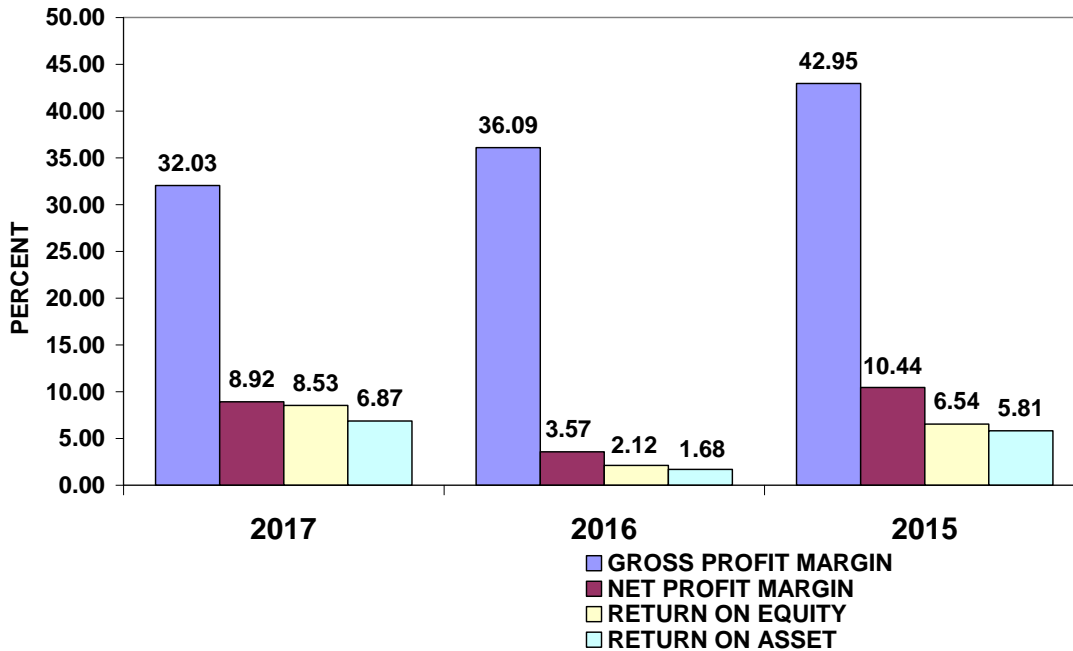
QUICK RATIO	TIMES	4.28	3.79	7.79
<b>ACTIVITY RATIO</b>				
FIXED ASSETS TURNOVER	TIMES	46.74	30.96	32.15
TOTAL ASSETS TURNOVER	TIMES	0.77	0.47	0.56
INVENTORY CONVERSION PERIOD	DAYS	68.51	134.54	115.81
INVENTORY TURNOVER	TIMES	5.33	2.71	3.15
RECEIVABLES CONVERSION PERIOD	DAYS	75.82	135.55	74.34
RECEIVABLES TURNOVER	TIMES	4.81	2.69	4.91
PAYABLES CONVERSION PERIOD	DAYS	89.25	198.00	88.08
CASH CONVERSION CYCLE	DAYS	55.08	72.08	102.07
<b>PROFITABILITY RATIO</b>				
COST OF GOODS SOLD	%	69.36	64.78	57.99
SELLING & ADMINISTRATION INTEREST	%	20.78	31.46	29.70
GROSS PROFIT MARGIN	%	-	-	-
NET PROFIT MARGIN BEFORE EX. ITEM	%	32.03	36.09	42.95
NET PROFIT MARGIN	%	11.25	4.64	13.24
RETURN ON EQUITY	%	8.92	3.57	10.44
RETURN ON ASSET	%	8.53	2.12	6.54
EARNING PER SHARE	BAHT	6.87	1.68	5.81
		1,699.05	390.72	1,234.67
<b>LEVERAGE RATIO</b>				
DEBT RATIO	TIMES	0.19	0.21	0.11
DEBT TO EQUITY RATIO	TIMES	0.24	0.26	0.13
TIME INTEREST EARNED	TIMES	-	-	-
<b>ANNUAL GROWTH</b>				
SALES GROWTH	%	74.08	(4.81)	
OPERATING PROFIT	%	322.38	(66.66)	
NET PROFIT	%	334.85	(67.43)	
FIXED ASSETS	%	15.30	(1.15)	
TOTAL ASSETS	%	6.60	12.40	

**ANNUAL GROWTH : EXCELLENT**

An annual sales growth is 74.08%. Sales Income has increased from THB 115,928,345.57 in 2016 to THB 201,806,075.27 in 2017. While net profit has increased from THB 4,141,603.79 in 2016 to THB 18,009,912.45 in 2017. And total assets has increased from THB 245,965,950.93 in 2016 to THB 262,200,750.62 in 2017.

**PROFITABILITY : IMPRESSIVE**

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**PROFITABILITY RATIO**

Gross Profit Margin	32.03	Impressive	Industrial Average	23.99
Net Profit Margin	8.92	Impressive	Industrial Average	4.15
Return on Assets	6.87	Impressive	Industrial Average	5.87
Return on Equity	8.53	Satisfactory	Industrial Average	11.28

Gross Profit Margin used to assess a firm's financial health by revealing the proportion of money left over from revenues after accounting for the cost of goods sold. Gross profit margin serves as the source for paying additional expenses and future savings. The company's figure is 32.03%. When compared with the industry average, the ratio of the company was higher, indicated that company was more profitable than the same industry.

Net Profit Margin is the indicator of the company's efficiency in that net profit takes into consideration all expenses of the company. A low profit margin indicates a low margin of safety, higher risk that a decline in sales will erase profits and result in a net loss. The company's figure is 8.92% compared with those of its average competitors in the same industry, indicated that business was an efficient operator in a dominant position within its industry.

Return on Assets measures how efficiently profits are being generated from the assets employed in the business when compared with the ratios of firms in a similar business. A low ratio in comparison with industry averages indicates an inefficient use of business assets. Return on Assets ratio is 6.87%, higher figure when compared with those of its average competitors in the same industry, indicated that business was an efficient profit in a dominant position within its industry.

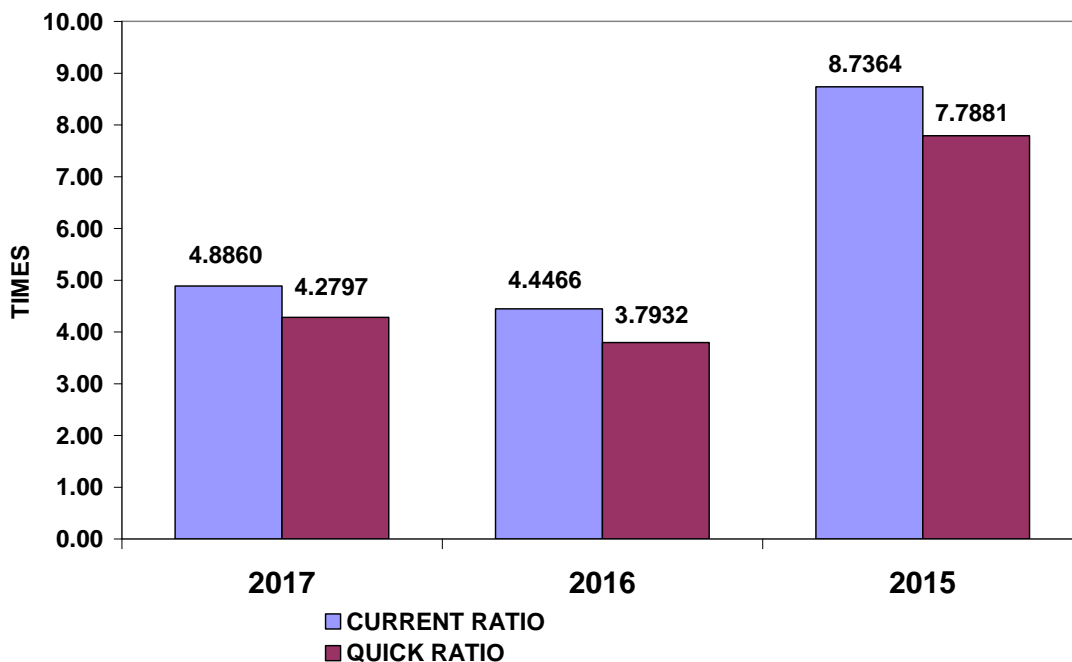
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Return on Equity indicates how profitable a company is by comparing its net income to its average shareholders' equity, ROE measures how much the shareholders earned for their investment in the company. When compared with the industry average, it was lower, the company's figure is 8.53%.

**Trend of the average competitors in the same industry for last 5 years**

Return on Assets                      Uptrend  
 Return on Equity                      Uptrend

**LIQUIDITY : IMPRESSIVE**



**LIQUIDITY RATIO**

Current Ratio	4.89	Impressive	Industrial Average	2.05
Quick Ratio	4.28			
Cash Conversion Cycle	55.08			

The Current Ratio is to ascertain whether a company's short-term assets are readily available to pay off its short-term liabilities. The company's figure is 4.89 times in 2017, increase from 4.45 times, then it is generally considered to have good short-term financial strength. When compared with the industry average, the ratio of the company was higher, indicated that company was an efficient operator in a dominant position within its industry.

The Quick Ratio is a liquidity indicator that further refines the current ratio by measuring the amount of the most liquid current assets there are to cover current liabilities. The company's figure is 4.28 times in 2017, increase from 3.79 times, although excluding inventory so the company still have good short-term financial strength.

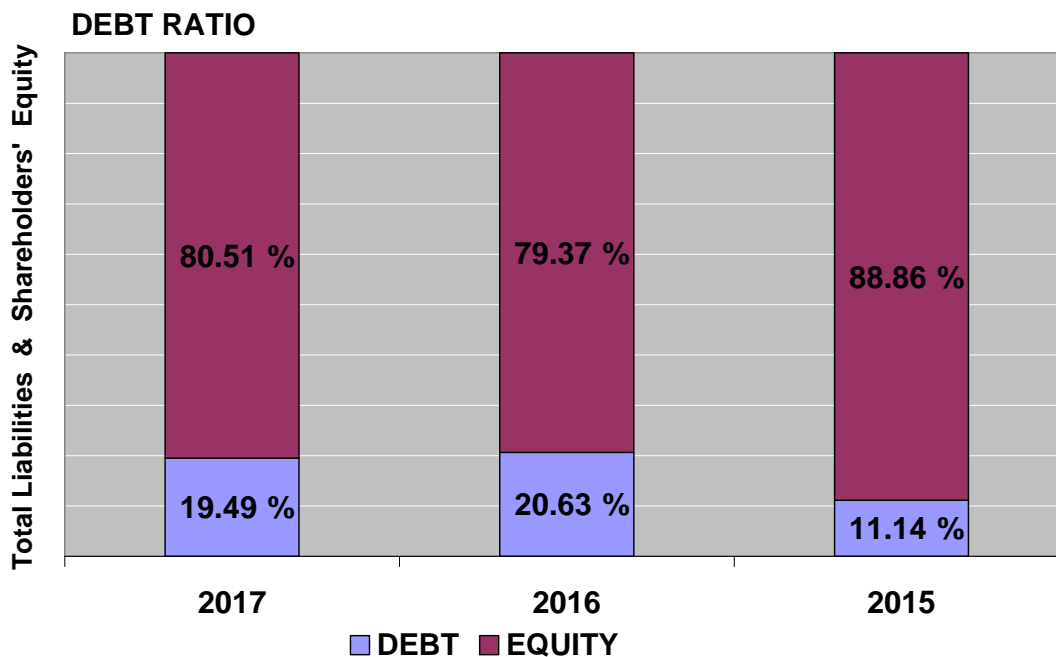
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The Cash Conversion Cycle measures the number of days a company's cash is tied up in the production and sales process of its operations and the benefit from payment terms from its creditors. It meant the company could survive when no cash inflow was received from sale for 56 days.

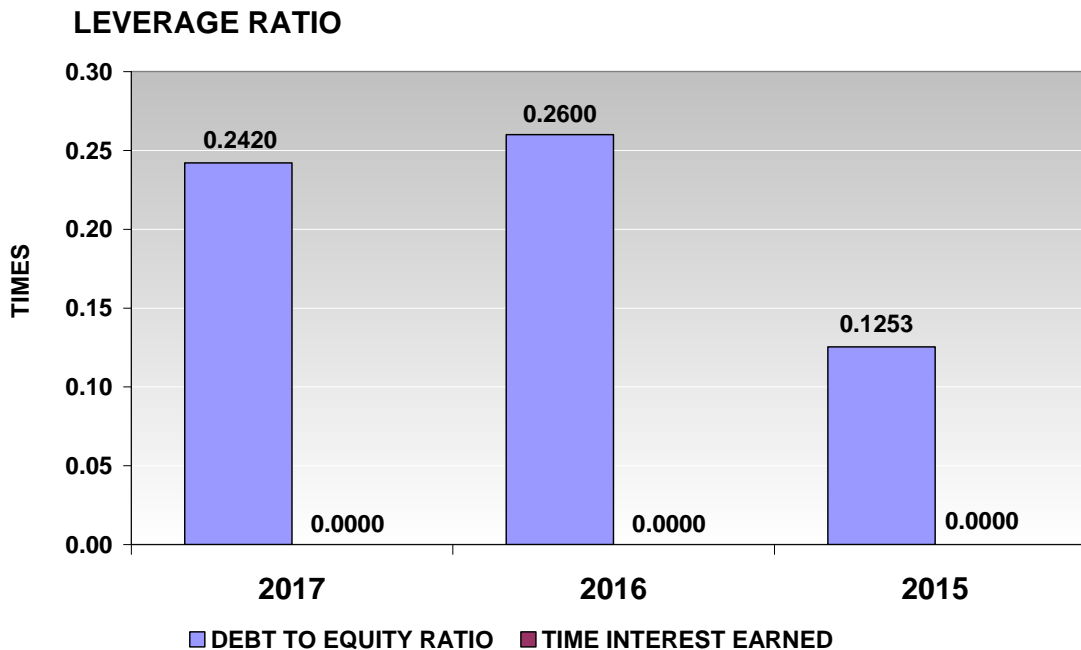
**Trend of the average competitors in the same industry for last 5 years**

Current Ratio            Uptrend

**LEVERAGE : EXCELLENT**



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**LEVERAGE RATIO**

Debt Ratio	0.19	Impressive	Industrial Average	0.48
Debt to Equity Ratio	0.24	Impressive	Industrial Average	0.93
Times Interest Earned	-		Industrial Average	-

Debt to Equity Ratio a measurement of how much suppliers, lenders, creditors and obligors have committed to the company versus what the shareholders have committed. A lower the percentage means that the company is using less leverage and has a stronger equity position.

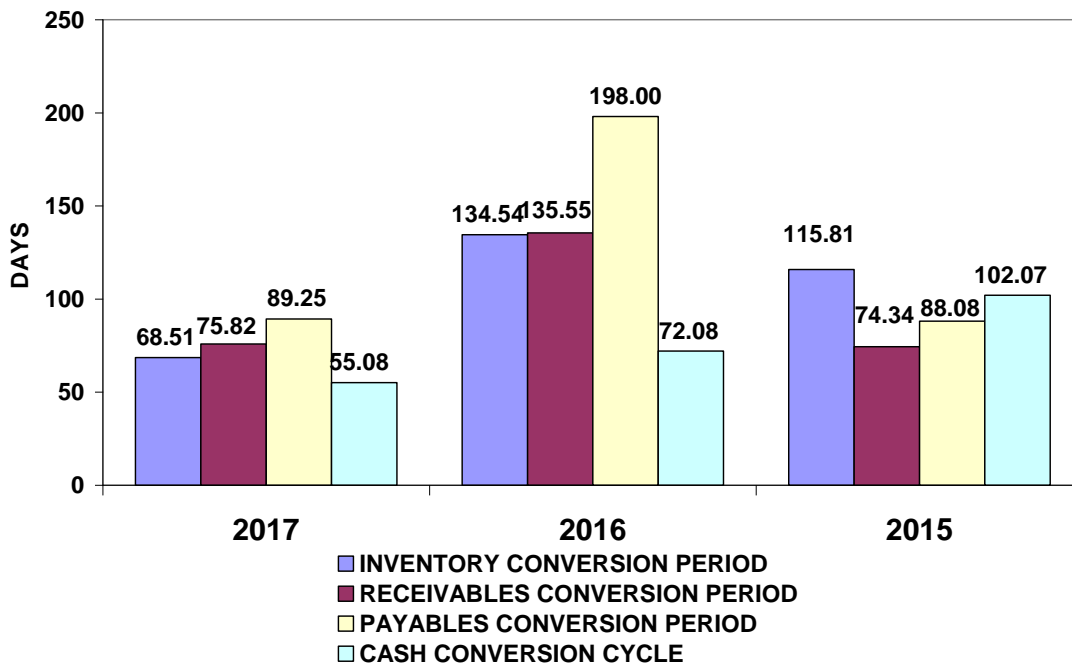
Debt Ratio shows the proportion of a company's assets which are financed through debt. The company's figure is 0.19 less than 0.5, most of the company's assets are financed through equity.

**Trend of the average competitors in the same industry for last 5 years**

Debt Ratio	Downtrend
Times Interest Earned	Stable

**ACTIVITY : IMPRESSIVE**

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**ACTIVITY RATIO**

Fixed Assets Turnover	46.74	Impressive	Industrial Average	-
Total Assets Turnover	0.77	Satisfactory	Industrial Average	1.41
Inventory Conversion Period	68.51			
Inventory Turnover	5.33	Impressive	Industrial Average	3.42
Receivables Conversion Period	75.82			
Receivables Turnover	4.81	Impressive	Industrial Average	4.54
Payables Conversion Period	89.25			

The company's Account Receivable Ratio is calculated as 4.81 and 2.69 in 2017 and 2016 respectively. This ratio measures the efficiency of the company in managing its trade debtors to generate revenue. A lower ratio may indicate over extension and collection problems. Conversely, a higher ratio may indicate an overly stringent policy. In this case, the company's A/R ratio in 2017 increased from 2016. This would suggest the company had good performance in the management of its debt collections.

Inventory Turnover in Days Ratio indicates the liquidity of inventory. It estimates the number of days that it will take to sell the current inventory. Inventory is particularly sensitive to change in business activities. The inventory turnover in days has decreased from 135 days at the end of 2016 to 69 days at the end of 2017. This represents a positive trend. And Inventory turnover has increased from 2.71 times in year 2016 to 5.33 times in year 2017.

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The company's Total Asset Turnover is calculated as 0.77 times and 0.47 times in 2017 and 2016 respectively. This ratio is determined by dividing total assets into total sales turnover. The ratio measures the activity of the assets and the ability of the firm to generate sales through the use of the assets.

**Trend of the average competitors in the same industry for last 5 years**

Fixed Assets Turnover	Stable
Total Assets Turnover	Uptrend
Inventory Turnover	Uptrend
Receivables Turnover	Uptrend

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.98
UK Pound	1	INR 88.66
Euro	1	INR 80.18
Thai Baht	1	INR 2.15

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	VIV
<b>Report Prepared by :</b>	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)