

**FUKUHARA INDUSTRIAL AND TRADING CO LTD - 484525 05-JAN-2018.HTMPAGE NO. : 1**

## MIRA INFORM REPORT

<b>Report No. :</b>	484525
<b>Report Date :</b>	05.01.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	FUKUHARA INDUSTRIAL & TRADING Co LTD
<b>Registered Office :</b>	6-14 Higashi-Kitahama Chuoku Osaka 540-0031
<b>Country :</b>	Japan
<b>Financials (as on) :</b>	31.05.2017
<b>Date of Incorporation :</b>	August 1938
<b>Legal Form :</b>	Limited Company
<b>Line of Business :</b>	Imports, exports and wholesales "Fukuhara" brand sewing & knitting machines, knitting needles, parts & accessories
<b>No. of Employees :</b>	44

### RATING & COMMENTS

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

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

<b>Maximum Credit Limit :</b>	Yen 507.4 million
<b>Status :</b>	Good

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<b>Payment Behaviour :</b>	Regular
<b>Litigation :</b>	Clear

**NOTES :**

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**

<b>Country Name</b>	<b>Previous Rating (30.06.2017)</b>	<b>Current Rating (30.09.2017)</b>
Japan	A1	A1

<b>Risk Category</b>	<b>ECGC Classification</b>
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

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**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 2016 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 - a 10% average 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 entailed considerable time for firms 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 in 2013 on the basis of 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 necessity of addressing 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 another recession, so Prime Minister ABE has twice postponed the next increase, 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.

In October 2015, Japan and 11 trading partners reached agreement on the Trans-Pacific Partnership (TPP), a pact that had promised to open Japan's economy to increased foreign competition and create new export opportunities for Japanese businesses. Japan was the second country to ratify the TPP in December 2016; the United States signaled its withdrawal from the TPP on January 23, 2017, and as of April 2017 the agreement has not gone into effect.

Source : CIA

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## **COMPANY SUMMERY**

### **FUKUHARA INDUSTRIAL & TRADING Co LTD**

**REGD NAME:** Fukuhara Sangyo Boeki KK

**MAIN OFFICE:** 6-14 Higashi-Kitahama Chuoku Osaka 540-0031 JAPAN

Tel: 06-6943-0696 Fax: 06-6941-1703

**URL:** <http://www.fukuhara.co.jp>

**E-Mail address:** dp@fukuhara.co.jp

**ACTIVITIES:** Import, export, wholesale of sewing machines, knitting machines, knitting needles of "Fukuhara" brand

**BRANCHES:** Kobe

**OVERSEAS:** UK, USA, Hong Kong, China, Philippines

**FACTORIES:** (subcontracted - group firms)

**OFFICERS:** SATOSHI UEMURA, PRES Masanori Fukuhara, mgn dir  
Seiichi Hamanaka, dir Yoshiyasu Arai, dir

**Yen Amount:** In million Yen, unless otherwise stated

<b>SUMMARY:</b>	FINANCES	FAIR	A/SALES	Yen 9,511 M
	PAYMENTS	REGULAR	CAPITAL	Yen 72 M
	TREND	SLOW	WORTH	Yen 14,340 M
	STARTED	1938	EMPLOYES	44

## **COMMENT**

TRADING FIRM SPECIALIZING IN KNITTING & SEWING MACHINES.

FINANCIAL SITUATION CONSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

MAX CREDIT LIMIT: ESTIMATED AT YEN 507.4 MILLION, ON 30 DAYS NORMAL TERMS

## **HIGHLIGHTS**

The subject company was established by Tomosuke Fukuhara in order to make most of his experience in the subject line of business, for making sewing & knitting machines. Satoshi Uemura took the pres office in Jul 2007. This is a trading firm for import, export and wholesale of "Fukuhara" brand sewing & knitting machines. Has overseas offices in UK, USA, China, Hong Kong & Singapore. Goods are actively exported.

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## **FINANCIAL INFORMATION**

The sales volume for May/2017 fiscal term amounted to Yen 9,511 million, a 7% down from Yen 10,181 million in the previous term. The recurring profit was posted at Yen 405 million and the net profit at Yen 281 million, respectively, compared with Yen 500 million recurring profit and Yen 320 million net profit, respectively, a year ago.

For the current term ending May 2018 the recurring profit is projected at Yen 410 million and the net profit at Yen 290 million, respectively, on a 3% rise in turnover, to Yen 9,800 million.

The financial situation is considered FAIR and good for ORDINARY business engagements. Max credit limit is estimated at Yen 507.4 million, on the normal 30 days terms.

## **REGISTRATION**

**Date Registered:** Aug 1938  
**Legal Status:** Limited Company (Kabushiki Kaisha)  
**Authorized:** 5.72 million shares  
**Issued:** 1.43 million shares  
**Sum:** Yen 72 million  
**Major shareholders (%):** Employees' S/Holding Assn (7.9), Yanmar Diesel (6.7), Yuji Fukuhara 6.0)  
**No. of shareholders:** 190

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

## **OPERATION**

**Activities:** Imports, exports and wholesales "Fukuhara" brand sewing & knitting machines (70%), knitting needles (15%), parts & accessories (15%)

**Exports (90%)**

**Clients:** [Mfrs, wholesalers] Exports to UK, USA, China (20%), Hong Kong, other  
Domestically Itochu System, other  
No. of accounts: 350  
Domestic areas of activities: Nationwide

**Suppliers:** [Mfrs, wholesalers] Fukuhara Precision Mfg Co (75%), Fukuhara Needle (20%), Meminger-Iro (2%), other

**Payment record:** Regular

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

**Bank References:**

MUFG (Osaka-Chuo)  
SMBC (Osaka-Chuo)  
Relations: Satisfactory

**FINANCES**

(In Million Yen)

Terms Ending:	31/05/2018	31/05/2017	31/05/2016	31/05/2015
Annual Sales	9,800	9,511	10,181	8,522
Recur. Profit	410	405	500	331
Net Profit	290	281	320	228
Total Assets		16,156	15,482	15,326
Net Worth		14,340	14,087	13,795
Capital, Paid-Up		30	30	30
Div.P.Share(¥)		0.00	0.00	0.00
<b>&lt;Analytical Data&gt;</b>	(%)	(%)	(%)	(%)
S.Growth Rate	3.04	-6.58	19.47	-4.03
Current Ratio		..	..	..
N.Worth Ratio		88.76	90.99	90.01
N.Profit/Sales	2.96	2.95	3.14	2.68

Notes: Forecast (or estimated) figures for the 31/05/2018 fiscal term.

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 63.39
UK Pound	1	INR 85.74
Euro	1	INR 76.25
YEN	1	INR 0.56

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

**INFORMATION DETAILS**

Analysis Done by :	DIV
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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