

MIRA INFORM REPORT

Report No. :	484446
Report Date :	05.01.2018

IDENTIFICATION DETAILS

Name :	LEC INC
Registered Office :	Nishinomiya Yasuda Sky Gate 6F, 3-15-1 Nishinomiya-Hamacho Chuoku Tokyo 103-0007
Country :	Japan
Financials (as on) :	31.03.2017
Date of Incorporation :	Mar 1983
Com. Reg. No.:	0100-01-128155
Legal Form :	Limited Company
Line of Business :	Manufactures household goods: storage furniture (11%), sanitary goods (17%), washing goods (7%), home-use cleaning goods (20%), kitchen equipment (13%), baby & kids' goods (15%), others (18%)
No. of Employees :	455

RATING & COMMENTS

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

MIRA's Rating :	A+
------------------------	----

Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Maximum Credit Limit :	Yen 1,484.0 Million
Status :	Good
Payment Behaviour :	Regular
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.

ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2017)	Current Rating (30.09.2017)
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 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

COMPANY NAME AND ADDRESS

LEC INC

REGD NAME: KK Lec

MAIN OFFICE: Nihombashi Yasuda Sky Gate 6F, 3-15-1 Nihombashi-Hamacho Chuoku Tokyo 103-0007 JAPAN

Tel: 03-5847-0600 Fax: 03-5847-0605 -

URL: <http://www.lecinc.co.jp>

E-Mail address: (thru the URL)

ACTIVITIES: Mfg of household goods, furniture, kitchen equipment, other

BRANCHES: Sapporo, Sendai, Takasaki, Nagoya, Osaka, Hiroshima, Fukuoka, other (Tot 11)

OVERSEAS: China & Singapore

FACTORIES: Mitaka, Shizuoka (2), other (Tot 4)

CHIEF EXEC: TAKAKI NAGAMORI, PRES

Yen Amount: In million Yen, unless otherwise stated

SUMMARY

FINANCES	FAIR	A/SALES	Yen 36,985 M
PAYMENTS	REGULAR	CAPITAL	Yen 5,491 M
TREND	UP	WORTH	Yen 24,296 M
STARTED	1983	EMPLOYEES	455

COMMENT

MFR OF HOUSEHOLD GOODS & SUPPLIES

**FINANCIAL SITUATION COSIDERED FAIR AND GOOD FOR ORDINARY
BUSINESS ENGAGEMENTS.**

MAX CREDIT LIMIT: YEN 1,484.0 MILLION, 30 DAYS NORMAL TERMS

HIGHLIGHTS

This is former Suruga Industry, and engaged in mfg and sales of household goods to 100-Yen shops and supermarkets. Acquired Lee in the same industry from Nifco, in 2003 and converted it to a subsidiary. Changed its name to Lee at the time of the merger in 2009. Mainstay products include kitchen goods, bath and toilet goods, and cleaning products. Operates 5 mfg subsidiaries and two sales subsidiaries in China, and advancing

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

also into Singapore. Expanding its market shares by aggressively launching sundry gadgets in addition to leveraging character items such as the Anpanman series and the "Gekiochi-kun" series, a proprietary brand.

FINANCIAL INFORMATION

The sales volume for Mar/2017 fiscal term amounted to Yen 36,985 million, a 9.06% up from Yen 33,911 million in the previous term. The recurring profit was posted at Yen 3,525 million and the net profit at Yen 2,137 million, respectively, compared with Yen 687 million recurring profit and Yen 598 million net losses, respectively, a year ago.

For the current term ending Mar 2018 the recurring profit is projected at Yen 4,100 million and the net profit at Yen 2,500 million, respectively, on a 5.45% rise in turnover, to Yen 39,000 million.

The financial situation is considered FAIR and good for ORDINARY business engagements. Max credit limit is estimated at Yen 1,484.0 million, on 30 days normal terms.

REGISTRATION

Date Registered: Mar 1983
Regd No.: 0100-01-128155 (Tokyo-Chuoku)
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 28,891,240 shares
Issued: 9,541,335 shares
Sum: Yen 5,491 million

Major shareholders (%): Japan Trustee Services T (9.2), Mitsuo Aoki (5.6), Takaki Nagahori (5.2), SN Kosan (5.2), Company's Treasury Stock (5.0), Norikazu Watanabe (4.2), Shigeru Takabayashi (4.2), Trust & Custody Services Bank (2.7), Employees' S/Holding Assn (2.5), Goldman Sachs (Regular) Acct (2.3), Bank of New York Jasdec Treaty (2.2); foreign owners (19.3)

No. of shareholders: 7,457

Listed on the S/Exchange (s) of: Tokyo

Managements: Mitsuo Aoki, ch; Takaki Nagahori, pres; Ken'ichi Watanabe, v pres; Isamu Aoki, s/mgn dir; Mutsuo Kumazawa, mgn dir; Masayoshi Abe, mgn dir; Kazutoshi Ozawa, mgn dir; Hideo Masuda, dir; Teruo Ozawa, dir; Toshiyuki Asano, dir

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

Related companies: Hotta Carpet, Plus Minus Zero Co, other.

OPERATION

Activities: Manufactures household goods: storage furniture (11%), sanitary goods (17%), washing goods (7%), home-use cleaning goods (20%), kitchen equipment (13%), baby & kids' goods (15%), others (18%)

Clients: [Mfrs, wholesalers] Daiso Sangyo Inc, Nishimatsuya Chain, Aoki Trans, Akatsuki Corp, Top Sangyo, other

No. of accounts: 500

Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Marubeni Intex, Yuwa, BASF, other

Payment record: Regular

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

Bank References:

Shizuoka Bank (H/O)

Mizuho Bank (Kobunacho)

Relations: Satisfactory

FINANCES

(In Million Yen)

Terms Ending:	31/03/2018	31/03/2017	31/03/2016	31/03/2015
Annual Sales	39,000	36,985	33,911	29,315
Recur. Profit	4,100	3,525	687	939
Net Profit	2,500	2,137	598	254
Total Assets		37,246	33,901	32,642
Current Assets		24,532	20,310	18,994
Current Liabs		3,609	7,052	3,786
Net Worth		24,296	22,597	22,561
Capital, Paid-Up		5,491	5,491	5,491
Div.Ttl in Million (¥)		362	362	362
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	5.45	9.06	15.68	5.74
Current Ratio	..	679.75	288.00	501.69
N.Worth Ratio	..	65.23	66.66	69.12
R.Profit/Sales	10.51	9.53	2.03	3.20

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

N.Profit/Sales	6.41	5.78	1.76	0.87
Return On Equity	..	8.80	2.65	1.13

Notes: Forecast (or estimated) figures for the 31/03/2018 fiscal term.

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 :	NIS
Report Prepared by :	KET

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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)

PRIVATE & CONFIDENTIAL : This information is provided to you at your request, you having employed MIPL for such purpose. You will use the information as aid only in determining the propriety of giving credit and generally as an aid to your business and for no other purpose. You will hold the information in strict confidence, and shall not reveal it or make it known to the subject persons, firms or corporations or to any other. MIPL does not warrant the correctness of the information as you hold it free of any liability whatsoever. You will be liable to and indemnify MIPL for any loss, damage or expense, occasioned by your breach or non observance of any one, or more of these conditions

This report is issued at your request without any risk and responsibility on the part of MIRA INFORM PRIVATE LIMITED (MIPL) or its officials.

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.