

MIRA INFORM REPORT

Report No. :	519068
Report Date :	07.07.2018

IDENTIFICATION DETAILS

Name :	MORIMURA BROS INC
Registered Office :	Toranomon Office Tower 13F & 21F, 4-1-28 Toranomon Minatoku Tokyo 105-0001
Country :	Japan
Financials (as on) :	31.12.2017
Date of Incorporation :	Oct., 1876
Com. Reg. No.:	0104-01-029693 (Tokyo-Minatoku)
Legal Form :	Limited Company (Kabushiki Kaisha)
Line of Business :	Import, Export and Wholesale of Metals, Chemicals, Electronics, Other
No. of Employees :	268

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

Maximum Credit Limit :	Yen 1,618.4 Million
Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

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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 (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

COMPANY NAME AND ADDRESS

MORIMURA BROS INC

REGD NAME: Morimura Shoji KK
MAIN OFFICE: Toranomon Office Tower 13F & 21F, 4-1-28 Toranomon Minatoku Tokyo
105-0001 JAPAN
Tel: 03-3502-6431 Fax: 03-3503-2002
URL: <http://www.morimura.co.jp>
E-Mail address: sales-hq@morimura.co.jp

ACTIVITIES

Import, export, wholesale of metals, chemicals, electronics, other

BRANCHES

Osaka, Nagoya, Okayama, Kitakyushu

OVERSEAS

USA, Netherlands, Hong Kong, China, Singapore, India (Chennai), Thailand, Singapore, Vietnam, Philippines (-- subsidiaries).

OFFICER(S)

YUSUKE MORIMURA, PRES Makoto Katagiri, s/mgn dir
Hajime Morohishi, s/mgn dir Yukiya Shirane, dir
Jun'chi Kuwahara, dir Tetsuo Uemura, dir

Yen Amount: In million Yen, unless otherwise stated

SUMMARY

FINANCES FAIR A/SALES Yen 85,867 M

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PAYMENTS	REGULAR	CAPITAL	Yen 450 M
TREND	SLOW	WORTH	Yen 12,023 M
STARTED	1876	EMPLOYES	268

COMMENT

TRADING COMPANY SPECIALIZING IN METALS & INDUSTRIAL CHEMICALS.

FINANCIAL SITUATION CONSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

MAX CREDIT LIMIT: YEN 1,618.4 MILLION, 30 DAYS NORMAL TERMS

HIGHLIGHTS

This an old-established trading firm dating back to 1876 when Ichitaro Morimura and his brother Toyo founded a trading firm named "Morimura Gumi", and has been succeeded by their descendants. The firm has played major role in establishing a number of major ceramic-related companies, such as Toto Ltd, NGK Insulators Ltd, NGK Spark Plug Co Ltd, Noritake Co Ltd, etc. Yusuke Morimura took the pres office in Apr 2002. This is a trading company handling a wide range of materials from ceramics, industrial chemical materials to foods, household items (See **OPERATION**). Overseas trading ratio is very high.

FINANCIAL INFORMATION

The sales volume for Dec/2017 fiscal term amounted to Yen 85,867 million, a 2% fall from Yen 81.353 million in the previous term. The recurring profit was posted at 2.180 million and the net profit at Yen 1,423 million, respectively, compared with Yen 1,581 million recurring profit and Yen 1,058 million net profit, respectively, a year ago.

For the current term ending Dec 2018 the recurring profit is projected at Yen 2,200 million and the net profit at Yen 1,500 million, respectively, on a 3% rise in turnover, to Yen 88,450 million. .

The financial situation is considered FAIR to GOOD and responsible for ORDINARY business engagements. Max credit limit is estimated at Yen 1,618.4 million, on 30 days normal terms.

REGISTRATION

Date Registered: Oct 1876
Regd No.: 0104-01-029693 (Tokyo-Minatoku)
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 3.6 million shares

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Issued: 900,000 million shares
Sum: Yen 450 million
Major shareholders (%): Morimura Shoji Employees S/Holding Assn (13.3), Morimura Homeikai Foundation (12.3), Shunsuke Morimura (11.8), MUFG (5), other
No. of shareholders: 58

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

OPERATION

Activities: Imports, exports and wholesales (sales breakdown by items) (--100%):

Metals, light metals: magnesium ingots, magnesium rolled products, aluminum/magnesium die-cast products, magnesium alloy recycling, aluminum primary & secondary products, stainless steel products, aluminum master alloy & grain refiner, aluminum metal products, special magnesium alloy ingots, prototyping of magnesium casting, titanium products;

Chemical materials & products: organic & inorganic chemicals used as engineering plastics, color additives for printing ink, metal surface treatments, and various treatments for printed circuit boards, plating materials, catalysts, other;

Electronic materials & products: quartz, silica powder, fused silica, feldspar & powder, quartz materials & components, electronic parts, fine chemical products, Chin-hae (Korea) silica stone, fusing quartz, cristobalite, electronic parts key materials, optical fiber cable connecting parts, other;

Ceramics & minerals (for refractories): alumina, silicon carbide, bauxite, magnesia clinker, alumina cement, kyanite, andalite, other;

Others: Industrial machinery (automotive parts, construction machines, emission gas analyzers, cutting tools, hydraulic fitting products), aromatics & foodstuffs (oils & fats, spirits, aroma chemical, frozen foods, functional food materials), household products (rubber boots & sandals, shoes, model trains, gardening materials, wiper blades, other).

Imports & exports (50%).

Clients: [Mfrs, wholesalers] Kawasaki Heavy Ind, Fuji Heavy Ind, Krosaki Harima Corp, NGK Insulators, Toyama Murata Mfg, Denki Kagaku Kogyo, Hitachi Zosen, Toyo Ink Mfg, Almatris Ltd, Sumitomo Corp, Morimura Bros Co Shanghai, Morimura Bros Co Hong Kong, Morimura Bros Inc USA, Nippon Electric Glass Co, other.

No. of accounts: 2,000

Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Alcoa Japan Ltd, Morimura Chemical Ltd, Showa Denko, Toto Ltd, Tosoh Ltd, Morimura Bros (HK), Alcoa Inc (USA), Hydro Magnesium X'ian Co Ltd (China), Almatris Ltd, Sumitomo Bakelite, Sumitomo Chemical, other.

Payment record: Regular

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

Bank References:
MUFG (Toranomon)

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Mizuho Bank (Toranomon)
Relations: Satisfactory

FINANCES

(In Million Yen)

Terms Ending:	31/12/2018	31/12/2017	31/12/2016	31/12/2015
Annual Sales	88,450	85,867	87,353	92,959
Recur. Profit	2,200	2,180	1,581	..
Net Profit	1,500	1,423	1,058	1,305
Total Assets		38,331	35,700	32,673
Net Worth		12,023	10,542	9,536
Capital, Paid-Up		450	450	450
Div.Ttl in Million (¥)		144.00	138.00	90.00
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	3.01	-1.70	-6.03	2.15
Current Ratio	
N.Worth Ratio		31.37	29.53	29.19
N.Profit/Sales	1.70	1.66	1.21	1.40

Notes: Forecast (or estimated) figures for the 31/12/2018 fiscal term.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.88
UK Pound	1	INR 91.14
Euro	1	INR 80.63
Yen	1	INR 0.62

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

INFORMATION DETAILS

Analysis Done by :	PRI
Report Prepared by :	NIT

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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)