

MIRA INFORM REPORT

Report No. :	520931
Report Date :	19.07.2018

IDENTIFICATION DETAILS

Name :	SUNFCO LTD
Registered Office :	Kanda 91 Bldg 8F, 1-8-3 Kanda-Kajicho Chiyodaku Tokyo 101-0044
Country :	Japan
Financials (as on) :	28.02.2018
Date of Incorporation :	March 1979
Com. Reg. No.:	0100-01-045246 (Tokyo-Chiyodaku)
Legal Form :	Limited Company (Kabushiki Kaisha)
Line of Business :	Imports, exports and wholesales raw materials & intermediates for food, chemical, biochemical, pharmaceuticals, health foods products (--100%).
No. of Employees :	27

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 228.1 Million
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 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

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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 & ADDRESS

SUNFCO LTD

REGD NAME: KK Sunfco
MAIN OFFICE: Kanda 91 Bldg 8F, 1-8-3 Kanda-Kajicho Chiyodaku Tokyo 101-0044 Japan
Tel: 03-3255-2460 Fax: 03-3255-0787

URL: http://www.sunfco.com
E-Mail address: osaka@sunfco.com

ACTIVITIES: Import, export, wholesale of raw materials for food, dairy & medical products
BRANCHES: Osaka
OVERSEAS: Brisbane (Australia)

OFFICERS: SHOJI WAKAO, PRES Akira Komuro, s/mgn dir
Toshimitsu Tanaka, dir Storu Iwasaki, dir
Nagahiro Yamazaki, dir Yoshiki Yamazaki, dir

Yen Amount: In million Yen, unless otherwise stated

SUMMARY

FINANCES	FAIR	A/SALES	Yen 13,136 M
PAYMENTS	REGULAR	CAPITAL	Yen 50 M
TREND	UP	WORTH	Yen 1,394 M
STARTED	1979	EMPLOYES	27

COMMENT: TRADING HOUSE OF RAW MATERIALS FOR FOOD, DAIRY, CHEMICAL, OTHERS.
FINANCIAL SITUATION CONSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

MAX CREDIT LIMIT: YEN 228.1 MILLION, 30 DAYS NORMAL TERMS.

HIGHLIGHTS

The subject company was established by capital investments of Morinaga Milk Industry Co Ltd, Taiyo Kagaku Co Ltd and Kaei Trading Co Ltd (See **REGISTRATION**) as Sun Friend Chemical Ltd, in order to supply & develop raw materials & ingredients, products for food, medical, biotech, chemical, health food products. Renamed as captioned in Sept 1989. This is a trading firm for import, export and wholesale of these raw materials and ingredients. Clients include major dairy products mfrs, wholesalers, other, nationwide.

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FINANCIAL INFORMATION

The sales volume for Feb/2018 fiscal term amounted to Yen 13,136 million, a 4% up from Yen 12.646 million in the previous term. The recurring profit was posted at Yen 336 million and the net profit at Yen 222 million, respectively, compared with Yen 355 million recurring profit and Yen 232 million net profit, respectively, a year ago.

For the current term ending Feb 2019 the recurring profit is projected at Yen 340 million and the net profit at Yen 230 million, respectively, on a 3% rise in turnover, to Yen 13,530 million. Business is seen expanding steadily.

The financial situation is considered FAIR and good for ORDINARY business engagements. Max credit limit is estimated at Yen 228.1 million, on 30 days normal terms.

REGISTRATION

Date Registered: Mar 1979
Regd No.: 0100-01-045246 (Tokyo-Chiyodaku)
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 400,000 shares
Issued: 100,000 shares
Sum: Yen 50 million
Major shareholders (%): Morinaga Milk Industry Co Ltd (45), Taiyo Kagaku Co Ltd (45), Ehime Beverage Inc (10).
No. of shareholders: 3

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

OPERATION

Activities: Imports, exports and wholesales raw materials & intermediates for food, chemical, biochemical, pharmaceuticals, health foods products (--100%).

Clients: [Dairy food mfrs, pharmaceuticals mfrs, wholesalers] Morinaga Milk Ind, Taiyo Kagaku, Itoham Foods, Daicel Chemical Ind, Eisai Co, Zeria Pharmaceutical, Toray Ind, Honen Corporation, Nisshin Seifun Group, Mitsubishi Chemical, Lion Corp, Yakult Honsha, DHC, Taisho Pharmaceuticals, Noevir Co, MK Cheese, Kajiwara Milk Products, Nichi-Iko Pharmaceutical Co, other.

No. of accounts: 1,000

Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Taiyo Kagaku, Morinaga Milk Ind, Meggle Japan, Ikeda Yakuin Kogyo, DNP Fine Chemical, other.

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(Overseas): Burra Foods Pty, Schering AG, Francexpa SA, Bllantyne Foods Pty, Biodesign International Inc, Biospecific Inc, Fitzgerald International Inc, OEM Concepts Inc, Lampire Biological Laboratories Inc, Scantibodies Laboratories Inc, other.

Payment record: Regular

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

Bank References:

MUFG (H/O)
Mizuho Bank (Kanda-Ekimae)
Relations: Satisfactory

FINANCES

(In Million Yen)

Terms Ending:	28/02/2019	28/02/2018	28/02/2017	29/02/2016
Annual Sales	13,530	13,136	12,646	13,879
Recur. Profit	340	336	355	..
Net Profit	230	222	232	149
Total Assets		4,823	4,788	4,061
Net Worth		1,394	1,215	934
Capital, Paid-Up		50	50	50
Div.Ttl in Million (¥)		15.00	15.00	15.00
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	3.00	3.87	-8.88	11.56
Current Ratio	
N.Worth Ratio		28.90	25.38	23.00
N.Profit/Sales	1.70	1.69	1.83	1.07

Note: Forecast (or estimated) for the 28/02/2019 fiscal term.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.57
UK Pound	1	INR 89.73
Euro	1	INR 79.74
YEN	1	INR 0.61

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

INFORMATION DETAILS

Analysis Done by :	NIY
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)