

MIRA INFORM REPORT

Report No. :	539202
Report Date :	12.11.2018

IDENTIFICATION DETAILS

Name :	TOYOBO CO LTD
Registered Office :	2-2-8 Dojimahama Kitaku Osaka 530-8230
Country :	Japan
Financials (as on) :	31.03.2018
Date of Incorporation :	June, 1914
Com. Reg. No.:	1200-01-099666 (Osaka-Kitaku)
Legal Form :	Limited Company (Kabushiki Kaisha)
Line of Business :	Spinning of textiles, natural fibers, cotton, wool, synthetic resins
No. of Employees :	3,080

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+	Low Risk	Business dealings permissible with low risk of default

Maximum Credit Limit :	Yen 8,026.6 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: while quoting report number, name and date.

ECGC Country Risk Classification List

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

TOYOBO CO LTD

REGD NAME: Toyo Boseki KK
MAIN OFFICE: 2-2-8 Dojimahama Kitaku Osaka 530-8230 JAPAN
Tel: 06-6348-3111 Fax: 06-6348-3206
URL: <http://www.toyobo.co.jp>
E-Mail address: info@toyobo.co.jp

ACTIVITIES

Spinning of textiles, natural fibers, cotton, wool, synthetic resins

BRANCHES

Tokyo, Nagoya, Ohtsu, Tsuruga

OVERSEAS

USA, Mexico, Germany, Spain, China, Hong Kong, Taiwan, Korea, Thailand, Indonesia, Malaysia, India, Saudi Arabia, other (--subsidiaries)

FACTORIES

Inuyama, Tsuruga, Iwakuni, Ohtsu, Nyuzen, Shogawa (Tot 11)

OFFICERS

SEIJI NAKAHARA, PRES	Ryuzo Sakamoto, ch
Takeshi Watanabe, s/mg dir	Shigeo Takenaka, mgn dir
Hitoshi Ueno, mgn dir	Shigeo Nishiyama, dir

Yen Amount: In million Yen, unless otherwise stated

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SUMMARY

FINANCES	FAIR	A/SALES	Yen 331,148 M
PAYMENTS	REGULAR	CAPITAL	Yen 51,730 M
TREND	STEADY	WORTH	Yen 180,561 M
STARTED	1914	EMPLOYES	3,080

COMMENT

TEXTILE SPINNER.

FINANCIAL SITUATION CONSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

MAX CREDIT LIMIT: YEN 8,026.6 MILLION, 30 DAYS NORMAL TERMS.

HIGHLIGHTS

This is a time-honored spinning company dating back to 1914 and pioneer in Japan's spinning industry. Now a leading comprehensive maker of textile products, ranging from natural fibers, including cotton & wool, to synthetic fibers, such as polyester. Non-textile area, including plastics films, biochemicals & electronics topping 56% of entire sales. Non-textiles sales are targeted at Yen 305,000 million in Mar 2011 with focus on LCD/optical-use films, etc. Functional membranes enjoying top market share in Mid East, buoyed by continued new orders from Saudi Arabia for seawater desalting membranes; developing demand from waterworks facilities in Japan. The firm is planning to start sales of diagnostic systems for influenza viruses. It will spin off and pull out of the woolen knitting yarns business as a result of a management buyout by its subsidiary.

FINANCIAL INFORMATION

The sales volume for Mar/2018 fiscal term amounted to Yen 331,148 million, a shade up from Yen 329,487 million in the previous term. The recurring profit was posted at Yen 20,415 million and the net profit at Yen 13,044 million, respectively, compared with Yen 20,650 million recurring profit and Yen 9,444 million net losses, respectively, a year ago.

For the current term ending Mar 2019 the recurring profit is projected at Yen 21,500 million and the net profit at Yen 13,000 million, respectively, on a 2.67% rise in turnover, to Yen 340,000 million.

The financial situation is considered FAIR and good for ORDINARY business engagements. Max credit limit is estimated at Yen 8,026.6 million, on 30 days normal terms.

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REGISTRATION

Date Registered: Jun 1914
Regd No.: 1200-01-099666 (Osaka-Kitaku)
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 4,130,840 shares
Issued: 1,034,600 shares
Sum: Yen 51,730 million

Major shareholders (%): Master Trust of Japan (4.0), Japan Trustee Services T (3.7), other

No. of shareholders: 89,048

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

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

Related companies: Kureha Tech, Japan Exlan Co Ltd, Shinko Trading, Toyocloth Co, other.

OPERATION

Activities: Spinning Company:

(Sales breakdown by Divisions):

Films & Functional Resins Div (36%): industrial films for LCD & optical use, other industrial uses, synthetic paper, PET films for food packaging, engineering plastics, industrial adhesives, coatings, photo sensitive printing papers, acrylate polymers, electronic materials, rubber processing, coat processing;

Industrial Materials Div (20%): airbag fabrics, polyester for tire cords, ultrahigh-molecular-weight polyethylene fiber, extreme heat-resistant, high tenacity fibers,

Life Science Div (10%): bio-products (enzymes for diagnostics, diagnostic systems, reagents for research, contract mfg of pharmaceuticals, injection, intermediates, raw pharmaceuticals, medical membranes, equipment & devices (artificial kidney hollow fiber, anti-clothing materials), water treatment membranes (seawater desalination modules);

Apparel & Textiles Div (28%): functional textiles (for sports clothing, underwear, uniforms), apparel mfg (Munshingwear), synthetic filaments, acrylic fibers, others;

Other Div & Real Estate (6%) (All about)

Overseas Trading Ratios (25%)

Clients: [Wholesalers, mfrs] Itochu Corp, Marubeni Corp, Mitsui & Co, other.

No. of accounts: 1,000

Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Sumitomo Chemical Ind, Nippon Shokubai, Marubeni Corp, 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:

Mizuho Corporate Bank (H/O)
MUFG (Osaka)
Relations: Satisfactory

FINANCES

(In Million Yen)

Terms Ending:	31/03/2019	31/03/2018	31/03/2017	31/03/2016
Annual Sales	340,000	331,148	329,487	347,763
Recur. Profit	21,500	20,415	20,650	20,393
Net Profit	13,000	13,044	9,444	10,150
Total Assets		446,156	450,790	444,623
Net Worth		180,561	167,773	444,623
Capital, Paid-Up		51,730	51,730	51,730
Div.P.Share(¥)		3,107.00	3,107.00	3,107.00
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	2.67	0.50	-5.26	-1.00
Current Ratio	
N.Worth Ratio		40.47	37.22	100.00
N.Profit/Sales	3.82	3.94	2.87	2.92

Notes: Forecast (or estimated) figures for the 31/03/2019 fiscal term.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.73
UK Pound	1	INR 94.87
Euro	1	INR 82.52
Yen	1	INR 0.64

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

INFORMATION DETAILS

Analysis Done by :	VIV
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)