

## MIRA INFORM REPORT

Report No. :	542392
Report Date :	29.11.2018

### IDENTIFICATION DETAILS

Name :	FUKUWA JEWELLERY CO LTD
Registered Office :	1-16-12 Higashi-Shinsaibashi Chuoku Osaka 542-0083
Country :	Japan
Financials (as on) :	31.03.2018
Date of Incorporation :	May, 1951
Com. Reg. No.:	1200-01-088357 (Osaka-Chuoku)
Legal Form :	Limited Company (Kabushiki Kaisha)
Line of Business :	Import and wholesale of polished diamonds.
No. of Employees :	9

### RATING & COMMENTS

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

Status :	Satisfactory
Payment Behaviour :	Slow but Correct
Litigation :	Clear

#### NOTES:

Any query related to this report can be made on e-mail: while quoting report number, name and date.

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**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**

FUKUWA JEWELLERY CO LTD

REGD NAME: KK Fukuwa Hoseki (Hoseki means gemstones)

MAIN OFFICE: 1-16-12 Higashi-Shinsaibashi Chuoku Osaka 542-0083 JAPAN  
Tel: 06-6271-8573 Fax: 06-6245-6131

URL: <http://www.lehaim.co.jp>  
E-Mail address: [dia@lehaim.co.jp](mailto:dia@lehaim.co.jp)

## **ACTIVITIES**

Import, wholesale of polished diamonds

## **BRANCHES**

Tokyo; showroom at the caption address

## **FACTORYIES**

(Subcontracted)

## **OFFICERS**

MEGUMI FUKUDA, PRES Kazuhiko Fukuda, ch  
Shin'ichi Fukuda, dir Tomokazu Otsuka, dir

Yen Amount: In million Yen, unless otherwise stated

## **SUMMARY**

FINANCES	FAIR	A/SALES	Yen 624 M
PAYMENTS	SLOW BUT CORRECT	CAPITAL	Yen 25 M
TREND	SLOW	WORTH	Yen 368 M
STARTED	1951	EMPLOYES	9

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## **COMMENT**

IMPORTER AND WHOLESALER SPECIALIZING IN DIAMONDS.

FINANCIAL SITUATION CONSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

## **HIGHLIGHTS**

The subject company was established by Shin'ichi Fukuda in order to make most of his experience in the jewelry business. Megumi is his daughter, who took the pres office in Mar/2016. The firm is owned and operated by the Fukuda family and specializes in importing precut, polished diamonds centrally, other gem stones, and jewelry products. Diamonds are processed into fingerings, pendants, bracelets, necklaces, other jewelry products by subcontracted processors. Sales are primarily based on made-to-order basis with clients selecting the ones from various combinations of gem stones and frames. Special strength is with engagement rings, marriage rings, marriage anniversary rings, etc. Goods are imported directly from Belgium, Israel, India, other, with regular purchase trips organized. Operates a gallery, at the caption address, and online shop by the name of "LEHAIM".

## **FINANCIAL INFORMATION**

Financials are only partially disclosed.

The sales volume for Mar/2018 fiscal term amounted to Yen 624 million, a 2% down from Yen 635 million in the previous term. The net profit was posted at Yen 13 million, compared with Yen 6 million a year ago.

For the current term ending Mar 2019 the net profit is projected at Yen 15 million, on a 3% rise in turnover, to Yen 640 million.

The financial situation is considered FAIR and goof for ORDINARY business engagements.

## **REGISTRATION**

<b>Date Registered:</b>	May 1951
<b>Regd No.:</b>	1200-01-088357 (Osaka-Chuoku)
<b>Legal Status:</b>	Limited Company (Kabushiki Kaisha)
<b>Authorized:</b>	2 million shares
<b>Issued:</b>	510,000 shares
<b>Sum:</b>	Yen 25.5 million
<b>Major shareholders (%):</b>	Kazuhiko Fukuda (40) & families (--60)
<b>No. of shareholders:</b>	8

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

## **OPERATION**

**Activities:** Imports and wholesales polished diamonds, other gem stones, fingerings, pendants, necklaces, bracelets, earrings, other diamond-bedded jewelry products (--99%); office building for let (1%).

Goods are basically made-to-order to customers' choice, selecting from various combinations of diamonds and frames into rings, other.

**Clients:** Jewelry processors, wholesalers, jewelry stores, other  
No. of accounts: 350  
Domestic areas of activities: Centered in greater-Osaka

**Suppliers:** [Mfrs, wholesalers] Imports from Oriental Diamond, other from Israel, India, Belgium, Thailand, other.

**Payment record:** Slow but correct

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

### **Bank References:**

Shoko Chukin Bank (Semba)  
SMBC (Namba)  
Relations: Satisfactory

## **FINANCES**

(In Million Yen)

Terms Ending:	31/03/2019	31/03/2018	31/03/2017	31/03/2016
Annual Sales	640	624	635	746
Recur. Profit	..	..	..	..
Net Profit	15	13	6	28
Total Assets		N/A	N/A	N/A
Net Worth		368	355	349
Capital, Paid-Up		25	25	25
Div.P.Share(¥)		0.00	0.00	0.00
<b>&lt;Analytical Data&gt;</b>	(%)	(%)	(%)	(%)
S.Growth Rate	2.56	-1.73	-14.88	1.22

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Current Ratio		..	..	..
N.Worth Ratio		..	..	..
N.Profit/Sales	2.34	2.08	0.94	3.75

**Notes:** Financials only partially disclosed.

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

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.69
UK Pound	1	INR 90.14
Euro	1	INR 79.88
Yen	1	INR 0.62

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

**INFORMATION DETAILS**

Analysis Done by :	NIY
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)