

MIRA INFORM REPORT

Report No. :	533477
Report Date :	05.10.2018

IDENTIFICATION DETAILS

Name :	NITORI CO LTD
Registered Office :	3-6-20 Kamiya Kitaku Tokyo 115-0043
Country :	Japan
Financials (as on) :	28.02.2018
Date of Incorporation :	March 2010
Com. Reg. No.:	4300-01-044958 (Sapporo-Kitaku)
Legal Form :	Limited Company (Kabushiki Kaisha)
Line of Business :	Planning and sale of furniture & interior merchandise (home furnishing products), interior decorative coordinating for newly built homes, sale of products developed and imported from overseas, operating 300 stores domestic, including 14 stores abroad (--100%)
No. of Employees :	3,799

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

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

NITORI CO LTD

REGD NAME: KK Nitori
MAIN OFFICE: 3-6-20 Kamiya Kitaku Tokyo 115-0043 JAPAN
Tel: 03-6741-1111

URL: <http://www.nitori.co.jp/>
E-Mail address: info@nitori.co.jp

ACTIVITIES: Chain store operator of furniture & interior goods; online shops
BRANCH: Tokyo
STORES: 467 stores, including 20 overseas stores
OVERSEAS: USA, Indonesia, Vietnam, Thailand, Malaysia, China, Taiwan (--subsidiaries & stores).
FACTORIES: Subsidiaries both at home and abroad

OFFICERS: TOSHIYUKI SHIRAI, PRES Akio Nitori, ch
Takanori Ikeda, s/mgn dir Masanori Takeda, mg dir

Yen Amount: In million Yen, unless otherwise stated

SUMMARY:	FINANCES	FAIR	A/SALES	Yen 544,850 M
	PAYMENTS	REGULAR	CAPITAL	Yen 1,000 M
	TREND	STEADY	WORTH	Yen 67,004 M
	STARTED	2010	EMPLOYES	3,799

COMMENT: FURNITURE & INTERIOR GOODS CHAIN STORE OPERATOR. FINANCIAL SITUATION CONSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

HIGHLIGHTS

The subject company was established originally in 1972 by Nitori family for selling furniture. In 2010 formed a Holding Company, Nitori Holdings Co Ltd, and became its wholly owned subsidiary, and was delisted from the Tokyo S/E. This is an operator of furniture and interior specialty store chain originating in Hokkaido. Ranked top in Hokkaido, though most of the stores located in eastern Japan in Honshu mainland. Now operates a total 467 stores domestic and 20 overseas. Handling items are: living room furniture, storage furniture & cabinets, dining furniture, beds, other furniture, interior goods. Diversifying product lineups, including small articles and accessories. Goods are retailed online, too.

FINANCIAL INFORMATION

The sales volume for Feb/2018 fiscal term amounted to Yen 544,850 million, an 11% up from Yen 491,662 million in the previous term. The recurring profit was posted at Yen 81,883 million and the net profit at Yen 53,841 million, respectively, compared with Yen 73,999 million recurring profit and Yen 51,646 million net profit, respectively, a year ago.

For the current term ending Feb 2019 the recurring profit is projected at Yen 82,000 million and the net profit at Yen 56,500 million, respectively, on a 5% rise in turnover, to Yen 572,100 million.

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

REGISTRATION

Date Registered: Mar 2010
Regd No.: 4300-01-044958 (Sapporo-Kitaku)
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 80,000 shares
Issued: 20,000 shares
Sum: Yen 1,000 million
Major shareholders (%): Nitori Holdings Co Ltd* (100)
*.. Holding Company

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

OPERATION

Activities: Planning and sale of furniture & interior merchandise (home furnishing products), interior decorative coordinating for newly built homes, sale of products developed and imported from overseas, operating 300 stores domestic, including 14 stores abroad (--100%)

Goods are imported from overseas subsidiary mfrs in: China, Indonesia, Thailand, Malaysia, Hong Kong, USA, etc.

Goods are retailed online and catalogue sales, too.

Clients: Consumers, business firms, other
No. of accounts: Unavailable
Domestic areas of activities: Nationwide

Suppliers: [Mfrs, wholesalers] Nitori Holdings Co, Nitori Furniture Co, Nitori Home Logistics Co, Nitori Public Co, other.
Imports from Vietnam, Indonesia, Thailand, Malaysia, China, Hong Kong, other (--subsidiary & affiliated firms)

Payment record: Regular

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

Bank References:

Mizuho Bank (Sapporo)
MUFG (Sapporo)
Relations: Satisfactory

FINANCES

(In Million Yen)

Terms Ending:	28/02/2019	28/02/2018	28/02/2017	29/02/2016
Annual Sales	572,100	544,850	491,662	440,948
Recur. Profit	82,000	81,883	73,999	62,097
Net Profit	56,500	53,841	51,646	39,438
Total Assets		253,411	240,815	197,415
Net Worth		67,004	75,913	57,807
Capital, Paid-Up		1,000	1,000	1,000
Div.Ttl in Million (¥)		51,700	40,000	37,000
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	5.00	10.82	11.50	8.81
Current Ratio	
N.Worth Ratio		26.44	31.52	29.28
N.Profit/Sales	9.88	9.88	10.50	8.94

Notes: Forecast (or estimated) figures for the 28/02/2019 fiscal term

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.75
UK Pound	1	INR 95.39
Euro	1	INR 84.63
YEN	1	INR 0.65

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

INFORMATION DETAILS

Analysis Done by :	DIV
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)