

## MIRA INFORM REPORT

<b>Report No. :</b>	533566
<b>Report Date :</b>	06.10.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	NAA RETAILING CORPORATION
<b>Registered Office :</b>	Narita International Terminal 5F, 1-1 Furugome Narita City Chiba-Pref 282-0004
<b>Country :</b>	Japan
<b>Financials (as on) :</b>	31.03.2018
<b>Date of Incorporation :</b>	May 2004
<b>Com. Reg. No.:</b>	0400-01-044663 (Chiba-Narita)
<b>Legal Form :</b>	Limited Company (Kabushiki Kaisha)
<b>Line of Business :</b>	Subject operator of duty-free shops, boutique shops, restaurants, others at the airport terminals (--100%)
<b>No. of Employees :</b>	421

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> January 2017)

<b>MIRA's Rating :</b>	<b>A</b>
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Maximum Credit Limit :</b>	Yen 3,190.3 Million
<b>Status :</b>	Satisfactory
<b>Payment Behaviour :</b>	No Complaints
<b>Litigation :</b>	Clear

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**NOTES :**

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto: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

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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 & ADDRESS***

### **NAA RETAILING CORPORATION**

**REGD NAME:** KK NAA Retailing  
**MAIN OFFICE:** Narita International Terminal 5F, 1-1 Furugome Narita City Chiba-Pref 282-0004 Japan  
Tel: 0476-32-8833 Fax: 0476-32-7995

**URL:** <http://www.proseek.co.jp>  
**E-Mail address:** (Thru the URL)

**ACTIVITIES:** Operation of tax-free shops, boutique shops, restaurants, other  
**BRANCHES:** 93 shops (Narita, Haneda, other)

**OFFICERS:** TOSHIAKI KANZAKI, PRES Masatoshi Uchida, mgn dir  
Susumu Morikawa, mgn dir Koji Kondo, dir  
Makoto Natsume, dir Takeshi Arakawa, dir

**Yen Amount:** In million Yen, unless otherwise stated

## ***SUMMARY***

FINANCES	FAIR	A/SALES	Yen 70,863 M
PAYMENTS	NO COMPLAINTS	CAPITAL	Yen 90 M
TREND	STEADY	WORTH	Yen 20,091 M
STARTED	2004	EMPLOYEES	421

**COMMENT:** OPERATION OF DUTY-FREE SHOPS, OTHER, IN AIRPORT TERMINALS, OTHER.  
FINANCIAL SITUATION CONSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

MAX CREDIT LIMIT: ESTIMATED AT YEN 3,190.3 MILLION, ON 30 DAYS NORMAL TERMS.

## ***HIGHLIGHTS***

The subject company is a duty-free shop operator in airport terminals, boutique shops, restaurants, other. 100% invested from the Narita Airport Terminal.

## ***FINANCIAL INFORMATION***

The sales volume for Mar/2017 fiscal term amounted to Yen 70,863 million, an 18% up from Yen 59,885 million in the previous term. The recurring profit was posted at Yen 6,306 million and the net profit at Yen 4,123 million,

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respectively, compared with Yen 5,368 million recurring profit and Yen 3,279 million net profit, respectively, a year ago.

For the current term ending Mar 2019 the recurring profit is projected at Yen 6,400 million and net profit at Yen 4,400 million, respectively, on a 6% rise in turnover, to Yen 75,000 million.

The financial situation is considered FAIR and good for ORDINARY business engagements. Max credit limit is estimated at Yen 3,190.3 million, on 30 days normal terms.

## ***REGISTRATION***

**Date Registered:** May 2004  
**Regd No.:** 0400-01-044663 (Chiba-Narita)  
**Legal Status:** Limited Company (Kabushiki Kaisha)  
**Authorized:** 7,200 shares  
**Issued:** 1,200 shares  
**Sum:** Yen 90 million  
**Major shareholders (%):** Narita Airport Terminal (100)

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

## ***OPERATION***

**Activities:** Operator of duty-free shops, boutique shops, restaurants, others at the airport terminals (--100%)

**Clients:** [Mfrs, wholesalers] Consumers, travelers, other  
No. of accounts: Unavailable

Domestic areas of activities: Narita & Haneda, other

**Suppliers:** [Mfrs, wholesalers] Channel, Christian Dior, Nippon Airport Building, Japan Tobacco Sangyo, each  
Commodity Brand-makers, other

**Payment record:** No Complaints

**Location:** Business area in Narita. Office premises at the caption address are leased and maintained satisfactory.

**Bank References:**  
Bank of Chiba (Narita)  
Keiyo Bank (Narita)  
Relations: Satisfactory

## **FINANCES**

(In Million Yen)

Terms Ending:	31/03/2019	31/03/2018	31/03/2017	31/03/2016
Annual Sales	75,000	70,863	59,885	61,717
Recur. Profit	6,400	6,306	5,368	6-67
Net Profit	4,400	4,123	3,279	4,084
Total Assets		27,552	21,544	19,197
Net Worth		20,091	15,967	12,688
Capital, Paid-Up		90	90	90
Div.P.Share(¥)		0.00	0.00	0.00
<b>&lt;Analytical Data&gt;</b>	(%)	(%)	(%)	(%)
S.Growth Rate	5.84	18.33	-2.97	31.24
Current Ratio		..	..	..
N.Worth Ratio		72.92	74.11	66.09
N.Profit/Sales	5.87	5.82	5.48	6.62

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

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.58
UK Pound	1	INR 95.88
Euro	1	INR 84.70
YEN	1	INR 0.65

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	NIS
<b>Report Prepared by :</b>	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)