

## MIRA INFORM REPORT

Report No. :	534178
Report Date :	09.10.2018

### IDENTIFICATION DETAILS

Name :	SAIZERIYA CO LTD
Registered Office :	2-5 Asahi Yoshikawa City Saitama-Pref 342-0008
Country :	Japan
Financials (as on) :	31.08.2017
Date of Incorporation :	May 1973
Com. Reg. No.:	0300-01-065552 (Saitama-Yoshikawa)
Legal Form :	Limited Company (Kabushiki Kaisha)
Line of Business :	Operation of Italian Family Restaurants, Other
No. of Employees :	Japan

### 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+	Low Risk	Business dealings permissible with low risk of default

Maximum Credit Limit :	Yen 7,057.8 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](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 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**

### **SAIZERIYA CO LTD**

**REGD NAME:** KK Saizeriya  
**MAIN OFFICE:** 2-5 Asahi Yoshikawa City Saitama-Pref 342-0008 JAPAN  
Tel: 048-991-9611 Fax: 048-991-9637 -

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

**ACTIVITIES:** Operation of Italian family restaurants, other  
**BRANCHES:** Restaurants total 1,424 (domestic 1,057 & overseas 367)  
**OVERSEAS:** China, S/E Asia, Europe, USA, other

**OFFICERS:** ISSEI HORINO, PRES Yasuhiko Shogaki, ch  
Nobuyuki Masuoka, dir Shuji Matsutani, dir  
Noboru Nagaoka, dir Minoru Orito, dir

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

## **SUMMARY**

FINANCES	FAIR	A/SALES	Yen 148,306 M
PAYMENTS	REGULAR	CAPITAL	Yen 8,612 M
TREND	UP	WORTH	Yen 80,190 M
STARTED	1973	EMPLOYEES	2,154

**COMMENT:** ITALIAN RESTAURANTS OPERATOR FINANCIAL SITUATION COSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

MAX CREDIT LIMIT: YEN 7,057.8 MILLION, 30 DAYS NORMAL TERMS

## **HIGHLIGHTS**

The firm is engaged in direct-run operation of "Saizeriya". A low price Italian family restaurants. Known for efficient operations & in-house production of dishes achieved partly through the analysis of staff behavior & merchandise improvements. Produces white sauce & others at a food processing distribution base called commissary in Australia, and also produces food materials at four domestic plants. Vegetables are grown by contract farmers in Fukushima Prefecture. In overseas business, the company is expanding store openings in China, and also starting operations at food processing plants. .

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## **FINANCIAL INFORMATION**

The sales volume for Aug/2017 fiscal term amounted to Yen 148,306 million, a 2.31% up from Yen 144,961 million in the previous term. The recurring profit was posted at Yen 11,885 million and the net profit at Yen 7,496 million, respectively, compared with Yen 9,134 million recurring profit and Yen 5,505 million net profit, respectively, a year ago.

For the term that ended Aug 2018 the recurring profit was projected at Yen 9,700 million and the net profit at Yen 6,100 million, respectively, on a 4.51% rise in turnover, to Yen 155,000 million. Final results are yet to be released.

The financial situation is considered FAIR and good for ORDINARY business engagements. Max credit limit is estimated at Yen 7,057.8 million, on 30 days normal terms.

## **REGISTRATION**

**Date Registered:** May 1973  
**Regd No.:** 0300-01-065552 (Saitama-Yoshikawa)  
**Listed company:** Tokyo S/E  
**Legal Status:** Limited Company (Kabushiki Kaisha)  
**Authorized:** 73,208,000 shares  
**Issued:** 52,272,342 shares  
**Sum:** Yen 8,612 million

**Major shareholders (%)**: Yasuhiko Shogaki (29.1), Babetto Co (8.5), Company's Treasury Stock (4.3), Employees' S/Holding Assn (3.4), Japan Trustee Services T (2.5), Master Trust Bank of Japan T (2.4), Government of Norway (2.2), Bank of New York Mellon (1.4), Goldman Sachs (1.4), Trust & Custody Services Trust E (1.3); foreign owners (23.1)

**No. of shareholders:** 26,949

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

## **OPERATION**

**Activities:** Italian family restaurant operation (100%)

**Clients:** [Mfrs, wholesalers] Consumers, visitors, Aeon Retail, Aeon Mall, Aeon Town, Daiei Inc, Aeon Kyushu, Mitsui Real Estate, Seiyu Ltd, other

No. of accounts: 1,000

Domestic areas of activities: Nationwide

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**Suppliers:** [Mfrs, wholesalers] Suntory Foods, Mitsui Foods, Saizeriya Australia, Nol-Lake International, Taiyo Bussan, other

**Payment record:** Regular

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

**Bank References:**  
Mizuho Bank (Funabashi)  
SMBC (Moto-Yawata)  
Relations: Satisfactory

## **FINANCES**

<b>(In Million Yen)</b>				
<b>Terms Ending:</b>	<b>31/08/2018</b>	<b>31/08/2017</b>	<b>31/08/2016</b>	<b>31/08/2015</b>
Annual Sales	155,000	148,306	144,961	139,277
Recur. Profit	9,700	11,885	9,134	8,004
Net Profit	6,100	7,496	5,505	3,774
Total Assets		102,731	92,463	95,485
Net Worth		80,190	72,537	72,315
Capital, Paid-Up		8,612	8,612	8,612
Div.P.Share(¥)		18.00	18.00	18.00
<b>&lt;Analytical Data&gt;</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>
S.Growth Rate	4.51	2.31	4.08	10.87
Current Ratio		..	..	..
N.Worth Ratio		78.06	78.45	75.73
N.Profit/Sales	3.94	5.05	3.80	2.71

**Notes:** Forecast (or estimated) figures for the 31/08/2018 fiscal term

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.92
UK Pound	1	INR 96.85
Euro	1	INR 85.06
YEN	1	INR 0.66

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	DIV
<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)