

MIRA INFORM REPORT

Report No. :	535671
Report Date :	20.10.2018

IDENTIFICATION DETAILS

Name :	KOKUSAI PULP & PAPER CO LTD
Registered Office :	6-24 Akashicho Chuoku Tokyo 104-0044
Country :	Japan
Financials (as on) :	31.03.2018
Date of Incorporation :	November 1924
Com. Reg. No.:	0100-01-048806
Legal Form :	Limited Company
Line of Business :	Import, Export, Wholesale of Pulps & Paper, Paper Products
No. of Employees :	665

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 5,450.0 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 : infodept@mirainform.com 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

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COMPANY SUMMERY

KOKUSAI PULP & PAPER CO LTD

REGD NAME: Kokusai Kami Pulp Shoji KK
MAIN OFFICE: 6-24 Akashicho Chuoku Tokyo 104-0044 JAPAN
Tel: 03-3542-4111 Fax: 03-3542-4282

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

ACTIVITIES: Import, export, wholesale of pulps & paper, paper products
BRANCHES: Osaka, Nagoya, Kyoto, Sendai, Sapporo, Fukuoka, other (Tot 37)
OVERSEAS: USA, China, Korea, Brazil, Indonesia, Vietnam, Australia, India,
Singapore, other (Tot 21)

OFFICERS: MADOKA TANABE, PRES Tadashi Kurihara, rep dir
Ichiro Akamatsu, dir Kunitoshi Nishimura, dir
Keizo Hara, dir Tatsuhiko Tachibana, dir

Yen Amount: In million Yen, unless otherwise stated

SUMMARY

FINANCES	FAIR	A/SALES	Yen 377,714 M
PAYMENTS	REGULAR	CAPITAL	Yen 3,442 M
TREND	STEADY	WORTH	Yen 47,694 M
STARTED	1924	EMPLOYES	665

COMMENT

TRADING FIRM SPECIALIZING IN PULP & PAPER. FINANCIAL SITUATION CONSIDERED FAIR AND GOOD FOR ORDINARY BUSINESS ENGAGEMENTS.

MAX CREDIT LIMIT: YEN 5,450.0 MILLION, 30 DAYS NORMAL TERMS

HIGHLIGHTS

The subject company was established in 1924 as KK Daido Yoshiten, and in 1999 merged with Nichia Corp and renamed as captioned. This is a trading firm specializing in import, export and wholesale of pulp & paper, paper products, others (See **OPERATION**). In Jan 2013 merged with Sumisho Pulp & Paper Shoji KK. Clients include government agencies, newspaper publishing companies, publishers, printing houses, other.

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FINANCIAL INFORMATION

The sales volume for Mar/2018 fiscal term amounted to Yen 377,714 million, a 3% up from Yen 366,777 million in the previous term. The recurring profit was posted at Yen 3,086 million and the net profit at Yen 2,433 million, respectively, compared with Yen 1,114 million recurring profit and Yen 2,215 million net profit, respectively, a year ago.

For the current term ending Mar 2019 the recurring profit is projected at Yen 3,100 million and the net profit at Yen 2,500 million, respectively, on a 3% rise in turnover, to Yen 389,100 million.

The financial situation is considered FAIR and good for ORDINARY business engagements. Max credit limit is estimated at Yen 5,450.0 million, on 30 days normal terms.

REGISTRATION

Date Registered: Nov 1924
Regd No.: 0100-01-048806 (Tokyo-Chuoku)
Legal Status: Limited Company (Kabushiki Kaisha)
Authorized: 180 million shares
Issued: 67.02 million shares
Sum: Yen 3,442 million
Major shareholders (%): Oji Holdings (19.1), Nippon Paper (10.1), Mizuho Bank (4.2), other
No. of shareholders: 969

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

OPERATION

Activities: Imports, exports and wholesales pulp & paper, paper products (--50%), cardboard (20.1%), pulp, used paper (10.9%), real estate rental (0.4%)

Export (2%)

(Handling products): paper, paperboard, pulp, used paper, carbonless paper, thermal paper, tuck paper, plastic, crossing, aluminum foil, cellophane, wrapping materials, machinery, office supplies, industrial medicine, daily necessities & miscellaneous goods, others

Clients: [Government Agencies, newspaper offices, publishers, printing houses, wholesalers, business firms] Toppan Printing, Toppan Forms, Dainippon Printing, Sony Chemical & Information Device, Japan Consumers' Coops, Shueisha, Angel Playing Card Mfg, Shogakukan, other.

No. of accounts: 350

Domestic areas of activities: Nationwide

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Suppliers: [Mfrs, wholesalers] Oji Paper, Nippon Paper, Hokuetsu Kishu Paper, Chuetsu Pulp & Paper, Oji Materia, Oji Paperboard Co, Nippon Daishowa Paperboard Co, Oji Tac Co, Marubeni Corp, Oji Imaging Media, other

Payment record: Regular

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

Bank References:

Mizuho Bank (Uchisaiwaicho)
MUFG (Kyobashi)
Relations: Satisfactory

FINANCES

(In Million Yen)

Terms Ending:	31/03/2019	31/03/2018	31/03/2017	31/03/2016
Annual Sales	389,100	377,714	366,777	389,678
Recur. Profit	3,100	3,086	1,114	1,853
Net Profit	2,500	2,433	2,215	1,213
Total Assets		198,632	184,245	184,927
Net Worth		47,694	44,044	40,969
Capital, Paid-Up		3,442	3,442	3,442
Div.P.Share(¥)		8.00	8.00	8.00
<Analytical Data>	(%)	(%)	(%)	(%)
S.Growth Rate	3.01	2.98	-5.88	0.54
Current Ratio	
N.Worth Ratio		24.01	23.91	22.15
N.Profit/Sales	0.64	0.64	0.60	0.31

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.44
UK Pound	1	INR 95.65
Euro	1	INR 84.17
YEN	1	INR 0.65

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	TRU

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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)