

## MIRA INFORM REPORT

<b>Report No. :</b>	530470
<b>Report Date :</b>	17.09.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	CHORI CO LTD
<b>Registered Office :</b>	1-7-3 Awajimachi Chuoku Osaka 543-8603
<b>Country :</b>	Japan
<b>Financials (as on) :</b>	31.03.2018
<b>Date of Incorporation :</b>	September 1948
<b>Com. Reg. No.:</b>	1200-01-077485
<b>Legal Form :</b>	Limited Company
<b>Line of Business :</b>	Import, export, wholesale of textiles, chemicals, others
<b>No. of Employees :</b>	323

**RATING & COMMENTS**

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

**MIRA's Rating :** A+

Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

<b>Status :</b>	Good
<b>Payment Behaviour :</b>	Regular
<b>Litigation :</b>	Clear

**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 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 SUMMARY**

### **CHORI CO LTD**

**REGD NAME:** Chori KK

**MAIN OFFICE:** 1-7-3 Awajimachi Chuoku Osaka 543-8603 JAPAN

Tel: 06-6226-5000 Fax: 06-6228-5640

\*.. The given address is its Tokyo Head Office

**URL:** <http://www.chori.co.jp/>

E-Mail address: info@chori.co.jp

**ACTIVITIES:** Import, export, wholesale of textiles, chemicals, others

**BRANCH (ES):** Tokyo, Osaka, Yokohama, Kanazawa, Ashikaga, Niigata, Okayama (Tot 20)

**OVERSEAS:** China, Asia & Middle East (15), Europe (3), Russia, and USA.  
(-subsidiaries/branch offices/representative offices)

**OFFICERS:** KAZUO SAKIHAMA, PRES Tadashi Yabumo, dir  
Hiroyuki Watanabe, dir Hiroshi Yoshida, dir  
Azuhiko Toge, dir Satoko Nakayama dir

Yen Amount: In million Yen, unless otherwise stated

<b>SUMMARY:</b>	FINANCES	FAIR	A/SALES	Yen 311,705 M
	PAYMENTS	REGULAR	CAPITAL	Yen 6,800 M
	TREND	UP	WORTH	Yen 51,076 M
	STARTED	1948	EMPLOYES	323

## **COMMENT**

MAJOR TEXTILE TRADING HOUSE, AFFILIATED TO TORAY INDUSTRIES.  
FINANCIAL SITUATION COSIDERED FAIR AND GOOD FOR BUSINESS ENGAGEMENTS.

## **HIGHLIGHTS**

This is an old-established company dating back to 1861 starting as a raw silk wholesaler in Kyoto, the center of Japanese kimono makers. In 1948 incorporated and moved the headquarters to Osaka in 1952. In 1987, upgraded its Tokyo Branch to Tokyo Headquarters Office. This is a trading company specializing in textiles and chemicals, two pillars of operations, after drastic reorganizations. In 2003, the firm lodged huge losses amounting to Yen 4,927 million and received rescue fund from its major shareholders. In restructuring and pushing for improvement of earnings base. The firm received financial support from Toray Industries Inc (See **REGISTRATION**) & Asahi Kasei after the end of the financial bubble in the 1990s. Became a subsidiary of Toray

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

in 2004. Strong presence in China where operating six subsidiaries and seven offices. The China business began in 1961, when the firm was designated a "friendly trading company" by the Chinese government. From 1970 to mid-1980s, Chori exported chemical plant facilities, followed by establishing a series of JV factories for textiles. In 2005, Chori (China) Co Ltd was established in Shanghai. Also aims to further expand business in China. The firm spun off the synthetic resin business, and specializing in textiles and chemicals. Made Miyako Kagaku Co Ltd, a specialized trader of chemical products, a subsidiary in May 2015. Increasing trilateral trading as well.

## **FINANCIAL INFORMATION**

The sales volume for Mar/2018 fiscal term amounted to Yen 311,705 million, a 15.06% up from Yen 270,908 million in the previous term. The recurring profit was posted at Yen 7,499 million and the net profit at Yen 4,730 million, respectively, compared with Yen 6,967 million recurring profit and Yen 4,780 million net profit, respectively, a year ago.

For the current term ending Mar 2019 the recurring profit is projected at Yen 8,000 million and the net profit at Yen 5,100 million, on a 9.08% rise in turnover, to Yen 340,000 million.

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

## **REGISTRATION**

**Date Registered:** Sept 1948  
**Regd No.:** 1200-01-077485 (Osaka-Chuoku)  
**Legal Status:** Limited Company (Kabushiki Kaisha)  
**Authorized:** 55 million shares  
**Issued:** 25,303,478 shares  
**Sum:** Yen 6,800 million

**Major shareholders (%):** Toray Industries Inc (51.2), BBH Fidelity Intrinsic Opps. (5.69), Company's Treasury Stock (3.1), Inter Trust T (Cayman) of Japan (2.7), Wacoal Corp (2.1), BBH Fidelity Low Priced Stock F (1.9), Northern Trust (AVFC) Re Fidelity (0.9), Mellon Bank Treaty Cl. Omnibus (0.9), Master Trust Bank of Japan T (0.8), Japan Trustee Services T (0.8); foreign owners (23.2)

**No. of shareholders:** 3,683

**Listed on the S/Exchange (s) of:** Tokyo

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

**Related companies:** Tokyo Kutsushita, Chori Gomu, Chori Imaging Corp, other.

## **OPERATION**

**Activities:** A trading house for import, export and wholesale of textiles, chemicals, others:

**(Sales Breakdown by Divisions):**

**Textile Division (36%):** raw yarns made of chemical fibers, synthetic fibers, raw silk & other natural fibers, non-woven textiles, woven fabrics, knit fabrics, and other products made of chemical fibers, synthetic fibers, silk fibers & other natural fibers, industrial materials;

**Chemicals Division (46%):** organic & inorganic chemicals (monomer, synthetic fiber, polyurethane materials, fine chemicals (medical, agricultural & organic intermediaries), industrial chemicals (glass substrate materials used in flat-panel displays, inorganic fine chemicals), life science (protein- & sweetener-based food chemicals, additives, health foods, taurine, energy drink ingredients).

**Machinery Division (18%):** cars, motorcycles, specialized vehicles & parts thereof, membranes for caustic Soda plants, packaging machines, solar battery components;

**Overseas Sales Ratio (50%)**

**Clients:** [Mfrs, wholesalers] Toray Ind, Aoyama Trading, Chori (China), Itokin, Ministry of Defense, Fukuvi Chemical Ind, Nippon Electric Glass, other.

No. of accounts: 1,000

Domestic areas of activities: Nationwide

**Suppliers:** [Mfrs, wholesalers] Toray Ind, Mitsui Chemical, Tosoh Corp, Showa Denko, Asahi Kasei Chemicals, Shimada Trading, Nishikawa Keori KK, Takisada Nagoya, Takisada Osaka, Yoshida Fusa Orimono, other. .

**Payment record:** Regular

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

**Bank References:**

Mizuho Bank (Osaka)

MUFG (Osaka)

Relations: Satisfactory

## **FINANCES**

(In Million Yen)

<b>Terms Ending:</b>	<b>31/03/2019</b>	<b>31/03/2018</b>	<b>31/03/2017</b>	<b>31/03/2016</b>
Annual Sales	340,000	311,705	270,908	291,578
Recur. Profit	8,000	7,499	6,967	5,518
Net Profit	5,100	4,730	4,780	4,297
Total Assets		122,834	99,116	100,225
Net Worth		51,076	46,270	42,811

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**CHORI CO LTD - 530470**

**PAGE NO. : 7**

Capital, Paid-Up		6,800	6,800	6,800
Div.P.Share(₹)		59.00	40.00	36.00
<b>&lt;Analytical Data&gt;</b>	(%)	(%)	(%)	(%)
S.Growth Rate	9.08	15.06	-7.09	17.38
Current Ratio		..	..	..
N.Worth Ratio		41.58	46.68	42.71
N.Profit/Sales	1.50	1.52	1.76	1.47

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

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.81
UK Pound	1	INR 94.16
Euro	1	INR 83.98
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 :	SYL

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**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)