

## Business

# Most Japan firms post losses, profit falls

SIXTY per cent of companies listed on the First Section of the Tokyo Stock Exchange which released earnings reports through February 4 posted losses or reduced profits for the April-December period, according to a tally by SMBC Nikko Securities Inc.

SMBC Nikko tabulated the financial results of 636 companies, which excludes financial institutions and accounts for 47.6 per cent of the total firms listed on TSE's First Section.

While a harsh business climate continues particularly in the non-manufacturing sector, some companies have stood out as efforts launched before the novel coronavirus crisis have fit perfectly with new lifestyles brought about by the pandemic, resulting in record profits.

According to SMBC Nikko, 280 of the 636 companies, or 44 per cent, saw a decline in net profits, while 104, or 16.3 per cent, suffered losses for the period.

Total of sales by the 636 companies fell by nearly 10 per cent from the same period in 2019, and total net profits decreased by 29.5 per cent. While that margin of profit decline marked an improvement from that for the first-half period through September 2020, when it stood at 40.7 per cent, the extent of recovery has varied by industry.

Non-manufacturing industries such as travel and food



Company employees put financial statements in cubby holes at the Tokyo Stock Exchange on Friday. The number of such employees was fewer than usual under the state of emergency. THE YOMIURI SHIMBUN

services saw net profits drop 48.6 per cent, a worsening from the first-half results of 30 per cent. The land and air transportation sectors both suffered significant losses.

On the other hand, some companies have reported up-beat earnings thanks to launching subscription services, strengthening online shopping businesses or starting other ventures before the pandemic.

Sony Corp executive deputy president and CEO Hiroki Totoki told a February 3 press conference: "Demand from people staying at home has

continued. It is very strong."

Sony's online subscription services that allow unlimited home access to music or games are doing well. For the April-December period, the company posted an 87 per cent increase in consolidated net profit to a record high of 1.0647 trillion yen (\$10 billion), based on US accounting standards.

Since the 2000s, Sony has shifted to profitable subscription and insurance services after its TV and other home electronics businesses became sluggish amid competition from South Korean rivals. As

a result, Sony was well placed to capture growing demand when the pandemic led more people to refrain from going out and to work from home.

Its game, music and financial units all reported increased profits. The company also revised upward to 1.085 trillion yen its annual net profit forecast for the year through March 31.

Fast Retailing Co, the operator of the casual clothing giant Uniqlo, reported a slight decline in sales and profits for the September-November period, based on international finan-

cial reporting standards, as the number of customers shopping at actual stores declined.

However, online sales grew by about 50 per cent, and the company expects sales and profits to be in the black for the full year ending August 2021. In 2018, it constructed a huge logistics warehouse in Tokyo for its online shopping business, which is proving to be the right move.

Alpen Co, a major sporting goods retailer whose name was once synonymous with skiing goods, posted record sales for the first-half period that ended in December. The company projects annual net profit to hit a record high, about 500 times better than the previous fiscal year.

While the number of skiers has been on a decline in Japan, Alpen has opened outdoor specialty stores and strengthened its selection of golf and outdoor products. Golf and camping have grown in popularity as leisure activities that allow people to avoid crowds, and the company has cashed in on brisk sales of related products.

"It's difficult to respond quickly to changes caused by the coronavirus pandemic," said Nomura Securities Co senior strategist Takashi Ito. "Businesses for which the companies planted seeds have contributed to strong earnings." THE YOMIURI SHIMBUN [JAPAN]/ASIA NEWS NETWORK

## Kirin cuts ties with Myanmar

JAPANESE conglomerate Kirin Holdings Co Ltd has terminated its ties with Myanmar's military-linked company Myanmar Economic Holdings Pcl - a decision being seen as a strong message to the Myanmar military.

The announcement comes days after Myanmar military took control of the country through a coup and detained the country's elected leader Aung San Suu Kyi and other political leaders of the National League of Democracy that saw a landslide victory in the November elections.

In a statement on February 5, Kirin Holdings said it is deeply concerned by the recent actions of the military in Myanmar, which are against the standards and human rights policy that Kirin maintains.

"We decided to invest in Myanmar in 2015, believing that, through our business, we could contribute positively to the people and the economy of the country as it entered an important period of democratisation," it said.

However, it said, given the current circumstances, it has no option but to terminate its current joint-venture partnership with Myanmar Economic Holdings, which provides the service of welfare fund management for the military.

"We will be taking steps as a matter of urgency to put this termination into effect," read the statement.

According to *Japan Times*, Kirin acquired a majority stake in Myanmar Brewery in 2015 in partnership with Myanmar Economic Holdings Ltd (MEHL). It was part of billions of dollars in foreign investment which flooded into the country with the partial lifting of international sanctions.

Kirin took a controlling stake in Mandalay Brewery Ltd in 2017 at a cost of \$4.3 million, topping off its more than \$500 million investment in top producer Myanmar Brewery in 2015.

Human rights groups have been demanding that Japanese and other foreign companies having businesses linked to Myanmar military cut their ties since 2017 when a brutal military crackdown caused influx of some 750,000 Rohingyas to Bangladesh. Rights groups called it a genocide.

Faced with pressure from human rights monitors, Kirin hired third-party investigators to look into the business and said in November it was halting payments from the beer ventures to MEHL. But it had been undecided on how to resolve the issue.

Justice For Myanmar, a covert group of activists, congratulated Kirin following January 5's statement, saying it has been a major financial supporter of the Myanmar military and has made the right decision by ending that relationship after the military's illegitimate February 1 coup.

THE DAILY STAR (BANGLADESH)/ASIA NEWS NETWORK



### Kingdom of Cambodia Ministry of Rural Development

#### Invitation for Bids (IFB)

Issuing Date: 09 February, 2021  
Phnom Penh, CAMBODIA

RURAL ROADS IMPROVEMENT PROJECT III (RRIP-III)  
Description of Work: CWF (Improve 38 Roads, 365.24 km in five Provinces)



1. EDCF Loan No. KHM-24The Ministry of Rural Development (MRD) has applied for a Loan from the Export-Import Bank of Korea from the resources of the Economic Development Cooperation Fund (EDCF) of the Republic of Korea in the amount of USD 60 Million toward the cost of Rural Roads Improvement Project III (RRIP-III), and intends to apply a portion of the proceeds of this loan to payments under the civil works contract, CWF package, for the captioned project. Bidding will be governed by the Export-Import Bank of Korea's eligible rules and procedures.

2. The Project Executing Agency, MRD, now invites sealed bids from eligible General Contractors from Korea for Civil Works within a duration of 32 months for the Contract Package CWF, improving 38 roads with a total length of 365.24 km located in five (5) provinces including Kampong Chhnang, Kandal, Kampong Speu, Takeo and Kampot province.

The works to be carried out in the Project site are as follows but not limited to:

- Improvement of rural road, generally on the current alignment, unless otherwise indicated, by the construction of embankment and DBST & Concrete Pavement;
- Raising of the road level in areas subject to frequent flooding;
- Improvement/New construction of existing bridges after investigation of current condition;
- Improvement/New construction of structures for the drainage system (culverts);
- Soil Investigation for a bridge foundation and new bridge construction;
- Plan and Execute Civil Works at Site respect to the Environmental and Social Management Plan (ESMP) under the supervision of the Engineer.

3. Bidding will be conducted through the Competitive Bidding (CB) procedure specified in the Guideline for Procurement under EDCF Loans, and is open to all eligible bidders (Korean national and extensive experiences with road construction) that must meet the following minimum qualification criteria.

Key Criteria
Minimum average annual construction turnover of 37.00 million USD for the last 3 years
Availability of financial resources not less than 4.5 million USD
Completion of at least 2 similar contracts with each value of not less than 37.0 million USD within the last 5 years as follows: <ul style="list-style-type: none"> <li>○ Similar contract shall include the following components under the work.               <ul style="list-style-type: none"> <li>• Road rehabilitation/improvement/new</li> <li>• Bridge new or improvement</li> </ul> </li> </ul>
Completion of at least 1 contract with a value of minimum construction experience in key activities within the last 5 years as follows <ul style="list-style-type: none"> <li>• Pavement(DBST or Asphalt Concrete): 800,000 sq.m, and</li> <li>• Embankment: 600,000 cu.m</li> </ul>

Note: refer to Section III of the bidding document for more detailed qualification

4. Interested eligible Bidders may request further information, if any, to the Ministry of Rural Development via e-mail stated in para 8 on the IFB form the next day after this issuance to 29 March 2021, 5:00 p.m. local time.

5. A complete set of bidding documents may be purchased by any interested Bidders on the submission of a written application to the address below and upon payment of a non-refundable fee of 500 USD. The method of payment will be through the bank transfer.

The documents will be available to pick up only at the office stipulated in BDS during the working hours (8:00-12:00 & 14:00-17:00) from Monday to Friday except public holidays (with POA and bank receipt).

Any interested eligible companies can also purchase a complete set of bidding documents in electronic files (e.g. PDF format documents) by submitting an application with the bank transfer receipt to the following e-mail address stipulated in para 8.

The payment shall be made through the bank transfer to the following bank account:

- Bank Name: NATIONAL BANK OF CAMBODIA
- Bank Address: 22-24 Norodom Blvd, Phnom Penh, Cambodia
- Account Name: MRD-Rural Road Imp Prj2-ADB3151 RGC
- Account No.: 00000015885
- SWIFT Code: NCAMKHPP

6. Bids must be delivered to the address below at, before 12 April 2021 at 10:00 a.m. (Cambodian Local Time). All bids must be accompanied by a bid security of 1,000,000 USD. Late bids shall be rejected. Bids will be opened in the presence of the Bidder's representatives who choose to attend at the address below at 10:15 a.m. on the same day thereafter in the presence of bidder's representatives.

It shall be noted that all the bids must be submitted in sealed envelopes, and any late or unsealed bids are subject to rejection. The bidders who sent their bids by air mail/courier service shall submit the receipt of courier and/or its tracking number to the Project Management Unit (PMU) in advance, however, the PMU is not responsible for any damages or losses occurred in transit.

The bidders are **not allowed** to submit the Bid through the Cambodian Embassy in Seoul.

If Bidder's representatives may not attend the bid opening, the Bidder shall submit a letter to the Employer before the bid opening stating that it, notwithstanding the absence of its representative from the bid opening, will accept results of the bid opening.

Considering the transparency of the bid opening process, all the bidders should attend directly at the bid opening. However, if any bidders cannot attend directly, they can propose to the PMU to attend bid opening through video conference with prior confirmation at least 1 week before. The EDCF's representative in Phnom Penh office will be invited to join the meeting as an observer. In addition, the PMU will not be responsible for any interruptions or any system errors during online bid opening process.

7. The original signed "Declaration of Participation in Economic Development Cooperation Fund (EDCF) Financed Projects" in the bidding documents must be delivered to The Export-Import Bank of Korea, (38, Eunhaeng-ro, Yeongdeungpo-gu, Seoul 150-996, Republic of Korea), and one copy of the original signed must be delivered to the Employer on the submission of Bid not later than 12 April 2021 at 10:00 am. The form is available in Section 4-Bidding Form of Volume I.

8. The Ministry of Rural Development will not be responsible for any costs or expenses incurred by Bidders in connection with the preparation or delivery of Bids.

#### Contact Information

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