



# NEWS RELEASE

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## R&I Ratings for July to September 2009: 7 Upgraded, 22 Downgraded - R&I Ratings for the July to September period of 2009 -

Rating and Investment Information, Inc. (R&I) has finalized its summary of rating adjustments for the July to September period of 2009 (July 1 – September 30, 2009). The summary encompasses domestic issuers, including incorporated schools, investment trusts, medical corporations, special corporations and local government-related organizations, and Insurance Claims Paying Ability, and it was revealed that 7 were upgraded and 22 were downgraded during the period. When a company was upgraded or downgraded twice or more during the period, all adjustments have been counted.

There were 7 upgrades in total, including 4 for 4 manufacturers, 2 for 2 non-manufacturers and 1 for 1 investment trust. The number of upgrades increased from the prior quarter for the first time in 5 quarters since the April to June period of 2008. Upgraded companies include Suntory Holdings Ltd., which boosted the profitability and cash flow generating capacity of the alcoholic beverages sector by making its beer business profitable. Snow Brand Milk Products Co., Ltd. (a wholly-owned subsidiary of holding company Megmilk Snow Brand Co., Ltd. as of October 1) was also upgraded. The company improved its financial profile with a more stable earnings base, particularly for its mainstay cheese products. Another upgraded company was Asahi Printing Co., Ltd., which has enhanced the stability of its earnings base for drug packages.

On the other hand, there were a total of 22 downgrades, including 6 for 6 manufacturers, 10 for 8 non-manufacturers, 5 for 5 financial companies and 1 for 1 investment trust. Willcom, Inc., a Personal Handy-Phone System (PHS) service provider, was downgraded three times during the July to September period. In the manufacturing sector, downgrades of transport and electrical equipment manufacturers were pronounced as in April-June 2009. Although there are signs of a recovery of profitability in the manufacturing and other sectors as a result of inventory adjustments, full recovery is still far off. The impact of the financial crisis also lingers. Ratings reflect such a harsh business environment. In July, R&I downgraded CRESCENDO Investment Corp., a J-REIT for which concerns were raised about uncertainty over securing funds for bond redemption and building a stable financing base. In September, a major consumer lender Aiful Corp. and its subsidiary Life Co., Ltd., as well as Willcom, were downgraded to CCC following their application for consensual business revitalization alternative dispute resolution (ADR) procedures. R&I retained them on the Rating Monitor with a view to downgrading and will keep an eye on the success or failure of the business revitalization ADR procedures. R&I also downgraded Japan Airlines Corp. and its subsidiary Japan Airlines International Co., Ltd. to BB- and placed them on the Rating Monitor. The companies are struggling to improve their profitability through drastic restructuring. Isetan Mitsukoshi Holdings Ltd. and its subsidiary Isetan Co., Ltd. were also downgraded, saddled with sluggish sales at their department stores on the back of a rising unemployment rate and stagnant income growth in the domestic market.

### <NUMBER OF R&I CREDIT RATING ADJUSTMENTS (QUARTERLY)>

#### Number of changes in Issuer Ratings and Insurance Claims Paying Ability

YEAR	JAN-MAR		APR-JUN		JUL-SEP		OCT-DEC	
	UP- GRADED	DOWN- GRADED	UP- GRADED	DOWN- GRADED	UP- GRADED	DOWN- GRADED	UP- GRADED	DOWN- GRADED
2006	26	4	26	1	37	1	39	1
2007	45	5	31	2	21	2	27	6
2008	10	4	15	3	11	9	4	32
2009	3	44	1	26	7	22		

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Note: When a company was upgraded or downgraded twice or more during a calculation period, all adjustments have been counted.

## <LIST OF COMPANIES>

### COMPANIES UPGRADED

DATE	COMPANY NAME	R&I ISSUER RATING	
		FROM	TO
Jul 29	Snow Brand Milk Products Co., Ltd.	(BBB)	BBB+
Aug 03	NEC TOKIN Corp.	(BBB-)	BBB+
Aug 17	Asahi Printing Co., Ltd.	BBB-	BBB
Aug 19	NEC Networks & System Integration Corp.	BBB+	A-
Sep 01	Suntory Holdings Ltd.	A+	AA-
Sep 15	DA Office Investment Corp.	(A-)	A
Sep 29	Daimei Telecom Engineering Corp.	BBB+	A-

### COMPANIES DOWNGRADED

DATE	COMPANY NAME	R&I ISSUER RATING	
		FROM	TO
Jul 03	Aisin Seiki Co., Ltd.	AA	AA-
Jul 06	Suzuki Motor Corp.	A+	A
Jul 17	Daikyo Inc.	(BBB)	BBB-
Jul 21	Sanden Corp.	BBB	BBB-
Jul 24	CRESCENDO Investment Corp.	(BBB)	(BB+)
Jul 27	Isetan Mitsukoshi Holdings Ltd.	A	A-
Jul 27	Isetan Co., Ltd.	A	A-
Jul 27	Kimura Unity Co., Ltd.	BBB+	BBB
Jul 28	Senshu Bank, Ltd. (The)	(A-)	BBB+
Jul 31	Olympus Corp.	(A+)	A
Aug 12	Park24 Co., Ltd.	(BBB+)	BBB
Sep 10	Daiwa Securities SMBC Co. Ltd.	A+	A
Sep 14	Mitsuba Corp.	BBB	BBB-
Sep 17	Juroku Bank, Ltd. (The)	A-	BBB+
Sep 18	Aiful Corp.	(BBB)	(CCC)
Sep 18	Life Co., Ltd.	(BBB)	(CCC)
Sep 18	Willcom, Inc.	BBB	(BBB-)
Sep 19	Willcom, Inc.*	(BBB-)	(BB-)
Sep 24	Willcom, Inc.**	(BB-)	(CCC)
Sep 25	Japan Airlines Corp.	BB+	(BB-)
Sep 25	Japan Airlines International Co., Ltd.	BB+	(BB-)
Sep 29	Sumitomo Chemical Co., Ltd.	(A+)	A

\* Second credit rating downgrade

\*\* Third credit rating downgrade

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