

Affirmed BBB+/Stable rating on PARIS MIKI HOLDING

January 25, 2011

<Rationale>

PARIS MIKI HOLDING Inc. is a pure holding company, which has a subsidiary, PARIS MIKI Inc., a specialized chain store operator for eyeglasses. With management integration seen in the Group, the rating on the Company reflects the Group's creditworthiness. While its revenue is expected to increase for the first time in 6 years, its operating income is expected to turn into the black for the first time in 3 years for the fiscal year ended March 31, 2011, supported by full-year contributions from KIMPO-DO CO., LTD. whose business was transferred to the Group in January 2010 and recovery in same-store sales thanks to closures of unprofitable stores. Recovery in same-store sales and an increase in sales at newly opened stores will offset a drop in sales owing to store closures in fiscal year ending March 31, 2012, and the Company remains in the black measured by its operating income. Its ready liquidity exceeds interest-bearing debt, and the Company maintains a satisfactory level of ratio of capital to total assets. Although the equity capital was reduced slightly, its extraordinary loss will be reduced hereafter, improving the financial structure gradually.

Issuer: PARIS MIKI HOLDING Inc. (7455)

<Affirmation>

Senior debts: BBB+/Stable