

Affirmed BBB+/Stable on senior debts of Ohsho Food Service

May 6, 2011

<Rationale>

Ohsho Food Service Corporation operates a large restaurant chain based in Kansai region. While the Company will likely post an increase in revenue for the fiscal year ended March 31, 2011 thanks to the effect of the opening of new restaurants, it appears that its operating profit will decline slightly due to increased personnel expenses. As for the fiscal year ending March 31, 2012, although low consumer confidence remains a concern, given its stable customer base, a drop in its earnings is unlikely. Over the medium to long term, the Company needs to work to maintain, and even improve, the earnings level that is now higher than before, to which JCR will be paying attention hereafter. In the financial aspect, the Company is making a progress in reducing its interest-bearing debt. Going forward, its capital investments are expected to remain within the scope of the operating cash flow, and thus the improvement of its financial structure is likely to continue.

Issuer: Ohsho Food Service Corporation (9936)

<Affirmation>

Senior debts: BBB+/Stable