

11-D-0472

September 20, 2011

JCR Affirmed BBB-/Stable Rating on Senior Debts of DC

Japan Credit Rating Agency, Ltd. (JCR) announces the following credit rating.

Rationale

DC Co. Ltd. is engaged in a wide variety of businesses including aggregate and ready-mixed concrete, centering on cement, environmental recycling, pipeline products or conduit, and real estate leasing businesses. The Company has a close relationship with Taiheiyo Cement Corporation in terms of capital, human resources and businesses. Although the fiscal year ended March 31, 2011 saw an operating loss, earnings are expected to turn around in the fiscal year ending March 31, 2012. Not only the effect of streamlining the cement business will manifest itself, earnings from the environmental recycling and real estate leasing businesses will contribute stably to the Company's overall performance. However, in order for its earnings to fully recover, it is essential that the Company enhance its selling capacity for slag-related products for which it can sell by itself. JCR expects that its financial structure will improve gradually. Previously, the Company was aggressive in M&A activities for the expansion of its business domains. However, owing to the deteriorating operating environment, it now plans to limit its capital investments and other loans and investments to the extent of depreciation expenses and to reduce interest-bearing debt.

Rating

Issuer: DC Co., Ltd. (security code: 5234)

<Affirmation>

Senior debts: BBB- Outlook: Stable

Outline of the method for the determination of the credit rating is posted as "Rating Methodology (Corporate)" on JCR's home page (<http://www.jcr.co.jp>). The rating methodology is subject to additions and changes. In such cases, however, these additions and changes are shown in chronological order. Please check the release date of this press release against that of the rating methodology (i.e., the date when such methodology became effective) and then refer to the rating methodology above.

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