

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

<Asset Securitization Products> Narasaki Stax Accounts Receivable ABL 22-11

<Assignment>

ABL: J-3

Rationale

Narasaki Stax securitizes its accounts receivable from the customers. Against the default risk of debtors, the payment of a portion of the purchase price equivalent to the required subordination ratio is deferred based on the creditworthiness of debtors of the receivables subject to assignment. However, because of the commingling risk and dilution risk, the ceiling of the rating is the creditworthiness of the originator. There are no concerns about capabilities of parties to the structure to carry out their administrative duties. As discussed above, risk with respect to principal repayment and interest payment is evaluated at a level consistent with J-3 rating.

Hideyuki Shoji, Yudai Matsumoto

Rating

<Assignment>

Instrument Name: ABL 22-11 Class B ABL-1 (Narasaki Stax)

ABL Execution Amount: JPY 175,437,785

Subordination Ratio: 30.04%

Final Maturity Date: March 31, 2023

Coupon Type: Fixed

Rating: J-3

Instrument Name: ABL 22-11 Class B ABL-2 (Narasaki Stax)

ABL Execution Amount: JPY 159,718,110

Subordination Ratio: 30.04%

Final Maturity Date: May 1, 2023

Coupon Type: Fixed

Rating: J-3

<Information on Outline of Issue>

ABL Execution Date: November 24, 2022

Repayment Method: Bullet Repayment

Credit Enhancement & Liquidity Facility:

- Senior-subordinated structure (Subordination Ratio: 30.04%)

- Three-month tail period

- Subordination Ratio: Payment Retention Price / Total Amount of Receivables

Disclosure Requirements for Securitization Transaction Ratings with respect to Basel II have been met.

<Information on Structure and Stakeholders>

Originator: Narasaki Stax Co., Ltd.

SPC: Progress Funding Corporation

Arranger: North Pacific Bank, Ltd.

<Information on Underlying Assets>

Outline of Underlying Assets: Yen-denominated money claim (accounts receivable) generated by originator's validated domestic transaction



Rating Assignment Date: November 21, 2022

The assumptions for the credit ratings and the definitions of the rating symbols are published as "Types of Credit Ratings and Definitions of Rating Symbols" (January 6, 2014) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

Outline of the rating methodology is shown as "Notes and Accounts Receivables" (June 2, 2014) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>). Rating methodologies for other ancillary points such as eligible deposit accounts and bankruptcy remoteness are also shown within the same page.

The rating stakeholder participated in the rating process of the aforementioned credit ratings.

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JCR publishes its press releases regarding the rating actions both in Japanese and in English on the same day. In case that it takes time to translate rating rationale, JCR may publicize the summary version, which will be replaced by the full translated version within three business days. (Regarding Structured Finance products, JCR only publicize the summary version in English.)
