

# News Release



Japan Credit Rating Agency, Ltd.

25-I-0104

January 8, 2026

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

## Chailease Holding Company Limited (security code: -)

<Assignment>

Foreign Currency Long-term Issuer Rating:	A-
Outlook:	Stable
Local Currency Long-term Issuer Rating:	A-
Outlook:	Stable

## Chailease Finance Co., Ltd. (security code: -)

<Assignment>

Foreign Currency Long-term Issuer Rating:	A-
Outlook:	Stable
Local Currency Long-term Issuer Rating:	A-
Outlook:	Stable

### Rationale

Issuer: Chailease Holding Company Limited

- (1) Chailease Holding Company Limited (Chailease Holding) is a holding company of a financial services group based in Taiwan. It operates internationally, conducting business in Taiwan, China, the ASEAN region, the United States, and other locations. In addition to traditional leasing businesses such as finance leases, operating leases, and installment sales, it is also engaged in solar power generation and ship financing, etc. It is listed on the Taiwan Stock Exchange and has a dispersed shareholder base. The rating reflects the creditworthiness of the entire group, based on factors such as the integrated management with its subsidiaries. JCR views the group's creditworthiness as equivalent to "A-" in recognition of its earnings power, supported by its leading position in Taiwan, and its commensurate capital level. Although asset quality is deteriorating, reflecting economic trends in its main business regions, JCR believes that even if credit costs increase further, this can be absorbed by the group's high earnings power.
- (2) Originating from Taiwan's oldest leasing company with over 40 years of industry experience, the group has actively developed niche markets where major financial institutions have not entered due to factors such as small market size, thereby differentiating it from competitors. Specifically, the group has pursued a business strategy focused on credit for small and medium-sized enterprises (SMEs) to achieve high profitability. Furthermore, the group has expanded its business scope into consumer finance, construction machinery finance, truck and automobile finance, aircraft and vessel finance, and solar power equipment finance, establishing a solid business foundation in each market. This business strategy has proven successful, establishing the group as the largest leasing company in Taiwan, its primary business region, with a market share of approximately 50% based on contract value. The group has also expanded beyond Taiwan, establishing business bases in China, ASEAN (Thailand, Vietnam, Malaysia, Cambodia, Philippines, Indonesia), the United States, and other regions. As of the end of the first half of 2025, the regional breakdown of the credit portfolio was 59% Taiwan, 27% China, and 14% ASEAN. For net profit by region, Taiwan accounted for 55%, China for 36%, and ASEAN for 8%, with Taiwan and China collectively representing the majority in both cases. The group has also expanded into solar power generation business, engaging in the design, procurement, construction, operation, and maintenance of solar power plants in Taiwan. Revenue from Taiwan's solar power generation business accounts for approximately 7% of the group's total revenue, securing a certain level of income beyond its traditional leasing operations.
- (3) The group's business portfolio has a relatively high-risk, high-return structure and is susceptible to economic conditions, as a result of building its business foundation primarily in niche markets such as credit for small and medium-sized enterprises. Looking at recent performance by region, in Taiwan, the economy deteriorated against the backdrop of policy interest rate hikes implemented from 2022 to 2024, leading to slower growth in lease receivables and increased credit costs. However, backed

by a solid business foundation as the market leader, the group continues to post steady profits, albeit with reduced earnings at present. In China, persistent economic uncertainty continues to weigh heavily, worsening customer creditworthiness. Competition has also intensified as major leasing companies expand their SME-focused businesses, maintaining a challenging operating environment. In the ASEAN region, while Thailand—previously the largest profit contributor until 2023—continues to experience an economic downturn and declining profit levels, robust performance in Malaysia and Vietnam partially offsets Thailand's deterioration. Against this backdrop, net profit for the first half of 2025 was TWD 10.49 billion, a decrease from the same period last year (TWD 12.22 billion). However, profitability continues to exceed that of leasing companies rated in the A range by JCR.

- (4) Against the backdrop of economic trends in each business region, asset quality is deteriorating. The impaired loan ratio rose from 3.9% at the end of December 2024 to 4.4% at the end of the first half of 2025. In response to this situation, the group is implementing measures such as strengthening its credit screening system and shifting to a more cautious risk-taking policy. Although uncertainty about the business outlook due to external factors such as economic trends in various countries remains, JCR holds that, considering the group's efforts to strengthen credit management and its customer base being small-scale and diversified, credit costs for the time being will remain within a range that can be sufficiently absorbed by its strong profitability.
- (5) Steady profit accumulation resulted in a sound financial structure, with a equity ratio of 17.3% at the end of the first half of 2025. The funding structure is centered on indirect financing, with stable transactions maintained with numerous financial institutions. Furthermore, the group is promoting diversification of funding sources through measures such as issuing corporate bonds and commercial paper, and in recent years has maintained a certain proportion of funding through direct financing. Regarding liquidity, the group manages liquidity gaps through stress tests and other measures in each business region. JCR views liquidity as not problematic, considering the expected collection amounts for accounts receivable from existing businesses and the level of credit lines provided by banks.

**Issuer:** Chailease Finance Co., Ltd.

Chailease Holding's core subsidiary, indirectly wholly owned. It oversees the group's operations in Taiwan, which contributes the largest share of profits, and also includes operations in Vietnam. Considering its position within the group, it has been assigned a rating equivalent to the group's creditworthiness. Backed by a solid business foundation in Taiwan, it makes a significant profit contribution within the group, and its profit and loss trends influence the group's overall profitability. Asset quality is relatively sound, and levels of equity capital and liquidity are maintained at adequate levels.

Kiichi Sugiura, Shinji Asano

#### **Rating**

**Issuer:** Chailease Holding Company Limited

##### **<Assignment>**

Foreign Currency Long-term Issuer Rating: A-	Outlook: Stable
Local Currency Long-term Issuer Rating: A-	Outlook: Stable

**Issuer:** Chailease Finance Co., Ltd.

##### **<Assignment>**

Foreign Currency Long-term Issuer Rating: A-	Outlook: Stable
Local Currency Long-term Issuer Rating: A-	Outlook: Stable

#### **Rating Assignment Date: January 5, 2026**

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 "JCR's Rating Methodology" (October 1, 2024), " Rating Methodology for a Holding Company" (April 2, 2025) , "Rating Methodology for Group Companies of Corporate Group" (September 1, 2022), and "Leasing" (February 7, 2025) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

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.)

## Disclosure Required by Paragraph (a)(1)(ii) of Rule 17g-7

Issuer:	Chailease Holding Company Limited Chailease Finance Co., Ltd.
Rating Publication Date:	January 8, 2026

**1** The Symbol, Number, or Score in the Rating Scale used to Denote Credit Rating Categories and Notches and, the Identity of the Obligor or the Identity and a Description of the Security or Money Market Instrument as Required by Paragraph (a)(1)(ii)(A) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

**2** The version of the procedure or methodology used to determine the credit rating; as Required by Paragraph (a)(1)(ii)(B) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

**3** The Main Assumptions and Principles used in Constructing the Procedures and Methodologies used to Determine the Credit Rating as Required by Paragraph (a)(1)(ii)(C) of Rule 17g-7

- The credit rating methodology assumes, in principle, to be applied to assess the likelihood of a given debt payment in light of its issuer's condition and business environment, etc. in the relevant future. There is certain limitation, however, in the time horizon that the rating foresees.
- The credit rating methodology assumes, in principle, that the factors posted in the below are particularly important for such likelihood to be determined, and that the rating determination is made by evaluating each of them not only quantitatively but also employing qualitative analyses.

**A) Business Bases**

The likelihood of a given debt payment is highly conditional to its issuer's business bases - how they can be maintained/ expanded into the future and thereby secure earnings and cash flows in adequacy and in a sustainable way.

**B) Financial Grounds and Asset Quality**

The likelihood of debt payment is highly dependent on the degree of the issuer's indebtedness and loss absorption capacity in terms of equity capital. Also notable is that a financial institution might see a significant loss of financial grounds as a result of changes in value of the assets under its possession.

**C) Liquidity Positions**

The likelihood of debt payment is highly dependent on the adequacy of the issuer's cash and other sources of repayment (liquidity positions).

**D) Related Parties' Status and Stance of Support/ Assistance for the Issuer**

The likelihood of debt payment is affected one way or the other by the issuer's related parties such as parent company, subsidiary, guarantor, and the government of the issuer's business domicile, etc. - by their own conditions and/ or position of support/ assistance for the issuer.

**E) Order of Seniority in Debt Payment**

The likelihood of debt payment can be different between given debts of the same issuer. The likelihood of debt payment for an individual debt is dependent on the issuer's discretion, and/ or its rank relative to other debts of the same issuer in the order of seniority in principal/ interest payment which is determined by design as financial product or by laws, etc.

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**The Potential Limitations of the Credit Rating as Required by Paragraph (a)(1)(ii)(D) of Rule 17g-7**

- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- The objective of the credit rating herewith presented does not include any concerns other than the likelihood of debt payment, such as risks of price changes, market liquidity, etc.
- The credit rating herewith presented is necessary to be reviewed along with possible changes of the issuer of rated objects in its business performance and/ or circumstances which include regulatory environment, and hence subject to possible alteration.

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**Information on the Uncertainty of the Credit Rating as Required by Paragraph (a)(1)(ii)(E) of Rule 17g-7**

- The information used for the determination of credit rating as herewith presented is obtained by JCR from the issuer of rated objects and other sources that JCR trusts in terms of accuracy and reliability but possibly contains errors due to human, non-human or other causes. Consequently, the credit rating determined on the grounds of such information does not constitute, explicitly or implicitly, any representation or warrant of JCR on the information itself or any consequences of its use in terms of accuracy, relevance, timeliness, wholeness, market value, or usefulness for any specific purposes.

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**Use of Due Diligence Services of a Third Party in Taking the Rating Action as Required by Paragraph (a)(1)(ii)(F) of Rule 17g-7**

- There is no use of any third-party due diligence service in the determination of the credit rating herewith presented.

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**Use of Servicer or Remittance Reports to Conduct Surveillance of the Credit Rating Required by Paragraph (a)(1)(ii)(G) of Rule 17g-7**

- There is no use of any servicer or remittance report to conduct surveillance of the credit rating herewith presented.

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**The Types of Data Relied Upon for the Purpose of Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(H) of Rule17g-7**

- The information posted in the below, which includes data, is used for the determination of the credit rating herewith presented.
  - A) Audited financial statements presented by the rating stakeholders
  - B) Explanations of business performance, management plans, etc. presented by the rating stakeholders

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### Overall assessment of the Quality of Information Available and Considered in Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(I) of Rule 17g-7

- JCR holds its basic policies for securing the quality of information as a base of due diligence for the determination of credit ratings. The information used as a base for the determination of credit rating herewith presented satisfies such policies, which include the audit by an independent auditor, the warranty made by the issuer, the publication by the issuer, some independent media or, otherwise, JCR analyst's scrutiny, etc.
- JCR sees no particular weakness in the quality of information used for the determination of the credit rating herewith presented as compared to the information used in other cases of the credit rating for comparable issuers or ratable objects.
- If the credit rating is an Indication, please see the report for Indication.

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### Information Relating to Conflicts of Interest as Required by Paragraph (a)(1)(ii)(J) of Rule 17g-7

- JCR receives payment of compensation for the determination of the credit rating herewith presented from either one of those parties who are issuer, underwriter, depositor or sponsor.
- JCR did not receive in the last fiscal year in the past payment of compensation from the same party for any kind of JCR's service other than the determination of public or private credit rating, such as one in the ancillary business.

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### Explanation or Measure of the Potential Volatility of the Credit Rating as Required by Paragraph (a)(1)(ii)(K) of Rule 17g-7

#### A) Business Bases

The credit rating is subject to alteration if there is improvement or deterioration of the issuer's business bases, since its revenue, etc. may improve or deteriorate by the change in its business management policies, clients' preferences, competitive situation, or a technological innovation. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the business bases is large.

#### B) Financial Grounds and Asset Quality

The credit rating is subject to alteration if the issuer increases/ decreases its debt/ capital or vice versa and thereby makes its individual debt payment liability less or more bearable and its loss absorption capacity into the future decreased or increased. Also, the changes in the quality of asset under the issuer's holding may affect the credit rating, since such changes could raise or lower the likelihood of future loss of the issuer's financial grounds. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the financial grounds and/ or asset quality is large.

#### C) Liquidity Positions

The credit rating is subject to alteration if there is a change in the issuer's financial management policy or in the relations with fund procurement sources and the change thereby makes its liquidity positions improve or deteriorate. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is large.

**D) Related Parties' Status and Stance of Support/ Assistance for the Issuer**

The credit rating is subject to alteration if there is a change in the issuer's parent company or subsidiary, guarantor or other provider of credit enhancement, or the government of the issuer's business domicile, or other related parties' own conditions and/ or position of support/ assistance for the issuer, and the change thereby makes its business bases, financial grounds and/ or liquidity positions improve or deteriorate, and/ or making the effectiveness of guarantee and other credit enhancement improve or deteriorate. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large.

**E) Order of Seniority in Debt Payment and Non-Payment Forgiven by Contract**

The credit rating is subject to alteration if there is a change in the rated debt's status in the order of seniority relative to other debts caused by the improvement/ deterioration of the issuer's financial condition. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large. Also, in case of the financial products for which non-payment of interest/ principal is contractually permissible, the credit rating is subject to alteration if and when the likelihood of such non-payment is projected to increase or decrease. The resultant alteration of the credit rating could be by a notch but often as much as a few notches.

**F) Rise and Fall in General Economy and Markets**

The credit rating is subject to alteration if there is a rise/ fall in the general economy and/ or the markets inducing the issuer's revenues/ expenses to increase/ decrease and vice versa, etc. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is exceptionally large.

**G) Various Events**

The credit rating is subject to alteration on occurrence of various events, such as change in the issuer's major shareholders, M&A and other organizational change, accident, violation of the law, litigation, legal/ regulatory change, natural disaster, etc., which are unforeseeable at the time when the credit rating is determined, causing a significant change on the issuer's business bases, financial grounds, etc. The resultant alteration of the credit rating could be by a notch but more often than not as much as a few notches.

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**Information on the Content of the Credit Rating, Including the Historical Performance of the Credit Rating and the Expected Probability of Default and the Expected Loss in the Event of Default as Required by Paragraph (a)(1)(ii)(L) of Rule 17g-7**

- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- Facts of the probability of default are posted as Form NRSRO Exhibit 1 on the JCR website under the URL:

<https://www.jcr.co.jp/en/service/company/regu/nrsro/>

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**Information on the Sensitivity of the Credit Rating to Assumptions Made as Required by Paragraph (a)(1)(ii)(M) of Rule 17g-7**

**A) Business Bases**

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's business bases and powers of earning or cash flow generation, etc. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's business bases on some drastic change in the operational environments, etc.

**B) Financial Grounds and Asset Quality**

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's financial grounds and asset quality. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but

possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's financial grounds and/ or asset quality on some drastic change in its business bases.

**C) Liquidity Risks**

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's liquidity positions. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's liquidity positions on some drastic change in its financial management policy or relations with fund procurement sources, etc.

**D) Related Parties' Status and Stance of Support/ Assistance for the Issuer**

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's parent company or subsidiaries, guarantor or other providers of credit enhancement, the government of the issuer's business domicile or other related parties' status and stance of support/ assistance for the issuer. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if there is a major change on the part of related parties, such as replacement, disappearance, some drastic improvement/ deterioration of financial grounds/ balances, etc.

**E) Rise and Fall in General Economy and Markets**

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the prospects of general economy and markets. JCR expects the change should be most likely by a notch but could be as much as a few notches, should the economy or the markets change so greatly.

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Information on the Representations, Warranties, and Enforcement Mechanisms of an Asset-backed Security as Required by Paragraph (a)(1)(ii)(N) of rule 17g-7

- The credit rating herewith presented is not for an ABS product, and hence no relevant issue.

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## Attestation Required by Paragraph (a)(1)(iii) of Rule 17g-7

I, Kiichi Sugiura, have responsibility to this Rating Action and to the best of my knowledge:

- A) No part of the credit rating was influenced by any other business activities.
- B) The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated.
- C) The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument.



Kiichi Sugiura  
General Manager of International Department

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