

Policy and Procedures of Providing and Publicizing credit ratings (The Rating Provision Policy)

Japan Credit Rating Agency (JCR) Ltd. provides and publicizes the credit rating based on the following policy and procedures.

1. JCR shall provide or publicize credit ratings without delay after the determination of such credit ratings together with the last date of updating the relevant information or revising the credit rating concerned.
2. The following items are publicized when credit ratings are provided or publicized. However, in cases where the object of the credit rating is the assessment of the credit status of Asset Securitization Products, JCR will announce the business type business size and location of the stakeholders of the concerned credit rating in lieu of the items in (6) of this Article.
 - (1) The trade name and the registration number of JCR
 - (2) The details of the supervisory measures taken against JCR in the most recent year
 - (3) The year, month and date of determining the credit rating
 - (4) The name of the lead rating analyst participated in the process of determining the credit rating and the name of the person who, as a representative of JCR, is responsible for determining credit ratings
 - (5) The categories of objects of credit rating and detailed items thereof:
 - (a) the criteria used for identifying the matters which serve as the assumptions for the assessment of the credit status, and the criteria used for the setting of grades indicating the results of the assessments of the credit status; and
 - (b) an outline of the method for the determination of Credit Ratings
 - (6) An outline of the object of the credit rating
 - (7) The name of the Rating Stakeholder such as an issuer, an underwriter of bonds to be rated, etc.
 - (8) In cases where the object of the credit rating is the assessment of the credit status of the Asset Securitization Products, and where the design of such products substantially deviates from the design of Asset Securitization Products that JCR determined the credit rating in the past
 - (9) In cases where the credit rating was determined without any solicitation from the Rating Stakeholder, such fact, and information as to whether any undisclosed information (limited to the information which is found to have material influence on the credit rating) has been obtained from the Rating Stakeholder in the process of determining the credit rating
 - (10) In cases where JCR does not intend to update the determined credit rating, such fact and the grounds thereof;
 - (11) An explanation on the assumptions, significance and limitations of the determined credit rating, in accordance with the category of the object of such Credit Rating (including an explanation on the characteristics of the fluctuation of Credit Ratings; and also including an explanation on the

limitations of the credit rating, in cases where the object of the credit rating is the assessment of the credit status of the financial instruments with limited information on the transition of the credit status);

(12) The following matters concerning the principal information used in the course of determining the credit rating

- (a) An outline of said information
- (b) And outline of the measures implemented for the purpose of the quality assurance of said information; and
- (c) The provider of said information

(13) The following matters, in cases where the object of the determined credit rating was in relation to the assessment of the credit status of the Asset Securitization Products:

- (a) Information on the analysis of loss, cash flow and sensitivity; and
- (b) The symbols, figures or any other indication for clearly indicating that the object of the determined credit rating was the assessment of the credit status of Asset Securitization Products (including an explanation which allows investors to understand the significance and limitations of said credit rating based on such symbol)

3. When JCR withdraw a credit rating, it will publicize the fact without delay unless the object of the credit rating will be terminated. When JCR continue to publicize the credit rating continuingly, it will clarify the last updating date and the fact that the credit rating will not be updated hereafter.
4. JCR shall not make any representation as to the appropriateness of the results of the credit assessment, which may lead to a misperception that such appropriateness has been guaranteed by the Commissioner of the Financial Services Agency or any other administrative organ.
5. Credit ratings and its rating rational shall be publicized through internet and the following media or tools. Some of the Structured Finance Products may only be made in public by the following (c):
 - (a) posting or mailing a credit rating report called “News Release”, together with the items listed in Article 2, to news agencies and newspaper publishing companies who belong to “KABUTO Club” located in the Tokyo Stock Exchange;
 - (b) Directly distributing a credit rating and its rating rational through such media as Bloomberg, telerate, Jiji Press, Quick, etc;
 - (c) Publicizing credit ratings, rating rational and reports with the items listed in Article 2 on the JCR’s website (<http://www.jcr.co.jp>); and
 - (d) The afore-mentioned publication shall be executed at 15:30 every business day in principle; however, it may delay due to unavoidable reasons.

6. When publicizing, JCR shall announce the rating policies and methodologies used for determining the credit rating and specify their versions, together with the sitemap of those in the website. In case that the credit rating is based on several rating policies and methodologies or investors may fail to notice some of the important factors which credit rating includes because of referring only major rating policies or methodologies, JCR shall also announce such fact when publicizing the credit rating. Furthermore, it will announce how different rating policies and methodologies or other important issues were taken into account.
7. For the better understanding of users of credit ratings publicized by JCR, JCR shall publicize sufficient information regarding the credit rating process, methodologies and assumptions. Such information includes the meaning of each rating symbol, definition of default or period eligible for credit ratings, etc.
8. In case that JCR establishes or revises the rating policies and methodologies, JCR will publicize the scope of credit ratings to be modified and the timeframe during which such reviews and necessary procedure are to be completed.