

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

<Asset Securitization Products> DFC Beneficiary Interest 202106

<Assignment>

Beneficial Interest:

Class A1 Senior Beneficial Interest: AA-

Class A2 Senior Beneficial Interest: AA-

Class B Senior Beneficial Interest: BBB-

This is a rating for RMBS backed by apartment loans receivable. JCR has assigned ratings of “AA-”, “AA-” and “BBB-” to the Class A1, Class A2 and Class B Senior Beneficial Interests, respectively.

Hideyuki Shoji, Yusuke Koguchi

Rating

<Assignment>

Instrument Name	Issue/ Execution Amount (bn)	Subordination Ratio	Final Trust Delivery Date*	Coupon Type	Rating
Class A1 Senior Beneficial Interest	JPY 2.5	40.00%	Nov. 28, 2053	Fixed	AA-
Class A2 Senior Beneficial Interest	JPY 3.5			Floating	AA-
Class B Senior Beneficial Interest	JPY 1.0	29.99%	Nov. 28, 2053	Based on Performance	BBB-

<Information on Outline of Issue>

Trust Establishment Date: June 15, 2021

Beneficial Interest Assignment Date**: June 24, 2021

Redemption Method:

Class A1 Senior Beneficial Interest:

Monthly Controlled Amortization (Change to Monthly Pass-through Redemption by pro-rata with Class A2 Senior Beneficial Interest after the occurrence of an Early Redemption Event)

Class A2 Senior Beneficial Interest and Class B Senior Beneficial Interest:

Monthly Pass-through Redemption and Sequential Payment

Cleanup call provision in cases where Class A1 Senior Beneficial Interest is redeemed in full and the total of Class A Senior Beneficial Interest and Class B Senior Beneficial Interest becomes less than or equal to 5% of the original amount

Credit Enhancement & Liquidity Facility:

Class A1 Senior Beneficial Interest and Class A2 Senior Beneficial Interest:

Senior-subordinated Structure, Cash Reserve

Subordination Ratio = $1 - \frac{\text{Class A1 Senior Beneficial Interest} + \text{Class A2 Senior Beneficial Interest}}{\text{Original principal amount of receivable}}$

Class B Senior Beneficial Interest:

Senior-subordinated Structure, Cash Reserve

Subordination Ratio = $1 - \frac{\text{Class A1 Senior Beneficial Interest} + \text{Class A2 Senior Beneficial Interest} + \text{Class B Senior Beneficial Interest}}{\text{Original principal amount of receivable}}$

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

*Legal Final Maturity Date

**Issue Date

<Information on Structure and Stakeholders>

Originator: Undisclosed

Trustee: Sumitomo Mitsui Banking Corporation

Arranger: SMBC Nikko Securities Inc.

Backup Servicer: Japan Collection Service Co., Ltd.

<Information on Underlying Assets>

Outline of Underlying Assets: Originator's apartment loans receivable

Rating Assignment Date: June 24, 2021

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 "Housing Loans" (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.

Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

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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.)

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