

————— Social Bond Evaluation by Japan Credit Rating Agency, Ltd. —————

Japan Credit Rating Agency, Ltd. (JCR) announces preliminary Social Bond Evaluation Results as follows.

## JCR assigned preliminary Social 1 to the Bonds of Orient Corporation.

Subject	:	24th Series of Unsecured Bonds of Orient Corporation (with limited inter-bond pari passu rider) (social bonds) Orient Corporation 25th Series of Unsecured Bonds (with limited inter-bond pari passu rider) (social bonds)
Type	:	Straight bonds
Issue Amount	:	24th bond: JPY5 billion 25th bond: JPY5 billion
Interest Rate	:	TBD
Issue Date	:	24th bond of bonds: July 28, 2020 25th bond of bonds: July 17, 2020
Final Redemption Date	:	24th bond of bonds: July 28, 2025 25th bond of bonds: July 17, 2025
Method of Repayment	:	Bullet
Use of Proceeds	:	Refinancing of the funds raised to finance the implementation of the school-affiliated education loan

### <Social Bond Preliminary Evaluation Results>

Overall Evaluation	Social 1
Social Impact Evaluation (Use of Proceeds)	s1
Management, Operation and Transparency Evaluation	m1

## Chapter 1: Evaluation Overview

Orient Corporation (the “Company”) is a consumer credit company founded in 1954 and operates four core businesses: credit card and loan business, settlement and assurance business, installment sales of individual items, and bank guarantee business. In particular, it ranks among the top in the industry in terms of auto loans and shopping credit transactions and the balance of bank guarantees outstanding.

The Company's basic philosophy is "We value our relationship of trust and aim to be a company that contributes to society through the realization of a prosperous life for our customers." The Company has been actively conducting CSR activities with a focus on social contribution and environmental initiatives within the Company.

The bonds subject to this evaluation (the "Bonds") are 5-year unsecured bonds issued by the Company. JCR evaluates whether the Bonds aligns with the Social Bonds Principles (2018) (the "SBP")<sup>1</sup> and SDGs. The SBP are not binding because they are voluntary principles established by ICMA (International Capital Market Association) and are not regulations. However, the SBP are globally referred to at this point in time, and thus, JCR shall evaluate the bonds' compliance with the SBP. In addition, the SBP emphasizes the consistency between the uses of the proceeds of social bonds and their social benefits (impacts) and international sustainability goals and national policies. Therefore, JCR refers the mapping between the SBP and SDGs as a reference indicator in the evaluation.

The proceeds of the Bonds are used to refinance the funds (redeem commercial papers) for implementing school-affiliated educational loans (schooling support plans) implemented by the Company. The cost of higher education in Japan is high compared to other OECD member countries, and the burden on disposable income of households is large. In addition, there is a need for financing that cannot be covered by the public financial support and scholarship systems alone. Therefore, JCR considers that the school fee support plan, an education loan provided by the Company as a private company, is social because it could contribute to resolve one of the issues of higher education in Japan described above.

JCR evaluates that the management of the Company is highly transparent; The use of proceeds are selected by the management with an appropriate process, funds are properly managed according to the prescribed rules from the issuance to the repayment of the Bonds, and social impact reporting are appropriately planned.

Consequently, based on the JCR Social Finance Evaluation methodology, JCR assigned "s1" for the preliminary evaluation of the "Social Impact Evaluation (Use of Proceeds)" and "m1" for the preliminary evaluation of the "Management, Operation and Transparency Evaluation." As a result, JCR assigned "Social 1" for the overall evaluation of "JCR Social Bond Preliminary Evaluation." Evaluation results are discussed in detail in the next chapter.

The Bonds are considered to meet the standards for the items required by the SBP. JCR considers that they will also contribute to SDGs and governmental concrete measures for SDGs.

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<sup>1</sup> ICMA(International Capital Market Association) Principles for Social Bonds 2018

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## Important explanation of the Social Bond Evaluation

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### 1. Assumptions, Significance, and Limitations of JCR Social Bond Evaluation

JCR Social Bond Evaluation assigned and provided by Japan Credit Rating Agency, Ltd. (JCR) is the expression of a comprehensive opinion of JCR at this moment concerning both the degree of the proceeds allocated to social projects defined by JCR, and the extent to which management, operation, and transparency initiatives relating to the use of proceeds. This evaluation is JCR's overall opinion at this moment, and it does not perfectly disclose all the efforts taken by the issuer/borrower to ensure the use of proceeds, administration, management of the proceeds and the transparency.

JCR Social Bond Evaluation is to evaluate the allocation plan of the proceeds to social projects at the time of issuing social bonds or planning to issue social bonds and does not guarantee the future actual allocation of the proceeds. JCR does not guarantee the positive impacts on social issues by the social bond nor is liable for the expected impacts. JCR affirms that the social impacts, which will be realized by the allocated proceeds, are calculated quantitatively or qualitatively by the third parties, but in principle, JCR will not calculate them by itself.

### 2. Methodologies used in the conduct of this evaluation

The methodologies used in this evaluation are disseminated on JCR website (Sustainable Finance and ESG in <https://www.jcr.co.jp/en>) as JCR Social Finance Evaluation Methodology.

### 3. Relationship with Acts Related to Credit Rating Business

JCR Social Bond Evaluation is determined and provided by JCR as an ancillary service, which is independent from the activities related to the credit rating business.

### 4. Relationship with Credit Ratings

This evaluation is not a credit rating, nor promising to provide and disclose a predetermined credit rating.

### 5. Third Party in Evaluating JCR Social Bond

There is no conflict of interest related to capital or human resources relationships between the subject of this evaluation and JCR.

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#### ■ Glossary

JCR Social Bond Evaluation: JCR Social Bond Evaluation evaluates the extent to which funds procured through social bonds are allocated to social projects as defined by JCR, as well as the level of management, operation, and transparency efforts related to the use of funds for the relevant social bonds. Evaluations are performed on a five-point scale, from top to top, using the Social1, the Social2, the Social3, the Social4, and the Social5 valuation symbols.

#### ■ Status of registration as an external evaluator for sustainable finance, etc.

- Environment Ministry's Green Bond Issuance Registration
- Members of the Working Group on Social Bonds (ICMA)
- Members of the Working Group on UNEP FI Positive Impact Finance Principles

#### ■ Status of registration as a credit rating agency, etc.

- Credit Rating Agency: the Commissioner of the Financial Services Agency (Rating) No.1
- EU Certified Credit Rating Agency
- NRSRO: JCR has registered with the following four of the five credit rating classes of the Securities and Exchange Commission's NRSRO (Nationally Recognized Statistical Rating Organization). (1) Financial institutions, broker dealers, (2) insurance companies, (3) general business corporations, and (4) government and local governments. If we are subject to disclosures under Rule 17g-7(a) of the U.S. Securities and Exchange Commission, such disclosures are attached to JCR's website (the news releases appearing on the <https://www.jcr.co.jp/en>).

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