

## Notice of Change in Publication Method for Some Structured Finance Ratings

JCR has been reviewing the ratings of all structured finance products (SF products) once a year in principle, and been releasing the results of the review for each individual case, regardless of whether the rating level (symbol, outlook, etc.) has been revised or affirmed.

On and after November 13, 2023, JCR has decided to release the results of cases that meet certain requirements as described below, if there is no change in the rating level, etc., all at once. The first case of this publication method, to be published today, is 23-S-0099.

JCR will issue news releases for these cases on an individual basis when a new rating is assigned or when a rating is changed. JCR will also continue to conduct the annual review, once a year in principle, for all cases in the same manner as before.

### Applicable Case: Type 1

SF products consisting solely of tranches with a rating of "AAA," for which the underlying assets are numerous pools of monetary claims such as housing loans, auto loans, and reform loans.

Since these SF products are backed by a large number of receivables and are well diversified, extreme deterioration in performance is difficult to assume. As a result, likelihood of a change in the rating of the tranche that was initially assigned "AAA" is also extremely low. In such cases, the significance of releasing each rating individually with a reason for the rating affirmation is considered small.

### Applicable Case: Type 2

Repackaged notes, credit-linked notes, and other SF products whose credit status is substantially linked to the rating of a specific legal entity or bonds.

The ratings of these instruments are converged and linked to the lowest creditworthiness level in the linked sources. With the exception of extreme cases, such as changes in the scheme itself, if there is no change in the credit status of the lowest linked source, the ratings of SF products remain unchanged. In such cases, the significance of releasing each rating individually with a reason for the rating affirmation is considered small. If the linked source's rating is changed, the SF products' ratings will also be changed, but in that case, JCR will issue a separate release.

(Structured Finance Dept. I)

### 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.)