

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

## <Asset Securitization Products> Project Advance

### <Assignment>

Senior Note: A-  
Subordinated Note: BBB

### Rationale

Project Advance is a securitization product backed by future receivables, for which JCR has assigned a rating of A- and BBB to the senior note and subordinated note, respectively, that are issued by a bankruptcy remote entity and are backed by cash flows generated from future receivables, after assessing the structure's robustness and repayment forecast in stressful situations based on stress test.

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### Rating

#### <Assignment>

Instrument Name	Issue Amount (bn)	Subordination Ratio	Maturity Date	Coupon	Rating
Secured Fixed Rate Senior Note	Y6.61	37.58%	Dec. 27, 2019	Fixed	A-
Secured Fixed Rate Subordinated Note	Y5.0	-	Dec. 27, 2019	Fixed	BBB

#### <Information on Outline of Issue>

Issue Date: May 31, 2017  
Legal Maturity Date: December 27, 2019  
Repayment Method: Unequal Principal Repayment (31 monthly payments)  
Credit Enhancement & Liquidity Facility: Senior-subordinated Structure  
Subordination Ratio: 37.58% (Sub. Note / (Sr. Note + Sub. Note))  
(Calculated using total amount of Sr. Note and Sub. Note that were/are issued on Dec. 29, 2016 and May 31, 2017)  
Cash Reserve (for 2 months)  
Covenants for Early Repayment and Mandatory Repayment  
Disclosure Requirements for Securitization Transaction Ratings with respect to Basel II have been met.

#### <Information on Structure and Stakeholders>

Originator: Undisclosed  
Arranger: BNP Paribas and The Korea Development Bank  
SPC: KAL Japan ABS 20 Cayman Limited

#### <Information on Underlying Assets>

Outline of Underlying Assets: Yen-denominated receivables generated from passenger airline tickets for flights departing from Japan which are issued in Japan by an overseas airline in its name and are sold through travel agents

Rating Assignment Date: May 30, 2017

The criteria used for identifying matters which serve as assumptions for the assessment of the credit status, and the criteria used for setting of grades indicating the results of the assessments of the credit status are published as "Types of Credit Ratings and Definitions of Rating Symbols" (January 6, 2014) in Information about JCR Ratings on JCR's website (<http://www.jcr.co.jp/en/>).



Outline of methodology for determination of the credit rating is shown as "Future Flow Securitization" (June 20, 2016) in Information about JCR Ratings on JCR's website (<http://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.

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