

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

<Asset Securitization Products> Nomura Trust and Banking (1806-03)

<Assignment>
Bonds: Preliminary AA

Rationale

Nomura Trust and Banking (1806-03) is a real estate securitization instrument, for which JCR has assigned a preliminary rating of AA to Class A Corporate Bonds, as detailed hereunder.

Nobuyasu Matsuda, Tetsuya Nakagawa

Rating

<Assignment>

Instrument Name	Issue Amount	Subordination Ratio	Termination Date of Sale to Investors	Coupon Type	Preliminary Rating
Class A Corporate Bonds	TBD	60.0%	February 21, 2025	Floating	AA

Subordination Ratio = $1 - \text{LTV ratio}$, which is calculated by the Corporate Bonds divided by JCR's appraised value of property (based on the SPC's pledged assets)

<Information on Outline of Issue>

Issue Date: June 29, 2018
Redemption Date: February 21, 2023
Interest Payment Dates: Next business day of last day of every January, April, July, and October (next business day of last day of July 2018 as the first interest payment day)
Redemption Method: Redemption on every interest payment date till the Redemption Date by the agreed amount. The balance is paid in full on the Final Maturity Date.
Credit Enhancement & Liquidity Facility: Senior-subordinated Structure, Reserve
Disclosure Requirements for Securitization Transaction Ratings with respect to Basel II have been met.

<Information on Structure and Stakeholders>

Originator: Undisclosed
SPC (newly established): Blue Lending Shinagawa AA GK, Blue Lending Shinagawa A GK, and Blue Lending Shinagawa B GK
Arranger: Mizuho Securities Co., Ltd.

<Information on Underlying Assets>

Outline of Underlying Assets: Real estate beneficial interest in a service apartment building in Minato-ku, Tokyo, and others

Rating Assignment Date: June 11, 2018

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 (<https://www.jcr.co.jp/en/>).

Outline of methodology for determination of the credit rating is shown as "Real Estate (Securitization)" (June 1, 2015) 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.

Glossary:

A preliminary rating is a credit rating assigned as a preliminary evaluation while material terms for issue to be rated are not yet finalized. When the issuing terms are finalized, JCR will confirm them and will assign a credit rating anew. The rating level of the final rating may be different from that of the preliminary rating, depending on the final content of the terms, etc.

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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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