

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

Zenkyoren 2nd Subordinated Loan Securitization Company Limited

<Assignment>
Bonds: Preliminary AA-

Rationale

Zenkyoren 2nd Subordinated Loan Securitization Company Limited securitizes a Subordinated Loan to National Mutual Insurance Federation of Agricultural Cooperatives ("Zenkyoren"). JCR assigned preliminary AA- rating to the Subordinated Loan of Zenkyoren, two notches below the long-term issuer rating of it. With no problems about the structure, JCR has assigned a preliminary AA- rating to the Bonds as with the preliminary rating for the Subordinated Loan. The preliminary ratings on Subordinated Loan and the Bonds reflect JCR's assessments on certainty of timely interest payments and principal repayment in full by the final due date.

Hideyuki Shoji, Riho Saiki

Rating

<Assignment>
Instrument Name: Bonds no. 1 (subordinated)
Scheduled Issue Amount*: JPY 50 billion
Final Due Date: October 21, 2052
Preliminary Rating: AA-

<Information on Outline of Issue>

Scheduled Issue Date: October 18, 2022
Coupon Rate*: Until October 21, 2027: TBD (Fixed Rate (Note 1))
From October 22, 2027 to and including October 21, 2032: TBD (Note 2)
From October 22, 2032: TBD (Floating Rate (Note 3))
Coupon Payment Dates: April 21 and October 21 every year
Redemption Method: Bullet Redemption
Early redemption is possible every 5 years on and after October 21, 2027 at the option of National Mutual Insurance Federation of Agricultural Cooperatives

Credit Enhancement & Liquidity Facility: NA

*Issue Amount and Coupon Rate are scheduled to be decided on October 7, 2022.

(Note 1): A value decided after being presented a provisional condition based on either the following methods: (1) the range of spread to be added to the distribution yield on 10-year JGB (compounded twice a year), which is referred, as a market practice, when terms and conditions of 5-year yen-denominated corporate bonds are determined, is presented; or (2) the range of interest rates is presented.

(Note 2): A value decided by either the following methods: in the case that the method of (Note 1) (1) is used to present a provisional condition, 5-year JGB interest rate as of then plus spread decided by (Note 1) (1); or in the case that the method of (Note 1) (2) is used to present a provisional condition, 5-year JGB interest rate as of then plus an interest rate decided by (Note 1) (2) less the distribution yield on 10-year JGB (compounded twice a year), which is referred, as a market practice, when terms and conditions of 5-year yen-denominated corporate bonds.

(Note 3): A value decided by either the following methods: in the case that the method of (Note 1) (1) is used to present a provisional condition, after a lapse of 10 years every five years, 5-year JGB interest rate as of then plus spread as decided by (Note 1) (1) plus 1.00%; or in the case that the method of (Note 1) (2) is used to present a provisional condition, after a lapse of 10 years every five years, 5-year JGB interest rate as of then plus an interest rate decided by (Note 1) (2) less the distribution yield on 10-year JGB (compounded twice a year), which is referred, as a market practice, when terms and conditions of 5-year yen-denominated corporate bonds are determined plus 1.00%.

<Information on Structure and Stakeholders>

Issuer: Zenkyoren 2nd Subordinated Loan Securitization Company Limited
Borrower: National Mutual Insurance Federation of Agricultural Cooperatives
Originator: Daiwa Securities Co. Ltd.
Asset Management Company: Sumitomo Mitsui Trust Bank, Limited
Bond Administrator: Sumitomo Mitsui Trust Bank, Limited
Arranger: Daiwa Securities Co. Ltd.

<Information on Underlying Assets>

Outline of Underlying Assets: Subordinated loan to National Mutual Insurance Federation of Agricultural Cooperatives

Rating Assignment Date: September 9, 2022

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 "Repackaged Financial Instruments" (August 5, 2019) 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.

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.

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

Information herein has been obtained by JCR from the issuers and other sources believed to be accurate and reliable. However, because of the possibility of human or mechanical error as well as other factors, JCR makes no representation or warranty, express or implied, as to accuracy, results, adequacy, timeliness, completeness or merchantability, or fitness for any particular purpose, with respect to any such information, and is not responsible for any errors or omissions, or for results obtained from the use of such information. Under no circumstances will JCR be liable for any special, indirect, incidental or consequential damages of any kind caused by the use of any such information, including but not limited to, lost opportunity or lost money, whether in contract, tort, strict liability or otherwise, and whether such damages are foreseeable or unforeseeable. JCR's ratings and credit assessments are statements of JCR's current and comprehensive opinion regarding redemption possibility, etc. of financial obligations assumed by the issuers or financial products, and not statements of opinion regarding any risk other than credit risk, such as market liquidity risk or price fluctuation risk. JCR's ratings and credit assessments are statements of opinion, and not statements of fact as to credit risk decisions or recommendations regarding decisions to purchase, sell or hold any securities such as individual bonds or commercial paper. The ratings and credit assessments may be changed, suspended or withdrawn as a result of changes in or unavailability of information as well as other factors. JCR receives a rating fee paid by issuers for conducting rating services in principle. JCR retains all rights pertaining to this document, including JCR's rating data. Any reproduction, adaptation, alteration, etc. of this document, including such rating data, is prohibited, whether or not wholly or partly, without prior consent of JCR.

JCR is registered as a "Nationally Recognized Statistical Rating Organization" with the U.S. Securities and Exchange Commission with respect to the following four classes. (1) Financial institutions, brokers and dealers, (2) Insurance Companies, (3) Corporate Issuers, (4) Issuers of government securities, municipal securities and foreign government securities.

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.)
