

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

<Asset Securitization Products> Teral Bills & Electronically Recorded Receivable ABL 20-12

<Assignment>
ABL: J-1+

Rationale

Teral securitizes its bills & electronically recorded receivable from the customers. There are no concerns about capabilities of parties to the structure to carry out their administrative duties. Risks with respect to principal and interest payments have been reduced to a level consistent with J-1+ rating through senior-subordinated structure and legal measures.

Shigeo Sugiyama, Seito Achiha

Rating

<Assignment>
Instrument Name: Teral Bills & Electronically Recorded Receivable ABL 20-12
ABL Execution Amount: JPY 387,879,797
Subordination Ratio: 35.44%
Final Maturity Date: March 9, 2021
Coupon Type: Fixed
Rating: J-1+

<Information on Outline of Issue>

ABL Execution Date: December 30, 2020
Repayment Method: Scheduled Repayment
Credit Enhancement & Liquidity Facility: Senior-subordinated structure
Subordination Ratio: 35.44% (1 - ABL Execution Amount / Balance of Receivables)
Disclosure Requirements for Securitization Transaction Ratings with respect to Basel II have been met.

<Information on Structure and Stakeholders>

Originator: Teral Inc.
ABL Borrower: Fantastic Funding Corporation (Tokyo Branch)
Arrangers: The Hiroshima Bank, Ltd., Mizuho Bank, Ltd.
Collecting Bank: Mizuho Bank, Ltd.

<Information on Underlying Assets>

Outline of Underlying Assets: Teral Inc.'s yen-denominated bills & electronically recorded receivable generated from valid domestic transactions

Rating Assignment Date: January 5, 2021

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 "Notes and Accounts Receivables" (June 2, 2014) 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.



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.)

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