

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

<Asset Securitization Products> Teral Bills & Electronically Recorded Receivable ABL19-04

<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 ABL19-04
ABL Execution Amount: JPY 319,169,584
Subordination Ratio: 37.36%
Final Maturity Date: July 9, 2019
Coupon Type: Fixed
Rating: J-1+

<Information on Outline of Issue>

ABL Execution Date: April 26, 2019
Repayment Method: Scheduled Repayment
Credit Enhancement & Liquidity Facility: Senior-subordinated structure
Subordination Ratio: 37.36% (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: April 26, 2019

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 "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.



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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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