



New Year's Message

Happy New Year!

Thank you very much for your support during the past year. We look forward to your continued support in the coming year.

Last year, the move to normalization of economic activity began in earnest along with the shift from with-coronas to post-corona phase, when the COVID-19's category under the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases was reclassified to Class 5 in May. Although there are causes for concern, such as a further rise in geopolitical risks and soaring prices, many observers believe that the domestic economy will continue on a gradual recovery trend. Looking at JCR's long-term ratings for residents in 2023, the number of rating upgrades exceeded the number of downgrades for the 11th consecutive year, and the number of upgrades and upward revisions in outlook also increased. With many issuers having a positive outlook on their ratings, it is expected that the performance and financial health of companies will continue to improve in the New Year.

The corporate bond market in 2023 generally remained strong against the backdrop of interest rates and other financing conditions. Investor interest in ESG issues is particularly high, with a large increase in the issuance of ESG bonds, and JCR is strengthening its efforts to meet the needs of users in terms of both credit ratings and sustainable finance evaluation. In the area of credit ratings, JCR continues to enhance and promote the ESG Credit Outlook, a report explaining the impact of ESG factors on credit ratings. In the area of sustainable finance evaluation, JCR is responding to the various needs of the market by developing internal structures such as establishment of the Impact Analysis Division and the Sustainability Verification Division in response to the increasing diversification of assessment targets in line with the development and expansion of the market. JCR also participates in the third-party assessment of the world's first government bonds (GX (Green Transformation) Economy Transition Bonds), which are designed to raise funds for Japan's decarbonization policy. Furthermore, JCR is actively involved in rating structured finance instruments backed by non-residents and overseas assets, and as the chairman company of the Association of Credit Rating Agencies in Asia (ACRAA), JCR is accelerating its globalization while also utilizing its network of national rating agencies.

The environment and situations in Japan and abroad continue to change at a rapid pace on a daily basis, and JCR makes efforts to analyze these changes with precision and disseminate information in a clear, prompt and timely manner. With a firm commitment to socio-economic activities through the financial markets, JCR will continue to aim to be the "most trusted and used" and "globally contributing" comprehensive credit rating and evaluation agency.

We look forward to your continued support of JCR in the coming year.

With best wishes,

Shokichi Takagi
President and CEO



Japan Credit Rating Agency, Ltd.