

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

## <Asset Securitization Products> Medical Treatment Fees Receivable ABL Program (R Hospital in Hokkaido)

<Assignment>

ABL Program: J-1

### Rationale

R Hospital in Hokkaido securitizes two months of its medical treatment fees receivable from Health Insurance Claims Review & Reimbursement Services and The Federation of National Health Insurance Associations. With a back-up operator being set up from the start under the program, JCR evaluates that the subordination level is satisfactory so that certainty of principal repayment and interest payment as stipulated can be maintained at "J-1" level. There are no concerns about capabilities of parties to the structure to carry out their administrative duties. JCR evaluated the rating on this ABL program at "J-1," taking into account the above as a whole.

Hideyuki Shoji, Riho Saiki

### Rating

<Assignment>

Instrument Name: Medical Treatment Fees Receivable ABL Program (R Hospital in Hokkaido)

Maximum: JPY 300 million

Program Establishment Date: September 28, 2018

Period: 1 year (automatically renewed every year thereafter)

Credit Enhancement & Liquidity Facility: Senior-subordinated structure

Program Subordination Ratio: 15.00% (Subordination Ratio = Subordination Amount / Total Amount of Receivables, rounded to two decimal places)

Coupon Type: Fixed

Redemption Method: Bullet Redemption

Rating: J-1

<Information on Outline of Issue>

ABL Execution Amount\*: JPY 112,816,589

ABL Execution Date\*: October 22, 2018

Final Maturity Dates\*: February 27 and March 27, 2019

Disclosure Requirements for Securitization Transaction Ratings with respect to Basel II have been met.

<Information on Structure and Stakeholders>

Originator: R Hospital in Hokkaido (medium scale)

SPC: Progress Funding Corporation

Arranger: North Pacific Bank, Ltd.

<Information on Underlying Assets>

Outline of Underlying Assets: Medical treatment fees receivable under health insurance held by R Hospital against Health Insurance Claims Review & Reimbursement Services and The Federation of National Health Insurance Associations

\*This instrument is an ABL program in which an asset-backed loan (ABL) is executed repeatedly and continually under the same scheme, and ABL Execution Amount, etc. are the same as the conditions specified when JCR assigned the rating.

Rating Assignment Date: October 17, 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 "Medical Remuneration Receivables" (July 3, 2017) 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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