

Explanatory Note on Unregistered Credit Ratings

Explanatory Note on Unregistered Credit Rating (For S&P Global Ratings)

From the viewpoint of ensuring fairness and transparency in the markets, Financial Instruments and Exchange Law has introduced the registration system for credit rating agencies. In accordance with this regulation, financial instruments business operators, etc are required to inform customers of the fact that the rating is not registered and the rationale for the registration system, etc. whenever marketing any financial products which are rated by unregistered credit rating agencies.

Rationale for the Registration System

Registered credit rating agencies are subject to the following regulations: (1) the duty of good faith; (2) the duty to maintain an operational management system which prevents conflicts of interest and ensures the fairness of the credit rating process, etc.; (3) the prohibition on giving a credit rating to a security which they hold; and (4) the duty to disclose information including to prepare and make available for public inspection the policies for credit ratings and the documents for public release and explanation. Registered credit rating agencies are also subject to supervision by the Financial Services Agency, including orders to submit information, onsite inspections and business improvement orders. However, unregistered credit rating agencies are not subject to such regulation or supervision.

Name of the Credit Rating Agency Group, etc.

Name of the Credit Rating Agency Group:

S&P Global Ratings (“S&P”)

Name of the Registered Credit Rating Agency within the Group and its Registration Number:

S&P Global Ratings Japan Inc. (FSA Commissioner (Rating) No. 5)

S&P Global SF Japan Inc. (FSA Commissioner (Rating) No. 8)

Method of Obtaining the Information about the Summaries of the Policies and Criteria for Credit Rating

The information is published in the “Unregistered Rating Information” (「無登録格付け情報」 <http://www.standardandpoors.co.jp>) which can be found in the menu under “Library/Regulation Related” (「ライブラリ・規制関連」) on the website of S&P Global Ratings (<http://www.standardandpoors.co.jp/unregistered>).

Assumptions, Significance and Limitations of the Rating

Credit ratings assigned by S&P Global Ratings are statements of opinion on the future credit quality of specific issuers or issues as of the date they are expressed and do not indicate the probability of default or guarantee the credit of the specific issuers or issues. Credit ratings are not a recommendation to purchase, sell or hold any securities, or a statement of market liquidity or prices in the secondary market of any issues.

Credit ratings may change depending on various factors, including issuers' performance, changes in external environment, performance of underlying assets, creditworthiness of counterparties and others. S&P Global Ratings conducts rating analysis based on information it believes to be reliable and provides ratings only when it believes to have enough information in terms of quality and quantity to support its opinion. However, S&P Global Ratings does not perform an audit, due diligence or independent verification of any information it receives from issuers or other third parties, nor guarantees accuracy, completeness or timeliness of the information received or the results caused by use of such information. It should be noted that, depending on the credit ratings, there may be inherent risks associated with the limitation on available historical data.

This information is prepared as of 1 November 2022 based on sources which we believe are reliable, but we do not guarantee its accuracy or completeness. For details, please refer to the above mentioned website of S&P Global Ratings.

Explanatory Note on Unregistered Credit Rating (For Moody's Investors Service)

From the viewpoint of ensuring fairness and transparency in the markets, Financial Instruments and Exchange Law has introduced the registration system for credit rating agencies. In accordance with this regulation, financial instruments business operators, etc. are required to inform customers of the fact that the rating is not registered and the rationale for the registration system, etc. whenever marketing any financial products which are rated by unregistered credit rating agencies.

Rationale for the Registration System

Registered credit rating agencies are subject to the following regulations: (1) the duty of good faith; (2) the duty to maintain an operational management system which prevents conflicts of interest and ensures the fairness of the credit rating process, etc.; (3) the prohibition on giving a credit rating to a security which they hold; and (4) the duty to disclose information including to prepare and make available for public inspection the

policies for credit ratings and the documents for public release and explanation. Registered credit rating agencies are also subject to supervision by the Financial Services Agency, including orders to submit information, onsite inspections and business improvement orders. However, unregistered credit rating agencies are not subject to such regulation or supervision.

Name of the Credit Rating Agency Group, etc.

Name of the Credit Rating Agency Group:

Moody's Investors Service

Name of the Registered Credit Rating Agency within the Group and its Registration Number:

Moody's Japan K.K. (FSA Commissioner (Rating) No. 2)

Moody's SF Japan K.K. (FSA Commissioner (Rating) No. 3)

14 specified related companies*

Method of Obtaining the Information about the Summaries of the Policies and Criteria for Credit Rating

The information can be found on the website of Moody's Japan K.K. and Moody's SF Japan K.K. (https://ratings.moodys.com/japan/ratings_news), under the tab "Regulatory Affairs" (「規制関連」), then by clicking on "Disclosures" (「開示」) and in the "Matters Related to the Explanation of Unregistered Ratings" (「無登録格付説明関連」) section.

*Specified related companies are published on the website under (「金融庁長官より指定を受けた特定関係法人一覧」).

Assumptions, Significance and Limitations of the Rating

Credit ratings are Moody's Investors Service ("Moody's ") current opinions of the relative future credit risk of entities, credit commitments, or debt or debt-like securities. Moody's defines credit risk as the risk that an entity may not meet its contractual, financial obligations as they come due and any estimated financial loss in the event of default. Credit ratings do not address any other risk, including but not limited to: liquidity risk, market value risk, or price volatility. Credit ratings do not constitute investment or financial advice, and credit ratings are not recommendations to purchase, sell, or hold particular securities. No warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such rating or other opinion or information is given or made by Moody's in any form or manner whatsoever.

Based on the information received from issuers or from public sources, the credit risks of the issuers or obligations are assessed. Moody's adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources Moody's considers to be reliable. However, Moody's is not an auditor and cannot in every instance independently verify or validate information received in the rating process.

This information is prepared as of 1 November 2022 based on sources which we believe are reliable, but we do not guarantee its accuracy or completeness. For details, please refer to the above website of Moody's Japan K.K. and Moody's SF Japan K.K.

Explanatory Note on Unregistered Credit Rating (For Fitch Ratings)

From the viewpoint of ensuring fairness and transparency in the markets, Financial Instruments and Exchange Law has introduced the registration system for credit rating agencies. In accordance with this regulation, financial instruments business operators, etc. are required to inform customers of the fact that the rating is not registered and the rationale for the registration system, etc. whenever marketing any financial products which are rated by unregistered credit rating agencies.

Rationale for the Registration System

Registered credit rating agencies are subject the following regulations: (1) the duty of good faith; (2) the duty to maintain an operational management system which prevents conflicts of interest and ensures the fairness of the credit rating process, etc.; (3) the prohibition on giving a credit rating to a security which they hold; and (4) the duty to disclose information including to prepare and make available for public inspection the policies for credit ratings and the documents for public release and explanation. Registered credit rating agencies are also subject to supervision by the Financial Services Agency, including orders to submit information, onsite inspections and business improvement orders. However, unregistered credit rating agencies are not subject to such regulation or supervision.

Name of the Credit Rating Agency Group, etc.

Name of the Credit Rating Agency Group:

Fitch Ratings ("Fitch")

Name of the Registered Credit Rating Agency within the Group and its Registration Number:

Fitch Ratings Japan Limited (FSA Commissioner (Rating) No. 7)

Method of Obtaining the Information about the Summaries of the Policies and Criteria for Credit Rating

The information is published in the “Overview of Policies etc for Credit Rating” (「格付方針等の概要」) in the “Regulation Related” (「規制関連」) section on the website of Fitch Ratings Japan Limited (<https://www.fitchratings.com/site/japan>).

Assumptions, Significance and Limitations of the Rating

Ratings assigned by Fitch are opinions based on established criteria and methodologies. Ratings are not facts, and therefore cannot be described as being "accurate" or "inaccurate". Credit ratings do not directly address any risk other than credit risk. Credit ratings do not comment on the adequacy of market price or market liquidity for rated instruments. Ratings are relative measures of risk; as a result, the assignment of ratings in the same category to entities and obligations may not fully reflect small differences in the degrees of risk. Credit ratings, as opinions on relative ranking of vulnerability to default, do not imply or convey a specific statistical probability of default.

In issuing and maintaining its ratings, Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The assignment of a rating to any issuer or any security should not be viewed as a guarantee of the accuracy, completeness, or timeliness of the information relied on in connection with the rating or the results obtained from the use of such information. If any such information should turn out to contain misrepresentations or to be otherwise misleading, the rating associated with that information may not be appropriate. Despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

For a detailed explanation on the assumption, significance, and limits of credit rating, please refer to the section on “Definition regarding credit rating and other forms of opinions” on Fitch’s Japanese website.

This information is prepared as of 1 November 2022 based on sources which we believe are reliable, but we do not guarantee its accuracy or completeness. For details, please

refer to the above mentioned website of Fitch Ratings Japan Limited.