

Explanatory document on non-registered ratings **(For Standard & Poor's Ratings Services)**

For rating agencies, a credit rating agency registration system has been introduced based on the Financial Instruments and Exchange Law in order to ensure fairness and transparency in the markets. In connection with this, in the case where financial instruments business operators, etc. make solicitation by using ratings assigned by non-registered rating agencies, they are required by the Financial Instruments and Exchange Law to inform their clients that the ratings are non-registered and of the significance of registration, and so on.

○Significance of registration

Registered credit rating agencies are subject to various restrictions such as (1) the obligation of good faith, (2) the obligation to prevent conflict of interest and to establish an operation control system to maintain fairness of the rating process, etc., (3) ineligibility to assign ratings if they own the securities to be rated, and (4) the obligation to disclose information including producing and publicizing a rating policy, etc. and allowing public inspection of explanatory documents. Registered credit rating agencies are also subject to supervision by the FSA, which may include reporting requirements, on-site inspection, and business improvement orders. Non-registered rating agencies, on the other hand, are not subject to such restrictions or supervision.

○Name etc. of the rating agency group

Name of the rating agency group: Standard & Poor's Ratings Services
(hereinafter referred to as "S&P").

Name of the credit rating agency within the group and its registration number:
Standard & Poor's Ratings Japan KK
(FSA Commissioner (Rating) No. 5)

○How to gather summary information on the policy and method used to assign credit ratings

This information can be found under "Unregistered Ratings Information" (<http://www.standardandpoors.co.jp/unregistered>) in "Library and Regulations-Related" on the website of Standard & Poor's Ratings Japan KK (<http://www.standardandpoors.co.jp>).

○Assumptions, significance, and limitation of credit ratings

Credit ratings assigned by Standard & Poor's are statements of opinion on the future credit quality of specific issuers or issues as of the date they are expressed and do not guarantee timely payments of interest or principal. 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. Standard & Poor's conducts rating analysis based on information it believes to be reliable in terms of quality and quantity. However, Standard & Poor's does not perform an audit, due diligence or independent verification of any information it receives, or guarantees its accuracy, completeness or timeliness.

This information is based on information we have received from sources we believe to be reliable, but it does not guarantee the accuracy or completeness of the information. For details, please refer to its website at <http://www.standardandpoors.co.jp>.