

# Outlooks On Six Japan Government-Related Entities Revised Down To Stable Following Similar Action On Sovereign

June 10, 2020

- We reviewed our ratings on six Japanese government-related entities after revising down to stable our outlook on Japan.
- We believe the relationships between the six entities and the Japanese government remain unchanged.
- We are revising the outlooks on the six entities to stable from positive and affirming our issuer credit ratings on them.

TOKYO (S&P Global Ratings) June 10, 2020--S&P Global Ratings today said it that has revised to stable from positive the outlooks on Japan Bank for International Cooperation (JBIC), Japan International Cooperation Agency (JICA), Japan Housing Finance Agency (JHF), Deposit Insurance Corp. of Japan (DICJ), Japan Finance Organization for Municipalities (JFM), and Development Bank of Japan Inc. (DBJ). At the same time, we have affirmed our issuer credit ratings on these entities (see list below).

The downward outlook revisions on the six entities follow a similar action on the long-term sovereign credit rating on Japan (see "Japan Outlook Revised To Stable On Increased Uncertainty Around Debt Stabilization; 'A+/A-1' Ratings Affirmed," published June 9, 2020).

We continue to assess the likelihood of extraordinary government support for JBIC, JICA, JHF, and DICJ as almost certain. We also maintain our assessments that the likelihood of the government extending extraordinary support to JFM and DBJ is extremely high.

The stable outlooks on the six entities reflect the stable outlook on our sovereign credit rating on Japan and our view that their likelihood of receiving extraordinary government support is unlikely to change in the next two to three years. We could upgrade the six entities if we raise our sovereign credit rating on Japan. Conversely, we could lower the ratings on the six entities if we downgrade Japan.

S&P Global Ratings acknowledges a high degree of uncertainty about the rate of spread and peak of the coronavirus outbreak. Some government authorities estimate the pandemic will peak about midyear, and we are using this assumption in assessing the economic and credit implications. We believe the measures adopted to contain COVID-19 have pushed the global economy into recession (see our macroeconomic and credit updates here: [www.spglobal.com/ratings](http://www.spglobal.com/ratings)). As the situation evolves, we will update our assumptions and estimates accordingly.

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## Related Criteria

- Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Public-Sector Funding Agencies: Methodology And Assumptions, May 22, 2018
- Risk-Adjusted Capital Framework Methodology, July 20, 2017
- Group Rating Methodology, July 1, 2019
- Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Commercial Paper I: Banks, March 23, 2004

## Related Research

- Japan Outlook Revised To Stable On Increased Uncertainty Around Debt Stabilization; 'A+/A-1' Ratings Affirmed, June 9, 2020

## Ratings List

### Ratings List

#### Outlook Action; Ratings Affirmed

	To	From
<b>Japan Bank for International Cooperation</b>		
Issuer Credit Rating	A+/Stable/A-1	A+/Positive/A-1
<b>Japan International Cooperation Agency</b>		
Issuer Credit Rating	A+/Stable/A-1	A+/Positive/A-1
<b>Japan Housing Finance Agency</b>		
Issuer Credit Rating	A+/Stable/A-1	A+/Positive/A-1
<b>Deposit Insurance Corp. of Japan*</b>		
Issuer Credit Rating IU-	A+/Stable/--	A+/Positive/--
<b>Japan Finance Organization for Municipalities</b>		
Issuer Credit Rating	A+/Stable/A-1	A+/Positive/A-1
<b>Development Bank of Japan Inc.</b>		
Issuer Credit Rating	A/Stable/A-1	A/Positive/A-1

## Ratings List (cont.)

IU- Unsolicited ratings with no issuer participation, and/or no access to internal documents, and/or no access to management. \*The rating on DICJ is unsolicited. This unsolicited rating was initiated by a party other than the Issuer (as defined in S&P Global Ratings' policies). It may be based solely on publicly available information and may or may not involve the participation of the Issuer and/or access to the Issuer's internal documents. S&P Global Ratings has used information from sources believed to be reliable based on standards established in our policies and procedures, but does not guarantee the accuracy, adequacy, or completeness of any information used.

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