

Social Finance Framework (Overview)

- JASSO established a framework which is aligned with Social Bond Principles (SBP) 2021 by the International Capital Market Association (ICMA), Social Loan Principles 2023 by the Loan Market Association (LMA), the Asia Pacific Loan Market Association (APLMA), the Loan Syndication and Trading Association (LSTA), and Social Bond Guidelines 2021 by the Financial Services Agency.
- On April 14, 2023, JASSO has obtained a second party opinion from Japan Credit Rating Agency, Ltd. to ensure the eligibility as a social bond.

1 Use of proceeds

- The proceeds financed based on the Framework are used for scholarship loans.
- The Scholarship Loan Programs contribute to the achievement of UN Sustainable Development Goal (SDGs) #4 "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all."



3 Management of proceeds

- The proceeds financed based on the Framework are managed separately from other proceeds for scholarships.
- In cases where the remittance of scholarships is postponed due to disasters or others, the Organization continues to conduct its management and immediately transfers the amount as soon as the event causing the postponement is resolved.

2 Process for project evaluation and selection

- In selecting the scholarship students, JASSO selects the students who are recommended by school principals. In the selecting, students are judged comprehensively based on criteria such as personality, academic ability and family financial status in accordance with the stipulations of the statement of operation procedures.
- JASSO provides the loans to all applicants who satisfy the criteria.

4 Reporting

- JASSO prepares financial statements, etc. every business year and receives approval from the Minister of Education, Culture, Sports, Science and Technology.
- JASSO annually reports on proceeds allocated to projects and social benefits in the "allocation of proceeds/social impact reports," which will be continuously carried out hereafter.



- Sustainable Development Goals (SDGs): 17 goals and 169 targets to be achieved by UN member states by 2030. These are defined in the 2030 Agenda for Sustainable Development, which was adopted at the UN Sustainable Development Summit in September 2015.