



Presentation Material of JASSO

“Educational contribution to the future”

April 2026

Its importance for policy of and relationship with government

Very high importance for society, government policy

- Serves as a **safety net** in the governmental system that ensures the provision of equal opportunity in education as provided in the Japanese Constitution and Basic Act on Education.

Close government involvement

- Strong governmental support through interest subsidies, national subsidies and operating expense subsidies.

Scholarship program overview

- **One out of 3.3 students uses scholarships loans.**
- Provides scholarship program appropriately as a core student-supporting agency so that students will not need to abandon schooling due to financial reasons.

Scholarship Grants		Granted. Funded by government subsidies
Scholarship Loans	Category 1 scholarship loans	Interest-free loans funded through general account debts, etc.
	Category 2 scholarship loans	Interest-bearing loans funded with the money raised through the use of private funds (issues of bonds, borrowings).

Lending management at student-loan program

- Percentage of debts three months or more in arrears (FY2024)

Category 1 Scholarship Loans: 2.1%	Category 2 Scholarship Loans: 3.0%
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- Collection rate (FY2024)

Category 1 Scholarship Loans: 98.5%	Category 2 Scholarship Loans: 97.2%
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- Efforts to improve collection rate

- Requirement to use account transfers (relay accounts) in principle for all borrowers.
- Expansion in call consultation service.
- Use of servicers to collect debts, including making calls to urge repayment.
- Stepping up legal actions.
- Use of personal credit information agencies.

JASSO Bonds' quality

- The money raised through bond issuance is the **funding source for Category 2 scholarship loans**. The bonds are **redeemed using the fiscal loan fund (borrowed from government coffers)** after the amounts raised through bonds are refinanced using this fund at the time the scholarship students graduate.
- Issued quarterly; issuance of **120 billion yen** planned in FY2026.
- High credit rating reflecting important role they play in education policy.

R&I: AA+

JCR: AAA

- Planning to issue JASSO Bond as a **Social Bond**.

*A Second Party Opinion has been obtained from Japan Credit Rating Agency, Ltd. on the Social Finance Framework.

Establishment and Purpose

Name	Japan Student Services Organization, Independent Administrative Agency	Minister in charge	Minister of Education, Culture, Sports, Science and Technology-Japan
Founded on	April 1, 2004 *Based on the Act on the Japan Student Services Organization, Independent Administrative Agency (Act No. 94 of 2003)		
Capital	¥100 million *Fully subscribed by the Japanese government		

Establishment



Purposes

- Providing scholarship loans and scholarship grants, and student support services with the aim of contributing to equal educational opportunities.
 - Offering consultation and guidance on student support services that universities and other educational institutions provide for academic programs, course options after graduation and other matters.
 - Projects aimed at promoting exchange programs for international students.
- ... Through the above,

Will establish adequate educational environment for students studying at universities and other educational institutions in Japan and thereby contribute to the development of the next generation of human resources who possess a rich humanity and creativity, and who are dedicated to the promotion of international mutual understanding.

(Article 3, Act on the Japan Student Services Organization, Independent Administrative Agency)

JASSO's Programs

- Japan Student Services Organization (hereinafter referred to as “JASSO”) contributes to the achievement of UN Sustainable Development Goal (SDGs) #4 “Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all” through its scholarship programs for Japanese students, while working on support programs for international students, which promote international student exchanges, and student support programs, which provide support for career education and job search and for students with disabilities.

Scholarship Programs for Japanese Students

Under the philosophy of “equal opportunity for education” as stipulated in the Constitution and the Fundamental Law of Education, JASSO provides scholarships for achieving students who find it difficult to study due to financial reasons.

- Scholarship loan programs
- Scholarship grant programs

Support Programs for International Students

With globalization, JASSO implements various support programs for both the acceptance of international students and dispatch of Japanese students overseas to further promote international student exchanges.

- Study in Japan
- Promotion of Japanese students studying abroad
- Support for faculty and staff in charge of student exchange programs

Student Support Programs

JASSO aids universities and other such institutions in carrying out career education/employment support and support for disabled students, by collecting and providing best practices, surveys, trainings, and other relevant items.

- Support programs for career education and job search
- Support programs for students with special needs such as students with disabilities, etc.
- Collection, analysis, and provision of information on student life and student support efforts at universities, etc.

Types of Scholarship

- Loans or grants for school expenses are called "**scholarships**" and those receiving scholarships are called "**scholarship students**".
- Scholarships are classified into **scholarship grants** and **scholarship loans**. Scholarship loans are classified into **Category 1** and **Category 2 scholarship loans**.

Scholarship Grants

They are **scholarships basically without a repayment requirement** established with the aim of encouraging motivated and capable young persons to go to college, etc. by providing a scholarship grant so that they will not give up going to college for financial reasons. They were partially launched in FY2017, and full-fledged services were started in FY2018.

From FY2020, the scope of programs has been expanded, and we will **provide scholarships, without fail, for students, etc. from low-income households that truly need assistance**, based on the law on support for study at colleges, etc., **so that students can receive schooling at colleges etc. that help to develop individuals who can become independent and active in society.**

Scholarship Loans Category 1 Scholarship Loans

Category 1 scholarship loans (**launched in 1943**) are **interest-free loans** provided to students attending junior colleges, universities, graduate schools, colleges of technology and specialized training colleges (post secondary courses)

Loans are provided to students who are academically outstanding but who have extreme difficulties in pursuing their studies due to financial reasons.

Scholarship Loans Category 2 Scholarship Loans

Category 2 scholarship loans (**launched in 1984**) are **interest-bearing loans** provided to students attending junior colleges, universities, graduate schools, colleges of technology (4th and 5th year students) and specialized training colleges (post secondary courses).

Eligibility requirements for Category 2 are not as strict as with that for Category 1 loans.

Political Position of Scholarship Programs

The Constitution of Japan and Fundamental Law of Education

[The right to receive education]

Article 26, The Constitution of Japan

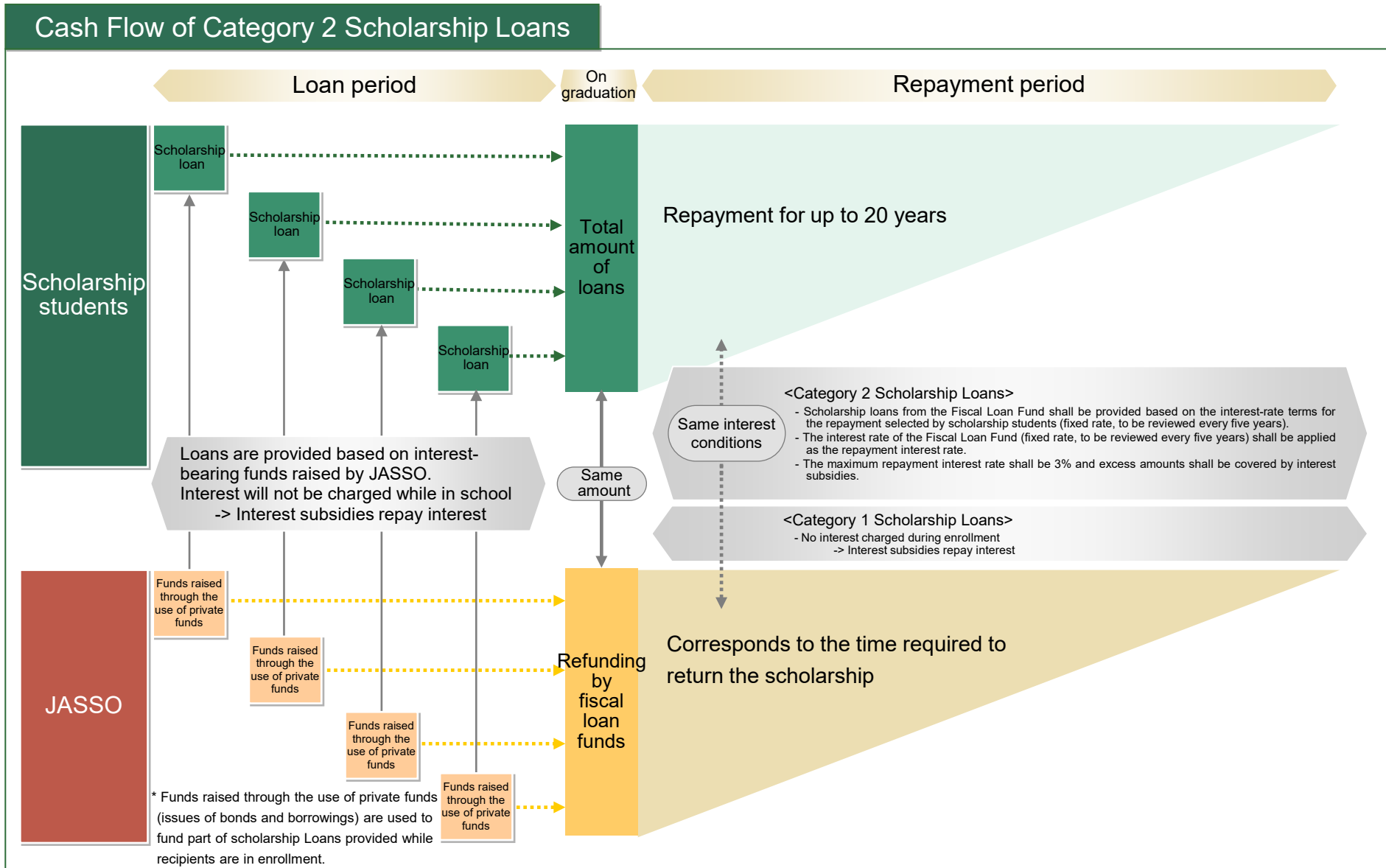
- All people shall have the right to receive an equal education correspondent to their ability, as provided by law.

[Equal opportunity in education]

Article 4, Fundamental Law of Education

- Citizens shall all be given equal opportunities to receive education according to their abilities, and shall not be subject to discrimination in education on account of race, creed, sex, social status, economic position, or family origin.
- The national and local governments shall provide support in education to persons with disabilities, to ensure that they are given adequate education in accordance with their condition.
- The national and local governments shall take measures to provide financial assistance to those who, in spite of their ability, encounter difficulties in receiving education for economic reasons.

Funding, Loan Provision, Repayment and Interest Rates for Category 2 Scholarship Loans (including use of fiscal loan funds of Category 1 Scholarship Loans)



Social Role/Creditworthiness, Product Quality

- 1** Organization responsible to protect **right to receive education**, under Article 26 of Japanese Constitution, ensure **equal opportunity in education**, under Article 4 of Basic Act on Education.
- 2** Scholarship loan programs that support Japan's education policy.
(Funds raised through JASSO bonds are used to fund part of Category 2 scholarship loans provided while recipients are in enrollment)
- 3** JASSO Bond will **continue to be issued as a social bond**.

Societal role /creditworthiness

- Contributes to the development of human resources who will be responsible for the next generation of society
- Serves increasing needs for equal opportunity in education in response to changing societal trends.
- Strong national government support, including financial assistance.

Product quality

- **Issued quarterly**
- **Provides general collaterals**
- BIS risk weight: **10%**
- **Satisfies BOJ eligible collateral requirements**
- **Social Bond**
 - **A Second Party Opinion was obtained from JCR**
- High credit ratings
 - **AA+ (R&I)**
 - **AAA (JCR)**

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 funds raised through JASSO Bonds are used for Category 2 scholarship loans.
- The Category 2 scholarship loans 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 issuance dates of JASSO bonds are scheduled two business days before the dates when scholarship loans are deposited in recipient accounts. The entire amount raised in the issuance is appropriated and the scheme ensures there will be no unappropriated funds.

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.
- The criteria applied for Category 2 scholarship loans are less strict than Category 1 scholarship loans. In principle, 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.

- The information herein has been prepared solely for information purposes and is not a solicitation of an offer to buy or sell any security or instrument.
- Investors are responsible for making their own investment decisions based on available latest data sources.



The green part, in the shape of the wing, represents young people opening up to their potential.

The orange part, in the shape of the palm of a hand, represents JASSO's role in supporting youth.

The two shapes combine to form the letter "S", which stands for the initial letter of "Student Services."

In addition, the green color of the wing represents the sound growth of the younger generation, and the orange color of the palm represents JASSO's philosophy and enthusiasm toward its activities.

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