

Tokyo Kyodo Accounting Office
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Tokyo Kyodo Accounting Office, as a service organization, has just completed its update for examination process under AT-C 320, AT-C 105 and AT-C 205 Type 2 and ISAE3402 Type 2, with an assertion by its management.

Tokyo Kyodo Accounting Office (here in after referred to as “TKAO”) as a service organization in financial industry, has just obtained updated AT-C320 Type 2 and ISAE3402 Type 2 report. Attestation Standards AT-C Section 320 (AT-C320), AT-C Section 105 (AT-C105), and AT-C Section 205 (AT-C205) (here in after referred to as “AT-C320”), and International Standard on Assurance Engagements 3402 “Assurance Reports on Controls at a Service Organization” (here in after referred to as “ISAE3402”) are reporting standards based on Attestation Standards and International Standard on Assurance Engagements, respectively.

At requests from market participants, TKAO, as an administrative service organization, has long been providing more than 9,800 user entities (Special Purpose Vehicles in structured finance with various asset types and schemes, here in after referred to as “Vehicles”) with administrative services including cash management services of the Vehicles.

Recently, the Financial Instruments and Exchange Act of Japan has set forth statutory obligations for the financial instruments business operators such as bankers and asset managers. Such obligations and rules clearly require that the financial instruments business operators should strictly examine reliability and adequacy of administrative service organizations. Consequently, financial instruments business operators become more concerned about operational quality of the administrative service organizations; it is critical how such business operators identify the adequacy of operational reliability when they outsource their administrative operation.

TKAO has just completed a management description on administrative operations of the Vehicles relevant to effective internal control over financial reporting on Vehicle administrative operations pursuant to AT-C320 and obtained the service auditor’s report (“AT-C320 Type 2 report”) on it through the period of 1 October 2023 to 30 September 2024 in accordance with AT-C320. At the same time, TKAO has just completed a similar procedure pursuant to ISAE3402

and obtained the service auditor's assurance report ("ISAE3402 Type 2 report") through the same period in accordance with ISAE3402.

AT-C320 superseded AT801 "Reporting on Controls at a Service Organization".

We hope the AT-C320 Type 2 and ISAE3402 Type 2 report will facilitate our customers' speedy and effective procedure when they assess our controls likely to be relevant to their internal control over financial reporting.

The summary of the AT-C320 Type 2 and ISAE3402 Type 2 report is as follows;

Attestation/Assurance standards:

(1) Attestation Standards AT-C Section 320 (AT-C320), AT-C Section 105 (AT-C105), and AT-C Section 205 (AT-C205) American Institute of Certified Public Accountants (AICPA)

(2) International Standard on Assurance Engagements 3402 (ISAE3402) "Assurance Reports on Controls at a Service Organization", International Auditing and Assurance Standards Board (IAASB)

Scope: Administrative operations of the Vehicles relevant to their effective internal control over financial reporting

Period: 1 October 2023 to 30 September 2024

Service Auditor: Ernst & Young ShinNihon LLC

This AT-C320 Type 2 and ISAE3402 Type 2 report is intended solely for the information and use of user entities of TKAO's Vehicle administrative operations through the period of 1 October 2023 to 30 September 2024, and the independent auditors of such user entities, who have a sufficient understanding to consider it, along with other information including information about controls implemented by user entities themselves, when obtaining an understanding of user entities information and communication systems relevant to financial reporting. This report is not intended to be and should not be used by anyone other than these specified parties. Accordingly, Ernst & Young ShinNihon LLC, the service auditor of the AT-C320 attestation and ISAE3402 assurance has no responsibility whatsoever to anyone other than TKAO, user entities of TKAO's, and the independent auditors of such user entities regardless any liability is found attributable to Ernst & Young ShinNihon LLC. This AT-C320 Type 2 and ISAE3402 Type 2 report should be disclosed in the original complete and unaltered form Ernst & Young ShinNihon LLC provided so that users of this report could understand the original meanings of items such as the scope, the procedures performed by the service auditor, and conclusions in this report.

Because of their nature, controls at a service organization may not prevent, or detect and correct, all errors or omissions in processing or reporting transactions. The projection to the future of any evaluation of the fairness of the presentation of the description, or any conclusions about the suitability of the design or operating effectiveness of the controls to achieve the related control objectives is subject to the risk that controls at a service organization may become ineffective or fail. This AT-C320 Type 2 and ISAE3402 Type 2 report expresses the service auditor's opinion on the above mentioned scope only through the period of 1 October 2023 to 30 September 2024.

TKAO will continuously take examinations for AT-C320 and ISAE3402 Type 2.

TKAO is and will be continuing its effort to enhance operational quality and reliability through robust internal control in order to provide customers with appropriate services for stable financial schemes.

Sincerely yours,

Tokyo Kyodo Accounting Office Co. Ltd.

Financial Solutions Division, Back office services group

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