

1Q 2019 Investor Presentation

May 8, 2019

Disclaimer

Certain statements contained in this release are forward-looking statements and are based on future expectations, plans and prospects for the Company's business and operations that involve a number of risks and uncertainties. The forward-looking statements and other information in this release are made as of the date hereof (except where noted otherwise), and the Company undertakes no obligation (nor does it intend) to publicly supplement, update or revise such statements on a going-forward basis, whether as a result of subsequent developments, changed expectations or otherwise. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Company is identifying examples of factors, risks and uncertainties that could cause actual results to differ, perhaps materially, from those indicated by these forward-looking statements. Those factors, risks and uncertainties include, but are not limited to, credit market disruptions or economic slowdowns, which could affect the volume of debt and other securities issued in domestic and/or global capital markets; other matters that could affect the volume of debt and other securities issued in domestic and/or global capital markets, including regulation, credit quality concerns, changes in interest rates and other volatility in the financial markets such as that due to the U.K.'s planned withdrawal from the EU; the level of merger and acquisition activity in the U.S. and abroad; the uncertain effectiveness and possible collateral consequences of U.S. and foreign government actions affecting credit markets, international trade and economic policy; concerns in the marketplace affecting our credibility or otherwise affecting market perceptions of the integrity or utility of independent credit agency ratings; the introduction of competing products or technologies by other companies; pricing pressure from competitors and/or customers; the level of success of new product development and global expansion; the impact of regulation as an NRSRO, the potential for new U.S., state and local legislation and regulations, including provisions in the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank") and regulations resulting from Dodd-Frank; the potential for increased competition and regulation in the EU and other foreign jurisdictions; exposure to litigation related to our rating opinions, as well as any other litigation, government and regulatory proceedings, investigations and inquires to which the Company may be subject from time to time; provisions in the Dodd-Frank Act legislation modifying the pleading standards, and EU regulations modifying the liability standards, applicable to credit rating agencies in a manner adverse to credit rating agencies; provisions of EU regulations imposing additional procedural and substantive requirements on the pricing of services and the expansion of supervisory remit to include non-EU ratings used for regulatory purposes; the possible loss of key employees; failures or malfunctions of our operations and infrastructure; any vulnerabilities to cyber threats or other cybersecurity concerns; the outcome of any review by controlling tax authorities of the Company's global tax planning initiatives; exposure to potential criminal sanctions or civil remedies if the Company fails to comply with foreign and U.S. laws and regulations that are applicable in the jurisdictions in which the Company operates, including data protection and privacy laws, sanctions laws, anti-corruption laws, and local laws prohibiting corrupt payments to government officials; the impact of mergers, acquisitions or other business combinations and the ability of the Company to successfully integrate such acquired businesses; currency and foreign exchange volatility; the level of future cash flows; the levels of capital investments; and a decline in the demand for credit risk management tools by financial institutions. These factors, risks and uncertainties as well as other risks and uncertainties that could cause Moody's actual results to differ materially from those contemplated, expressed, projected, anticipated or implied in the forward-looking statements are described in greater detail under "Risk Factors" in Part I, Item 1A of the Company's annual report on Form 10-K for the year ended December 31, 2018, and in other filings made by the Company from time to time with the SEC or in materials incorporated herein or therein. Stockholders and investors are cautioned that the occurrence of any of these factors, risks and uncertainties may cause the Company's actual results to differ materially from those contemplated, expressed, projected, anticipated or implied in the forward-looking statements, which could have a material and adverse effect on the Company's business, results of operations and financial condition. New factors may emerge from time to time, and it is not possible for the Company to predict new factors, nor can the Company assess the potential effect of any new factors on it.

Table of Contents

1. Moody’s Overview
2. Financial Overview
3. Capital Markets Overview
4. Moody’s Investors Service (MIS)
5. Moody’s Analytics (MA)
6. Appendix

1

Moody’s Overview

Moody's Mission: To be the World's Most Respected Authority Serving Risk-Sensitive Financial Markets

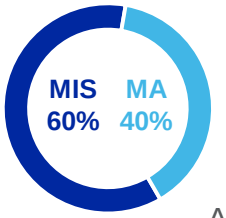
Moody's Investors Service

- Independent provider of credit rating opinions and related information for over 100 years
- Proven ratings accuracy and deeply experienced analysts
- Expanded sales and marketing activities in Commercial group

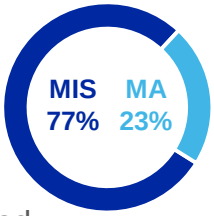
Moody's

Leading global provider of credit rating opinions, insight and tools for financial risk measurement and management

Revenue of $4.5 billion



Adjusted Operating Income of $2.1 billion



Adjusted Operating Margin

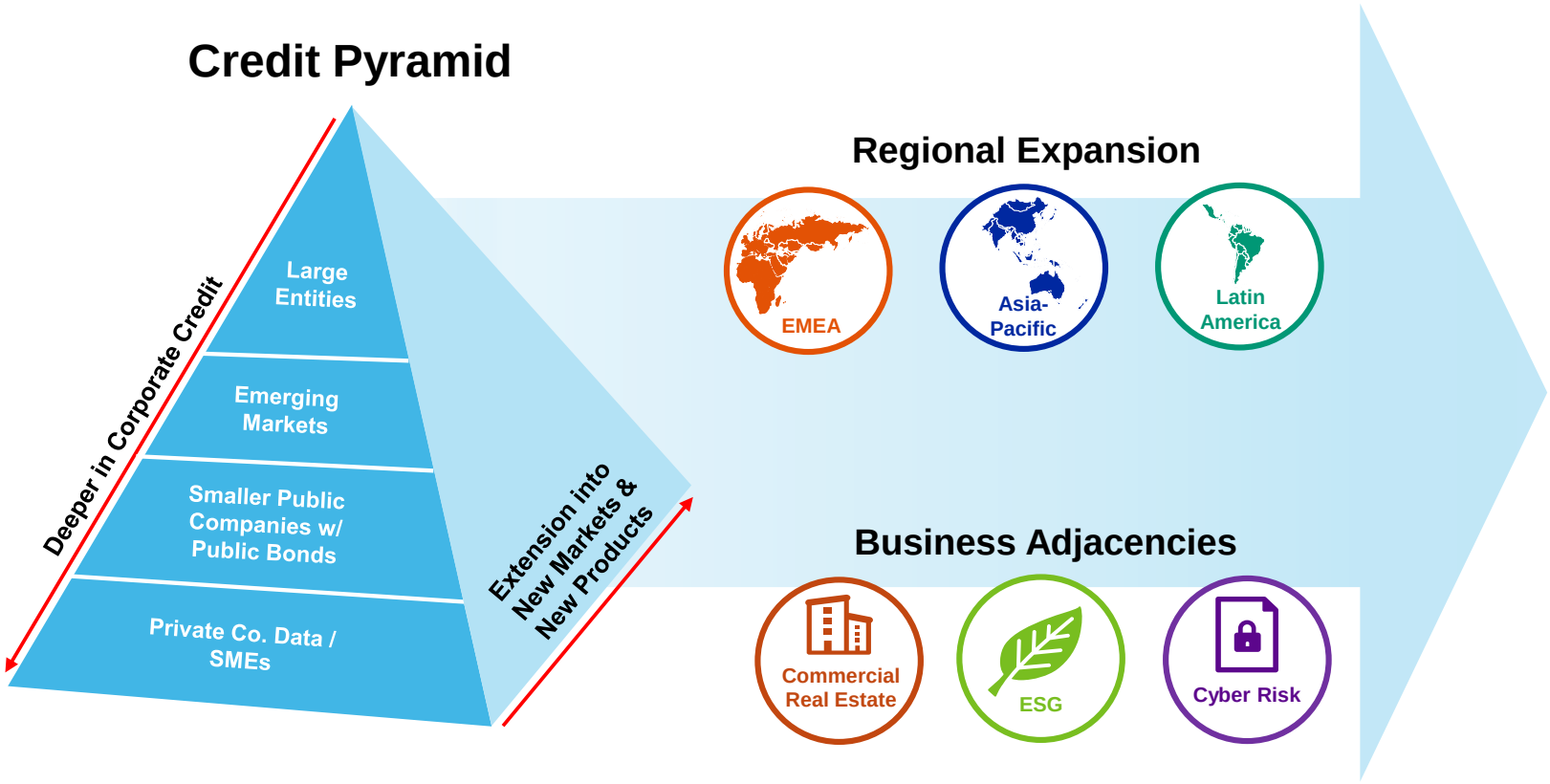
MIS	MA
57.5%	27.2%

Moody's Analytics

- Provides financial intelligence and analytical tools supporting our clients' growth, efficiency and risk management objectives
- Solutions address diverse needs and customers
- Extending brand into new markets and deepening customer relationship

Note: Financial data for the trailing twelve months ended March 31, 2019.

Moody's Strategic Priorities



Enhance technology infrastructure to enable automation, innovation and efficiency

Foster employee engagement and creative solutions through our **diverse workforce and inclusive environment**

Why Invest in Moody's?



We strive to be the world's most respected authority serving risk-sensitive financial markets



We have had strong revenue and earnings growth, as well as cash flow conversion



We are committed to returning capital to our shareholders



We will selectively invest in strategic growth opportunities

Globally and locally acknowledged for award-winning tools to measure and manage risk.

Moody's Investors Service

Market Leadership Award, Islamic Finance Intelligence & Ratings: 2016–2018

Best Islamic Finance Rating Agency: 2015

Best Credit Rating Agency Mexico: 2018

#1 US Credit Rating Agency: 2012–2018

Multi-award winner including best rating agency categories: 2015-2018

Multi-award winner: 2016–2017

Green Rating Agency of the Year: 2017

Australian Rating Agency of the Year: 2014–2017

Best Islamic Rating Agency: 2015, 2017

Best CLO Rating Agency: 2016–2017

Best Rating Agency: 2017

#1 US Rating Agency: 1997–2017

Most Influential Credit Rating Agency: 2013–2016*

#1 Asia Credit Rating Agency: 2012–2016*

* discontinued in 2017

Moody's Analytics

Ranked 19th in the Overall Top 100 Rankings

#1 IFRS 9

#1 Asset and Liability Management

#1 Regulatory Capital Calculation and Management

#1 Economic Capital Calculation and Management

Best Credit Risk Solution Provider – RiskCalc™

Credit Data Provider of the Year

Wholesale Credit Modeling Software of the Year

Credit Stress Testing Product of the Year

Credit Risk Technology Category Leader

CECL Technology Category Leader

Balance Sheet Management Technology Category Leader

Compliance Risk Technology Implementation of the Year and Credit Risk Technology Implementation of the Year

CLO Data Provider of the Year

Innovation in Customer Service - Financial Services Industries

Best ESG Solution

Best Solvency II Solution

Best Solvency II Tech Solutions Category Winner

Technology Vendor of the Year

Stress Testing Product of the Year Category Winner

Economic Scenario Generation Product of the Year Category Winner

Solvency II Product of the Year Category Winner

Regulatory Reporting Product of the Year Category Winner

Best Buy-Side Market Surveillance Tool Category Winner – Structured Finance Portal

Ranked 5 out of 100

Credit Risk Category Winner

Enterprise Stress Testing Solution Category Winner

Winner, 2012 Expectations category (2- and 3-Year Horizon)

MOODY'S

moodys.com/awards

ESG Drives Sustained Corporate Value

Introduced ESG Disclosures in our Public Filings

ENVIRONMENTAL

- Measurement of carbon emissions and identification of opportunities to reduce indirect GHG emissions
- Expansion of ESG products and services
- CDP participation

GOVERNANCE

- Professional integrity
- Systematic risk management
- Diverse Board membership and skill sets
- Separate CEO and Chairman positions
- Active shareholder engagement

SOCIAL

- Support a diverse and inclusive workplace
- Active global community and philanthropic involvement
- Robust data security and privacy practices
- Fair compensation practices and benefits packages
- Recognized as top 10 employer by *Working Mother's* list of 100 Best Companies



Executive compensation metrics include[1]:

- Moody's Corporation EPS, operating income and EBITDA
- MIS operating income and ratings accuracy
- MA operating income and sales
- Strategic & operational[2]

1. While the Company reports its financial results in accordance with GAAP, financial performance targets and results under the Company's incentive plans are based on adjusted financial measures. These metrics and the related performance targets are relevant only to Moody's executive compensation program and should not be used or applied in other contexts.
2. This measure is a qualitative assessment of strategic and operational metrics tied to key non-financial business objectives certified by the Compensation & Human Resources Committee at the beginning of the performance period. The Committee assessed the achievement of the metric by evaluating performance against the following objectives: (i) new sources of growth; (ii) quality assurance and controls; (iii) operating effectiveness and efficiency; (iv) people and culture; (v) risk management; and (vi) enabling technologies and capabilities.

2

Financial Overview

Long-Term Growth Opportunities

Three Levers to Achieve EPS Growth



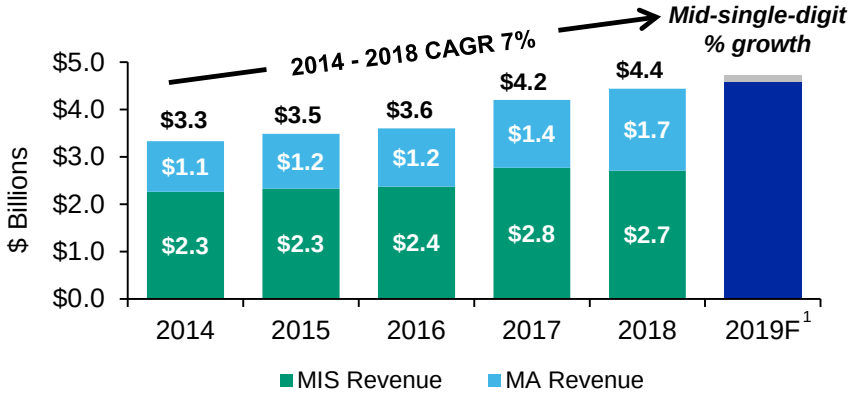
EPS	Low Teens % Growth Range[1, 2]

Note: Long-term growth opportunities presented on this slide are on average over time.

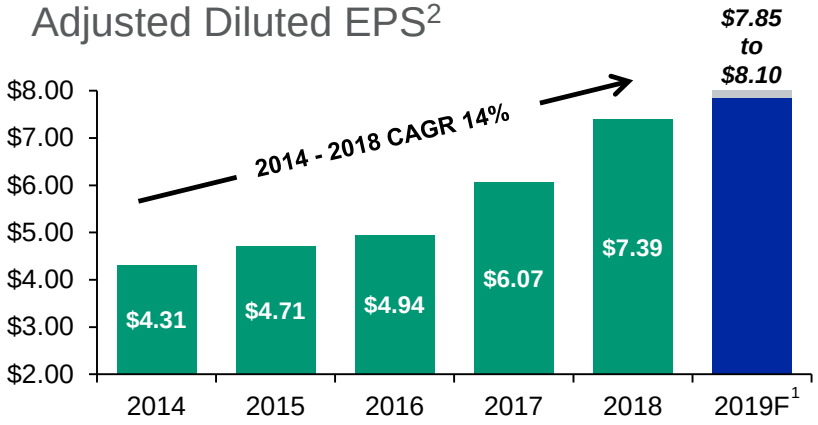
1. Assumes no material change in effective tax rate, foreign exchange rates, leverage profile and/or capital allocation policy.
2. Subject to market conditions and other ongoing capital allocation decisions.

Financial Performance

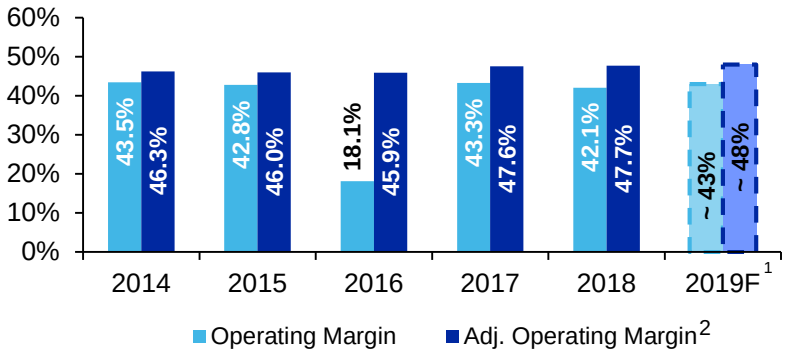
Revenue



Adjusted Diluted EPS[2]

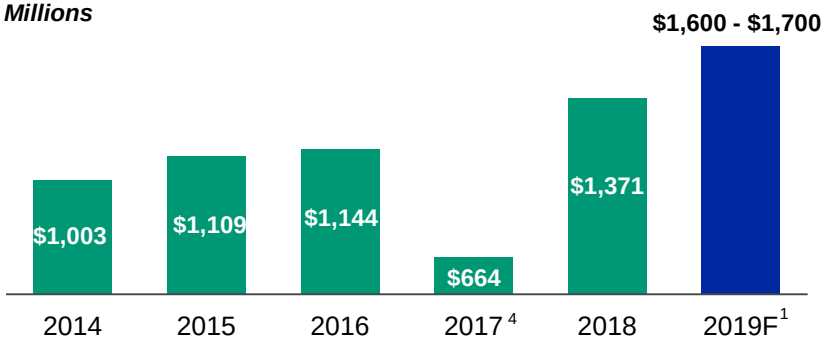


Operating Margin[3]



Free Cash Flow[2]

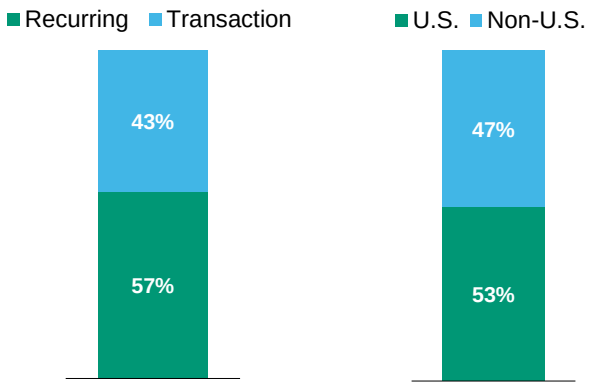
$ Millions

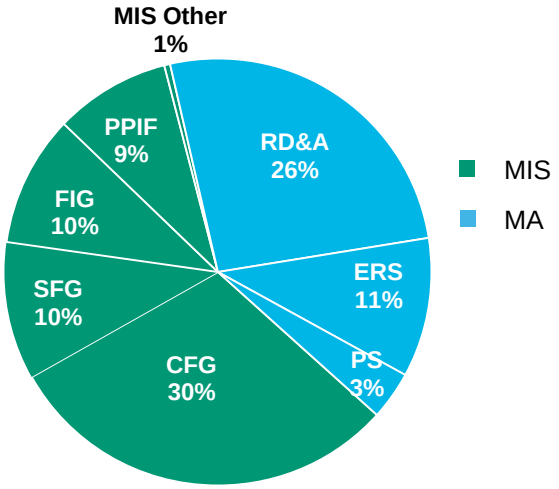


1. Guidance as of April 24, 2019.
2. These figures are adjusted measures. See appendix for reconciliations from adjusted financial measures to U.S. GAAP.
3. 2014 – 2017 operating and adjusted operating margins have been restated to conform to the new presentation for pension expenses.
4. Net of $701 million tax settlement charge.

Moody's Corporation Financial Profile

1Q 2019 TTM Revenue: $4.5 billion





Full Year 2019 Revenue Guidance as of April 24, 2019[1]

Revenue	•	increase in the mid-single-digit % range
Operating Expenses[2]	•	increase in the mid-single-digit % range
Operating Margin	•	approximately 43%
Adjusted Operating Margin[3]	•	approximately 48%
Effective Tax Rate	•	21% - 22%
Diluted EPS	•	$7.30 - $7.55
Adjusted Diluted EPS[3]	•	$7.85 - $8.10

1. See press release titled "Moody's Corporation Reports Results for First Quarter 2019" from April 24, 2019 for Moody's full 2019 guidance.
2. Includes depreciation and amortization, Acquisition-Related Expenses and restructuring charges.
3. These metrics are adjusted measures. See Appendix for reconciliations from adjusted financial measures to U.S. GAAP.

Note: The revenue reclassifications of REITs from Corporate Finance to Structured Finance and the FACT product from RD&A to ERS are reflected in the trailing twelve month (TTM) calculations.

Disciplined Approach to Capital Allocation…

Investing in Growth Opportunities

Reinvestment

Invest in existing businesses to support organic growth

Acquisitions

Evaluate carefully to make sure aligned with strategy and market evolution

Return of Capital

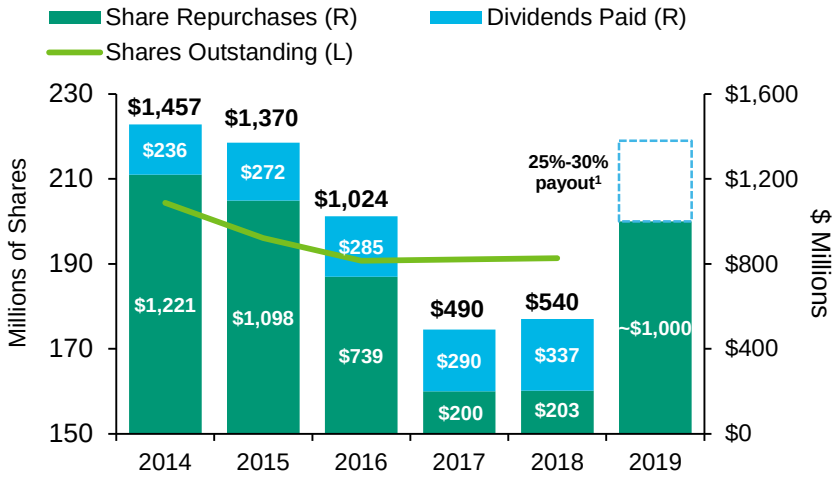
Dividends

Grow dividend in line with earnings; target 25% - 30% payout[1]

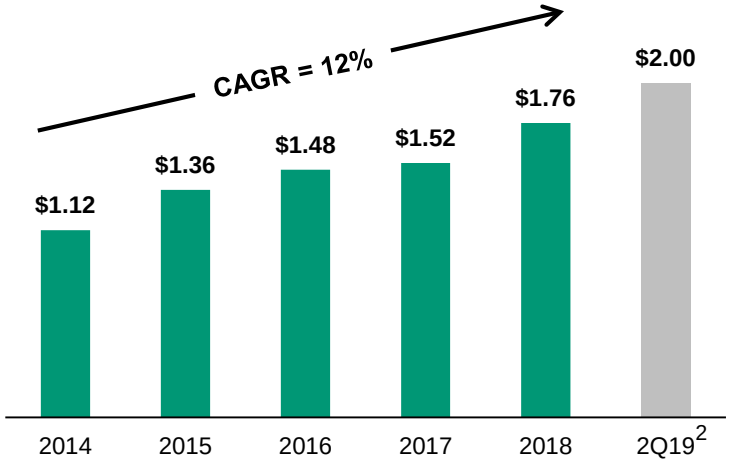
Share Repurchase

Follow reinvestment, dividends and acquisitions in capital allocation prioritization

Share Repurchases and Dividends Paid

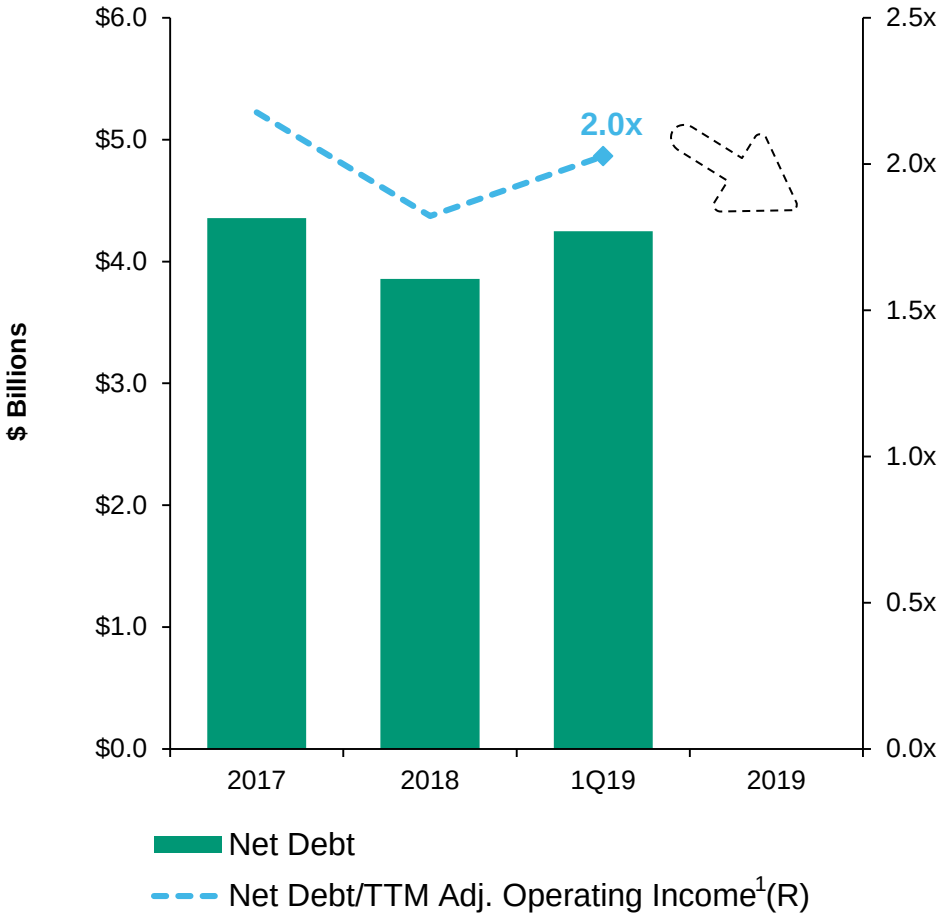


Annualized Dividend Per Share



1. Dividend payout ratio is defined as total dividends paid/adjusted net income.
2. Annualized dividend total, based on first and second quarter dividends of $0.50 declared on February 15, 2019 and April 16, 2019.

…and Capital Management



($ Billions)	TTM 1Q19[2]
Adjusted Operating Income[3]	$2.1
Interest Expense	$0.2
Capital Expenditures	$0.1
Free Cash Flow[3]	$1.3
Debt	$5.5
Cash, Cash Equivalents & ST Investments	$1.3
Net Debt	$4.2
Net Debt/Adjusted Operating Income[1]	2.0x

- Committed to leverage anchored around a BBB+ rating
- Strong track record of de-leveraging through cash flow within nine months of Bureau Van Dijk acquisition
- Well-laddered maturities; no significant debt maturities until September 2020
- Leverage expected to decline over the remainder of 2019[4]

1. Trailing twelve months adjusted operating income. Amounts are adjusted measures. See Appendix for reconciliations from adjusted financial measures to U.S. GAAP and gross debt to net debt.
2. TTM only applies to income and cash flow statement items.
3. Amounts are adjusted measures. See Appendix for reconciliations from adjusted financial measures to U.S. GAAP and gross debt to net debt.
4. Subject to market conditions and other ongoing capital allocation decisions.

2019 Guidance Drivers[1]

MIS

- **Stable** economic fundamentals and **GDP growth** in developed regions
- Market disruption to start the year, followed by **spread tightening** and **issuance markets normalization**
- Slight **contraction** assumed in annual **global issuance**
- Tighter credit seen **moderating new mandates**
- **Recurring revenue** and pricing initiatives support growth
- Issuance expected to be **flat to down 5%** compared to 2018

MA

- **Product enhancements** driving customer upgrades and new sales in RD&A, supporting growth across multiple business lines
- **Bureau van Dijk synergies** on track to achieve ~$45 million run rate
- **ERS** resumes growth as **transition** from licenses and services **to SaaS** passes inflection point
- **Reis** and **Omega** Performance integrated, and $0.02 **accretive** to adjusted diluted **EPS**

Moody's

- Restructuring: **Annualized pre-tax savings anticipated to be $40-50 million** following anticipated 2Q19 completion, providing optionality to reinvest or reduce costs depending on market conditions
- Strategic management of real estate footprint and hiring activity
- **Limited ~$10 million expense ramp**[2] expected from Q1 to Q4 2019
- Remainder of year FX assumptions: British pound (£): $1.30 to £1 and Euro (€): $1.12 to €1

1. Guidance as of April 24, 2019.
2. Expense ramp relates to total operating expenses. Total operating expenses include depreciation and amortization, Acquisition-Related Expenses and restructuring charges.

3

Capital Markets Overview

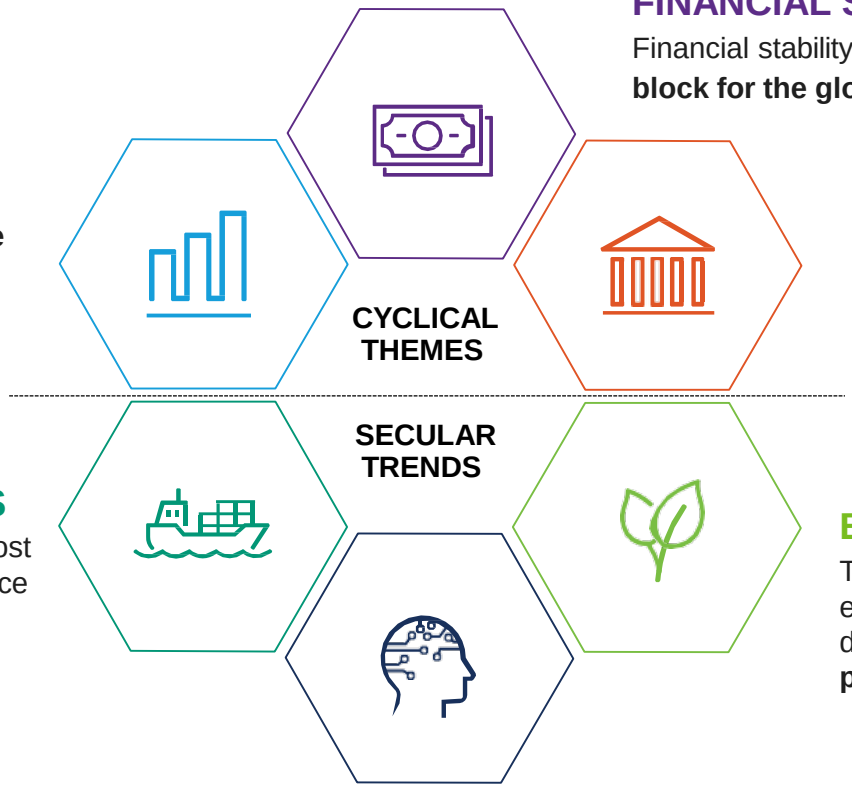
Six Main Themes Will Shape Global Credit in 2019 and Beyond

FINANCIAL STABILITY

Financial stability, a **fundamental building block for the global economy and markets**.

GROWTH

Economic growth, **a core underpinning of credit conditions and quality**.



POLITICAL RISKS

Heightened political risks will pose the **greatest source of uncertainty** to credit conditions and quality.

TRADE TENSIONS

US trade policy is the most potent, far-reaching source of **global risk with significant sector and regional impacts** that could derail the global economy.

ESG RISKS

The transition to a low-carbon economy and social and demographic change have the **potential to alter credit profiles**.

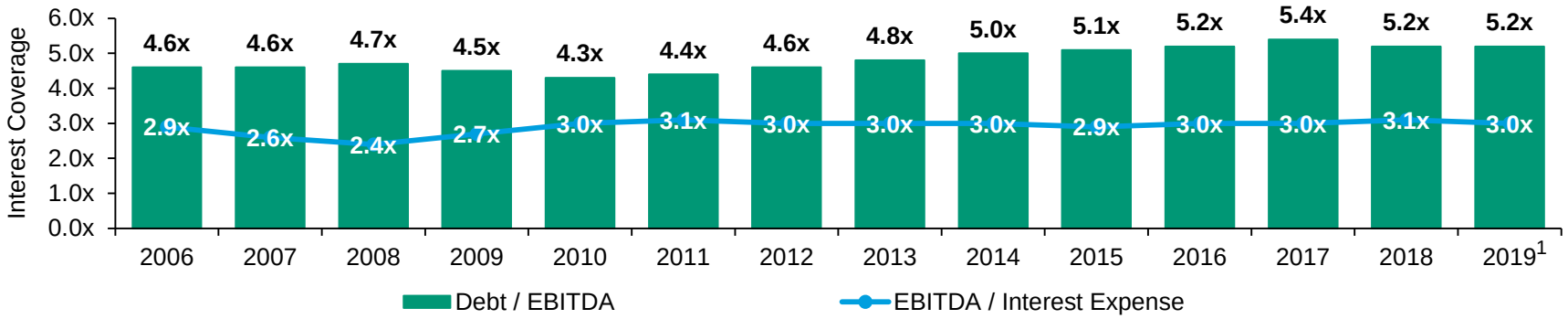
TECHNOLOGY AND INNOVATION

Technology and innovation have the **potential to reshape the credit landscape** for countries, banks and companies.

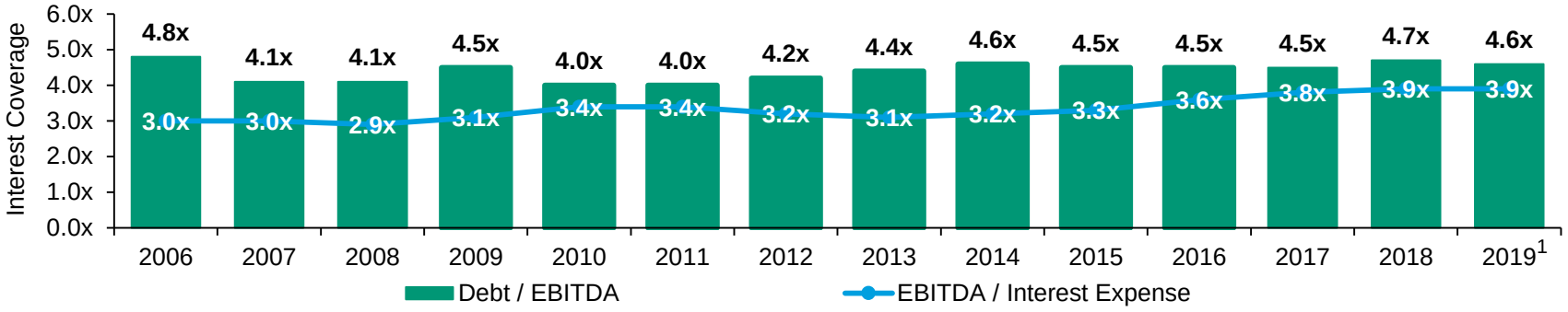
Source: Moody's Investors Service.

Debt Leverage and Interest Coverage Remain Stable in North America and Europe

Credit Metrics: North American Speculative Grade Companies



Credit Metrics: European Speculative Grade Companies

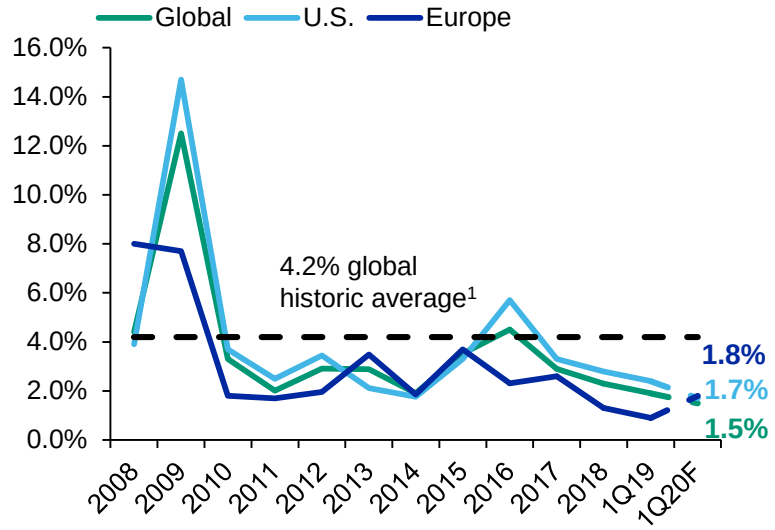


1. Trailing twelve months as of April 30, 2019.

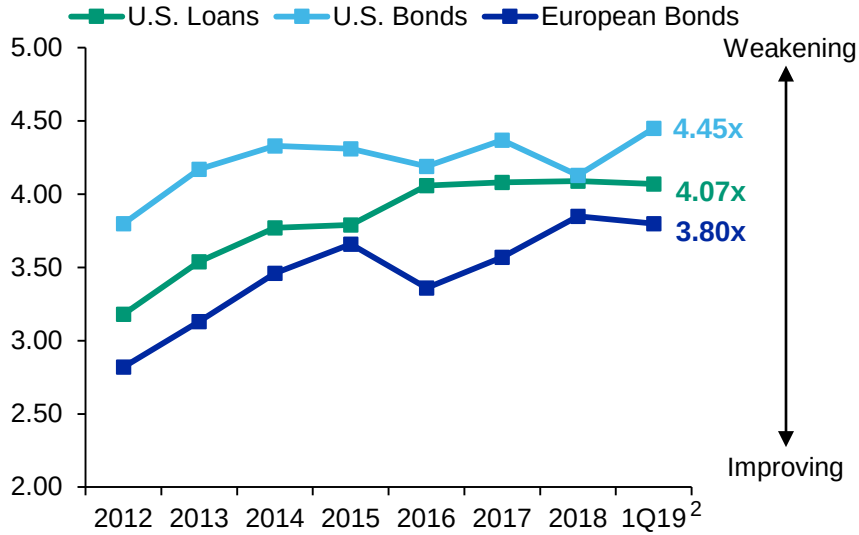
Source: Moody's Investors Service.

Global Default Rates Remain Under Historic Average; Continue to Monitor Covenant Quality

Default Rates for Speculative-Grade Corporate Rated Issuance[1]



Speculative-Grade Covenant Quality Indicators

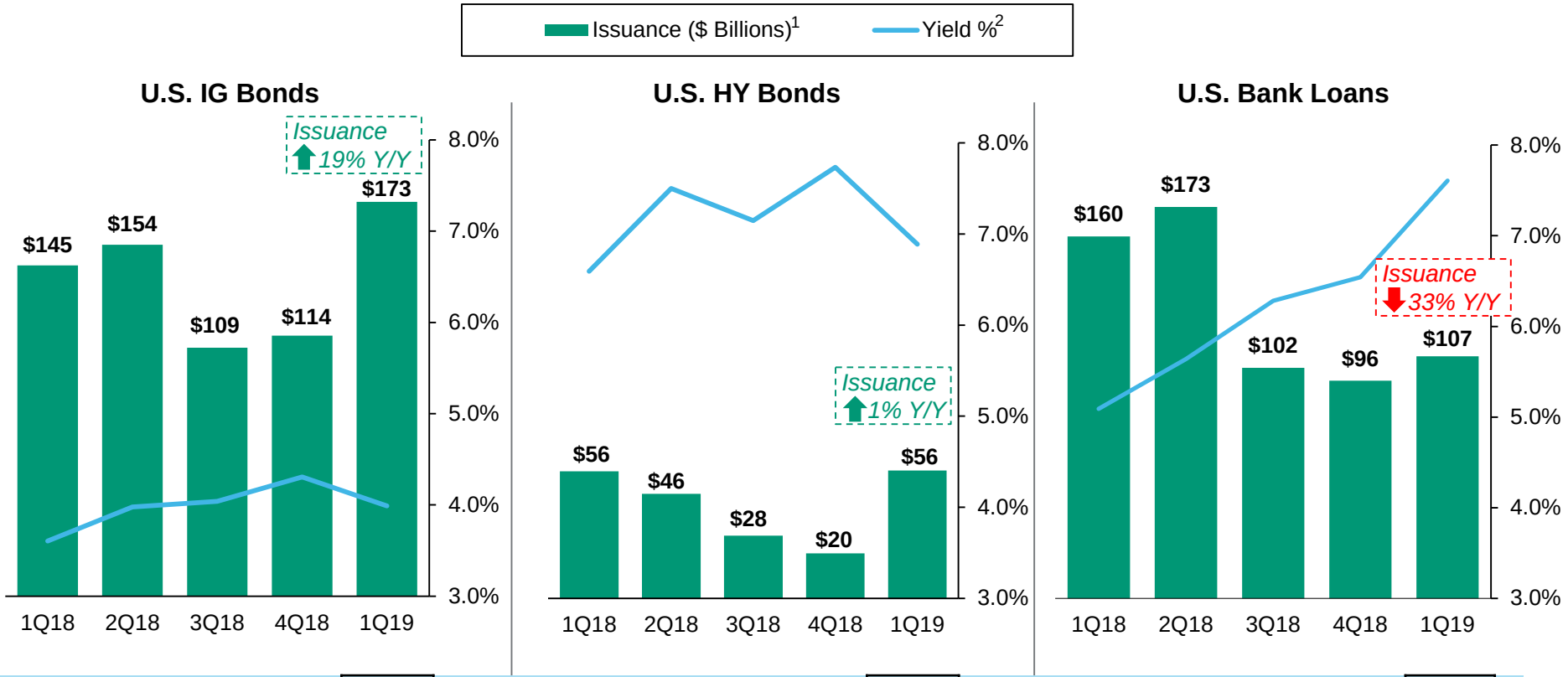


- Global speculative-grade default rate at 1.9% as of March 31, 2019; expected to decrease to 1.5% by March 2020
- Speculative-grade U.S. bond covenant quality weakening but stable leverage levels support belief that issuer credit conditions remain adequate

1. Moody's rated corporate global speculative grade default historical average of 4.2% since 1983. 2020 forecast for trailing twelve months ended March 31, 2020.
2. As of the trailing twelve months ended March 31, 2019.

Source: Moody's Investors Service.

Non-Financial Corporate Issuance: Market Preference Shifts Towards Fixed Rate Instruments

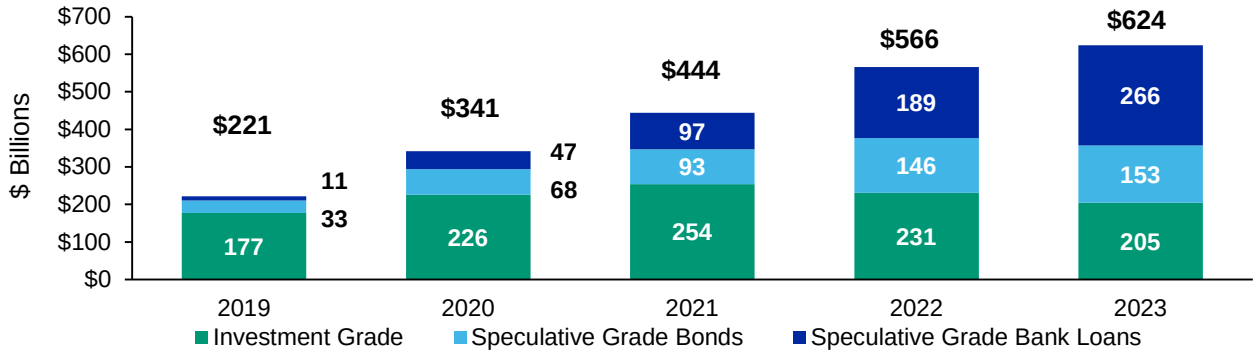


1Q19 Market Metrics[3]	IG	HY	BL
Total Returns	5.0%	7.6%	4.0%
Fund Flows ($B)	$46	$12	$(10)

1. MIS rated issuance.
2. IG yield % per Federal Reserve; HY and bank loan issuance yield % per LPC; bank loans are large corporate average.
3. Sources: Refinitiv, Lipper and Wall Street Research.

North America and EMEA Non-Financial Corporates Have Significant Refunding Needs[1]

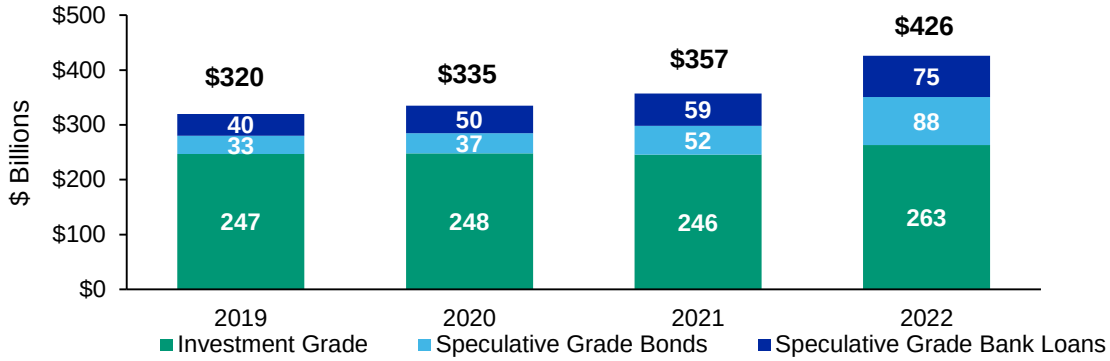
Debt Maturities: North America Moody's-Rated Corporate Bonds and Loans



Source: Moody's Investors Service, January 2019.
Note: Data represents U.S. & Canadian MIS rated corporate bonds & loans.

- Five-year debt maturities for U.S. non-financial investment-grade corporates exceed $1 trillion for the second year in a row
- Five-year U.S. speculative grade bank loans refinancing needs up $47 billion, or 8%, from a year ago

Debt Maturities: EMEA Moody's-Rated Corporate Bonds and Loans



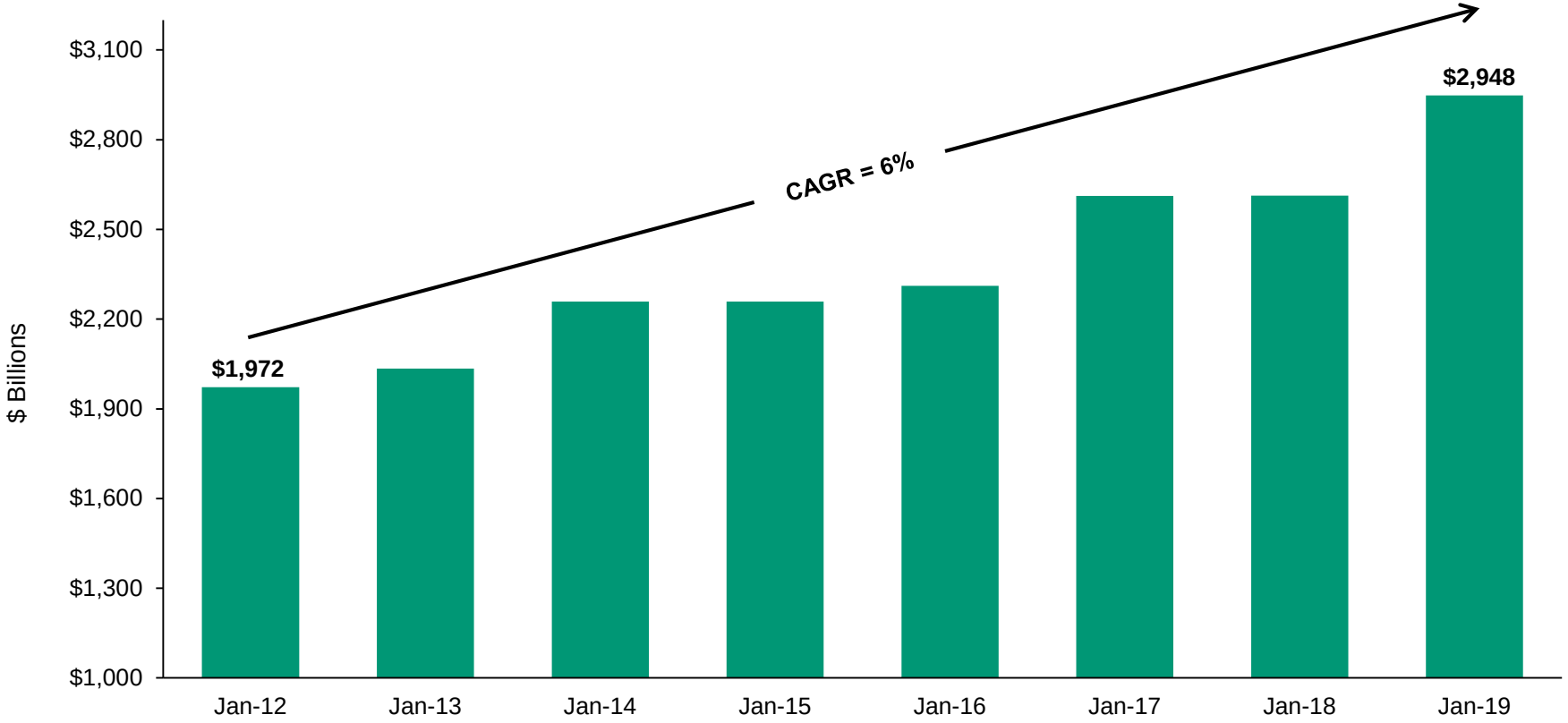
Source: Moody's Investors Service, July 2018.

- Four-year debt maturities for EMEA non-financial corporates exceed $1.4 trillion, up more than $230 billion, or 19%, from the prior year

1. Amount reflects total maturities identified in the above sources.

Refunding Needs Have Grown Strongly Over Time

Next Four Years U.S. and EMEA Total Refunding Needs[1] as of:



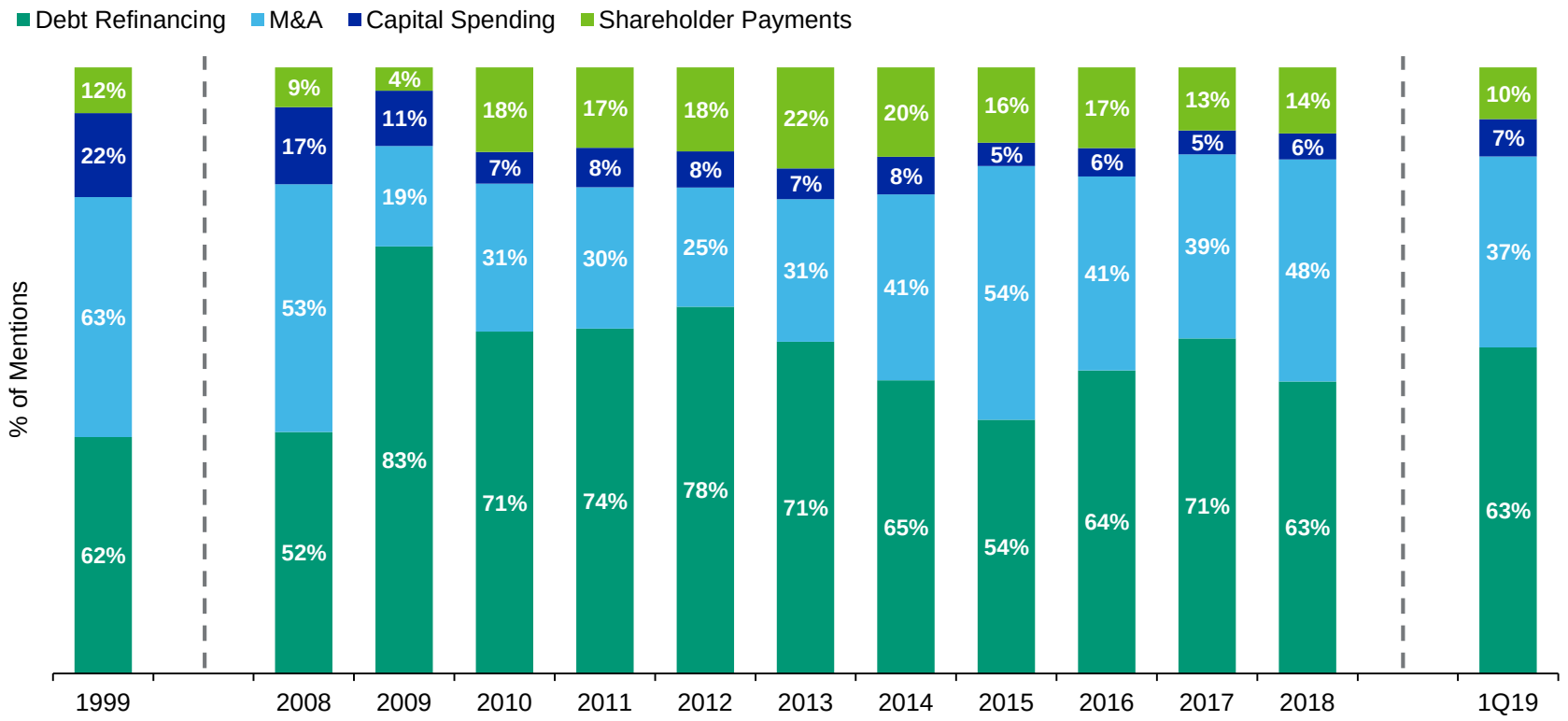
1. Amount reflects total maturities identified below.

Source: Moody's Investors Service. U.S. and EMEA refunding needs reports January 2012 – January 2019.

Note: Data represents U.S. and European MIS rated corporate bonds & loans.

Debt Refinancing and M&A are Most Frequently Stated Uses of Proceeds

Uses of Funds from USD High Yield Bonds and Bank Loans[1]

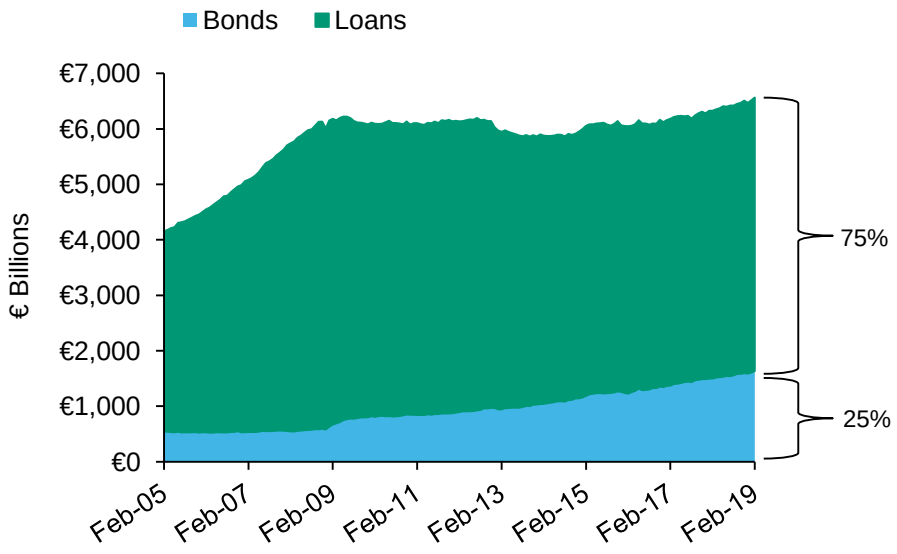


1. Percent of mentions for each respective period in bond issue or bank loan program tranche documents. Excludes issues of less than $25 million and general corporate purposes. An issue can have multiple purposes and, as a result, percentages do not sum to 100%.

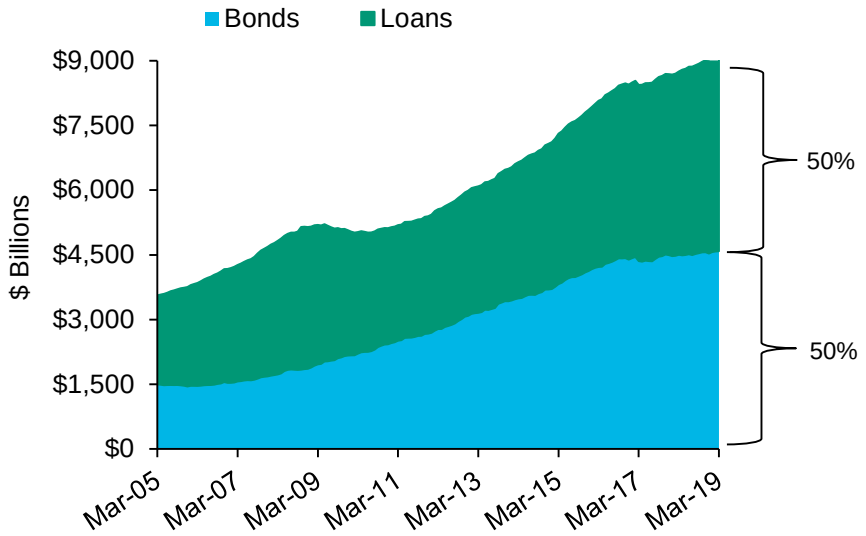
Source: Moody's Analytics.

Disintermediation of Credit is an Ongoing Trend in the Global Capital Markets

European Non-Financial Corporate Bonds vs. Bank Loans Outstanding



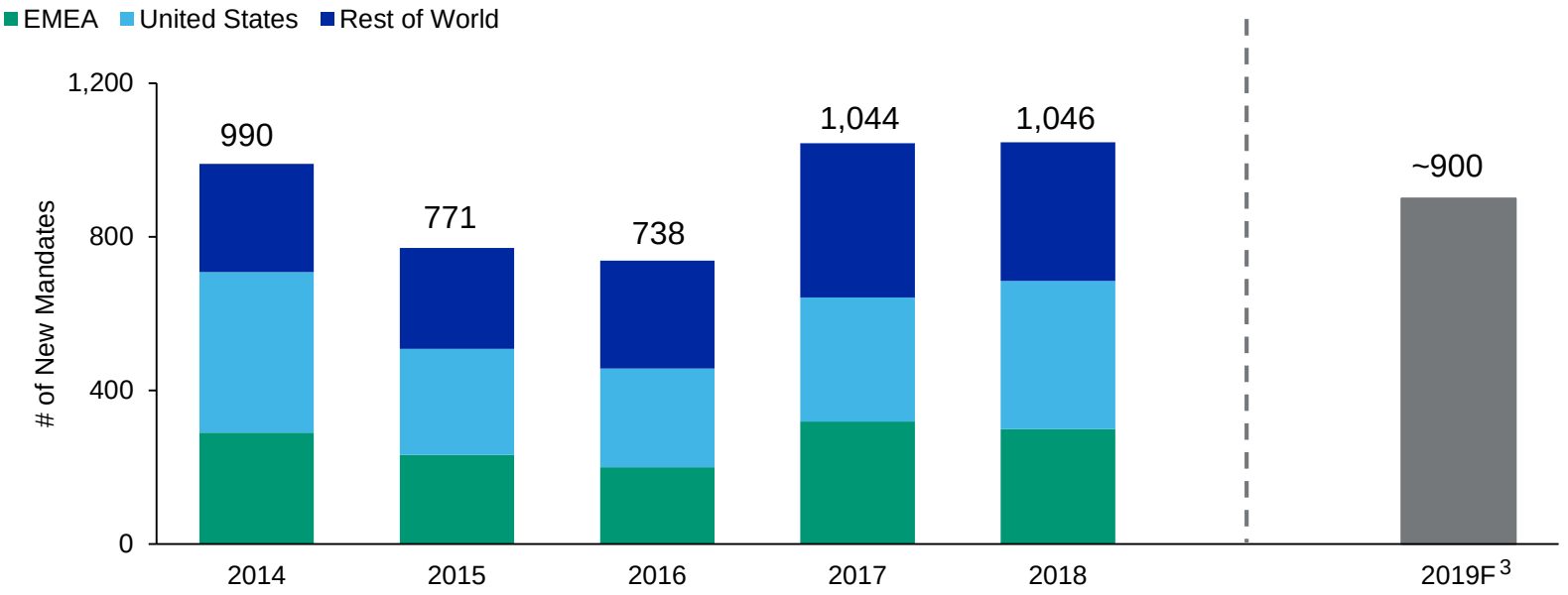
U.S. Non-Financial Corporate Bonds vs. Bank Loans Outstanding



Sources: ECB, Federal Reserve, BarCap Indices. Europe bank loan data includes Eurozone and UK bank loans. Europe bond data includes euro and sterling denominated bonds. European data is through February 2019 and U.S. data is through March 2019.

New Rating Mandates Provide Recurring Revenue[1] Growth

Global New Rating Mandates[2]



- Expect ~900 new mandates in 2019[3]
- MIS recurring revenue growth of 4% for the trailing twelve months as of 1Q19, primarily driven by increased volume of monitoring fees from recent new mandates

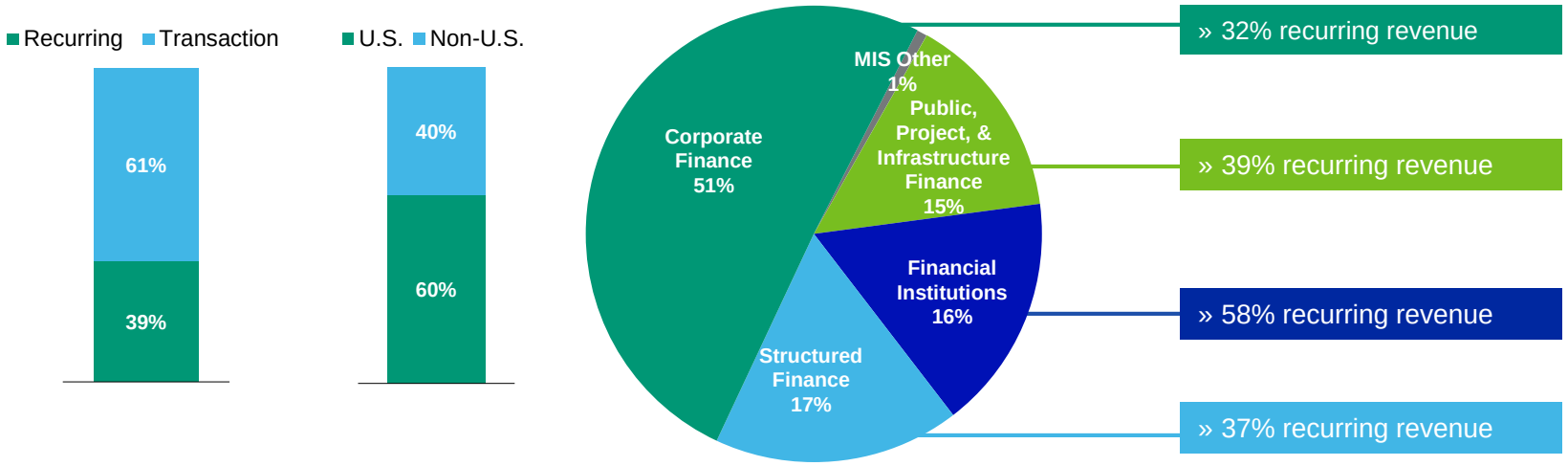
1. MIS recurring revenue is typically billed annually and recognized ratably over 12 months. Recurring revenue can also be billed upfront and recognized over the life of the security.
2. Rated by Moody's Investors Service.
3. New mandates estimate as of April 24, 2019.

4

Moody’s Investors Service

Moody's Investors Service Financial Profile

1Q 2019 TTM Revenue: $2.7 billion



Full Year 2019 Revenue Guidance as of April 24, 2019

Global	• increase in the low-single-digit % range
U.S.	• increase in the low-single-digit % range
Non-U.S.	• approximately flat
Adjusted Operating Margin	• approximately 58%

Note: The revenue reclassification of REITs from Corporate Finance to Structured Finance is reflected in the trailing twelve month (TTM) calculations.

The Benefits of a Moody's Rating



Illustrative Value of a Moody's Rating

Example: 10 year $500 million corporate bond

Unrated		Rated by Moody's
$500,000,000	**Bond**	$500,000,000
x 4.3%	**Interest rate**	x 4.0%
= $21,500,000	**Annual interest payments**	= $20,000,000
x 10 years	**Tenor**	x 10 years
= $215,000,000	**Lifetime interest expense**	= $200,000,000

$15 million in total interest expense
vs.
lifetime cost of a rating

Note: Illustrative spread differential based on feedback from syndicate desks and FBR & Co. research on Moody's Corporation (January 2014) which stated that obtaining a Moody's rating typically saves approximately 30 basis points per year for investment grade issuers. Many factors go into the pricing of a bond.

Broad Coverage Serves Global Needs







Americas

- 30,400+ rated companies and structured deals
- $34+ trillion total debt rated
- 18,600 research publications
- Offices in 10 cities*

EMEA

- 4,700+ rated companies and structured deals
- $21+ trillion total debt rated
- 6,700 research publications
- Offices in 13 cities*

APAC

- 2,100+ rated companies and structured deals
- $14+ trillion total debt rated
- 3,500 research publications
- Offices in 10 cities*

~15 Years
Lead/Senior Analyst tenure

Institutional Investor

#1 U.S. Credit Rating Agency 2012-2018[1]

1. Institutional Investor Survey.

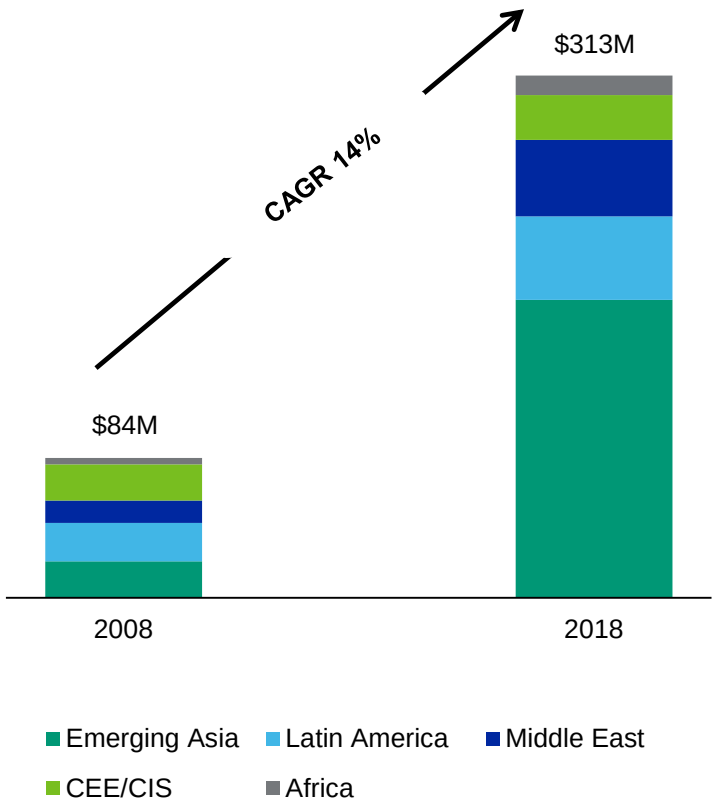
Source: Moody's Investors Service.

All data as of January, 28 2019 excluding: Research Data covers the period January 1, 2018 – December 31, 2018.

All numbers are rounded other than those marked *

Continue to Invest in Key International Markets

Revenue in Emerging Markets



Asia Pacific

- China:
  - Successful joint venture with CCXI, leading domestic rating agency
  - Cross border market rated via MIS Hong Kong office
- South Korea: Full ownership of KIS subsidiary, a leading provider of domestic credit ratings in South Korea
- India: Increased to majority stake in ICRA to serve growing domestic Indian bond market

Latin America

- Minority investments in Peru (Equilibrium) and Chile (ICR) deepen Moody's presence in dynamic and expanding markets

EMEA



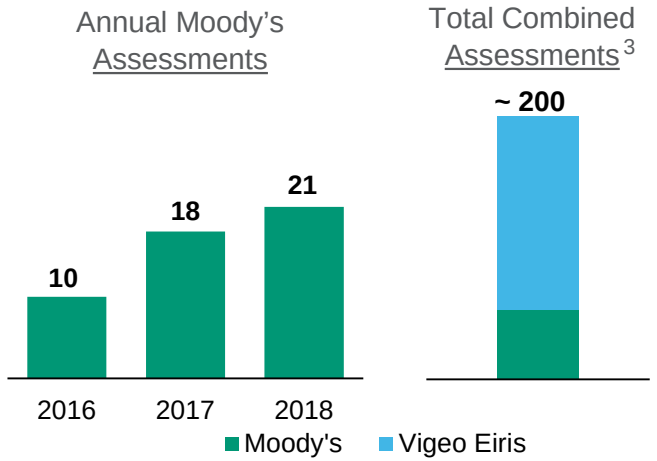
- Recently opened Moody's offices in Stockholm, Saudi Arabia and Lithuania

Moody's Investors Service ESG Initiatives

Three Primary Objectives

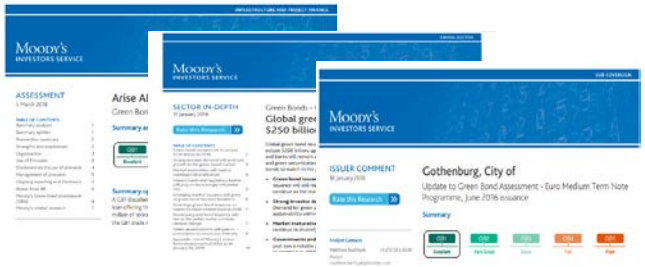
Analysis

- 2019 global green bond issuance forecast of $200 billion, a projected increase of 20% over 2018[1]
- Moody's Green Bond Assessment ("GBA") portfolio is expected to save an estimated 2.6 million metric tons of annual carbon emissions[2]
- April 2019 majority acquisition of Vigeo Eiris significantly increased Moody's presence in Green Bond Assessments



Research

- In 2018, published over 200 MIS research reports focused on ESG risks and opportunities, up ~170% from 2017

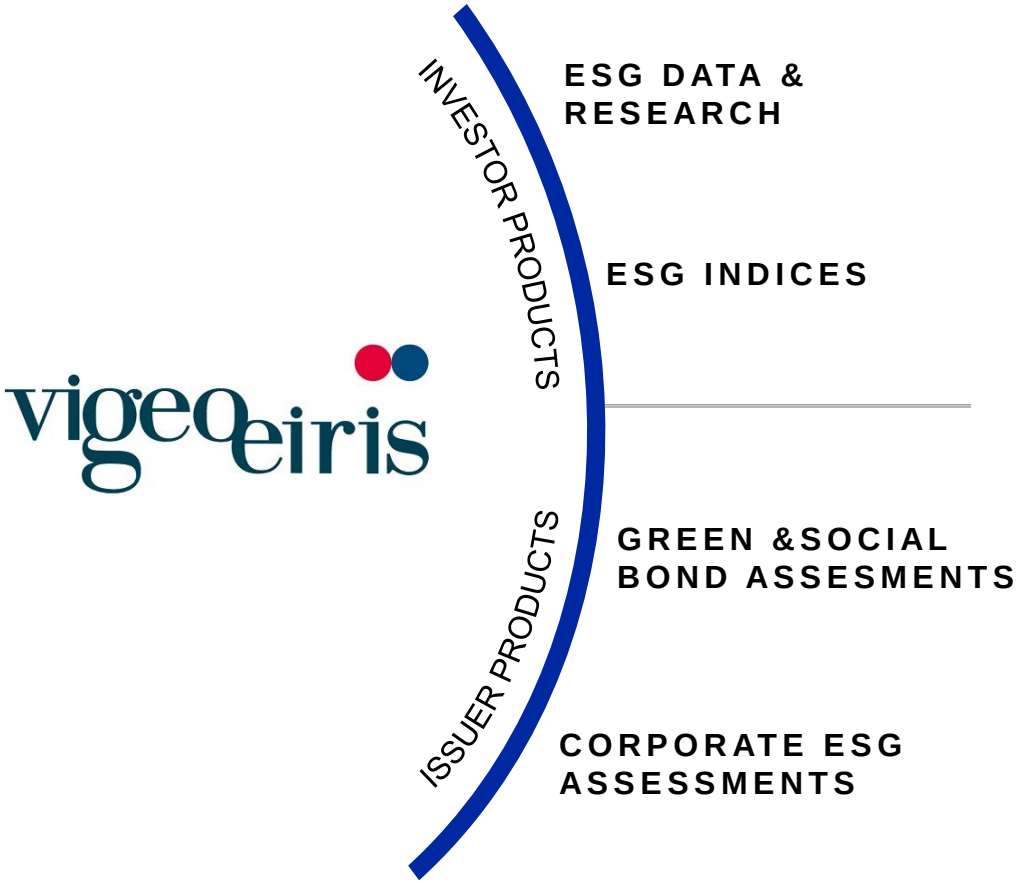


Outreach

- Participated in 65 global events in 2018 to elevate Moody's voice in ESG sphere as a thought leader
- Collaborate with key organizations and influencers in the market

1. Forecast as of January 31, 2019.
2. Based on preliminary 2018 data. Sources: Climate Bonds Initiative, Moody's Investors Service.
3. Year-to-date as of April 30, 2019. Includes more than 50 Moody's and 150 Vigeo Eiris GBAs.

Acquired a Majority Stake in Vigeo Eiris, a Global Leader in ESG Research, Data and Assessments



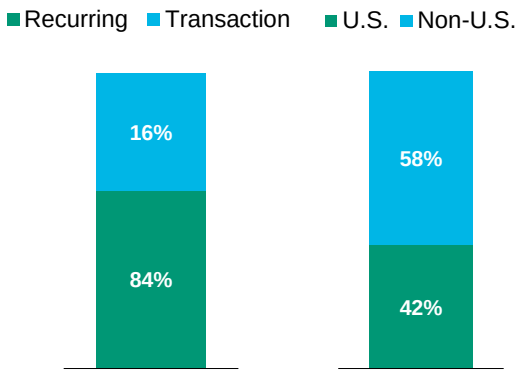
- Collects ESG data and scores on over 4,500+ companies and provides 150+ Green Bond Assessments
- Partners to provide ESG indices supporting index funds, ETFs and structured products
- Will operate as an affiliate of MIS, offering ESG related non-credit assessments
- Growth opportunity enhanced by leveraging Moody's scale and brand

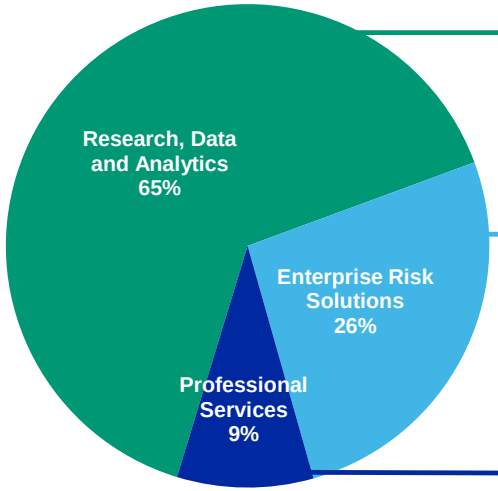
5

Moody’s Analytics

Moody's Analytics Financial Profile

1Q 2019 TTM Revenue: $1.8 billion





» 99% recurring revenue
» ~ 96% retention rate[1]

» 78% recurring revenue

» Combination of one-off contracts and semi-recurring revenue

Full Year 2019 Revenue Guidance as of April 24, 2019

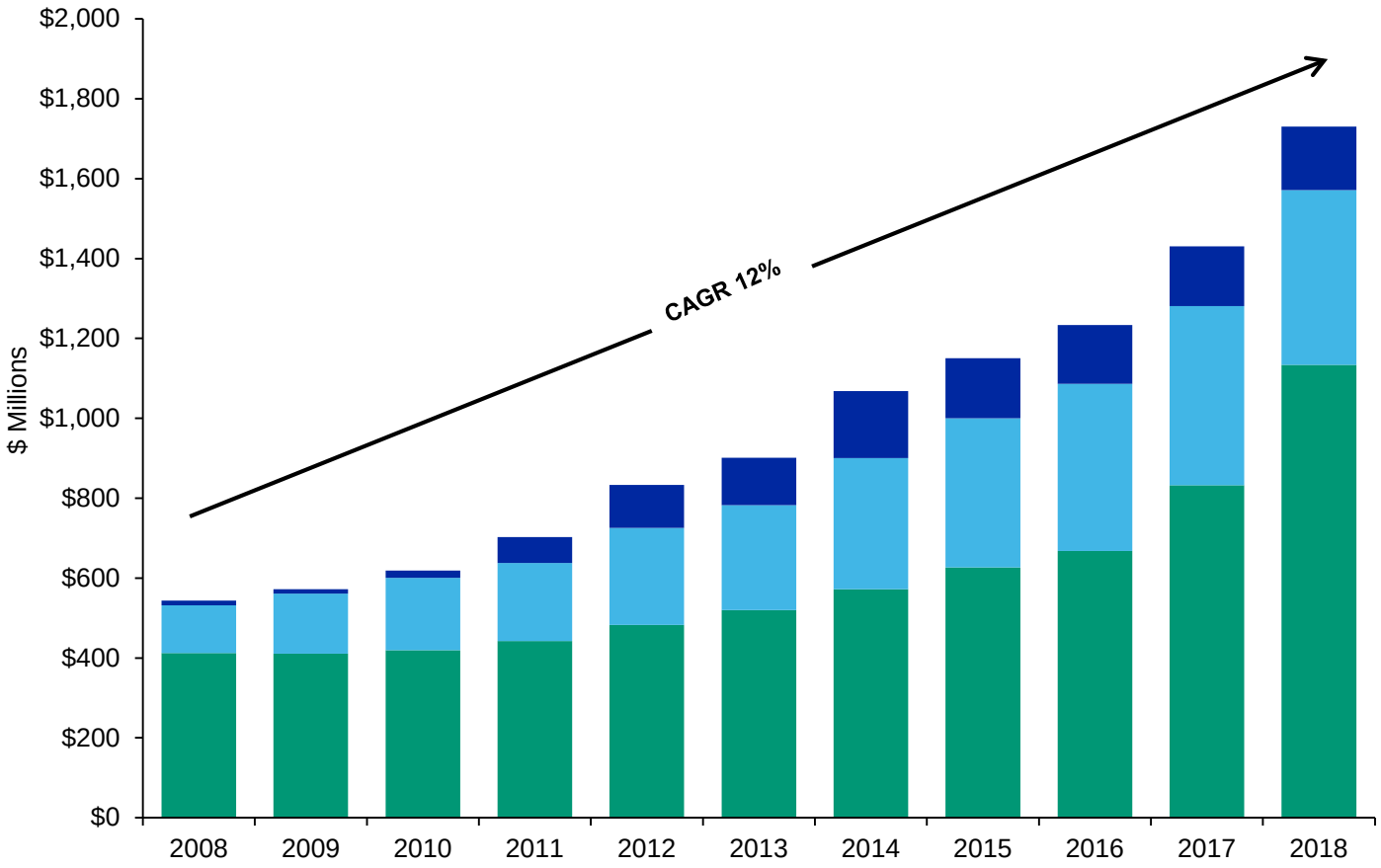
Global	• increase in the low-double-digit % range
U.S.	• increase in the mid-teens-digit % range
Non-U.S.	• increase in the high-single-digit % range
Adjusted Operating Margin	• 29% - 30%

1. Excludes Bureau van Dijk.

Note: The revenue reclassification of the FACT product from RD&A to ERS is reflected in the trailing twelve month (TTM) calculations.

Moody's Analytics has Several Platforms for Growth

Revenue More Than Tripled Since Inception



Moody's Analytics

2018 Revenue: $1,730m

2008 – 2018 CAGR: +12% (~55% organic)

Professional Services

2018 Revenue: $159m

2008 – 2018 CAGR: +30% (~18% organic)

Enterprise Risk Solutions

2018 Revenue: $437m

2008 – 2018 CAGR: +14% (~66% organic)

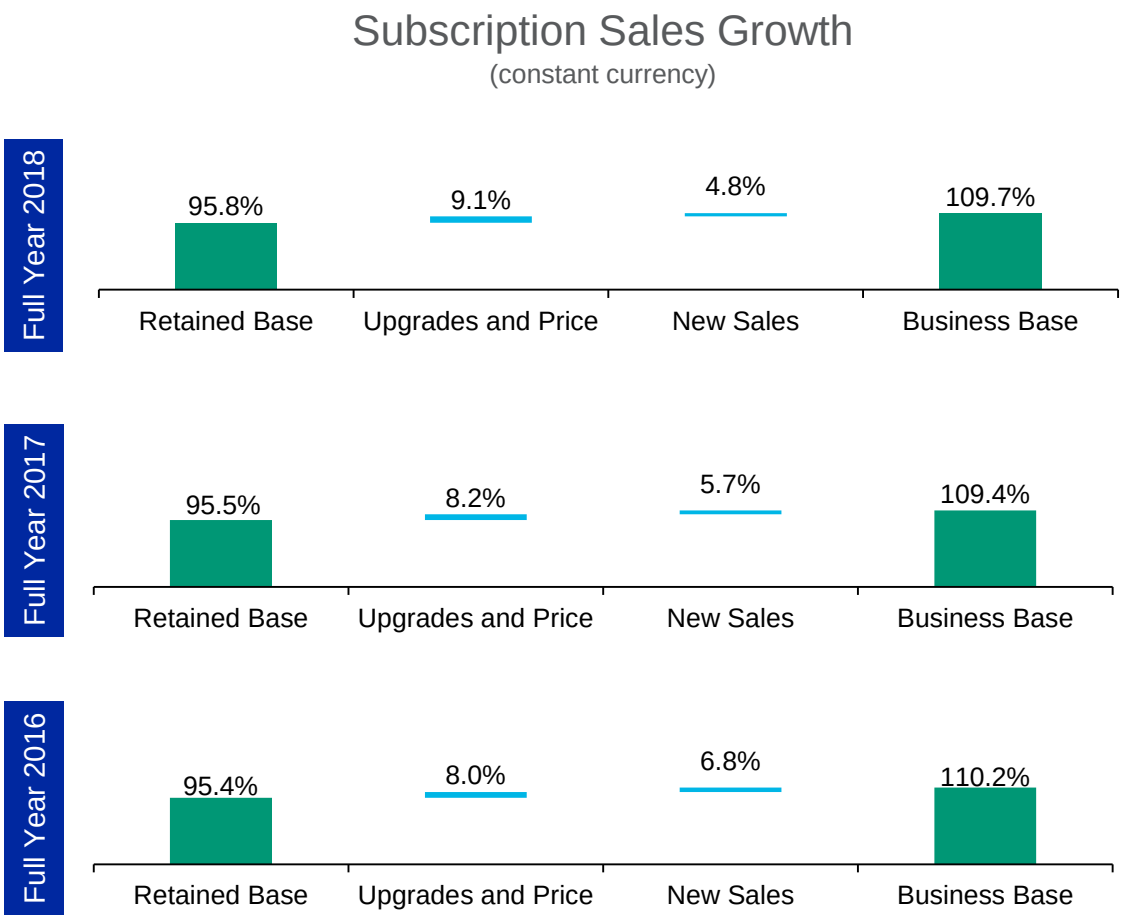
Research, Data & Analytics

2018 Revenue: $1,134m

2008 – 2018 CAGR: +11% (~57% organic)

Note: Individual line of business revenues may not add up to total Moody's Analytics revenue due to rounding.

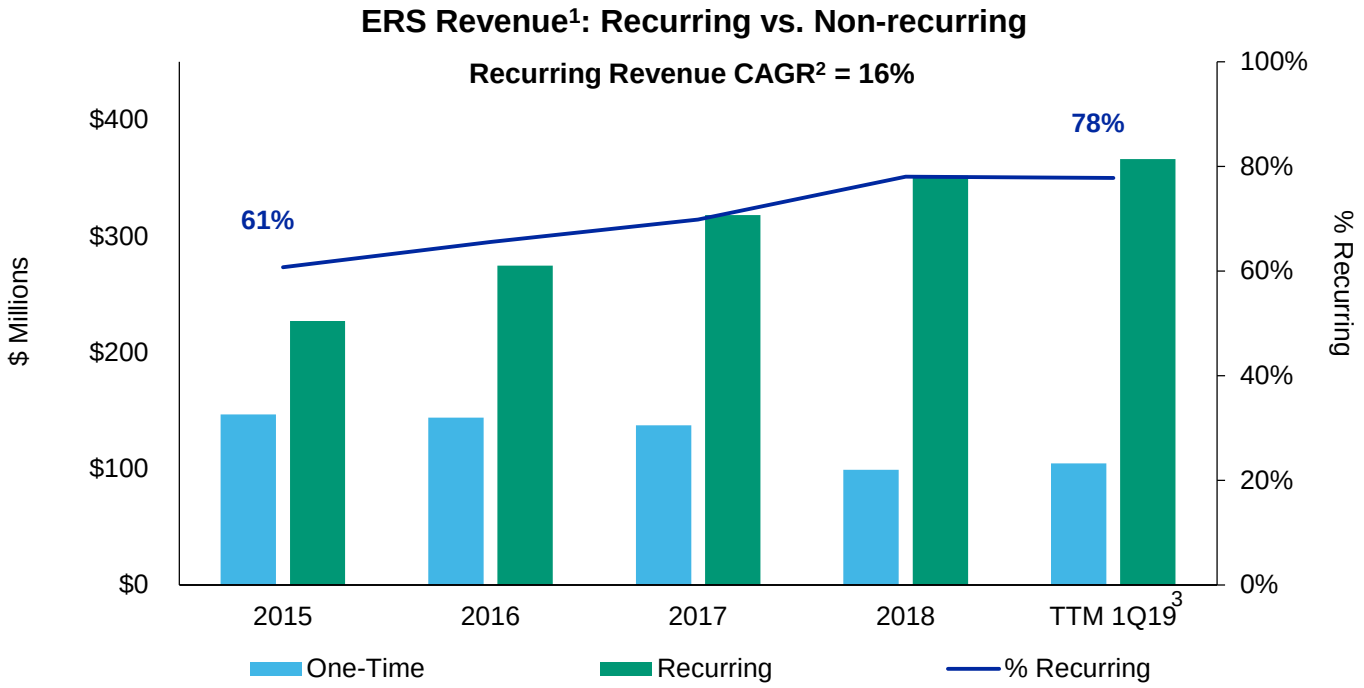
RD&A: Subscription Growth Driven by Retention, Upgrades and Pricing & New Sales



- Expansion of ratings coverage
- Production of insightful credit analysis
- New customers in geographies with developing debt capital markets
- Expansion of data sets and delivery options
- Strong customer retention

Note: The sales growth attributions presented on this slide are related to RD&A subscription sales on a constant currency basis and excludes Bureau van Dijk. Upgrades reflect amendments to existing customer contracts. New Sales reflect new contracts with new and existing customers.

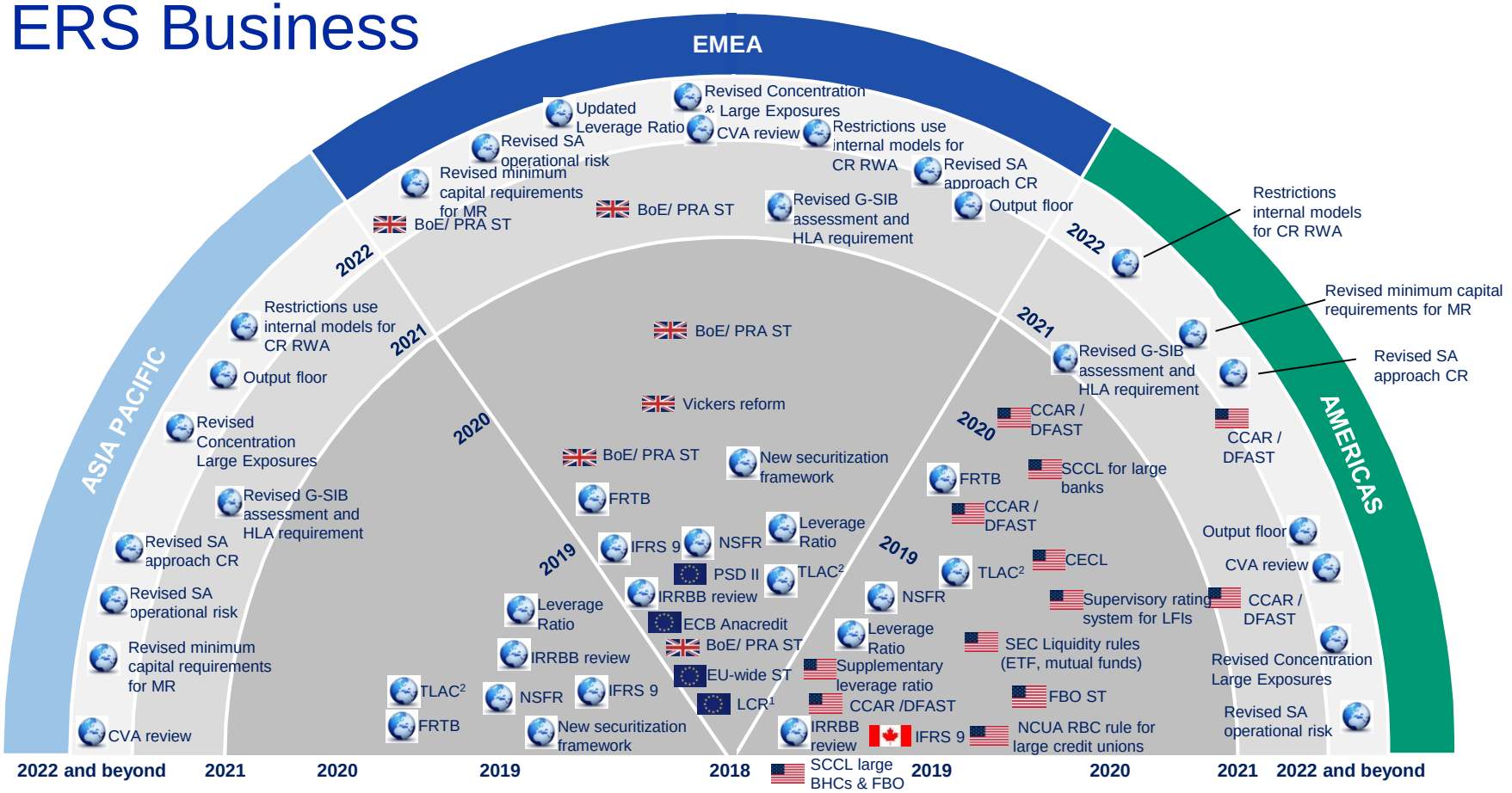
ERS: Driving Growth via Recurring Revenue



- ERS recurring revenue has grown by over $100 million since 2015
- Emphasis on subscription products supports scalability, drives operating leverage and margin
- Ease of use and lower cost of ownership shifting customer demand to SaaS
- Next gen products enhance customer experience, improve adoption rates and shorten sales cycles
- TTM[3] sales as of 1Q19: Subscriptions (recurring) +12%; One-time (non-recurring) +2%

1. Recurring revenue includes maintenance and subscription.
2. Compound Annual Growth Rate, 2015-2018.
3. Trailing twelve months ended March 31, 2019.

Global Regulatory and Accounting Drivers for the ERS Business



Source: Moody's Analytics market research as of January 2019.

Note: MiFID II, MiFIR and GDPR regulations are relevant to the banking sector but do not impact on Moody's Analytics products and so have not been included on the radar.

1. The implementation of the LCR in the EU was: 60% in 2015, 70% in 2016, 80% in 2017 and 100% in 2018. In the US, advanced-approach banks had to meet 80% of the LCR by January 1, 2015 and 100% of the ratio by January 1, 2017.
2. The G-SIB surcharge will expand the conservation buffer, subject to a 3 year phase in period. G-SIBs will be required to hold a minimum Total Loss-Absorbing Capacity" (TLAC) of at least 16% from 2019 and 18% by 2022.

Bureau van Dijk Collects and Enhances Information to Deliver a Market Leading Global Dataset

Diversified IP Network

May 2017[1]	Today[2]
220 Million Private Companies	**310** Million Private Companies
65 Thousand Public Companies	**76** Thousand Public Companies
152 Million Director Contacts	**218** Million Director Contacts

Data from 160+ Information Providers

Publicly Available Data

Other Data Sourced By Bureau van Dijk

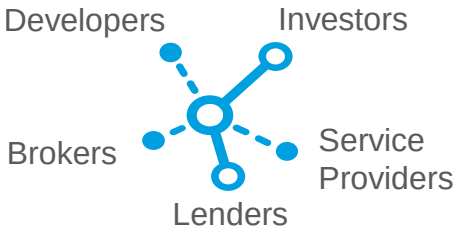
- Generated $327M of revenue in 2018 at a 45% direct adjusted operating margin[3]
- On track for $45M of synergies by year-end 2019
  - Includes real estate and duplicative data-set rationalization
- Cross-selling and joint product development underway

1. Per May 15, 2017 presentation titled "Moody's Acquisition of Bureau van Dijk".
2. Data as of April 26, 2019.
3. Full year 2018 Bureau van Dijk results included approximately $17 million of revenue reductions relating to previous adjustments to deferred revenue recorded as part of acquisition accounting. This revenue reduction reduced adjusted operating margin by 280 bps for the full year 2018. Full year 2018 revenue is as reported and has not been restated to reflect the FACT product reclassification.

Note: No longer disclosing standalone Bureau van Dijk after 4Q18 as an integrated line of business within RD&A.

Reis Accelerates MA's Entry into CRE Data & Analytics

Banks, insurers and asset managers have substantial exposures to commercial real estate



Highly fragmented ecosystem of information sources & users

Complex analysis, including tenant credit quality, long-term forecasts of rental demand & property supply

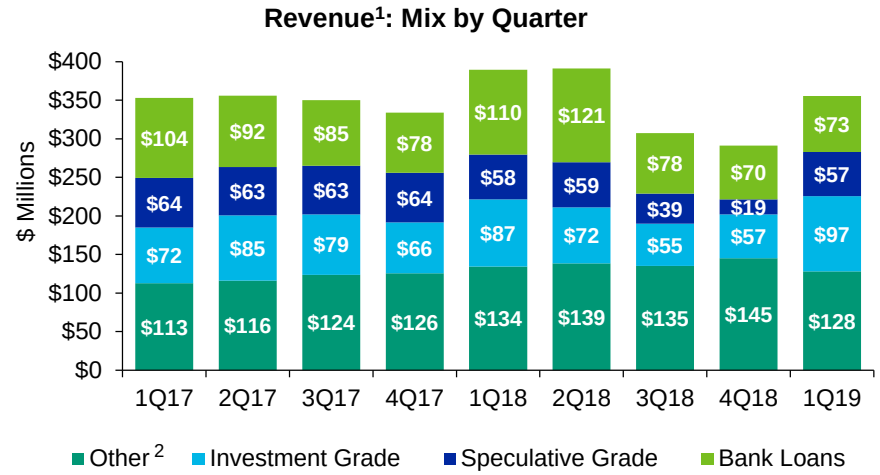


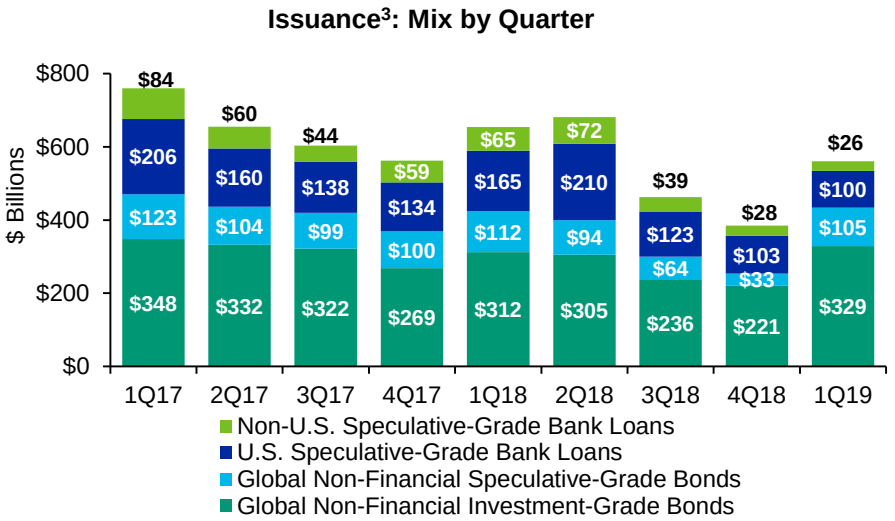
Powerful REIS data set, combined with MA capabilities and partnerships with other CRE specialists, enables Moody's to set much needed standards in data and analytical practices

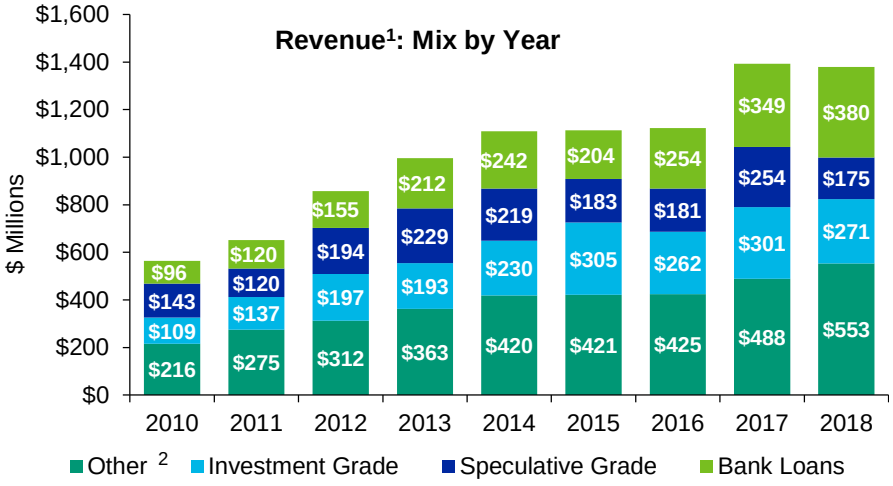
Note: MCO is a strategic investor in CompStak and Rockport Val.

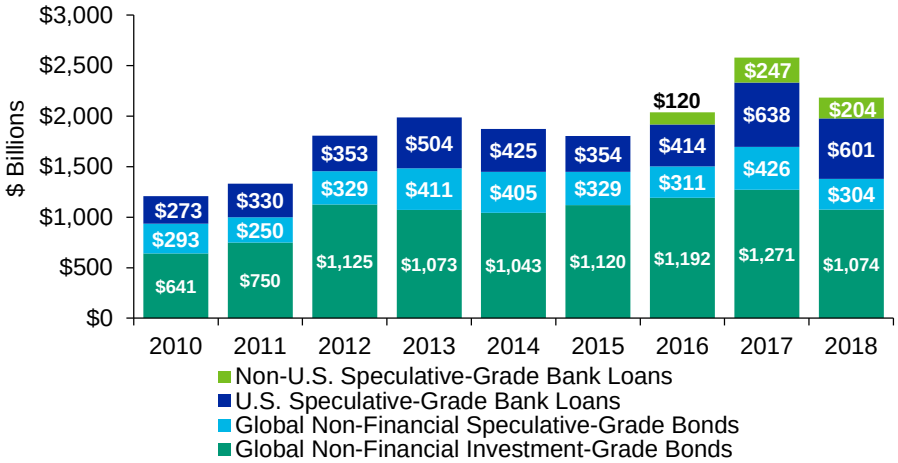
6 Appendix

Corporate Finance: Revenue and Issuance





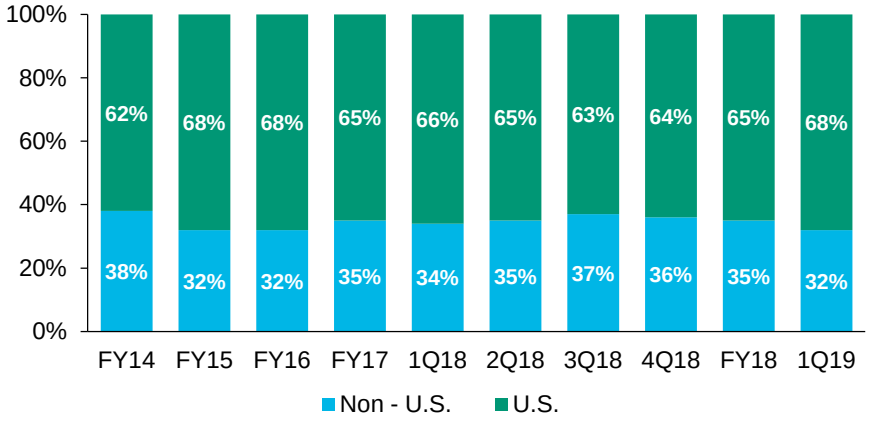




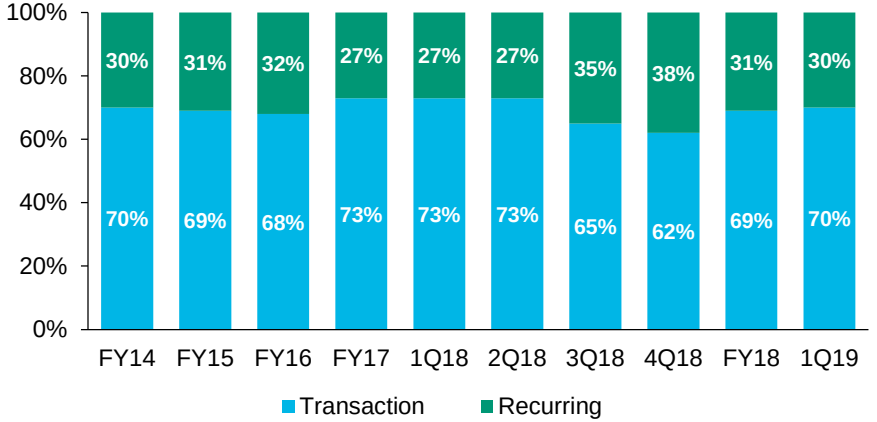
1. Historical data has been adjusted to conform with current information and excludes intercompany revenue. The revenue reclassification of REITs from Corporate Finance to Structured Finance is reflected starting from 1Q 2018.
2. Other includes: monitoring, commercial paper, medium term notes, and ICRA.
3. Sources: Moody's Analytics, Dealogic. U.S. and Non-U.S. Speculative-Grade Bank Loans represent only Moody's rated speculative-grade bank loans. Non-U.S. Speculative-Grade Bank Loan Origination data available starting 2016. Note: Debt issuance categories do not directly correspond to Moody's revenue categorization.

Corporate Finance: Revenue Diversification

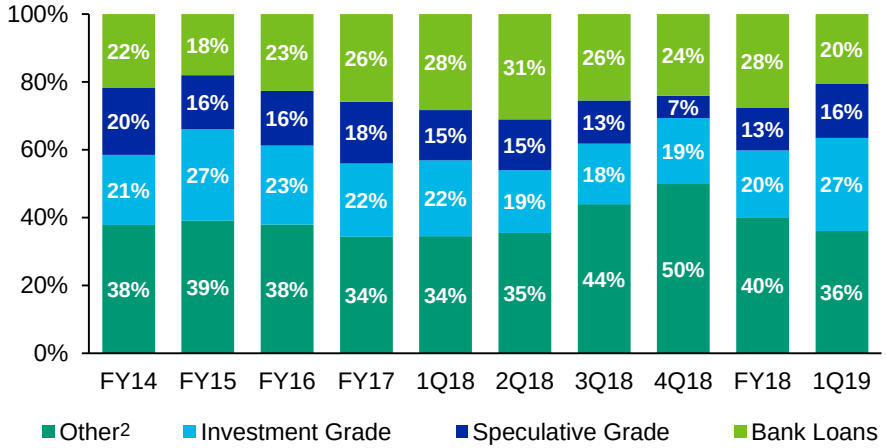
Revenue[1]: Distribution by Geography



Revenue[1]: Distribution by Recurring vs. Transaction



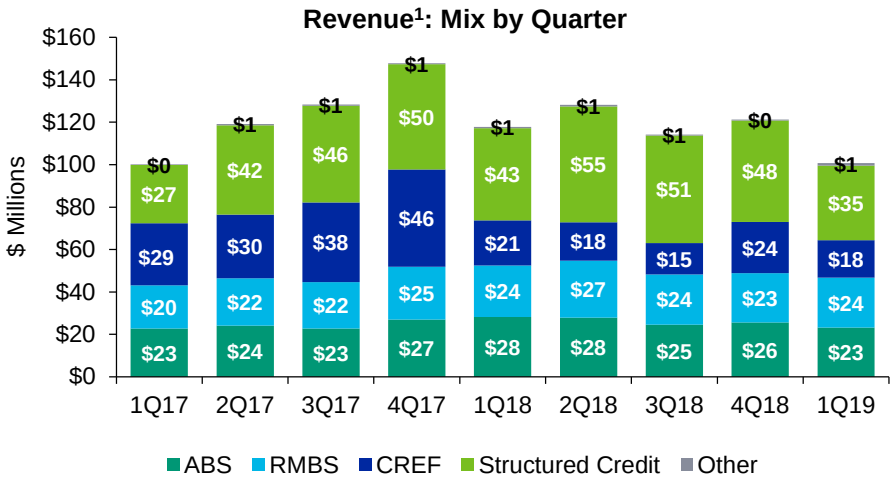
Revenue[1]: Distribution by Product

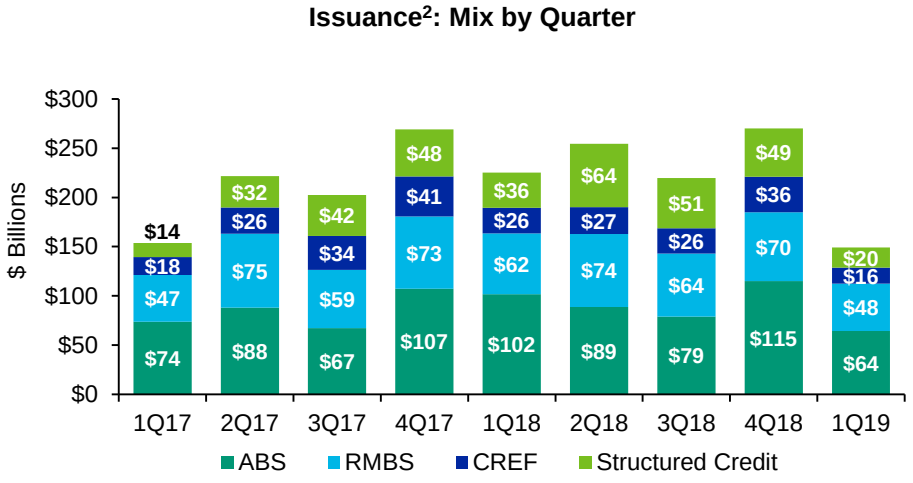


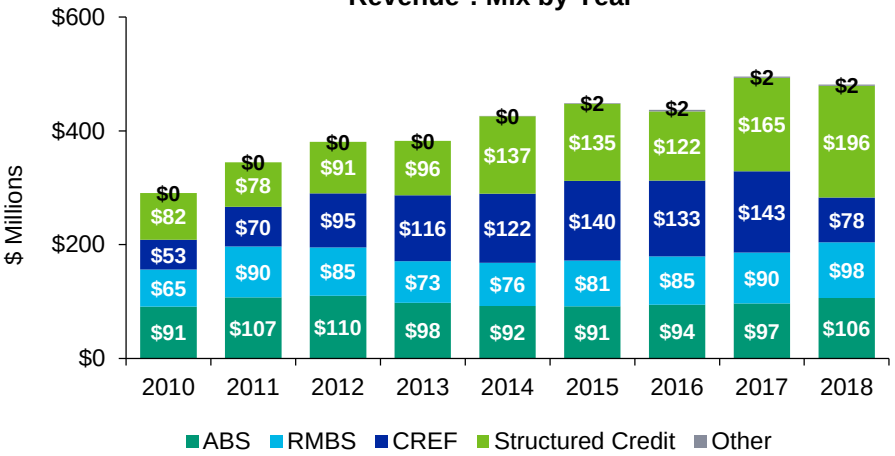
1. Historical data has been adjusted to conform with current information and excludes intercompany revenue. The revenue reclassification of REITs from Corporate Finance to Structured Finance is reflected starting from 1Q 2018.
2. Other includes: monitoring, commercial paper, medium term notes, and ICRA.

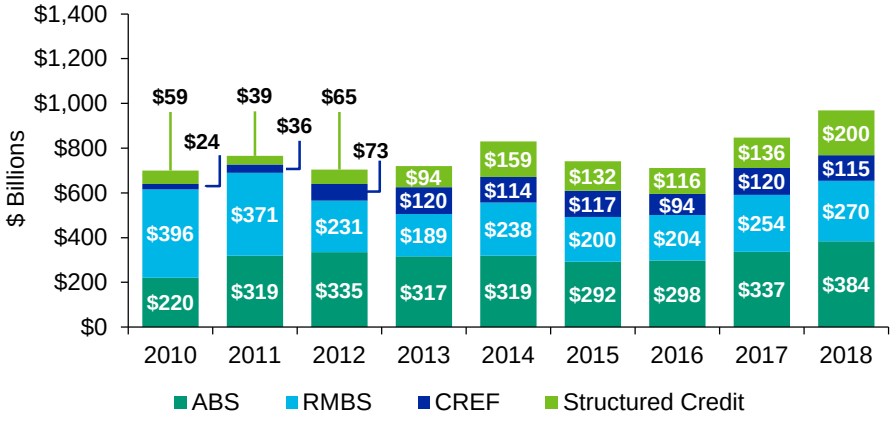
Percentages have been rounded and may not total to 100%.

Structured Finance: Revenue and Issuance







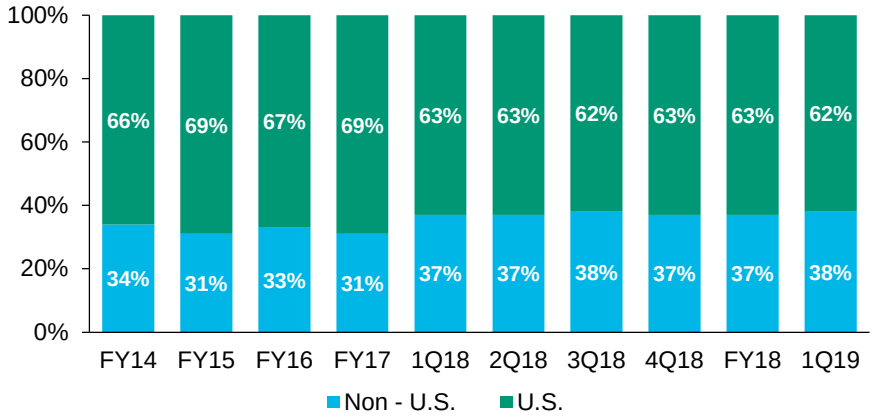


1. Historical data has been adjusted to conform with current information and excludes intercompany revenue. The revenue reclassification of REITs from Corporate Finance to Structured Finance is reflected starting from 1Q 2018.
2. Percentages have been rounded and may not total to 100%.

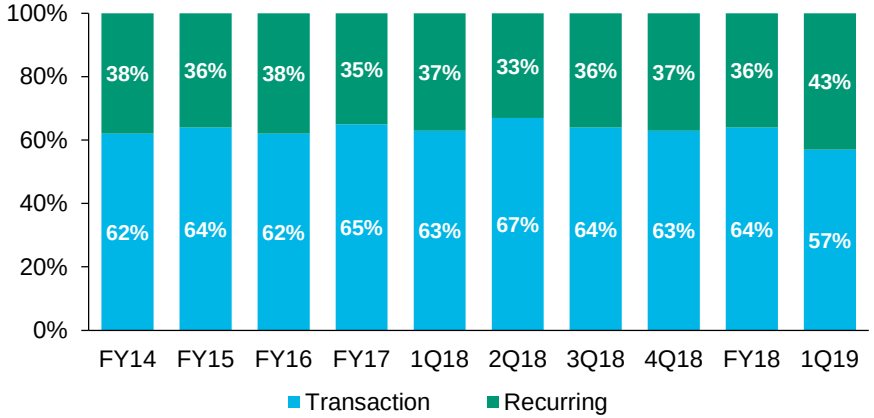
Notes: ABS (Asset Backed Securitization) includes asset-backed commercial paper and long-term asset-backed securities. RMBS (Residential Mortgage Backed Securitization) includes covered bonds. CREF (Commercial Real Estate Finance) includes commercial mortgage-backed securities, real estate finance, commercial real estate CDOs, and real estate investment trusts (REITs). Structured Credit includes CLOs and CDOs.

Structured Finance: Revenue Diversification

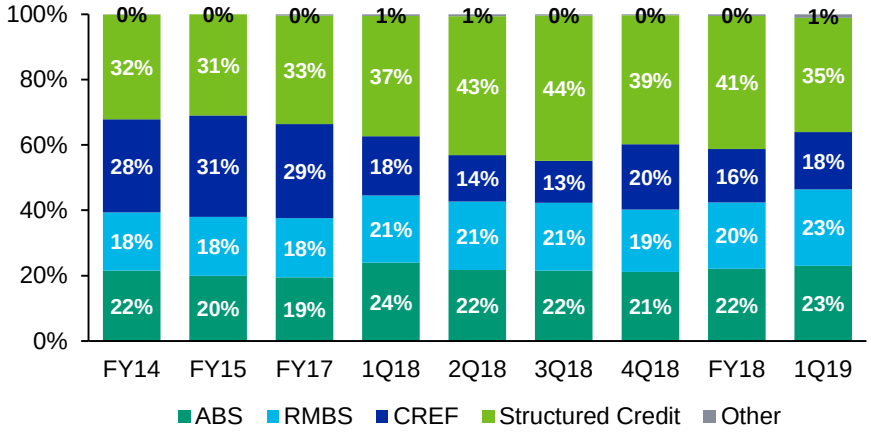
Revenue[1]: Distribution by Geography



Revenue[1]: Distribution by Recurring vs. Transaction



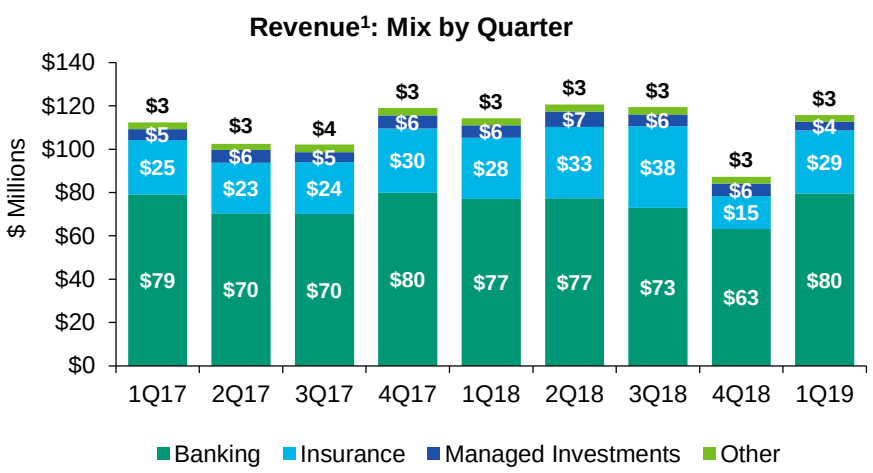
Revenue[1]: Distribution by Product

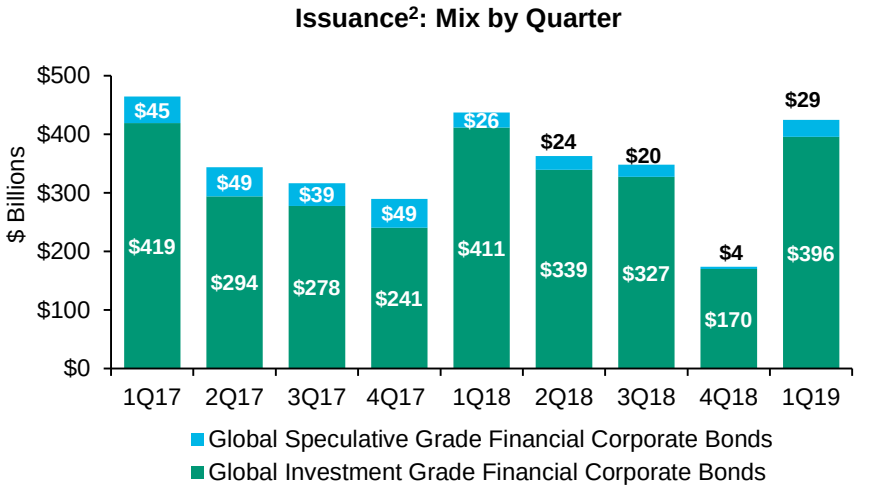


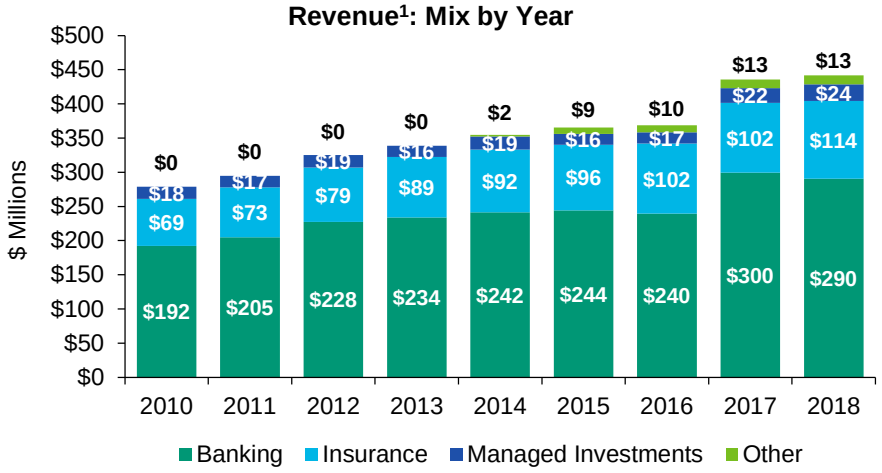
1. Historical data has been adjusted to conform with current information and excludes intercompany revenue. The revenue reclassification of REITs from Corporate Finance to Structured Finance is reflected starting from 1Q 2018.
2. Percentages have been rounded and may not total to 100%.

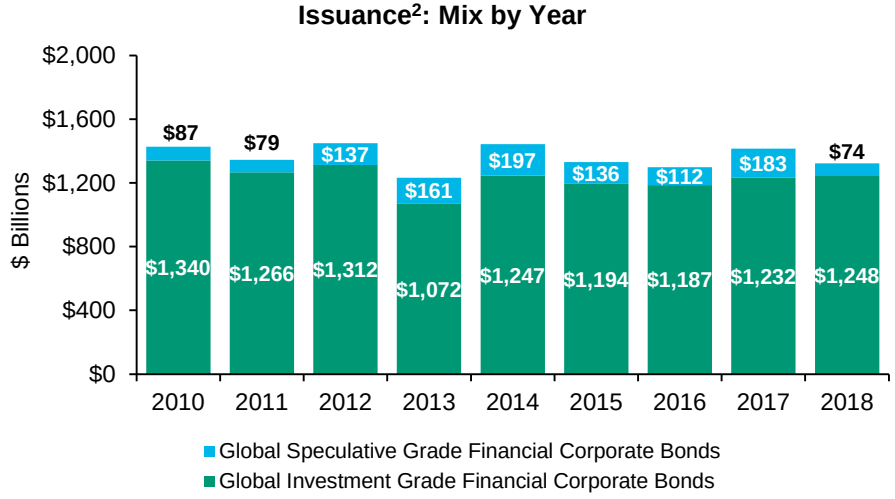
Notes: ABS (Asset Backed Securitization) includes asset-backed commercial paper and long-term asset-backed securities. RMBS (Residential Mortgage Backed Securitization) includes covered bonds. CREF (Commercial Real Estate Finance) includes commercial mortgage-backed securities, real estate finance, commercial real estate CDOs, and real estate investment trusts (REITs). Structured Credit includes CLOs and CDOs.

Financial Institutions: Revenue and Issuance





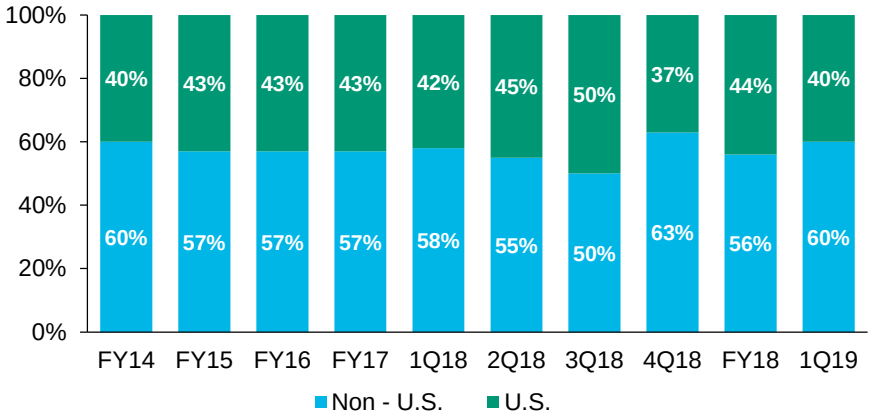




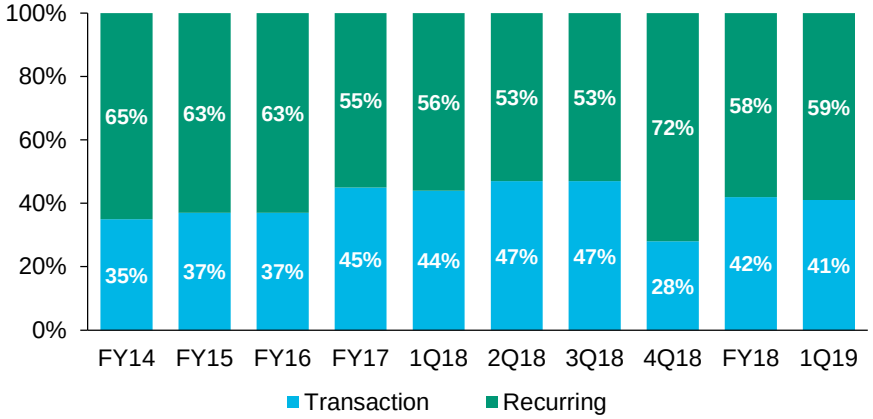
1. Historical data has been adjusted to conform with current information and excludes intercompany revenue.
2. Sources: Moody's Analytics, Dealogic. Note: Debt issuance categories do not directly correspond to Moody's revenue categorization.

Financial Institutions: Revenue Diversification

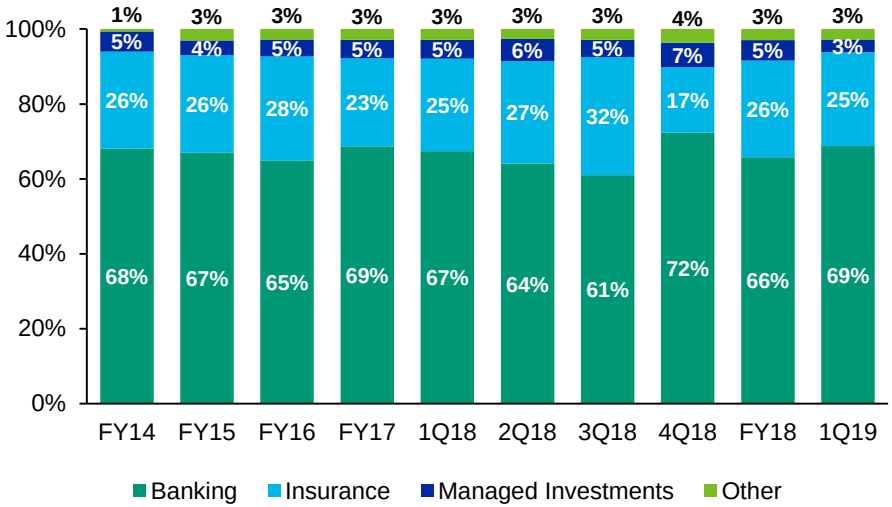
Revenue[1]: Distribution by Geography



Revenue[1]: Distribution by Recurring vs. Transaction

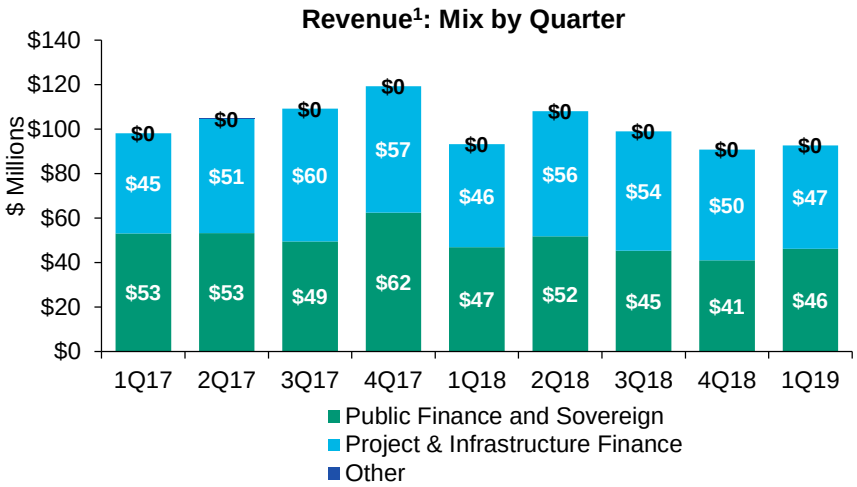


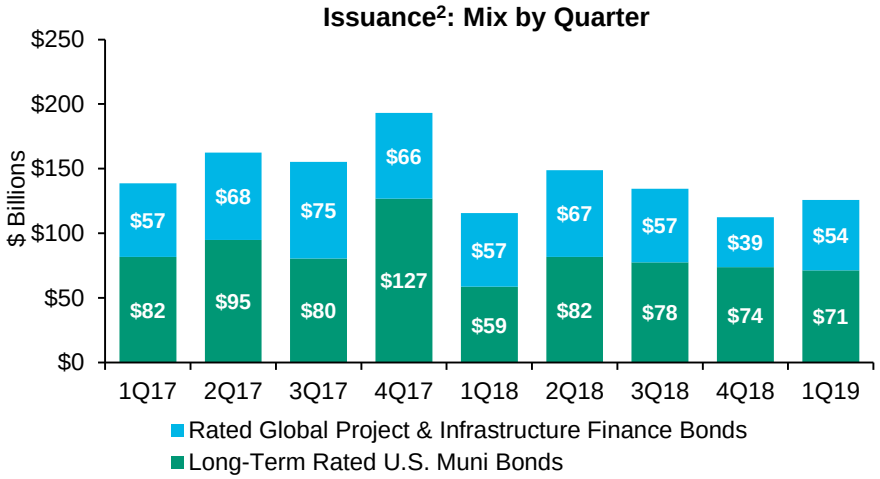
Revenue[1]: Distribution by Product

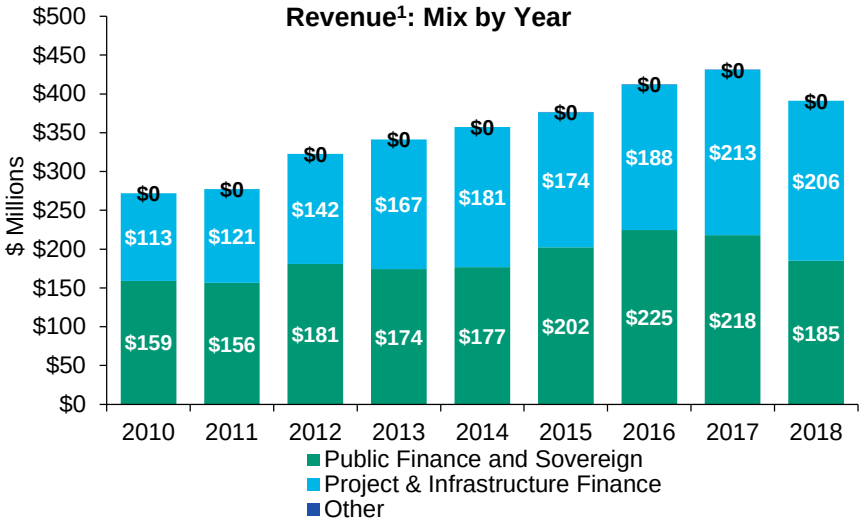


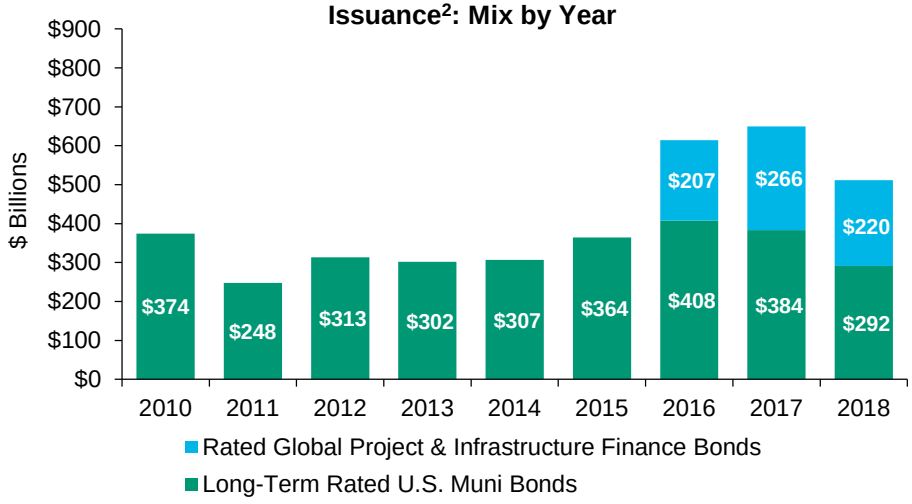
1. Historical data has been adjusted to conform with current information and excludes intercompany revenue. Percentages have been rounded and may not total to 100%.

Public, Project and Infrastructure: Revenue and Issuance







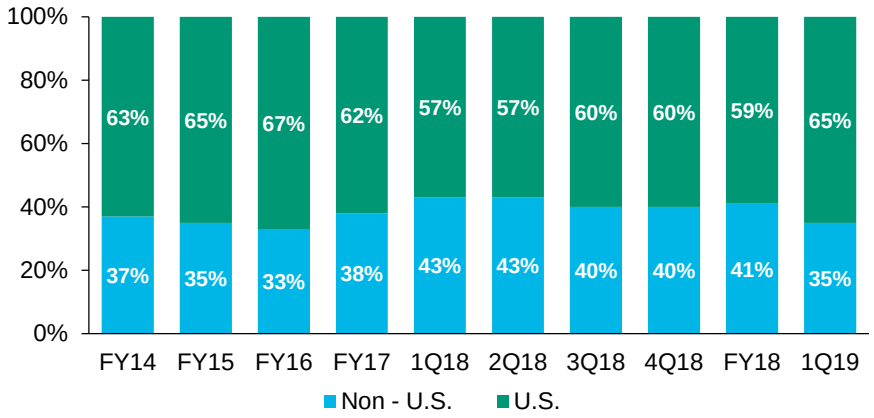


1. Historical data has been adjusted to conform with current information and excludes intercompany revenue.
2. Global Rated Project & Infrastructure Finance available starting in 2016 and represents Moody's rated issuance.

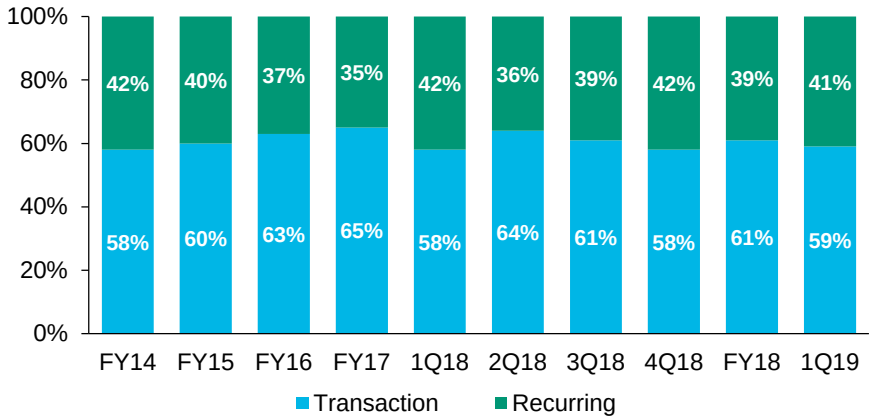
Sources: Thomson SDC, Moody's Corporation. Note: Debt issuance categories do not directly correspond to Moody's revenue categorization.

Public, Project and Infrastructure: Revenue Diversification

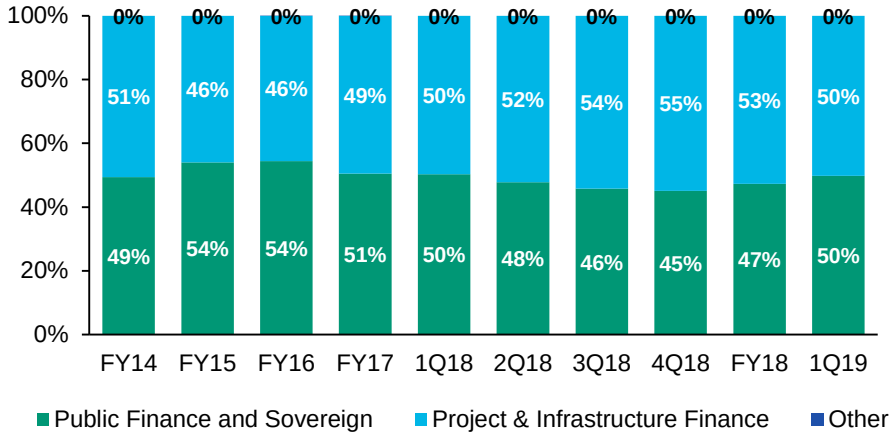
Revenue[1]: Distribution by Geography



Revenue[1]: Distribution by Recurring vs. Transaction

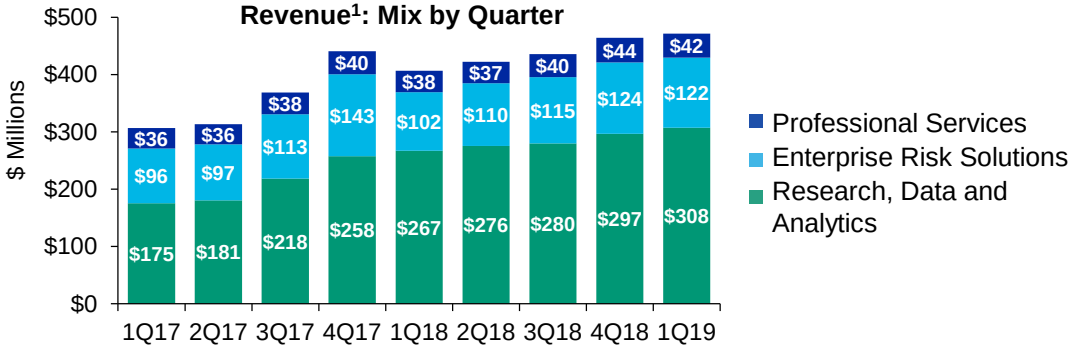


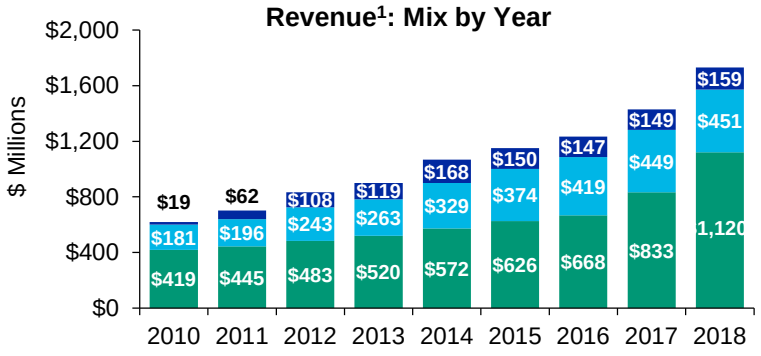
Revenue[1]: Distribution by Product

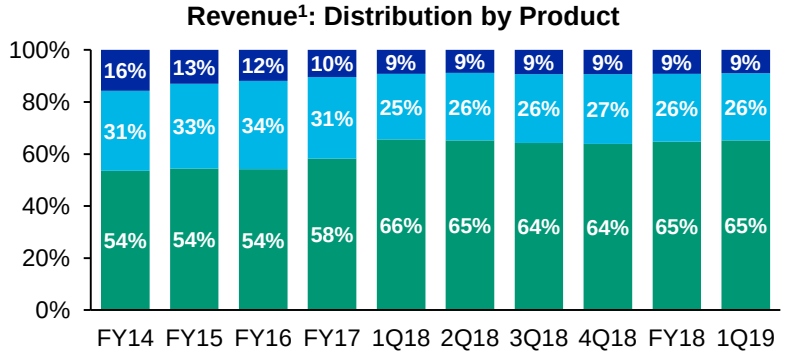


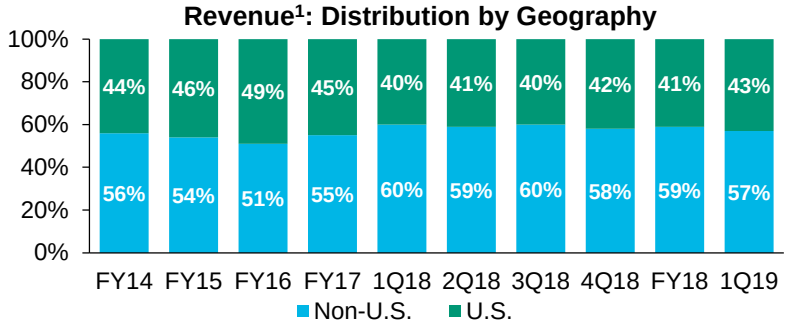
1. Historical data has been adjusted to conform with current information and excludes intercompany revenue. Percentages have been rounded and may not total to 100%.

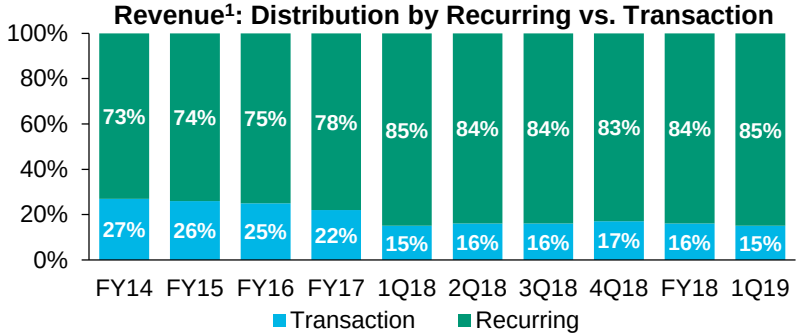
Moody's Analytics: Financial Overview









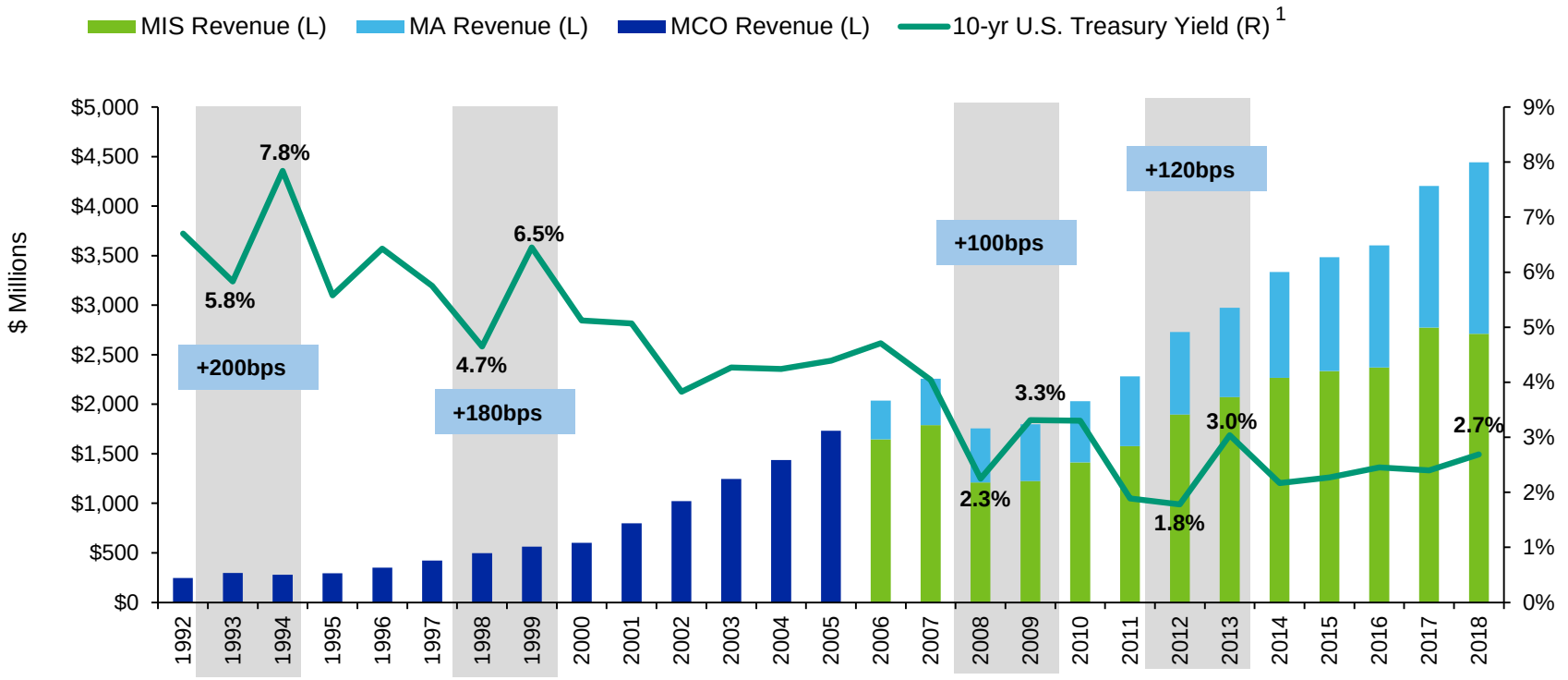


1. Historical data has been adjusted to conform with current information and excludes intercompany revenue. Research, Data and Analytics includes Bureau van Dijk revenue beginning from the acquisition close date, August 10, 2017. The revenue reclassification of the FACT product from RD&A to ERS is reflected starting from 1Q 2018.

Percentages have been rounded and may not total to 100%.

Historically, Moody's Revenue and Interest Rates Have Not Been Strongly Correlated

MCO Revenue and Interest Rates

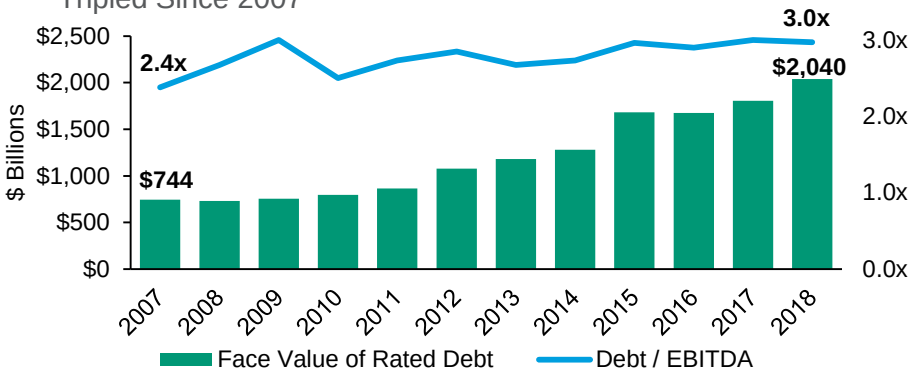


1. 10-yr U.S. Treasury Yields are represented by the rate at the end-of-period.

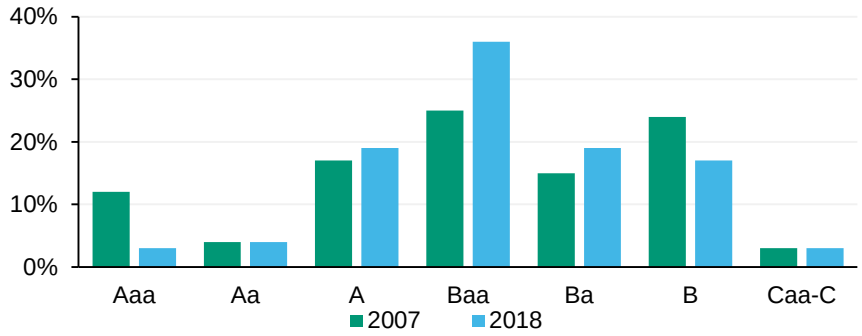
Source: www.treasury.gov.

Baa-Credit Concentration Grows, with Mitigating Factors

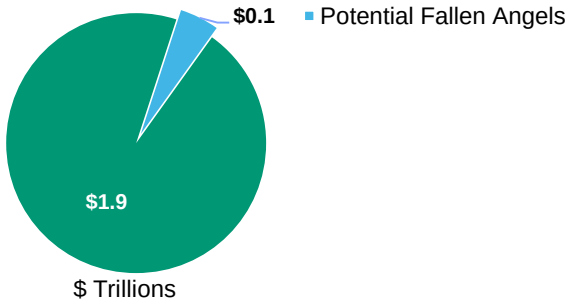
Rated Debt of Baa U.S. Nonfinancial Companies Has Almost Tripled Since 2007



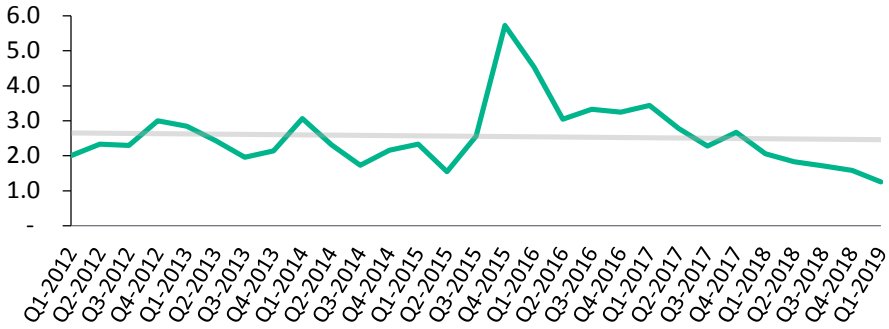
2018 Baa-rated Debt Accounted for More than One-third of The Total Rated Debt of U.S. Nonfinancial Companies



2018 Potential Fallen Angels[1] Accounted for $0.1 Trillion of the $2 Trillion of U.S. Baa-Rated Nonfinancial Debt Outstanding



Ratio of Potential Fallen Angels[1] to Potential Rising Stars[1] Declines Globally

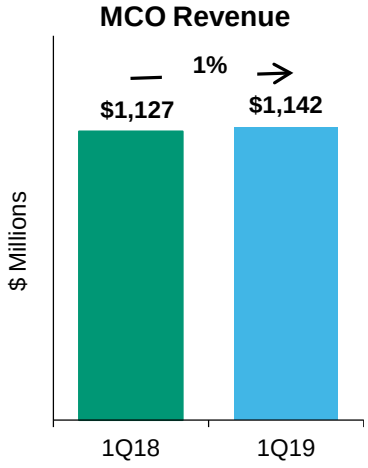


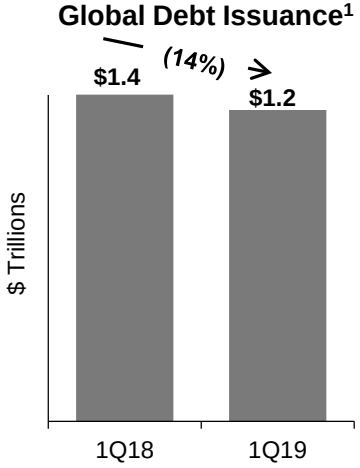
» As compared to 2007, 2018 representative median companies generated more revenue ($4.7B to $7.1B), with improved EBITDA margins (20% to 24%) and EBITDA / Interest Expense ratios (7.0x to 8.2x)

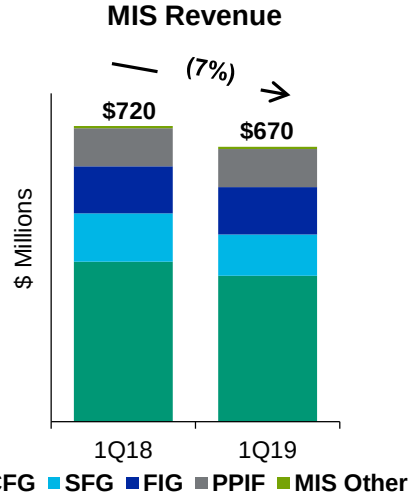
1. Fallen Angels and Rising Stars fall within the "The Crossover Zone" which refers to the ratings closest to the line between speculative grade and investment grade. Companies in the zone are rated Baa3 or Ba1. To be considered in the zone, companies rated Baa3 must be on review for downgrade or have a negative outlook, while companies rated Ba1 must be on review for upgrade or have a positive outlook.

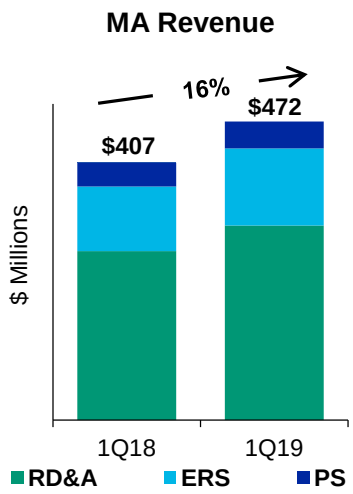
Source: Moody's Investors Service.

Business Model Resilient to Issuance Headwinds

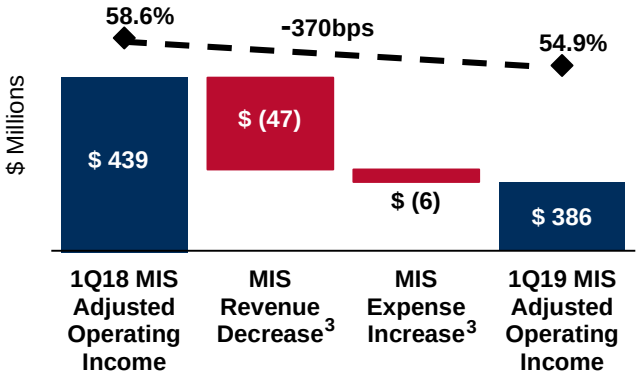


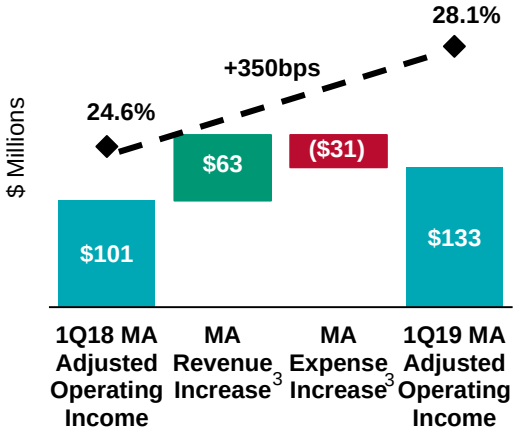












1. Excludes Sovereign.
2. These metrics are adjusted measures. See appendix for reconciliations from adjusted financial measures to U.S. GAAP.
3. Includes intercompany revenue and expenses.

Technology: Innovating with Purpose

Next Gen Tech is a Defining Element of our Culture, Setting Stage for Growth



Enhance Data & Analytics

- Incorporating **alternative data** sources to augment SME credit scoring accuracy
- *QuantCube* pilot program to synthesize **unstructured data** to enhance financial analysis
- *CompStak's* use of **crowd-sourced data** on CRE leases and sales



Improve Decisions

- **NLP** based early warning and monitoring tools for MIS analysts and MA customers
- **AI** tailored credit training for MA customers – *Credit Coach*
- Faster loan approvals with **AI** powered lending decisions – *CreditLens*



Deliver Efficiencies

- **ML and deep learning** tools to automate financial data spreading at both MA and MIS
- **AI and NLP** used to generate credit reports on 6,000 municipal issuers
- **RPA** of manual, repeatable tasks within MIS

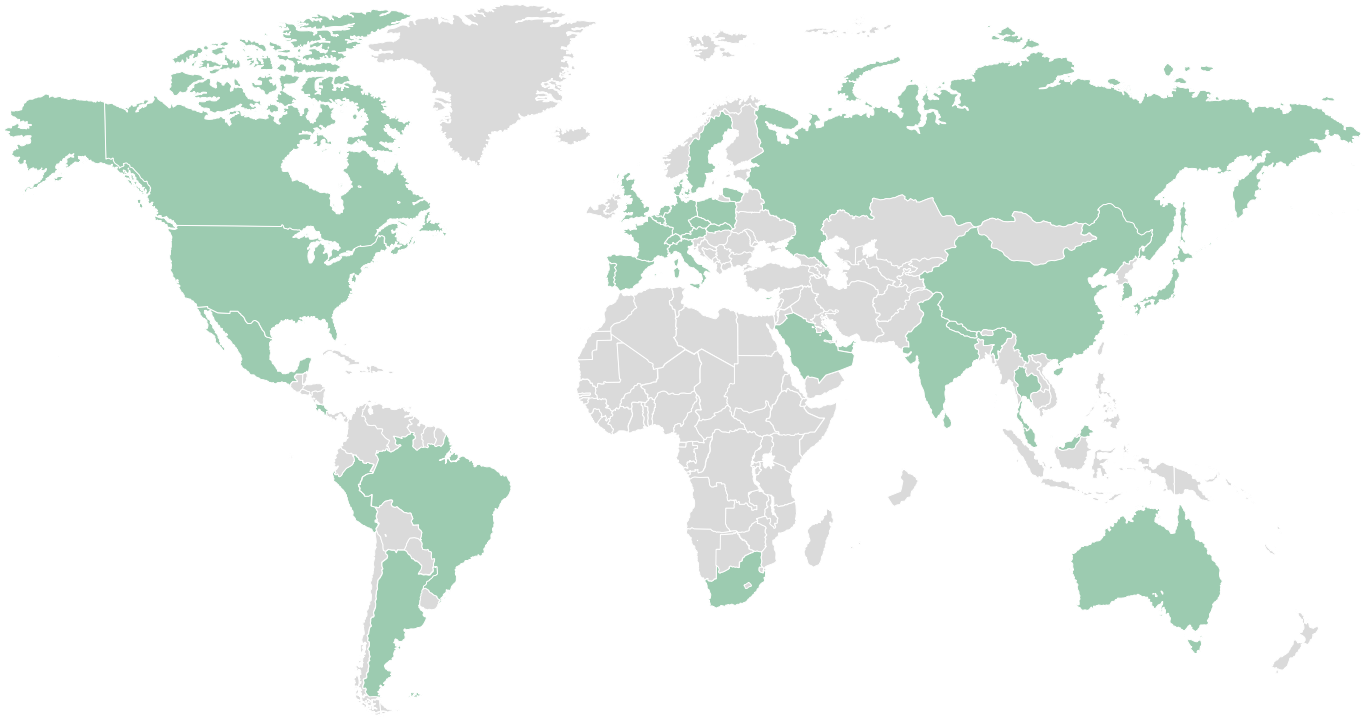


Increase Adaptability

- **SaaS** accelerating product development and improving customer experience
- Leveraging **PaaS** to experiment with application of tools and techniques -- **blockchain** and **big data**
- Moody's IT moving to **IaaS** to expand capabilities and lower costs

Note: AI: Aritificial Intelligence; ML: Machine learning; NLP: Natural language processing; RPA: Robotic process automation; IaaS: Infrastructure-as-a-service; SaaS: Software-as-a-service; PaaS: Platform-as-a-service.

Moody's Global Presence



Americas

Argentina
Brazil
Canada
Costa Rica
Mexico
Panama
Peru
United States

Europe, Middle East & Africa

Austria
Belgium
Cyprus
Czech Republic
Denmark
France
Germany
Israel
Italy
Lithuania
Mauritius
Netherlands
Poland
Portugal
Russia
Saudi Arabia
Slovakia
South Africa
Spain
Sweden
Switzerland
UAE
United Kingdom

Asia-Pacific

Australia
China
Hong Kong
India
Japan
Korea
Malaysia
Nepal
Singapore
Sri Lanka
Thailand

2019	3,984	+	9,253	=	13,237
	U.S. employees		non-U.S. employees		total employees[1]
2018	3,589	+	8,445	=	12,034
	U.S. employees		non-U.S. employees		total employees[2]

1. As of March 31, 2019.
2. As of March 31, 2018.

CSR: Igniting Global Opportunity

Newly Published 2018 CSR Report Details Accomplishments



Read more at moodys.com/csr



Empowering people with financial knowledge

Exposing the financial roots of modern slavery
In 2018, Bureau van Dijk, a Moody's Analytics company, lent its Orbis database and technology to Liberty Shared, a nonprofit dedicated to preventing forced labor and other forms of human trafficking.



Activating an environmentally sustainable future

Bringing our ESG approach into focus for stakeholders
We continued to share insights and educate people about our approach to ESG evaluation in 2018 at numerous events and by expanding our research in new directions.



Helping young people reach their potential

The diverse coders of tomorrow
Last year, we launched the Queer Coders program with longtime partner the Hetrick-Martin Institute to help teach LGBTQI youth job-ready coding skills while offering critical wraparound counseling and mentorship services.

Reconciliation of Adjusted Financial Measures to GAAP

Adjusted Operating Income and Adjusted Operating Margin Reconciliation[1]

(in $ millions)	2014	2015	2016	2017	2018	TTM 1Q19
Operating Income	$1,449.8	$1,490.7	$650.9	$1,820.8	*$1,868.2*	*$1,839.1*
Operating Margin	*43.5%*	*42.8%*	*18.1%*	*43.3%*	*42.1%*	*41.3%*
Add Adjustment:						
Depreciation & Amortization	*95.6*	*113.5*	*126.7*	*158.3*	*191.9*	*193.1*
Acquisition-Related Expenses	*-*	*-*	*-*	*22.5*	*8.3*	*8.9*
Restructuring	*-*	*-*	*12.0*	*-*	*48.7*	*54.2*
Settlement Charge	*-*	*-*	*863.8*	*-*	*-*	*-*
Adjusted Operating Income	$1,545.4	$1,604.2	$1,653.4	$2,001.6	*$2,117.1*	*$2,095.3*
Adjusted Operating Margin	*46.3%*	*46.0%*	*45.9%*	*47.6%*	*47.7%*	*47.0%*

Moody's Corporation Net Debt Reconciliation

(in $ millions)	2014	2015	2016	2017	2018	1Q19
Gross debt	$2,532.1	$3,380.6	$3,363.0	$5,540.5	$5,676.0	$5,547.4
Less: Cash, cash equivalents and short-term investments	*1,677.6*	*2,232.2*	*2,224.9*	*1,183.3*	*1,817.5*	*1,310.6*
Net debt	$854.5	$1,148.4	$1,138.1	$4,357.2	$3,858.5	$4,236.8

1. 2014 - 2017 operating and adjusted operating income have been restated to conform to the new presentation of pension accounting.

Reconciliation of Adjusted Financial Measures to GAAP (cont.)

Moody's Corporation Operating Margin Guidance Reconciliation

	2019F[1]
Projected Operating Margin - GAAP	Approximately 43%
Projected impact from Depreciation & Amortization	Approximately 4%
Restructuring	Approximately 1%
Projected impact from Acquisition-Related Expenses	Negligible
Projected Adjusted Operating Margin	Approximately 48%

Free Cash Flow Reconciliation[2]

(in $ millions)	2014	2015	2016	2017	2018	2019F[1]
Net cash flows from operating activities	$1,077.3	$1,198.1	$1,259.2	$754.6	$1,461.1	$1,700.0 - $1,800.0
Less: Capital expenditures	*74.6*	*89.0*	*115.2*	*90.6*	*$90.4*	*~$100*
Free Cash Flow	$1002.7	$1,109.1	$1,144.0	$664.0	$1,370.7	$1,600.0 to $1,700.0

1. Guidance as of April 24, 2019.
2. In 2017, the Company adopted ASU 2016-09 “Improvements to Employee Share-Based Payment Accounting” on a retrospective basis. In Q1 2018, the Company adopted ASU No. 2016-15, “Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (a Consensus of the Emerging Issues Task Force)” on a retrospective basis.

Reconciliation of Adjusted Financial Measures to GAAP (cont.)

Moody's Corporation Diluted EPS Reconciliation

	2014	2015	2016	2017	2018	2019F[1]
Diluted EPS - GAAP	$4.61	$4.63	$1.36	$5.15	$6.74	$7.30 - $7.55
Legacy Tax	(0.03)	(0.03)	-	-	-	-
Impact of Litigation Settlement	-	-	$3.59	-	-	-
ICRA Gain	(0.37)	-	-	-	-	-
FX Gain due to Subsidiary Liquidation	-	-	($0.18)	-	-	-
Restructuring	-	-	$0.04	-	$0.19	~$0.10
CCXI Gain	-	-	-	($0.31)	-	-
Acquisition-Related Expenses	-	-	-	$0.10	$0.03	~$0.05
Purchase Price Hedge Gain	-	-	-	($0.37)	-	-
Net Acquisition-Related Intangible Amortization Expenses	$0.10	$0.11	$0.13	$0.23	$0.40	~$0.40
Impact of U.S. tax reform	-	-	-	$1.28	($0.30)	-
Net Impact of U.S./European tax change on deferred taxes	-	-	-	($0.01)	-	-
Increase to non-U.S. UTPs	-	-	-	-	$0.33	-
Adjusted Diluted EPS	$4.31	$4.71	$4.94	$6.07	$7.39	$7.85 - $8.10

1. Guidance as of April 24, 2019.

Note: Table may not sum to total due to rounding.


MOODY'S
Investor Relations
ir.moodys.com
ir@moodys.com
moodys.com

© 2019 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. AND ITS RATINGS AFFILIATES ("MIS") ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MOODY'S PUBLICATIONS MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS OR MOODY'S PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing the Moody's publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any rating, agreed to pay to Moody's Investors Service, Inc. for ratings opinions and services rendered by it fees ranging from $1,000 to approximately $2,700,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodys.com under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for Japan only: Moody's Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any rating, agreed to pay to MJKK or MSFJ (as applicable) for ratings opinions and services rendered by it fees ranging from JPY125,000 to approximately JPY250,000,000.

MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.