



NEWS RELEASE

No.2002-C-654
Nov 28, 2002

Hachijuni Lease No-2 ABS: R&I Assigns AAA

Rating and Investment Information, Inc. (R&I), has assigned the following rating:

INSTRUMENT NAME: Senior Trust Beneficiary Rights in
The Hachijuni Lease, Ltd. (No.2)
AMOUNT: 5.0 billion yen
ORIGINATOR: The Hachijuni Lease, Ltd.
TRUSTEE: The Mitsubishi Trust and Banking Corp.
BACKUP SERVICER: Diamond Lease Co., Ltd.
SALES REPRESENTATIVE: Mitsubishi Securities Co., Ltd.
BACKING ASSETS: Lease receivables held by The Hachijuni Lease, Ltd.
TRUST EXECUTION DATE: Nov 21, 2002
TRUST EXPIRATION DATE: Oct 31, 2008
REDEMPTION METHOD: Senior Trust Beneficial Rights:
Nos. 1-6: Lump-sum redemption of each number from
Mar 27, 2003 to Jun 27, 2005
No. 7: Fixed-amount redemption from
Sep 27, 2003 to Sep 27, 2007
Following the commencement of early redemption, the
redemption method for all Senior Trust Certificates
changes to monthly sequential pass-through.

R&I RATING: AAA (formal)

CREDIT ENHANCEMENT: Overcollateralization; cash reserve the total redemption
NOTE: The rating is an assessment of the probability of the
of the principal by the final redemption date and of
the timely payment of interest until redemption.

OUTLINE OF THE ISSUE:

- 1) The rating is for Senior Trust Certificates set up by The Mitsubishi Trust and Banking Corp. (Mitsubishi Trust).
- 2) The Hachijuni Lease, Ltd. (Hachijuni Lease), a consolidated subsidiary of The Hachijuni Bank, Ltd., transfers lease receivables to Mitsubishi Trust on Nov 21, 2002, Based on a trust contract. The transfer is perfected as against any third party by registration pursuant to the Law Prescribing Exceptions etc. to the Civil Code Requirements for Setting Up Against a Third Party to an Assignment of Claims.
- 3) Mitsubishi Trust issues trust certificates backed by the transferred lease receivables. After receiving an additional trust of a cash reserve from Hachijuni Lease, Mitsubishi Trust delivers the trust certificates to Hachijuni Lease, divided into senior and subordinated trust certificates. Hachijuni Lease sells the Senior Trust Certificates to investors via Mitsubishi Securities.
- 4) Hachijuni Lease (as the servicer) performs the business of collection of the lease receivables from the obligors and remits the collection funds to Mitsubishi Trust the next month on the 22nd of every month.
- 5) From March 2002, Mitsubishi Trust makes dividend and principal payments on the Senior Trust Certificates every three months, and it then makes dividend and principal payments on the Subordinated Trust Certificates provided that certain conditions have been met. Following an early redemption event such as servicer default, dividend and principal payments on the

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Subordinated Trust Certificates are terminated and payments on the Senior Trust Certificates change to a monthly pass-through, in sequence from the tranche with the closest redemption date.

SUMMARY OF EVALUATION:

1) There is sufficient overcollateralization and cash reserve.

The Mitsubishi Trust will issue Senior Trust Beneficiary Rights to the value of 5.0 billion yen, which is backed by lease receivables of about 5.86 billion yen. There is also a cash reserve which is maintained at a sufficient level during the term of the Trust Beneficiary Rights to cover dividend payments on the Senior Trust Beneficiary Rights and maintain the scheme.

When setting the suitable amount for the overcollateralization and the cash reserve, a stress test has been used to analyze the cash flow based on historical data submitted by Hachijuni Lease. An analysis of the worst-case scenario based on the timing of any potential servicer bankruptcy, confirms the certainty that dividend payments will be met on the dividend payment date for the Senior Trust Beneficiary Rights, and that the entire principal amount will be redeemed by the trust expiration date.

2) The transfer is a true sale.

Apart from certain conditions stated in the trust agreement, Hachijuni Lease has no right to demand the trustee to repurchase the lease receivables and has no repurchase obligation. Excluding its rights and obligations as the servicer, the firm has no right against or control over the lease receivables in the trust, so the transfer of the receivables can be said to be a true sale.

3) The servicer has sufficient capacity to collect the receivables, and procedures in the event of servicer bankruptcy are determined.

R&I evaluates that Hachijuni Lease's credit management system is adequate for the purposes of this structure. Further, the performance of lease receivables backing the Trust Beneficiary Rights in Hachijuni Lease, Ltd. Lease Receivables (Series-1), issued in January 2002 with an issue amount of 3.0 billion yen, has been very good.

In the event of bankruptcy of the servicer, the backup servicer, Diamond Lease Co., Ltd., will conduct the collection of the lease receivables. Procedures for the transfer of the servicer business to the backup servicer are also confirmed, and Mitsubishi Trust itself will operate as servicer if necessary in the period until the backup servicer commences servicer functions.

MAJOR CHARACTERISTICS OF THE POOL:

a) The receivables are specified claims as defined under the Law Regarding Regulation of Business Concerning Specified Claims, etc.

b) There have been no failed payments, or payments have not been overdue.

c) The total of leases to any single original debtor does not exceed 43,605,000 yen.

d) There are between 34 and 72 outstanding monthly payments.

e) The lease receivables are selected by random sampling in line with the eligibility criteria in the transfer contract.

f) There are 1003 obligors and 2716 leases.