



# NEWS RELEASE

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Nov 29, 2002

## San-in Gen. Lease No. 3 ABS: R&I Assigns AAA

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

<b>INSTRUMENT NAME:</b>	<b>Senior Trust Beneficiary Rights in The San-in General Lease Co., Ltd. Lease Receivables (No. 3)</b>
ISSUE AMOUNT:	3.0 billion yen
ORIGINATOR:	The San-in General Lease Co., Ltd.
TRUSTEE:	The Mitsubishi Trust and Banking Corp.
BACKUP SERVICER:	SMBC Leasing Co., Ltd.
SALES REPRESENTATIVE:	Mitsubishi Securities Co., Ltd.
BACKING ASSETS:	Lease Receivables held by The San-in General Lease Co., Ltd.
TRUST EXECUTION DATE:	Nov 22, 2002
TRUST EXPIRATION DATE:	Aug 31, 2008
REDEMPTION METHOD:	Controlled Amortization (quarterly)
<b>R&amp;I RATING:</b>	<b>AAA(Formal)</b>
CREDIT ENHANCEMENT:	Overcollateralization; Cash reserve
NOTE:	The rating is an assessment of the probability of the total redemption of the principal by the trust expiration date and of the timely payment of dividends.

### **OUTLINE OF THE STRUCTURE:**

- 1) The rating is for Senior Trust Beneficiary Rights set up by Mitsubishi Trust and Banking Corp. (Mitsubishi Trust).
- 2) The San-in General Lease Co., Ltd. (San-in General Lease), a company accounted for by the equity method of The San-in Godo Bank, Ltd., transfers lease receivables to Mitsubishi Trust on November 22, 2002, based on a trust agreement. The transfer is perfected as against any third party and 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) After receiving an additional trust of a cash reserve from San-in General Lease, Mitsubishi Trust delivers the Trust Beneficiary Rights to San-in General Lease, divided into Senior and Subordinated Trust Beneficiary Rights. San-in General Lease sells the Senior Trust Beneficiary Rights to investors through the intermediary of Mitsubishi Securities.
- 4) As a servicer, San-in General Lease performs the business of collection of the lease receivables from the obligors. The money collected every month is remitted to Mitsubishi Trust on the 20th of each month.
- 5) From March 2003, Mitsubishi Trust makes the dividend and principal payments on the Senior Trust Beneficiary Rights every three months, and after having deducted a sum for a sufficient cash reserve, then makes dividend and principal payments on the Subordinated Trust Beneficiary Rights after certain conditions have been met. Following an early redemption event such as servicer default, dividend and principal payments on the Subordinated Trust Beneficiary Rights are terminated and the payment method on all the Senior Trust Beneficiary Rights changes to a monthly pass-through.

### **SUMMARY OF EVALUATION:**

- 1) There is sufficient overcollateralization and cash reserve.

The Mitsubishi Trust will issue Senior Trust Beneficiary Rights to the value of 3.0 billion yen, which is backed by lease receivables of about 3.6 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.

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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 San-in General 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.

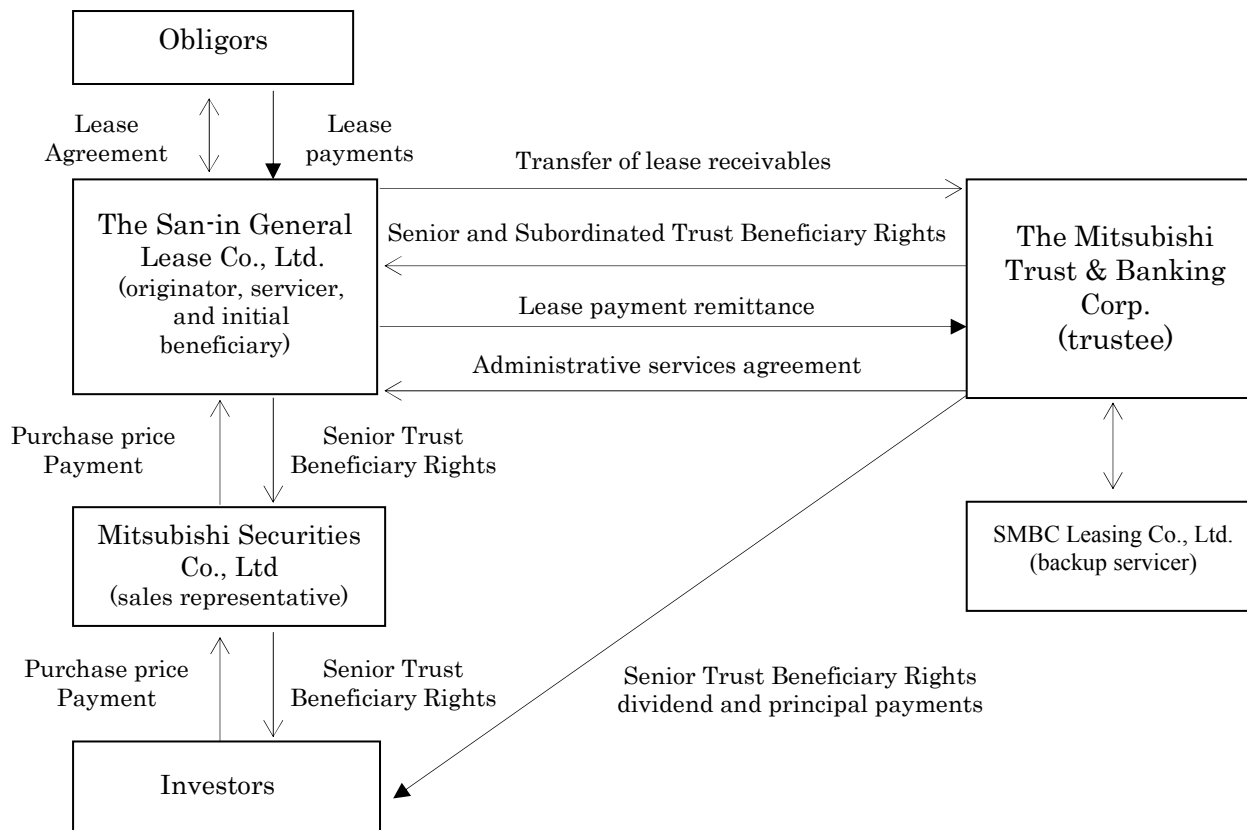
Apart from certain conditions stated in the trust agreement, San-in General Lease has no right to demand the trustee to repurchase the lease receivables and has no repurchase obligation. Excluding its rights and obligations as the servicer, the firm has no right against or control over the lease receivables 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 San-in General Lease's credit management system is adequate for the purposes of this structure. Further, the performance of lease receivables backing the Senior Trust Beneficiary Rights in San-in General Lease, Co., Ltd. Lease Receivables (No.1), issued in July 2000 with an issue amount of 5.35 billion yen, and also Lease Receivables (No.2), issued in October 2002 with an issue amount of 2.34 billion yen, has been very good.

In the event of bankruptcy of the servicer, the backup servicer, SMBC Leasing 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.

## SCHEME DIAGRAM:





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## 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) Payments on the receivables are mainly made by account transfers to the The San-in Godo Bank, Ltd.
- d) The total of lease receivables to any single obligor may not exceed 25,970,000 yen.
- e) The number of remaining payments on individual lease receivables ranges from 13 to 72.
- f) The lease receivables are selected by random sampling in line with the eligibility criteria in the trust agreement.
- g) There are 1141 obligors and 1755 leases.