



NEWS RELEASE

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Higin Lease Series-3 ABS: R&I Assigns AAA

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

INSTRUMENT RATED:	Senior Trust Beneficiary Rights in Higin Lease Co., Ltd. Lease Receivables (No. 3)
ISSUE AMOUNT:	2.12 billion yen
ORIGINATOR:	Higin Lease Co., Ltd.
TRUSTEE:	Shinkin Trust Bank, Ltd.
BACKUP SERVICER:	Jaccs Co., Ltd.
SALES REPRESENTATIVE:	Mitsubishi Securities Co., Ltd.
BACKING ASSETS:	Lease receivables held by Higin Lease Co., Ltd.
TRUST EXECUTION DATE:	Dec 18, 2002
TRUST EXPIRATION DATE:	Nov 30, 2008
REDEMPTION METHOD:	Controlled Amortization (quarterly)

R&I RATING: AAA

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 Shinkin Trust Bank, Ltd. (Shinkin Trust).
- 2) Higin Lease Co., Ltd. (Higin Lease), a company accounted for by the equity method of The Higo Bank, Ltd., transfers lease receivables to Shinkin Trust on Dec 18, 2002, based on a trust agreement. 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) After receiving an additional trust of a cash reserve from Higin Lease, Shinkin Trust delivers the Trust Beneficiary Rights to Higin Lease, divided into Senior and Subordinated Trust Beneficiary Rights. Higin Lease sells the Senior Trust Beneficiary Rights to investors through the intermediary of Mitsubishi Securities Co., Ltd.
- 4) As the servicer, Higin Lease performs the business of collection of the lease receivables from the obligors. The money collected every month is remitted to Shinkin Trust on the 16th of the subsequent month.
- 5) From March 2003, Shinkin 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.
Shinkin Trust will issue Senior Trust Beneficiary Rights to the value of 2.12 billion yen, which

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is backed by lease receivables to the value of about 2.7 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 Higin 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, Higin 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 Higin 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 Higin Lease Co., Ltd. Lease Receivables (Series 1), issued in September 2001 with an issue amount of 2.23 billion yen, and also Lease Receivables (Series 2), issued in May 2002 with an issue amount of 2.33 billion yen, has been very good.

In the event of bankruptcy of the servicer, the backup servicer, JACCS 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 Shinkin 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 receivables 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 lease receivables are made by account transfers to The Higo Bank, Ltd.
- d) The total of leases to any single original debtor may not exceed 11,750,000 yen.
- e) The number of remaining payments on individual lease receivables ranges from 12 to 72.
- f) The lease receivables are selected by random sampling in line with the eligibility criteria in the trust agreement.
- g) There are 1,007 obligors and 1,504 leases.