



NEWS RELEASE

No.2003-C-078
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Hyakugo Leasing No-1 ABS: R&I Assigns AAA

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

INSTRUMENT NAME:	Senior Trust Beneficiary Rights in Hyakugo Leasing Co., Ltd. (No.1)
AMOUNT:	2.0 billion yen
ORIGINATOR:	Hyakugo Leasing Co., Ltd.
TRUSTEE:	The Mitsubishi Trust and Banking Corp.
BACKUP SERVICER:	Jaccs Co., Ltd. (TSE Code: 8584)
SALES REPRESENTATIVE:	Mitsubishi Securities Co., Ltd.
BACKING ASSETS:	Lease receivables held by Hyakugo Leasing Co., Ltd.
TRUST EXECUTION DATE:	Feb 06, 2003
TRUST EXPIRATION DATE:	Apr 30, 2009
REDEMPTION METHOD:	Controlled Amortization (3-monthly)

R&I RATING: AAA (formal)

CREDIT ENHANCEMENT: Overcollateralization; cash reserve
NOTE: The rating is an assessment of the probability of the total redemption 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 Beneficiary Rights set up by The Mitsubishi Trust and Banking Corp. (Mitsubishi Trust).
- 2) Hyakugo Leasing Co., Ltd. (Hyakugo Leasing), a consolidated subsidiary of The Hyakugo Bank, Ltd., headquartered in Tsu City, transfers lease receivables to Mitsubishi Trust on Feb 6, 2003, 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 Beneficiary Rights backed by the transferred lease receivables. After receiving an additional trust of a cash reserve from Hyakugo Leasing, Mitsubishi Trust delivers the trust Beneficiary Rights to Hachijuni Lease, divided into senior and subordinated trust Beneficiary Rights. Hachijuni Lease sells the Senior Trust Beneficiary Rights to investors via Mitsubishi Securities.
- 4) Hyakugo Leasing (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 19nd of every month.
- 5) From June 2003, Mitsubishi Trust makes dividend and principal payments on the Senior Trust Beneficiary Rights every three months, and it then makes dividend and principal payments on the Subordinated Trust Beneficiary Rights provided that 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 payments on the Senior Trust Beneficiary Rights change to a monthly pass-through.

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SUMMARY OF EVALUATION:

1) There is sufficient overcollateralization and cash reserve.

The Mitsubishi Trust will issue Senior Trust Beneficiary Rights to the value of 2.0 billion yen, which is backed by lease receivables of about 2.48 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 Hyakugo Leasing. 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, Hyakugo Leasing 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 Hyakugo Leasing's credit management system is adequate for the purposes of this structure.

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 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 24,550,000 yen.(about 0.99% of the transferred receivables)

d) There are between 30 and 84 outstanding monthly payments.

e) There are between 36 and 108 stipulated monthly payments.

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

g) There are 855 obligors and 1,631 leases.