Securitization Market Trends Survey Report  
(Issuance Trends in the First Half of Fiscal 2018)

This report is a summary of the results of the “Securitization Market Trends Survey” (see JSDA’s website at <http://www.jsda.or.jp/en/index.html>), conducted monthly by the Japan Securities Dealers Association (JSDA) and the Japanese Bankers Association (JBA), for the first half of fiscal 2018, the period from April 1, 2018 to September 30, 2018.

In addition, please refer to an attached sheet for the numerical data used in a chart.

I. Overall Issuance Trends for Securitization Products

Looking at the issuance trends for securitization products in the first half of fiscal 2018, the amount declined year-on-year. The total issuance amount was ¥2,162.6 billion, declining 4.4% from the first half of fiscal 2017, while the number of issues was 77, up 5.5% year-on-year. (see Chart 1).

Reference: The total issuance amount of corporate straight bonds during the first half of fiscal 2018 was ¥5,648.0 billion (provisional figure).

Chart 1. Securitization Product Issuance Amount and Number of Issues
II. Issuance Trends by Underlying Assets

Looking at the securitization product issuance amount for the first half of fiscal 2018 by underlying assets, the amount of “CMBS,” “Shopping credits,” and “Sales receivables/Commercial bills” increased, whereas in contrast, “RMBS,” “CDO,” and “Others” decreased. (see Chart 2).

Chart 2. Securitization Product Issuance Amount by Underlying Assets

<table>
<thead>
<tr>
<th></th>
<th>RMBS</th>
<th>CMBS</th>
<th>CDO</th>
<th>Leases</th>
<th>Consumer loans</th>
<th>Shopping credits</th>
<th>Sales receivables/Commercial bills</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuance amount (¥100 million)</td>
<td>13,166</td>
<td>365</td>
<td>415</td>
<td>0</td>
<td>0</td>
<td>6,936</td>
<td>244</td>
<td>500</td>
<td>21,626</td>
</tr>
<tr>
<td>Year on year change (¥100 million)</td>
<td>-1,617</td>
<td>+365</td>
<td>-833</td>
<td>+0</td>
<td>+0</td>
<td>+1,545</td>
<td>+62</td>
<td>-509</td>
<td>-986</td>
</tr>
<tr>
<td>% Composition</td>
<td>60.9</td>
<td>1.7</td>
<td>1.9</td>
<td>0.0</td>
<td>0.0</td>
<td>32.1</td>
<td>1.1</td>
<td>2.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Ref. Number of issues (present period)</td>
<td>40</td>
<td>6</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>21</td>
<td>5</td>
<td>77</td>
<td></td>
</tr>
<tr>
<td>Year on year change (number)</td>
<td>+11</td>
<td>6</td>
<td>-4</td>
<td>0</td>
<td>+0</td>
<td>-5</td>
<td>-1</td>
<td>-3</td>
<td>+4</td>
</tr>
<tr>
<td>Year on year change (%)</td>
<td>+37.9</td>
<td>-(*)</td>
<td>-50.0</td>
<td>-(*)</td>
<td>-19.2</td>
<td>-16.7</td>
<td>-75.0</td>
<td>+5.5</td>
<td></td>
</tr>
</tbody>
</table>

* YoY change in CMBS, Leases and Consumer loans is shown as “—” because there were no issues in the same period last year.

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![Chart 2](chart2.png)

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*Others* Foundation funds, subordinated-loan, business cash flow, medical receivables, and others

*Sales receivables/Commercial bills* Sales receivables, commercial bills

*Shopping credits* Shopping loans, credit card loans, automobile loans

*Consumer loans* Consumer loans, bank card loans

*Leases* Lease credits

*CDO* (Collateralized Debt Obligations) Corporate loans, corporate bonds, credit default swaps, and others

*CMBS* (Commercial Mortgage-backed Securities) Commercial real estate collateralized loans, commercial real estate

*RMBS* (Residential Mortgage-backed Securities) Housing loans and loans to individuals to build commercial apartments

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III. Issuance Trends by Product Type

Looking at the securitization product issuance amount (¥2,162.6 billion) by product type, the amount of “Bonds” was ¥1,182.6 billion (54.7% of the total), followed by “Trust beneficiary rights” with ¥844.7 billion (39.1%) (see Chart 3).

Chart 3. Securitization Product Issuance Amount by Product Type

IV. Issuance Trends by Repayment Method

Looking at the securitization issuance amount (¥2,162.6 billion) by repayment method, the amount of “Pass-through repayments” was ¥1,827.0 billion (84.5% of the total) (see Chart 4).

Chart 4. Securitization Product Issuance Amount by Repayment Method
V. Issuance Trends by Planned/Average Term to Maturity

Looking at the securitization issuance amount (¥2,162.6 billion) by planned/average term to maturity, the most popular term, except for “Not noted”, was “5 year to 7 years” with ¥50.0 billion (2.3% of the total) (see Chart 5).

Chart 5. Securitization Product Issuance Amount by Planned/Average Term to Maturity

VI. Issuance Trends by Credit Rating

Looking at the securitization issuance amount (¥2,162.6 billion) by credit rating, the amount of “AAA” was ¥1,803.1 billion (83.4% of the total) (see Chart 6).

Chart 6. Securitization Product Issuance Amount by Credit Rating
<supplementary information>

(i) RMBS Issuance Trends by Originator

Looking at the RMBS issuance amount (¥1,316.6 billion) by originator, the amount of “Japan Housing Finance Agency” (JHF) was ¥1,059.0 billion (80.4% of the total), followed by “Others” with ¥142.0 billion (10.8%) and “Commercial / trust banks” with ¥112.3 billion (8.5%) (see Chart i).

![Chart i. RMBS Issuance Amount by Originator](image)

Note: A breakdown of “Others” is provided in the Appendix. (FY2012 1st Half) and later.

(ii) RMBS Issuance Trends by Product Type

Looking at the RMBS issuance amount (¥1,316.6 billion) by product type, the amount of “Bonds” was ¥1,059.0 billion (80.4% of the total), followed by “Trust beneficiary rights” with ¥196.4 billion (14.9%) (see Chart ii).

![Chart ii. RMBS Issuance Amount by Product Type](image)
(iii) RMBS Issuance Trends by Repayment Method
Looking at the RMBS issuance amount (¥1,316.6 billion) by repayment method, all repayments were “Pass-through repayments” (see Chart iii).

Chart iii. RMBS Issuance Amount by Repayment Method

(iv) Launch Spread at Issuance (Japan Housing Finance Agency MBS)¹
The launch spread for “JHF Monthly MBS” began to narrow from the issuance at June 2018 and remained flat thereafter (see Chart iv).

Chart iv. JHF MBS Launch Spread

¹ The “Monthly” Launch Spread refers to the spread between the coupon rate of JHF Monthly MBS and yield of the most recently priced 10-year reference JGB.

The “Series T” Launch Spread refers to the spread between the coupon rate of JHF Series T MBS and yield of the
most recently priced 5-year reference JGB.

The “Series T” category was added to the data as of the first half of FY2018.