

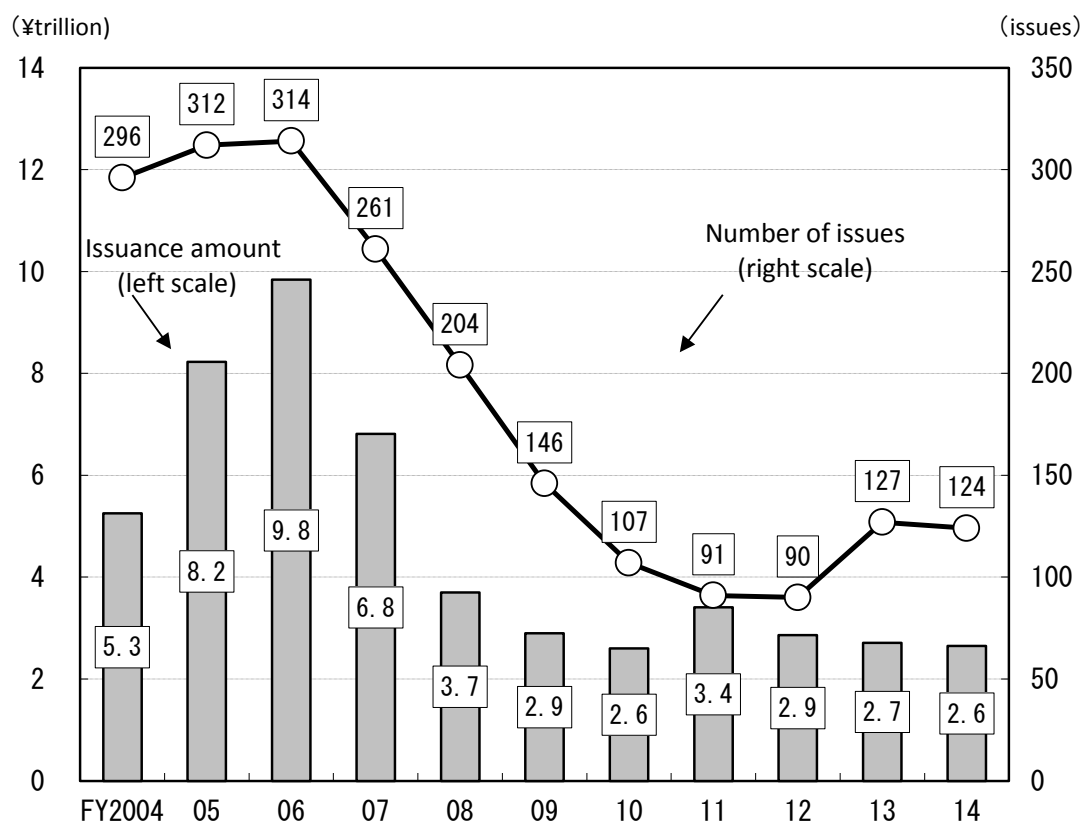
Securitization Market Trends Survey Report
—Issuance Trends in Fiscal 2014—

The following 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 fiscal 2014, the period from April 1, 2014 to March 31, 2015. For chart data, please see the appendix “Chart Data at a Glance.”

I. Overall Issuance Trends for Securitization Products

Looking at the issuance trends for securitization products in the fiscal 2014, both amount and number of issues declined year on year. Total issuance amount was ¥2,648.6 billion, declining 2.2% from the fiscal 2013, while the number of issues was 124, down 2.4% year on year (Chart 1).

Chart 1. Securitization Product Issuance Amount and Number of Issues



Ref.: The total issuance amount of corporate straight bonds

(¥trillion)

FY	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
amount of issues	5.9	6.9	6.8	9.4	9.6	10.3	9.9	8.3	8.2	8.1	8.7

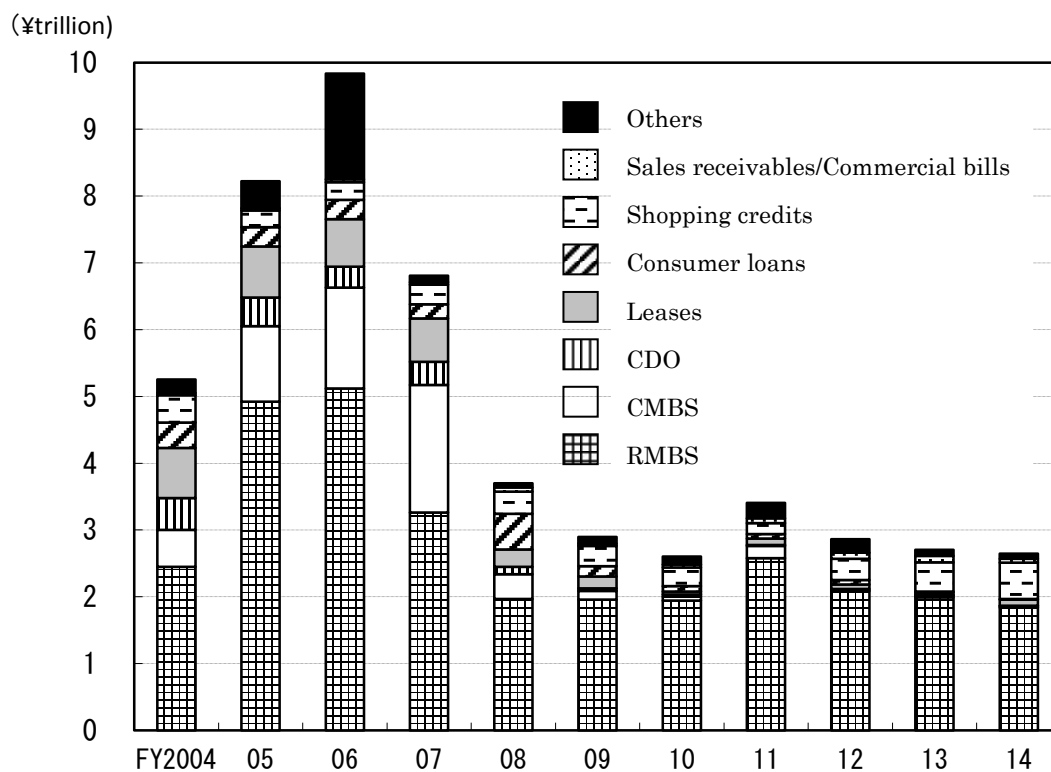
※ provisional figure

II. Issuance Trends by Underlying Assets

Looking at the securitization product issuance amount for the fiscal 2014 by underlying assets, the amount of leases increased for the first time in three years. In addition, the amount of CDO increased for the second consecutive year, and shopping credits increased for the third consecutive year. In contrast, RMBS, CMBS, consumer loans, sales receivables/commercial bills and others decreased (Chart 2).

Chart 2. Securitization Product Issuance Amount by Underlying Assets

	RMBS	CMBS	CDO	Leases	Consumer loans	Shopping credits	Sales receivables/ Commercial bills	Others	Total
Issuance amount(¥100 million)	18,386	274	55	907	65	5,453	581	767	26,486
Year on year change(¥100 million)	▲1,569	▲2	+20	+521	▲115	+1,081	▲349	▲182	▲595
Year on year change(%)	▲7.9	▲0.8	+56.9	+134.8	▲63.9	+24.7	▲37.5	▲19.2	▲2.2
% Composition	69.4	1.0	0.2	3.4	0.2	20.6	2.2	2.9	100.0
Ref. Number of issues	41	2	3	5	1	41	24	7	124



Reference: The specific types of underlying assets for each securitization product category are as follows.

RMBS (Residential Mortgage Backed Securities): Housing loans and loans to individuals to build commercial apartments

CMBS (Commercial Mortgage Backed Securities): Commercial real estate collateralized loans, commercial real estate

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

Leases: Lease credits

Consumer loans: Consumer loans, bank card loans

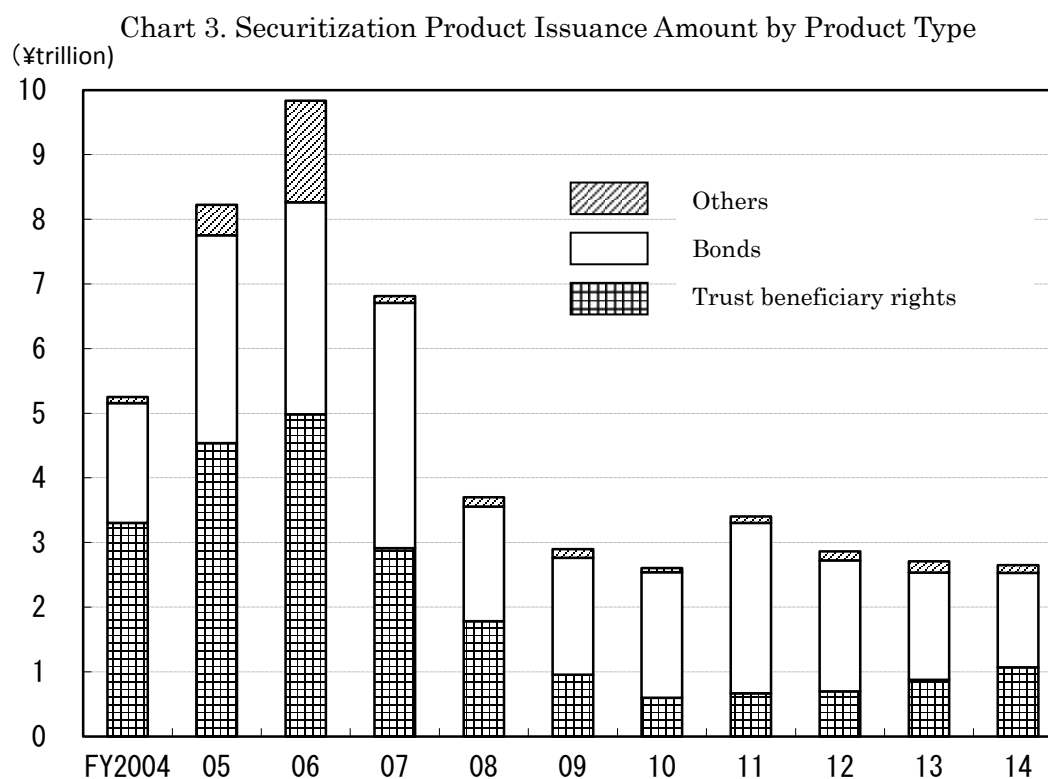
Shopping credits: Shopping loans, credit card loans, automobile loans

Sales receivables/Commercial bills: Sales receivables, commercial bills

Others: Fund receivables, business cash flow, medical fee receivables, and others

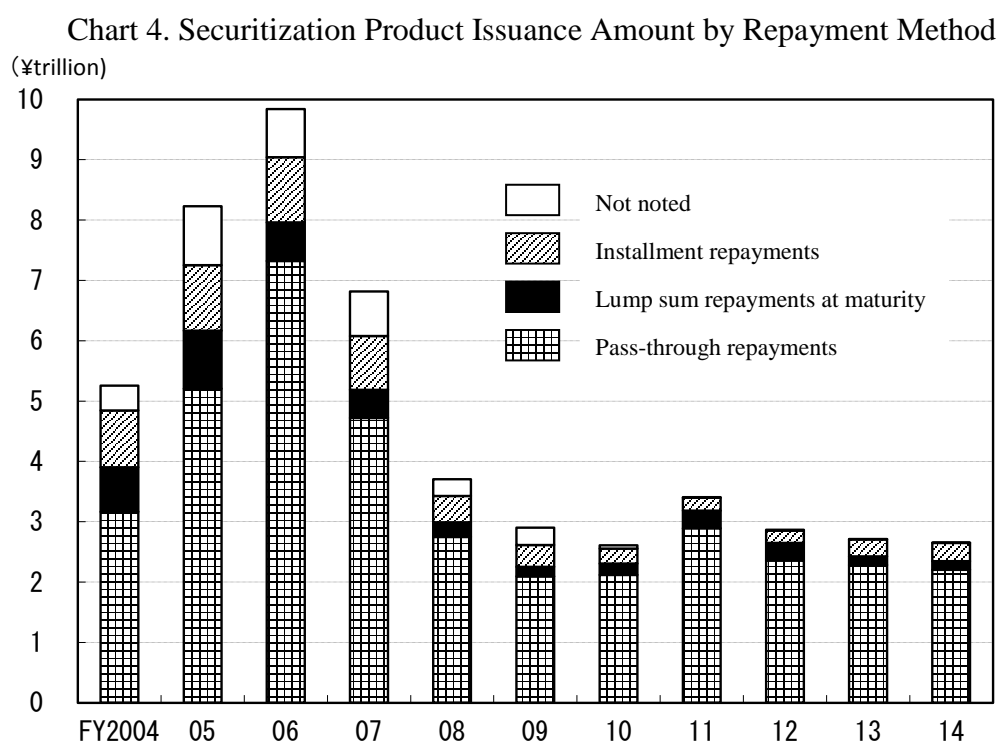
III. Issuance Trends by Product Type

Looking at the securitization product issuance amount (¥2,648.6 billion) by product type, bonds accounted for 55.1% (¥1,460.6 billion), followed by trust beneficiary rights with 40.4% (¥ 1,070.1 billion) (Chart 3).



IV. Issuance Trends by Repayment Method

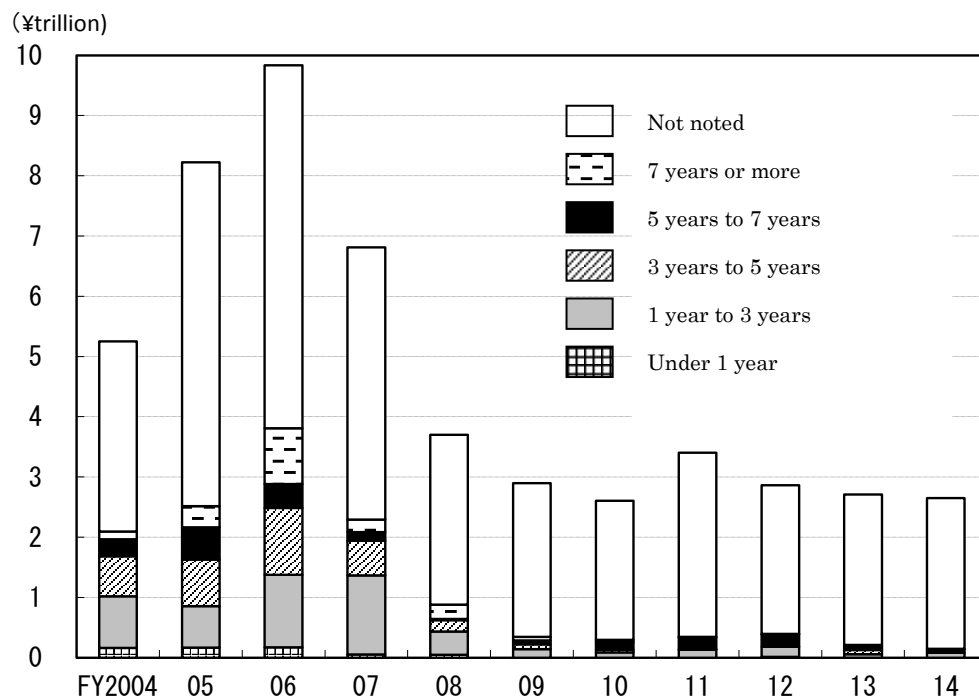
Looking at the securitization issuance amount (¥2,648.6 billion) by repayment method, pass-through repayments accounted for 83.0% (¥2,197.6 billion) (Chart 4).



V. Issuance Trends by Planned/Average Term to Maturity

Looking at the securitization issuance amount (¥2,648.6 billion) by planned/average term to maturity, “Not noted” accounted for 94.3% (¥2,498.8 billion), followed by “1 years to 3 years” with 3.2% (¥84.3 billion) and “5 year to 7 years” with 2.3% (¥60.0 billion) (Chart 5).

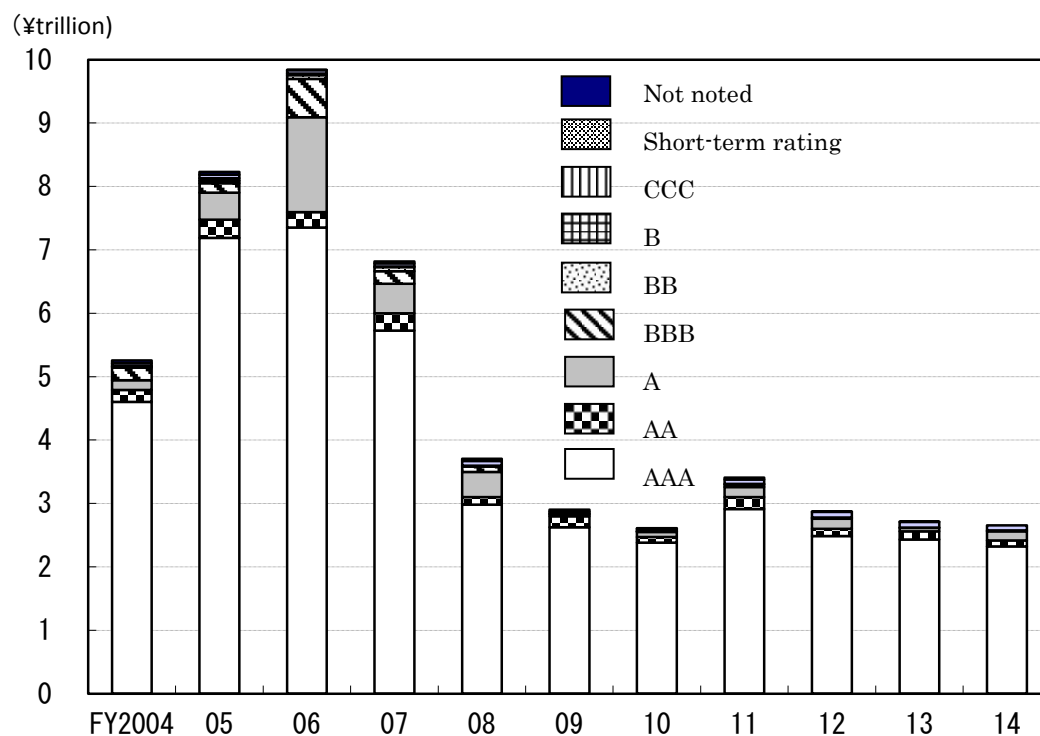
Chart 5. Securitization Product Issuance Amount by Planned/Average Term to Maturity



VI. Issuance Trends by Credit Rating

Looking at the securitization issuance amount (¥2,648.6 billion) by credit rating, AAA accounted for 87.6% (¥2,319.4 billion) (Chart 6).

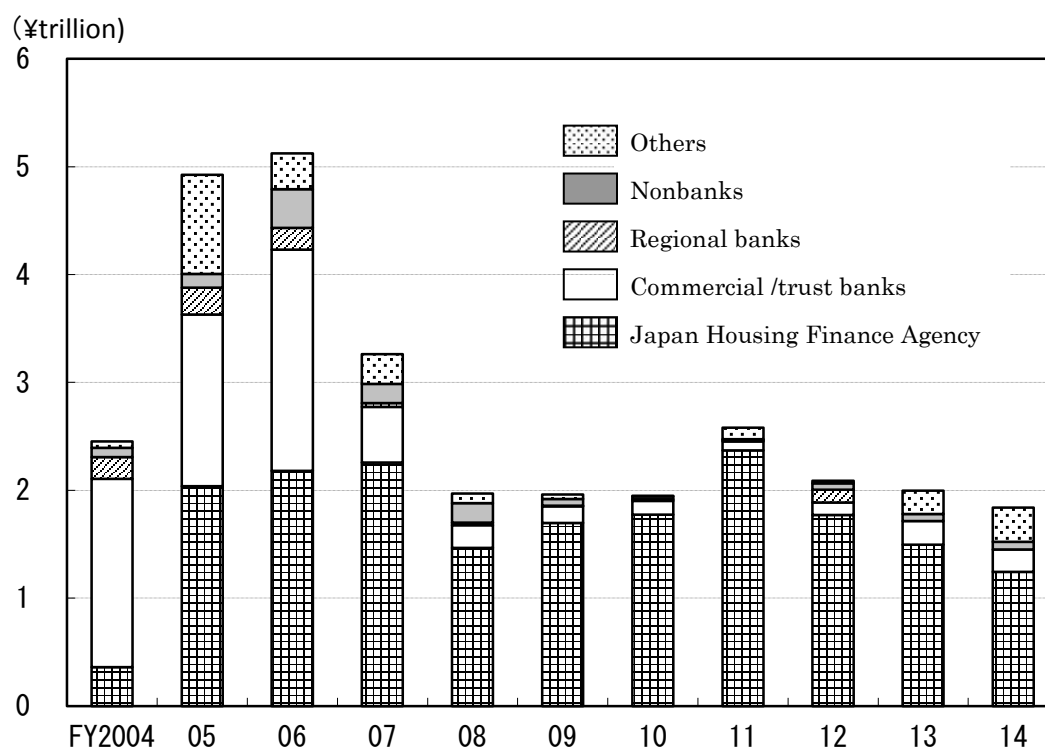
Chart 6. Securitization Product Issuance Amount by Credit Rating



(i) RMBS Issuance Trends by Originator

Looking at the RMBS issuance amount (¥1,838.6 billion) by originator, the Japan Housing Finance Agency (JHF) accounted for 67.7% (¥1,243.8 billion), followed by others with 17.3% (¥318.0 billion) (Chart 7).

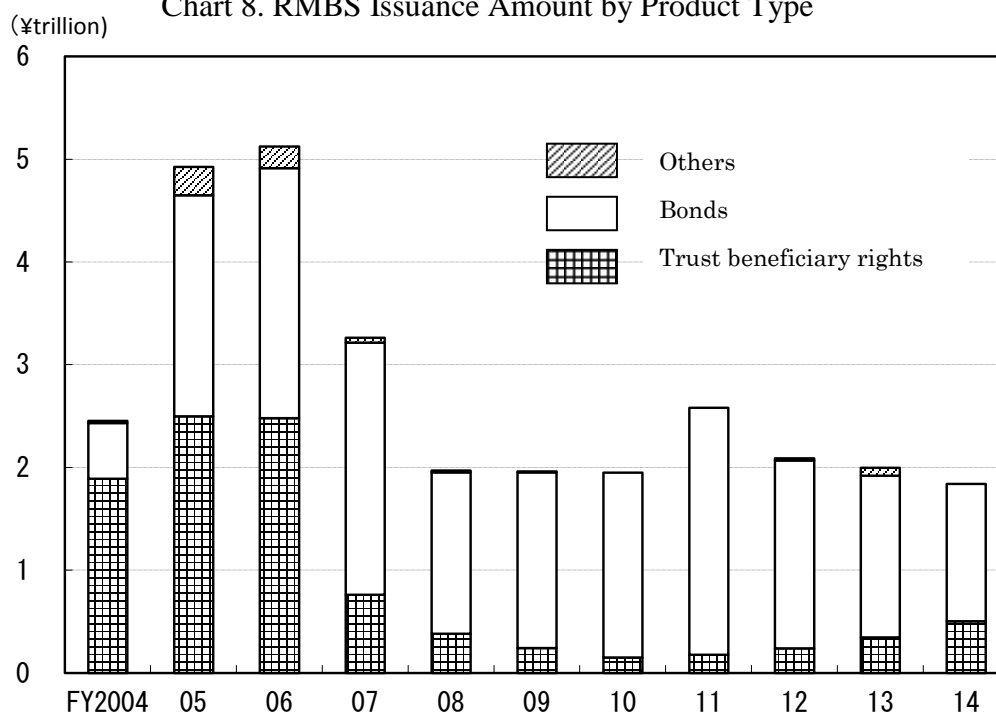
Chart 7. RMBS Issuance Amount by Originator



(ii) RMBS Issuance Trends by Product Type

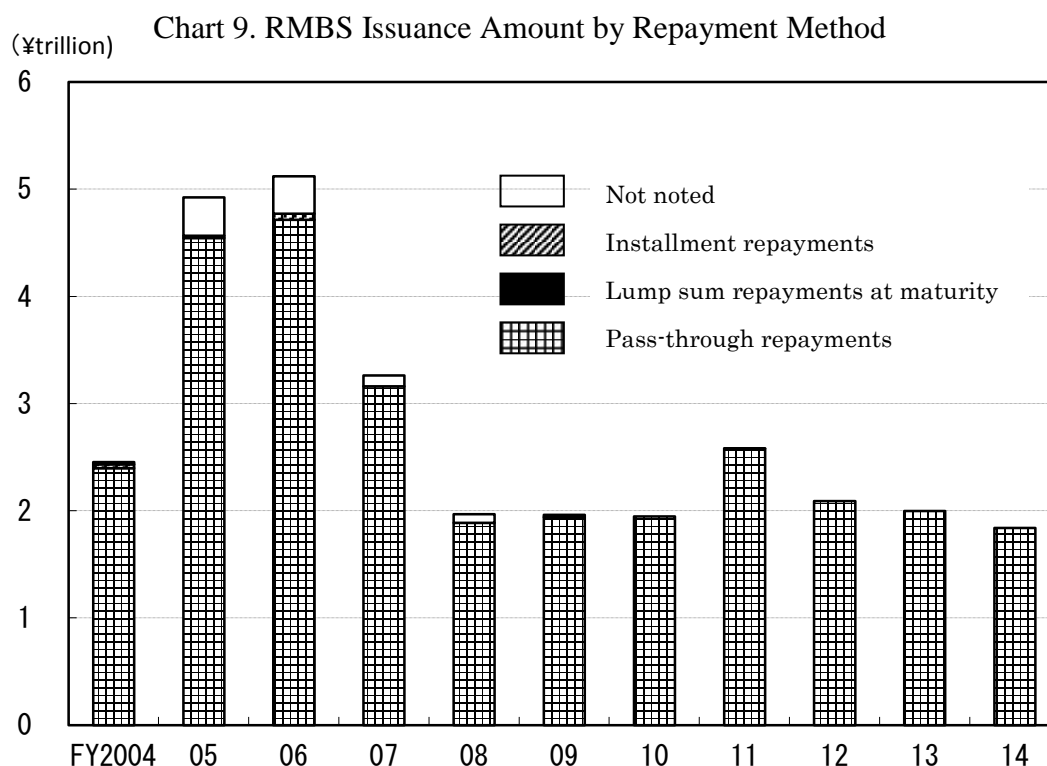
Looking at the RMBS issuance amount (¥1,838.6 billion) by product type, bonds accounted for 72.8% (¥1,337.8 billion) followed by trust beneficiary rights with 27.2% (¥500.8 billion) (Chart 8).

Chart 8. RMBS Issuance Amount by Product Type



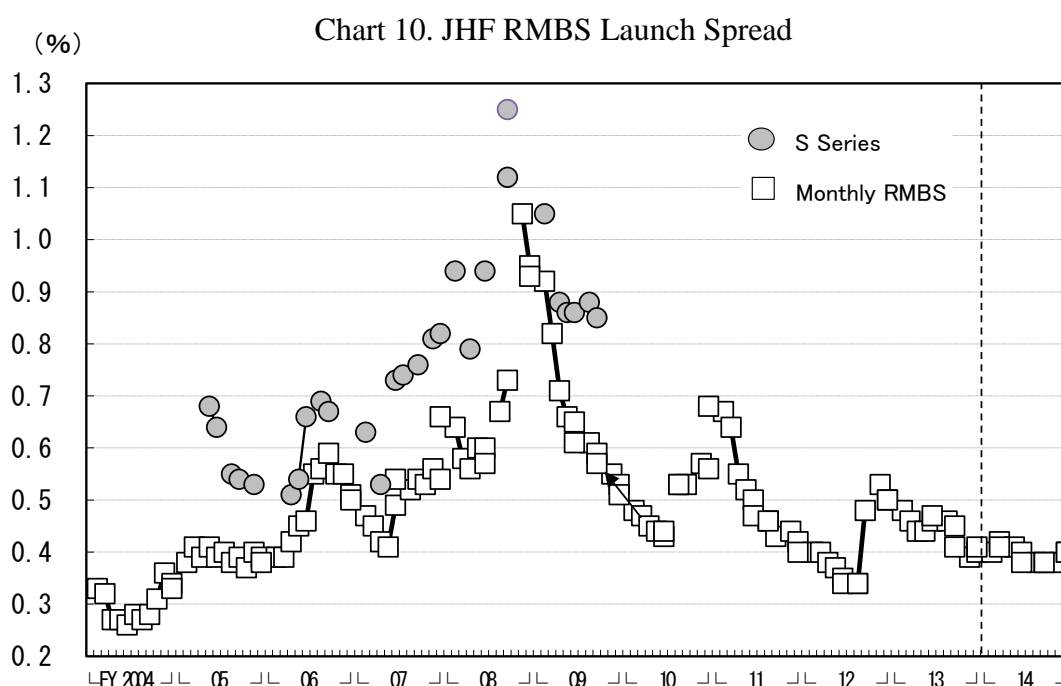
(iii) RMBS Issuance Trends by Repayment Method

Looking at the RMBS issuance amount (¥1,838.6 billion) by repayment method, all repayments were pass-through repayments (Chart 9).



(iv) Spread at Issuance (JHF RMBS)

The launch spread (difference between the RMBS coupon rate and Japanese government bond yield at the time of fixing issuing conditions) for JHF RMBS (monthly issuance bonds) contracted from June 2014 to February 2015, but expanded in March 2015 (Chart 10).



*The S Series (The previous housing loan corporation securitized house loan) have not been issued since December 2009.