

Securitization Market Trends Survey Report
 (Issuance Trends in Fiscal 2015)

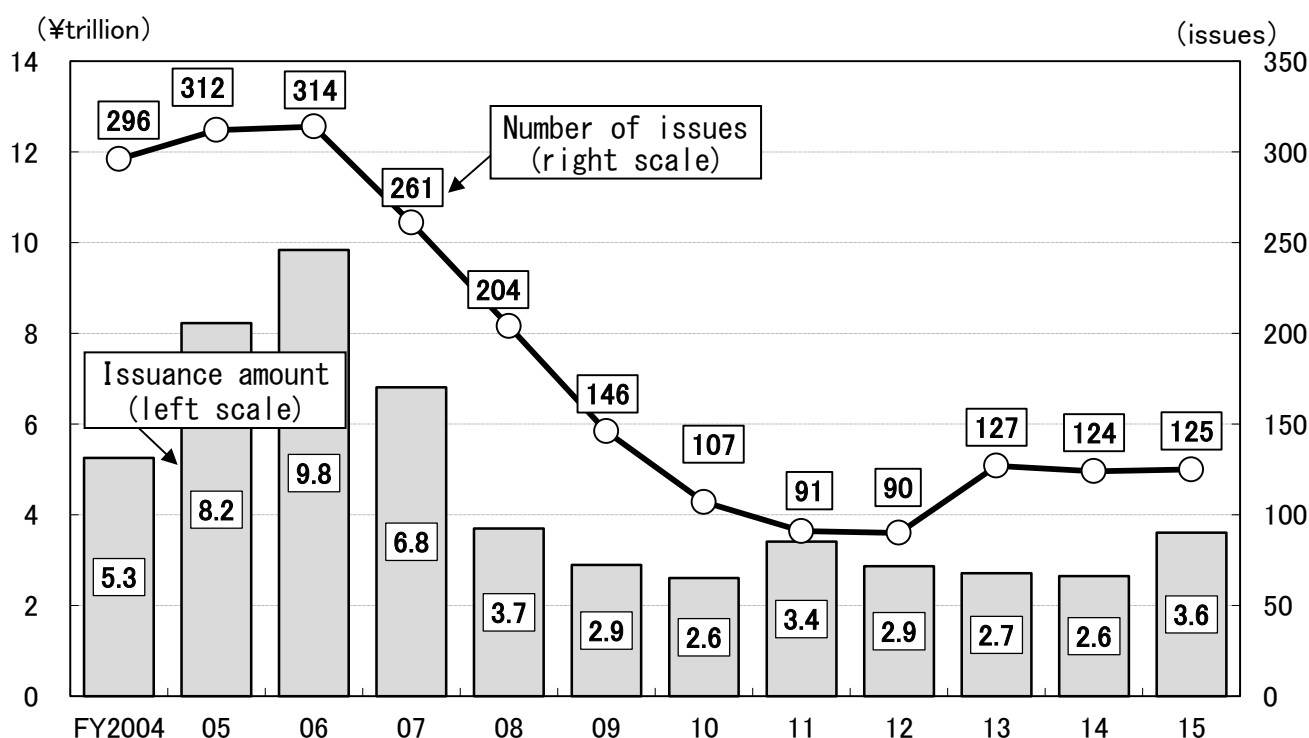
This report is a summary of the results of the “Securitization Market Trends Survey” (see JSDA’s website at <<http://www.jsda.or.jp/en/index.html>>), conducted monthly by the Japan Securities Dealers Association (JSDA) and the Japanese Bankers Association (JBA), for fiscal 2015, the period from April 1, 2015 to March 31, 2016.

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 fiscal 2015, both the amount and number of issues increased year on year. The total issuance amount was ¥3,609.2 billion, increasing 36.3% from the fiscal 2014, while the number of issues was 125, up 0.8% year on year. This amount was the largest since fiscal 2009 (see Chart 1).

Chart 1. Securitization Product Issuance Amount and Number of Issues



Reference: The total issuance amount of corporate straight bonds

FY	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015※
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	6.9

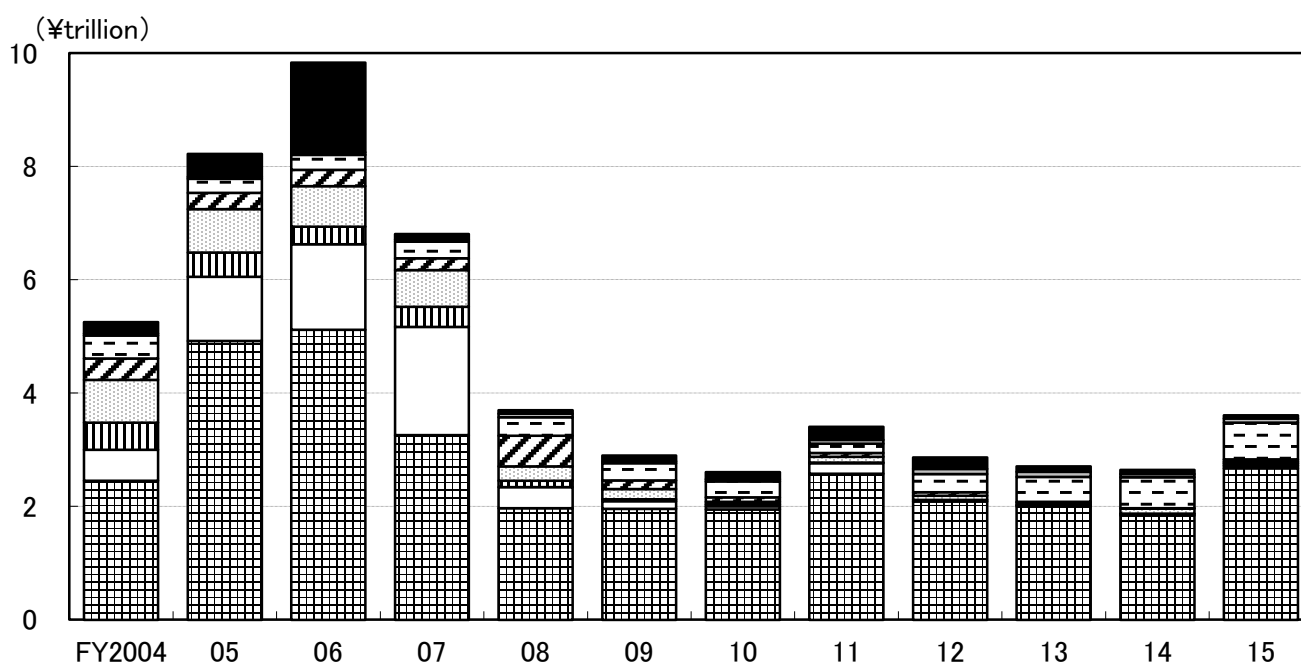
※ provisional figure

II. Issuance Trends by Underlying Assets

Looking at the securitization product issuance amount for the fiscal 2015 by underlying assets, the amount of “RMBS,” “CMBS,” “CDO,” “Consumer loans,” “Shopping credits” and “Sales receivables/Commercial bills” increased, whereas in contrast, “Leases” and “Others” decreased. Above all, the issuance amount of “RMBS” was the largest since fiscal 2008. In addition, “Shopping credits” increased for the fourth consecutive year (see 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)	26,747	439	403	296	413	6,516	735	543	36,092
Year on year change(¥100 million)	+8,362	+166	+349	▲611	+348	+1,063	+154	▲224	9,606
Year on year change(%)	+45.5	+60.6	+638.3	▲67.4	+535.4	+19.5	+26.4	▲29.2	+36.3
% Composition	74.1	1.2	1.1	0.8	1.1	18.1	2.0	1.5	100.0
Ref. Number of issues(present FY)	40	4	6	3	2	49	16	5	125
“ ” (previous FY)	41	2	3	5	1	41	24	7	124

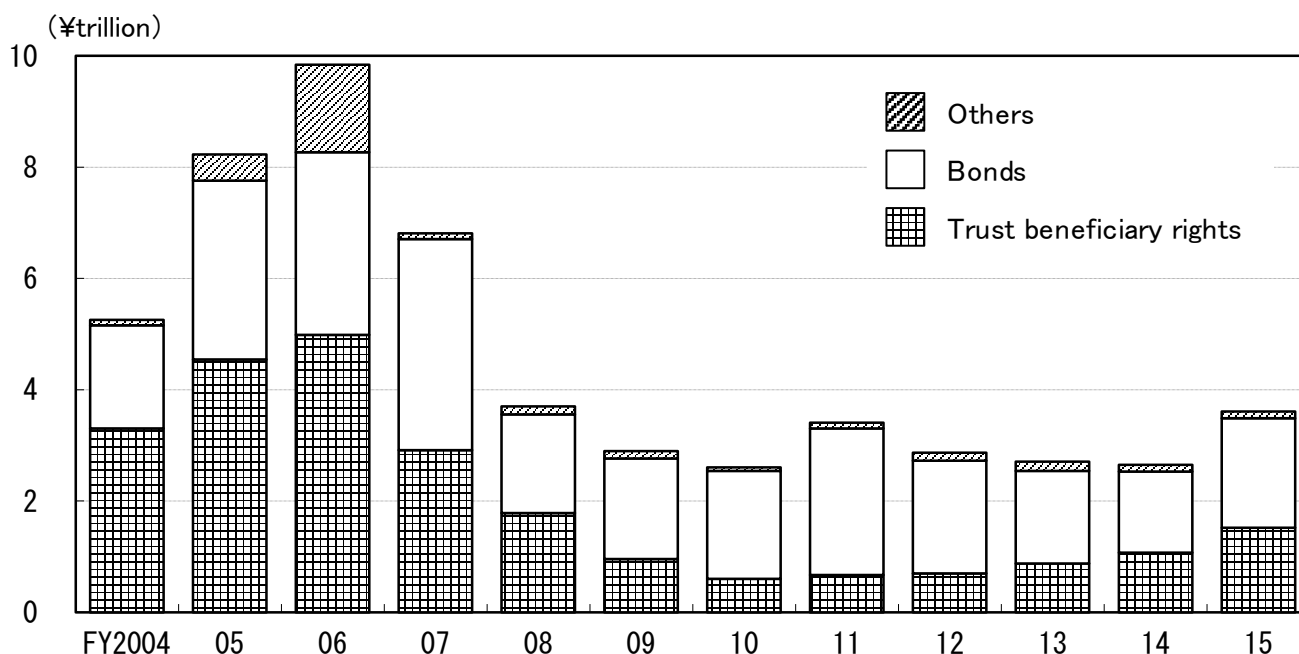


■ Others	Foundation funds, subordinated-loan, business cash flow, medical receivables, and others
■ Sales receivables/Commercial bills	Sales receivables, commercial bills
▢ Shopping credits	Shopping loans, credit card loans, automobile loans
▨ Consumer loans	Consumer loans, bank card loans
▤ Leases	Lease 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

III. Issuance Trends by Product Type

Looking at the securitization product issuance amount (¥3,609.2 billion) by product type, the amount of “Bonds” was ¥1,970.2 billion (54.6% of the total), followed by “Trust beneficiary rights” with ¥1,518.0 billion (42.1%) (see Chart 3).

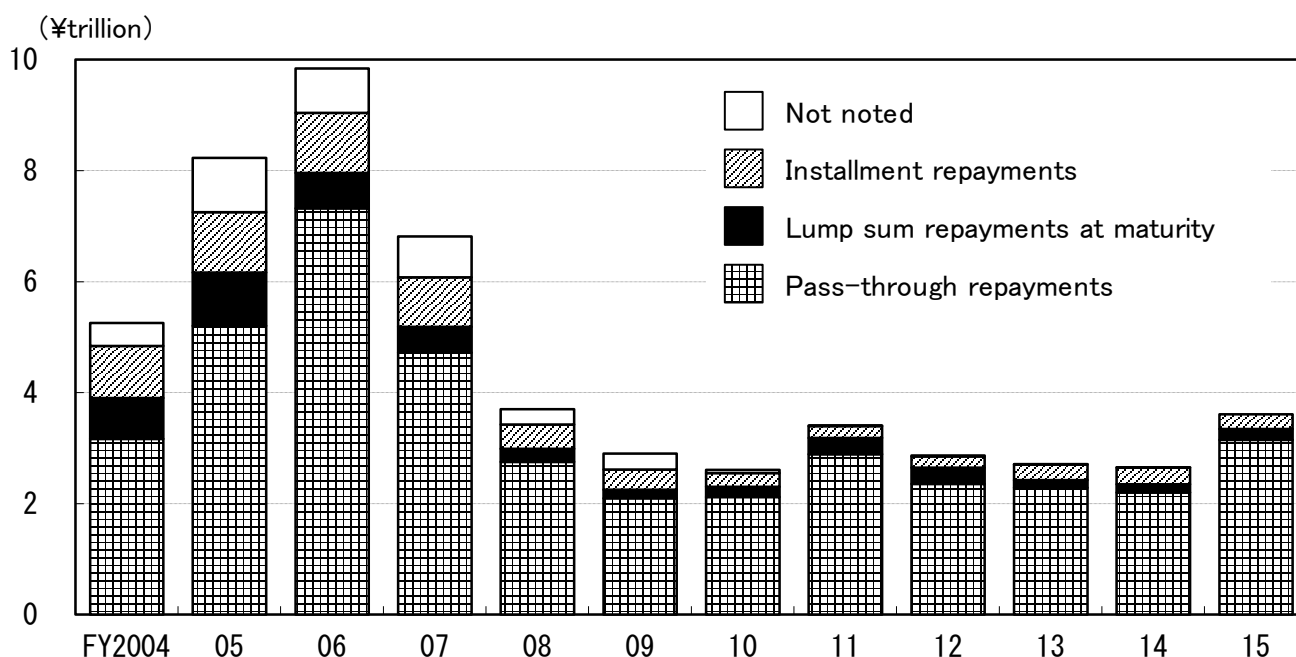
Chart 3. Securitization Product Issuance Amount by Product Type



IV. Issuance Trends by Repayment Method

Looking at the securitization issuance amount (¥3,609.2 billion) by repayment method, the amount of “Pass-through repayments” was ¥3,148.0 billion (87.2% of the total) (see Chart 4).

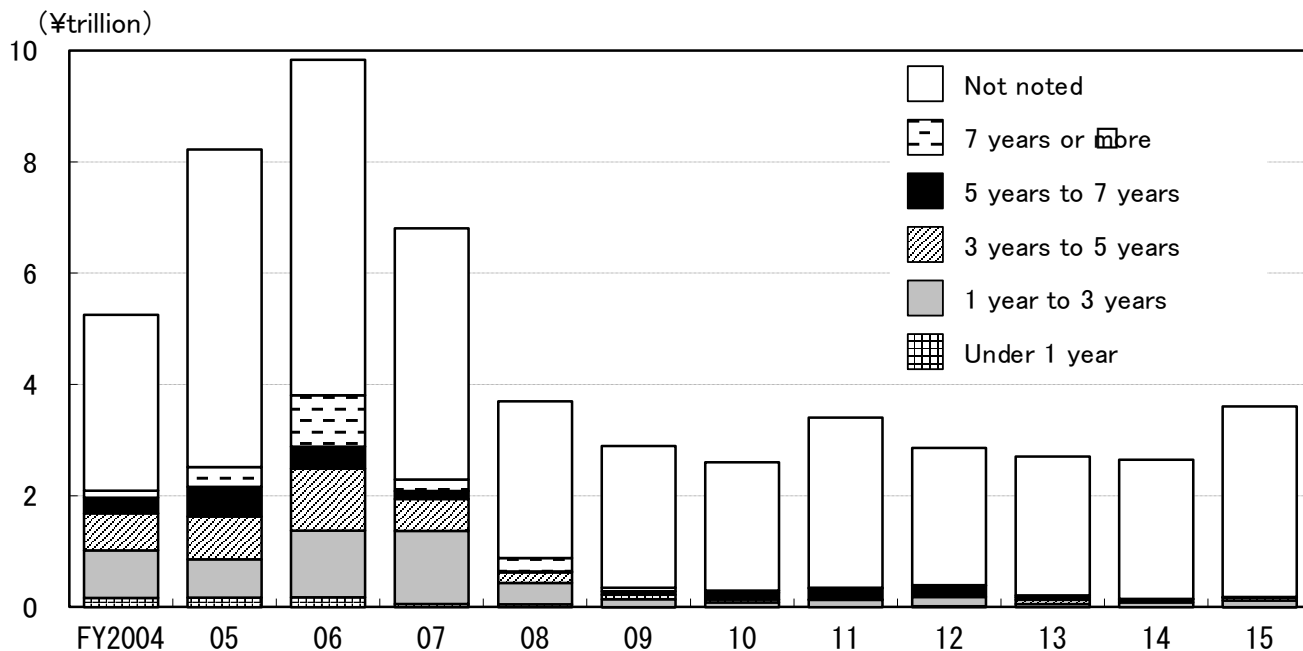
Chart 4. Securitization Product Issuance Amount by Repayment Method



V. Issuance Trends by Planned/Average Term to Maturity

Looking at the securitization issuance amount (¥3,609.2 billion) by planned/average term to maturity, the amount of “Not noted” was ¥3,424.9 billion (94.9% of the total), followed by “1 years to 3 years” with ¥114.4 billion (3.2%) and “3 year to 5 years” with ¥52.3 billion (1.4%) (see Chart 5).

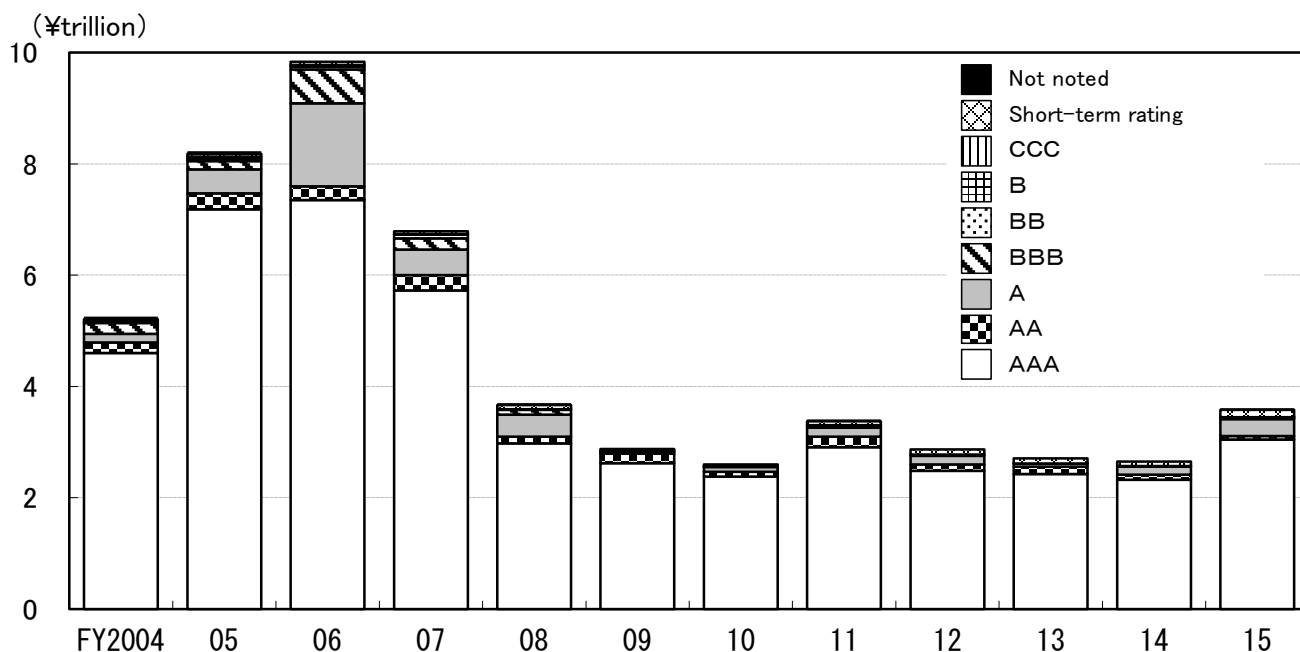
Chart 5. Securitization Product Issuance Amount by Planned/Average Term to Maturity



VI. Issuance Trends by Credit Rating

Looking at the securitization issuance amount (¥3,609.2 billion) by credit rating, the amount of “AAA” was ¥3,042.9 billion (84.3% of the total) (see Chart 6).

Chart 6. Securitization Product Issuance Amount by Credit Rating

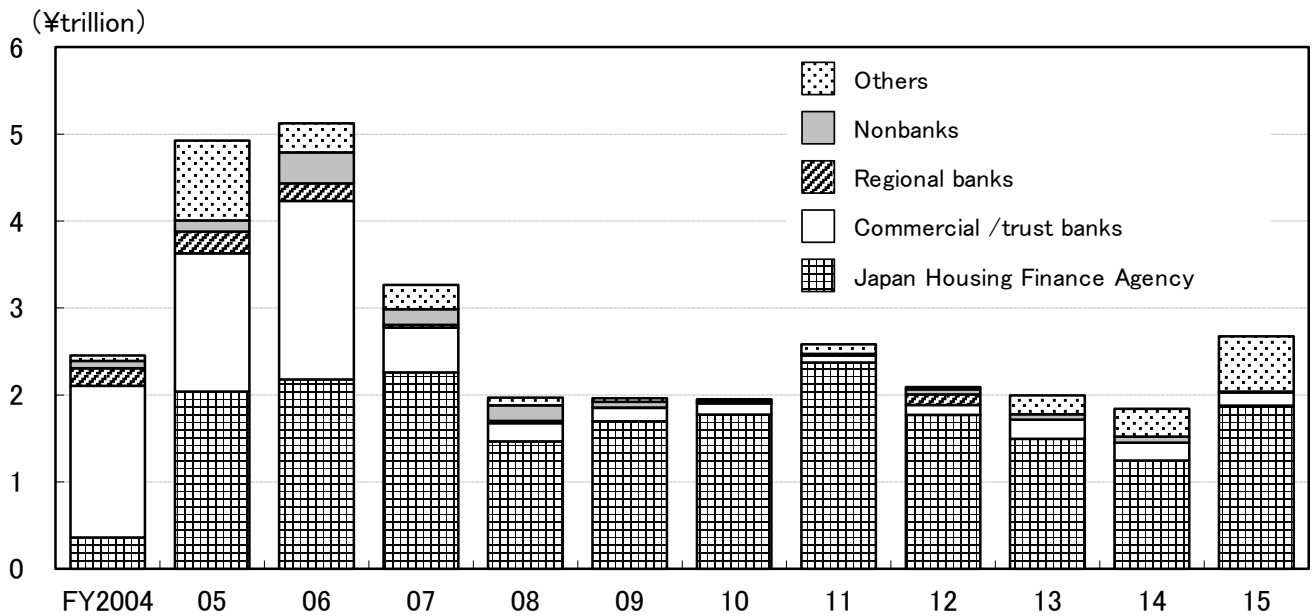


< supplementary information >

(i) RMBS Issuance Trends by Originator

Looking at the RMBS issuance amount (¥2,674.7 billion) by originator, the amount of “Japan Housing Finance Agency” (JHF) was ¥1,875.3 billion (70.1% of the total), followed by “Others” with ¥637.6 billion (23.8%) (see Chart i).

Chart i . RMBS Issuance Amount by Originator

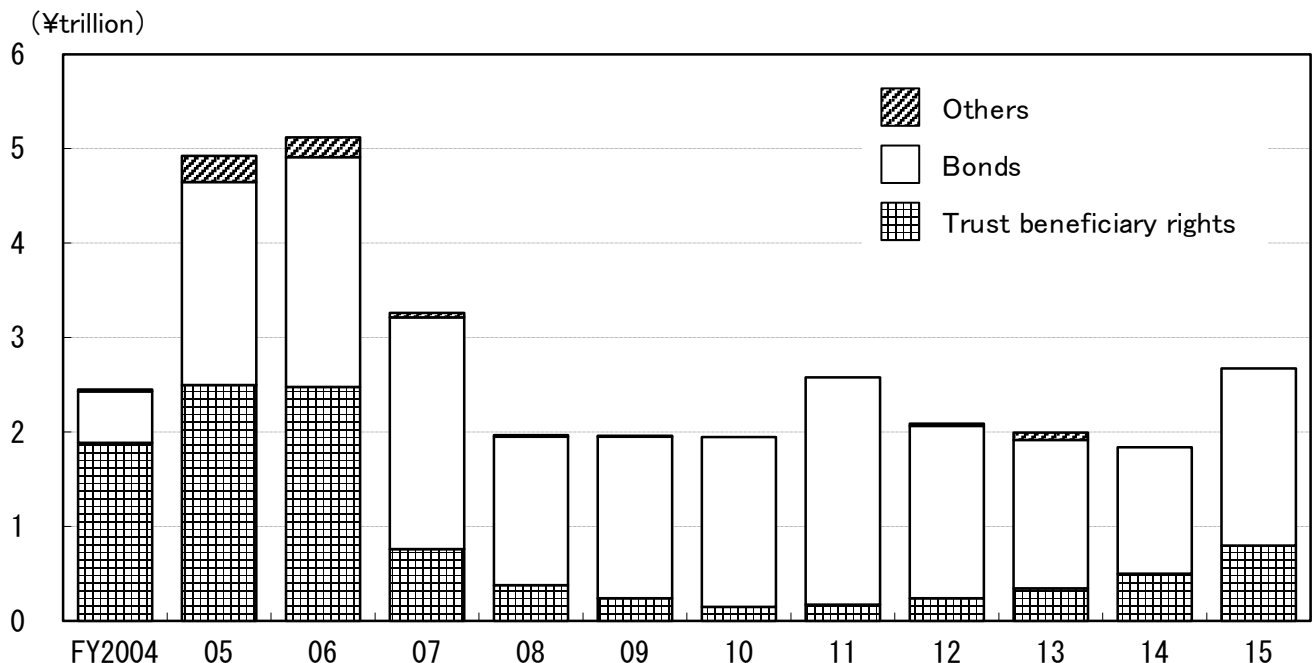


Note: The breakdown of “Others” described to “Appendix”.

(ii) RMBS Issuance Trends by Product Type

Looking at the RMBS issuance amount (¥2,674.7 billion) by product type, the amount of “Bonds” was ¥1,875.3 billion (70.1% of the total) followed by “Trust beneficiary rights” with ¥799.4 billion (29.9%) (see Chart ii).

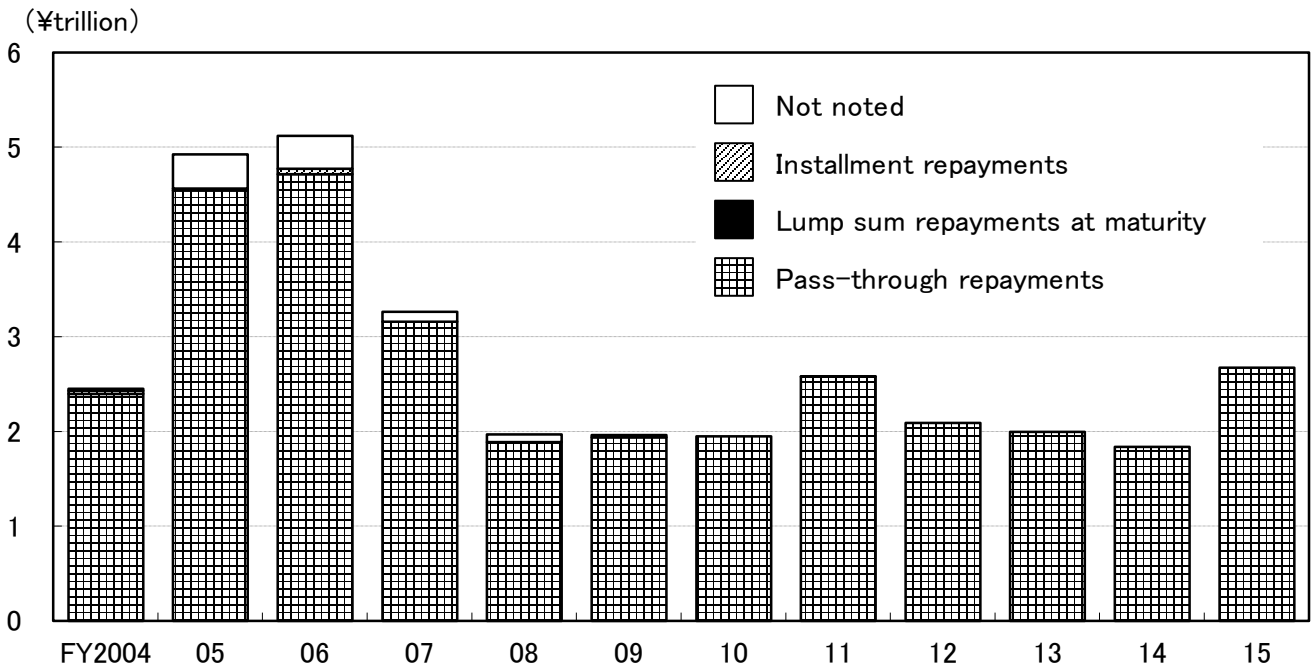
Chart ii . RMBS Issuance Amount by Product Type



(iii) RMBS Issuance Trends by Repayment Method

Looking at the RMBS issuance amount (¥2,674.7 billion) by repayment method, all repayments were “Pass-through repayments” (see Chart iii).

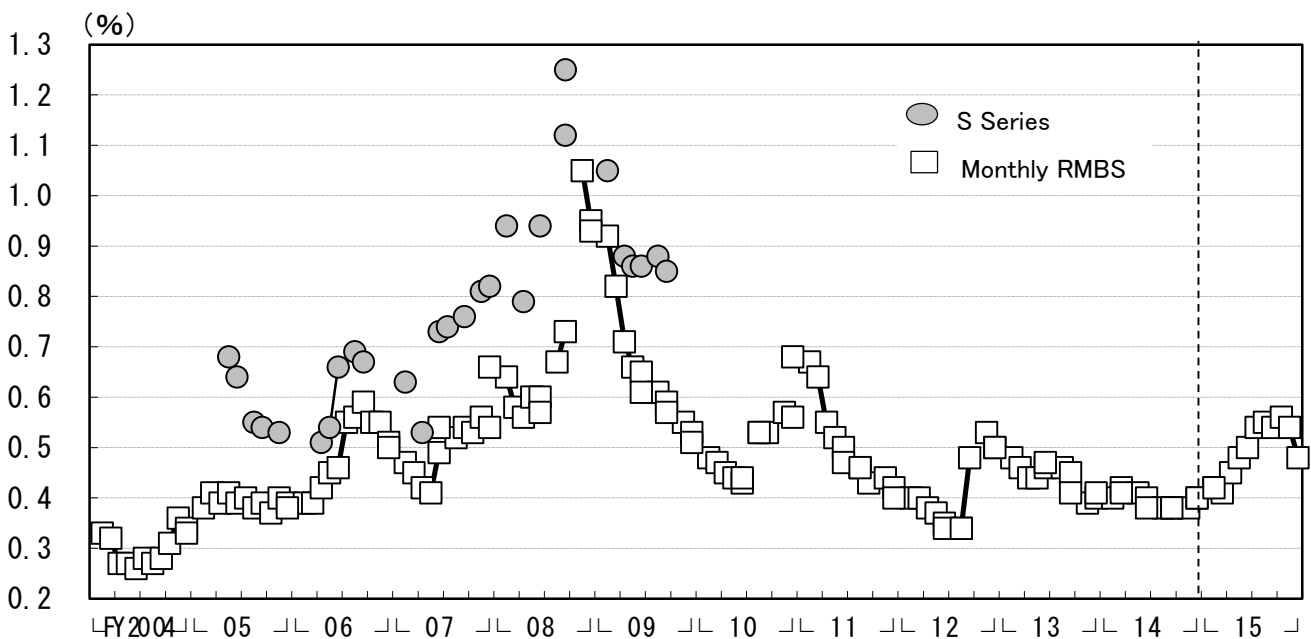
Chart iii. RMBS Issuance Amount by Repayment Method



(iv) Launch Spread at Issuance (JHF Monthly MBS)

The launch spread (the spread between the coupon rate of “JHF Monthly MBS” and the yield of the most recently priced 10-year reference JGB) for “JHF Monthly MBS” gradually expanded from July 2015, while contracted in March 2016 (see Chart iv).

Chart iv. JHF Monthly RMBS Launch Spread



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