

Assigned J-1+ to Teral Bills Receivable ABL10-07

July 30, 2010

JCR has assigned a J-1+ rating to a limited recourse asset-backed loan (ABL) backed by bills receivable.

Instrument Name: Teral Bills Receivable ABL10-07

Rating: J-1+

ABL Execution Amount: Y353,538,194

Underlying Assets: Bills receivable

Credit Enhancement & Liquidity Facility: Senior-subordinated structure

ABL Execution Date: July 30, 2010

Final Maturity Date: October 20, 2010

Coupon Type: fixed

Originator: Teral Inc.

ABL Borrower: Fantastic Funding Corporation (Tokyo Branch)

Arranger: The Hiroshima Bank, Ltd. and one more banking institution
(co-arranger)

Collecting Bank: The Hiroshima Bank, Ltd.

<Rationale>

Teral securitizes its bills receivable from the clients. There are no concerns about capabilities of parties to the structure to carry out their administrative duties. Risks with respect to principal and interest payments have been reduced to a level consistent with J-1+ rating through credit enhancement.