

Affirmed S3- Servicer Rating on Yamada Servicer

July 14, 2011

<Rationale>

Yamada Servicer Synthetic Office Co., Ltd. is an independent servicer, which lists its shares in JASDAQ market. It is characterized by its having networks with experts and establishment of relationship with financial institutions via registration services of its parent company. Its earnings have been volatile in recent years owing to an increase in provision of allowance of bad debts. The probability of sharp increase in this provision, however, was reduced because it disposed of bulk receivables it purchased from mega banks during 2008 to 2009 in fiscal year ended December 31, 2010 and that it made progress in its collection of purchased receivables it purchased during fiscal year ended December 31, 2008 to fiscal year ended December 31, 2009. Concerning business environment surrounding its servicer business, with expiration of The Small and Medium Enterprise Financing Facilitation Act postponed to March 2012, bad loans sold by banks are decreasing and bid price competition continues. JCR therefore considers that it will take some more time to increase the amount of purchased receivables in order to expand business size. There are some cases where the Company can acquire some projects by taking advantage of its network as evidenced by its acquisition of large revitalization project in fiscal year ended December 31, 2010. JCR will pay attention to whether or not it can ensure a source of stable supply for the bad receivables.

Servicer: Yamada Servicer Synthetic Office Co., Ltd. (4351)

<Affirmation>	Rating
Special Servicer	S3-