

Japan Credit Rating Agency, Ltd. (JCR) announces the following servicer rating.

## **YAMADA SERVICER SYNTHETIC OFFICE CO., LTD.** (security code: 4351)

<Affirmation>

Special Servicer: S3

*A servicer rating is an evaluation of a servicer for its capacity to carry out servicing operations, which is different from evaluations of financial instruments or credit standing of corporations. An act to assign, provide or make available for inspection a servicer rating is different from an act pertaining to JCR's credit rating business.*

### **Rationale**

YAMADA SERVICER SYNTHETIC OFFICE CO., LTD. (the "Company") is an independent servicer listed on the JASDAQ market. Its earnings capacity declined due to a significant decline of revenue of highly profitable Servicer business as a result of its failure to acquire a new large-scale revitalization project when existing large-scale revitalization project finished. Given the developments such as the increasing stability of earnings and the increasing equity ratio after the finish of large-scale revitalization project, on the other hand, JCR assessed that the status is neither good nor bad from a perspective of business continuity. JCR values the Company's retention of good level of collection performance measured by IRR and also its retention of human resources with abundant experience in terms of collection ability.

Hajime Oyama, Hitomi Maeda

### **Rating**

Servicer: YAMADA SERVICER SYNTHETIC OFFICE CO., LTD.

<Affirmation>

Special Servicer: S3

### **Glossary:**

A servicer rating is an evaluation of a servicer for its overall capacity to carry out servicing operations. Servicer rating definitions are as follows:

**S1:** A very high level of capacity to carry out servicing operations

**S2:** A high level of capacity to carry out servicing operations

**S3:** An adequate level of capacity to carry out servicing operations

**S4:** Although the capacity to carry out servicing operations is adequate, there are some points in capacity to carry out servicing operations that should be improved.

**S5:** The capacity to carry out servicing operations is inadequate and should be improved.

(There might be notch differences that are indicated by a plus (+) or minus (-) sign for ratings from S2 to S4.)

### **Japan Credit Rating Agency, Ltd.**

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan  
Tel. +81 3 3544 7013, Fax +81 3 3544 7026

Information herein has been obtained by JCR from the issuers and other sources believed to be accurate and reliable. However, because of the possibility of human or mechanical error as well as other factors, JCR makes no representation or warranty, express or implied, as to accuracy, results, adequacy, timeliness, completeness or merchantability, or fitness for any particular purpose, with respect to any such information, and is not responsible for any errors or omissions, or for results obtained from the use of such information. Under no circumstances will JCR be liable for any special, indirect, incidental or consequential damages of any kind caused by the use of any such information, including but not limited to, lost opportunity or lost money, whether in contract, tort, strict liability or otherwise, and whether such damages are foreseeable or unforeseeable. JCR's ratings and credit assessments are statements of JCR's current and comprehensive opinion regarding redemption possibility, etc. of financial obligations assumed by the issuers or financial products, and not statements of opinion regarding any risk other than credit risk, such as market liquidity risk or price fluctuation risk. JCR's ratings and credit assessments are statements of opinion, and not statements of fact as to credit risk decisions or recommendations regarding decisions to purchase, sell or hold any securities such as individual bonds or commercial paper. The ratings and credit assessments may be changed, suspended or withdrawn as a result of changes in or unavailability of information as well as other factors. JCR retains all rights pertaining to this document, including JCR's rating data. Any reproduction, adaptation, alteration, etc. of this document, including such rating data, is prohibited, whether or not wholly or partly, without prior consent of JCR.

JCR is registered as a "Nationally Recognized Statistical Rating Organization" with the U.S. Securities and Exchange Commission with respect to the following four classes. (1) Financial institutions, brokers and dealers, (2) Insurance Companies, (3) Corporate Issuers, (4) Issuers of government securities, municipal securities and foreign government securities.

JCR publishes its press releases regarding the rating actions both in Japanese and in English on the same day. In case that it takes time to translate rating rationale, JCR may publicize the summary version, which will be replaced by the full translated version within three business days. (Regarding Structured Finance products, JCR only publicize the summary version in English.)

Copyright © Japan Credit Rating Agency, Ltd. All rights reserved.