



NEWS RELEASE

Mar 10, 2010

R&I Removes From Rating Monitor: Seirei Shitei Toshi CLO No.3 Ben. Int. No.3

Rating and Investment Information, Inc. (R&I) has announced the following.

RATIONALE:

This facility is backed by loan claims with a 90% partial guarantee by Credit Guarantee Corporation of Osaka-shi, Credit Guarantee Corporation of Hyogo-ken and Credit Guarantee Corporation of Yokohama. The performance of the underlying assets has been exceeding the level initially expected under a standard scenario. Particularly, payment in subrogation increased substantially during the last few months through the end of December 2009. In response, R&I reviewed the standard scenario and has changed the rating on the Beneficial Interest.

R&I believes one of the reasons behind the sharp increase in the amount of subrogation payment is a rise in a debt service payment owing to the start of principal payment in June 2009 amid the worsening economic environment. The domestic economic environment remains harsh, and thus a significant improvement in the performance is unlikely to take place. R&I will continue to pay close attention to trends in the frequency of payment in subrogation, and will take rating actions accordingly.

R&I placed the rating on the Rating Monitor with a view to downgrading on February 8, 2010, following a sharp deterioration of the quality of the underlying assets.

R&I RATINGS:

INSTRUMENT NAME:	Seirei Shitei Toshi CLO No.3 Beneficial Interest No.3
TRUSTOR:	Forest Corporation (Tokyo Branch)
TRUSTEE:	The Sumitomo Trust & Banking Co., Ltd.
R&I RATING:	A (Downgraded from (AA-); Removed from the Rating Monitor)

RATING METHODOLOGY:

The primary rating methodologies applied to this rating are provided below. These reports are available at R&I's web site.

September 2008

R&I Rating Methods: Evaluation on CDOs of SMEs

http://www.r-i.co.jp/eng/news_topics/detail/200809/e08-a-084.pdf

September 2007

Views on Securitized Product Monitoring (Japanese text only)

http://www.r-i.co.jp/jpn/rating/st/detail/j070906_101.pdf

Other rating methodologies that are taken into consideration when assigning the rating are provided below.

<http://www.r-i.co.jp/eng/rating/st/methodology.html>

Rating and Investment Information, Inc. Nihonbashi 1-chome Bldg., 1-4-1, Nihonbashi, Chuo-ku, Tokyo 103-0027, Japan
Investors Service Division TEL.03-3276-3511 FAX.03-3276-3413 <http://www.r-i.co.jp>

Credit ratings are statements of R&I's opinions regarding an issuer's general capacity to fulfill its financial obligations and the certainty of the fulfillment of its individual obligations as promised (creditworthiness) and are not statements of fact. Further, R&I does not state its opinions about any risks other than credit risk, give advice regarding investment decisions or financial matters, or endorse the merits of any investment. R&I does not undertake any independent verification of the accuracy or other aspects of the related information when issuing a credit rating and makes no related representations or warranties. R&I is not liable in any way for any damage arising in relation to credit ratings (including amendment or withdrawal thereof). As a general rule, R&I issues a credit rating for a fee paid by the issuer. For details, please refer to <http://www.r-i.co.jp/eng/about.html>.

©Rating and Investment Information, Inc.