

Servicer Ranking On Japan's Capital Servicing Affirmed At ABOVE AVERAGE For Primary Servicing

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OVERVIEW

- Capital Servicing Co. Ltd. (CSC) is mostly engaged in servicing performing and non-performing real estate-backed commercial loans, apartment loans, and residential mortgage loans, as well as consumer loans.
- CSC is reorganizing its business to better cope with fluctuations in servicing volume.
- The company remains committed to improving operational efficiency and expanding its usage of sophisticated internal controls.
- We are affirming our ABOVE AVERAGE servicer evaluation ranking on CSC as a commercial loan primary servicer.

TOKYO (Standard & Poor's) July 16, 2010--Standard & Poor's Ratings Services today affirmed its ABOVE AVERAGE servicer evaluation ranking on CSC as a commercial loan primary servicer. The outlook on the ranking is stable. CSC remains on Standard & Poor's Select Servicer List in the aforementioned category.

CSC was established in September 1998. In September 1999, CSC was licensed by Japan's Ministry of Justice as the 23rd servicer in Japan and was permitted to conduct servicing operations as regulated under Japan's Law Concerning Special Measures For The Servicing Business (Servicer Law), which came into effect in February 1999. In December 1999, the company actually commenced its special servicing business. Currently, CSC's primary focus is to service performing

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and nonperforming real estate-backed commercial loans, apartment loans and residential mortgage loans, as well as consumer loans.

Today's affirmation of the ranking on CSC is mainly based on the servicer's efforts to reorganize its business, to better cope with fluctuations in servicing volume and to improve operational efficiency; its utilization of highly versatile computer systems to service various kinds of assets; and its continued focus on expanding its usage of sophisticated internal controls.

Standard & Poor's affirmed its overall ABOVE AVERAGE ranking on CSC as a commercial loan primary servicer after examining and analyzing various factors, including the following:

- The company's track record as a commercial loan primary servicer;
- Its efforts to promote efficient servicing operations;
- The servicing experience of its management and collection staff;
- Its detailed internal policies and procedures;
- Its future business development plans;
- The implementation and results of its internal audits;
- Its framework to establish internal controls;
- Its internal training system;
- Its disaster recovery plans, which include sufficient backup of data, and the execution of system resumption tests;
- The quality and capacity of its computer system supporting day-to-day servicing operations;
- Its experience in servicing securitization transactions;
- Its effective boarding of loans originated by third parties;
- Its cash management methods;
- Its ability to report to investors and other relevant parties; and
- Its management of delinquent and defaulted receivables.

Standard & Poor's will continue to closely monitor progress in the implementation of CSC's business plans, as well as the ways in which CSC's servicing operations respond to increasing market and investor expectations in terms of commercial loan primary servicing and changes in the business environment.

Standard & Poor's servicer evaluations are based on an objective and comprehensive assessment of a servicer's operational capabilities for servicing various types of receivables and obligatory rights. The assessment is described in five rankings: STRONG, ABOVE AVERAGE, AVERAGE, BELOW AVERAGE, and WEAK.

To be included in and to remain on Standard & Poor's Select Servicer List, servicers must meet the criteria for attaining at least an AVERAGE ranking with a stable outlook.

A Japanese-language version of this media release is available on Standard & Poor's Research Online at www.researchonline.jp, or via CreditWire Japan on Bloomberg Professional at SPCJ <GO>.

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