

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

CSIQ Guaranteed JPY-denominated Green Structured Bond Beneficial Interest and Trust ABL

<Assignment>

Beneficial Interest:	Preliminary A-
ABL:	Preliminary A-

Rationale

1. Scheme Overview

This green structured financing is referenced to a corporate loan involving AURORA01 GK (Borrower GK), a limited liability company under the laws of Japan in which Canadian Solar Inc. (CSIQ) has a 100% direct or indirect ownership interest, and the payment obligation of such loan (whether principal, interest or otherwise) is jointly and severally guaranteed by CSIQ.

Borrower GK is financed by ORIX Bank Corporation (Trustee), which has received a monetary trust from Goldman Sachs Japan Co., Ltd. (Entrustor and Initial Beneficiary), and the purpose of this green structured financing is the funding of the CSIQ pipeline of solar power projects and storage battery projects acquired, developed and operated by the CSIQ group companies in the different world regions in which it operates. These funds will be provided to the relevant CSIQ's group companies through intercompany loans or intercompany bonds. Borrower GK's debt obligation to ORIX Bank Corporation is jointly and severally guaranteed by CSIQ. CSIQ intends to secure funds for repayment through equity stakes held in Borrower GK by itself or its subsidiaries and repayments of intercompany loans or intercompany bonds by the CSIQ group companies.

2. CSIQ Overview

CSIQ is a solar technology and renewable energy company, global manufacturer of solar photovoltaic modules, provider of solar energy and battery storage solutions, and developer of utility-scale solar and battery storage projects, located in Ontario, Canada. The Company's business consists of two business segments: the CSI Solar segment, which designs, develops, manufactures and sells solar ingots, wafers, cells PV modules and other solar power and battery storage products and the Global Energy segment, which develops, constructs, operates, manages and sells solar power generation and battery storage projects. JCR sees creditworthiness of CSIQ is equivalent to "A-". The rating are supported by its module manufacturing and sales capabilities, which rank among the top five in the world; cost competitiveness through vertical integration; ability to develop and operate solar power projects globally; and conservative financial management policies. On the other hand, they are constrained by intense competition in module manufacturing and fluctuating earnings from solar power generation projects due to regulations, financing environment, and project progress in various countries. The rating is also reflected that the Company's current performance has secured a certain level of profit, its future financing policy, and the financial burden in module manufacturing is expected to be mitigated by the carve-out IPO of CSI Solar.

3. Rating

The creditworthiness of CSIQ is reflected on the ratings since the funds to be procured through this transaction are jointly and severally guaranteed by CSIQ. Based on the above, JCR has assigned the preliminary "A-" ratings to the beneficiary interest and trust ABL.

Kiichi Sugiura, Michihisa Ueno

Rating

<Assignment>

Instrument Name	Scheduled Initial Issue/ Execution Amount (bn)	Trust Termination Date	Coupon	Preliminary Rating
Beneficial Interest	(Note 1)	June 30, 2026(schedule)	(Note 2)	A-
Trust ABL		June 30, 2026(schedule)	(Note 2)	A-

Note:

- Maximum: JPY 20-30 billion
- To be determined on June 30, 2023

<Information on Outline of Issue>

Trust Establishment Date:	June 30, 2023(schedule)
Beneficial Interest Assignment/ ABL Execution Date:	June 30, 2023(schedule)
Redemption/Repayment Method:	Bullet Repayment
Credit Enhancement & Liquidity Facility:	NA

<Information on Structure and Stakeholders>

Borrower GK	AURORA01 GK
Entrustor & Initial Beneficiary:	Goldman Sachs Japan Co., Ltd.
Trustee & Lender:	ORIX Bank Corporation
Guarantor:	Canadian Solar Inc.
Arranger:	Goldman Sachs Japan Co., Ltd.

<Information on Underlying Assets>

Outline of Underlying Assets:	Loan claims against Borrower GK
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Rating Assignment Date: May 9, 2023

The assumptions for the credit ratings and the definitions of the rating symbols are published as "Types of Credit Ratings and Definitions of Rating Symbols" (January 6, 2014) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

Outline of the rating methodology is shown as "JCR's Rating Methodology" (November 7, 2014), "Electrical Machinery" (July 13, 2011), "Electric Power" (May 29, 2020), and "Project Finance" (August 28, 2012) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>). Rating methodologies for other ancillary points such as eligible deposit accounts and bankruptcy remoteness are also shown within the same page.

The rating stakeholder participated in the rating process of the aforementioned credit ratings.

A preliminary rating is a credit rating assigned as a preliminary evaluation while material terms for issue to be rated are not yet finalized. When the issuing terms are finalized, JCR will confirm them and will assign a credit rating anew. The rating level of the final rating may be different from that of the preliminary rating, depending on the final content of the terms, etc.

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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.)