

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

JRE Mega Solar Project Bond Trust 1 Class B Beneficial Interest and Class B Trust ABL

<Affirmation>

Beneficial Interest: A
ABL: A

Rationale

This is project finance by Japan Renewable Energy Co., Ltd. (sponsor) for the mega solar project carried out in Kurokawa District, Miyagi Prefecture. The revenue from electricity sales for 2016 significantly exceeded the planned amount, keeping DSCR at a good level in the same way as in 2015. This project has been conducted smoothly and there have been no specific events that can have an impact on the debt service capacity. The present outlook for the future cash flow is not significantly different from the outlook in 2014 at the time of initial rating. JCR sees that cash flow from this project has capacity for redemption of the beneficial interest. Taking the above into consideration, JCR affirmed the A ratings on the beneficial interest and ABL.

Naoki Kato, Tadashi Ono

Rating

<Affirmation>

Instrument Name	Initial Issue Amount	Trust Termination Date	Coupon Type	Rating
Class B Beneficial Interest	Y250,000,000	Mar. 31, 2033	Fixed	A
Class B Trust ABL	Y162,000,000	Mar. 31, 2033	Fixed	A

<Information on Outline of Issue>

Trust Establishment Date: September 30, 2013
Beneficial Interest Assignment/ABL Execution Date: September 30, 2013
Repayment Method: Scheduled Repayment
Credit Enhancement & Liquidity Facility: NA
*Cash Reserve and Senior-subordinated Structure as Credit Enhancement & Liquidity Facility with respect to loan claims, which are the underlying assets.

<Information on Structure and Stakeholders>

Originator: Goldman Sachs Japan Co., Ltd.
Trustee: Shinsei Trust & Banking Co., Ltd.
Mega Solar Project Company: GK JRE Osato
Sponsor: Japan Renewable Energy Co., Ltd.
Asset Manager: GK JRE Solar Holdings 3
Arranger: Goldman Sachs Japan Co., Ltd.

<Information on Underlying Assets>

Outline of Underlying Assets: Loan claims against the Mega Solar Project Company

Rating Assignment Date: April 24, 2017

The criteria used for identifying matters which serve as assumptions for the assessment of the credit status, and the criteria used for setting of grades indicating the results of the assessments of the credit status are published as "Types of Credit Ratings and Definitions of Rating Symbols" (January 6, 2014) in Information about JCR Ratings on JCR's website (<http://www.jcr.co.jp/en/>).

Outline of methodology for determination of the credit rating is shown as "Project Finance" (August 28, 2012) in Information about JCR Ratings on JCR's website (<http://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.



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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.)

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