

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

SGET Usa Mega Solar Power Station Project Beneficial Interest

<Assignment>

Beneficial Interest: A

Rationale

This is a case of project finance for mega solar project of SGET Miyako Mega Solar GK (the "Project GK") to be operated in Usa City, Oita Prefecture (the "Project"). With high robustness of structure and creditworthiness of the related parties, the Project's DSCR during the term is good thanks to the enjoying of economies of scale and the purchase price (before tax) at 40 yen. Despite the risks assumed with respect to the construction due to the land requiring large-scale development, it is unlikely that these risks come to the surface, judging from track records of the EPC contractor in its services. JCR also affirmed the cash flow's robustness by a stress test in consideration of the multidirectional installation of panels. While hurdle for events of dividend payment suspension is considered slightly low, structures to promptly catch deterioration of the Project GK's profits, find the cause and encourage improvement of the operations have been established. JCR also values a relatively high portion of equity to the total investment amount. Taking the above into consideration, JCR assigned a rating of A to the beneficial interest.

Naoki Kato, Rieko Kikuchi

Rating

<Assignment>

Instrument Name	Initial Issue Amount (bn)	Trust Termination Date	Coupon Type	Rating
Beneficial Interest	Y1.0	June 3, 2036	Floating	A

<Information on Outline of Issue>

Trust Establishment Date:	February 28, 2017
Beneficial Interest Assignment Date:	February 28, 2017
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>

Entrustor:	Sumitomo Mitsui Banking Corporation
Trustee:	Sumitomo Mitsui Banking Corporation
Mega Solar Project Company:	SGET Miyako Mega Solar GK
Management Advisor:	SPARX Green Energy & Technology Co., Ltd.
Arranger:	Sumitomo Mitsui Banking Corporation

<Information on Underlying Assets>

Outline of Underlying Assets:	Loan claims against the mega solar project company
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Rating Assignment Date: February 27, 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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