

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

## Clean Energy Connect Non-FIT Virtual PPA Low-voltage Solar Power Plant Green Project Bond Trust 2024 Beneficial Interest and Trust ABL

### <Assignment>

Beneficial Interest:	Preliminary BBB+
ABL:	Preliminary BBB+

### Rationale

This is rating for project finance for a project sponsored by Clean Energy Connect Co., Ltd. to develop and operate approximately 800 low-voltage solar power plants in several supply areas covered by power companies in Japan. The ratings are for beneficial interest and trust ABL, which are backed by the project loan as the underlying asset. The project is expected to flexibly generate relatively stable cash flows over the project period thanks to factors including the following: (i) development risk is reduced by setting a prescribed requirement for the delivery of the power plant, (ii) the project is based on a contract under which electricity consumers with high creditworthiness trade power value and environmental value separately at a fixed unit price based on a virtual corporate PPA, and (iii) diversification is effective as the project consists of many low-voltage solar power plants. Although factors such as fluctuating solar radiation and rising operating costs may cause fluctuations in earnings, a reasonable DSCR level is ensured even when certain stresses are applied. Furthermore, measures are in place to increase the certainty of principal repayment and interest payments, such as reserves, dividend suspension triggers, and mandatory prepayment. Based on the above, JCR has assigned preliminary BBB+ ratings to the beneficial interest and trust ABL.

Yoshinori Namioka, Emi Koyama

### Rating

#### <Assignment>

Instrument Name	Scheduled Initial Issue/ Execution Amount*	Final Redemption/ Repayment Date	Coupon Type	Preliminary Rating
Beneficial Interest	JPY 9,990,000,000	June 30, 2045 (scheduled)	Fixed	BBB+
Trust ABL		June 30, 2045 (scheduled)	Fixed	BBB+

\* The breakdown of beneficial interest and trust ABL has not yet been determined.

#### <Information on Outline of Issue>

Trust Establishment Date:	July 19, 2024 (scheduled)
Beneficial Interest Assignment Date / ABL Execution Date:	TBD
Redemption/Repayment Method:	Scheduled Redemption/Repayment
Credit Enhancement & Liquidity Facility:	NA
	Cash reserves and senior-subordinated structure as a credit enhancement and liquidity facility with respect to loan claims, which are the underlying assets

#### <Information on Structure and Stakeholders>

Trustee / Senior Lender:	Mitsubishi HC Capital Trust Corporation
Mezzanine Lender:	Non-disclosed
Project Operating Company:	CN Solar Power No.4 LLC
Asset Manager:	CEC Asset Management, Inc.
Arranger:	Goldman Sachs Japan Co., Ltd.

#### <Information on Underlying Assets>

Outline of Underlying Assets:	Loan claims against the low-voltage solar power plant project operating company
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Rating Assignment Date: June 5, 2024

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 "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.)

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