

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

Canadian Solar Green Project Bond Trust (Yamaguchi) Beneficial Interest and Trust ABL

<Affirmation>

Beneficial Interest: A
ABL: A

Rationale

This is project finance by Canadian Solar Group for mega solar project that is operated in Yamaguchi City, Yamaguchi Prefecture.

The amount of electricity generated has been above the planned amount in general against the background of good solar radiation quantity. There is no specific problem with the annual performance ratio as compared with JCR's assumed level, and the operating costs have been within the scope of the initially forecasted. JCR considers that the changes in the asset manager will have a less significant impact on the project in light of the purpose, background, etc. Although there are troubles of some of the power generation facilities and others, there have been no events that cause a significant change in JCR's outlook for the income and outlay, stress assessment or others.

Taking the above into consideration, JCR affirmed the A ratings on the beneficial interest and trust ABL.

Kiichi Sugiura, Kengo Sakaguchi and Tomohiko Iwasaki

Rating

<Affirmation>

Instrument Name	Initial Issue/Execution Amount (bn)	Trust Termination Date	Coupon Type	Rating
Beneficial Interest	JPY 4.6	May 16, 2036	Fixed	A
Trust ABL	JPY 4.1	May 16, 2036	Fixed	A

<Information on Outline of Issue>

Trust Establishment Date: July 14, 2017
Beneficial Interest Assignment/ABL Execution Date: July 14, 2017
Redemption/Repayment Method: Scheduled Redemption/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: Goldman Sachs Japan Co., Ltd.
Trustee: Hitachi Capital Trust Corporation
Mega Solar Project Company: Smart Solar Yamaguchi Aio G.K.
Asset Manager: Canadian Solar Asset Management K.K.
O&M: Canadian Solar O&M Japan K.K.,
Canadian Solar Projects K.K.
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: August 21, 2019

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 (<https://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 (<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.

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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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