

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

Amp Green Project Bond Trust (Gunma) Beneficial Interest and Trust ABL

<Assignment>

Beneficial Interest: Preliminary BBB

ABL: Preliminary BBB

Rationale

1. Outline of Project

This is a case of project finance for a mega solar project of Amp Co., Ltd. to be conducted in Fujioka City, Gunma Prefecture.

AC10 G.K. ("Project GK"), which will conduct the mega solar project, will raise required funds for the project through investments in anonymous partnership and a loan from Hitachi Capital Trust Corporation. Hitachi Capital Trust Corporation will make a loan to the Project GK, using proceeds from the money trust and the borrowing as trustee. Parts of the loan are to be drawn down during the construction period in light of the construction status. The ratings are assigned to the beneficial interest and trust ABL backed by the loan to the project.

2. Inherent Risks of Mega Solar Project and Cash Flow Analysis

JCR applies its rating methodology for project finance to the evaluation of creditworthiness of a mega solar project. Major risks inherent to mega solar projects include, among others, creditworthiness of sponsor group, that of panel maker, risks associated with EPC, O&M, etc., site location and variability of solar radiation quantity. JCR considers these expected risks will be duly addressed in the project thanks to the following factors. (i) Appropriate measures to secure bankruptcy remoteness of the Project GK are to be taken; (ii) Panels by a major manufacturer with extensive experience of supply and a certain financial foundation are used; (iii) An EPC contractor with good credit standing and construction capabilities will assume the project; and (iv) For the asset manager, a backup contract is to be entered with a company with a rich track record.

Revenue from sales of electric power of a mega solar project tends to have large volatility in a short term depending on monthly and seasonally varying solar radiation quantity. The volatility over the medium term, however, is expected to be reduced. Although the initial expenses are large, the annual expenses except for costs for maintenance are relatively small and less volatile. With these characteristics noted in the cash flow analysis for the project, JCR checked the adequacy of the plan of setting reserve in preparation for changes in the revenue from electricity sales and expected expenses over the project period. JCR considers it is necessary to take into account the impacts of changes in solar radiation quantity and degradation of panels over time on the power generation amount and the rise of costs during the project period, although cash flow of a mega solar project is expected to be relatively stable thanks to the afore-mentioned revenue and expense characters. In addition, impacts from shadows on the power generation amount are expected in the project site, reflecting the terrain. JCR conducted stress tests by setting variables centering these 4 variables. As a result, JCR determined that the cash flows are sufficient for the repayment of the beneficial interest and trust ABL.

3. Rating

A purchase price of 36 yen (excluding tax) applies to the project under the feed-in tariff system. Although there are construction completion risks, JCR thinks likelihood of these risks occurring is small, as an EPC contractor with strong financial and technological capabilities will assume the EPC process as a whole and there are structures such as mandatory debt repayment before maturity in preparation for time overrun, and others. The project site is an area where a certain impact from shadows is expected due to the terrain. JCR confirmed, however, that the project's ability to repay debt has been maintained even under strong stresses in combination with changes in solar radiation quantity in light

of DSCR during the project period and other indicators. Concerning various kinds of hazard risks, appropriate non-life insurance will cover them. Taking the above into consideration, JCR assessed the preliminary ratings for both beneficial Interest and trust ABL at BBB.

Kiichi Sugiura, Hiroki Ishizaki

Rating

<Assignment>

Instrument Name	Issue/ Execution Amount	Trust Termination Date	Coupon Type	Preliminary Rating
Beneficial Interest	TBD*	Mar. 30, 2040 (Scheduled)	Fixed	BBB
Trust ABL	TBD*	Mar. 30, 2040 (Scheduled)	Fixed	BBB

*Total amount of Beneficial Interest and Trust ABL will be 10.132 billion yen.

<Information on Outline of Issue>

Trust Establishment Date:	Mar. 25, 2020 (Scheduled)
Beneficial Interest Assignment/ ABL Execution Date:	TBD
Redemption/ Repayment Method:	Scheduled Redemption/ Repayment
Credit Enhancement & Liquidity Facility:	NA
Cash Reserve and Senior-subordinated Structure as respect to loan claims, which are the underlying assets	Credit Enhancement & Liquidity Facility with

<Information on Structure and Stakeholders>

Entrustor:	Mizuho Securities Co., Ltd.
Trustee:	Hitachi Capital Trust Corporation
Scheduled Mega Solar Project Company:	AC10 G.K.
Asset Manager:	Amp Co., Ltd.
Arranger:	Mizuho Securities Co., Ltd.

<Information on Underlying Assets>

Outline of Underlying Assets:	Loan claims against the mega solar project company
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Rating Assignment Date: February 3, 2020

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.

Glossary:

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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