

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

CS Mega Solar Green Project Bond Trust 1 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 Rokunohe Town, Aomori Prefecture.

The amount of electricity generated has been above the plan against the background of good performance ratio, and the operating costs have been roughly in line with the planned. Although it remains necessary to closely watch the fact that adverse effects from snows have become larger than assumed under technical report, the performance ratio for the full year has been at a good level. JCR confirmed that debt service capacity of the project would be maintained, even if the power generation in winter significantly falls.

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

Kiichi Sugiura, Tomohiko Iwasaki

Rating

<Affirmation>

Instrument Name	Initial Issue/ Execution Amount (mn)	Trust Termination Date	Coupon Type	Rating
Beneficial Interest	JPY 2,036	June 30, 2036	Fixed	A
Trust ABL	JPY 1,000	June 30, 2036	Fixed	A

<Information on Outline of Issue>

Trust Establishment Date: March 3, 2016
Beneficial Interest Assignment/ ABL Execution Date: March 3, 2016
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: Shinsei Trust & Banking Co., Ltd.
Mega Solar Project Company: Tida Power 24 G.K.
O&M: Canadian Solar O&M Japan K.K.
Asset Manager: 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: May 25, 2018

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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