

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

JRE Mega Solar Project Bond Trust 1 Class C Beneficial Interest

<Affirmation>

Beneficial Interest: BBB+

Rationale

This is a project finance for the mega solar project by Japan Renewable Energy Co., Ltd. (sponsor), which is operated in Namegata City, Ibaraki Prefecture. In the project, a PCS failure and cable cutting/theft occurred, but both incidents have been resolved now. The amount of power generated until March 2013, when the incidents mentioned occurred, had been above the plan. DSCR for the first half of 2023 has fallen significantly due to a decrease in electricity sales revenue since March 2023, but the amount equivalent to lost profits is expected to be covered by non-life insurance in the second half of 2023, so there seems to be no problem with DSCR for the full year. Although PCS failure and cable cutting/theft damage occurred, which is not significant as much as having a direct damage. JCR hence sees that cash flows from the project has a certain margin for the redemption of the beneficial interest.

Kiichi Sugiura, Yudai Matsumoto

Rating

<Affirmation>

Instrument Name	Initial Issue Amount	Trust Termination Date	Coupon Type	Rating
Class C Beneficial Interest	JPY 330,000,000	Mar. 31, 2033	Fixed	BBB+

<Information on Outline of Issue>

Trust Establishment Date: September 30, 2013
Beneficial Interest Assignment Date: September 30, 2013
Redemption Method: Scheduled Redemption
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>

Initial Entrustor: Goldman Sachs Japan Co., Ltd.
Trustee: Shinsei Trust & Banking Co., Ltd.
Mega Solar Project Company: GK JRE Namegata
Sponsor: Japan Renewable Energy Co., Ltd.
Asset Manager: JRE Operations Co., Ltd.
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: November 28, 2023

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.



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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.)
