

## Regarding Landslide Risk of BRS Mega Solar Project Bond Trust 1—JCR Will Monitor Boring Survey Results

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the recently identified landslide risk related to project finance for the mega solar project operated by Nihonmatsu Taiyoko Hatsuden G.K. in Nihonmatsu-shi, Fukushima Prefecture.

- (1) Geological surveys conducted in certain areas of the site revealed that slopes could become unstable under specific conditions such as heavy rain or earthquakes. Boring surveys are planned to determine the specific details of works required for the remediation. Monitoring equipment to detect abnormal signs will be installed until the remediation works are completed. The boring surveys are expected to be completed within 1 to 2.5 months after placing an order.
- (2) Depending on the results of the boring surveys, the remediation works may extend to a large area. Due to a decrease in revenue from electricity sales and an increase in construction costs caused by the extended works, project's debt repayment capacity might be significantly impacted. JCR will closely monitor the results of the future boring surveys.

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### <Reference>

BRS Mega Solar Project Bond Trust 1

Rating for Beneficial Interest: BBB

Rating for ABL: BBB

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