

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

Daiwa Green Finance Program Trust Beneficial Interest and Trust ABL (Kumamoto Kikuchi Solar Power Plant)

<Assignment>

Beneficial Interest:	Preliminary BBB
ABL:	Preliminary BBB

Rationale

This is a rating to the project finance for the solar power project in Kikuchi-gun, Kumamoto Prefecture, which is sponsored by Daiwa Energy & Infrastructure Co. Ltd. The project is expected to generate relatively stable cash flows over the life of the project, on the grounds, among others, that: (i) revenue is based on the feed-in tariff system; (ii) the project uses solar panels and PCSs manufactured by highly reliable, major manufacturers; and (iii) an EPC contractor with high creditworthiness and construction capabilities took charge of construction, and commercial operation has already been started. Although there are some possible earnings volatility factors, such as changes in solar radiation quantity, output curtailment, greater-than-expected drop in power generation performance and rises in operating costs, JCR has confirmed that, even when a considerable amount of stress is applied by combining multiple factors, the capacity to perform obligations will be maintained thanks to mechanisms including reserves, dividend suspension triggers and Cash Full Sweep for output curtailment.

* JCR assigned a Green Bond Evaluation "Green 1" and Green Loan Evaluation "Green 1" to the beneficial interest and trust ABL rated hereunder. For the details, please refer to JCR's press releases 21-D-1289 and 21-D-1290. JCR's sustainable finance evaluation is different from its credit rating and does not promise to provide or make publicly available a predetermined credit rating.

Kiichi Sugiura, Hiroki Ishizaki

<Assignment>

Instrument Name	Initial Issue/ Execution Amount	Trust Termination Date	Coupon Type	Preliminary Rating
Beneficial Interest	JPY9,200,000,000	Mar. 31, 2040 (scheduled)	Fixed	BBB
Trust ABL		Mar. 31, 2040 (scheduled)	Fixed	BBB

*Expected sum of Beneficial Interest and Trust ABL: 9.2 billion yen

<Information on Outline of Issue>

Trust Establishment Date:	April 28, 2022 (scheduled)
Beneficial Interest Assignment Date/ ABL Execution Date:	April 28, 2022 (scheduled)
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 underlying assets

<Information on Structure and Stakeholders>

Entrustor:	Daiwa Securities Co. Ltd.
Trustee:	J-Value Trust Company, Limited
Mega Solar Project Operator:	Natural Energy Partners Taiyoko Hatsuden a G.K. (subject to change)
Asset Manager:	GSSG Solar Japan Asset Management G.K.
Arranger:	Daiwa Securities Co. Ltd.

<Information on Underlying Assets>

Outline of Underlying Assets:	Loan claims against the mega solar project operator
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Rating Assignment Date: February 8, 2022

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.

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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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.)
