

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

Canadian Solar Dual Tenor Green Project Bond Trust (Ibaraki/Hiroshima) Beneficial Interest and Trust ABL

<Affirmation>

Beneficial Interest: BBB+
ABL: BBB+

Rationale

This is a rating on project finance by Canadian Solar Group for mega solar project that is operated at 3 sites in City of Kasama, Ibaraki Prefecture and City of Hiroshima, Hiroshima Prefecture.

The start of commercial operations at each site has considerably reduced the development risk of solar power plants. Although there is a certain margin in the expected cash flow against the repayment schedule relative to the rating level, it will be necessary to confirm the operational status of each site for a while longer to resolve concerns about the initial failure of the power generation facilities and instability of the ground, and to precisely verify the cash flow forecast made before the start of commercial operation.

Taking the above into consideration, JCR affirmed the BBB+ ratings on the beneficial interest and trust ABL.

Kiichi Sugiura, Tetsuya Nakagawa

Rating

<Affirmation>

Instrument Name	Initial Issue/ Execution Amount (mn)	Trust Termination Date	Coupon Type	Rating
Beneficial Interest	JPY 2,480	Mar. 14, 2041	Fixed	BBB+
Trust ABL	JPY 5,620	Mar. 14, 2041	Fixed	BBB+

<Information on Outline of Issue>

Trust Establishment Date: March 24, 2021
Beneficial Interest Assignment/ ABL Execution Date: March 24, 2021
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: Mitsubishi HC Capital Trust Corporation
Mega Solar Project Companies: CS Ibaraki Kurusu G.K.,
CLEAN ENERGIES MALLORCA G.K., and
CS Hiroshima Suzuhari G.K.
Asset Manager: Canadian Solar Projects K.K.
O&M: Canadian Solar O&M Japan K.K.
Arranger: Goldman Sachs Japan Co., Ltd.

<Information on Underlying Assets>

Outline of Underlying Assets: Loan claims against the mega solar project companies

Rating Assignment Date: July 15, 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.

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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.)
