

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

Renewable Trust

<Affirmation>

Fund Portfolio Rating: A (fp)

A Fund Portfolio Rating is an evaluation of the quality of a fund's assets and not an evaluation of the redeemability of its liabilities. An act to assign, provide or make available for inspection a fund portfolio rating is different from an act pertaining to JCR's credit rating business. The results of this evaluation do not promise to provide or make publicly available a predetermined credit rating. The results of this evaluation are also not intended to provide advice to the fund rated or its related parties regarding the organizational structure or the composition of the fund's major assets and liabilities.

Rationale

This is a fund portfolio rating for "Renewable Trust" (the Fund), a performance-based dividend jointly-managed designated money trust, for which Mitsubishi UFJ Trust and Banking Corporation ("MUTB") conducts asset management and administration as the trustee and fund manager.

The Fund will invest in loan claims for renewable energy facilities. By continuously soliciting short-term (6-month and 1-year) investment funds for long-term investment assets (over 10 years), the Fund aims to achieve a yield that exceeds the deposit interest rate for short-term investments. Therefore, in principle, principal redemptions will be funded by new trust funds, but in the event that trust funds are insufficient, MUTB will provide liquidity facility.

The Fund's investment policy is to maintain JCR's fund portfolio rating of "A (fp)," and its investment objective is to ensure the stability of principal redemption and scheduled dividends by investing in safe assets under conservative internal standards. While the portfolio is mainly composed of solar power generation projects, the share of the same projects and the share of projects connected to the same general power transmission and distribution companies are capped in consideration of diversification.

After confirming the Fund's investment policy regarding the quality of assets under management, JCR conducts a risk assessment of individual investment targets using a method equivalent to or similar to credit ratings. Specifically, the main items of consideration are cash flow generation capacity of power generation business, scheme's provisions for disaster risk and operational risk, leverage level and liquidity facility measures, creditworthiness of the parties involved in the scheme and track record in the power generation business. JCR is monitoring the operational status of power generation facilities during the period and does not believe that it is necessary to significantly revise the cash flow assumptions at this time. As a result, JCR affirmed the fund portfolio rating of "A (fp)" for the average asset quality of the Fund as a whole.

Yoshinori Namioka, Tetsuya Nakagawa

Rating

<Affirmation>

Fund Portfolio Rating: A (fp)

<Outline of Fund>

Name: Renewable Trust
Start Date of Management: November 25, 2021
Scheme: Performance-based Dividend Jointly-Managed Designated Money Trust
Trustee: Mitsubishi UFJ Trust and Banking Corporation
Investment Target: Loan claims with a limited liability clause executed for renewable energy power generation projects that meet the following conditions using project finance method.
- The project must be located in Japan.
- The project must have been completed.
- The project must be covered by the FIT system.

Credit Enhancement & Liquidity

Facility: Liquidity Facility provided by Mitsubishi UFJ Trust and Banking Corporation



A fund portfolio rating is an evaluation of average quality of fund investment target.

AAA (fp): Average quality of fund portfolio is equivalent to AAA Long-term Issue Rating

AA (fp): Average quality of fund portfolio is equivalent to AA Long-term Issue Rating

A (fp): Average quality of fund portfolio is equivalent to A Long-term Issue Rating

BBB (fp): Average quality of fund portfolio is equivalent to BBB Long-term Issue Rating

N (fp): Not included in any of the upper grades

Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

Information herein has been obtained by JCR from the issuers and other sources believed to be accurate and reliable. However, because of the possibility of human or mechanical error as well as other factors, JCR makes no representation or warranty, express or implied, as to accuracy, results, adequacy, timeliness, completeness or merchantability, or fitness for any particular purpose, with respect to any such information, and is not responsible for any errors or omissions, or for results obtained from the use of such information. Under no circumstances will JCR be liable for any special, indirect, incidental or consequential damages of any kind caused by the use of any such information, including but not limited to, lost opportunity or lost money, whether in contract, tort, strict liability or otherwise, and whether such damages are foreseeable or unforeseeable. JCR's ratings and credit assessments are statements of JCR's current and comprehensive opinion regarding redemption possibility, etc. of financial obligations assumed by the issuers or financial products, and not statements of opinion regarding any risk other than credit risk, such as market liquidity risk or price fluctuation risk. JCR's ratings and credit assessments are statements of opinion, and not statements of fact as to credit risk decisions or recommendations regarding decisions to purchase, sell or hold any securities such as individual bonds or commercial paper. The ratings and credit assessments may be changed, suspended or withdrawn as a result of changes in or unavailability of information as well as other factors. JCR receives a rating fee paid by issuers for conducting rating services in principle. JCR retains all rights pertaining to this document, including JCR's rating data. Any reproduction, adaptation, alteration, etc. of this document, including such rating data, is prohibited, whether or not wholly or partly, without prior consent of JCR.

JCR is registered as a "Nationally Recognized Statistical Rating Organization" with the U.S. Securities and Exchange Commission with respect to the following four classes. (1) Financial institutions, brokers and dealers, (2) Insurance Companies, (3) Corporate Issuers, (4) Issuers of government securities, municipal securities and foreign government securities.

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.)
