

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

SPARX Biomass Green Project Bond Trust (Toki) Beneficial Interest and Trust ABL

<Credit Monitor Continuation> <Rating Change>
Beneficial Interest: from #BBB-/Negative to #BB/Negative
ABL: from #BBB-/Negative to #BB/Negative

Rationale

This is a rating for the project finance for the biomass power generation project in Toki City, Gifu Prefecture by SGET Toki Biomass G.K. Due to malfunctions in the power generation equipment since June 2026, the power plant is expected to suspend operations for a certain period. As a result, business performance is expected to fall below previous projections for the time being, mainly due to a decrease in electricity sales revenue during the suspension period. As its debt repayment margin, which had already been declining, has deteriorated further, and support from stakeholders may be required to secure the necessary funding, JCR has downgraded the rating to BB. Depending on future operating conditions, measures to secure funding, and the contents of the revised business plan, there is also a possibility of a further downgrade; therefore, the Credit Monitor with a Negative outlook will be maintained.

Yoshinori Namioka, Kengo Umezawa

Rating

<Credit Monitor Continuation> <Rating Change>

Instrument Name	Initial Issue Amount / Execution Amount (mn)	Trust Termination Date	Coupon Type	Rating
Beneficial Interest	JPY 3,160	Dec. 30, 2042	Fixed	#BB/Negative
Trust ABL	JPY 2,500	Dec. 30, 2042	Fixed	#BB/Negative

<Information on Outline of Issue>

Trust Establishment Date: November 11, 2021
Beneficial Interest Assignment / ABL Execution Date: November 11, 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 underlying assets

<Information on Structure and Stakeholders>

Entrustor: Goldman Sachs Japan Co., Ltd.
Trustee: J-Value Trust Company, Limited
Biomass Power Generation Project Operator: SGET Toki Biomass G.K.
Sponsor, Asset Manager (Management Advisor): SPARX Green Energy & Technology Co., Ltd.
O&M Operator: SPARX Bio Fuel Co., Ltd.
Arranger: Goldman Sachs Japan Co., Ltd.

<Information on Underlying Assets>

Outline of Underlying Assets: Loan claims against a biomass power generation project operator

Rating Assignment Date: August 7, 2026

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" (April 1, 2026) 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.



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.)
