

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

Clean Energy Connect Non-FIT Virtual PPA Low-voltage Solar Power Plant Green Project Bond Trust Trust ABL

<Rating Change>

ABL: from BBB to BBB+

Rationale

This is the project finance for projects sponsored by Clean Energy Connect Co., Ltd. to develop and operate a large number of low-voltage solar power plants in various regions in Japan. This project is progressing generally according to the initial plan. By the end of February 2025, the project operator completed development of all power plants and started commercial operations. Because that the development scale and capacity factors were slightly lower than initially expected, the business plan and the principal and interest repayment schedule, including partial early repayment, were changed. However, no penalties have been incurred in connection with the development of the project. So far, the project has been well managed by the asset manager and O&M contractor.

During the development stage, the rating reflected a certain level of development risks, such as penalties that could arise if development was not completed as planned. However, as all power plants have now been completed, and the operating status after the commencement of commercial operations are progressing as expected, the development risk has essentially been eliminated. No actions have been identified that would require material changes to JCR's earnings forecasts or stress assumptions.

Based on the above, JCR has upgraded the rating of the Trust ABL by one notch to BBB+.

Tetsuya Nakagawa, Emi Koyama

Rating

<Rating Change>

Instrument Name	Initial Execution Amount	Final Principal Repayment Date	Coupon Type	Rating
Trust ABL	JPY 4,610,000,000	Dec. 29, 2044	Fixed	BBB+

<Information on Outline of Issue>

Trust Establishment Date:	October 30, 2023
ABL Execution Date:	October 30, 2023
Repayment Method:	Scheduled Repayment
Credit Enhancement & Liquidity Facility:	NA Cash reserves and a senior-subordinated structure as credit enhancement and liquidity facility with respect to loan claims, which are the underlying assets

<Information on Structure and Stakeholders>

Trustee / Senior Lender:	Mitsubishi HC Capital Trust Corporation
Mezzanine Lender:	Undisclosed
Project Operating Company:	CN Solar Power No.3 LLC
Asset Manager:	CEC Asset Management, Inc.
Arranger:	Goldman Sachs Japan Co., Ltd.

<Information on Underlying Assets>

Outline of Underlying Assets:	Loan claims against the low-voltage solar power plant project operating company
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Rating Assignment Date: March 21, 2025

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.

The rating stakeholder participated in the rating process of the aforementioned credit ratings.

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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.)
