

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

BRS Mega Solar Project Bond Trust 1 Beneficial Interest and Trust ABL

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

Rationale

This is a rating for project finance for a mega solar project in Nihonmatsu-shi, Fukushima Prefecture operated by Nihonmatsu Taiyoko Hatsuden G.K. (Project GK). Although cash flow generation capacity has been maintained at a certain level, actual output remains below the plan. In addition, JCR sees it is highly likely that the landslide risk caused by the construction defect found this time will have a serious impact on certainty of debt repayment capacity. Since moves toward carrying out remediation work can be observed, JCR have limited to downgrade the rating to #BBB- with a Negative direction, but the expense required, timing and the scale are not known. Where the correction work will not be carried out promptly, the rating may possibly be further downgraded. Therefore, JCR will closely watch the degree of impact of the incident and progress.

Daisuke Sugo, Tatsuya Shimizu

Rating

<Credit Monitor Placement> <Rating Change>

Instrument Name	Execution Amount	Trust Termination Date	Coupon Type	Rating
Beneficial Interest	JPY 1,400,000,000	Nov. 30, 2040	Fixed	#BBB-/Negative
Trust ABL	JPY 3,300,000,000	Nov. 30, 2040	Fixed	#BBB-/Negative

<Information on Outline of Issue>

Trust Establishment Date: March 29, 2022
Beneficial Interest Assignment/
ABL Execution Date: March 29, 2022
Redemption/Repayment Method: Scheduled Redemption/Repayment
Credit Enhancement & Liquidity Facility: NA
Cash Reserves 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: SMBC Nikko Securities Inc.
Trustee: Mitsubishi HC Capital Trust Corporation
Mega Solar Project Company: Nihonmatsu Taiyoko Hatsuden G.K.
Asset Manager: Amp Co., Ltd.
Arranger: SMBC Nikko Securities Inc.

<Information on Underlying Assets>

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

Rating Assignment Date: March 26, 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" (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.)
