

# Summary of Financial Results for Fiscal Period Ended December 31, 2020 (Infrastructure Fund)

February 17, 2021

Infrastructure Fund Issuer	Canadian Solar Infrastructure Fund, Inc.	Listed Stock	Tokyo Stock
Securities Code	9284	Exchange	Exchange
Representative	(Title) Executive Director	URL	<a href="https://www.canadiansolarinfra.com/">https://www.canadiansolarinfra.com/</a>
Asset Management Company	Canadian Solar Asset Management K.K.	(Name)	Tetsuya Nakamura
Representative	(Title) CEO and Representative Director	(Name)	Tetsuya Nakamura
Contact	(Title) Chief Financial Officer	(Name)	Hiroshi Yanagisawa
	Tel. 03(6279)0311		
Scheduled filing date of securities report	March 30, 2021	Scheduled date of commencement of cash distribution payment	March 16, 2021
Supplementary materials for financial results	YES		
Financial results briefing session	YES (For institutional investors and analysts)		

(Amounts are rounded down to million yen)

## 1. Status of Management and Assets for Fiscal Period Ended December 31, 2020 (from July 1, 2020 to December 31, 2020)

### (1) Management Status

(Percentage figures are the rate of period-on-period change)

	Operating revenues		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal period ended Dec. 2020	2,413	3.5	858	2.1	717	3.5	716	3.5
Fiscal period ended Jun. 2020	2,331	11.6	840	20.5	692	29.5	691	29.5

	Profit per unit	Rate of return on equity	Ordinary profit to total assets ratio	Ordinary profit to operating revenue ratio
	yen	%	%	%
Fiscal period ended Dec. 2020	3,099	3.3	1.5	29.7
Fiscal period ended Jun. 2020	2,992	3.2	1.4	29.7

### (2) Status of Cash Distributions

	Distributions per unit (excluding distributions in excess of earnings)	Total distributions (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit	Total distributions in excess of earnings	Distributions per unit (including distributions in excess of earnings)	Total distributions (including distributions in excess of earnings)	Payout ratio	Ratio of distributions to net assets
	Yen	Million yen	Yen	Million yen	Yen	Million yen	%	%
Fiscal period ended Dec. 2020	3,099	716	601	138	3,700	855	100.0	3.3
Fiscal period ended Jun. 2020	2,992	691	708	163	3,700	855	100.0	3.2

(Note 1) The payout ratio is calculated according to the following formula.

$$\text{Payout ratio} = \text{distributions per unit (excluding distributions in excess of earnings)} / \text{profit per unit} \times 100$$

(Note 2) The payout ratio and the ratio of distributions to net assets are calculated based on the numerical data excluding distributions in excess of earnings.

(Note 3) Total distributions in excess of earnings are all refunds of investments that constitute distributions on the decrease of capital contribution under the tax law.

(Note 4) The ratio of the decrease in net assets upon distributions in excess of earnings (refunds of investments that constitute distributions on decrease of capital contribution under the tax law) is 0.008 for the fiscal period ended June 30, 2020 and 0.007 for the fiscal period ended December 31, 2020. In this regard, the ratio of the decrease in net assets is calculated according to Item 4, Paragraph 1, Article 23 of the Ordinance for Enforcement of the Corporation Tax Act.

## (3) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per unit
	Million yen	Million yen	%	yen
Fiscal period ended Dec. 2020	49,052	21,592	44.0	93,397
Fiscal period ended Jun. 2020	49,132	21,731	44.2	93,998

## (4) Status of Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the fiscal period
	Million yen	Million yen	Million yen	Million yen
Fiscal period ended Dec. 2020	1,508	(654)	(645)	2,828
Fiscal period ended Jun. 2020	2,059	(21)	(1,884)	2,619

2. Forecasts of Management Status for Fiscal Period Ending June 30, 2021 (from January 1, 2021 to June 30, 2021), Fiscal Period Ending December 31, 2021 (from July 1, 2021 to December 31, 2021) and Fiscal Period Ending June 30, 2022 (from January 1, 2022 to June 30, 2022)

(Percentage figures are the rate of period-on-period change)

	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit	Distributions per unit (including distributions in excess of earnings)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen	yen	yen
Fiscal period ending Jun. 2021	3,337	38.3	1,315	53.3	862	20.2	861	20.2	2,207	1,493	3,700
Fiscal period ending Dec. 2021	3,739	12.1	1,440	9.5	1,212	40.6	1,212	40.7	3,106	644	3,750
Fiscal period ending Jun. 2022	3,715	(0.7)	1,395	(3.1)	1,176	(3.0)	1,176	(3.0)	3,014	736	3,750

## (Reference)

Fiscal period ending June 30, 2021 (181 days): Forecast total number of investment units issued and outstanding at end of the period: 390,265 units, Forecast profit per unit: 2,207 yen

Fiscal period ending December 31, 2021 (184 days): Forecast total number of investment units issued and outstanding at end of the period: 390,265 units, Forecast profit per unit: 3,106 yen

Fiscal period ending June 30, 2022 (181 days): Forecast total number of investment units issued and outstanding at end of the period: 390,265 units, Forecast profit per unit: 3,014 yen

## \* Other

## (1) Changes in Accounting Policies, Changes in Accounting Estimates and Retrospective Restatement

- (i) Changes in accounting policies associated with amendments to accounting standards, etc.: No
- (ii) Changes in accounting policies other than (i): No
- (iii) Changes in accounting estimates: No
- (iv) Retrospective restatement: No

## (2) Total number of investment units issued and outstanding

- (i) Total number of investment units issued and outstanding (including treasury units) at end of period
- (ii) Number of treasury units at end of period

Fiscal period Dec. 2020	231,190	Fiscal period Jun. 2020	231,190
Fiscal period Dec. 2020	0	Fiscal period Jun. 2020	0

(Note) For the number of investment units based on which profit per unit is calculated, please refer to "Notes on regarding per unit information" on page 43 below.

\* Summary of Financial Results is out of scope from the audit by chartered accountant or corporate auditor.

\* Explanation of Appropriate Use of Forecast of Management Status and Other Matters of Special Note

Forecast of management status and other forward-looking statements contained in this document are based on information that is currently available and certain assumptions that are deemed reasonable by Canadian Solar Infrastructure Fund. Accordingly, the actual management status, etc. may differ materially due to various factors. In addition, the forecast is not a guarantee of the amount of cash distributions. For details of the assumptions underlying the forecast of management status, please refer to “Assumptions Underlying Forecast of Management Status for Fiscal Period Ending June 30, 2021 (January 1, 2021 to June 30, 2021), Fiscal Period Ending December 31, 2021 (July 1, 2021 to December 31, 2021) and Fiscal Period Ending June 30, 2022 (January 1, 2022 to June 30, 2022),” described on or after page 16 below.

## 1. Management Policy and Management Status

### (1) Management Status

#### I. Overview of the Fiscal Period under Review

##### a. Brief History of Canadian Solar Infrastructure Fund

Canadian Solar Infrastructure Fund, Inc. (hereinafter referred to as “CSIF”) was established on May 18, 2017 with money invested of 150 million yen (1,500 units) by Canadian Solar Asset Management K.K. (hereafter referred to as the “Asset Manager”) as the founder under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951 including subsequent amendments; hereinafter referred to as the “Investment Trusts Act”). Registration with the Kanto Local Finance Bureau was completed on June 9, 2017 (registration number 127, filed with the Director of the Kanto Local Finance Bureau).

CSIF issued additional investment units (177,800 units) through a public offering on October 27, 2017, listed its investment units on Tokyo Stock Exchange Inc.’s (hereinafter referred to as the “Tokyo Stock Exchange”) Infrastructure Fund Market on October 30, 2017 (security code: 9284), and issued new investment units (2,890 units) through third-party allotment on November 28, 2017.

In addition, CSIF issued new investment units (46,667 units) through public offering on September 5, 2018 and issued new investment units (2,333 units) through third-party allotment on October 4, 2018. As a result, the total units issued at the end of the fiscal period under review (as of December 31, 2020) were 231,190 units.

##### b. Investment Environment

Real GDP in July-September 2020 grew 5.3% quarter on quarter (22.9% on an annualized basis), and consumption and export increased substantially. In the second half of the six-month period, the resurgence of COVID-19 cases in Japan and overseas caused a fall in consumption and export. Adjustment of wages and capital expenditure increased, recovery slowed down, and preliminary real GDP growth for the October-December quarter was 3.0% from the previous quarter (12.7% on an annualized basis).

The stock market in Japan fluctuated in a small range from July to October. The U.S. presidential election held in November, a rise in COVID-19 cases in the U.S. and Europe, and aggravation of the global economy and corporate performance were among the factors that prevented a rise in stock prices. From the end of October, signs of recovery in the global economy increased, the victory of U.S. Democratic Presidential candidate Joe Biden became more probable, and the use of COVID-19 vaccines became more realistic, which constituted a significant turning point. These factors encouraged expectations for global economic recovery. The Japanese stock market, having a large portion of shares sensitive to the economy, rose substantially from a somewhat late start, and the Nikkei average surpassed 26,000 yen for the first time after approximately 29 years. The start of COVID-19 vaccination overseas in December was received positively and the stock price rapidly increased. It continued to rise steadily amid growth in the global risk appetite due to widespread expectations for the agreement on the U.S. economic policy talks. The Nikkei average closing price on December 29 reached 27,568 yen, the highest in approximately 30 years and four months.

Meanwhile, the Infrastructure Fund Market rose to 1,180.95 points on November 9, the highest after the TSE Infrastructure Fund Index fell to a record low of 1,046.50 points at the end of July. This was likely a result primarily of a fall in the prices of the investment units of listed Infrastructure funds, which was less than a fall in the TSE REIT Index, the focus of investors on high distribution yields, and an increase in investors’ interest after the start of full operation of the Japanese policy aiming to achieve a decarbonized society. Subsequently, the TSE Infrastructure Fund Index stopped rising partly due to a shift in part of the private investors’ funds to environment-related stocks, and the closing price at the end of December was 1,138.20 points.

In light of the power demand-supply environment in Japan during the period between October and December 31, Mizuho Securities reports that power demand was down 0.1% on average nationwide, down 0.1% for Hokkaido Electric Power, up 2.2% for Tohoku Electric Power, down 0.9% for Tokyo Electric Power, up 0.8% for Chubu Electric Power, up 1.3% for Hokuriku Electric Power, down 0.6% for Kansai Electric Power, down 1.6% for Chubu Electric Power, down 2.1% for Shikoku Electric Power, up 0.7% for Kyushu Electric Power, and down 0.6% for Okinawa Electric Power. Despite a slight recovery, the national average of prices on the Japan Electric Power Exchange (JEPX) in the first week of December was approximately 5.9 yen/kWh, a substantial fall from approximately 8 yen in the same period of the previous year. By region, prices in east Japan remained lower than west Japan since September. From mid-December 2020, a decrease in temperature caused a steep rise in the market price, and the national average of the JEPX price in the first week of January 2021 (December 29, 2020 to January 4, 2021) was 32.5 yen/kWh.

In the environment surrounding renewable energy power generation facilities (stipulated in Paragraph 3, Article 2 of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities (Act No. 108 of 2011; hereinafter referred to as the “Act on Renewal Energy Special Measures,” including subsequent amendments)(excluding facilities that fall under real estate); hereinafter referred to as “renewable energy power generation

facilities” (Note 1)) held by CSIF, the output curtailment implemented by Kyushu Electric Power Co., Inc. (hereinafter referred to as “Kyushu Electric Power”), which requires renewable energy operators to temporarily suspend power generation through photovoltaic power generation facilities and wind power generation facilities (Note 2), resumed on October 13, 2019, for the first time since May 13, 2019, across the mainland of Kyushu. The output curtailment was taken over by Kyushu Electric Power Transmission and Distribution Co., Inc. (hereinafter referred to as “Kyushu Electric Power Transmission and Distribution”), a company established on April 1, 2020, and succeeded to a general power transmission and distribution business absorbed and split by Kyushu Electric Power, and implemented for one day each in September and October, totaling two days during the period under review. The primary reasons for the considerable drop in the number of days for the suspension of power generation are because the No. 1 and No. 2 reactors at Sendai Nuclear Power Plant were shut down on March 16 and May 20, respectively, to install anti-terrorism functions called facilities for dealing with specific severe accidents and resumed operation on November 19 and December 24, respectively. Operation of the No. 3 reactor at the Genkai Nuclear Power Plant was suspended for 67 days from September 18 to November 23 due to regular inspections. Regular inspections of the No. 4 reactor at the Genkai Nuclear Power Plant started on December 19.

On October 26, 2020, at the 203rd extraordinary session of the Diet, Prime Minister Yoshihide Suga declared the goal of achieving overall zero emissions of greenhouse gases by 2050, that is the creation of a carbon neutral, decarbonized society. Participants at the meeting of the Global Warming Prevention Headquarters held on October 30, 2020, discussed initiatives to be taken to achieve carbon neutrality by 2050, and the Prime Minister stated to the Cabinet members that taking on the challenge of achieving carbon neutrality by 2050 was Japan’s new growth strategy, which should expand the development of the industrial structure and the economy and society to create a virtuous circle of economy and the environment. The climate emergency declaration was adopted at the plenary session of the House of Representatives held on November 19, 2020, and the plenary session of the House of Councilors held on the following day, which stated that Japan and the rest of the world shared the recognition that global warming had reached a state of climate crisis beyond the range of climate change and Japan was determined to redesign its economy and society, dramatically improve its efforts, and implement appropriate measures as an honored member of international society to achieve a low-carbon society as soon as possible to overcome this crisis.

The government established a task force for the total inspections of regulations related to renewable energy in November 2020 to promptly implement regulatory reforms based on its view that a shift in renewable energy to the main energy source and the maximum level of adoption were crucial for achieving a carbon neutral society by 2050, and it was essential to inspect all regulations that would be a barrier to this goal and to expand the regulatory revision required and the acceleration of this revision.

On June 12, 2020, the Act of Partial Revision of the Electricity Business Act and Other Acts for Establishing Resilient and Sustainable Electricity Supply Systems (hereinafter referred to as the “Act” in Section b. ), which covers amendments to acts such as the Electricity Business Act, the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities, and the Act on the Japan Oil, Gas and Metals National Corporation, Independent Administrative Agency (hereinafter the “JOGMEC Act”), was enacted. The parts of the Act concerning partial revision of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities are due to go into effect on April 1, 2022.

The main points of the Partial Revision of the Electricity Business Act are to (i) require electricity transmission/distribution businesses to jointly formulate action plans on their collaboration in disaster responses, provide information to municipalities and other related entities in disaster response, and achieve efforts for systematic renewal of the existing facilities; (ii) add to the services provided by the Organization for Cross-regional Coordination of Transmission Operators (OCCTO) new services to formulate a Plan on Development of Cross-Regional Grids; (iii) inaugurate a charging system for wheeling services in which the METI Minister should regularly approve the upper threshold of business incomes based on the investment plans and other documents submitted by businesses and the Minister should encourage the businesses to introduce more efficient costs within the threshold; and (iv) take measures for defining distribution businesses under laws including small distributed energy resources, in specific service areas.

The main points of the partial revision of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities (REA) are (i) to change the title to the “Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities” (hereinafter the REA after amendment by the Act is referred to as the “2020 Revised Act on Renewable Energy Special Measures”); (ii) to establish a Feed-in-Premium (FIP) scheme in addition to the existing FIT scheme, a new scheme in which renewable energy generators are able to receive a certain level of premium based on the market price; (iii) to establish a system in which part of the expenditures for fortifying electricity grids necessary for expanding the introduction of renewable energy into businesses, e.g., regional interconnection lines is to be supported based on the surcharge system across Japan; (iv) to impose obligations on renewable energy generators to establish an external reserve fund for the expenditures for discarding their facilities; and (v) to

introduce a system for nullifying approvals for projects that do not commence operation within a certain period after obtaining the FIT/FIP approval to rectify a situation in which grids are not used effectively.

Finally, the main points of the partial revision of the JOGMEC Act are (i) to establish new functions of Japan Oil, Gas and Metals National Corporation, Independent Administrative Agency (hereinafter referred to as “JOGMEC”) in which, in case of emergencies, JOGMEC will, at the request of the METI Minister based on the provisions of the Electricity Business Act, procure fuel for electricity generation; and (ii) to enable JOGMEC to gain additional functions, for example, equity capital in transshipment or storage terminals for natural gases and in projects for mining and refining metallic minerals in order to secure diverse procurement sources of LNG and stable supply of metallic minerals.

While not included in the revisions under the Act, the introduction of power producer-side base charges is being considered. Power producer-side base charges are imposed on a per-kW basis to ensure that the power producers that use power grids also bear a portion of the fixed costs for transmission and distribution facilities currently borne by retail electricity business operators on the demand side through wheeling charges. The introduction of power producer-side base charges is currently under consideration. If power producer-side charges are imposed on FIT renewable energy sources, power producers that sell electricity under the FIT scheme will have no way to transfer costs to a third party during the FIT period and their cashflows will be negatively affected unless adjustment measures are introduced for projects that have already obtained FIT approval. Regarding the specific conditions and extent of relief measures with power producers that sell electricity under the FIT scheme in connection with the detailed design of the system, the Calculation Committee for Procurement Price convened on December 27, 2019, discussed cuts to wheeling charges (national average of 0.5 yen per kWh) and adjustment measures through surcharges on the assumption that adjustment through the transfer of costs was possible for FIT renewable energy sources in the same way as for other energy sources. However, arguments from both sides were presented and it was decided that the issues should be summarized and discussed again based on the perspectives of the national burden and the foreseeability of investment. It remains to be seen whether adjustment measures through surcharges will be introduced. Subsequently, in deliberations in the Diet, Hiroshi Kajiyama, Minister of Economy, Trade and Industry stated in an answer at a meeting of the Committee on Economy, Trade and Industry at the House of Representatives held on May 20, 2020 “it is also true that, depending on the system design, renewable energy producers whose usage of transmission and distribution facilities is low will face higher costs. Therefore, in my view, some degree of consideration and creativity is required to ensure that an excessive burden is not placed on existing FIT power producers.” Then, at a meeting of the Committee held on May 22, 2020, a supplementary resolution was passed upon approval of the Act stating that “in consideration of power producer-side base charges, the situation of renewable energy power producers approved under the feed-in-tariff scheme will be taken into consideration and due consideration will also be given to ensure that renewable energy power producers are not unjustly disadvantaged compared with other power producers. In addition, at a post-cabinet meeting news conference held on July 3, 2020, METI Minister Kajiyama stated with respect to the power-producer-side base charges currently being considered from the viewpoint of encouraging efficient adoption of renewable energy through promotion of efficient use of power grids, that he has issued instructions for a review to ensure that the framework is also consistent with the review of rules surrounding the use of trunk power-transmission lines (being considered to accelerate the adoption of renewable energy while reducing existing inefficient thermal power sources). METI held discussions in response to the instructions of Minister Kajiyama, and the argument resumed at the 53rd meeting of the System Design Working Group of the Electricity and Gas Market Surveillance Commission held on December 15, 2020.

Under the 2020 Revised Act on Renewal Energy Special Measures, approved power producers are, in principle, obliged to set aside funds with the Organization for Cross-regional Coordination of Transmission Operators (OCCTO) to cover the cost of decommissioning solar power generation facilities and disposal of waste materials. However, the Revised Act states that the projects subject to reserve requirements will be designated by METI and the amount to be reserved and the frequency of withholding of decommissioning costs will be prescribed by a METI ordinance. Indeed, the details of a system for ensuring the reserve of decommissioning costs for solar power generation facilities have been considered on seven occasions since April 2019 at the Advisory Committee for Natural Resources and Energy, the Energy Efficiency and Conservation Subcommittee, the Subcommittee on New Energy and the Working Group on Securing Costs for Decommissioning and Disposal of Renewable Power Generation Facilities and interim findings were published on December 10, 2019. The interim report stated that (a) the amount to be reserved for projects approved prior to FY2019 for which the procurement price was already decided would be set at the level of decommissioning costs assumed upon calculation of the procurement price by the Calculation Committee for Procurement Price, etc., (b) the amount of external reserves would be the product of multiplying a standard price (on a kWh/yen basis) equivalent to the aforementioned decommissioning costs per unit of power generated adjusted for facility usage and the actual amount of electricity sold under the FIT scheme, and the funds should be reserved on a monthly basis starting 10 years before the end of the procurement period, and (c) private reserves would only be permitted if operators prepared and published business plans, etc., for the implementation of long-term and stable power generation

projects and also met six other requirements, and the consideration of whether an operator was eligible to internally reserve decommissioning costs in terms of financial and organizational integrity, etc. should consider the variety of business formats adopted, including listed infrastructure funds. There was an argument at the eighth meeting of the Working Group on Securing Costs for Decommissioning and Disposal of Renewable Power Generation Facilities held on October 19, 2020, that internal savings could be permitted if the overall contract signed between a listed infrastructure fund and an approved power producer included provisions indicating financial and organizational integrity, such as a fund flow demonstrating the same electricity sale income used as the capital for both parties' businesses, limitation on the termination of contracts from lessees, and restrictions on other purposes for use of power generation facilities and land where the facilities are located as long as the requirements for listing the infrastructure fund are satisfied.

The 2020 Act on Renewal Energy Special Measures also includes a new section titled "Supply of Renewable Energy through Market Transactions." While a Feed-In-Premium ("FIP") system will be put in place under this section, under the 2020 Act on Renewal Energy Special Measures, the only projects that will be eligible for the existing FIT scheme will be renewable energy generators that meet the regional use requirements. The FIP scheme will allow renewable energy generators to sell their electricity through a wholesale power exchange or over-the-counter transactions while receiving an additional premium (defined as a "Subsidy for Supply Promotion" in the 2020 Act on Renewal Energy Special Measures), that is the difference between the basic tariff (FIP price) (fixed) and a tariff based on market prices (reference tariff) (fixed for a given period, sliding in the long term). The category to which the FIP scheme will apply is called the "subsidy category" and will be designated by the Minister of Economy, Trade and Industry, respecting the opinion of the Procurement Price Calculation Committee. However, the Interim Report by the Subcommittee on System Reform for Renewable Energy as Main Power Source (hereinafter referred to as the "Subcommittee for Renewable Energy as Main Power Source") under the Strategic Policy Committee of the Advisory Committee for Natural Resources and Energy published in February 2020 described the subsidy category subject to the FIP scheme as "energy sources that are expected to grow into competitive energy sources (competitive energy sources)" and "energy sources whose generation costs can be steadily reduced and energy sources that can be used as cheap energy sources" and specifies mega-solar projects and wind projects. Moreover, the discussions and interim report of the subcommittee suggest that consideration is being given to making the reference price fixed for a given period but variable in the long term to simultaneously ensure investment incentive and energy generation behavior conscious of market prices. However, the photovoltaic power generation facilities owned by CSIF have already started selling electricity under the FIT scheme and, judging from discussions in the Subcommittee for Renewable Energy as Main Power Source and answers in Diet deliberations, these facilities are likely to remain eligible under the current FIT scheme and there is unlikely to be any transition to the FIP system. Therefore, even if eligibility for the FIT scheme is limited as described above, the feed-in-tariff prices of the photovoltaic power generation facilities owned by CSIF and currently in operation are unlikely to be affected.

Finally, under the 2020 Act on Renewal Energy Special Measures, a new system for nullifying FIT/FIP approval of the Minister of Economy, Trade and Industry for a project that has not started operation within a certain period of time after approval (hereinafter referred to as "expiration of certification") will be introduced from the viewpoint of freeing up grid capacity reserved for projects that have not started operation for years. The period of time for FIP/FIT approvals to be nullified is not specified in the 2020 Act on Renewal Energy Special Measures and will be prescribed in a METI ordinance. However, the photovoltaic power generation facilities owned by CSIF have already started selling electricity under the FIT scheme and even when the 2020 Act on Renewal Energy Special Measures goes into effect and expiration of certification is introduced, certification of the photovoltaic power generation facilities owned by CSIF will not be nullified as a result.

(Note 1) "Renewable energy generation facilities, etc." refers collectively to renewable energy generation facilities, and real estate, real estate leases (includes subleases) and land lease rights (hereinafter referred to as the "site, etc.") necessary to install maintain and operate renewable energy generation facilities. The same shall apply hereunder.

(Note 2) "Photovoltaic power generation facilities" refers, among renewable energy power generation facilities, to those that generate electricity using sunlight as an energy source, and "wind power generation facilities" refers to those that generate power using wind power, among other renewable energy power generation facilities.

"Photovoltaic power generation facilities, etc." refers collectively to photovoltaic power generation facilities, and real estate, real estate leases (includes subleases) or land lease rights necessary to install maintain and operate photovoltaic power generation facilities. The same shall apply hereunder.

### c. Management Performance

During the previous fiscal period, CSIF did not acquire new photovoltaic power generation or other facilities. As a result, it held a portfolio consisting of 21 facilities with a total panel output (Note 3) of 119.7 MW, a total acquisition price (Note 4) of ¥48,850 million, and a total price (Note 5) of ¥49,580 million as of the end of the previous fiscal period. During the fiscal period under review, CSIF acquired two facilities (total panel output of 3.3 MW and total acquisition price of ¥880 million) on September 28, 2020, by using borrowings and cash on hand. As a result, it held a portfolio consisting of 23 facilities with a

total panel output of 123.05 MW, a total acquisition price of ¥49,405 million(Note 5), and a total price (Note 6) of ¥48,890 million as of the end of the fiscal period under review and continued to be a large operator among listed infrastructure funds.

(Note 3) “Panel output” shall mean output calculated by multiplying rated output per solar cell module (meaning the maximum output stated in specifications of solar cell module) used in each solar energy facility by the total number of panels. The same shall apply hereunder.

(Note 4) “Acquisition price” shall mean the sale and purchase price (excluding outsourcing service fees and other acquisition expenses related to the acquisition of assets, property-related taxes, urban planning taxes, consumption taxes and other fees and charges) described in the sale and purchase agreement pertaining to each asset acquired. It shall be rounded down to the nearest one million yen. The same shall apply hereunder.

(Note 5) The acquisition price of CS Mishiki Power Plant had reduced in the amount of 332 million yen on December 16, 2020, back from the signing date of the Property Purchase Agreement

(Note 6) “Price” shall mean the total intermediate value calculated by CSIF pursuant to paragraph 1, Article 41 of its Articles of Incorporation, using the appraised value as of June 30, 2020, and December 31, 2020, in the range stated in the valuation report obtained from PricewaterhouseCoopers Sustainability LLC. for the renewable energy power generation facilities at power plants from S-01 through S-18. The appraised value of renewable energy power generation facilities at power plants from S-19 through S-23 is the total appraised value as of June 30, 2020, and December 31, 2020, stated as the median in the valuation report obtained from Ernst & Young Transaction Advisory Services Co., Ltd. or EY Strategy and Consulting Co., Ltd. Ernst & Young Transaction Advisory Services Co., Ltd. was merged with EY Advisory & Consulting Co., Ltd. and established as EY Strategy and Consulting Co., Ltd. on October 1, 2020.

#### d. Overview of Financing

CSIF borrowed ¥1,000 million on September 28, 2020, during the period under review. It also made a contractual repayment of ¥789 million at the end of the period, and the amount of borrowings as of the end of the period under review came to ¥26,042 million. Consequently, the ratio of interest-bearing debt to total assets (ratio of interest-bearing debt to total assets at the end of fiscal period) was 55.3%.

CSIF received a credit rating and re-rating of its first unsecured Investment Corporation bonds from the following rating agency on July 31, 2020.

Rating Agency	Rating Subject	Rating	Rating Outlook
JCR	Long-term Issuer Rating	A	Stable
	The 1st Unsecured Investment Corporation Bond (Specified investment corporation bonds with limited inter-bond pari passu clause and for qualified institutional investors only)	A	-

CSIF received a credit rating also from the following rating agency on August 7, 2020.

Rating Agency	Rating Subject	Rating	Rating Outlook
Rating and Investment Information, Inc. (R&I)	Long-term Issuer Rating	A-	Stable

#### e. Overview of Business Performance and Distributions

As a result of the management described above, the business results in the fiscal period under review included operating revenue of ¥2,413 million, operating income of ¥858 million, ordinary income of ¥717 million, and net income of ¥716 million mainly due to the impact of unseasonable weather and the revision of the purchase price of CS Mashiki-machi Power Plant disclosed by CSIF on December 16, 2020.

Pursuant to the cash distribution policy set forth in Article 47, Paragraph 1 of its Articles of Incorporation, CSIF shall distribute an amount in excess of the amount equivalent to 90% of its distributable earnings as defined in Article 67-15 of the Act on Special Measures Concerning Taxation.

In addition, distributions in excess of earnings are calculated on the premise that such distributions will generally be made in accordance with the cash distribution policy prescribed in CSIF’s Articles of Incorporation and the Asset Manager’s asset management guidelines formulated as part of its internal regulations.

CSIF intends to make cash distributions to its unitholders for each fiscal period from free cash flow (hereinafter referred to as “FCF”) generated by its renewable energy power generation facilities, in amounts determined in the following manner. The amount available for distribution shall be calculated by multiplying FCF, that is net cash flow (hereinafter referred to as “NCF”; CSIF shall incorporate the total amount of NCF remaining after deducting distributions for the preceding fiscal periods in calculating NCF) to be vested to equity investors after deducting FCF payable to debt investors, by a certain ratio (hereinafter referred to as “payout ratio”; the payout ratio for the 7th fiscal period is 89.0%) determined by CSIF in light of the amount of NCF for each fiscal period.

At the same time, CSIF intends to maintain a stable level of distributions for the time being. In determining the payout ratio described above, CSIF will consider the forecast NCF for each fiscal period to realize that level of distributions.



In addition to a cash distribution within the range of profit, CSIF intends to make distributions in excess of earnings for each fiscal period on a continuous basis in order to realize this policy.

In developing its performance forecast (including any revisions thereof) for each fiscal period, in the case where NCF calculated from actual energy output in a fiscal period (hereinafter referred to as “actual NCF”; CSIF shall incorporate the total amount of NCF remaining after deducting distributions for the preceding fiscal periods in calculating actual NCF) exceeds NCF projected for the fiscal period (hereinafter referred to as “projected NCF”; CSIF shall incorporate the total amount of NCF remaining after deducting distributions for the preceding fiscal periods in calculating projected NCF) on the basis of an energy output value projected by professional specialists (P50) which forms the foundation for the calculation of rents with regard to the renewable energy power generation facilities, CSIF intends to limit the cash distribution to the amount of projected NCF multiplied by the payout ratio for said fiscal period.

On the other hand, in the case where actual NCF is equal to or below projected NCF, CSIF intends to make a cash distribution for the fiscal period at the amount of actual NCF multiplied by the payout ratio.

Based on the above policy, CSIF decided to make a distribution for the fiscal period under review of ¥855,403,000, equivalent to 89.0% of projected NCF for the period (¥960,272,000), of which distribution in excess of earnings is ¥138,945,190 after deducting dividends for the period of ¥716,457,810. Dividend per investment unit is ¥3,700 for the fiscal period under review.

## II. Outlook for the Next Fiscal Period

### a. Outlook for the Future Management

The Japanese economy was overwhelmingly affected by the COVID-19 pandemic in 2020. The growth rate in fiscal 2020 is forecasted to be -5.5% year on year, which may reflect an adverse impact of approximately ¥30 trillion yen in terms of monetary value. In late December 2020, the working group of the Ministry of Health, Labour and Welfare (MHLW) instructed local governments to prepare for vaccinating health care providers in direct contact with COVID-19 patients in late February at the earliest and older people aged 65 and above comprising approximately 70% of those subject to priority vaccination in late March at the earliest. However, COVID-19 vaccination poses a number of challenges, including transportation at an extremely low temperature and scheduling a large number of vaccinations in a short period of time. Therefore, effective vaccines are expected to become widely available in Japan and overseas in the latter half of 2021 or early 2022 and restrictions such as social distancing are likely to be lifted in the first half of 2022. With this outlook, real GDP is projected to grow approximately 3.4% year on year in 2021, assuming that COVID-19 measures will continue around the world. Economic recovery is expected to be slow despite a stimulus through public investment in national resilience as part of the government's economic measures, which will likely be insufficient to offset a fall in the previous year. The composition of household expenditures is predicted to change dramatically due to restricted outings during the COVID-19 crisis. Some changes due to an increase in people working from home and online consumption will presumably continue after the pandemic subsides.

Residents in 11 prefectures, including Fukui Prefecture, filed a lawsuit against the government, claiming that the decision of the Nuclear Regulation Authority that the earthquake resistance of Units No. 3 and No. 4 at the Oi Nuclear Power Plant (Oi, Fukui Prefecture) of Kansai Electric Power Company conformed to the new standards was wrong. The Osaka District Court ruled that the approval was illegal and rescinded the permission. The Osaka District Court stated that the decision of the Nuclear Regulation Authority was an inexcusable mistake that resulted from the omission of necessary examination based on the assumption of earthquake-level disasters. Meanwhile, the government was dissatisfied with this ruling of the Osaka District Court and appealed to the Osaka High Court on December 17. Attention must be paid to trends in provisional dispositions and litigation related to the prohibition of nuclear power plant operation, including an opposition hearing at the Hiroshima High Court seeking rescindment of a provisional disposition to suspend the operation of the Ikata Nuclear Power Plant of Shikoku Electric Power Company and a lawsuit at the Osaka District Court seeking the suspension of operation of all nuclear power plants in operation of Kansai Electric Power Company.

With respect to the environment surrounding photovoltaic power generation facilities that are included in renewable energy power generation facilities, as stated in “(I. Overview of the Fiscal Period under Review) b. Investment Environment” above, the output curtailment that requires renewable energy power generation operators to temporarily suspend power generation through photovoltaic power generation facilities, etc. was resumed in areas under the jurisdiction of Kyushu Electric Power from October 2019. However, if renewable energy adoption continues to expand in the future, output curtailment may also be implemented in other regions besides the Kyushu region such as the Tohoku region and the Chugoku region.

Meanwhile, installation of anti-terrorism facilities known as facilities for dealing with specific severe accidents in Units No. 1 and No. 2 of the Sendai Nuclear Power Plant of Kyushu Electric Power Company was completed and power generation resumed on November 19, 2020, and December 24, 2020, respectively. The periodic inspections of Unit No.3 of the Genkai

Nuclear Power Plant were completed and operation resumed on November 23, 2020. Periodic inspections of Unit No. 4 of the Genkai Nuclear Power Plant started on December 19, 2020, and the reactor will stop for approximately three months. Because Prime Minister Yoshihide Suga declared the goal of achieving carbon neutrality (a decarbonized society) by 2050 (2050 Carbon Neutral Goal) at the 203rd extraordinary session of the Diet held on October 26, 2020, activities associated with this goal have been progressed. The Prime Minister stressed that the key was innovation, including next-generation solar cells and carbon recycling and that the government would increasingly encourage for R&D in view of practical use. He also emphasized the government's plans to save energy, maximize the introduction of renewable energy, and implement nuclear power policies prioritizing safety to establish a stable energy supply and to dramatically change its policy of coal power generation that Japan had continued for many years. In addition, the Prime Minister instructed all Cabinet members to work together to achieve the 2050 Carbon Neutral goal and the central and local governments to hold growth strategy meetings and discussions at new places shared between them in an effort to accelerate the improvement of long-term strategies based on anti-global warming plans, basic energy plans, and the Paris Agreement. Japan's medium-term goal for greenhouse gas emissions is a 26% reduction of greenhouse gas emissions (the amount in 2013) by 2030 and its long-term goal is a 80% reduction (no reference year) by 2050.

The government held its sixth growth strategy meeting on December 25, 2020, and announced the Green Growth Strategy associated with the 2050 Carbon Neutral goal. According to the strategy, the reference values for the energy mix for achieving the carbon neutral goal included an increase of 30% to 50% in demand for electric power, the component ratio of renewable energy, of which introduction will be maximized, of approximately 50% to 60%, that of thermal power from hydrogen and ammonia of approximately 10%, and thermal power generation on the assumption of collecting nuclear power and CO<sub>2</sub> of 30% to 40%. The strategy related to off-shore wind power generation is characterized by the clear commitment of the government to its introduction targets (10 GW in 2030 and 30 GW to 45 GW in 2040) and the mention of the revision of system operation rules to allow the priority of connecting renewable energy and the start of specific consideration of developing systems, such as direct current power transmission.

Kono, Minister for Administrative Reform and Regulatory Reform, convened a taskforce to conduct the first and second inspections of regulations on renewable energy on December 1 and December 25, 2020. This taskforce requested the relaxation and abolition of a number of regulations concerning locations, systems, markets, coexistence with local communities, and other fields. The government plans to inspect all regulations that become a barrier in making renewable energy the main power source and maximizing its introduction, which comprise improvements in achieving a carbon neutral society by 2050, make the necessary regulatory revisions, and accelerate these revisions.

As described in "b. Investment Environment" under "I. Overview of the Fiscal Period under Review" above, the discussion on the power producer-side base charges resumed at the System Design Specialist meeting of the Electricity and Gas Market Surveillance Commission held on December 15, 2020. Industrial associations related to renewable energy attended this meeting, received a report on former proposals for the power producer-side base charges, and started discussing the detailed design of the charges.

As described in "b. Investment Environment" under "I. Overview of the Fiscal Period under Review" above, there was an argument on the system to secure reserves for the expenses for the disposal of photovoltaic power generation facilities at the eighth meeting of the Working Group on Securing Costs for Decommissioning and Disposal of Renewable Power Generation Facilities held on October 19, 2020, that internal saving could be permitted if the overall contract signed between a listed infrastructure investment corporation and an approved power producer included provisions indicating financial and organizational integrity, such as a fund flow demonstrating the same electricity sale income used as capital for both parties' businesses, limitation on the termination of contracts from lessees, and restrictions on other purposes of use of power generation facilities and land where the facilities were located as long as the requirements for listing the infrastructure fund are satisfied. Concerning the timing of implementation, July 1, 2022, was mentioned as the earliest timing for a business to start the saving.

As stated in "b. Investment Environment" under "I. Overview of the Fiscal Period under Review" above, the Act of Partial Revision of the Electricity Business Act and Other Acts for Establishing Resilient and Sustainable Electricity Supply Systems ("Energy Supply Resilience Act"), which includes the revision of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities ("Act on Renewal Energy Special Measures"), taking into account the dramatic reform of the FIT scheme, was established in June 2020, and the new FIP scheme would be established in April 2022 in addition to the FIT scheme. The joint meeting of the Subcommittee on Large-Scale Integration of Renewable Energy and Next Generation Power Network and the Subcommittee on Making Renewable Energy the Main Energy Source is currently discussing the detailed design of the FIP scheme and concluding that views such as the status (power generation characteristics, scale, and domestic and overseas cost trends) and business environment (trading conditions in the wholesale electricity trading market and aggregator trends) of each power source may be used as a reference when determining the

categories and other details of the FIT scheme. The 2020 Revised Act on Renewal Energy Special Measures that will take effect in April 2022 states that the opinions of the Procurement Price Calculation Committee on the subsidy categories (categories to which the FIP scheme will apply), subsidy categories subject to bidding, basic tariffs (FIP prices), and subsidy periods (assistance periods) in the FIP scheme scheduled to start in April 2022 shall be heard and respected.

## b. Future Management Policy

### (i) External Growth Strategy

The Canadian Solar Group (Note 2), which is the Sponsor Group (Note 1) of CSIF, adopts the vertical integration model that has developed mainly in the photovoltaic power generation market in Europe and America and applies this model in the global market, including Japan. CSIF considers that mutual cooperation between the Group and CSIF (engaging in investment in and management of photovoltaic power generation facilities) through the Sponsor Group based on the vertical integration model for the construction of the value chain with the aim of creating mutual value should lead to the enhancement of value for unitholders.

Specifically, CSIF intends to increase assets by utilizing the preferential trading negotiation right granted by the Sponsor Group and acquiring photovoltaic power generation facilities, etc. whose value is high from the pipelines of the Sponsor. In addition, CSIF will aim to acquire photovoltaic power generation facilities, etc. held by persons other than the Sponsor Group by utilizing the Sponsor Group's networks of brokers and power producers.

(Note 1) The "Sponsor Group" collectively refer to (i) the Sponsor (Canadian Solar Projects K.K.), (ii) special purpose companies (they may be hereinafter referred to as "SPCs"), partnerships or other funds with which the Sponsor has entered into the asset management service agreement, (iii) Canadian Solar O&M Japan K.K. (it may be hereinafter referred to as "CSOM Japan") and (iv) special purpose companies, partnerships or other funds in which the Sponsor or its subsidiary own a majority interest. The same will apply below.

(Note 2) The "Canadian Solar Group" refers to the consolidated corporate group with Canadian Solar Inc. (headquartered in Canada) at the top to which the Sponsor (Canadian Solar Projects K.K.) belongs.

### (ii) Internal Growth Strategy

CSIF will contract out O&M (Note) to CSOM Japan, which is a wholly owned subsidiary of the Sponsor and provides O&M services in Japan, in principle, for the availability of homogeneous O&M services to the extent that CSIF considers essential. CSIF aims to thereby reduce the operational risk and operating costs by utilizing the services of CSOM Japan and placing a blanket order, respectively.

By making the most of the strong operation and management abilities realized by utilizing the global monitoring platform of the Sponsor Group in the early discovery and repair of failures of power generation facilities, CSIF will aim to reduce the loss of power generation. In addition, CSIF will implement the appropriate repair and facilities replacement of assets under management to maintain and enhance the value of assets from the medium- to long-term perspective, thereby securing stable revenue in the medium to long term.

In response to the output curtailment implemented by Kyushu Electric Power described in "b. Investment Environment" under "I. Overview of the Fiscal Period under Review" above, CSIF performed construction for online output curtailment (output curtailment of photovoltaic power generation facilities with a remote output controller installed; the same will apply below) of CS Mashiki-machi Power Plant, the largest asset in its portfolio. While CS Mashiki-machi Power Plant is subject to the 30-day rule for output curtailment, the above construction in September 2020 required for online output curtailment allows a shift from the previous all-day curtailment to hourly curtailment and reduction of a decrease in lease revenue caused by output curtailment. In addition, curtailment within a day is counted as one day regardless of the duration, which allows the power plant to respond to output curtailment during peak demand for electricity while complying with the 30-day rule. CS Minami Shimabara-shi Power Plant (East) and CS Minami Shimabara-shi Power Plant (West) also plan to shift to the same online method of output curtailment at the end of January 2021.

As part of its activities related to the Principles for Responsible Investment (UN PRI), the Asset Manager signed the UN PRI on August 13, 2019, and established the Approach to the Principles for Responsible Investment at the end of December 2020 as the basic ESG policy of the Asset Manager. CSIF obtained the following evaluation from the Japan Credit Rating Agency, Ltd. (JCR) regarding the green finance framework in order to apply for external certification and assessment for its ESG.

Date of Evaluation	Evaluating Agency	Evaluation	
May 11, 2020	JCR	Overall	Green 1 (F)
		Greenness (use of proceeds)	g 1 (F)
		Management, Operation and Transparency	m 1 (F)

(Note) “O&M” is an abbreviation of Operation & Maintenance. The same will apply below.

(iii) Financial Strategy

To secure stable revenue and ensure the growth of the managed assets of CSIF, CSIF will consider financing by public offering, borrowings and other means in the acquisition of new assets, while watching changes in the financing environment closely.

c Forecasts of Management Status

The forecast of management status for the fiscal period ending June 30, 2021 (January 1, 2021 to June 30, 2021), the fiscal period ending December 31, 2021 (July 1, 2021 to December 31, 2021) and the fiscal period ending June 30, 2022 (January 1, 2022 to June 30, 2022) is as follows. For details of the assumptions underlying the forecast of management status, please refer to “Assumptions Underlying Forecast of Management Status for Fiscal Period Ending June 30, 2021 (January 1, 2021 to June 30, 2021), the fiscal period ending December 31, 2021 (July 1, 2021 to December 31, 2021) and the fiscal period ending June 30, 2022 (January 1, 2022 to June 30, 2022)” described on or after page 16 below.

	Operating revenues	Operating income	Ordinary income	Net income	Distributions per unit (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit	Distributions per unit (including distributions in excess of earnings)
	million yen	million yen	million yen	million yen	yen	yen	yen
Fiscal period ending Jun. 2021	3,337	1,315	862	861	2,207	1,493	3,700
Fiscal period ending Dec. 2021	3,739	1,440	1,212	1,212	3,106	644	3,750
Fiscal period ending Jun. 2022	3,715	1,395	1,176	1,176	3,014	736	3,750

### III Facts arising after the settlement of accounts

#### ( i ) Issuance of Investment Corporation Bonds (Green Bonds)

CSIF issued investment corporation bonds (“Green Bonds”) based on the shelf registration for its issuance of investment corporation bonds filed to Kanto Local Finance Bureau as of June 26, 2020.

① Name	Canadian Solar Infrastructure Investment Corporation / The 1st Unsecured Bond (Green Bonds)
② Total issue amount	3,800 million yen
③ Form of the bond certificate	Subject to the provisions of the Act on Book-Entry Transfer of Company Bonds, Shares, etc. bond certificates will not be issued.
④ Issue price	100 yen per par value of 100 yen for each bond
⑤ Redemption price	100 yen per par value of 100 yen for each bond
⑥ Interest rate	0.80% per annum
⑦ Denomination of each bond	100 million yen
⑧ Offering method	Public offering
⑨ Offering period	January 20, 2021
⑩ Payment date	January 26, 2021
⑪ Collateral / Guarantee	No collateral or guarantee is provided for the Green Bonds. None of CSIF’s assets are secured for the Green Bonds.
⑫ Redemption method and date	The total amount of the Green Bonds will be redeemed on January 26, 2026 (5-year bond) Early redemption is possible any time after the payment date, except for the case separately determined by the depositary.
⑬ Interest payment date	January 26 and July 26 of every year (When an interest payment date falls on a bank holiday it will be moved to the preceding business day. Initial interest payment date will be July 26, 2021)
⑭ Credit rating	A (Japan Credit Rating Agency, Ltd.)
⑮ Special financial covenant	Collateral provision restriction clause is added.
⑯ Depositary	Japan Securities Depositary Center, Inc.
⑰ Fiscal agent, issuing agent and payment agent	Mizuho Bank, Ltd.
⑱ Underwriter for private placement	Mizuho Securities Co., Ltd. and SMBC Nikko Securities Inc.

#### ( ii ) Issuance of New Investment Units and Secondary Offering of Investment Units

CSIF announced that, at a board of directors’ meeting held on February 17, 2021, it resolved to issue new investment units of CSIF (“Investment Units”) and conduct a secondary offering as follows.

##### Issuance of new investment units through public offering

(1) Number of investment units to be offered	151,500 units CSIF expects to offer 96,960 units for the Japanese Public Offering and 54,540 units for the International Offering,
(2) Specific purpose of use and scheduled outlay period of proceeds	All of the net proceeds from the Japanese Public Offering and International Offering shall be used for a part of the fund for the acquisition of specified assets scheduled to be acquired by CSIF as announced in the “Notice Concerning Domestic Project Acquisitions and Leasing” (“Anticipated Acquired Assets”) and for a part of the prepayment of the existing debt .

##### Secondary offering of investment units through Over-Allotment

(1) Number of investment units to be offered in the secondary offering	7,575 units A Japanese Underwriter of the Japanese Public Offering, will make a secondary offering in Japan up to 7,575 units of the Investment Units borrowed from Canadian Solar Projects K.K. ., taking into account market demand and other conditions for the Japanese Public Offering.
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- (2) Specific purpose of use and scheduled outlay period of proceeds The net proceeds from the issuance of new investment units through the Third-Party Allotment shall be used for partial payment for the future acquisition of specified assets or partial repayment of borrowings.

### (iii) Borrowings

Canadian Solar Infrastructure Fund, Inc. (“CSIF”) hereby announces its decision to borrow funds (total borrowings of 19,300 million yen, the “Borrowings”).

To fund a part of the anticipated acquisition of assets and other related costs as separately released in the “Notice Concerning Domestic Project Acquisitions and Leasing”

## 2. Details of the Borrowings

Type (Note 1)	Financial institution	Anticipated Borrowing Amount	Interest Rate (Note 2) (Note 3)	Drawdown Date	Maturity Date	Repayment Method (Note 4)	Use of funds	Conditions
Long-term	Syndicate of lenders arranged by Shinsei Bank, Limited, Sumitomo Mitsui Banking Corporation, and Mizuho Bank, Ltd. as arrangers, MUFG Bank, Ltd. and Sumitomo Mitsui Trust bank, Ltd. as a co-arranger	¥17 billion (Note 6)	Base rate plus 0.45%	March 8, 2021	10 years from date of loan disbursement	Partial installments (Note 7)	To be applied to the fund for acquisition of projects anticipated to be acquired and related costs and expenses	Unguaranteed, unsecured. (Note 5)
Long-term	Syndicate of lenders arranged by Shinsei Bank, Limited, Sumitomo Mitsui Banking Corporation, and Mizuho Bank, Ltd. as arrangers	¥2.3 billion (Note 8)	Base rate plus 0.20%	March 8, 2021	The earlier date of (i) March 8, 2023 or (ii) the first interest payment date after the consumption tax refund date	Lump-sum payment	To be applied for payment of consumption taxes in relation to the anticipated acquisitions and related costs and expenses	Unguaranteed, unsecured. (Note 5)

(Note 1) Long-term refers to borrowings that have a period of over a year from the date of loan disbursement to the date of maturity.

(Note 2) Does not include financing-related costs paid to the financial institutions.

(Note 3) The base rate refers to the Japanese yen TIBOR (Tokyo Interbank Offered Rate) announced by the General Incorporated Association JBA TIBOR Administration.

(Note 4) We can make an early repayment of all or part of our borrowings subject to certain conditions, such as prior written notice to the relevant financial institutions.

(Note 5) We expect our loan agreements to contain restrictive covenants, including the maintenance of certain LTV ratio (based on project valuation report amount), debt-to-equity and debt service coverage ratios and restrictions on our ability to grant security interests in connection with other indebtedness. Breaches of such covenants could result in, among other things, restrictions on our ability to incur new debt and our being required to grant security interests in favor of the lenders. See “Our Business—Financing Policies—Fixed Interest Ratio and LTV Ratio”.

(Note 6) Borrowing amount (scheduled) as of the date of this offering circular. The borrowing amount may change after consideration of the amount of proceeds we receive in connection with the offerings, among other factors.

(Note 7) We intend to enter into balloon amortization loans, which has an initial principal repayment date of June 30, 2021, and subsequent principal repayment dates will be the last day of June and December (a principal repayment date on a non-business day is moved to the following business day or the immediately preceding business day in case the following business day falls in the following month), and the remaining principal will be repaid as a balloon payment on the maturity date. See “Our Business—Financing Policies—Debt Structuring”.

(Note 8) We intend to enter into this loan for payment of the consumption tax incurred in connection with the acquisition of the anticipated acquisitions, and which we intend to repay with the consumption tax refund to which we are legally entitled. See “—Factors Affecting Our Results of Operations—Other—Consumption Tax Refund” above.

**(iv) Domestic Project Acquisitions and Leasing**

CSIF will acquire the assets below on March 8, 2021, in accordance with the basic policy of asset management defined in the terms and conditions of CSIF, upon obtaining the approval of CSIF's board of directors' meeting on February 17, 2021.

Asset no. (Note 1)	Name of project (Note 2)	Type of asset	Location (Note 3)	Acquisition price (JPY million) (Note 4)	Seller
S-24	CS Hiji-machi Dai-ni Power Plant	Trust beneficiary interest	Hayami-gun, Oita	27,851	LOHAS ECE2 G.K..
S-25	CS Ōgawara-machi Power Plant	Trust beneficiary interest	Ōgawara- machi, Miyagi	2,745	Tida Power 45 G.K.
Total				30,596	

(Note 1) Asset number is assigned to the projects to be acquired, based on the classification of the renewable energy. "S" denotes a solar energy project.

(Note 2) "CS" is the abbreviation for Canadian Solar.

(Note 3) Based on the land or a parcel of the land upon which the solar energy facility is located, as described in the property registry. The address is described up to the city or district level.

(Note 4) Anticipated acquisition price is as described in the purchase agreements (excluding acquisition expenses such as the payment of outsourcing service fees related to acquisition, property-related taxes, urban planning taxes, consumption taxes and other fees).

**(v) Proposed Amendments to Articles of Incorporation and Election of Directors**

CSIF's Board of Directors has decided to submit the following proposals to amend its Articles of Incorporation (AOI) and elect Directors at its March 30, 2021 Shareholder Meeting. The amended AOI and the election of Directors will become effective upon shareholder approval at the Shareholder Meeting.

**Proposals**

1. Purpose of the Proposed Amendments to the AOI
2. Election of one Executive Director
3. Election of one Alternative Executive Director
4. Election of two Supervisory Directors

Assumptions Underlying Forecast of Management Status for Fiscal Period Ending June 30, 2021 (January 1, 2021 to June 30, 2021), Fiscal Period Ending December 31, 2021 (July 1, 2021 to December 31, 2021) and Fiscal Period Ending June 30, 2022 (January 1, 2022 to June 30, 2022)

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> <li>8th fiscal period :from January 1, 2021 to June 30, 2021 (181 days)</li> <li>9th fiscal period :from July 1, 2021 to December 31, 2021 (184 days)</li> <li>10th fiscal period :from January 1, 2022 to June 30, 2022 (181 days)</li> </ul>
Portfolio	<ul style="list-style-type: none"> <li>Assumptions are based on the sum of 23 domestic solar energy projects CSIF currently owns (“Acquired Projects”) to date and 2 additional projects anticipated to be acquired on March 8, 2021 (“Additional Projects”); totaling 25 projects (“Projects Held”) and beneficiary interest, which holds solar power generation facilities in trust. Please refer to the “Notice Concerning Domestic Project Acquisitions and Leasing”, released as of this day for more information.</li> <li>These forecasts are based on the assumption that there shall have been no changes in the composition of CSIF’s portfolio (such as acquisition of new assets and dispositions of Projects Held, etc.) until the end of the 10th fiscal period, June 30, 2022.</li> <li>CSIF’s portfolio may change, however, due to the acquisition of new assets other than the Additional Projects or disposal of the Projects Held, among other cases.</li> </ul>
Operating revenues	<ul style="list-style-type: none"> <li>Among the operating revenues of the Projects Held, revenues are calculated based on the lease agreements of the Acquired Projects that are in effect as of today and the lease agreements that will become effective as of the anticipated acquisition date for the Additional Projects. CSIF’s leasing structure for its solar energy projects will be comprised of basic rent and variable rent as follows. Revenue forecasts for the 8th, 9th and 10th fiscal periods are ¥3,337 million, ¥3,739 million and ¥3,715million, respectively. <ul style="list-style-type: none"> <li>a) Basic rent for the Acquired Projects and Additional Projects are calculated as follows:  <math display="block">\text{Monthly projected energy output (P50)} \times (100-Y)\% \times 70\% \times \text{FIT purchase price}</math> Monthly projected energy output (P50) (Note 1) (Note 2) refers to such figure disclosed in the technical reports (an evaluation report of the system, the capacity, the relevant contracts attached and continuity (performance degradation and environmental evaluation) of the solar energy facility) that Canadian Solar Asset Management K.K., the asset manager of CSIF (the “Asset Manager”) received from E&amp;E Solutions Inc. with respect to the Acquired Projects and Additional Projects. Monthly projected energy output (P50) x (100-Y) % (Note 3) represents the amount after deduction of fees CSIF pays to the operators and fees regarding management of the lessee.</li> <li>b) Variable rents for the Acquired Projects and Additional Projects are calculated as follows:  <math display="block">\text{Monthly actual energy output} \times (100-Y) \% \times \text{FIT purchase price} - \text{basic rent}</math> Any amount that exceeds the basic rent after multiplying a certain rate of (100-Y) % to the monthly actual energy output from the Acquired Projects and Additional Projects by FIT purchase price will be captured as a performance-related variable rent. In any case, if the calculation of the variable rent is a negative number, it shall be deemed to be zero. <ul style="list-style-type: none"> <li>(*Note 1) Projected energy output (P50) represents the output that is viewed to be achievable with a 50% probability by the third-party providers of the technical reports and other experts. The same applies hereinafter.</li> <li>(*Note 2) The calculation of the Additional Projects is based on the estimated monthly power generation (P50) presented in the Technical Report, after deducting the rate of output curtailment from third party research firm.</li> <li>(Note 3) Y represents the value for management costs of the lessees and operator remuneration fees. The value of Y will vary for Acquired Projects and Additional Projects.</li> </ul> </li> </ul> </li> <li>Forecasted figures herein have been based on a projected energy output (P50) and are not guaranteed nor do they reflect the actual energy output, which will vary depending on the level of solar irradiation.</li> <li>CSIF has assumed no cancellations of the lease agreements or delinquencies or non-payment of rents by lessees.</li> <li>CSIF has assumed that the current lease agreements for the Acquired Projects and the lease agreements that will become effective as of the anticipated acquisition dates for the Additional Projects will be renewed on equal terms under these agreements.</li> </ul>



Item	Assumptions
Operating expenses	<ul style="list-style-type: none"> <li>• Among the operating expenses of the Projects Held, operating expenses other than depreciation costs have been accounted for based on past figures for Acquired Projects and figures provided by each owner at the time of acquisition of Additional Projects and estimates from subcontractors, etc., taking into account variables. Such costs for the 8th, 9th and 10th fiscal periods are assumed to be ¥729million, ¥826million and ¥845million, respectively.</li> <li>• Property-related taxes for the Additional Projects will be paid by CSIF and the owner at the time of acquisition on a pro rata basis from the acquisition date to the end of the calendar year. The adjustment amounts for the Additional Projects will be incorporated into the acquisition costs and will therefore not be recognized as a part of the operating costs for 2021. Property-related taxes of Acquisition Projects and Additional Projects thereafter will be expensed from the 8th fiscal period and is assumed to be ¥4million, ¥4million and ¥5million for the 8th, 9th and 10th fiscal periods, respectively.</li> <li>• Periodic payment of repair and maintenance costs based on the figures provided in the technical reports and the Asset Manager's estimate have been taken into account. However, these figures are subject to revisions as the actual figures can vary significantly depending on the operating period and are paid in irregular intervals, in addition to any instances where unexpected repairs are required.</li> <li>• CSIF expects to pay be ¥200million, ¥225million and ¥225million for the 8th, 9th and 10th fiscal periods, respectively, as O&amp;M fees.</li> <li>• CSIF assumed it will incur expenses related to land lease in the amounts of ¥53million, ¥58million and ¥58million for the 8th, 9th and 10th fiscal periods, respectively, in connection with the Projects Held.</li> <li>• CSIF has assumed that it will incur depreciation expenses, including certain ancillary expenses of ¥1,292million, ¥1,473million and ¥1,474million for the 8th, 9th and 10th fiscal periods, respectively. These figures are calculated using the straight-line method.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>• CSIF has assumed the cost of ¥81million for the 8th fiscal period, in connection with the issuance of the investment units resolved at CSIF's board of directors' meeting held today.</li> <li>• CSIF has also assumed interest expenses, interests on investment corporation bonds and other borrowing-related expenses of ¥371million, ¥227million and ¥218million for the 8th, 9th and 10th fiscal periods, respectively.</li> </ul>
Borrowings	<ul style="list-style-type: none"> <li>• CSIF's balance of interest-bearing debt totals ¥27,142million (borrowings and investment corporation bonds) as of today. It is assumed that repayments of ¥6,868million by the end of the 8th period and, ¥1,141million and ¥1,135million at the end of the 9th and 10th fiscal periods, respectively, under the terms of agreement.</li> <li>• It is assumed that borrowings of totally ¥19,300 million will be made on March 8, 2021 from Qualified Institutional Investors as defined in the Article 2 (3) (i) of the Financial Instruments and Exchange Act (limited to institutional investors prescribed in Article 67 (15) (1) (i) (b) (2) of the Act on Special Measures Concerning Taxation)</li> <li>• The proceeds that come from up to 7,575new investment units through a third-party allotment written below are to be applied to a part of an acquisition of specified assets in the future or a repayment of debt.</li> <li>• CSIF anticipates that its LTV (loan-to-value) ratio will be approximately 52.00%, 51.48%and 50.98% as of the end of for the 8th, 9th and 10th fiscal periods, respectively</li> <li>• CSIF calculates LTV using the following formula.  <math display="block">LTV = \text{Total interest-bearing debt} / \text{Total assets} \times 100</math> </li> </ul>

Item	Assumptions
Number of investment units	<ul style="list-style-type: none"> <li>• In addition to the 231,190 units issued and outstanding as of today, CSIF has assumed that a total of 159,075 units will be issued, consisting of 151,500 new investment units by a public offering and up to 7,575 new investment units through a third-party allotment, which were resolved at a meeting of its board of directors held today. Please refer to the “Notice Concerning the Issuance of New Investment Units and Secondary Offering of Investment Units”, released today for more information.</li> <li>• CSIF has assumed that, except for those set forth above, there will be no changes to the number of units issued and outstanding resulting from the issuance of additional investment units, etc., until the end of the 10th fiscal period ending June 30, 2022</li> <li>• CSIF has assumed that, except for those set forth above, there will be no changes to the number of units issued and outstanding resulting from the issuance of additional investment units, etc., until the end of the 10th fiscal period ending June 30, 2022</li> <li>• Distributions per unit (excluding distributions in excess of earnings), distributions in excess of earnings per unit and distributions per unit (including distributions in excess of earnings) have been calculated based on the assumption that the number of units issued and outstanding as of the end of each fiscal period will be 390,265 units, including the upper limit of investment units (total 159,075 units) to be issued as stated above.</li> </ul>
Distributions per unit (excluding distributions in excess of earnings)	<ul style="list-style-type: none"> <li>• Distributions per unit (excluding distributions in excess of earnings) are calculated based on the cash distribution policy prescribed in CSIF’s Articles of Incorporation.</li> <li>• Changes in lessees, fluctuations in rental revenues due to changes in lease agreements, fluctuations in energy output, unforeseeable repair and maintenance expenses incurred and other factors may lead to changes in the amount of distributions per unit (excluding distributions in excess of earnings).</li> </ul>
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> <li>• Distributions in excess of earnings per unit will generally be based on the cash distribution policy prescribed in CSIF’s Articles of Incorporation and the Asset Manager’s asset management guideline.</li> <li>• CSIF intends to make cash distributions to its unitholders for each fiscal period using cash flow generated by the renewable energy projects (the “Free Cash Flow” or “FCF”) (Note 1). The amount available for distribution shall be calculated by multiplying FCF less any amount payable to debt investors (the “Net Cash Flow”, or “NCF”. CSIF will incorporate the total amount of net cash flow remaining after deduction of distributions from the preceding fiscal periods in calculating the net cash flow) (Note 2) with the applicable payout ratio, which will be determined by CSIF at its discretion for each fiscal period. Further, CSIF intends to make distributions in excess of earnings for each fiscal period in order to realize such policy.</li> <li>• CSIF intends to maintain distributions per unit including distributions in excess of earnings in the 8th fiscal periods around ¥3,700. Distributions in excess of earnings are assumed to be ¥1,493 in the 8th period. Distributions per unit including distributions in excess of earnings in the 9th period and in the 10<sup>th</sup> period are ¥3,750. Distributions in excess of earnings are assumed to be ¥644 in the 9<sup>th</sup> period and ¥736 in the 10<sup>th</sup> period. Distributions including distributions in excess of earnings shall be calculated by multiplying anticipated NCF at the beginning of each period with certain fixed rate. The rate is to be decided considering related anticipated NCF at the beginning of each period, and is assumed to be 92.3% in the 8th fiscal period.</li> <li>• Taking the economic environment, market environment of renewable energy power plant business and financial condition of CSIF, etc. into account, CSIF can choose not to make distributions in excess of earnings in order to spend for repair and capital expenditure, repay the borrowings, apply to a new asset acquisition and acquire own investment units, etc.</li> <li>• Since distributions in excess of earnings accompany decrease of a cash position, the possibility of shortages of a cash position and the financial restriction for a swift assets acquisition can occur when CSIF needs to spend for capital expenditure more than estimated because of unexpected events.</li> </ul> <p>(*Note 1) Free Cash Flow (FCF): Rent revenues minus expenses related to rent business and capital expenditures related to assets. Expenses related to rent business include all cash expenses related to operation, including payment of asset management fees and administrative service fees, but exclude interest payments related to interest-bearing debt or other financing-related expenses.</p> <p>(*Note 2) Net cash flow (NCF) for the applicable period: Free Cash Flow minus interest payments related to interest-bearing debt and repayments of interest-bearing debt for the relevant fiscal period plus total amount of net cash flow remaining after deduction of distributions from the preceding fiscal periods.</p>

Item	Assumptions
Others	<ul style="list-style-type: none"> <li>• CSIF has assumed that no revisions that will impact the above projections will be made to laws and regulations, tax systems, accounting standards, securities listing regulations and the rules of The Investment Trusts Association, Japan, among others.</li> <li>• CSIF has assumed that no unforeseeable significant changes will occur in general economic trends or conditions in the solar energy facility market and the real estate market.</li> </ul>

## (2) Risk of Investment

The following describes important changes and additions made to the descriptions of investment risks presented in the section, (1) Risk Factors, 3. Investment Risks, I. Overview of the Fund, Part 1. Fund Information, in the recent securities report (submitted on September 28, 2020). The sentences that have been revised are underlined.

### (1) Risk factors

(omitted)

#### A. Risks associated with the salability of the investment securities or the Investment Corporation Bonds

(omitted)

#### (iv) Risks associated with changes in income and expenditure

The income of CSIF relies on lease revenue from photovoltaic power generators and other facilities. CSIF, in some cases, acquires beneficial interests in trust with photovoltaic power generators and other facilities as the principal trust property. In that case, CSIF receives trust dividends from the trustee of the trust of the photovoltaic power generators and other facilities (hereinafter referred to as the "Trustee"; the same applies to the section (1) Risk factors below). The source of the trust dividends is the lease revenue that the Trustee receives by leasing the photovoltaic power generators and other facilities to a lessee. As in the case where CSIF operates its own power generation facilities, it is affected by the status of facility operation and changes in lease fees caused by an increase or decrease in electricity sale income.

(omitted)

### 2. Risks associated with the investment policy of CSIF

#### (i) Risks associated with specializing in investment in renewable energy power generation facilities

(omitted)

#### b. Risks associated with the reliance of CSIF's income on lease fees based on electricity sale income from renewable energy power generation facilities

CSIF invests primarily in renewable energy power generation facilities or beneficial interests in trust for trusting renewable energy power generation facilities. Lease income from renewable energy power generation facilities or trust dividends from the Trustee are based on electricity sale income received by the lessee by supplying electricity generated from the renewable energy power generation facilities to power companies that buy the electricity. The lease income or trust dividends of CSIF from the Trustee may be reduced or suspended if the electricity sale income has decreased or been lost due to damage or malfunctioning of the power generation facilities as the amount of lease fees particularly of its own assets is linked to the electricity sale income to an extent.

An increase in expenses for the operation and maintenance of the renewable energy power generation facilities causes a decrease in the value of these facilities. A loss on impairment of fixed assets may have to be posted or the working assets of CSIF may not be sold at the time or under conditions that it requests even if it wishes to sell them. In addition, the lease fees may be reduced after consultations with the lessee.

Therefore, CSIF may be affected significantly by the electricity sale income of the lessee from its power generation business.

#### c. Risk that renewable energy power generation facilities conforming to the investment policy of CSIF are limited

Because CSIF limits its principal investments to renewable energy power generation facilities and beneficial interests in trust of renewable energy power generation facilities, facilities for its acquisition may decrease or become unavailable in the future without an increase in the installation of facilities conforming to its investment policy due to location, institution, or other reasons.

The purchase (procurement) price in the feed-in tariff (FIT) program has been decreasing every year. In particular, the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities revised in April 2017 (hereinafter referred to as the "2016 Act on Renewable Energy Special Measures") set medium- to long-term purchase price targets and introduced a bidding system to promote cost reduction to control burdens associated with the introduction of renewable energy. The Minister of Economy, Trade and Industry is expected to listen to the opinions of the Calculation Committee for Procurement Price and set medium- to long-term purchase price targets. Measures, including the reduction of procurement prices to achieve the targets, are expected to be taken. The fall in the procurement price will continue through these measures and may be reduced in the future. The supply promotion subsidy (premium) in the FIP program established by the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities revised based on the Act on Partial Revision of the Electricity Business Act and Other Acts for Establishing Resilient and Sustainable Electricity Supply Systems (No. 49, 2020) (hereinafter referred to as the "2020 Act on Renewable Energy Special Measures") is expected to have the same tendency. As a result, new renewable energy power generation facilities placed by operators may decrease in view of investment profitability. The locations for placing renewable energy power generation facilities are subject to constraints, such as geographical conditions, site area, surrounding environment including the amounts of sunlight, wind, and water, regional climate, regulations imposed by public law, environmental restrictions, fuel supply, and connectivity with a connecting power company. In particular, CSIF has the policy of maintaining the percentage of investment in photovoltaic power generation facilities and beneficial interests in the trust of photovoltaic power generation facilities at 90% or higher. Locations appropriate for the placement of new photovoltaic power generation facilities will be limited after the introduction of the

feed-in tariff (FIT) program due to the installation of photovoltaic power generation already in progress at these locations. The period of determining the procurement price for photovoltaic power generation facilities after the establishment of the feed-in tariff (FIT) program is being revised. As a result of the revision, the construction of photovoltaic power generation facilities is becoming more difficult than the point immediately after the introduction of the feed-in tariff (FIT) program, and new facilities installed may decrease in the future.

In addition, the existing certification obtained under the Act on Renewable Energy Special Measures before the revision ceased to be effective when the 2016 revised Act was enforced and deadlines for starting the operation of facilities yet to start were imposed. Subsequently, additional measures for facilities not in operation have been taken and the expiration of certification is introduced by the 2020 Act on Renewable Energy Special Measures, which may cause a decrease in new renewable energy power generation facilities installed.

Furthermore, conditions for connection with power companies, procurement price, and other buying conditions may become more disadvantageous due to changes or the abolition of government measures such as the feed-in tariff (FIT) program, expiration of existing certification, changes in procurement price, or deadlines or strict conditions for starting facilities not in operation may be imposed, purchasing may be more limited from output curtailment or other rules, or expenses for operation and maintenance of renewable energy power generation facilities may increase, which may cause a slowdown in the installation of renewable energy power generation facilities conforming to CSIF's investment policy. Consequently, renewable energy power generation facilities available for purchase by CSIF in the future may decrease or disappear.

- d. Risks associated with renewable energy power generation facilities other than photovoltaic power generation facilities
- While CSIF has a policy of investing primarily in renewable energy power generation facilities and beneficial interests in trust of renewable energy power generation facilities, and maintaining the percentage of investment in photovoltaic power generators and other facilities, and beneficial interests in trust of photovoltaic power generation facilities at 90% or higher, it purchases renewable energy power generation facilities other than photovoltaic power generation facilities in some cases. Renewable energy power generation facilities other than photovoltaic power generation facilities eligible for the feed-in tariff (FIT) program subsidy include power generation facilities that use wind power, hydropower, geothermal power, and biomass energy as their energy sources.

Many of the risks associated with photovoltaic power generators and other facilities are described in this section (1) Risk factors correspond to renewable energy power generation facilities other than photovoltaic power generators and other facilities. Risks unique to renewable energy power generation facilities other than photovoltaic power generators and other facilities include the following. First, there is a risk of not being able to buy and sell for a price, time, and other conditions desired by CSIF due to liquidity even lower than photovoltaic power generation facilities largely as a result of the generally small number of power generation companies, restrictions on locations, and immaturity of the trading market. There is also a risk of being unable to select operators or O&M companies with adequate skills and expertise and conditions desired by CSIF due to a limited number of management and maintenance companies for such types of renewable energy power generation facilities as a result of more technical difficulty than photovoltaic power generation facilities.

Moreover, wind power generation is exposed to risks such as fluctuations in output caused by wind conditions, damage to windmills caused by windstorms, lightning, or other weather conditions, and disputes with local residents caused by noise from windmills, electromagnetic interference, and change in scenery, etc. Hydropower generation is exposed to risks such as fluctuations in output due to changes in volumes of water. Geothermal power generation is exposed to risks such as the inability to ensure the possession of rights to use hot springs during the procurement period due to underdeveloped legal infrastructure and exhaustion of hot springs or a decrease in the amount of water flow caused by continuous use or use of hot springs in neighboring land. Biomass power generation is exposed to risks such as the inability to stably procure adequate fuel, foreign exchange fluctuations when using imported biomass fuel, and unlimited output curtailment without compensation. Therefore, investment in renewable energy power generation facilities other than photovoltaic power generation facilities may be exposed to risks different from those in the case of possessing photovoltaic power generation facilities.

(omitted)

## 5. Risks associated with rights and legal systems in the feed-in tariff (FIT) program

### (i) Risk that the feed-in tariff (FIT) program is revised or abolished

While CSIF invests primarily in photovoltaic power generation facilities eligible for the feed-in tariff (FIT) program subsidy, the current program may be revised or abolished due to changes in the situation surrounding the program, which may result in the risk of no longer being able to receive stable and continuous electricity sale income under the same conditions or the risk of incurring an increase in expenses for operation and maintenance of photovoltaic power generation facilities to comply with new rules.

The Act of Partial Revision of the Electricity Business Act and Other Acts for Establishing Resilient and Sustainable Electricity Supply Systems (No. 49, 2020) was established on June 25, 2020, to revise the Act on Renewable Energy Special Measures, and the 2020 revised Act on Renewable Energy Special Measures will take effect on April 1, 2022. Under the 2020 revised Act on Renewable Energy Special Measures, a system of trading power sources, which use renewable energy sources that can be expected to grow into competitive power sources, in the market like other power sources will be introduced in lieu of the conventional FIT program. The Feed-in Premium (FIP) program, which will add a certain

premium to the market price, will also be established. An overview of the FIP program is found in section b. Investment Environment, (i) Progress of Asset Operation in the Period under Review. B. Business Overview, (1) Trends in Key Management Indicators, 1. Overview of the Investment Corporation, I. Overview of the Fund, Part 1. Fund Information in the reference securities report. However, the assets held by CSIF have already started selling electricity under the FIT program and, judging from discussions in the Subcommittee for Renewable Energy as Main Power Source and answers in Diet deliberations, these facilities are likely to remain eligible for the current FIT program and are unlikely to be shifted to the FIP program. Therefore, CSIF considers that even if the 2020 Act on Renewable Energy Special Measures is enforced, the impact on the method of selling electricity and purchase price of the photovoltaic power plants held by CSIF will likely be small. Meanwhile, the integration into the market that includes the establishment of the FIP program may result in a decrease in new photovoltaic power generation facilities to be constructed thereafter or construction of facilities that are inappropriate for investment, and CSIF may become unable to acquire desirable photovoltaic power generation facilities.

(ii) Risks associated with changes in procurement price or period

Under the feed-in tariff (FIT) program, the purchase (procurement) price or purchase (procurement) period that applies on the first day of operation of each photovoltaic power generation facility does not, in principle, change for the facility. However, the Act on Renewable Energy Special Measures allows the Minister of Economy, Trade and Industry to modify the procurement price and period if necessary when consumer price or other economic conditions dramatically changed or are likely to change (paragraph 8, Article 3 of the Act on Renewable Energy Special Measures). The procurement price and period applicable to an individual power generation facility may be changed due to changes in the treatment of procurement prices at the time of application after modification of the feed-in tariff (FIT) operation even without revision of procurement prices and periods. The amount of proceeds received by power generation companies in the future may decrease due to withholding of expenses for removing power generation facilities or other expenses even without changes in the procurement price itself. If this change is enforced, electricity sale income may decrease, adversely affecting the income of CSIF, reducing the value of power generation facilities, and causing a loss to investors or creditors of CSIF. If the procurement price or the maximum bidding price is set low or the procurement period is reduced in the future, new photovoltaic power generation facilities to be constructed thereafter will decrease or facilities constructed will not be appropriate for investment, and CSIF may become unable to acquire desirable photovoltaic power generation facilities.

(iii) Risks associated with the cancellation or expiration of certification based on the Act on Renewable Energy Special Measures

Approval for a renewable energy power generation business plan based on the Act on Renewable Energy Special Measures is required to be granted the feed-in tariff (FIT) program subsidy. The Act on Renewable Energy Special Measures allows the Minister of Economy, Trade and Industry to terminate approval when an approved renewable energy power generation business plan no longer conforms to the Act on Renewable Energy Special Measures and the Ordinance for Enforcement of the Act on Renewable Energy Special Measures or a certified business operator violated an improvement order issued by the Minister of Economy, Trade and Industry. If certification is terminated, the operator is no longer able to sell electricity through the feed-in tariff (FIT) program under the Act on Renewable Energy Special Measures using the photovoltaic power generation facility specified in the renewable energy power generation business plan at issue. If certification is obtained again, the procurement price (likely below the initial price) and period at time of the new certification apply. In this case, electricity sale income may decrease significantly, adversely affecting the income of CSIF, reducing the value of power generation facilities, and causing a loss to unitholders or creditors of CSIF.

Under the 2020 Act on Renewable Energy Special Measures, a new rule for the expiration of certification will be introduced to release the system capacity reserved for facilities not in operation for a long time. However, the assets held by CSIF already started selling electricity under the FIT program and even when the 2020 Act on Renewable Energy Special Measures goes into effect and expiration of certification is introduced, certification of the photovoltaic power plants owned by CSIF will not be nullified as a result. Meanwhile, the establishment of the expiration of certification may cause a decrease in photovoltaic power generation facilities appropriate for accreditation by CSIF, making it unable to acquire desirable photovoltaic power generation facilities.

(omitted)

G. Risks associated with power generation business

CSIF has the policy of investing primarily in renewable energy power generation facilities and beneficial interests in trust of renewable energy power generation facilities and maintaining the percentage of investment in photovoltaic power generation facilities and beneficial interests in trust of photovoltaic power generation facilities at 90% or higher. The power generation business operated using these assets that are exposed to the following risks. The same applies to the case of investing in other assets backed by the assets concerned. The lease income from the photovoltaic power generation facilities of CSIF or the Trustee is based on the electricity sale income of a power generation business operator, who is the lessee of the facilities. The following risks may cause a decrease in the value of working assets, liability for damages, and a fall in the electricity sale income of the power generation operator being the lessee of the facilities, reducing the income of CSIF and causing a loss to its unitholders or creditors.

(omitted)

(vi) Risks associated with regulations applicable to electricity generation business operators under the Electricity Business Act  
Electricity generation business operators operating and maintaining power generation facilities of more than a certain size must submit reports on their electricity generation business according to the Electricity Business Act. Electricity generation

business operators (refers to Electricity Generation Utilities defined in item (xv), paragraph (1), Article 2 of the Electricity Business Act, which are hereinafter referred to as “Reporting Electricity Generation Utilities” in this section (vi)) must prepare a supply plan and submit it to the Minister of Economy, Trade and Industry through the Organization for Cross-regional Coordination of Transmission Operators, JAPAN (“OCCTO”) every business year. The Minister of Economy, Trade and Industry may advise on Reporting Electricity Generation Utilities to revise their supply plan or order them to supply electricity or take other necessary measures to ensure the stable supply of electricity through cross-regional operation. Reporting Electricity Generation Utilities are subject to administrative actions pursuant to the Electricity Business Act, such as business improvement orders issued by the Minister of Economy, Trade and Industry. If this authority is exercised, the electricity sale income of a lessee being a Reporting Electricity Generation Utility may decrease, causing a fall in the income of CSIF and a loss to its unitholders or creditors.

A Reporting Electricity Generation Utility is required to be a member of the OCCTO and to follow the instructions of the OCCTO when the supply-demand balance deteriorates. If this authority is exercised, the electricity sale income of a lessee being a Reporting Electricity Generation Utility may decrease, causing a fall in the income of CSIF and a loss to its unitholders or creditors.

In addition, as of the date of this document, discussions are under way to introduce a system (power producer-side base charges) of having electricity generation companies that are electricity system users pay a part of fixed expenses for facilities among the expenses for power transmission and distribution, which are currently collected only from retail power companies through wheeling charges. Together with the discussions on the introduction of power producer-side base charges, the maximum amount of expenses for system enhancement paid by general power transmission and distribution business operators (general payment) when power producers connect power systems was revised, and measures to reduce the initial expenses paid by producers of solar power and wind power, etc. were taken. Whether to compensate for an increase in payment due to the introduction of power producer-side base charges and details of the compensation are still under discussion. If no adjustment measures to adequately make up for the expenses for the power producer-side base charges, the electricity sale income of a lessee as a power producer may decrease, causing a fall in the income of CSIF and a loss to its unitholders.

(vii) Risks associated with establishment and revision of other laws and regulations

Expenses for the maintenance of photovoltaic power generation facilities may increase due to establishment or revision of the Electricity Business Act or other laws and regulations related to the maintenance or management of photovoltaic power generation facilities. A new obligation may be imposed on CSIF, an operator, or a lessee due to establishment or revision of laws and regulations related to the electricity business.

Moreover, new laws and regulations for environmental protection enacted and enforced in the future may impose new obligations concerning the possession, disposition or disposal of photovoltaic power generation facilities.

The 2020 Revised Act on Renewable Energy Special Measures includes a new system for securing reserves for expenses for the disposal of photovoltaic power generation facilities. This requires approved power producers supplying electricity generated using power generation facilities in the categories subject to reserves specified by the Minister of Economy, Trade and Industry to, in principle, reserve funds to be used for demolishing these facilities with the OCCTO (external reserves) as “reserve funds for demolition, etc.” Specifics such as the details of the categories subject to reserves, amounts of reserve funds, periods, and frequency are not provided for in the 2020 Revised Act on Renewable Energy Special Measures and will be specified by the Minister of Economy, Trade and Industry and prescribed in a METI ordinance. The interim report dated December 10, 2019, released by the Working Group on Securing Costs for Decommissioning and Disposal of Renewable Power Generation Facilities proposes a system design for reserving funds by deducting amounts calculated from disposal expenses assumed in the calculation of procurement prices from the electricity sale income of all photovoltaic power generation businesses of 10kW or larger approved based on the Act on Renewable Energy Special Measures for 10 years from the completion of the procurement period. The system is likely to be developed in line with this proposal from now on. Meanwhile, the proposal states that a power producer may internally reserve funds through its own method as an exception if its power generation business plan indicates the amount and method of reserves and other details specified in the METI ordinance (a requirement for meeting certain conditions is expected to be included) and is approved by the Minister of Economy, Trade and Industry. Regarding listed infrastructure funds, there was an argument at the eighth meeting of the Working Group on Securing Costs for Decommissioning and Disposal of Renewable Power Generation Facilities held on October 19, 2020, that internal savings could be permitted if the overall contract signed between a listed infrastructure fund and an approved power producer included provisions indicating financial and organizational integrity, such as a fund flow demonstrating the same electricity sale income used as the capital for both parties’ businesses, limitation on the termination of contracts from lessees, and restrictions on other purposes of use of power generation facilities and land where the facilities are located as long as the requirements for listing the infrastructure fund are satisfied. After the adoption of this system, the electricity sale income of lessees being power producers may decrease or expenses incurred by the lessees and CSIF being the owner of photovoltaic power generation facilities may increase, causing a fall in the income of CSIF and a loss to its unitholders.

(omitted)

G. Risks associated with working assets

CSIF has the policy of investing primarily in renewable energy power generation facilities and beneficial interests in trust of renewable energy power generation facilities and maintaining the percentage of investment in photovoltaic power generation facilities and beneficial interests in trust of photovoltaic power generation facilities at 90% or higher. These assets are exposed to the following risks. The same applies to the case of investing in other assets backed by the assets concerned. The

lease income from the photovoltaic power generation facilities of CSIF or the Trustee is based on the electricity sale income of a power producer, who is the lessee of the facilities. The following risks may cause a decrease in the value of working assets, liability for damages, and a fall in the electricity sale income of the power producer being the lessee of the facilities, causing a fall in the income of CSIF and a loss to its unitholders or creditors.

(i) Risks associated with a defect or malfunction and non-conformity to a contract

Photovoltaic power generation facilities are exposed to the risk of a defect or malfunction and non-conformity to a contract, etc. related to design, material quality, construction, components, materials, rights, etc. and that defect or malfunction and non-conformity, etc. may be discovered after the acquisition of the facilities.

If an EPC company states and guarantees certain standards for the photovoltaic power generation facilities to CSIF, Trustee, or power producer in an EPC contract or it is liable for defects or non-conformity to the contract, or the manufacturer provides a warranty for solar modules, power conditioners, and scaffolding, etc., CSIF, Trustee, or power producer will seek compensation for any damages caused by the EPC company's failure to abide by the statements or guarantee, a defect, or non-conformity to the contract or demand repair, replacement, or guarantee payment according to the product warranty. However, the applicability and period, etc. of the liability are limited to a certain range and the defect, malfunction, and non-conformity to the contract, etc. concerned may not be subject to the liability.

CSIF may demand the previous owner or previous trust beneficiary for a statement or guarantee concerning certain matters depending on the situation and hold it liable for a defect or non-conformity to a contract. However, the CSIF may not be able to obtain a statement or guarantee or hold the party liable for a defect or non-conformity in some cases. Even if it is successful in the effort, the period and amount of the liability are generally limited to a certain range, and the liability may not be effective due to dissolution or insolvency of the previous owner or previous trust beneficiary. This possibility is particularly high when the previous owner or previous trust beneficiary is an SPC.

In this case, repair or replacement of photovoltaic power generation facilities may be difficult or impossible or CSIF must bear unexpected expenses for the repair or replacement of photovoltaic power generation facilities, causing damages to its unitholders or creditors.

(omitted)

(v) Risks associated with damage, loss, and degradation caused to photovoltaic power generation facilities by disasters

A fire, earthquake, liquefaction, tsunami, volcanic eruption, ash fall, tidal wave, strong wind, rainstorm, snowfall, heavy rainfall, flood, lightning, tornado, landslide, warfare, armed attack, riot, disturbance, or terrorist attack, etc. (hereinafter collectively referred to as "disasters"), an illegal act of a third party such as a theft and destruction, or damage caused by a plant or animal may cause facilities or land for photovoltaic power generation to be lost, degraded, or damaged and their value to be reduced. In particular, many photovoltaic power generation facilities are unmanned and have sections not easily visible to people. Even with security systems using surveillance cameras and sensors in place, they are exposed to the risk of a third party's illegal acts, such as theft and destruction and damage caused by plants and animals. If facilities or land for photovoltaic power generation, power transmission facilities of CSIF, power producer, or connecting power company, or other third-party facility related to power transmission is lost, degraded, or damaged, the power generation capacity of the photovoltaic (power) generation facilities has decreased, or indirect damage such as deterioration of the surrounding environment has occurred due to disasters, illegal acts of a third party, or damage caused by plants and animals, the photovoltaic power generation facilities may be forced to suspend operation until the disaster concerned subsides or for the period required for the repair of the section lost, degraded, or damaged, the electricity sale income of the power producer being the lessee decreases, causing a fall or loss of lease income of CSIF or Trustee, or the value or profit of the facilities or land for photovoltaic power generation declines, resulting in a loss caused to the unitholders or creditors of CSIF.

In addition, if disasters or epidemics have caused an interruption or delay in maintenance, inspections, repair, or restoration, etc. of power transmission facilities of the power producer or connecting power company or a third-party facilities related to power transmission and the capacity of the photovoltaic power generation facilities has decreased continuously for a certain period of time or their operation must be suspended, the electricity sale income of the power producer being the lessee may decrease and the lease income of CSIF or Trustee may be reduced or lost or the value of the facilities or land for photovoltaic power generation may decline, causing a loss to the unitholders or creditors of CSIF.

CSIF determines the types of damages and maximum amount covered by insurance by comprehensively examining the possibility and extent of foreseeable damages, the level of insurance premiums, and other factors, and not all damages are covered by insurance. If insurance is not established for facilities or land for photovoltaic power generation due to individual circumstances, damages exceeding the amount covered by insurance are incurred, disasters not covered by insurance or damages caused by illegal acts of a third-party or plants and animals are sustained, insurance benefits based on an insurance policy are unpaid, reduced, or delayed by the insurance company for some reason, or even if the insurance is paid, the facilities or land for photovoltaic power generation, power transmission facilities, or other facilities cannot be restored to the state before the damages were caused by a third party's illegal acts or plants and animals due to administrative regulations or other reasons, a fall in the income of CSIF, causing a loss to the unitholders or creditors. Even when insurance benefits are paid, renewal of a large part of the facilities may be considered new facilities, to which the initial procurement price and period may not apply.

(omitted)

H. Risks associated with beneficial interests in trust



CSIF invests primarily in renewable energy power generation facilities and beneficial interests in trust for trusting renewable energy power generation facilities. The trustee of the trust may be the owner (or surface right owner or lessee) of the renewable energy power generation facilities when acquiring beneficial interests in trust for trusting renewable energy power generation facilities. CSIF, being the trust beneficiary gives instructions to the trustee of the trust, which manages, operates, and disposes of the renewable energy power generation facilities according to its operation policy for CSIF being the trust beneficiary. Because economic benefits and losses based on renewable energy power generation facilities ultimately belong to the trust beneficiary, CSIF owning the beneficial interests in trust is exposed to risks virtually equivalent to those in the case in which the working assets are the renewable energy power generation facilities themselves through the Trustee. Meanwhile, there are differences for CSIF in tax treatment and the methods of securing and providing assets between the case of directly owning renewable energy power generation facilities and the case of owning beneficial interests in trust. When acquiring beneficial interests in trust, it is exposed to the following risks unique to beneficial interests in trust.

(The rest is omitted.)

## 2. Financial Statement

### (1) Balance Sheet

	(Unit : thousand yen)	
	6th Period (June 30, 2020)	7th Period (December 31, 2020)
<b>Assets</b>		
Current Assets		
Cash and bank deposit	2,627,638	2,828,532
Operating accounts receivable	477,976	362,206
Prepaid expenses	109,917	155,628
Consumption taxes receivable	-	26,241
Other current assets	1,799	2,130
Total current assets	3,217,332	3,374,740
Fixed Assets		
Property and equipment		
Structures	1,041,843	1,043,042
Accumulated depreciation	(85,025)	(106,526)
Structures, net	956,818	936,515
Machinery and equipment	*2 42,736,685	*2 42,426,996
Accumulated depreciation	(3,880,573)	(4,716,860)
Machinery and equipment, net	38,856,111	37,710,136
Tools, furniture and fixtures	592,249	590,418
Accumulated depreciation	(55,331)	(66,933)
Tools, furniture and fixtures, net	536,917	523,485
Land	4,469,653	4,485,144
Construction in progress	10,560	17,017
Structures in trust	-	33,071
Accumulated depreciation	-	(341)
Structures in trust, net	-	32,729
Machinery and equipment in trust	-	776,471
Accumulated depreciation	-	(8,017)
Machinery and equipment in trust, net	-	768,453
Tools, furniture and fixtures in trust	-	3,204
Accumulated depreciation	-	(33)
Tools, furniture and fixtures in trust, net	-	3,171
Land in trust	-	116,748
Total property and equipment	44,830,061	44,593,402
Intangible assets		
Leasehold rights	753,139	753,139
Software	1,960	1,566
Total intangible assets	755,099	754,706
Investments and other assets		
Long-term prepaid expenses	284,425	269,287
Deferred tax assets	15	13
Long-term bank deposit	-	15,600
Guarantee deposits	37,790	37,790
Total investment and other assets	322,230	322,690
Total fixed assets	45,907,391	45,670,799
Deferred Assets		
Investment corporation bond issuance cost	7,656	6,776
Total deferred assets	7,656	6,776
Total assets	49,132,379	49,052,315
<b>Liabilities</b>		
Current liabilities		
Operating Accounts payable		
Accounts payable – operating	29,958	67,910
Current portion of long-term loans payable	1,534,806	6,517,867
Accounts payable – other	78,655	109,145
Accrued expenses	155,410	102,519
Income taxes payable	922	879
Consumption tax payable	203,692	33,948
Deposits received	301	3,085
Total current liabilities	2,003,746	6,835,355
Non-current liabilities		
Investment corporation bond	1,100,000	1,100,000
Long-term loan payable	24,297,106	19,524,374
Total non-current liabilities	25,397,106	20,624,374
Total liabilities	27,400,853	27,459,730
<b>Net assets</b>		
Unitholders' equity		
Unit holders' capital	22,050,175	22,050,175
Deduction from unitholders' capital	(1,010,472)	(1,174,155)
Unitholders' capital (net value)	21,039,702	20,876,019
Surplus		
Unappropriated retained earnings	691,823	716,565
(Accumulated deficit)		

Total surplus	691,823	716,565
Total unitholders' equity	21,731,525	21,592,585
Total net assets	*1 21,731,525	*1 21,592,585
Total liabilities and net assets	49,132,379	49,052,315

## (2) Statement of Income

(Unit: thousand yen)

	6th period (from January 1, 2020 to June 30, 2020)	7th period (from July 1, 2020 to December 31, 2020)
Operating revenues		
Rental revenues of renewable energy power generation facilities, etc.	* <sup>1</sup> 2,331,291	* <sup>1</sup> 2,413,625
Total operating revenues	2,331,291	2,413,625
Operating expenses		
Rental expenses of renewable energy power generation facilities, etc.	* <sup>1</sup> 1,362,007	* <sup>1</sup> 1,409,487
Asset management fee	59,407	61,062
Administrative service fees	19,402	18,994
Director's compensation	2,400	2,400
Taxes and duties	101	436
Other operating expenses	47,603	62,912
Total operating expenses	1,490,922	1,555,292
Operating income or loss	840,369	858,332
Non-operating incomes		
Interest income	13	14
Insurance income	-	1,219
Interest on refund	400	-
Other non-operating income	* <sup>2</sup> -	* <sup>2</sup> 35,501
Total non-operating income	413	36,735
Non-operating expenses		
Interest expenses	112,576	111,324
Interest on investment corporation bond	3,894	3,937
Amortization of Investment corporation bond issuance cost	879	879
Borrowing-related expenses	30,701	56,792
Loss on retirement of non-current assets	-	4,787
Total non-operating expenses	148,053	177,721
Ordinary income	692,729	717,346
Income before income taxes	692,729	717,346
Income taxes - current	924	881
Income tax - deferred	(2)	2
Total income taxes	921	883
Net income	691,807	716,462
Retained earnings (deficit) brought forward	16	103
Unappropriated retained earnings (Accumulated deficit)	691,823	716,565

## (3) Statements of Changes in Unitholders' Equity

6th Fiscal Period (From January 1, 2020 to June 30, 2020)

(Unit: thousand yen)

	Unitholders' equity						Total net assets
	Unitholders' capital			Surplus		Total unitholders' equity	
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital(net)	Capital surplus or loss	Total surplus		
Balance as of January 1, 2020	22,050,175	(700,678)	21,349,496	534,065	534,065	21,883,561	21,883,561
Changes of items during the period							
Distribution in excess of earnings	-	(309,794)	(309,794)	-	-	(309,794)	(309,794)
Dividend of surplus	-	-	-	(534,048)	(534,048)	(534,048)	(534,048)
Net Income	-	-	-	691,807	691,807	691,807	691,807
Total changes of items during the period	-	(309,794)	(309,794)	157,758	157,758	(152,035)	(152,035)
Balance as of June 30, 2020	*1 22,050,175	(1,010,472)	21,039,702	691,823	691,823	21,731,525	21,731,525

7th Fiscal Period (From July 1, 2020 to December 31, 2020)

(Unit: thousand yen)

	Unitholders' equity						Total net assets
	Unitholders' capital			Surplus		Total unitholders' equity	
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital(net)	Capital surplus or loss	Total surplus		
Balance as of July 1, 2020	22,050,175	(1,010,472)	21,039,702	691,823	691,823	21,731,525	21,731,525
Changes of items during the period							
Distribution in excess of earnings	-	(163,682)	(163,682)	-	-	(163,682)	(163,682)
Dividend of surplus	-	-	-	(691,720)	(691,720)	(691,720)	(691,720)
Net Income	-	-	-	716,462	716,462	716,462	716,462
Total changes of items during the period	-	(163,682)	(163,682)	24,742	24,742	(138,940)	(138,940)
Balance as of December 31, 2020	*1 22,050,175	(1,174,155)	20,876,019	716,565	716,565	21,592,585	21,592,585

## (4) Statements of Cash Distribution

	Fiscal Period under Review (From January 1, 2020 to June 30, 2020) Unit: Yen	Fiscal Period under Review (From July 1, 2020 to December 31, 2020) Unit: Yen
I Unappropriated retained earnings (accumulated deficit)	691,823,858	716,565,873
II Distributions in excess of retained earnings Deduction from unitholders' capital	163,682,520	138,945,190
III Cash distributions	855,403,000	855,403,000
(Cash distributions per unit)	(3,700)	(3,700)
Profit distributions	691,720,480	716,457,810
(Profit distributions per unit)	(2,992)	(3,099)
Distributions in excess of retained earnings	163,682,520	138,945,190
(Distributions in excess of retained earnings)	(708)	(601)
IV. Retained earnings (deficit) carried forward	103,378	108,063
Calculation method for cash distributions	<p>In accordance with Articles 47, Paragraph 1 of Canadian Solar Infrastructure Fund, Inc. ("CSIF")'s Articles of Incorporation, the amount of cash distributions shall be the amount of profit in excess of an amount equivalent to 90% of distributable profits, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. Based on this policy, CSIF decided to make distributions of ¥691,720,480 which is the entire amount equivalent to the unappropriated retained earnings for the fiscal period under review of ¥691,823,858 excluding fractions of the distribution per unit that are less than ¥1.</p> <p>CSIF distributes cash in excess of retained earnings every fiscal period based on the cash distribution policy prescribed in Article 47, Paragraph 2 of CSIF's Articles of Incorporation. Based on this policy, CSIF decided to make cash distributions in excess of earnings (return of capital categorized as a distribution of the reduction in capital for Japanese tax purposes) in the amount of ¥163,682,520 which is equivalent to 17.9% of the amount of depreciation expenses recorded for the fiscal period under review of ¥912,259,006.</p> <p>Accordingly, the distribution per unit is ¥3,700.</p>	<p>In accordance with Articles 47, Paragraph 1 of Canadian Solar Infrastructure Fund, Inc. ("CSIF")'s Articles of Incorporation, the amount of cash distributions shall be the amount of profit in excess of an amount equivalent to 90% of distributable profits, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. Based on this policy, CSIF decided to make distributions of ¥716,457,810 which is the entire amount equivalent to the unappropriated retained earnings for the fiscal period under review of ¥716,565,873 excluding fractions of the distribution per unit that are less than ¥1.</p> <p>CSIF distributes cash in excess of retained earnings every fiscal period based on the cash distribution policy prescribed in Article 47, Paragraph 2 of CSIF's Articles of Incorporation. Based on this policy, CSIF decided to make cash distributions in excess of earnings (return of capital categorized as a distribution of the reduction in capital for Japanese tax purposes) in the amount of ¥138,945,190 which is equivalent to 15.2% of the amount of depreciation expenses recorded for the fiscal period under review of ¥914,309,028.</p> <p>Accordingly, the distribution per unit is ¥3,700.</p>

(Note) Distributions in excess of retained earnings per unit will generally be based on the cash distribution policy prescribed in CSIF's Articles of Incorporation and the Asset Manager's asset management guideline.

CSIF intends to make cash distributions of NCF within the FCF generated from the renewable energy power generation facilities. The amount available for distribution shall be calculated by multiplying NCF by the payout ratio.

Further, CSIF intends to make distributions in excess of retained earnings for each fiscal period in order to realize such policy.

CSIF's forecasts (including revised forecasts) for each fiscal period are based on the assumption of the Forecast Power Generation (P50) provided in the independent technical report which is used as a basis for calculating rents for renewable energy power generation facilities and if actual NCF calculated based on actual power generation during the applicable

fiscal period exceeds forecast NCF, CSIF's policy is to set "forecast NCF multiplied by the payout ratio" as the upper limit of the amount of cash distributions for the applicable fiscal period. .

On the other hand, if actual NCF is less than forecast NCF, CSIF's policy is to set "actual NCF multiplied by the payout ratio" as the amount of cash distributions for the applicable fiscal period.

Based on this policy, CSIF decided to make distributions for the previous fiscal period of ¥855,403,000 which is within the limitation of 95% of forecast NCF amount for the fiscal period under review of ¥902,632,000 and equivalent to 94.7% of that. Of this, ¥163,682,520 which is the amount less of distributions of profit of ¥691,720,480 is distributions in excess of retained earnings.

Based on this policy, CSIF decided to make distributions for the current fiscal period of ¥855,403,000 which is equivalent to 89.0% of forecast NCF amount for the fiscal period under review of ¥960,272,000. Of this, ¥138,945,190 which is the amount less of distributions of profit of ¥716,457,810 is distributions in excess of retained earnings.

## (5) Statement of Cash Flow

	(unit: thousand yen)	
	6th period (From January 1, 2020 to June 30, 2020)	7th period (From July 1, 2020 to December 31, 2020)
Cash flows from operating activities		
Income (Loss) before income taxes	692,729	717,346
Depreciation cost	912,259	914,309
Investment corporation bond issuance expenses	879	879
Interest income	(13)	(14)
Interest expenses	116,471	115,261
Other non-operating income	-	(35,501)
Loss on retirement of non-current assets	-	4,787
Decrease (Increase) in operating accounts receivable	(209,049)	115,770
Decrease (Increase) in consumption taxes receivable	329,815	(26,241)
Decrease (Increase) in consumption taxes payable	195,374	(169,743)
Decrease (Increase) in prepaid expenses	47,606	(45,710)
Decrease (Increase) in long-term prepaid expenses	31,694	15,137
Increase (Decrease) in operating accounts payable	(3,030)	37,951
Increase (Decrease) in accounts payable - other	11,184	30,490
Increase (Decrease) in accrued expenses	54,026	(53,510)
Other, net	(2,200)	2,453
Sub-total	2,177,748	1,623,665
Interest received	13	14
Interest paid	(117,120)	(114,642)
Income taxes paid	(862)	(925)
Net cash provided by (used in) operating activities	2,059,778	1,508,112
Cash flows from investing activities		
Deposit into fixed deposits		(7,800)
Purchases of property and equipment	*1 (21,259)	*1 (646,543)
Net cash provided by (used in) investing activities	(21,259)	(654,343)
Cash flows from financing activities		
Proceeds from long-term loans payable	-	1,000,000
Repayment of long-term loans payable	(1,041,093)	(789,671)
Dividends paid	(534,048)	(691,720)
Surplus earning distribution paid	(309,794)	(163,682)
Net cash provided by (used in) financing activities	(1,884,936)	(645,074)
Net increase (decrease) in cash and cash equivalents	153,581	208,694
Cash and cash equivalents at the beginning of the fiscal period	2,466,256	2,619,838
Cash and cash equivalents at the end of the fiscal period	*2 2,619,838	*2 2,828,532



(6) NOTES ON GOING CONCERN PREMISE

Not applicable.

(7) [SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES]

1.Method of depreciation and amortization of non-current assets	<p>(1) Property and equipment</p> <p>The straight-line method is adopted. In addition, the useful lives of major property and equipment are as shown below:</p> <p>Structures..... 22 - 25 years</p> <p>Machinery and equipment..... 22 - 25 years</p> <p>Tools, furniture and fixtures..... 22 - 25 years</p> <p>Structures in trust ..... 25 years</p> <p>Machinery and equipment in trust..... 25 years</p> <p>Tools, furniture and fixtures in trust..... 25 years</p> <p>(2) Intangible assets</p> <p>The straight-line method is adopted. In addition, the useful life is as shown below:</p> <p>Software..... 5 years</p> <p>(3) Long-term prepaid expenses</p> <p>The straight-line method is adopted.</p>
2. Method of amortization of deferred assets	<p>(1) Investment corporation bond issuance expenses</p> <p>Amortized by the straight-line method over the life of the bonds.</p>
3.Standards for revenue and expense recognition	<p>Accounting for fixed assets tax</p> <p>With respect to fixed assets tax, city planning tax and depreciable assets tax, among other taxes, on the infrastructure assets held, of the tax amount assessed and determined, the amount corresponding to the calculation period is accounted as rental expenses. In addition, reimbursement such as fixed assets tax, which is paid to the seller and other persons on the acquisition of infrastructure assets and other assets (“the amount equivalent to the fixed assets taxes and other taxes”) is not recognized as rental expenses but included in the acquisition cost of the concerned infrastructure assets and other assets. In the fiscal period under review, the amount equivalent to the fixed assets tax and other taxes included in the acquisition cost of infrastructure assets and other assets is 527 thousand yen.</p>
4.Scope of funds in statement of cash flows	<p>Funds (cash and cash equivalents) in statement of cash flows consist of cash on hand, demand deposits and short-term investments with a maturity of three months or less at the date of acquisition that can readily be converted into cash and that are subject to insignificant risks of changes in value.</p>
5.Method of hedge accounting	<p>(1) Method of hedge accounting</p> <p>Special treatment is adopted for the interest rate swap that meets the requirements for special treatment.</p> <p>(2) Hedging instruments and hedged items:</p> <ul style="list-style-type: none"> <li>•Hedging instruments.....Interest rate swap transaction</li> <li>•Hedged items....Interest rate on loans</li> </ul> <p>(3) Policy for hedging</p> <p>CSIF conducts derivative transactions to hedge risks as set forth in the CSIF’s Articles of Incorporation according to the rules for risk management.</p> <p>(4) Method of evaluation of effectiveness of hedging</p> <p>The interest rate swap meets the requirements for special treatment, and thus the evaluation of effectiveness is omitted.</p>

<p>6. Other significant matters serving as the basis for preparation of financial statements</p>	<p>(1) Accounting treatment with regard to trust beneficiary interest in real estate</p> <p>With regards to trust beneficial interest in equipment of renewable energy power plants, all assets and liabilities within entrusted assets as well as all revenue and expense items which occur to entrusted assets are recorded as the respective account titles on the balance sheet and statements of income. The following important account titles among the entrusted assets which are recorded as the respective account titles are separately indicated on the balance sheet:</p> <p>Structures in trust, Machinery and equipment in trust, Tools, furniture and fixtures in trust, Land in trust.</p> <p>(2) Accounting for Consumption tax</p> <p>Consumption tax and local consumption tax are excluded from the corresponding transaction amount.</p>
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## (8) Notes regarding financial statements

## [NOTES TO BALANCE SHEET]

\*1 Minimum net assets stipulated in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

(Unit: thousand yen)

	As of June 30, 2020	As of December 31, 2020
	50,000	50,000

\*2. JPY amount of a decrease in acquisition price for machine and equipment of S-13 CS Mashiki-machi PV Power Plant

(Unit: thousand yen)

	As of June 30, 2020	As of December 31, 2020
	-	332,606

## [NOTES TO STATEMENT OF INCOME]

\*1 Breakdown of profits and losses from the rental business of renewable energy power generation facilities, etc.

(Unit: thousand yen)

	From January 1, 2020 to June 30, 2020	From July 1, 2020 to December 31, 2020
A. Operating revenue from the rental business of renewable energy power generation facilities, etc.		
Rental revenue of renewable energy power generation facilities, etc.		
(Basic rent)	1,646,317	1,698,289
(Variable rent linked to actual output)	684,879	715,325
(Incidental income)	94	11
Total operating revenue from the rental business of renewable energy power generation facilities, etc.	2,331,291	2,413,625
B. Operating expenses from the rental business of renewable energy power generation facilities, etc.		
Rental expenses of renewable energy power generation facilities, etc.		
(Management entrustment expenses)	159,491	191,463
(Repair and maintenance costs)	98	8,585
(Taxes and duties)	223,768	223,744
(Utilities expenses)	-	-
(Insurance expenses)	22,112	24,676
(Depreciation expenses)	911,865	913,915
(Land rent)	44,670	46,502
(Trust fees)	-	600
(Other rental expenses)	-	-
Total operating expenses from the rental business of renewable energy power generation facilities, etc.	1,362,007	1,409,487
C. Profits and losses from the rental business of renewable energy power generation facilities, etc. (A-B)	969,284	1,004,138

\*2 JPY Amount of reversal of accumulated depreciation corresponding to a decrease in acquisition price for S-13 CS Mashiki-machi PV Power Plant

(Unit: thousand yen)

	As of June 30, 2020	As of December 31, 2020
	-	35,478

[NOTES TO STATEMENT OF CHANGES IN NET ASSETS]

\*1 Total number of authorized investment units and the total number of investment units issued and outstanding

	From January 1, 2020 to June 30, 2020	From July 1, 2020 to December 31, 2020
Total number of authorized investment units	10,000,000 unit	10,000,000 unit
Total number of investment units issued and outstanding	231,190 unit	231,190 unit

[NOTES TO STATEMENT OF CASH FLOWS]

\*1 Breakdown of purchases of property and equipment

(Unit: thousand yen)

	From January 1, 2020 to June 30, 2020	From July 1, 2020 to December 31, 2020
Consideration of property and equipment purchased for the fiscal period ending December 31, 2020	(21,259)	(980,537)
Refund of a part of consideration of property and equipment purchased before the previous fiscal period	-	(333,993)
Purchases of property and equipment	(21,259)	(646,543)

\*2 Relationship between the ending balance of cash and cash equivalents and the amounts on the balance sheet

(Unit: thousand yen)

	From January 1, 2020 to June 30, 2020	From July 1, 2020 to December 31, 2020
Cash and deposits	2,627,638	2,828,532
Fixed term deposits exceeding 3 months	(7,800)	-
Cash and cash equivalents	2,619,838	2,828,532

[NOTES ON LEASE TRANSACTIONS]

Operating lease (as the lessor)

Future minimum lease payments

(Unit: thousand yen)

	Fiscal period ended June 30, 2020	Fiscal period ended December 31, 2020
Within one year	3,320,471	3,367,129
Longer than one year	50,176,820	49,423,243
Total	53,497,291	52,790,373

[NOTES ON FINANCIAL INSTRUMENTS]

1. Situation of financial instruments

(1) Policy for financial instruments

CSIF procures funds for acquiring new assets or repaying loans through loans from financial institutions or issuing investment units. The basic policy is to build stable and sound financial operations to maintain and increase earnings in the medium to long term and grow the size and value of assets.

(2) Details of the financial instruments and their risks and the risk management system

Long-term loans payables are one of the means to procure the funds for the acquisition of managed assets and are exposed to interest rate fluctuation risk and liquidity risk, among other risks. However, this risk is deducted through the appropriate balancing of the loan period and the interest rate type, and diversification of lenders, and the appropriate management of various types of indexes, especially the general application of the upper limit of the ratio of interest-bearing, which is 60%.

(3) Supplementary explanation on fair value of financial instruments

The fair values of financial instruments are values based on market prices, or if there are no market prices, values are reasonably calculated. Since certain assumptions are used for the calculation of fair values, they may change if different assumptions are used.

2. Matters relating to fair values of financial instruments

The table below shows the book value and fair values of financial instruments as of June 30, 2020, and the difference between them. Financial instruments whose fair values are extremely difficult to estimate are not included in the table.

(Unit: thousand yen)

	Book value	Fair value	Difference
(1) Cash and deposits	2,627,638	2,627,638	-
(2) Operating accounts receivable	477,976	477,976	-
Total assets	3,105,615	3,105,615	-
(3) Current portion of long-term loans payable	1,534,806	1,536,238	1,432
(4) Long-term loans payable	24,297,106	24,526,517	229,410
(5) Investment corporation bond	1,100,000	1,086,690	(13,310)
Total liabilities	26,931,912	27,149,446	217,533
(6) Derivative transaction	-	-	-

(Note 1) Methods used for estimating the fair values of financial instruments and matters related to derivative transactions  
Assets

(1) Cash and deposits (2) Operating accounts receivable

These financial instruments are settled in the short term, and their fair values are deemed to approximate their book value. Therefore, the book values are used as the values.

Liabilities

(3) Current portion of long-term loans payable (4) Long-term loans payable

With respect to long-term loans payable at variable interest rates, the condition that the interest rates are renewed every certain period is applied to loans, and thus the market value is considered to be close to the book value. Accordingly, the book value is used. In addition, for the long-term loans payable at variable interest rates subject to the special treatment of interest rate swap (refer to the “Notes on derivative transactions” below), the fair value is measured by discounting the total sum of the principal and interest treated together with the said interest rate swap as one at the interest rate that is applied when the similar loan is obtained and that is reasonably estimated.

(5) Investment Corporation Bond

The fair value of investment corporation bonds is determined based on market prices

(6) Derivative transaction

Please refer to the “Notes on derivative transactions” below.

The table below shows the book value and fair values of financial instruments as of December 31, 2020, and the difference between them. Financial instruments whose fair values are extremely difficult to estimate are not included in the table.

(Unit: thousand yen)

	Book value	Fair value	Difference
(1) Cash and deposits	2,828,532	2,828,532	-
(2) Operating accounts receivable	362,206	362,206	-
(3) Long-term deposits	15,600	15,600	-
Total assets	3,206,339	3,206,339	-
(4) Current portion of long-term loans payable	6,517,867	6,509,162	(8,704)
(5) Long-term loans payable	19,524,374	19,684,965	160,591
(6) Investment corporation bond	1,100,000	1,088,120	(11,880)
Total liabilities	27,142,241	27,280,052	140,006
(7) Derivative transaction	-	-	-

(Note 1) Methods used for estimating the fair values of financial instruments and matters related to derivative transactions

Assets

(1) Cash and deposits (2) Operating accounts receivable

These financial instruments are settled in the short term, and their fair values are deemed to approximate their book value. Therefore, the book values are used as the values.

(3) Long-term deposits

These financial instruments are fixed deposits and there is no significant fluctuation between estimated interest rates upon new deposit and engaged rates of interest and their fair market values approximate their book values. Therefore, the book values are used as the values.

(4) Current portion of long-term loans payable (5) Long-term loans payable

With respect to long-term loans payable at variable interest rates, the condition that the interest rates are renewed every certain period is applied to loans, and thus the market value is considered to be close to the book value. Accordingly, the book value is used. In addition, for the long-term loans payable at variable interest rates subject to the special treatment of interest rate swap (refer to the “Notes on derivative transactions” below), the fair value is measured by discounting the total sum of the principal and interest treated together with the said interest rate swap as one at the interest rate that is applied when the similar loan is obtained and that is reasonably estimated.

(6) Investment Corporation Bond

The fair value of investment corporation bonds is determined based on market prices

(7) Derivative transaction

Please refer to the “Notes on derivative transactions” below.

(Note 2) Scheduled redemption amounts of monetary receivables after the closing date (June 30, 2020)

(Unit: thousand yen)

	Within one year	Longer than one year, within two years	Longer than two years, within three years	Longer than three years, within four years	Longer than four years, within five years	Longer than five years
(1) Cash and deposits	2,627,638	-	-	-	-	-
(2) Operating accounts receivable	477,976	-	-	-	-	-
Total	3,105,615	-	-	-	-	-

Scheduled redemption amounts of monetary receivables after the closing date (December 31, 2020)

(Unit: thousand yen)

	Within one year	Longer than one year, within two years	Longer than two years, within three years	Longer than three years, within four years	Longer than four years, within five years	Longer than five years
(1) Cash and deposits	2,828,532	-	-	-	-	-
(2) Operating accounts receivable	362,206	-	-	-	-	-
(3) Long-term deposits	-	-	15,600	-	-	-
Total	3,190,739	-	15,600	-	-	-

(Note 3) Scheduled redemption amount of loans payables after the closing date (June 30, 2020)

(Unit: thousand yen)

	Within one year	Longer than one year, within two years	Longer than two years, within three years	Longer than three years, within four years	Longer than four years, within five years	Longer than five years
(3) Current portion of long-term loans payable	1,534,806	-	-	-	-	-
(4) Long-term loans payable	-	5,986,293	1,286,533	1,285,273	1,242,792	14,496,212
(5) Investment corporation bond	-	-	-	-	1,100,000	-
Total	1,534,806	5,986,293	1,286,533	1,285,273	2,342,792	14,496,212

Scheduled redemption amount of loans payables after the closing date (December 31, 2020)

(Unit: thousand yen)

	Within one year	Longer than one year, within two years	Longer than two years, within three years	Longer than three years, within four years	Longer than four years, within five years	Longer than five years
(4) Current portion of long-term loans payable	6,517,867	-	-	-	-	-
(5) Long-term loans payable	-	1,860,238	1,292,889	1,254,936	1,291,266	13,825,044
(6) Investment corporation bond	-	-	-	1,100,000	-	-
Total	6,517,867	1,860,238	1,292,889	2,354,936	1,292,266	13,825,044

[NOTES ON SECURITIES]

Prior fiscal period (as of June 30, 2020)

Not applicable.

Current fiscal period (as of December 31, 2020)

Not applicable.

[NOTES ON DERIVATIVE TRANSACTIONS]

1. Those to which hedge accounting is not applied

Prior fiscal period (as of June 30, 2020) and Current fiscal period (as of December 31, 2020)

Not applicable.

Prior fiscal period (as of June 30, 2020)

(Unit: thousand yen)

Method of hedge accounting	Type of derivative transactions and other matters	Major items hedged	Contract amount and other amounts		Fair value	Method of calculation of said market value
				Longer than one year		
Special treatment of interest rate swap	Interest rate swap transaction Fixed payment/variable receipt	Long-term loans payable	20,811,569	19,568,757	(Note)	-

(Note) Those that are subject to special treatment of interest rate swap are treated together with the current portion of long-term loans payable and the long-term loans payable to be hedged as one, and thus their fair value is presented together with the fair value of (Note 1) (3) Current portion of long-term loans payable and (4) Long-term loans payable in "Notes on financial instruments 2. Matters relating to fair values of financial instruments, among other matters"

Current fiscal period (as of December 31, 2020)

(Unit: thousand yen)

Method of hedge accounting	Type of derivative transactions and other matters	Major items hedged	Contract amount and other amounts		Fair value	Method of calculation of said market value
				Longer than one year		
Special treatment of interest rate swap	Interest rate swap transaction Fixed payment/variable receipt	Long-term loans payable	20,187,606	18,939,441	(Note)	-

(Note) Those that are subject to special treatment of interest rate swap are treated together with the current portion of long-term loans payable and the long-term loans payable to be hedged as one, and thus their fair value is presented together with the fair value of (Note 1) (4) Current portion of long-term loans payable and (5) Long-term loans payable in "Notes on financial instruments 2. Matters relating to fair values of financial instruments, among other matters"

[NOTES ON RETIREMENT BENEFITS]

Prior fiscal period (as of June 30, 2020)

Not applicable.

Current fiscal period (as of December 31, 2020)

Not applicable.



[NOTES ON TAX EFFECT ACCOUNTING]

1. Breakdown of deferred tax assets and deferred tax liabilities by major cause

(Unit: thousand yen)

	Fiscal period ended June 30, 2020	Fiscal period ended December 31, 2020
Accrued business tax not deductible from taxable income	15	13
Total deferred tax assets	15	13
Net amount of deferred tax assets	15	13

2. Breakdown of each major item that causes a significant difference between the effective statutory tax rate and the rate of the burden of corporate tax and other taxes after the application of tax effect accounting

	Fiscal period ended June 30, 2020	Fiscal period ended December 31, 2020
Effective statutory tax rate	31.46%	31.46%
(Adjustment)		
Dividends paid deductible for tax purpose	(31.41)%	(31.42)%
Others	0.09%	0.08%
Rate of burden of corporate tax and other taxes after the application of tax effect accounting	0.14%	0.12%

[NOTES ON SHARE OF PROFIT (LOSS) OF ENTITIES ACCOUNTED FOR USING EQUITY METHOD, ETC.]

Prior fiscal period (as of June 30, 2020)

Not applicable.

Current fiscal period (as of December 31, 2020)

Not applicable.

[NOTES ON RELATED PARTY TRANSACTIONS]

Prior fiscal period (from January 1, 2020 to June 30, 2020)

Not applicable.

Current fiscal period (from July 1, 2020 to December 31, 2020)

Not applicable.

[NOTES ON ASSET RETIREMENT OBLIGATIONS]

Prior fiscal period (from January 1, 2020 to June 30, 2020)

Not applicable.

Current fiscal period (from July 1, 2020 to December 31, 2020)

Not applicable.

[NOTES ON INVESTMENT AND RENTAL PROPERTY]

CSIF has renewable energy power generation facilities, etc. The book value, change during the period and fair value at the end of the period are as shown below.

(Unit: thousand yen)

	Fiscal period ended June 30, 2020	Fiscal period ended December 31, 2020
Book value (Note 2)		
Beginning balance	46,473,806	45,572,640
Change during the period (Note 3)	(901,166)	(243,115)
Ending balance	45,572,640	45,329,524
Fair value at the end of the period (Note 4)	49,588,000	48,890,000

(Note 1) The real estate that CSIF holds is real estate to be provided for the use of renewable energy power generation facilities, and thus with respect to the book value and the fair value, the amount of the renewable energy power generation facilities and real estate are stated together as one.

(Note 2) The book value is the amount at acquisition cost less the accumulated depreciation.

(Note 3) The change during the period ended June 30, 2020 primarily consisted of the increase due to capital expenditure for one photovoltaic power generation facility (10,699 thousand yen), and the decrease due to depreciation expenses (911,865 thousand yen). And the change during the period ended December 31, 2020 primarily consisted of the increase due to acquisition of two photovoltaic power generation facilities (929,496 thousand yen), and the decrease due to depreciation expenses (913,915 thousand yen).

(Note 4) The fair value is the total sum of the median amount that we calculated according to Article 41, paragraph 1 of the CSIF's Articles of Incorporation on the basis of the appraised value in the range stated in the valuation report with the date of the value opinion on June 30, 2020 and December 31, 2020, which was obtained from PricewaterhouseCoopers Sustainability LLC (for S-01 to S-18). And, the fair value is the total sum of the median amount on the basis of the appraised value stated in the valuation report with the date of the value opinion on June 30, 2020 and December 31, 2020, which was obtained from Ernst & Young Transaction Advisory Services Co., Ltd. or Ernst & Young Strategy and Consulting Co., Ltd. (for S-19 to S-23). Please note that E&Y Transaction Advisory Services Co., Ltd. and Ernst & Young Advisory and Consulting Co., Ltd. have been integrated and those were incorporated as E&Y Strategy and Consulting Co., Ltd. as of October 1, 2020.

In addition, profits and losses from the renewable energy power generation facilities, etc. for the fiscal period ended June 30, 2020 (the 6th period) and the fiscal period ended December 31, 2020 (the 7th period) are as stated in the "Notes to statement of income" above.

[NOTES ON SEGMENT INFORMATION]

1. Segment information

Since CSIF has a single segment of the rental business of infrastructure assets, the segment information is omitted.

2. Related Information

Prior fiscal period (from January 1, 2020 to June 30, 2020)

(1) Information on products and services

Information is omitted because operating revenue from a single product/service to outside customers exceeds 90% of the operating revenue on the statement of income.

(2) Information on regions

① Operating revenue

Information is omitted because operating revenue from outside customers in Japan exceeds 90% of the operating revenue on the statement of income.

② Property and equipment

Information is omitted because the amount of property and equipment located in Japan exceeds 90% of the amount of property and equipment on the balance sheet.

## (3) Information on major customers

(unit: thousand yen)

Name of customer	Total net revenue	Name of related segment
Tida Power 01 G.K.	2,331,196	Renewable energy power generation facilities, etc. rental business

Current fiscal period (from July 1, 2020 to December 31, 2020)

## (1) Information on products and services

Information is omitted because operating revenue from a single product/service to outside customers exceeds 90% of the operating revenue on the statement of income.

## (2) Information on regions

## ① Operating revenue

Information is omitted because operating revenue from outside customers in Japan exceeds 90% of the operating revenue on the statement of income.

## ② Property and equipment

Information is omitted because the amount of property and equipment located in Japan exceeds 90% of the amount of property and equipment on the balance sheet.

## (3) Information on major customers

(unit: thousand yen)

Name of customer	Total net revenue	Name of related segment
Tida Power 01 G.K.	2,395,335	Renewable energy power generation facilities, etc. rental business
CS Hokkaido Ishikari G.K.	13,862	Renewable energy power generation facilities, etc. rental business
CS Miyagi Kejonuma G.K.	4,416	Renewable energy power generation facilities, etc. rental business

## [NOTES ON PER UNIT INFORMATION]

	Prior fiscal period From January 1, 2020 June 30, 2020	Current fiscal period From July 1, 2020 December 31, 2020
Net assets per unit	93,998 yen	93,397 yen
Net income (Net loss) per unit	2,992 yen	3,099 yen

(Note 1) Net income (Net loss) per unit is calculated by dividing net income (net loss) by the average number of investment units during the period. In the previous fiscal period, a loss was posted and there were no dilutive investment units, and thus diluted loss per unit is not stated. With respect to diluted profit per unit for the period under review, there are no dilutive investment units, and thus the statement is omitted.

(Note 2) The basis of calculation of net income (net loss) per unit is as follows.

	Prior fiscal period From January 1, 2020 June 30, 2020	Current fiscal period From July 1, 2020 December 31, 2020
Net income (Net loss) (Thousand yen)	691,807	716,462
Amount not attributable to common unit holders (Thousand yen)	-	-
Net income (Net loss) attributable to Common unit holders (Thousand yen)	691,807	716,462
Average number of investment units during the period (Units)	231,190	231,190

[NOTES ON FACTS ARISING AFTER THE SETTLEMENT OF ACCOUNTS]

( i ) Issuance of Investment Corporation Bonds (Green Bonds)

CSIF issued investment corporation bonds (“Green Bonds”) based on the shelf registration for its issuance of investment corporation bonds filed to Kanto Local Finance Bureau as of January 26, 2021.

① Name	Canadian Solar Infrastructure Investment Corporation / The 1st Unsecured Bond (Green Bonds)
② Total issue amount	3,800 million yen
③ Form of the bond certificate	Subject to the provisions of the Act on Book-Entry Transfer of Company Bonds, Shares, etc. bond certificates will not be issued.
④ Issue price	100 yen per par value of 100 yen for each bond
⑤ Redemption price	100 yen per par value of 100 yen for each bond
⑥ Interest rate	0.80% per annum
⑦ Denomination of each bond	100 million yen
⑧ Offering method	Public offering
⑨ Offering period	January 20, 2021
⑩ Payment date	January 26, 2021
⑪ Collateral / Guarantee	No collateral or guarantee is provided for the Green Bonds. None of CSIF’s assets are secured for the Green Bonds.
⑫ Redemption method and date	The total amount of the Green Bonds will be redeemed on January 26, 2026 (5-year bond) Early redemption is possible any time after the payment date, except for the case separately determined by the depository.
⑬ Interest payment date	January 26 and July 26 of every year (When an interest payment date falls on a bank holiday it will be moved to the preceding business day. Initial interest payment date will be July 26, 2021)
⑭ Credit rating	A (Japan Credit Rating Agency, Ltd.)
⑮ Special financial covenant	Collateral provision restriction clause is added.
⑯ Depository	Japan Securities Depository Center, Inc.
⑰ Fiscal agent, issuing agent and payment agent	Mizuho Bank, Ltd.
⑱ Underwriter for private placement	Mizuho Securities Co., Ltd. and SMBC Nikko Securities Inc.

( ii ) Issuance of New Investment Units and Secondary Offering of Investment Units

CSIF announced that, at a board of directors’ meeting held on February 17, 2021, it resolved to issue new investment units of CSIF (“Investment Units”) and conduct a secondary offering as follows.

Issuance of new investment units through public offering

(1) Number of investment units to be offered	151,500 units CSIF expects to offer 96,960 units for the Japanese Public Offering and 54,540 units for the International Offering,
(2) Specific purpose of use and scheduled outlay period of proceeds	All of the net proceeds from the Japanese Public Offering and International Offering shall be used for a part of the fund for the acquisition of specified assets scheduled to be acquired by CSIF as announced in the “Notice Concerning Domestic Project Acquisitions and Leasing” (“Anticipated Acquired Assets”) and for a part of the prepayment of the existing debt.

Secondary offering of investment units through Over-Allotment

(1) Number of investment units to be offered in the secondary offering	7,575 units A Japanese Underwriter of the Japanese Public Offering, will make a secondary offering in Japan up to 7,575 units of the Investment Units borrowed from Canadian Solar Projects K.K. ., taking into account market demand and other conditions for the Japanese Public Offering.
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- (2) Specific purpose of use and scheduled outlay period of proceeds      The net proceeds from the issuance of new investment units through the Third-Party Allotment shall be used for partial payment for the future acquisition of specified assets or partial repayment of borrowings.

**(iii) Borrowings**

Canadian Solar Infrastructure Fund, Inc. (“CSIF”) hereby announces its decision to borrow funds ( total borrowings of 19,300 million yen, the “Borrowings”).

To fund a part of the anticipated acquisition of assets and other related costs as separately released in the “Notice Concerning Domestic Project Acquisitions and Leasing”

**2. Details of the Borrowings**

Type (Note 1)	Financial institution	Anticipated Borrowing Amount	Interest Rate (Note 2) (Note 3)	Drawdown Date	Maturity Date	Repayment Method (Note 4)	Use of funds	Conditions
Long-term	Syndicate of lenders arranged by Shinsei Bank, Limited, Sumitomo Mitsui Banking Corporation, and Mizuho Bank, Ltd. as arrangers, MUFG Bank, Ltd. and Sumitomo Mitsui Trust bank.Ltd.as a co-arranger	¥17 billion (Note 6)	Base rate plus 0.45%	March 8, 2021	10 years from date of loan disbursement	Partial installments (Note 7)	To be applied to the fund for acquisition of projects anticipated to be acquired and related costs and expenses	Unguaranteed unsecured. (Note 5)
Long-term	Syndicate of lenders arranged by Shinsei Bank, Limited, Sumitomo Mitsui Banking Corporation, and Mizuho Bank, Ltd. as arrangers	¥2.3 billion (Note 8)	Base rate plus 0.20%	March 8, 2021	The earlier date of (i) March 8, 2023 or (ii) the first interest payment date after the consumption tax refund date	Lump-sum payment	To be applied for payment of consumption taxes in relation to the anticipated acquisitions and related costs and expenses	Unguaranteed unsecured (Note 5)

(Note 1) Long-term refers to borrowings that have a period of over a year from the date of loan disbursement to the date of maturity.

(Note 2) Does not include financing-related costs paid to the financial institutions.

(Note 3) The base rate refers to the Japanese yen TIBOR (Tokyo Interbank Offered Rate) announced by the General Incorporated Association JBA TIBOR Administration.

(Note 4) We can make an early repayment of all or part of our borrowings subject to certain conditions, such as prior written notice to the relevant financial institutions.

(Note 5) We expect our loan agreements to contain restrictive covenants, including the maintenance of certain LTV ratio (based on project valuation report amount), debt-to-equity and debt service coverage ratios and restrictions on our ability to grant security interests in connection with other indebtedness. Breaches of such covenants could result in, among other things, restrictions on our ability to incur new debt and our being required to grant security interests in favor of the lenders. See “Our Business—Financing Policies—Fixed Interest Ratio and LTV Ratio”.

(Note 6) Borrowing amount (scheduled) as of the date of this offering circular. The borrowing amount may change after consideration of the amount of proceeds we receive in connection with the offerings, among other factors.

(Note 7) We intend to enter into balloon amortization loans, which has an initial principal repayment date of June 30, 2021, and subsequent principal repayment dates will be the last day of June and December (a principal repayment date on a non-business day is moved to the following business day or the immediately preceding business day in case the following business day falls in the following month), and the remaining principal will be repaid as a balloon payment on the maturity date. See “Our Business—Financing Policies—Debt Sculpting”.

(Note 8) We intend to enter into this loan for payment of the consumption tax incurred in connection with the acquisition of the anticipated acquisitions, and which we intend to repay with the consumption tax refund to which we are legally entitled. See “—Factors Affecting Our Results of Operations—Other—Consumption Tax Refund” above.

**(iv) Domestic Project Acquisitions and Leasing**

CSIF will acquire the assets below on March 8, 2021, in accordance with the basic policy of asset management defined in the terms and conditions of CSIF, upon obtaining the approval of CSIF's board of directors' meeting on February 17, 2021.

Asset no. (Note 1)	Name of project (Note 2)	Type of asset	Location (Note 3)	Acquisition price (JPY million) (Note 4)	Seller
S-24	CS Hiji-machi Dai-ni Power Plant	Trust beneficiary interest	Hayami-gun, Oita	27,851	LOHAS ECE2 G.K..
S-25	CS Ōgawara-machi Power Plant	Trust beneficiary interest	Ōgawara- machi, Miyagi	2,745	Tida Power 45 G.K.
Total				30,596	

(Note 1) Asset number is assigned to the projects to be acquired, based on the classification of the renewable energy. "S" denotes a solar energy project.

(Note 2) "CS" is the abbreviation for Canadian Solar.

(Note 3) Based on the land or a parcel of the land upon which the solar energy facility is located, as described in the property registry. The address is described up to the city or district level.

(Note 4) Anticipated acquisition price is as described in the purchase agreements (excluding acquisition expenses such as the payment of outsourcing service fees related to acquisition, property-related taxes, urban planning taxes, consumption taxes and other fees).

( v ) Proposed Amendments to Articles of Incorporation and Election of Directors

CSIF's Board of Directors has decided to submit the following proposals to amend its Articles of Incorporation (AOI) and elect Directors at its March 30, 2021 Shareholder Meeting. The amended AOI and the election of Directors will become effective upon shareholder approval at the Shareholder Meeting.

Proposals

1. Purpose of the Proposed Amendments to the AOI
2. Election of one Executive Director
3. Election of one Alternative Executive Director
4. Election of two Supervisory Directors

(9) Change in the total number of investment units issued and outstanding

Change in the total number of investment units issued and outstanding and the total amount of unitholders' capital is as shown below since the establishment of the CSIF.

Date	Event	Total number of investment units issued and outstanding (units)		Total amount of unitholders' capital (Note 1) (million yen)		Remarks
		Change	Balance	Change	Balance	
May 18, 2017	Establishment upon private placement	1,500	1,500	150	150	(Note 2)
October 27, 2017	Capital increase by public offering	177,800	179,300	16,891	17,041	(Note 3)
November 28, 2017	Capital increase by third-party allotment	2,890	182,190	274	17,315	(Note 4)
September 5, 2018	Capital increase by public offering	46,667	228,857	4,509	21,824	(Note 5)
September 14, 2018	Cash distribution in excess of earnings (refund of investment)	-	228,857	(147)	21,677	(Note 6)
October 4, 2018	Capital increase by third-party allotment	2,333	231,190	225	21,902	(Note 7)
March 14, 2019	Cash distribution in excess of earnings (refund of investment)	-	231,190	(420)	21,482	(Note 8)
September 17, 2019	Cash distribution in excess of earnings (refund of investment)	-	231,190	(133)	21,349	(Note 9)
March 17, 2020	Cash distribution in excess of earnings (refund of investment)	-	231,190	(309)	21,039	(Note 10)
September 15, 2020	Cash distribution in excess of earnings (refund of investment)	-	231,190	(163)	20,876	(Note 11)

(Note 1) The amount of deduction of total amount of unitholders' capital is deducted.

(Note 2) In the establishment of the CSIF, the investment units were issued at an issue price of ¥100,000 per unit. The party who applied for subscription of investment units upon the establishment is Canadian Solar Projects K.K.

(Note 3) New investment units were issued by public offering for the purpose of raising funds for the acquisition of specified assets at an issue price of ¥100,000 (issue value of ¥95,000) per unit.

(Note 4) New investment units were issued to Mizuho Securities Co., Ltd. by third-party allotment at an issue value of ¥95,000 per unit for the purpose of appropriation to a part of the funds for acquisition of specified assets or part of repayment of borrowings.

(Note 5) New investment units were issued by public offering for the purpose of raising funds for the acquisition of specified assets at an issue price of ¥102,180 (issue value of ¥96,625) per unit.

(Note 6) CSIF decided, at a meeting of its Board of Directors held on August 14, 2018, to pay a cash distribution in excess of earnings (refund of investment) in an amount of ¥808 per unit for the second fiscal period (ended June 30, 2018), and began to pay it from September 14, 2018.

(Note 7) New investment units were issued to Mizuho Securities Co., Ltd. by third-party allotment at an issue price of ¥96,625 per unit for the purpose of appropriation to a part of the funds for acquisition of specified assets or a part of the funds for repayment of borrowings.

(Note 8) CSIF decided, at a meeting of its Board of Directors held on February 15, 2019, to pay a cash distribution in excess of earnings (refund of investment) in an amount of ¥1,817 per unit for the third fiscal period (ended December 31, 2018), and began to pay it from March 14, 2019.

- (Note 9) CSIF decided, at a meeting of its Board of Directors held on August 13, 2019, to pay a cash distribution in excess of earnings (refund of investment) in an amount of ¥577 per unit for the fourth fiscal period (ended June 30, 2019), and began to pay it from September 14, 2019.
- (Note 10) CSIF decided, at a meeting of its Board of Directors held on February 13, 2020, to pay a cash distribution in excess of earnings (refund of investment) in an amount of ¥1,340 per unit for the fifth fiscal period (ended December 31, 2019), and began to pay it from March 17, 2020.
- (Note 11) CSIF decided, at a meeting of its Board of Directors held on August 14, 2020, to pay a cash distribution in excess of earnings (refund of investment) in an amount of ¥708 per unit for the sixth fiscal period (ended June 30, 2020), and began to pay it from September 15, 2020.



### 3. Reference

#### (1) Conditions of Investment

(as of December 31, 2020)

Type of asset	Region (Note 1)	Total Asset-Under-Management (AUM) ('000yen) (Note 2)	% of total AUM (Note 3)
Solar energy facility	Hokkaido/Tohoku	978,114	2.0
	Kanto	2,297,723	4.7
	Tokai	5,527,098	11.3
	Chugoku/Shikoku	9,805,090	20.0
	Kyushu	20,562,109	41.9
Subtotal		39,170,137	79.9
Land	Hokkaido/Tohoku	48,970	0.1
	Kanto	648,591	1.3
	Tokai	63,309	0.1
	Chugoku/Shikoku	539,396	1.1
	Kyushu	3,184,875	6.5
Subtotal		4,485,144	9.1
Land lease	Hokkaido/Tohoku	17,924	0.0
	Kanto	59,197	0.1
	Tokai	282,151	0.6
	Chugoku/Shikoku	3,415	0.0
	Kyushu	390,450	0.8
Subtotal		753,139	1.5
Solar energy facility in trust		804,355	1.6
Subtotal		804,355	1.6
Land in trust		116,748	0.2
Subtotal		116,748	0.2
Solar energy facility etc.	Hokkaido/Tohoku	1,966,112	4.0
	Kanto	3,005,513	6.1
	Tokai	5,872,560	12.0
	Chugoku/Shikoku	10,347,903	21.1
	Kyushu	24,137,435	49.2
Subtotal		45,329,529	92.4
Solar energy facility etc. total		45,329,529	92.4
Saving/other assets		3,722,790	7.6
Asset total (2)		49,052,315	100.0

	(Unit: thousand yen)	% of total AUM (Note 3)
Total liabilities	27,459.730	56.0
Total net assets	21,592,585	44.0

(Note 1) “Hokkaido and Tohoku” denote Hokkaido, Aomori-ken, Iwate-ken, Akita-ken, Miyagi-ken, Fukushima-ken and Yamagata-ken. “Kanto” denotes Ibaraki-ken, Tochigi-ken, Gunma-ken, Tokyo-to, Kanagawa-ken, Saitama-ken, Chiba-ken, Yamanashi-ken, Nagano-ken and Niigata-ken. “Tokai” denotes Shizuoka-ken, Aichi-ken, Gifu-ken, Mie-ken, Toyama-ken, Ishikawa-ken and Fukui-ken. “Chugoku and Shikoku” denote Okayama-ken, Hiroshima-ken, Yamaguchi-ken, Tottori-ken, Shimane-ken, Kagawa-ken, Kochi-ken, Tokushima-ken and Ehime-ken. “Kyushu” denotes Fukuoka-ken, Oita-ken, Miyazaki-ken, Kagoshima-ken, Kumamoto-ken, Nagasaki-ken, Saga-ken and Okinawa-ken.

(Note 2) The amount posted on the balance sheet as of December 31, 2020.

(Note 3) The figures have been rounded to the first decimal place.

## (2) Investment Assets

### ①Investment Securities

Not Applicable

### ②Investment Properties

Not Applicable

③Major Investment Assets

a. summary information for the CSIF

The following table provides summary information for the CSIF current 21 solar energy projects as of December 31, 2020.

Asset #	Category	Project name	Location	Site Area (m <sup>2</sup> )	PPA purchase price (yen/kwh)	Certification Date	FIT term end
S-01	Solar Plant etc.	CS Shibushi-shi Power Plant	Shibushi-shi, Kagoshima	19,861	40	February 26, 2013	September 16, 2034
S-02	Solar Plant etc.	CS Isa-shi Power Plant	Isa-shi, Kagoshima	22,223	40	February 26, 2013	June 8, 2035
S-03	Solar Plant etc.	CS Kasama-shi Power Plant	Kasama-shi, Ibaraki	42,666 (Note 1)	40	January 25, 2013	June 25, 2035
S-04	Solar Plant etc.	CS Isa-shi Dai-ni Power Plant	Isa-shi, Kagoshima	31,818	36	October 2, 2013	June 28, 2035
S-05	Solar Plant etc.	CS Yusui-cho Power Plant	Aira-gun, Kagoshima	25,274	36	March 14, 2014	August 20, 2035
S-06	Solar Plant etc.	CS Isa-shi Dai-san Power Plant	Isa-shi, Kagoshima	40,736	40	February 26, 2013	September 15, 2035
S-07	Solar Plant etc.	CS Kasama-shi Dai-ni Power Plant	Kasama-shi, Ibaraki	53,275	40	January 25, 2013	September 23, 2035
S-08	Solar Plant etc.	CS Hiji-machi Power Plant	Hayami-gun, Oita	30,246	36	July 16, 2013	October 12, 2035
S-09	Solar Plant etc.	CS Ashikita-machi Power Plant	Ashikita-gun, Kumamoto	45,740	40	February 26, 2013	December 10, 2035
S-10	Solar Plant etc.	CS Minamishimabar a-shi Power Plant (East) / CS Minamishimabar a-shi Power Plant (West)	Minamishimabara-shi, Nagasaki	56,066	40	February 26, 2013 (East) February 26, 2013 (West)	December 24, 2035 (East) January 28, 2036 (West)
S-11	Solar Plant etc.	CS Minano-machi Power Plant	Chichibu-gun, Saitama	44,904	32	December 11, 2014	December 06, 2036
S-12	Solar Plant etc.	CS Kannami-cho Power Plant	Tagata-gun, Shizuoka	41,339	36	March 31, 2014	March 02, 2037
S-13	Solar Plant etc.	CS Mashiki-machi Power Plant	Kamimashiki-gun, Kumamoto	638,552 (Note2)	36	October 24, 2013	June 01, 2037
S-14	Solar Plant etc.	CS Koriyama-shi Power Plan	Koriyama-shi, Fukushima	30,376 (Note1)	32	February 27, 2015	September 15, 2036
S-15	Solar Plant etc.	CS Tsuyama-shi Power Plant	Tsuyama-shi, Okayama	31,059	32	September 26, 2014	June 29, 2037
S-16	Solar Plant etc.	CS Ena-shi Power Plant	Aza Ochise, Kusumi, Osashima-cho, Ena-shi, Gifu	37,373	32	February 24, 2015	September 12, 2037

Asset #	Category	Project name	Location	Site Area (m <sup>2</sup> )	PPA purchase price (yen/kwh)	Certification Date	FIT term end
S-17	Solar Plant etc.	CS Daisen-cho Power Plant (A) and (B)	Aza Magoese, Toyofusa, Daisen-cho, Saihaku-gun, Tottori (A) Aza Kamikawara, Toyofusa, Daisen-cho, Saihaku-gun, Tottori (B)	452,760 (Note 3)	40	February 22, 2013 (A) February 28, 2013 (B)	August 9, 2037
S-18	Solar Plant etc.	CS Takayama-shi Power Plant	Shingumachi, Takayama-shi, Gifu	16,278 (Note 1)	32	January 30, 2015	October 09, 2037
S-19	Solar Plant etc.	CS Misato-machi Power Plant	Misato-machi, Kodama-gun, Saitama	25,315	32	January 6, 2015	March 26, 2037
S-20	Solar Plant etc.	CS Marumori-machi Power Plant	Marumori-machi, Igu-gun, Miyagi	65,306 (Note 4)	36	February 28, 2014	July 12, 2038
S-21	Solar Plant etc.	CS Izu-shi Power Plant	Ono Aza Okubo, Izu-shi, Shizuoka	337,160	36	March 31, 2014	November 29, 2038
S-22	Solar Plant etc.	CS Ishikari Shinshinotsu-mura Power Plant	Ishikari-gun, Hokkaido	42,977	24	November 18, 2016	July 15, 2039
S-23	Solar Plant etc.	CS Osaki-shi Kejonuma Power Plant	Osaki-shi, Miyagi	26,051	21	March 27, 2018	July 21, 2039

(Note 1) Site area for the portion of the solar energy plants land under ownership is shown and excludes the portion of the land where we hold an easement.

(Note 2) Site area for the portion of the solar energy plants and high-voltage land under ownership is shown and excludes the portion of the land where we hold an easement.

(Note 3) Site area for the portion of the solar energy plants and high-voltage land under superficies is shown and excludes the portion of the land where we hold an easement.

(Note 4) Site area for the portion of the solar energy plants and high-voltage land and access roads under superficies is shown and excludes the portion of the land where we hold an easement.

Asset #	Project name	Certified Operator	PPA company	Acquisition Price (million yen) (Note 1)	Fiscal period end valuation (million yen) (Note 2)	Appraisal value of solar plants (million yen)(Note 3) (upper : solar energy facility) (lower : land)	Fiscal period end book value (million yen) (Note 4)
S-01	CS Shibushi-shi Power Plant	Tida Power 01 G.K	Kyushu Electric Power Co., Inc	540	504	365	492
						139	
S-02	CS Isa-shi Power Plant	Tida Power01 G.K.	Kyushu Electric Power Co., Inc	372	334	312	331
						22	
S-03	CS Kasama-shi Power Plant	Tida Power01 G.K.	TEPCO Energy Partner, Incorporated	907	972	732	831
						240	
S-04	CS Isa-shi Dai-ni Power Plant	Tida Power01 G.K.	Kyushu Electric Power Co., Inc	778	695	655	687
						40	
S-05	CS Yusui-cho Power Plant	Tida Power01 G.K.	Kyushu Electric Power Co., Inc	670	599	569	593
						29	
S-06	CS Isa-shi Dai-san Power Plant	Tida Power01 G.K..	Kyushu Electric Power Co., Inc	949	859	802	842
						56	
S-07	CS Kasama-shi Dai-ni Power Plant	Tida Power01 G.K..	TEPCO Energy Partner, Incorporated	850	845	807	747
						37	
S-08	CS Hiji-machi Power Plant	Tida Power01 G.K.	Kyushu Electric Power Co., Inc	1,029	922	884	905
						38	
S-09	CS Ashikita-machi Power Plant	Tida Power01 G.K..	Kyushu Electric Power Co., Inc	989	903	866	876
						37	
S-10	CS Minamishimabara-shi Power Plant (East) / CS Minamishimabara-shi Power Plant (West)	Tida Power 01 G.K.	Kyushu Electric Power Co., Inc	1,733	1,682	1,605	1,538
						76	
S-11	CS Minano-machi Power Plant	Tida Power01 G.K.	TEPCO Energy Partner, Incorporated	1,018	1,061	804	963
						257	

Asset #	Project name	Certified Operator	PPA company	Acquisition Price (million yen) (Note 1) (Note 6)	Fiscal period end valuation (million yen) (Note 2)	Appraisal value of solar plants (million yen)(Note 3) (upper : solar energy facility) (lower : land)	Fiscal period end book value (million yen) (Note 4)
S-12	CS Kannami-cho Power Plant	Tida Power01 G.K..	TEPCO Energy Partner, Incorporated	514	526	484	461
						42	
S-13	CS Mashiki- machi Power Plan	Tida Power01 G.K.	Kyushu Electric Power Co., Inc.	19,751	20,385	16,805	17,867
						3,590	
S-14	CS Koriyama-shi Power Plan	Tida Power01 G.K..	Tohoku Electric Power Co., Inc.	246	237	186	234
						51	
S-15	CS Tsuyama-shi Power Plan	Tida Power01 G.K..	The Chugoku Electric Power Co., Inc.	746	724	588	753
						136	
S-16	CS Ena-shi Power Plant	Tida Power01 G.K..	The Chubu Electric Power Co., Inc.	757	775	738	659
						36	
S-17	CS Daisen-cho Power Plant (A) and (B)	Tida Power01 G.K..	The Chugoku Electric Power Co., Inc.	10,447	10,046	9,694	9,594
						352	
S-18	CS Takayama- shi Power Plant	Tida Power01 G.K.	The Chubu Electric Power Co., Inc.	326	315	254	312
						61	
S-19	CS Misato-machi Power Plant	Tida Power01 G.K.	TEPCO Energy Partner, Incorporated	470	447	326	462
						121	
S-20	CS Marumori- machi Power Plant	Tida Power01 G.K.	Tohoku Electric Power Co., Inc.	850	800	783	810
						16	
S-21	CS Izu-shi Power Plant	Tida Power01 G.K..	TEPCO Power Grid, Incorporated	4,569	4,383	4,143	4,438
						240	
S-22	CS Ishikari Shinshinotsu- mura Power Plant	Tida Power01 G.K. (Note 5)	Hokkaido Electric Power Network, Incorporated	680	666	597	699
						68	
S-23	CS Osaki-shi Kejonuma Power Plant	Tida Power01 G.K. (Note 5)	Tohoku Electric Power Network Incorporated Company	208	205	165	221
						39	
Total				49,405	48,890	43,171	45,329
						5,718	

(Note 1) Acquisition price is based on acquisition price as described in the purchase agreements (excluding acquisition expenses related to the payment of outsourcing service fees, property-related taxes, taxes on depreciable assets, urban planning taxes, consumption taxes and other fees).

(Note 2) For S-01 to S-18, the fiscal period end valuation is the median amount that the Investment Corporation calculated in accordance with Article 41, paragraph 1 of the CSIF's Articles of Incorporation based on the range of valuation provided to us by PricewaterhouseCoopers Sustainability LLC and, for S-19 to S-23, the fiscal period end valuation is based on the median amount provided to us by Ernst & Young Transaction Advisory Services Co., Ltd. in its project valuation report.

(Note 3) On the upper row of the appraisal value of solar plants, an assumed appraisal value of solar energy projects that is obtained by deducting the real estate appraisal value calculated by Daiwa Real Estate Appraisal Co., Ltd. from the appraised value at the end of the period in (Note 2) above is stated, and on the lower row, an amount stated in the real estate appraisal report prepared by Daiwa Real Estate Appraisal Co., Ltd. is stated. Real estate includes its superficies right.

(Note 4) Fiscal period end book value is the book value of solar energy.

(Note 5) Former certified operator, CS Hokkaido Ishikari G.K. for CS Ishikari Shinshinotsu-mura Power Plant and CS Miyagi Kejonuma G.K. for CS Osakishi Kejonuma Power Plant, were merged into Tida Powe01 G.K. as of December 3, 2020.

(Note 6) The acquisition price of CS Mishiki Power Plant had reduced in the amount of 332 million yen on December 16, 2020, back from the signing date of the Property Purchase Agreement.

b. Revenue and expenses of individual renewable energy power generation facilities  
Sixth fiscal period (from July 1, 2020 to December 31, 2020)

(Unit: thousand yen)

Asset number		S-01	S-02	S-03	S-04	S-05
Project name	Total portfolio	CS Shibushi-shi Power Plant	CS Isa-shi Power Plant	CS Kasama-shi Power Plant	CS Isa-shi Dai-ni Power Plant	CS Yusui-cho Power Plant
Rental revenue of renewable energy power generation facilities, etc.						
Basic rent	1,698,289	19,039	14,099	29,249	29,114	23,356
Variable rent linked to actual output	715,325	7,573	6,502	10,743	12,142	10,114
Incidental income	11	-	-	-	-	-
Total operating revenue from the rental business of renewable energy power generation facilities, etc. (subtotal A)	2,413,625	26,612	20,602	39,992	41,257	33,471
Operating expenses from the rental business of renewable energy power generation facilities, etc.						
Taxes and duties	223,744	1,916	1,456	3,284	3,230	2,802
(Property-related taxes, etc.)	223,744	1,916	1,456	3,284	3,230	2,802
(Other taxes)	-	-	-	-	-	-
Expenses	271,827	2,114	2,241	3,461	5,646	4,510
(Management entrustment expenses)	191,463	1,872	1,247	3,051	3,677	2,893
(Repair and maintenance costs)	8,585	-	-	-	-	-
(Utilities expenses)	-	-	-	-	-	-
(Insurance expenses)	24,676	241	197	409	378	353
(Land rent )	46,502	-	797	-	1,590	1,263
(Trust fees)	600	-	-	-	-	-
(Other rental cost)	-	-	-	-	-	-
Depreciation cost	913,915	9,472	7,837	14,462	16,457	14,263
(Structures)	21,501	457	256	324	306	598
(Machinery and equipment)	872,057	8,973	7,563	14,104	16,109	13,429
(Tools, furniture and fixtures)	11,963	41	17	33	41	235
(Structures in trust)	341	-	-	-	-	-
(Machinery and equipment in trust)	8,017	-	-	-	-	-
(Tools, furniture and fixtures in trust)	33	-	-	-	-	-
Total operating revenue from the rental business of renewable energy power generation facilities, etc. (subtotal B)	1,409,487	13,503	11,535	21,207	25,334	21,575
Profits and losses from the rental business of renewable energy power generation facilities, etc. (A-B)	1,004,138	13,109	9,066	18,784	15,922	11,895



(Unit: thousand yen)

Asset number	S-06	S-07	S-08	S-09	S-10
Project name	CS Isa-shi Dai-san Power Plant	CS Kasama-shi Dai-ni Power Plant	CS Hiji-machi Power Plant	CS Ashikita-machi Power Plant	CS Minamishimabara-shi Power Plant (East) / CS Minamishimabara-shi Power Plant (West)
Rental revenue of renewable energy power generation facilities, etc.					
Basic rent	34,673	28,865	37,292	36,924	65,188
Variable rent linked to actual output	15,683	9,763	19,144	16,265	29,488
Incidental income	-	-	-	-	-
Total operating revenue from the rental business of renewable energy power generation facilities, etc. (subtotal A)	50,357	38,629	56,436	53,190	94,677
Operating expenses from the rental business of renewable energy power generation facilities, etc.					
Taxes and duties	3,874	3,688	4,426	4,164	7,296
(Property-related taxes, etc.)	3,874	3,688	4,426	4,164	7,296
(Other taxes)	-	-	-	-	-
Expenses	5,829	5,802	5,894	5,723	10,791
(Management entrustment expenses)	3,377	3,012	3,881	3,562	5,840
(Repair and maintenance costs)	-	-	-	-	-
(Utilities expenses)	-	-	-	-	-
(Insurance expenses)	414	393	498	479	689
(Land rent )	2,036	2,396	1,514	1,681	4,260
(Trust fees)	-	-	-	-	-
(Other rental cost)	-	-	-	-	-
Depreciation cost	19,861	17,604	22,070	20,216	35,224
(Structures)	290	247	835	1,441	739
(Machinery and equipment)	19,520	17,314	21,120	18,523	34,235
(Tools, furniture and fixtures)	51	42	114	252	248
(Structures in trust)	-	-	-	-	-
(Machinery and equipment in trust)	-	-	-	-	-
(Tools, furniture and fixtures in trust)	-	-	-	-	-
Total operating revenue from the rental business of renewable energy power generation facilities, etc. (subtotal B)	29,564	27,095	32,390	30,104	53,311
Profits and losses from the rental business of renewable energy power generation facilities, etc. (A-B)	20,792	11,534	24,045	23,086	41,366

(Unit: thousand yen)

Asset number	S-11	S-12	S-13	S-14	S-15
Project name	CS Minano-machi Power Plant	CS Kannami-cho Power Plant	CS Mashiki-machi Power Plan	CS Koriyama-shi Power Plan	CS Tsuyama-shi Power Plan
Rental revenue of renewable energy power generation facilities, etc.					
Basic rent	30,533	18,363	684,807	7,542	21,796
Variable rent linked to actual output	8,305	5,528	309,385	2,880	10,929
Incidental income	3	-	-	2	-
Total operating revenue from the rental business of renewable energy power generation facilities, etc. (subtotal A)	38,842	23,892	994,192	10,426	32,725
Operating expenses from the rental business of renewable energy power generation facilities, etc.					
Taxes and duties	3,816	2,068	83,464	1,168	3,468
(Property-related taxes, etc.)	3,816	2,068	83,464	1,168	3,468
(Other taxes)	-	-	-	-	-
Expenses	4,909	5,371	90,501	952	4,820
(Management entrustment expenses)	4,432	1,832	81,080	829	3,078
(Repair and maintenance costs)	-	1,653	226	-	1,476
(Utilities expenses)	-	-	-	-	-
(Insurance expenses)	476	231	9,148	122	261
(Land rent )	-	1,654	45	-	3
(Trust fees)	-	-	-	-	-
(Other rental cost)	-	-	-	-	-
Depreciation cost	16,198	9,662	337,941	4,191	13,061
(Structures)	766	380	3,551	327	376
(Machinery and equipment)	15,432	9,226	326,487	3,864	12,380
(Tools, furniture and fixtures)	-	55	7,902	-	304
(Structures in trust)	-	-	-	-	-
(Machinery and equipment in trust)	-	-	-	-	-
(Tools, furniture and fixtures in trust)	-	-	-	-	-
Total operating revenue from the rental business of renewable energy power generation facilities, etc. (subtotal B)	24,924	17,101	511,906	6,311	21,350
Profits and losses from the rental business of renewable energy power generation facilities, etc. (A-B)	13,918	6,790	482,286	4,114	11,375

(Unit: thousand yen)

Asset number	S-16	S-17	S-18	S-19	S-20
Project name	CS Ena-shi Power Plant	CS Daisen-cho Power Plant (A) and (B)	CS Takayama-shi Power Plant	CS Misato-machi Power Plant	CS Marumori-machi Power Plant
Rental revenue of renewable energy power generation facilities, etc.					
Basic rent	25,482	383,529	9,671	12,939	28,188
Variable rent linked to actual output	13,562	132,857	3,829	6,517	9,260
Incidental income	4	-	-	-	-
Total operating revenue from the rental business of renewable energy power generation facilities, etc. (subtotal A)	39,050	516,387	13,501	19,457	37,448
Operating expenses from the rental business of renewable energy power generation facilities, etc.					
Taxes and duties	3,776	51,760	1,762	2,644	5,430
(Property-related taxes, etc.)	3,776	51,760	1,762	2,644	5,430
(Other taxes)	-	-	-	-	-
Expenses	4,552	61,710	1,391	1,743	13,151
(Management entrustment expenses)	3,051	43,616	1,256	1,562	2,666
(Repair and maintenance costs)	-	-	-	-	5,227
(Utilities expenses)	-	-	-	-	-
(Insurance expenses)	298	5,500	135	181	513
(Land rent )	1,202	12,593	-	-	4,744
(Trust fees)	-	-	-	-	-
(Other rental cost)	-	-	-	-	-
Depreciation cost	14,510	214,567	5,496	7,594	17,051
(Structures)	589	4,905	344	176	503
(Machinery and equipment)	13,823	208,879	5,139	7,345	16,313
(Tools, furniture and fixtures)	97	782	12	72	234
(Structures in trust)	-	-	-	-	-
(Machinery and equipment in trust)	-	-	-	-	-
(Tools, furniture and fixtures in trust)	-	-	-	-	-
Total operating revenue from the rental business of renewable energy power generation facilities, etc. (subtotal B)	22,839	328,038	8,649	11,982	35,633
Profits and losses from the rental business of renewable energy power generation facilities, etc. (A-B)	16,211	188,349	4,851	7,474	1,815

(Unit: thousand yen)

Asset number	S-21	S-22	S-23
Project name	CS Izu-shi Power Plant	CS Ishikari Shinshinotsu- mura Power Plant	CS Osaki-shi Kejonuma Power Plant
Rental revenue of renewable energy power generation facilities, etc.			
Basic rent	141,970	11,916	3,741
Variable rent linked to actual output	69,450	3,884	1,510
Incidental income	-	-	-
Total operating revenue from the rental business of renewable energy power generation facilities, etc. (subtotal A)	211,420	15,800	5,251
Operating expenses from the rental business of renewable energy power generation facilities, etc.			
Taxes and duties	28,252	-	-
(Property-related taxes, etc.)	28,252	-	-
(Other taxes)	-	-	-
Expenses	27,011	2,639	1,054
(Management entrustment expenses)	12,770	2,074	793
(Repair and maintenance costs)	-	-	-
(Utilities expenses)	-	-	-
(Insurance expenses)	3,525	165	61
(Land rent )	10,716	-	-
(Trust fees)	-	400	200
(Other rental cost)	-	-	-
Depreciation cost	87,776	6,533	1,858
(Structures)	4,082	-	-
(Machinery and equipment)	82,271	-	-
(Tools, furniture and fixtures)	1,421	-	-
(Structures in trust)	-	186	155
(Machinery and equipment in trust)	-	6,326	1,691
(Tools, furniture and fixtures in trust)	-	20	12
Total operating revenue from the rental business of renewable energy power generation facilities, etc. (subtotal B)	143,039	9,173	2,913
Profits and losses from the rental business of renewable energy power generation facilities, etc. (A-B)	68,380	6,627	2,337

(3) Plan for capital expenditure

The following table shows projected major capital expenditures for renewable energy power generation facilities, etc. owned by CSIF after June 2021. Some portion of the amount are to be treated as expenses for accounting purpose.

Name of infrastructure assets, etc.	Location	Purpose	Projected period	Projected amount (million yen)		
				Total amount	Amount paid during the fiscal period under review	Amount paid by prior period
CS Kannami-cho Power Plant	Kannami-cho Shizuoka	Disaster recovery construction	From September 2020 To January 2021	49	17	17

(4) Capital expenditure during the fiscal period

The following table shows capital expenditures for renewable energy power generation facilities, etc. owned by CSIF during the fiscal period under review.

Name of infrastructure assets, etc. (Location)	Purpose	Implementation period	Amount paid (thousand yen)
CS Minano-machi Power Plant (Chichibu-gun, Saitama)	Modification works for communication equipment at interconnection point	From April 15, 2020 To July 6, 2020	3,951
CS Mashiki-machi Power Plant (Kami mashiki-gun, Kumamoto)	Remodeling work for online curtailment	From April 1, 2020 To October 30, 2020	16,916
CS Tsuyama-shi Power Plan (Tsuyama-shi, Okayama)	The third-round recovery work from disaster	From April 1, 2020 To July 20, 2020	18,606
CS Tsuyama-shi Power Plan (Tsuyama-shi, Okayama)	Reconnecting work for PCS strings	From August 1, 2020 To August 31, 2020	1,985
CS Marumori-machi Power Plant (Igu-gun, Miyagi)	Remodeling work for online curtailment	From June 5, 2020 To August 24, 2020	1,157
Other plants			1,969
Total			44,584