

Financial Results for Fiscal Period Ended June 30, 2023 (Infrastructure Fund)

August 17, 2023

Infrastructure Fund Issuer	Canadian Solar Infrastructure Fund, Inc.	Listed Stock Exchange	Tokyo Stock Exchange
Securities Code	9284	URL	https://www.canadiansolarinfra.com/
Representative	(Title) Executive Director	(Name)	Hiroshi Yanagisawa
Asset Management Company	Canadian Solar Asset Management K.K.		
Representative	(Title) CEO and Representative Director	(Name)	Hiroshi Yanagisawa
Contact	(Title) Financial Planning Department CFO and Director	(Name)	Keiichi Yoshida
	Tel. 03(6279)0311		
Scheduled filing date of securities report	September 28, 2023	Scheduled date of commencement of cash distribution payment	September 15, 2023
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 June 30, 2023 (from January 1, 2023 to June 30, 2023)

(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 Jun. 2023	3,452	(7.0)	1,156	(16.4)	1,003	(17.3)	1,003	(17.3)
Fiscal period ended Dec. 2022	3,715	(8.5)	1,383	(20.6)	1,214	(19.5)	1,213	(19.5)

	Profit per unit	Rate of return on equity	Ordinary profit to total assets ratio	Ordinary profit to operating revenue ratio
	yen	%	%	%
Fiscal period ended Jun. 2023	2,594	2.5	1.3	29.1
Fiscal period ended Dec. 2022	3,138	3.0	1.5	32.7

(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 Jun. 2023	2,595	1,003	1,155	446	3,750	1,449	100.0	2.5
Fiscal period ended Dec. 2022	3,138	1,213	612	236	3,750	1,449	100.0	3.0

(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 0.007 for the fiscal period ended December 31, 2022 and 0.010 for the fiscal period ended June 30, 2023. 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 Jun. 2023	76,365	39,399	51.6	101,898
Fiscal period ended Dec. 2022	77,986	39,846	51.1	103,053

(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 Jun. 2023	2,339	(26)	(2,594)	4,989
Fiscal period ended Dec. 2022	2,888	(72)	(2,625)	5,271

2. Forecasts of Management Status for Fiscal Period Ending December 31, 2023 (from July 1, 2023 to December 31, 2023), Fiscal Period Ending June 30, 2024 (from January 1, 2024 to June 30, 2024) and Fiscal Period Ending December 31, 2024 (from July 1, 2024 to December 31, 2024)

(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 Dec. 2023	4,472	29.5	1,665	44.1	1,148	14.4	1,147	14.4	2,539	1,211	3,750
Fiscal period ending Jun. 2024	4,487	0.3	1,682	1.0	1,414	23.2	1,413	23.2	3,129	646	3,775
Fiscal period ending Dec. 2024	4,445	(0.9)	1,639	(2.5)	1,379	(2.5)	1,378	(2.5)	3,051	724	3,775

(Reference)

Fiscal period ending December 31, 2023 (184 days): Forecast total number of investment units issued and outstanding at end of the period: 451,756 units, Forecast profit per unit: 2,539 yen

Fiscal period ending June 30, 2024 (182 days): Forecast total number of investment units issued and outstanding at end of the period: 451,756 units, Forecast profit per unit: 3,129 yen

Fiscal period ending December 31, 2024 (184 days): Forecast total number of investment units issued and outstanding at end of the period: 451,756 units, Forecast profit per unit: 3,051 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

Fiscal period		Fiscal period	
Jun. 2023	386,656	Dec. 2022	386,656
Jun. 2023	0	Dec. 2022	0

- (ii) Number of treasury units at end of period

(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 32 below.

* 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 Fiscal Period Ending December 31, 2023 (July 1, 2023 to December 31, 2023) ,Fiscal Period Ending June 30, 2024 (January 1, 2024 to June 30, 2024) and Fiscal Period Ending December 31, 2024 (July 1, 2024 to December 31, 2024),” described on or after page 10 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.

CSIF then issued new investment units (151,500 units) through public offering on March 5, 2021 and issued new investment units (3,966 units) through third-party allotment on April 7, 2021.

As a result of the above, the total units issued at the end of the fiscal period under review (as of December 31, 2022) were 386,656 units.

CSIF then issued new investment units (62,000 units) through public offering on July 18, 2023 and 3,100 units through a third-party allotment on August 10, 2023. As a result of the above, the total units issued as of the date of this document are 451,756 units.

b. Investment Environment and management performance for the fiscal period under review

Regarding the Japanese economy during the fiscal period under review, the second preliminary estimate of the real GDP growth rate in January-March 2023 was up 2.7% quarter on quarter, reflecting robust domestic demand, including private consumption and capital investment. In light of the GDP as of July 31, 2023, SMBC Nikko Securities Inc. expects real GDP in April - Jun 2023 to grow 0.6% quarter on quarter (or up 2.6% on an annualized basis) and 1.4% year on year in fiscal years 2023 and 1.2% in fiscal years 2024, respectively. The Japanese economy is expected to be on solid path to recovery for the year, given for the following factors: normalization of mainly automobile- and travel-related consumption, convergence of inflation, increase in wages, commerce and other domestic factors as well as overseas factors such as improvement in terms of trade.

The Russian invasion of Ukraine triggered a global price surge in energy resources in 2022. In addition, the yen depreciated sharply, severely impacting the Japanese economy. Although constraints on energy supply have been continuing, mainly because of the prolonged invasion, the economy is currently calm, with a peaking of both the crude oil price and the U.S. dollar-yen exchange rate.

Looking at the monetary policies of Japan and the United States, the banking crisis in the U.S. triggered by the collapse of Silicon Valley Bank has eased. Currently, the risk of an economic downturn is seen as low, as banks’ loans/deposits are stable, losses on valuation of securities have contracted, and bank stock prices have almost factored in losses on devaluation. Regarding the monetary policy of the Bank of Japan, it indicated in April 2023 that its outlook on the inflation rate for fiscal year 2025 was less than 2%, it announced the policy modification to expand the band for the long-term interest rate at the monetary policy meeting to be held on July 27-28. It would give greater flexibility in yield curve control (YCC) with an eye on the recent strong prices and also while maintaining the long-term interest rate level targeted at 0.5%, the widened fluctuation range between 0.5% and 1.0% suggests acceptance.

Meanwhile, during the fiscal period under review, conditions in the market for listed infrastructure funds were such that investment corporations maintained relatively stable operations even in the economic environment described above. The TSE Infrastructure Fund Index remained stable in the first half of 2023, as in 2022, while the Nikkei Stock Average and TOPIX rose sharply since April during the same period. On March 22, it hit the lowest level during the period at 1,139.41. After that, it soared to reach the high of 1,180.23 on May 17. It ended the fiscal period at 1,146.63 on June 30. It fluctuated within a relatively narrow range during the period.

“Output curtailment,” which is implemented by an electricity transmission and distribution business operator (Note 1) to adjust the supply-demand balance, was implemented in the jurisdiction of Kyushu Electric Power with respect to renewable energy power generation facilities (Note 2) owned by CSIF, for 6 days in January, 10 days in February, 23 days in March, 22 days in April, 24 days in May and 8 days in June, totaling 93 days during the period under review. This was much more frequent compared to the same period of the previous year. Primary reasons for this result are considered to include a decrease in power demand, which reflected heightened energy saving awareness on the back of surging energy prices caused by Russia’s invasion of Ukraine, despite continuously increasing electricity supply provided by expanded photovoltaic power generation facilities in the Kyushu Electric Power jurisdiction, and the fact that all the nuclear power plants in the said jurisdiction went into operation in the same period. Although projected amounts of loss in variable rents (Note 3) were suppressed until the previous period, partly attributable to the effect of the transition to online output curtailment framework, output curtailment exceeding the said

effect occurred in the fiscal period under review. Areas for output curtailment in renewable energy sources have been steadily expanding, and output curtailment has been implemented in all areas excluding the jurisdiction of Tokyo Electric Power with the commencement of output curtailment in Kansai Electric Power in June 2023. Outside the Kyushu Electric Power jurisdiction, although the number of days when output curtailment was implemented at renewable power generation facilities owned by CSIF was only one day in the Chugoku Electric Power jurisdiction in July - December 2022, the number of such days have increased in the jurisdictions of Chugoku Electric Power, Tohoku Electric Power and Chubu Electric Power and we consider it necessary to continuously monitor relevant developments in the future. However, we consider that the effect of output curtailment on our revenue for the current fiscal period (until March 31, 2024) will be limited, because most of the power plants held by CSIF in the Kyushu Electric Power jurisdiction are under the old rule (30-day rule) (Note 4) and because the number of days when output curtailment was implemented in the said jurisdiction since April this year has already exceeded 20 days.

The 6th Strategic Energy Plan approved by the Cabinet in October 2021 had two key themes: to indicate the direction of energy policies for the achievement of carbon neutrality by 2050 (declared in October 2020), the new target of a 46% reduction in greenhouse gas emissions by fiscal year 2030 and a further reduction of as high as 50% (declared in April 2021) (Note 5); and to overcome issues in Japan's energy supply-and-demand structure (Note 5). Furthermore, in connection with the second theme, it states that, on the premise that safety be guaranteed first and foremost, Japan will strive to ensure a stable energy supply and reduced costs (S+3E) while pursuing measures to respond to climate change (Note 5).

The ambitious new power-source composition for 2030 would be 36-38% for renewable energy (up from 22-24% in the previous projected mix), approximately 1% for hydrogen and ammonia (up from nearly 0%), 20-22% for nuclear power (unchanged), around 20% for LNG (down from 27%), around 19% for coal (down from 26%) and approximately 2% for oil (down from 3%). The renewable energy mix would be around 14-16% for solar power, around 5% for wind power, approximately 1% for geothermal power, nearly 11% for hydroelectric power and around 5% for biomass (Note 5).

In April 2022, the 2020 revision of the Act on Special Measures Concerning Promotion of Utilization of Electricity from Renewable Energy Sources came into force to introduce a system for reserving funds for the future discarding and other disposal of solar power generation facilities (Note 6). First, this system is applicable for all solar power generation projects with an output of 10 kW or more approved for a feed-in tariff (FIT) or feed-in premium (FIP) scheme, including projects with multiple solar power generation facilities. Second, this system obliges the approved operators to, in principle, externally reserve funds for disposal at the Organization for Cross-regional Coordination of Transmission Operators, Japan through direct withholding of the required amounts from revenue. However, in exceptional cases, internal reserve will be permitted provided certain requirements are satisfied, and listed infrastructure funds will also be permitted to opt for internal reserve upon satisfying certain conditions such as recording funds in their financial statements in an appropriate manner.

After an extended review, policies for introducing generation-side charges were established, and a detailed policy design was published in April 2023 in the Interim Report on the Introduction of Generation-side Charges compiled by the Specialized Meeting for Policy Design of Electricity and Gas Market Surveillance Commission. The said report stated that, while all power sources that are connected to the grid and supply electricity at the same time are basically billable, the subcommittee for the large-scale introduction of renewable energy and next generation electricity network confirmed that points were summarized as follows: (1) FIT- and FIP-approved power sources will be subject to generation-side charges after the end of their FIT or FIP term; (2) Consideration will be given when purchase prices, etc. are calculated for newly approved FIT- or FIP- sources; (3) Operators of non-FIT sources and those which have ceased to be under the FIT scheme will be encouraged to take some creative measures (bilateral contracts, etc.) and to smoothly incorporate generation-side charges into selling prices; and (4) For pumped storage power generation and storage batteries, charges based on kilowatts alone be levied and those based on kilowatt-hours be exempted, given that financial burdens would be heavier than those on other power sources.

Under these conditions, CSIF did not acquire any new assets nor sell any of the assets it owns during the fiscal period under review. Its portfolio consisted of 25 facilities (with a total panel output (Note 7) of 183.9 MW, a total acquisition price (Note 8) of ¥80,000 million, and a total appraisal value of power plant (Note 9) of ¥74,870 million as of the end of the fiscal period under review. On July 19, 2023, CSIF acquired five new facilities and its portfolio consisted of 30 facilities (with a total panel output of 225.3 MW, a total acquisition price of ¥96,780 million, and a total appraisal value of power plant of ¥91,990 million) as of the date of this document. As the mid-term objective of a ¥100,000 million asset price has almost been achieved, we set a new mid-term objective of ¥200,000 million.

(Note 1) For the purposes of this report, the term "electricity transmission and distribution business operator" collectively refers to a general electricity transmission and distribution business operator (refers to a "general electricity transmission and distribution business operator" defined in Article 2, Paragraph 1, Item 9 of the Electricity Business Act (Act No. 170 of 1964; including subsequent amendments; hereinafter referred to as the "Electricity Business Act") and specified electricity transmission and distribution business operator (refers to "specified electricity transmission and distribution business operator" defined in Article 2, Paragraph 1, Item 13 of the Electricity Business Act).

(Note 2) For the purposes of this report, the term "renewable energy power generation facilities" refers to renewable energy power generation facilities (excluding facilities falling under the category of real estate) defined in Article 2, Paragraph 2 of the Act on Special Measures Concerning Promotion of Utilization of Electricity from Renewable Energy Sources (Act No. 108 of 2011, including subsequent amendments; hereinafter referred to as the "Renewable Energy Special Measures Act." The Renewable Energy Special Measures Act before amendment based on the Act for Partial Amendment of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities (Act No. 59 of 2016) is referred to as the "2016 Renewable Energy Special Measures Act" and the Renewable Energy Special Measures Act after amendment based on the Act to Partially Amend the Electricity Business Act and Other Acts in Order to Establish a Resilient and Sustainable Electricity Supply System (Act No. 49 of 2020) is referred to as the "2020 Renewable Energy Special Measures Act.") For the purposes of this report, "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. Hereinafter, any mention of “renewable energy power generation facilities” or “renewable energy power generation facilities, etc.” which CSIF is said to have invested in or acquired or operate shall also cover “renewable energy power generation facilities” and “renewable energy power generation facilities, etc.” that support CSIF’s assets under management. The same shall apply hereunder. Renewable energy may also hereinafter sometimes be referred to as “renewables.”

- (Note 3) Projected amount of loss in variable rent means total performance co-varying rent lost in the day when output curtailment is implemented at individual power plants in CSIF’s portfolio subject to output curtailment. Projected amount of loss in variable rent in the day when each output curtailment is implemented at individual power plants in CSIF’s portfolio is calculated using the following formula:
 Projected amount of loss in variable rent = Forecast Power Generation (P50) at the said power plants in CSIF’s portfolio in the month that includes the said day / number of days in the said month × 30% × purchase price
 For a definition of “energy output value projected by professional specialists (P50)” in the context of this report, please refer to “Assumptions Underlying Forecast of Management Status for Fiscal Period Ending December 31, 2023 (July 1, 2023 to December 31, 2023), Fiscal Period Ending June 30, 2024 (January 1, 2024 to June 30, 2024), and Fiscal Period Ending December 31, 2024 (July 1, 2024 to December 31, 2024). The same shall apply hereunder.
- (Note 4) Even when a grid-connected business operator has implemented the preventive measures defined in the Ordinance for Enforcement of the Act on Special Measures Concerning the Promotion of the Use of Renewable Energy Electricity (METI Ordinance No. 46 of 2012, including subsequent amendments), if the amount of electricity supplied by grid-connected business operators is expected to exceed demand, output curtailment without compensation under the connection agreement may be required. The rule setting the maximum number of days of such output curtailment at 30 days a year (360 hours a year in some cases) is referred to as the “30-day rule” (the rule when the maximum duration is 360 hours a year is referred to as the “360-hour rule”) and the 30-day rule and the 360-hour rule are referred to collectively as the “old rule.” The same shall apply hereunder.
- (Note 5) All the above information is based on the “Outline of the Basic Energy Plan” published by the Agency for Natural Resources and Energy in October 2021.
- (Note 6) The term “photovoltaic power generation facilities” refers to renewable energy power generation facilities that generate electricity using sunlight as an energy source. The same shall apply hereunder. The term “photovoltaic power generation facilities” refers to photovoltaic power generation facilities as well as their site, etc. The same shall apply hereunder.
- (Note 7) “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. “Total panel output” shall mean the total panel output rounded off to one decimal place. The same shall apply hereunder.
- (Note 8) The term “acquisition price” represents transaction price (excluding remuneration for business outsourcing concerning the acquisition of assets and other acquisition costs, property taxes, city planning taxes, amount equivalent to consumption taxes, etc. and other commissions, etc.; the same shall apply hereunder) specified in the sales agreement for each asset held. The term “total acquisition price” is total of the transaction prices specified in the sales agreements for all the assets held rounded down to the nearest ten million yen. The same shall apply hereunder.
- (Note 9) “Appraisal value of power plant” means (1) the median calculated by CSIF based on the appraisal values of a power plant shown in valuation reports with the date of value opinion on June 30, 2023 (July 1, 2023 for five facilities acquired on July 19, 2023) from PricewaterhouseCoopers Sustainability LLC or Kroll International Inc. to whom appraisal of the power plant consisting of a photovoltaic system and land on which such system is installed was entrusted by CSIF or (2) the median of the business value of the power plant shown in valuation reports.

c. Overview of Financing

In the fiscal period under review, CSIF has not raised any additional funds, including the issuance of new investment units, borrowing of funds, and issuance of investment corporation bonds. However, during the fiscal period under review, CSIF made a contractual repayment of ¥1,144 million at the end of the fiscal period under review, bringing the total amount of interest-bearing debt as of the end of the fiscal period under review to ¥36,543 million (amount of borrowings ¥31,643 million and amount of investment corporation bonds ¥4,900 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 47.9%.

As of the date of this document, CSIF received a bond rating for investment corporation bonds from the following rating agency.

Rating status of CSIF as of the date of this document

Rating Agency	Rating Subject	Rating	Outlook
Japan Credit Rating Agency, Ltd. (JCR)	The 1st Unsecured Investment Corporation Bond (Specified investment corporation bonds with limited inter-bond pari passu clause and for qualified institutional investors only)	A	—
	The 1st Unsecured Investment Corporation Bond (Specified investment corporation bonds with limited inter-bond pari passu clause) (Green bonds)	A	—

CSIF received a credit rating from the following rating agency.

Rating status of CSIF as of the date of this document

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

d. Overview of Business Performance and Distribution

As a result of the management described above, the business results in the fiscal period under review included operating revenue of ¥3,452 million, operating income of ¥1,156, ordinary income of ¥1,003, and net income of ¥1,003 million.

With respect to distributions, the cash distribution policy set out in Article 47, Paragraph 1 of the Articles of Incorporation of the Investment Corporation stipulates that the amount of distributions shall exceed the amount equivalent to 90% of “profit available for distribution” as provided for in Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957 including subsequent amendments, hereinafter the “Special Measures Taxation Act”).

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 12th fiscal period is 76.4%) 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) (Note) 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 ¥1,449,960,000, equivalent to 76.4% of projected NCF for the period of ¥1,898,513,782. Dividend per investment unit is ¥3,750 for the fiscal period under review.

II. Outlook for the Next Fiscal Period

a. Outlook for the Future Management

Considering the economic outlook in Japan during the second half of 2023, overcoming the pandemic caused by COVID-19, economic activity has resumed. Meanwhile, both the global surge in prices for energy resources caused by Russia’s invasion of Ukraine and the worldwide increase of interest rates are currently calming down. Since they are both thought to significantly impact the Japanese economy, it is necessary to continue monitoring them.

With respect to the environment surrounding photovoltaic power generation facilities that are included in renewable energy power generation facilities, the 6th Basic Energy Plan states that a crucial part of energy policies for 2030 (Note 1) is to ensure, with “S+3E” as the basic premise, that renewables become a major power source and to focus on renewables as an overriding principle, encouraging maximum adoption whilst reducing the impact on Japanese people and seeking co-existence with local communities (Note 1), and the 2030 energy mix also indicates an increase in the share of renewables, setting ambitious forecasts.

However, as stated in “(I. Process of Asset Management in the Fiscal Period under Review) b. Investment Environment and

Management Performance for the Fiscal Period Under Review” 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. In addition, some output curtailments were introduced in the Tohoku Electric Power, Chugoku Electric Power and Shikoku Electric Power jurisdictions in April 2022 and in the Hokkaido Electric Power jurisdiction in May 2022. And also the Okinawa Electric Power, in January 2023 and the Chubu Electric Power the Hokuriku Electric Power in April 2023, the Kansai Electric Power in June 2023 have started. It was also announced that 10-500 kW commercial solar photovoltaic systems connected to the grid under the old rule, which were previously not subject to output curtailment, will also become subject to output curtailment. Furthermore, at a meeting of the Subcommittee on Mass Introduction of Renewable Energy and Next-Generation Electricity Networks held on December 24, 2021, the idea that lowering the minimum output of thermal power generation facilities would be an effective way to reduce the output curtailment of renewables was put forward. Subsequently, at the meeting held on May 29, 2023 of “The Subcommittee on New Energy of the Sectional Meeting on Energy Saving and New Energy under the Advisory Committee for Natural Resources and Energy; and the Working Group on the Grid of the Basic Policy Subcommittee on Electricity and Gas of the Sectional Meeting on Electricity and Gas Business” and the meeting held on June 21, 2023 of “The Sectional Meeting on Energy Saving and New Energy under the Advisory Committee for Natural Resources and Energy; and the Subcommittee on Mass Introduction of Renewable Energy and Next-Generation Electricity Networks,” expert discussions were held under the basic policy of scaling back output curtailment of renewable energy. Through extensive discussions on potential initiatives in supply, demand and the grid, respectively, a new package of measures for the reduction of renewable energy output curtailment will be compiled by the end of 2023. Accordingly, the implementation of output curtailment is expected to be better controlled in the future compared to this year.

As mentioned in *b. Investment Environment and management performance for the fiscal period under review* in *I. Overview of the Fiscal Period under Review* above, discussions are underway regarding the exemption of FIT- or FIP- approved power sources from generation-side charges during their FIT or FIP term. This means that it would no longer be necessary to take into account the negative impact, which was expected to be imposed on CSIF’s management on performance in and after 2024.

As stated in “(I. Process of Asset Management in the Fiscal Period under Review) b. Investment Environment and Management Performance for the Fiscal Period Under Review” above, the 2020 Amendment to the Renewable Energy Special Measures Act was enacted in April 2022. Under this act, various measures such as the FIP system, system for nullifying approvals and reserve of decommissioning costs for solar power generation facilities were introduced.

(Note 1) All the above information is based on the “Outline of the Basic Energy Plan” published by the Agency for Natural Resources and Energy in October 2021.

b. Future Management Policy

(i) External Growth Strategy

The Canadian Solar Group (Note 1), which is the Sponsor belongs, adopts the vertical integration model (Note 2) 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 (Note 4) based on the vertical integration model for the construction of the value chain (Note 5) with the aim of creating mutual value should lead to the enhancement of value for unitholders.

Specifically, CSIF intends to acquire promising solar power generation facilities developed by the Sponsor Group to increase assets utilizing the preferential trading negotiation right granted by the Sponsor Group.

Further, CSIF will strive to diversify acquisition routes, including acquiring assets from third parties through the Asset Manager’s own network, whilst at the same time putting emphasis on acquisitions from the Sponsor. Moreover, CSIF will aim for further external growth through the use of diverse acquisition methods, including acquiring assets via the Japan Green Infrastructure Fund, which was established by The Canadian Solar Group and invests in renewable energy power generation facilities, etc. in Japan, and the bridge fund, in addition to direct acquisitions from sellers.

As a recent move toward CSIF’s growth in the future, the transfer of CS Azuma Kofuji Solar Power Plant, which was the sponsor’s largest development project (100MW) in Japan and was among Japan’s largest projects, to the bridge fund was completed on May 31, 2023. The Asset Manager has preferential negotiation rights to purchase the said power plant for future acquisition by CSIF.

(Note 1) 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. The same shall apply hereunder.

(Note 2) The term “vertically integrated model” means a business model where a broad spectrum of business domains across the photovoltaic market, ranging from the planning, manufacture and sales of solar modules to the provision of EPC and O&M (Note 3) services, are vertically integrated. The same shall apply hereunder.

(Note 3) “O&M” is an abbreviation of Operation & Maintenance. The same shall apply hereunder.

(Note 4) The “Sponsor Group” collectively refers 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 shall apply hereunder.

(Note 5) The term “value chain” generally refers to a relationship between processes such that value is added cumulatively to products and services with each process.

(ii) Internal Growth Strategy

In circumstances where domestic power consumers are increasingly required to participate in decarbonization initiatives around the world, CSIF started a new approach in September 2022 to grant to power consumers tracking information (information regarding renewable energy power plants attached to FIT Non-Fossil Certificate (Note 1)) for CS Daisen-cho Power Plant (A), CS Daisen-cho Power Plant (B) and CS Marumori-machi Power Plant. The initiative aims to satisfy power consumers' need to achieve RE100 (Renewable Energy 100%) and has achieved the receipt of ¥0.2/kWh in addition to CSIF's FIT unit price. Moreover, agreements on the specified wholesale supply of renewable energy were concluded with electricity retailers regarding CS Hiji-machi Dai-ni Power Plant in April 2023, and CS Mashiki-machi Power Plant, CS Izu-shi Power Plant and CS Ogawara-machi Power Plant in June 2023. As a result, CSIF was able to double the unit price to ¥0.2/kWh in addition to CSIF's FIT unit price.

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 and Management Performance for the Fiscal Period Under Review* in *I. Overview of the Fiscal Period under Review* above, CSIF carried out the modification of individual power plants in its portfolio to support online output curtailment (which refers to output curtailment of photovoltaic power generation facilities with a remote output controller installed, the same applies below) as it did in the previous fiscal period. While all the CSIF-owned power plants in the area served by Kyushu Electric Power are subject to the 30-day rule for output curtailment, the above modifications required for online output curtailment led to a shift from the previous all-day curtailment to hourly curtailment and opened the way for controlling the decrease in lease revenue due to a decline in energy output for reason of 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. As a result of further progress shifting to the online output curtailment arrangement, all photovoltaic power plants in Kyushu have shifted to online output curtailment. As a result, CSIF succeeded in reducing lost lease revenue due to curtailment compared with the same period of the previous year and this boosted operating revenue. In addition, CSIF is currently gradually installing online output curtailment equipment at power plants outside the Kyushu region.

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. Further, recognizing that climate change is an important environmental issue with potential risks and opportunities when conducting business focused on the environmental pillar of ESG, we disclosed information about initiatives to address climate change in line with the TCFD recommendations on February 14, 2022. On March 1, 2022, the Asset Manager established the Sustainability Committee, which will be required to report to CSIF's Board of Directors at least twice a year going forward. Meanwhile, CSIF established a green finance framework (hereinafter referred to as the "Green Finance Framework") for the financing of activities that will provide environmental benefits, covering debt financing such as green bonds and green loans, and on May 11, 2020, CSIF acquired the highest green finance evaluation of Green 1 (F) for the Green Finance Framework from Japan Credit Rating Agency, Ltd. (JCR), which is an independent rating agency. Subsequently, CSIF revised the green finance framework as of June 30, 2023 so that the framework would be applied to equity finance including the issuance of investment units at the time of offering investment units. The revised green finance framework acquired a third-party evaluation of Green1 (F) in Green Finance Framework Evaluation conducted by JCR.

Updated on	Evaluating Agency	Evaluation
June 30, 2023	Japan Credit Rating Agency, Ltd. (JCR)	Overall Green 1 (F) Greenness (use of proceeds) g 1 (F) Management, Operation and Transparency m 1 (F)

CSIF successively signed specified wholesale supplying agreements with Zero Watt Power Inc. for CS Izu-shi Power Plant, CS Ogawara-machi Power Plant, CS Mashiki-machi Power Plant and CS Hiji-machi Dai-ni Power Plant. These plants are part of the assets owned by CSIF. The agreements help these electricity retailers sell FIT electric power (Note 1) or electric power effectively derived from renewable energy (Note 2). In addition, CSIF announced the *Notice concerning the Conclusion of an Agreement Concerning the Granting of Tracking Information on Solar Power Plants Owned by CSIF* on September 29, 2022. As was mentioned there, CSIF signed a new agreement with power consumer, unidentified under non-disclosure agreements with them, for the granting of information on renewable energy power plants (hereinafter referred to as "tracking information") added to the FIT Non-Fossil Certificates for CS Daisen-cho Power Plant (A), CS Daisen-cho Power Plant (B) and CS Marumori-machi Power Plant. CSIF is thus taking actions towards decarbonization in response to the increasing needs of power consumers for renewable energy. These actions also support the global RE100 initiative, which aims to make 100% of the energy consumed in business activities renewable energy.

(Note 1) A FIT Non-Fossil Certificate is a certificate representing the renewable energy value of the electric power purchased under the FIT scheme

that is traded on the Non-Fossil Value Trading Market operated by Japan Electric Power Exchange (hereinafter referred to as “JPEX”).

(Note 2) Part of the expenses for procuring FIT electric power is covered by the FIT surcharges paid by power consumers. Electricity retailers need to inform of this to consumers.

(Note 3) To present to consumers that the electric power they sell is effectively derived from renewable energy, electricity retailers must separately purchase non-fossil certificates according to the energy output sold and use them.

(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

Forecast of management status for the fiscal period ending December 31, 2023 (July 1, 2023 to December 31, 2023), the fiscal period ending June 30, 2024 (January 1, 2024 to June 30, 2024) and the fiscal period ending December 31, 2024 (July 1, 2024 to December 31, 2024) 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 December 31, 2023 (July 1, 2023 to December 31, 2023), the fiscal period ending June 30, 2024 (January 1, 2024 to June 30, 2024) and the fiscal period ending December 31, 2024 (July 1, 2024 to December 31, 2024)” described 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 Dec. 2023	4,472	1,665	1,148	1,147	2,539	1,211	3,750
Fiscal period ending Jun. 2024	4,487	1,682	1,414	1,413	3,129	646	3,775
Fiscal period ending Dec. 2024	4,445	1,639	1,379	1,378	3,051	724	3,775

d Facts arising after the settlement of accounts

(i) Issuance of new investment units

The payment on July 18, 2023 for the issuance of new investment units through public offering and the payment on August 10, 2023 for the new investment units to be issued through third-party allotment have been completed, that were resolved at the board of directors meeting regarding the issuance of new investment units held on June 30, 2023, as follows. As a result, the total amount of unitholders’ capital is 45,718,564 thousand yen, and the total number of investment units issued and outstanding is 451,756 units as of the date of issuance of this statement.

(a) Issuance of new investment units through public offering

Number of investment units to be offered	62,000 units
Issue Price (Offer Price)	117,292 yen per unit
Total Issue Price (Total Offer Price)	7,272,104,000 yen
Amount to be paid in (Issue Value)	112,480 yen per unit
Total amount to be paid in (Total Issue Value)	6,973,760,000 yen
Payment Date	Tuesday, July 18, 2023
Use of proceed	The net proceeds from the public offering were used for a part of the fund for the acquisition of specified assets described in (iii) Acquisition of assets, as follows.

(b) New investment units to be issued through third-party allotment

Number of units to be issued	3,100 units
Amount to be paid in (Issue Value)	112,480 yen per unit
Total amount to be paid in (Total Issue Value)	348,688,000 yen

Allottee
 Payment date
 Use of proceed

Mizuho Securities Co., Ltd.
 Thursday, August 10, 2023
 The proceeds from the issuance of new investment units through the third-party allotment shall be reserved as funds in hand to be allocated to a part of the fund for acquiring the specified assets (as set forth in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations), that satisfy the eligibility criteria set forth in the Green Finance Framework formulated by CSIF in the future or a part of the fund for repaying existing loans.

(ii) Borrowing of funds

CSIF completed the borrowing of funds (hereinafter referred to as the “Borrowings”) on July 19, 2023, as followings. The funds from the Borrowings were used for a part of the fund for the acquisition of specified assets and other related costs described in (iii) Acquisition of assets, as follows.

Type (Note 1)	Lenders	Borrowing Amount	Interest Rate (Note 2)	Drawdown Date	Borrowing Method	Maturity Date	Repayment Method (Note 3)	Security / Guarante e (Note 4)
Long-term	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd. and SBI Shinsei Bank, Limited as arrangers and MUFG Bank, Ltd. and Sumitomo Mitsui Trust Bank, Limited as co-arranger	¥5,800 million (Note 5)	Base rate plus 0.45% (Note 6)	July 19, 2023	Borrowing based on individual term loan agreements entered into on July 12, 2023 with the lenders listed in the left column	The corresponding date at 10 years from the drawdown date	Balloon (Note 5)	Unsecured, unguaranteed
Long-term	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd. and SBI Shinsei Bank, Limited as arrangers and MUFG Bank, Ltd. and Sumitomo Mitsui Trust Bank, Limited as co-arranger	¥5,800 million (Note 5)	Base rate plus 0.45% (Note 6) (Note 9)	July 19, 2023	Borrowing based on individual term loan agreements entered into on July 12, 2023 with the lenders listed in the left column	The corresponding date at 10 years from the drawdown date	Balloon (Note 5)	Unsecured, unguaranteed

Type (Note 1)	Lenders	Borrowing Amount	Interest Rate (Note 2)	Drawdown Date	Borrowing Method	Maturity Date	Repayment Method (Note 3)	Security / Guarantee (Note 4)
Short-term	Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd. and SBI Shinsei Bank, Limited	¥1,100 million (Note 7)	Base rate plus 0.20% (Note 8)	July 19, 2023	Borrowing based on individual term loan agreements entered into on July 12, 2023 with the lenders listed in the left column	The earlier date of (i) July 19, 2024 or (ii) the first interest payment date after the consumption tax refund date	Bullet	Unsecured, unguaranteed

(Note 1) “Long-term” refers to borrowings that have a period of over one year from the drawdown date to the maturity date and “Short-term” refers to borrowings that have a period of less than one year from the drawdown date to the maturity date.

(Note 2) Finance-related costs paid to the lenders are not included.

(Note 3) CSIF can make an early repayment during the period from the drawdown date to the maturity date of all or settlement date of CSIF, such as the total amount of interest-bearing liabilities to the total asset value, debt-to-equity ratio and debt service coverage ratios as indicators to determine the ability of CSIF to repay the loan. Breaches of such covenants for 2 successive fiscal periods or an occurrence of an acceleration event could result in being required to grant security interests in favor of the lenders.

(Note 5) The first principal repayment date will be December 31, 2023, and subsequent principal repayment dates will be the last days of June and December (if a principal repayment date is not a business day, then the payment will be made on the immediately succeeding business day; provided, however, that if such payment day falls into the following month, then the payment will be made on the immediately preceding business day) and the remaining principal on the maturity date will be repaid in a single installment (balloon amortization). The rate of capital redemption planned on December 31, 2023 is 2.90% of the Borrowing Amount if the loan takes the balloon payment method.

(Note 6) The applicable base rate for each interest calculation period (being 3 months, excluding the first and last interest period) for the calculation of the interest payable on the interest payment date will be the 3 month Japanese yen TIBOR (Tokyo Interbank Offered Rate) announced by the General Incorporated Association JBA (Japanese Bankers Association) TIBOR Administration on the 2nd business day prior to the drawdown date for the first interest calculation period and on the 2nd business day prior to the beginning of each relevant interest calculation period thereafter. The applicable base rate will be revised for each interest period. However, if a corresponding base rate is not available for an interest calculation period, the base rate will be calculated using the method agreed in the relevant loan agreement. Fluctuations in JBA’s TIBOR can be checked at the General Incorporated Association JBA TIBOR Administration’s website (<https://www.jbatibor.or.jp/rate/>).

(Note 7) Bridge Loan for Consumption Tax Payment is used to pay consumption tax, and it is to be repaid by the tax refund. Borrowings of this nature are sometimes referred to as “Bridge Loan for Consumption Tax Payment.”

(Note 8) The applicable base rate for each interest calculation period (being 1 month, excluding the first and last interest period) for the calculation of the interest payable on the interest payment date will be the 1 month Japanese yen TIBOR (Tokyo Interbank Offered Rate) announced by the General Incorporated Association JBA (Japanese Bankers Association) TIBOR Administration on the 2nd business day prior to the drawdown date for the first interest calculation period and on the 2nd business day prior to the beginning of each relevant interest calculation period thereafter. The applicable base rate will be revised for each interest period. However, if a corresponding base rate is not available for an interest calculation period, the base rate will be calculated using the method agreed in the relevant loan agreement. Fluctuations in JBA’s TIBOR can be checked at the General Incorporated Association JBA TIBOR Administration’s website (<https://www.jbatibor.or.jp/rate/>).

(Note 9) The interest rate was fixed at 1.26950% with the execution of the interest rate swap agreement effective on August 10th, 2023.

(iii) Acquisition of assets

CSIF acquired the following solar energy projects on July 19, 2023.

Asset number (Note 1)	Project name	Location (Note 2)	Acquisition price (¥ million)
S-26	CS Fukuyama-shi Power Plant	Fukuyama-shi, Hiroshima	1,340
S-27	CS Shichikashukumachi Power Plant (Note 3)	Katta-gun, Miyagi	3,240

S-28	CS Kama-shi Power Plant	Kama-shi, Fukuoka	586
S-29	CS Miyako-machi Saigawa Power Plant (Note 4)	Miyako-gun, Fukuoka	5,780
S-30	CS Kasama-shi Dai-san Power Plant	Kasama-shi, Ibaraki	5,840
Total		-	16,786

(Note 1) Asset numbers are assigned to the projects, based on the classification of the renewable energy power generation facility. "S" denotes a solar energy project.

(Note 2) Based on the land or parcel of land upon which the solar energy facility is located, as described in the property registry. The address is described down to the city or district level.

(Note 3) With respect to CS Shichikashuku-machi Power Plant, CSIF paid 345,173,638 yen, which is equivalent to the land rent after July 1, 2023, the first day on which the income and expenses of the property vest in CSIF, to the seller in settlement of the amount paid as advance land rent under the agreement for the establishment of surface rights to which the seller is a party, in addition to the anticipated acquisition price.

(Note 4) CS Miyako-machi Saigawa Power Plant is a solar power generation facility consisting of CS Miyako-machi No. 1 Power Plant, CS Miyako-machi No. 2 Power Plant, CS Miyako-machi No. 3 Power Plant, CS Miyako-machi No. 4 Power Plant, CS Miyako-machi No. 9 Power Plant and CS Miyako-machi No. 10 Power Plant, each of which is independently certified as a facility under the pre-revision Act of 2016 on Special Measures Concerning Procurement of Renewable Energy Electricity by Electric Utilities Article 6, Paragraph 1 (Law No. 108 of 2011, including subsequent amendments) (hereinafter referred to as the "Renewable Energy Special Measures Act"), and is managed as a single solar energy facility.

“
Assumptions Underlying Forecast of Management Status for the fiscal period ending December 31, 2023 (July 1, 2023 to December 31, 2023), the fiscal period ending June 30, 2024 (January 1, 2024 to June 30, 2024) and the fiscal period ending December 31, 2024 (July 1, 2024 to December 31, 2024).

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> • 13th fiscal period :from July 1, 2023 to December 31, 2023 (184 days) • 14th fiscal period :from January 1, 2024 to June 30, 2024 (182 days) • 15th fiscal period: from July 1, 2024 to December 31, 2024 (184 days)
Portfolio	<ul style="list-style-type: none"> • Assumptions are based on the sum of 25 domestic solar energy projects CSIF owned at the end of the fiscal periods ending June 30, 2023 (12th fiscal period) (“Acquired Projects”) and 5 additional projects acquired on July 19, 2023 (“Acquisitions in 13th FP”); totaling 30 projects and beneficiary interest, which holds solar power generation facilities in trust (“Projects Held”). CS Fukuyama-shi Power Plant, CS Shichikashuku-machi Power Plant, CS Kama-shi Power Plant, CS Miyako-machi Saigawa Power Plant and CS Kasama-shi Dai-san Power Plant acquired on July 19, 2023 (hereinafter refer to as the “Acquisitions in the 13th FP”) are included in the 30 projects. • 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 15th fiscal period, December 31, 2024. • CSIF’s portfolio may change, however, due to the acquisition of new assets other than the Acquisitions in the 13th FP or disposal of the Projects Held, etc.
Operating Revenues	<ul style="list-style-type: none"> • Among the operating revenues of the Projects Held, revenues are calculated based on the lease agreements of the Acquired Projects and the Acquisitions in the 13th FP that are in effect as of today. CSIF’s leasing structure for its solar energy projects will be comprised of a) basic rent and b) variable rent as follows. Revenue forecasts for the 13th, 14th and 15th fiscal periods are ¥4,472 million, ¥4,487 million and ¥4,445 million, respectively. <ul style="list-style-type: none"> a) Basic rent for Projects Held is calculated as follows: $\text{Monthly projected energy output (P50)} \times (100-Y)\% \times 70\% \times \text{FIT purchase price}$ Of the Acquired Projects and the Acquisitions in the 13th FP, with respect to CS Kama-shi Power Plants, the monthly projected energy output (P50) (Note 1) (Note 2) refers to such figures 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&E Solutions Inc. (“Technical Report”), and with respect to CS Fukuyama-shi Power Plant, CS Shichikashuku-machi Power Plant, CS Miyako-machi Saigawa Power Plant and CS Kasama-shi Dai-san Power Plant, the monthly projected energy output (P50) (Note 1) (Note 2) refers to such figures disclosed in the energy yield reports that the Asset Manager received from TÜV Rheinland Japan Ltd. (the “Energy Yield Report”). b) Variable rents for the Acquired Projects and the Acquisitions in the 13th FP are calculated as follows: $\text{Monthly actual energy output} \times (100-Y)\% \times \text{FIT purchase price} - \text{basic rent}$ Any amount that exceeds the basic rent after multiplying a certain rate of (100-Y) % to the monthly actual energy output for each solar energy project 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"> (*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. (*Note 2) The calculation of parts of Acquired Projects and Acquisitions in the 13th FP is based on the estimated monthly power generation (P50) presented in the Technical Report, after deducting the rate of curtailment from third party research firm. (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.

Item	Assumptions
Operating revenues	<ul style="list-style-type: none"> • 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. • CSIF has assumed no cancellations of the lease agreements or delinquencies or non-payment of rents by lessees. • CSIF has assumed that the current lease agreements for the Acquired Projects and the Acquisitions in the 13th FP will be renewed on equal terms under these agreements.
Operating expenses	<ul style="list-style-type: none"> • 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 the Acquisitions in the 13th FP and estimates from subcontractors, etc., taking into account variables. Such costs for the 13th, 14th and 15th fiscal periods are assumed to be ¥1,073 million, ¥1,069 million and ¥1,068 million, respectively. • Property-related taxes for the Acquisitions in the 13th FP 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 Acquisitions in the 13th FP will be incorporated into the acquisition costs and will therefore not be recognized as a part of the operating costs for FY2023. Property-related taxes of Acquired Projects and Acquisitions in the 13th FP thereafter will be expensed and is assumed to be ¥6 million, ¥7 million and ¥7 million for the 13th, 14th and 15th fiscal periods, respectively. • 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. • CSIF expects to pay ¥263 million, ¥263 million and ¥263 million for the 13th, 14th and 15th fiscal periods, respectively, as O&M fees. • CSIF assumed it will incur expenses related to land lease in the amounts of ¥96 million, ¥96 million and ¥96 million for the 13th, 14th and 15th fiscal periods, respectively, in connection with the Assets in Possession. • CSIF has assumed that it will incur depreciation expenses, including certain ancillary expenses of ¥1,733 million, ¥1,735 million and ¥1,737 million for the 13th, 14th and 15th fiscal periods, respectively. These figures are calculated using the straight-line method.
Non-operating expenses	<ul style="list-style-type: none"> • CSIF has assumed the cost of ¥67 million for the 13th fiscal period, which is to be amortized as incurred, in connection with the issuance of the investment units. • CSIF has assumed interest expenses, interests on investment corporation bonds and other borrowing-related expenses of ¥450 million, ¥267 million and ¥259 million for the 13th, 14th and 15th fiscal periods, respectively.
Borrowings	<ul style="list-style-type: none"> • CSIF's balance of interest-bearing debt totals ¥49,243 million (borrowings and investment corporation bonds) as of today. CSIF has assumed that the interest-bearing debt will be repaid in the amounts of ¥1,467 million, ¥2,597 million and ¥1,402 million for the 13th, 14th and 15th fiscal periods, respectively, by contracts. • CSIF anticipates that its LTV (loan-to-value) ratio will be approximately 51.5%, 50.0% and 49.1% as of the end of 13th, 14th and 15th fiscal periods, respectively • CSIF calculates LTV using the following formula. $LTV = \text{Total interest-bearing debt} / \text{Total assets} \times 100$
Number of investment units	<ul style="list-style-type: none"> • The assumption that CSIF uses is the total number of investment units issued and outstanding as of the date of this document, which is 451,756 units. • CSIF has assumed that 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 15th fiscal period ending December 31, 2024. • 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 451,756 units.

Item	Assumptions
Distributions per unit (excluding distributions in excess of earnings)	<ul style="list-style-type: none"> Distributions per unit (excluding distributions in excess of earnings) are calculated based on the cash distribution policy prescribed in CSIF's Articles of Incorporation. 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).
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> 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. 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. CSIF intends to maintain distributions per unit including distributions in excess of earnings in the 13th fiscal periods around ¥3,750. Distributions in excess of earnings are assumed to be ¥1,211 in the 13th period. Distributions per unit including distributions in excess of earnings in the 14th period and in the 15th period are also ¥3,775. Distributions in excess of earnings are assumed to be ¥646 in the 14th period and ¥724 in the 15th period. Distributions including distributions in excess of earnings shall be calculated by multiplying anticipated NCF at the beginning of each period with certain fixed ate. The rate is to be decided considering related anticipated NCF at the beginning of each period, and is assumed to be 94.9% in the 13th fiscal period. 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. 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. <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>
Others	<ul style="list-style-type: none"> 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. 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.

(2) Risk of Investment

Disclosure is omitted because there have been no significant changes from the description in the latest securities report (submitted on June 30, 2023 including subsequent amendments.)

2. Financial Statement

(1) Balance Sheet

(Unit : thousand yen)

	11th Period (December 31, 2022)	12th Period (June 30, 2023)
Assets		
Current Assets		
Cash and bank deposit	5,271,544	4,989,834
Operating accounts receivable	798,973	1,035,888
Accounts receivable	13,141	-
Prepaid expenses	262,709	181,049
Other current assets	59,468	46,202
Total current assets	6,405,837	6,252,975
Fixed Assets		
Property and equipment		
Structures	1,056,877	1,064,093
Accumulated depreciation	(193,153)	(215,001)
Structures, net	863,724	849,092
Machinery and equipment	42,480,349	42,495,764
Accumulated depreciation	(8,203,513)	(9,077,413)
Machinery and equipment ,net	34,276,835	33,418,351
Tools, furniture and fixtures	591,663	592,466
Accumulated depreciation	(114,667)	(126,616)
Tools, furniture and fixtures, net	476,996	465,849
Land	4,505,944	4,505,944
Structures in trust	6,590,138	6,590,138
Accumulated depreciation	(441,608)	(563,468)
Structures in trust, net	6,148,530	6,026,670
Machinery and equipment in trust	20,291,246	20,291,246
Accumulated depreciation	(1,549,535)	(1,972,524)
Machinery and equipment in trust, net	18,741,711	18,318,722
Tools, furniture and fixtures in trust	94,264	94,418
Accumulated depreciation	(7,036)	(8,971)
Tools, furniture and fixtures in trust, net	87,228	85,447
Land in trust	4,769,905	4,769,905
Construction in progress in trust	-	3,751
Total property and equipment	69,870,876	68,443,734
Intangible assets		
Leasehold rights	1,156,923	1,156,923
Software	2,226	2,528
Total intangible assets	1,159,150	1,159,452
Investments and other assets		
Long-term prepaid expenses	481,802	443,268
Investment in capital	10	10
Deferred tax assets	15	72
Long-term bank deposit	15,600	15,600
Security deposits	37,790	37,790
Total investment and other assets	535,217	496,741
Total fixed assets	71,565,244	70,099,928
Deferred Assets		
Investment corporation bond issuance cost	14,921	12,141
Total deferred assets	14,921	12,141
Total assets	77,986,003	76,365,045
Liabilities		
Current liabilities		
Accounts payable - operating	87,324	56,399
Current portion of long-term loans payable	2,275,477	2,267,295
Accounts payable - other	161,541	158,704
Accrued expenses	123,547	120,796
Income taxes payable	914	848
Consumption tax payable	76,773	84,607
Deposits received	1,265	511
Total current liabilities	2,726,843	2,689,163
Non-current liabilities		
Investment corporation bond	4,900,000	4,900,000
Long-term loan payable	30,512,844	29,376,343
Total non-current liabilities	35,412,844	34,276,343
Total liabilities	38,139,687	36,965,507

Net assets		
Unitholders' equity		
Unit holders' capital	40,631,004	40,631,004
Deduction from unitholders' capital	(1,998,255)	(2,234,888)
Unitholders' capital (net value)	38,632,749	38,396,116
Surplus		
Unappropriated retained earnings (Accumulated deficit)	1,213,566	1,003,421
Total surplus	1,213,566	1,003,421
Total unitholders' equity	39,846,315	39,399,537
Total net assets	*1 39,846,315	*1 39,399,537
Total liabilities and net assets	77,986,003	76,365,045

(2) Statement of Income

(Unit: thousand yen)

	11th period (from July 1, 2022 to December 31, 2022)	12th period (from January 1, 2023 to June 30, 2023)
Operating revenues		
Rental revenues of renewable energy power generation facilities, etc.	*1 3,715,150	*1 3,452,770
Total operating revenues	3,715,150	3,452,770
Operating expenses		
Rental expenses of renewable energy power generation facilities, etc.	*1 2,114,647	*1 2,083,424
Asset management fee	115,772	108,941
Administrative service fees	27,251	28,873
Director's compensation	2,400	2,400
Taxes and duties	164	52
Other operating expenses	71,612	72,905
Total operating expenses	2,331,848	2,296,597
Operating income or loss	1,383,301	1,156,173
Non-operating incomes		
Interest income	29	28
Dividends	-	0
Insurance income	39,287	56,880
Other non-operating income	202	301
Total non-operating income	39,519	57,210
Non-operating expenses		
Interest expenses	148,732	141,496
Interest on investment corporation bond	19,262	18,947
Amortization of Investment corporation bond issuance cost	2,779	2,779
Borrowing-related expenses	37,730	37,730
Loss on retirement of non-current assets	-	8,451
Total non-operating expenses	208,505	209,406
Ordinary income	1,214,315	1,003,977
Income before income taxes	1,214,315	1,003,977
Income taxes - current	918	852
Income tax - deferred	(2)	(57)
Total income taxes	915	794
Net income	1,213,400	1,003,182
Retained earnings (deficit) brought forward	165	239
Unappropriated retained earnings (Accumulated deficit)	1,213,566	1,003,421

(3) Statements of Changes in Unitholders' Equity

11th Fiscal Period (From July 1, 2022 to December 31, 2022)

(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, 2022	40,631,004	(1,998,255)	38,632,749	1,509,284	1,509,284	40,142,034	40,142,034
Changes of items during the period							
Dividend of surplus	-	-	-	(1,509,118)	(1,509,118)	(1,509,118)	(1,509,118)
Net Income	-	-	-	1,213,400	1,213,400	1,213,400	1,213,400
Total changes of items during the period	-	-	-	(295,718)	(295,718)	(295,718)	(295,718)
Balance as of December 31, 2022	*1 40,631,004	(1,998,255)	38,632,749	1,213,566	1,213,566	39,846,315	39,846,315

12th Fiscal Period (From January 1, 2023 to June 30, 2023)

(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, 2023	40,631,004	(1,998,255)	38,632,749	1,213,566	1,213,566	39,846,315	39,846,315
Changes of items during the period							
Distribution in excess of earnings	-	(236,633)	(236,633)	-	-	(236,633)	(236,633)
Dividend of surplus	-	-	-	(1,213,326)	(1,213,326)	(1,213,326)	(1,213,326)
Net Income	-	-	-	1,003,182	1,003,182	1,003,182	1,003,182
Total changes of items during the period	-	(236,633)	(236,633)	(210,144)	(210,144)	(446,777)	(446,777)
Balance as of June 30, 2023	*1 40,631,004	(2,234,888)	38,396,116	1,003,421	1,003,421	39,399,537	39,399,537

(4) Statements of Cash Distribution

	Fiscal Period under Review (From July 1, 2022 to December 31, 2022) Unit: Yen	Fiscal Period under Review (From January 1, 2023 to June 30, 2023) Unit: Yen
I Unappropriated retained earnings (accumulated deficit)	1,213,566,004	1,003,421,642
II Distributions in excess of retained earnings Deduction from unitholders' capital	236,633,472	446,587,680
III Cash distributions	1,449,960,000	1,449,960,000
(Cash distributions per unit)	(3,750)	(3,750)
Profit distributions	1,213,326,528	1,003,372,320
(Profit distributions per unit)	(3,138)	(2,595)
Distributions in excess of retained earnings	236,633,472	446,587,680
(Distributions in excess of retained earnings)	(612)	(1,155)
IV. Retained earnings (deficit) carried forward	239,476	49,322
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 ¥1,213,326,528 which is the entire amount equivalent to the unappropriated retained earnings for the fiscal period under review of ¥1,213,566,004 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 ¥236,633,472 which is equivalent to 16.3% of the amount of depreciation expenses recorded for the fiscal period under review of ¥1,453,687,832.</p> <p>Accordingly, the distribution per unit is ¥3,750.</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 ¥1,003,372,320 which is the entire amount equivalent to the unappropriated retained earnings for the fiscal period under review of ¥1,003,421,642 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 ¥446,587,680 which is equivalent to 30.7% of the amount of depreciation expenses recorded for the fiscal period under review of ¥1,454,833,616.</p> <p>Accordingly, the distribution per unit is ¥3,750.</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 ¥1,449,960,000 which is equivalent to 77.1% of forecast NCF amount for the fiscal period under review of ¥1,880,540,436. Of this, ¥236,633,472 which is the amount less of distributions of profit of ¥1,213,326,528 is distributions in excess of retained earnings.

Based on this policy, CSIF decided to make distributions for the current fiscal period of ¥1,449,960,000 which is equivalent to 76.4% of forecast NCF amount for the fiscal period under review of ¥1,898,513,782. Of this, ¥446,587,680 which is the amount less of distributions of profit of ¥1,003,372,320 is distributions in excess of retained earnings.

(5) Statement of Cash Flow

	(unit: thousand yen)	
	11th period (From July 1, 2022 to December 31, 2022)	12th period (From January 1, 2023 to June 30, 2023)
Cash flows from operating activities		
Income (Loss) before income taxes	1,214,315	1,003,977
Depreciation costs	1,453,687	1,454,833
Amortization of investment corporation bond issuance costs	2,779	2,779
Interest income and dividends	(29)	(28)
Interest expenses	167,994	160,444
Other non-operating income	(202)	(291)
Decrease (Increase) in operating accounts receivable	349,688	(236,915)
Decrease (Increase) in accounts receivable	(13,141)	13,141
Decrease (Increase) in consumption taxes payable	(71,785)	7,645
Decrease (Increase) in prepaid expenses	(99,119)	81,659
Decrease (Increase) in long-term prepaid expenses	38,533	38,533
Increase (Decrease) in operating accounts payable	22,025	(35,111)
Increase (Decrease) in accounts payable - other	(10,459)	(45)
Increase (Decrease) in accrued expenses	(15,040)	(1,784)
Other, net	16,824	12,512
Sub-total	3,056,072	2,501,351
Interest received	29	28
Interest paid	(167,082)	(161,410)
Income taxes paid	(857)	(918)
Net cash provided by (used in) operating activities	2,888,162	2,339,051
Cash flows from investing activities		
Purchases of property and equipment	(72,094)	(25,465)
Purchases of intangible assets	(825)	(654)
Net cash provided by (used in) investing activities	(72,919)	(26,119)
Cash flows from financing activities		
Repayment of long-term loans payable	(1,116,861)	(1,144,681)
Dividends paid	(1,509,118)	(1,213,326)
Surplus earning distribution paid	-	(236,633)
Net cash provided by (used in) financing activities	(2,625,979)	(2,594,641)
Net increase (decrease) in cash and cash equivalents	189,264	(281,710)
Cash and cash equivalents at the beginning of the fiscal period	5,082,280	5,271,544
Cash and cash equivalents at the end of the fiscal period	*1 5,271,544	*1 4,989,834

(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 The straight-line method is adopted. In addition, the useful lives of major property and equipment are as shown below:</p> <ul style="list-style-type: none">Structures..... 22 - 25 yearsMachinery and equipment..... 6 - 25 yearsTools, furniture and fixtures..... 22 - 25 yearsStructures in trust 24 - 30 yearsMachinery and equipment in trust..... 24 - 25 yearsTools, furniture and fixtures in trust..... 24 - 25 years <p>(2) Intangible assets The straight-line method is adopted. In addition, the useful life is as shown below:</p> <ul style="list-style-type: none">Software..... 5 years <p>(3) Long-term prepaid expenses The straight-line method is adopted.</p>
2. Method of amortization of deferred assets	<p>(1) Investment corporation bond issuance expenses Amortized by the straight-line method over the life of the bonds.</p> <p>(2) Investment units issuance costs Expensed wholly when incurred.</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.</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 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">• Hedging instruments.....Interest rate swap transaction• Hedged items.....Interest rate on loans <p>(3) Policy for hedging 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 The interest rate swap meets the requirements for special treatment, and thus the evaluation of effectiveness is omitted.</p>

6. Other significant matters serving as the basis for preparation of financial statements	<p>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, Construction in progress in trust.</p>
---	--

(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 December 31, 2022	As of June 30, 2023
	50,000	50,000

[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 July 1, 2022 to December 31, 2022	From January 1, 2023 to June 30, 2023
--	---	--

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)	2,603,324	2,572,178
(Variable rent linked to actual output)	1,111,032	880,587
(Incidental income)	794	4
Total operating revenue from the rental business of renewable energy power generation facilities, etc.	3,715,150	3,452,770

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)	254,787	252,922
(Repair and maintenance costs)	50,561	29,835
(Taxes and duties)	243,242	211,913
(Utilities expenses)	6,915	7,262
(Insurance expenses)	37,243	58,314
(Depreciation expenses)	1,453,152	1,454,481
(Land rent)	62,096	62,044
(Trust fees)	6,600	6,600
(Other rental expenses)	49	49
Total operating expenses from the rental business of renewable energy power generation facilities, etc.	2,114,647	2,083,424

C. Profits and losses from the rental business of renewable energy power generation facilities, etc. (A-B)

	1,600,502	1,369,346
--	-----------	-----------

[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 July 1, 2022 to December 31, 2022	From January 1, 2023 to June 30, 2023
Total number of authorized investment units	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	386,656 units	386,656 units

[NOTES TO STATEMENT OF CASH FLOWS]

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

(Unit: thousand yen)

	From July 1, 2022 to December 31, 2022	From January 1, 2023 to June 30, 2023
Cash and deposits	5,271,544	4,989,834
Fixed term deposits exceeding 3 months	-	-
Cash and cash equivalents	5,271,544	4,989,834

[NOTES ON LEASE TRANSACTIONS]

Operating lease (as the lessor)

Future minimum lease payments

(Unit: thousand yen)

	Fiscal period ended December 31, 2022	Fiscal period ended June 30, 2023
Within one year	5,142,217	5,108,927
Longer than one year	68,750,697	66,556,237
Total	73,892,914	71,665,164

[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 December 31, 2022, and the difference between them. With respect to cash and deposits and operating account receivable, the condition that the cash and deposits are settled in the short term, and thus the market value is considered to be close to the book value. Accordingly, those are not included in the table. Long-term bank deposits and security deposits are not included in the table since those have little relevance.

(Unit: thousand yen)

	Book value	Fair value	Difference
(1) Current portion of long-term loans payable	2,275,477	2,278,187	2,709
(2) Long-term loans payable	30,512,844	30,766,331	253,487
(3) Investment corporation bond	4,900,000	4,894,170	(5,830)
Total liabilities	37,688,321	37,938,688	250,367
(4) Derivative transaction	-	-	-

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

(1) Current portion of long-term loans payable (2) 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.

(3) Investment Corporation Bond

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

(4) 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 June 30, 2023, and the difference between them. With respect to cash and deposits and operating account receivable, the condition that the cash and deposits are settled in the short term, and thus the market value is considered to be close to the book value. Accordingly, those are not included in the table. Long-term bank deposits and security deposits are not included in the table since those have little relevance.

(Unit: thousand yen)

	Book value	Fair value	Difference
(1) Current portion of long-term loans payable	2,267,295	2,268,972	1,676
(2) Long-term loans payable	29,376,343	29,513,817	137,474
(3) Investment corporation bond	4,900,000	4,885,960	(14,040)
Total liabilities	36,543,639	36,668,750	125,110
(4) Derivative transaction	-	-	-

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

(1) Current portion of long-term loans payable (2) 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.

(3) Investment Corporation Bond

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

(4) Derivative transaction

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

(Note 2) Scheduled redemption amount of loans payables after the closing date (December 31, 2022)

(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
Long-term loans payable	2,275,477	2,228,931	2,270,245	2,256,998	9,570,112	14,186,556
Investment corporation bond	-	1,100,000	-	3,800,000	-	-
Total	2,275,477	3,328,931	2,270,245	6,056,998	9,570,112	14,186,556

Scheduled redemption amount of loans payables after the closing date (June 30, 2023)

(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
Long-term loans payable	2,267,295	2,206,896	2,301,459	2,240,050	9,164,997	13,462,939
Investment corporation bond	-	1,100,000	3,800,000	-	-	-
Total	2,267,295	3,306,896	6,101,459	2,240,050	9,164,997	13,462,939

[NOTES ON SECURITIES]

Prior fiscal period (as of December 31, 2022)

Not applicable.

Current fiscal period (as of June 30, 2023)

Not applicable.

[NOTES ON DERIVATIVE TRANSACTIONS]

1. Those to which hedge accounting is not applied

Prior fiscal period (as of December 31, 2022) and Current fiscal period (as of June 30, 2023)

Not applicable.

Prior fiscal period (as of December 31, 2022)

(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	32,788,321	30,512,844	(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) (1) Current portion of long-term loans payable and (2) 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 June 30, 2023)

(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	31,643,639	29,376,343	(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) (1) Current portion of long-term loans payable and (2) 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 December 31, 2022)

Not applicable.

Current fiscal period (as of June 30, 2023)

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 December 31, 2022	Fiscal period ended June 30, 2023
Deferred tax assets		
Accrued business tax not deductible from taxable income	15	12
Non-deductible excess depreciation	-	60
Total deferred tax assets	15	72
Net amount of deferred tax assets	15	72

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 December 31, 2022	Fiscal period ended June 30, 2023
Effective statutory tax rate	31.46%	31.46%
(Adjustment)		
Dividends paid deductible for tax purpose	(31.43)%	(31.44)%
Others	0.05%	0.06%
Rate of burden of corporate tax and other taxes after the application of tax effect accounting	0.08%	0.08%

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

Prior fiscal period (from July 1, 2022 to December 31, 2022)

Not applicable.

Current fiscal period (from January 1, 2023 to June 30, 2023)

Not applicable.

[NOTES ON RELATED PARTY TRANSACTIONS]

Prior fiscal period (from July 1, 2022 to December 31, 2022)

Not applicable.

Current fiscal period (from January 1, 2023 to June 30, 2023)

Not applicable.

[NOTES ON ASSET RETIREMENT OBLIGATIONS]

Prior fiscal period (from July 1, 2022 to December 31, 2022)

Not applicable.

Current fiscal period (from January 1, 2023 to June 30, 2023)

Not applicable.

With respect to some of the renewable energy power generation facilities that the Investment Corporation owns directly or as assets in trust, it bears the obligation of restoring relevant sites to their original conditions according to land lease contracts concluded with landowners. With these contracts being subject to automatic renewal, expected to be renewed unless there are special circumstances, or being highly likely to be renewed or re-concluded, the Investment Corporation has difficulty in reasonably estimating until when such contracts will remain effective. It therefore has not posted asset retirement obligations to reflect the said obligation. In addition, the Investment Corporation considers that the possibility of such contracts being

cancelled is extremely low because it is difficult to use land covered by the contracts for purposes other than renewable energy power generation facilities.

[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 December 31, 2022	Fiscal period ended June 30, 2023
Book value (Note 2)		
Beginning balance	72,411,603	71,027,800
Change during the period (Note 3)	(1,383,803)	(1,430,893)
Ending balance	71,027,800	69,596,907
Fair value at the end of the period (Note 4)	75,519,000	74,876,000

(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 December 31, 2022 primarily consisted of the increase due to capital expenditure for photovoltaic power generation facilities (69,349 thousand yen), and the decrease due to depreciation expenses (1,453,152 thousand yen). And the change during the period ended June 30, 2023 primarily consisted of the increase due to capital expenditure for photovoltaic power generation facilities (23,588 thousand yen), and the decrease due to depreciation expenses (1,454,481 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 December 31, 2022 and June 30, 2023, 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 December 31, 2022 and June 30, 2023, which was obtained from Kroll International Inc (for S-19 to S-25). The fair value which is the total sum of the median amount stated in the valuation report of Kroll International Inc is rounded down to the nearest million yen.

In addition, profits and losses from the renewable energy power generation facilities, etc. for the fiscal period ended December 31, 2022 (the 11th period) and June 30, 2023 (the 12th period) are as stated in the "Notes to statement of income" above.

[NOTES ON REVENUE RECOGNITION]

Not applicable.

[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 July 1, 2022 to December 31, 2022)

(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.	2,522,080	Renewable energy power generation facilities, etc. rental business
LOHAS ECE 2 G.K.	1,192,276	Renewable energy power generation facilities, etc. rental business

Current fiscal period (from January 1, 2023 to June 30, 2023)

(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.	2,785,578	Renewable energy power generation facilities, etc. rental business
LOHAS ECE 2 G.K.	667,187	Renewable energy power generation facilities, etc. rental business

[NOTES ON PER UNIT INFORMATION]

	Prior fiscal period From July 1, 2022 December 31, 2022	Current fiscal period From January 1, 2023 June 30, 2023
Net assets per unit	103,053 yen	101,898 yen
Net income (Net loss) per unit	3,138 yen	2,594 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 July 1, 2022 December 31, 2022	Current fiscal period From January 1, 2023 June 30, 2023
Net income (Net loss) (Thousand yen)	1,213,400	1,003,182
Amount not attributable to common unit holders (Thousand yen)	-	-
Net income (Net loss) attributable to Common unit holders (Thousand yen)	1,213,400	1,003,182
Average number of investment units during the period (Units)	386,656	386,656

[NOTES ON FACTS ARISING AFTER THE SETTLEMENT OF ACCOUNTS]

(i) Issuance of new investment units

The payment on July 18, 2023 for the issuance of new investment units through public offering and the payment on August 10, 2023 for the new investment units to be issued through third-party allotment have been completed, that were resolved at the

board of directors meeting regarding the issuance of new investment units held on June 30, 2023, as follows. As a result, the total amount of unitholders' capital is 45,718,564 thousand yen, and the total number of investment units issued and outstanding is 451,756 units as of the date of issuance of this statement.

(a) Issuance of new investment units through public offering

Number of investment units to be offered	62,000 units
Issue Price (Offer Price)	117,292 yen per unit
Total Issue Price (Total Offer Price)	7,272,104,000 yen
Amount to be paid in (Issue Value)	112,480 yen per unit
Total amount to be paid in (Total Issue Value)	6,973,760,000 yen
Payment Date	Tuesday, July 18, 2023
Use of proceed	The net proceeds from the public offering were used for a part of the fund for the acquisition of specified assets described in (iii) Acquisition of assets, as follows.

(b) New investment units to be issued through third-party allotment

Number of units to be issued	3,100 units
Amount to be paid in (Issue Value)	112,480 yen per unit
Total amount to be paid in (Total Issue Value)	348,688,000 yen
Allottee	Mizuho Securities Co., Ltd.
Payment date	Thursday, August 10, 2023
Use of proceed	The proceeds from the issuance of new investment units through the third-party allotment shall be reserved as funds in hand to be allocated to a part of the fund for acquiring the specified assets (as set forth in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations), that satisfy the eligibility criteria set forth in the Green Finance Framework formulated by CSIF in the future or a part of the fund for repaying existing loans.

(ii) Borrowing of funds

CSIF completed the borrowing of funds (hereinafter referred to as the “Borrowings”) on July 19, 2023, as followings. The funds from the Borrowings were used for a part of the fund for the acquisition of specified assets and other related costs described in (iii) Acquisition of assets, as follows.

Type (Note 1)	Lenders	Borrowing Amount	Interest Rate (Note 2)	Drawdown Date	Borrowing Method	Maturity Date	Repayment Method (Note 3)	Security / Guarante e (Note 4)
Long-term	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd. and SBI Shinsei Bank, Limited as arrangers and MUFG Bank, Ltd. and Sumitomo Mitsui Trust Bank, Limited as co-arranger	¥5,800 million (Note 5)	Base rate plus 0.45% (Note 6)	July 19, 2023	Borrowing based on individual term loan agreements entered into on July 12, 2023 with the lenders listed in the left column	The corresponding date at 10 years from the drawdown date	Balloon (Note 5)	Unsecured, unguaranteed
Long-term	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd. and SBI Shinsei Bank, Limited as arrangers and MUFG Bank, Ltd. and Sumitomo Mitsui Trust Bank, Limited as co-arranger	¥5,800 million (Note 5)	Base rate plus 0.45% (Note 6) (Note 9)	July 19, 2023	Borrowing based on individual term loan agreements entered into on July 12, 2023 with the lenders listed in the left column	The corresponding date at 10 years from the drawdown date	Balloon (Note 5)	Unsecured, unguaranteed
Short-term	Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd. and SBI Shinsei Bank, Limited	¥1,100 million (Note 7)	Base rate plus 0.20% (Note 8)	July 19, 2023	Borrowing based on individual term loan agreements entered into on July 12, 2023 with the lenders listed in the left column	The earlier date of (i) July 19, 2024 or (ii) the first interest payment date after the consumption tax refund date	Bullet	Unsecured, unguaranteed

(Note 1) “Long-term” refers to borrowings that have a period of over one year from the drawdown date to the maturity date and “Short-term” refers to

borrowings that have a period of less than one year from the drawdown date to the maturity date.

(Note 2) Finance-related costs paid to the lenders are not included.

(Note 3) CSIF can make an early repayment during the period from the drawdown date to the maturity date of all or settlement date of CSIF, such as the total amount of interest-bearing liabilities to the total asset value, debt-to-equity ratio and debt service coverage ratios as indicators to determine the ability of CSIF to repay the loan. Breaches of such covenants for 2 successive fiscal periods or an occurrence of an acceleration event could result in being required to grant security interests in favor of the lenders.

(Note 5) The first principal repayment date will be December 31, 2023, and subsequent principal repayment dates will be the last days of June and December (if a principal repayment date is not a business day, then the payment will be made on the immediately succeeding business day; provided, however, that if such payment day falls into the following month, then the payment will be made on the immediately preceding business day) and the remaining principal on the maturity date will be repaid in a single installment (balloon amortization). The rate of capital redemption planned on December 31, 2023 is 2.90% of the Borrowing Amount if the loan takes the balloon payment method.

(Note 6) The applicable base rate for each interest calculation period (being 3 months, excluding the first and last interest period) for the calculation of the interest payable on the interest payment date will be the 3 month Japanese yen TIBOR (Tokyo Interbank Offered Rate) announced by the General Incorporated Association JBA (Japanese Bankers Association) TIBOR Administration on the 2nd business day prior to the drawdown date for the first interest calculation period and on the 2nd business day prior to the beginning of each relevant interest calculation period thereafter. The applicable base rate will be revised for each interest period. However, if a corresponding base rate is not available for an interest calculation period, the base rate will be calculated using the method agreed in the relevant loan agreement. Fluctuations in JBA's TIBOR can be checked at the General Incorporated Association JBA TIBOR Administration's website (<https://www.jbatibor.or.jp/rate/>).

(Note 7) Bridge Loan for Consumption Tax Payment is used to pay consumption tax, and it is to be repaid by the tax refund.

(Note 8) The applicable base rate for each interest calculation period (being 1 month, excluding the first and last interest period) for the calculation of the interest payable on the interest payment date will be the 1 month Japanese yen TIBOR (Tokyo Interbank Offered Rate) announced by the General Incorporated Association JBA (Japanese Bankers Association) TIBOR Administration on the 2nd business day prior to the drawdown date for the first interest calculation period and on the 2nd business day prior to the beginning of each relevant interest calculation period thereafter. The applicable base rate will be revised for each interest period. However, if a corresponding base rate is not available for an interest calculation period, the base rate will be calculated using the method agreed in the relevant loan agreement. Fluctuations in JBA's TIBOR can be checked at the General Incorporated Association JBA TIBOR Administration's website (<https://www.jbatibor.or.jp/rate/>).

(Note 9) The interest rate was fixed at 1.26950% with the execution of the interest rate swap agreement effective on August 10th, 2023.

(iii) Acquisition of assets

CSIF acquired the following solar energy facilities, etc. on July 19, 2023.

Asset number (Note 1)	Project name	Location (Note 2)	Acquisition price (¥ million)
S-26	CS Fukuyama-shi Power Plant	Fukuyama-shi, Hiroshima	1,340
S-27	CS Shichikashukumachi Power Plant (Note 3)	Katta-gun, Miyagi	3,240
S-28	CS Kama-shi Power Plant	Kama-shi, Fukuoka	586
S-29	CS Miyako-machi Saigawa Power Plant (Note 4)	Miyako-gun, Fukuoka	5,780
S-30	CS Kasama-shi Dai-san Power Plant	Kasama-shi, Ibaraki	5,840
Total			16,786

(Note 1) Asset numbers are assigned to the projects, based on the classification of the renewable energy power generation facility. "S" denotes a solar energy project.

(Note 2) Based on the land or parcel of land upon which the solar energy facility is located, as described in the property registry. The address is described down to the city or district level.

(Note 3) With respect to CS Shichikashuku-machi Power Plant, CSIF paid 345,173,638 yen, which is equivalent to the land rent after July 1, 2023, the first day on which the income and expenses of the property vest in CSIF, to the seller in settlement of the amount paid as advance land rent under the agreement for the establishment of surface rights to which the seller is a party, in addition to the anticipated acquisition price.

(Note 4) CS Miyako-machi Saigawa Power Plant is a solar power generation facility consisting of CS Miyako-machi No. 1 Power Plant, CS Miyako-machi No. 2 Power Plant, CS Miyako-machi No. 3 Power Plant, CS Miyako-machi No. 4 Power Plant, CS Miyako-machi No. 9 Power Plant and CS Miyako-machi No. 10 Power Plant, each of which is independently certified as a facility under the pre-revision Act of 2016 on Special Measures Concerning Procurement of Renewable Energy Electricity by Electric Utilities Article 6, Paragraph 1 (Law No. 108 of 2011, including subsequent amendments) (hereinafter referred to as the "Renewable Energy Special Measures Act"), and is managed as a single solar energy facility.

(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)
March 5, 2021	Capital increase by public offering	151,500	382,690	18,106	38,982	(Note 12)
March 16, 2021	Cash distribution in excess of earnings (refund of investment)	-	382,690	(138)	38,843	(Note 13)
April 7, 2021	Capital increase by third-party allotment	3,966	386,656	474	39,317	(Note 14)
September 15, 2021	Cash distribution in excess of earnings (refund of investment)	-	386,656	(357)	38,960	(Note 15)

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	
March 15, 2022	Cash distribution in excess of earnings (refund of investment)	-	386,656	(327)	38,632	(Note 16)
March 14, 2023	Cash distribution in excess of earnings (refund of investment)	-	386,656	(236)	38,396	(Note 17)

(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 17, 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.

(Note 12) 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 ¥125,115 (issue value of ¥119,517) per unit.

(Note 13) CSIF decided, at a meeting of its Board of Directors held on February 17, 2021, to pay a cash distribution in excess of earnings (refund of investment) in an amount of ¥601 per unit for the seventh fiscal period (ended December 31, 2020), and began to pay it from March 16, 2021.

(Note 14) New investment units were issued to Mizuho Securities Co., Ltd. by third-party allotment at an issue price of ¥119,517 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 15) CSIF decided, at a meeting of its Board of Directors held on August 13, 2021, to pay a cash distribution in excess of earnings (refund of investment) in an amount of ¥924 per unit for the eighth fiscal period (ended June 30, 2021), and began to pay it from September 15, 2021.

(Note 16) CSIF decided, at a meeting of its Board of Directors held on February 14, 2022, to pay a cash distribution in excess of earnings (refund of investment) in an amount of ¥848 per unit for the ninth fiscal period (ended December 31, 2021), and began to pay it from March 15, 2022.

(Note 17) CSIF decided, at a meeting of its Board of Directors held on February 15, 2023, to pay a cash distribution in excess of earnings (refund of investment) in an amount of ¥612 per unit for the eleventh fiscal period (ended December 31, 2022), and began to pay it from March 14, 2022.

3. Reference

(1) Conditions of Investment

(as of June 30, 2023)

Type of asset	Region (Note 1)	Total Asset-Under-Management (AUM) ('000yen)	% of total AUM (Note 3)
Solar energy facility	Hokkaido/Tohoku	871,954	1.1
	Kanto	2,032,021	2.7
	Tokai	4,964,588	6.5
	Chugoku/Shikoku	8,667,802	11.4
	Kyushu	18,196,926	23.8
Subtotal		34,733,293	45.5
Land	Hokkaido/Tohoku	48,970	0.1
	Kanto	648,591	0.8
	Tokai	63,309	0.1
	Chugoku/Shikoku	560,196	0.7
	Kyushu	3,184,875	4.2
Subtotal		4,505,944	5.9
Land lease	Hokkaido/Tohoku	69,417	0.1
	Kanto	59,197	0.1
	Tokai	332,421	0.4
	Chugoku/Shikoku	3,415	0.0
	Kyushu	692,471	0.9
Subtotal		1,156,923	1.5
Solar energy facility in trust	Hokkaido/Tohoku	3,255,577	4.3
	Kyushu	21,175,262	27.7
Subtotal		24,430,840	32.0
Land in trust	Hokkaido/Tohoku	116,748	0.2
	Kyushu	4,653,157	6.1
Subtotal		4,769,905	6.2
Solar energy facility etc.	Hokkaido/Tohoku	4,362,667	5.7
	Kanto	2,739,810	3.6
	Tokai	5,360,319	7.0
	Chugoku/Shikoku	9,231,414	12.1
	Kyushu	47,902,694	62.7
Subtotal		69,596,907	91.1
Solar energy facility etc. total		69,596,907	91.1

Type of asset	Region (Note 1)	Total Asset-Under-Management (AUM) ('000yen)	% of total AUM (Note 3)
Saving/other assets		6,768,137	8.9
Asset total (Note 2)		76,365,045	100.0
Total liabilities		36,965,507	48.4
Total net assets		39,399,537	51.6

(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 June 30, 2023.

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

(2) Investment Assets

① Investment Securities

Not Applicable

② Investment Properties

Not Applicable

③Major Investment Assets

a. summary information for the CSIF

The following table provides summary information for the CSIF current 25 solar energy projects as of June 30, 2023.

Asset #	Category	Project name	Location	Site Area (m ²)	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 6, 2036
S-12	Solar Plant etc.	CS Kannami-cho Power Plant	Tagata-gun, Shizuoka	41,339	36	March 31, 2014	March 2, 2037
S-13	Solar Plant etc.	CS Mashiki-machi Power Plant	Kamimashiki-gun, Kumamoto	638,552 (Note2)	36	October 24, 2013	June 1, 2037
S-14	Solar Plant etc.	CS Koriyama-shi Power Plant	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 ²)	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 9, 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
S-24	Solar Plant etc.	CS Hiji-machi Dai-ni Power Plant	Hayami-gun, Oita	1,551,086 (Note 5)	40	March 15, 2013	October 30, 2039
S-25	Solar Plant etc.	CS Ogawara-machi Power Plant	Shibata-gun, Miyagi	123,624 (Note 6)	32	February 9, 2015	March 19, 2040

(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 right to lease land and 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.

(Note 5) Site area for the portion of the solar energy plants and high-voltage land and access roads under ownership and right to lease land is shown and excludes the portion of the land where we hold an easement.

(Note 6) Site area for the portion of the solar energy plants and high-voltage land and access roads under superficies and right to lease land 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) (Note 5)	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	460	328	447
						132	
S-02	CS Isa-shi Power Plant	Tida Power01 G.K.	Kyushu Electric Power Co., Inc	372	305	288	296
						17	
S-03	CS Kasama-shi Power Plant	Tida Power01 G.K.	TEPCO Energy Partner, Incorporated	907	853	635	766
						218	
S-04	CS Isa-shi Dai-ni Power Plant	Tida Power01 G.K.	Kyushu Electric Power Co., Inc	778	630	600	608
						29	
S-05	CS Yusui-cho Power Plant	Tida Power01 G.K.	Kyushu Electric Power Co., Inc	670	544	518	526
						25	
S-06	CS Isa-shi Dai-san Power Plant	Tida Power01 G.K..	Kyushu Electric Power Co., Inc	949	785	737	748
						48	
S-07	CS Kasama-shi Dai-ni Power Plant	Tida Power01 G.K..	TEPCO Energy Partner, Incorporated	850	738	696	666
						41	
S-08	CS Hiji-machi Power Plant	Tida Power01 G.K.	Kyushu Electric Power Co., Inc	1,029	845	815	801
						29	
S-09	CS Ashikita-machi Power Plant	Tida Power01 G.K..	Kyushu Electric Power Co., Inc	989	830	798	779
						31	
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	1,504	1,437	1,370
						67	
S-11	CS Minano-machi Power Plant	Tida Power01 G.K.	TEPCO Energy Partner, Incorporated	1,018	950	709	882
						241	
S-12	CS Kannami-cho Power Plant	Tida Power01 G.K..	TEPCO Energy Partner, Incorporated	514	476	441	463
						34	
S-13	CS Mashiki-machi Power Plant	Tida Power01 G.K.	Kyushu Electric Power Transmission and Distribution Co., Inc.	19,751	19,046	15,666	16,194
						3,380	
S-14	CS Koriyama-shi Power Plant	Tida Power01 G.K..	Tohoku Electric Power Co., Inc.	246	220	168	213
						51	

Asset #	Project name	Certified Operator	PPA company	Acquisition Price (million yen) (Note 1) (Note 5)	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-15	CS Tsuyama-shi Power Plant	Tida Power01 G.K..	The Chugoku Electric Power Co., Inc.	746	642	509	709
						133	
S-16	CS Ena-shi Power Plant	Tida Power01 G.K..	The Chubu Electric Power Miraiz Co., Inc.	757	713	679	587
						33	
S-17	CS Daisen-cho Power Plant (A) and (B)	Tida Power01 G.K..	Chugoku Electric Power Transmission & Distribution Company, Incorporated	10,447	9,147	8,832	8,521
						315	
S-18	CS Takayama-shi Power Plant	Tida Power01 G.K.	The Chubu Electric Power Miraiz Co., Inc.	326	289	231	305
						57	
S-19	CS Misato-machi Power Plant	Tida Power01 G.K.	TEPCO Energy Partner, Incorporated	470	397	283	425
						114	
S-20	CS Marumori-machi Power Plant	Tida Power01 G.K.	Tohoku Electric Power Network Co., Inc.	850	730	715	725
						14	
S-21	CS Izu-shi Power Plant	Tida Power01 G.K..	TEPCO Power Grid, Incorporated	4,569	3,998	3,795	4,003
						203	
S-22	CS Ishikari Shinshinotsu-mura Power Plant	Tida Power01 G.K.	Hokkaido Electric Power Network, Incorporated	680	579	520	654
						58	
S-23	CS Osaki-shi Kejonuma Power Plant	Tida Power01 G.K.	Tohoku Electric Power Network Incorporated Company	208	186	145	203
						40	
S-24	CS Hij-machi Dai-ni Power Plant	Tida Power01 G.K. (Note6)	Kyushu Electric Power Transmission and Distribution Co., Inc.	27,851	27,272	22,472	26,130
						4,800	
S-25	CS Ogawara-machi Power Plant	Tida Power 01 G.K.	Tohoku Electric Power Network Co.,Inc.	2,745	2,730	2,693	2,565
						36	
Total				80,001	74,876	64,717	69,596
						10,155	

- (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-25, the fiscal period end valuation is based on the median amount, which is rounded down to the nearest million yen, provided to us by Kroll International Inc. 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) The acquisition price of CS Mashiki-machi 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) LOHAS ECE2 G.K., which was the certified operator for CS Hij-machi Dai-ni Power Plant, was merged with Tida Power 01 G.K. as the surviving company on May 10, 2023. The same shall apply hereafter.

b. Revenue and expenses of individual renewable energy power generation facilities
Twelfth fiscal period (from January 1, 2023 to June 30, 2023)

(Unit: thousand yen)

Asset number	Total portfolio	S-01	S-02	S-03	S-04	S-05
Project name		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	2,572,178	17,897	13,669	34,609	28,183	25,618
Variable rent linked to actual output	880,587	4,313	3,961	12,261	7,593	2,703
Incidental income	4	0	-	-	-	-
Total operating revenue from the rental business of renewable energy power generation facilities, etc. (subtotal A)	3,452,770	22,211	17,631	46,871	35,777	28,322
Operating expenses from the rental business of renewable energy power generation facilities, etc.						
Taxes and duties	211,913	1,194	936	2,167	2,056	1,783
(Property-related taxes, etc.)	211,913	1,194	936	2,167	2,056	1,783
(Other taxes)	-	-	-	-	-	-
Expenses	417,029	2,769	2,874	6,433	6,990	5,974
(Management entrustment expenses)	252,922	2,177	1,610	2,914	2,921	2,988
(Repair and maintenance costs)	29,835	-	-	2,519	1,545	855
(Utilities expenses)	7,262	-	-	-	-	-
(Insurance expenses)	58,314	591	466	1,000	933	866
(Land rent)	62,044	-	797	-	1,590	1,263
(Trust fees)	6,600	-	-	-	-	-
(Other rental cost)	49	-	-	-	-	-
Depreciation cost	1,454,481	9,539	7,925	14,637	16,534	14,364
(Structures)	21,847	468	256	345	306	605
(Machinery and equipment)	873,900	9,029	7,651	14,258	16,186	13,519
(Tools, furniture and fixtures)	11,949	41	17	33	41	239
(Structures in trust)	121,860	-	-	-	-	-
(Machinery and equipment in trust)	422,988	-	-	-	-	-
(Tools, furniture and fixtures in trust)	1,934	-	-	-	-	-
Total operating revenue from the rental business of renewable energy power generation facilities, etc. (subtotal B)	2,083,424	13,504	11,736	23,238	25,581	22,122
Profits and losses from the rental business of renewable energy power generation facilities, etc. (A-B)	1,369,346	8,707	5,895	23,632	10,196	6,200

(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	34,073	34,188	36,242	34,121	60,618
Variable rent linked to actual output	8,278	12,032	12,274	10,068	16,865
Incidental income	-	-	-	-	-
Total operating revenue from the rental business of renewable energy power generation facilities, etc. (subtotal A)	42,352	46,221	48,517	44,189	77,483
Operating expenses from the rental business of renewable energy power generation facilities, etc.					
Taxes and duties	2,476	2,324	2,835	2,632	4,634
(Property-related taxes, etc.)	2,476	2,324	2,835	2,632	4,634
(Other taxes)	-	-	-	-	-
Expenses	6,812	11,472	7,060	6,785	11,539
(Management entrustment expenses)	3,732	2,874	4,248	3,938	5,553
(Repair and maintenance costs)	-	5,267	-	-	-
(Utilities expenses)	-	-	-	-	-
(Insurance expenses)	1,043	934	1,254	1,165	1,723
(Land rent)	2,036	2,396	1,557	1,681	4,261
(Trust fees)	-	-	-	-	-
(Other rental cost)	-	-	-	-	-
Depreciation cost	19,971	17,758	22,166	20,306	35,408
(Structures)	290	247	835	1,441	755
(Machinery and equipment)	19,629	17,468	21,252	18,612	34,403
(Tools, furniture and fixtures)	51	42	78	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)	29,260	31,555	32,062	29,724	51,581
Profits and losses from the rental business of renewable energy power generation facilities, etc. (A-B)	13,092	14,665	16,454	14,465	25,902

(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	34,802	19,248	634,560	7,916	23,809
Variable rent linked to actual output	9,489	7,589	157,504	4,129	7,889
Incidental income	-	-	-	-	-
Total operating revenue from the rental business of renewable energy power generation facilities, etc. (subtotal A)	44,291	26,838	792,064	12,046	31,698
Operating expenses from the rental business of renewable energy power generation facilities, etc.					
Taxes and duties	2,504	1,335	53,449	752	2,293
(Property-related taxes, etc.)	2,504	1,335	53,449	752	2,293
(Other taxes)	-	-	-	-	-
Expenses	5,290	3,991	86,885	1,080	3,589
(Management entrustment expenses)	3,814	1,809	70,262	829	2,943
(Repair and maintenance costs)	304	-	3,346	-	-
(Utilities expenses)	-	-	-	-	-
(Insurance expenses)	1,171	527	13,201	250	643
(Land rent)	-	1,653	75	-	1
(Trust fees)	-	-	-	-	-
(Other rental cost)	-	-	-	-	-
Depreciation cost	16,211	9,671	338,451	4,193	13,160
(Structures)	766	389	3,751	327	393
(Machinery and equipment)	15,445	9,226	326,797	3,866	12,462
(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)	24,006	14,998	478,785	6,025	19,044
Profits and losses from the rental business of renewable energy power generation facilities, etc. (A-B)	20,285	11,839	313,278	6,020	12,654

(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	25,868	321,310	10,852	15,068	31,901
Variable rent linked to actual output	13,215	184,490	16,866	6,911	15,904
Incidental income	3	-	-	-	-
Total operating revenue from the rental business of renewable energy power generation facilities, etc. (subtotal A)	39,086	505,800	27,719	21,979	47,805
Operating expenses from the rental business of renewable energy power generation facilities, etc.					
Taxes and duties	2,402	33,385	1,403	1,788	3,504
(Property-related taxes, etc.)	2,402	33,385	1,403	1,788	3,504
(Other taxes)	-	-	-	-	-
Expenses	5,147	67,816	2,617	1,966	8,454
(Management entrustment expenses)	2,807	40,508	1,291	1,425	2,883
(Repair and maintenance costs)	429	7,628	994	107	-
(Utilities expenses)	-	-	-	-	-
(Insurance expenses)	728	7,121	331	432	824
(Land rent)	1,183	12,558	-	-	4,745
(Trust fees)	-	-	-	-	-
(Other rental cost)	-	-	-	-	-
Depreciation cost	14,526	214,575	5,795	7,603	17,059
(Structures)	589	4,911	344	176	503
(Machinery and equipment)	13,840	208,881	5,430	7,345	16,320
(Tools, furniture and fixtures)	97	782	21	80	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)	22,077	315,777	9,816	11,357	29,017
Profits and losses from the rental business of renewable energy power generation facilities, etc. (A-B)	17,009	190,023	17,902	10,621	18,788

(Unit: thousand yen)

Asset number	S-21	S-22	S-23	S-24	S-25
Project name	CS Izu-shi Power Plant	CS Ishikari Shinshinotsu-mura Power Plant	CS Osaki-shi Kejonuma Power Plant	CS Hiji-machi Dai-ni Power Plant	CS Ogawara-machi Power Plant
Rental revenue of renewable energy power generation facilities, etc.					
Basic rent	153,464	21,199	6,657	843,148	103,146
Variable rent linked to actual output	74,165	15,847	3,880	229,068	43,279
Incidental income	-	-	-	0	-
Total operating revenue from the rental business of renewable energy power generation facilities, etc. (subtotal A)	227,630	37,047	10,537	1,072,217	146,425
Operating expenses from the rental business of renewable energy power generation facilities, etc.					
Taxes and duties	18,102	2,006	576	59,009	6,359
(Property-related taxes, etc.)	18,102	2,006	576	59,009	6,359
(Other taxes)	-	-	-	-	-
Expenses	26,438	6,513	1,998	104,787	21,738
(Management entrustment expenses)	13,018	3,221	1,394	62,960	10,789
(Repair and maintenance costs)	-	1,800	-	5,038	-
(Utilities expenses)	-	-	-	7,262	-
(Insurance expenses)	2,246	891	303	17,118	2,538
(Land rent)	11,173	-	-	8,757	6,310
(Trust fees)	-	600	300	3,600	2,100
(Other rental cost)	-	-	-	49	-
Depreciation cost	87,835	13,015	3,600	475,621	54,545
(Structures)	4,142	-	-	-	-
(Machinery and equipment)	82,271	-	-	-	-
(Tools, furniture and fixtures)	1,421	-	-	-	-
(Structures in trust)	-	547	300	114,150	6,862
(Machinery and equipment in trust)	-	12,427	3,276	360,434	46,850
(Tools, furniture and fixtures in trust)	-	40	23	1,037	833
Total operating revenue from the rental business of renewable energy power generation facilities, etc. (subtotal B)	132,375	21,535	6,175	639,418	82,644
Profits and losses from the rental business of renewable energy power generation facilities, etc. (A-B)	95,255	15,511	4,362	432,799	63,781

(3) Plan for capital expenditure

Not applicable.

(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 Kasama-shi Power Plant (Kasama-shi, Ibaraki)	PCS 6th year inspection	From April 18, 2023 To April 21, 2023	5,370
CS Kasama-shi Dai-ni Power Plant (Kasama-shi, Ibaraki)	PCS 6th year inspection	From April 4, 2023 To April 7, 2023	5,370
CS Mashiki-machi Power Plant (Kamimashiki-gun, Kumamoto)	Renovation work for the second retention pond	From February 18 2023 To February 23, 2023	7,216
CS Mashiki-machi Power Plant (Kamimashiki-gun, Kumamoto)	Cable protection work for the second work area for weeding	From February 20, 2023 To March 27, 2023	2,665
Other Power Plants			2,967
Total			23,588