



S-17 CS Daisen-cho  
Power Plant (A&B)

Security Code **9284**

Asset Manager  
Canadian Solar Asset management K.K.

10<sup>th</sup> FP (ended June 2022)  
**Presentation Materials**  
Canadian Solar Infrastructure Fund, Inc.



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# 1. Financial Highlights



# Financial highlights of 10<sup>th</sup> FP

- Operating revenues of the 10<sup>th</sup> FP exceeded the initial forecast with actual energy output of portfolio exceeding the forecast due to continuous favorable weather from January to June 2022
- The impact of curtailments on operating revenues was reduced to a certain extent due to a significant decrease in the number of curtailments compared to the same period last year, as well as the accelerated installation of online curtailment controllers
- As a result, net income exceeded the initial forecast by JPY 335 million, which contributed to a JPY 153 increase from the initial forecast in distributions per unit to JPY 3,903 (Composed entirely of profit distribution).

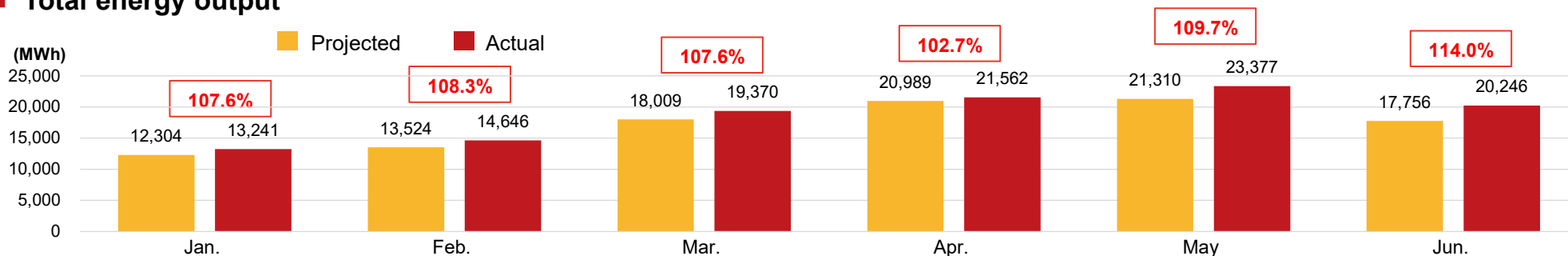
	9 <sup>th</sup> FP		10 <sup>th</sup> FP (ended Jun. 2022)		
	Actual	Forecast @Feb.14, 2022	Amendment @Jun.20, 2022	Actual	Increase / (Decrease) (vs Forecast)
<b>Statement of Income Data (million yen)</b>					
Operating revenues	3,587	3,704	3,920	4,060	356
Operating income	1,344	1,388	1,611	1,743	355
Income before income taxes	1,123	1,174	1,369	1,509	334
Net income	1,122	1,174	1,368	1,509	335
Distribution per unit (including distributions in excess of earnings) (yen)	3,750	3,750	3,800	3,903	153
Distributions per unit (excluding distributions in excess of earnings) (yen)	2,902	3,036	3,540	3,903	867
Distributions in excess of earnings per unit (yen)	848	714	260	-	(714)

Main difference (vs. forecast)		
Operating revenues	Increase in variable rent	356
Operating expenses	Decrease in IR expenses	4
	Decrease in professional fees	3
Non-operating incomes and expenses	Loss on retirement of fixed assets	(26)



# Portfolio Performance

- Actual energy output in the 10<sup>th</sup> FP exceeded the initial forecast in all months, due to the high irradiation resulted by generally fine weather from January to June and the impact of curtailment was less than the previous year
- 10th FP actual energy output ÷ projected energy output = 108.23%  
(8th FP (corresponding period of the previous year): 100.49%)
- Total energy output

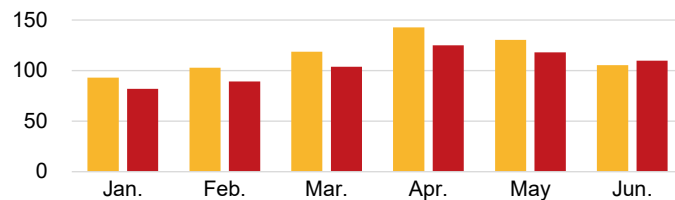


## Energy output by project

**S-01 CS Shibushi-shi Power Plant**



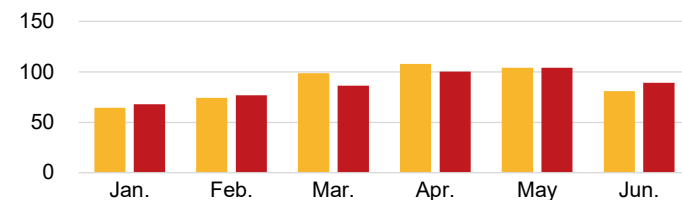
(MWh)



**S-02 CS Isa-shi Power Plant**



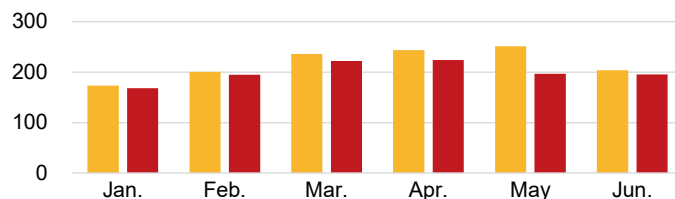
(MWh)



**S-03 CS Kasama-shi Power Plant**



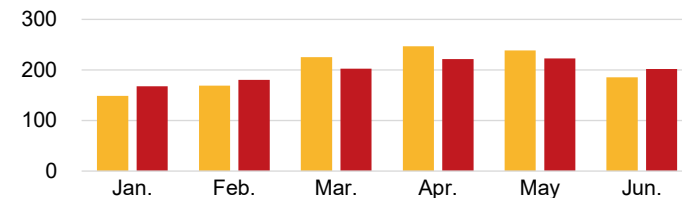
(MWh)



**S-04 CS Isa-shi Dai-ni Power Plant**



(MWh)



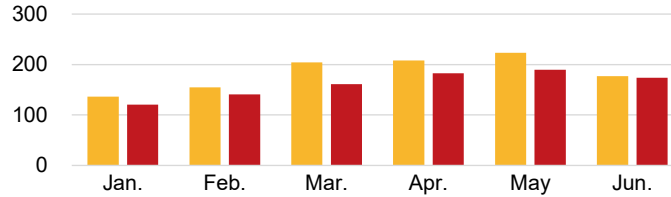


# Portfolio Performance

**S-05 CS Yusui-cho  
Power Plant**



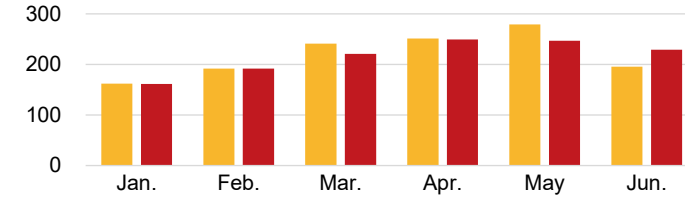
(MWh)



**S-06 CS Isa-shi Dai-san  
Power Plant**



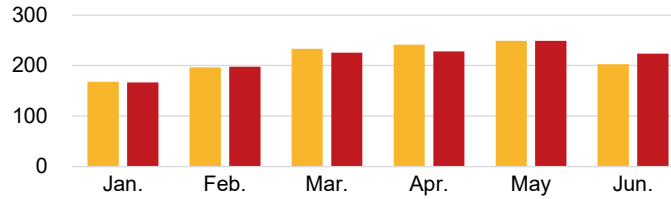
(MWh)



**S-07 CS Kasama-shi  
Dai-ni Power Plant**



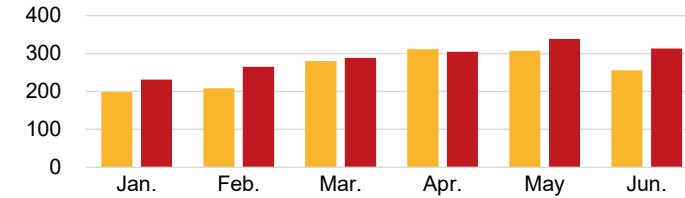
(MWh)



**S-08 CS Hiji-machi  
Power Plant**



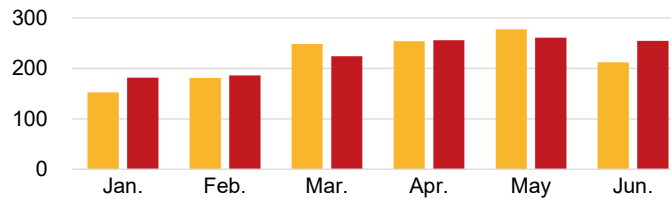
(MWh)



**S-09 CS Ashikita-machi  
Power Plant**



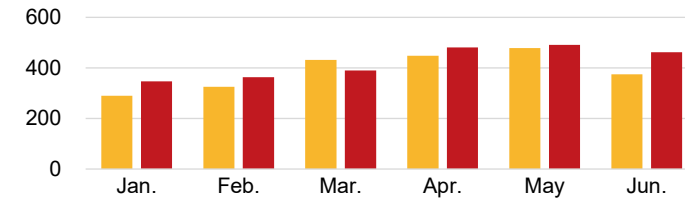
(MWh)



**S-10 CS Minami  
Shimabara-shi  
Power Plant (East & West)**



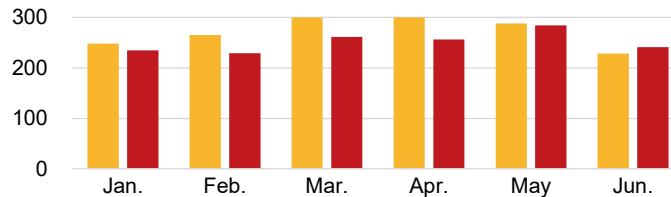
(MWh)



**S-11 CS Minano-machi  
Power Plant**



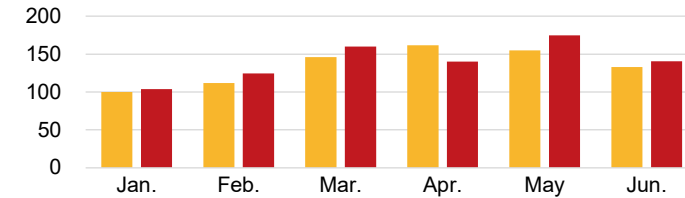
(MWh)



**S-12 CS Kannami-cho  
Power Plant**



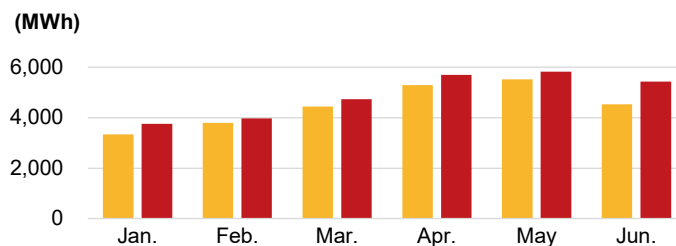
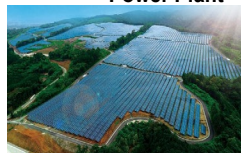
(MWh)



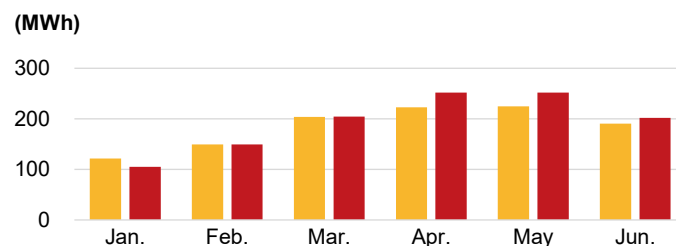


# Portfolio Performance

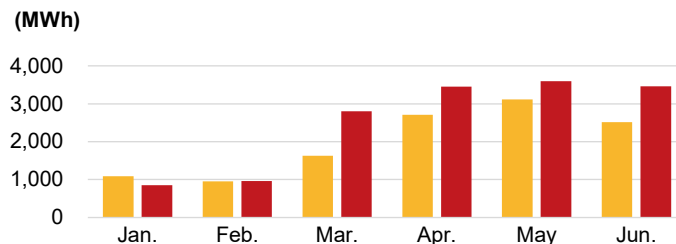
**S-13 CS Mashiki-machi Power Plant**



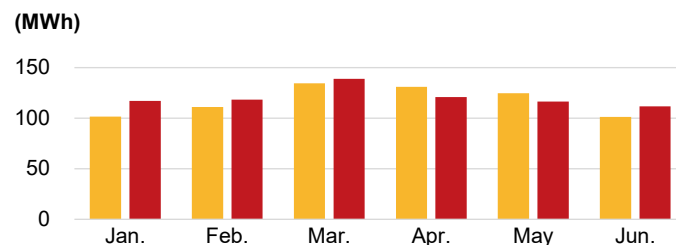
**S-15 CS Tsuyama-shi Power Plant**



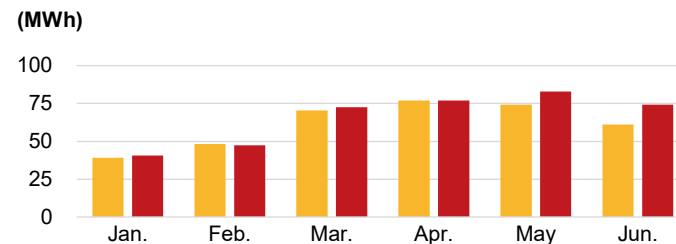
**S-17 CS Daisen-cho Power Plant (A&B)**



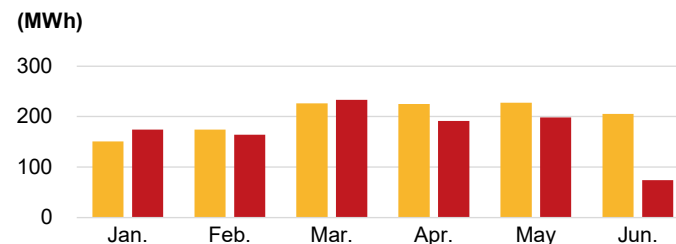
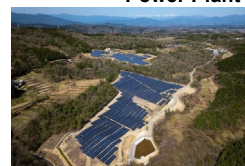
**S-19 CS Misato-machi Power Plant**



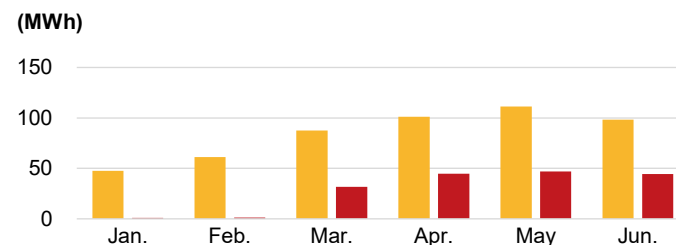
**S-14 CS Koriyama-shi Power Plant**



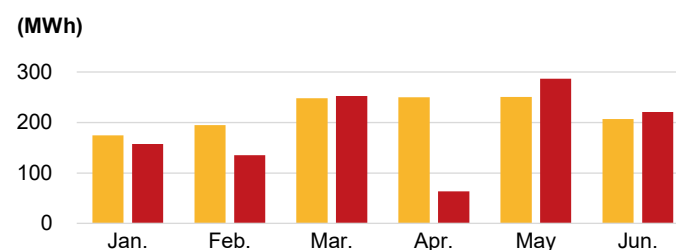
**S-16 CS Ena-shi Power Plant**



**S-18 CS Takayama-shi Power Plant**



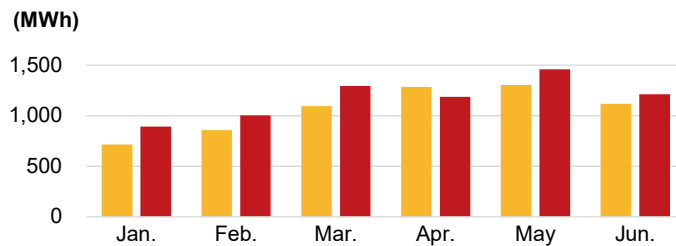
**S-20 CS Marumori-machi Power Plant**



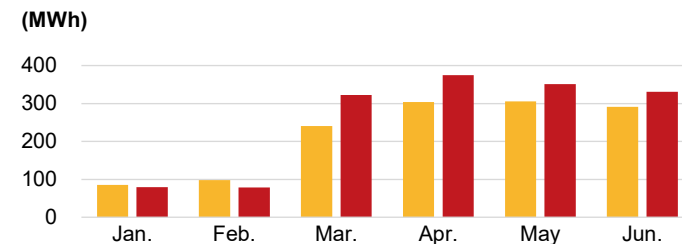


# Portfolio Performance

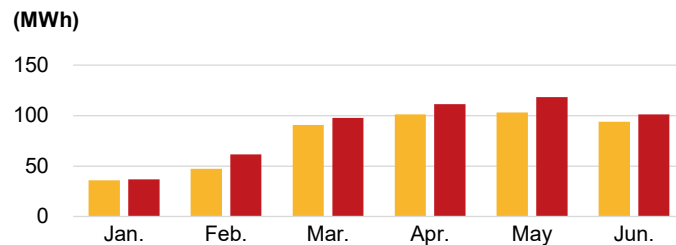
**S-21 CS Izu-shi  
Power Plant**



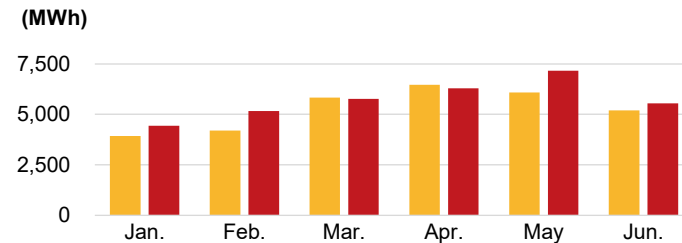
**S-22 CS Ishikari  
Shinshinotsu-mura  
Power Plant**



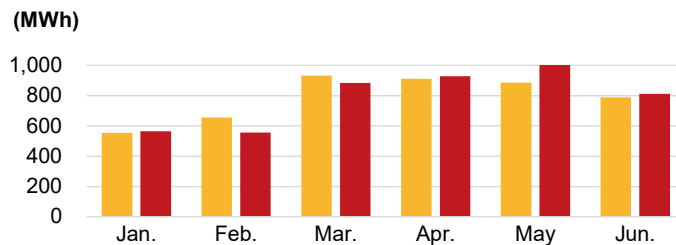
**S-23 CS Osaki-shi  
Kejonuma Power Plant**



**S-24 CS Hiji-machi Dai-ni  
Power Plant**



**S-25 CS Ogawara-machi  
Power Plant**



# Asset List – Power Plant Data, Valuation and etc.

No.	Project name	Location	Acquisition Price (million yen)	Valuation Price (million yen) (Note)	Portfolio %	Panel Output (kW)	FIT Price (yen)	Electric Power service area	Curtailment rules	Online curtailment system status
S-01	CS Shibushi-shi Power Plant	Shibushi-shi, Kagoshima	540	494	0.6%	1,224.00	40	Kyushu	30-day rule	○
S-02	CS Isa-shi Power Plant	Isa-shi, Kagoshima	372	329	0.4%	931.77	40	Kyushu	30-day rule	○
S-03	CS Kasama-shi Power Plant	Kasama-shi, Ibaraki	907	921	1.2%	2,127.84	40	Tokyo	30-day rule	
S-04	CS Isa-shi Dai-ni Power Plant	Isa-shi, Kagoshima	778	683	0.9%	2,013.99	36	Kyushu	30-day rule	○
S-05	CS Yusui-cho Power Plant	Aira-gun, Kagoshima	670	589	0.8%	1,749.30	36	Kyushu	30-day rule	○
S-06	CS Isa-shi Dai-san Power Plant	Isa-shi, Kagoshima	949	845	1.1%	2,225.08	40	Kyushu	30-day rule	○
S-07	CS Kasama-shi Dai-ni Power Plant	Kasama-shi, Ibaraki	850	795	1.0%	2,103.75	40	Tokyo	30-day rule	
S-08	CS Hiji-machi Power Plant	Hayami-gun, Oita	1,029	913	1.2%	2,574.99	36	Kyushu	30-day rule	○
S-09	CS Ashikita-machi Power Plant	Ashikita-gun, Kumamoto	989	891	1.2%	2,347.80	40	Kyushu	30-day rule	○
S-10	CS Minamishimabara-shi Power Plant (East & West)	Shimabara-shi, Nagasaki	1,733	1,610	2.1%	3,928.86	40	Kyushu	30-day rule	○
S-11	CS Minano-machi Power Plant	Chichibu-gun, Saitama	1,018	1,024	1.3%	2,448.60	32	Tokyo	30-day rule	
S-12	CS Kannami-cho Power Plant	Tagata-gun, Shizuoka	514	504	0.7%	1,336.32	36	Tokyo	30-day rule	
S-13	CS Mashiki-machi Power Plant	Kamimashiki-gun, Kumamoto	19,751	19,994	26.2%	47,692.62	36	Kyushu	30-day rule	○
S-14	CS Koriyama-shi Power Plant	Koriyama-shi, Fukushima	246	227	0.3%	636.00	32	Tohoku	30-day rule	
S-15	CS Tsuyama-shi Power Plant	Tsuyama-shi, Okayama	746	680	0.9%	1,930.50	32	Chugoku	30-day rule	○

(Note) "Price" refers to the median project valuation report amount, which is the estimated values provided to us by PricewaterhouseCoopers Sustainability LLC (S01 – S18) and Kroll, LLC (S-19 – S-25) in its project valuation reports as of June 30, 2022.



# Asset List – Power Plant Data, Valuation and etc.

No.	Project name	Location	Acquisition Price (million yen)	Valuation Price (million yen) (Note)	Portfolio %	Panel Output (kW)	FIT Price (yen)	Electric Power service area	Curtailment rules	Online curtailment system status
S-16	CS Ena-shi Power Plant	Ena-shi, Gifu	757	746	1.0%	2,124.20	32	Chubu	360-hour rule	○
S-17	CS Daisen-cho Power Plant(A)(B)	Saihaku-gun, Tottori	10,447	9,320	12.2%	27,302.40	40	Chugoku	30-day rule	13th FP (Scheduled)
S-18	CS Takayama-shi Power Plant	Takayama-shi, Gifu	326	294	0.4%	962.28	32	Chubu	360-hour rule	○
S-19	CS Misato-machi Power Plant	Kodama-gun, Saitama-ken	470	413	0.5%	1,082.88	32	Tokyo	30-day rule	
S-20	CS Marumori-machi Power Plant	Igu-gun, Miyagi	850	738	1.0%	2,194.50	36	Tohoku	Unlimited and Uncompensated rule	○
S-21	CS Izu-shi Power Plant	Izu-shi, Shizuoka	4,569	4,091	5.4%	10,776.80	36	Tokyo	30-day rule	13th FP (Scheduled)
S-22	CS Ishikari Shinshinotsu-mura Power Plant	Ishikari-gun, Hokkaido	680	599	0.8%	2,384.64	24	Hokkaido	Unlimited and Uncompensated rule	○
S-23	CS Osaki-shi Kejonuma Power Plant	Osaki-shi, Kejonuma	208	193	0.3%	954.99	21	Tohoku	Unlimited and Uncompensated rule	○
S-24	CS Hiji-machi Dai-ni Power Plant	Hayami-gun, Oita	27,851	26,781	35.1%	53,403.66	40	Kyushu	30-day rule	○
S-25	CS Ogawara-machi Power Plant	Shibata-gun, Miyagi	2,745	2,687	3.5%	7,515.35	32	Tohoku	Unlimited and Uncompensated rule	○
Total			80,001	76,365	100.00%	183,973.12	-	-	-	-

(Note) "Price" refers to the median project valuation report amount, which is the estimated values provided to us by PricewaterhouseCoopers Sustainability LLC (S01 – S18) and Kroll, LLC (S-19 – S-25) in its project valuation reports as of June 30, 2022.





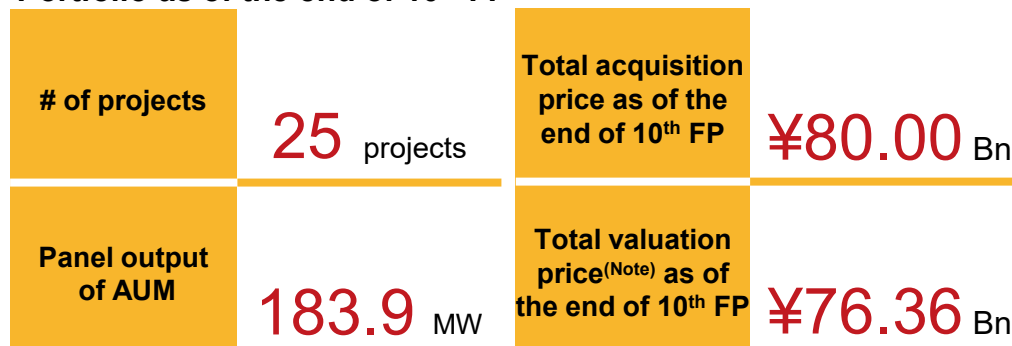
## 2. Major Topics



# AUM Snapshot

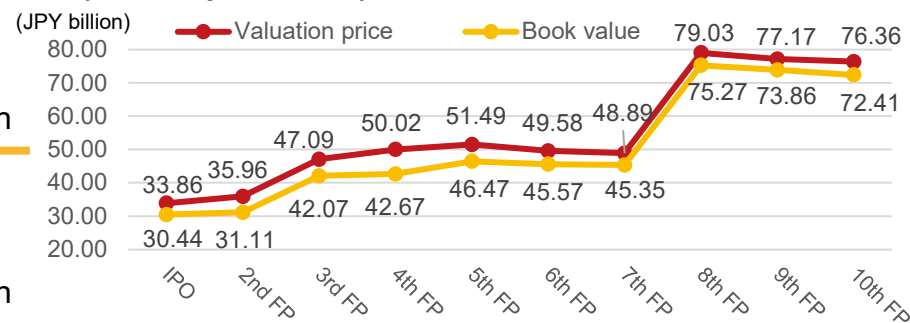
- A summary of AUM as of the end of 10<sup>th</sup> FP. The fund has 25 power plants with total panel output of 184 MW and the total acquisition price is approximately ¥80Bn, which maintains the largest scale among the listed infrastructure funds

## <Portfolio as of the end of 10<sup>th</sup> FP>

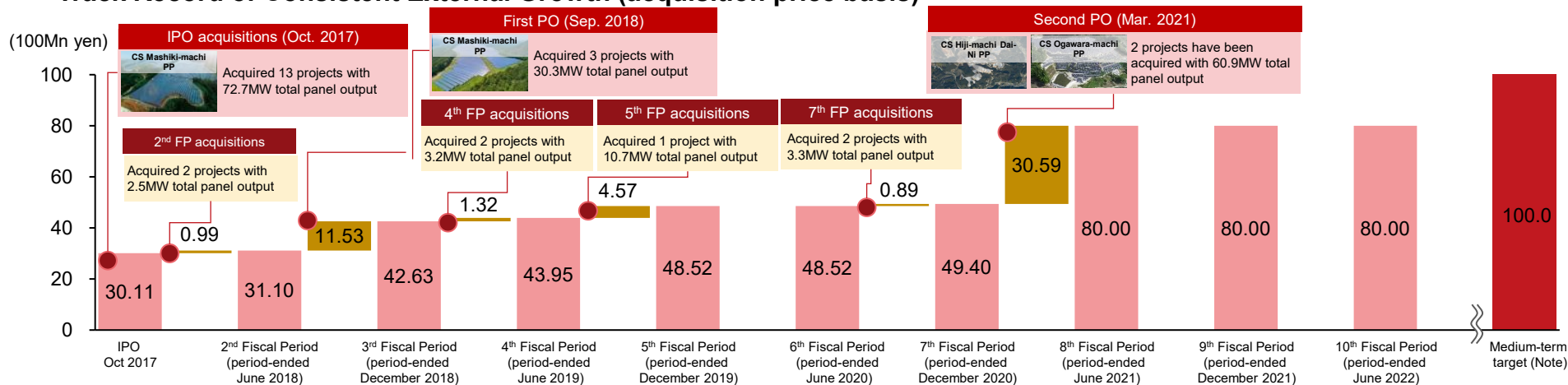


(Note) "Price" refers to the median project valuation report amount, which is the estimated values provided to us by PricewaterhouseCoopers Sustainability LLC and Kroll, LLC in its project valuation reports as of June 30, 2022.

## ■ Historical valuation and book value (after depreciation)



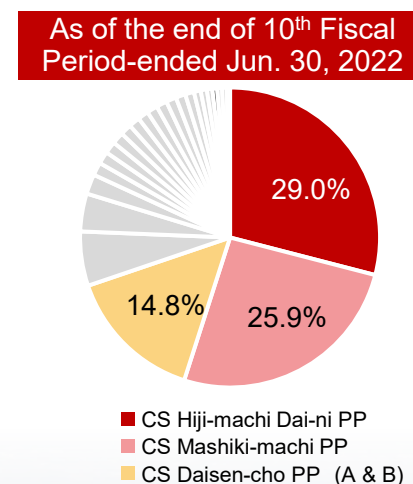
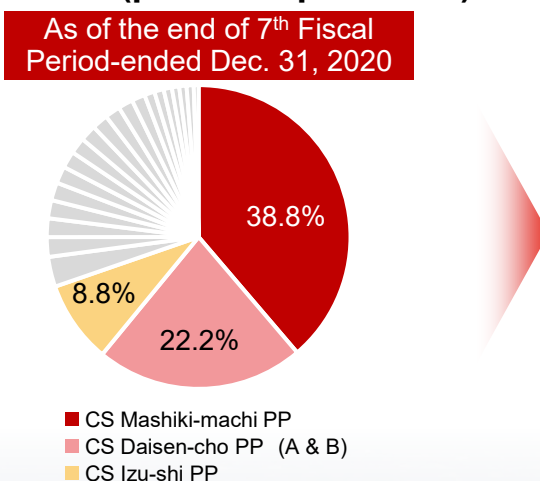
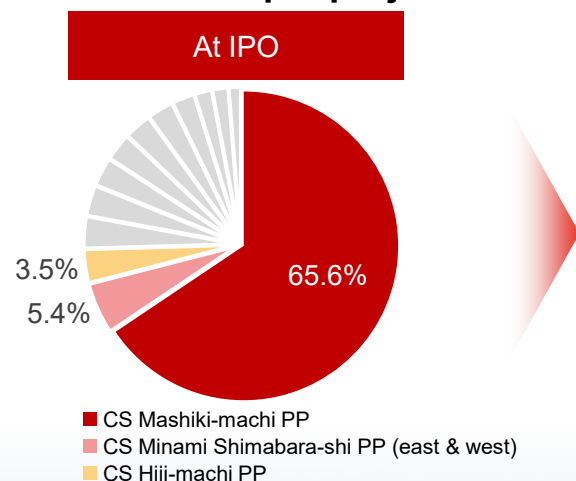
## ■ Track Record of Consistent External Growth (acquisition price basis)



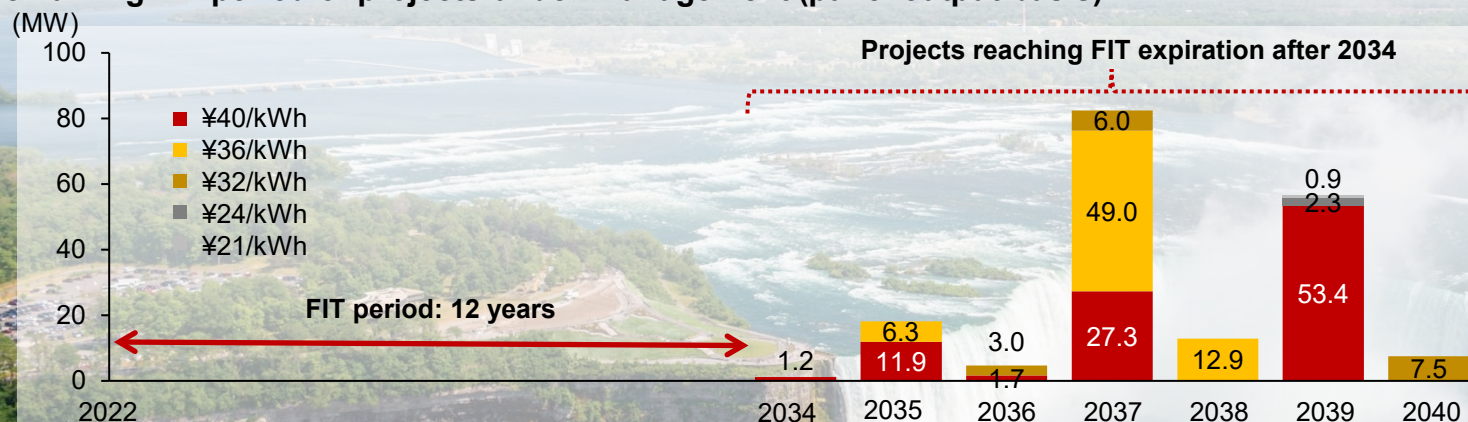
Note: The medium-term target shown above is CSIF's target as of June 30, 2022, and does neither represent a guarantee nor promise that the target will be achieved nor when it will be achieved. CSIF's asset size expansion is dependent on financing environment, development schedule of solar power plants in the sponsor pipeline, acquisition opportunities of projects outside of the sponsor pipeline, and negotiations with sellers. Hence, there is a possibility that the asset size target may not be achieved.

# Portfolio Diversification

- Since the IPO, CSIF has reduced its concentration risk of projects under management by consistently acquiring PV projects.
- Aiming to build a portfolio to support stable cashflow with the remaining
- Decline in ratio of top-3 projects in the portfolio (panel output basis)



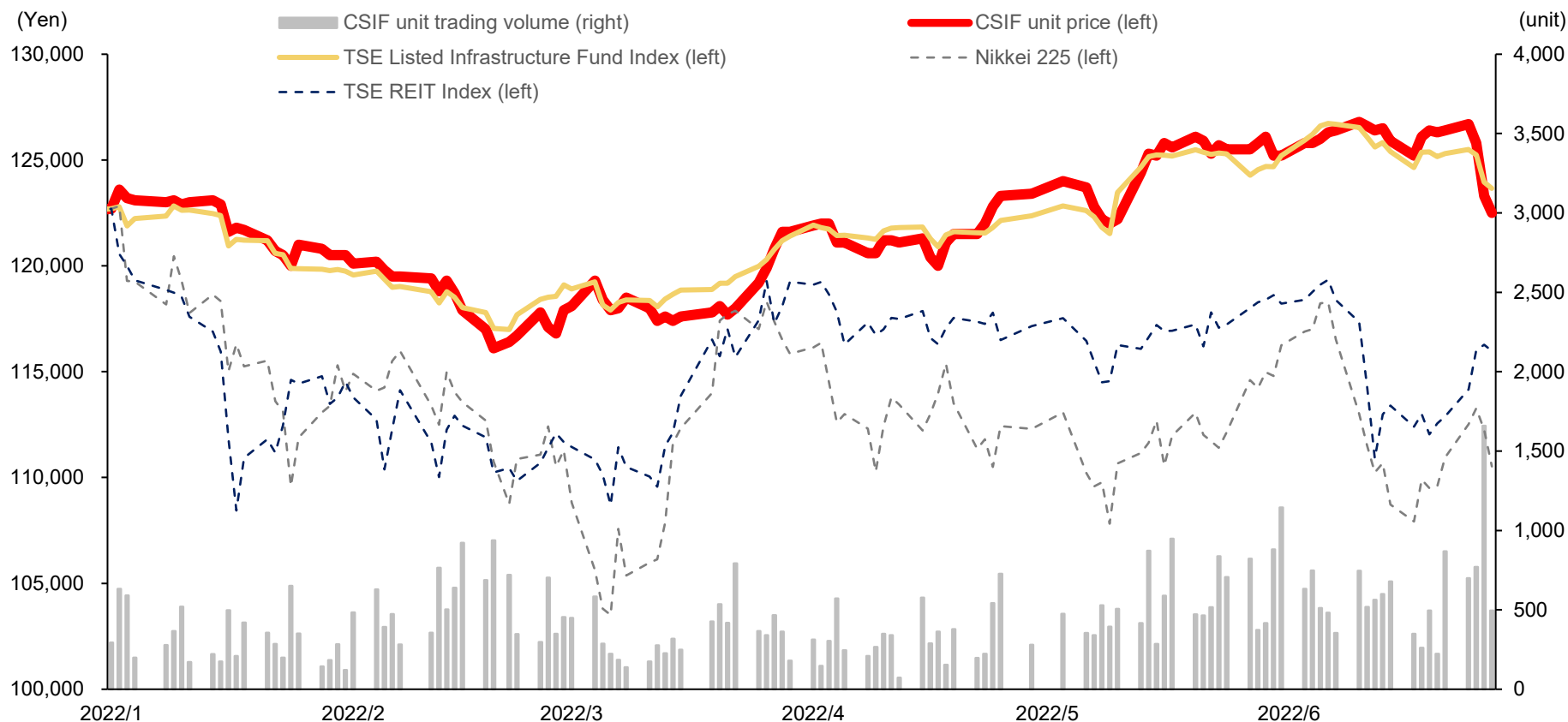
- Remaining FIT period of projects-under-management (panel output basis)





# Unit Price Performance

- The TSE Listed Infrastructure Fund Index has been on an uptrend from mid-May to mid-June in response to the announcement on May 12, 2022 that RJ would launch a tender offer for RJIF shares
- Throughout the 10th FP, CSIF unit prices have been performing almost in line with the TSE Listed Infrastructure Fund Index. CSIF unit prices declined after the announcement of the completion of the tender offer for RJIF shares on June 24. Nevertheless, it has outperformed the Nikkei Average and the TSE REIT Index as of the end of June, 2022.



Source: Tokyo Stock Exchange, Inc.

Note: Weighted average of listed infrastructure funds, Nikkei average, and TSE REIT Index is benchmarked to CSIF's closing price as of January 4, 2022 and shows the rate of decline since January 4, 2022.

# Debt Profile (1) –

# LTV, Fixed-to-variable interest rate ratio, DSCR and Credit Rating

- Employed conservative finance strategies to maintain sound LTV levels and a comfortable level of borrowing capacity
- CSIF financial profile remains stable as fixed-to-variable interest rate ratio is 100% and DSCR is 2.49
- Submitted a shelf registration statement of investment corporation bonds with the maximum issue amount JPY 20 billion on July 15, 2022

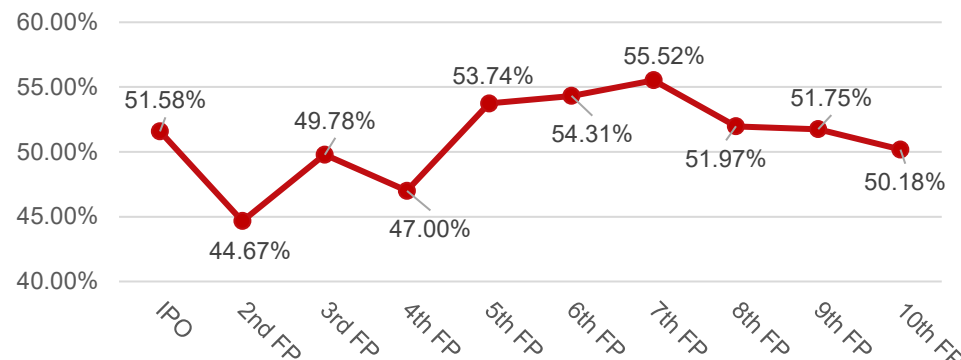
## ■ Fixed-to-variable interest rate ratio and DSCR

Fixed-to-variable interest rate ratio (Note1)	
As at end of December 2021	As at end of June 2022
<b>100.00 %</b>	<b>100.00 %</b>
DSCR (Note2)	
As at end of December 2021	As at end of June 2022
<b>2.11</b>	<b>2.49</b>

## ■ Credit Rating

Rating Agency	Subject to Rating	After Review	Outlook	Renewal Date
Japan Credit Rating Agency, Ltd.	Long-term Issuer Rating	<b>A</b>	Stable	August 10, 2022
	The 1 <sup>st</sup> Unsecured Investment Corporation Bond (only for Qualified Institutional Investors)	<b>A</b>	-	August 10, 2022
Rating and Investment Information, Inc.	Long-term Issuer Rating	<b>A-</b>	Stable	July 27, 2022

## ■ Historical LTV



(Note1) "Fixed-to-variable interest rate ratio" refers to the ratio of fixed interest rate liabilities to total interest-bearing liabilities at that time. Variable interest rate liabilities that were converted to fixed interest rate liabilities through interest rate swap agreements were deemed as fixed interest rate liabilities

(Note2) "DSCR" stands for Debt Service Coverage Ratio and refers to the numerical value calculated by (operating income + depreciations costs + the increased portion of the reserves in our reserve fund for repair fees) ÷ (principal repayment + interest)". DSCR is a multiple of the cash flow before repayments of existing borrowings versus repayment amount of existing borrowings. CSIF believes that DSCR is a useful indicator that shows how much surplus cash flow is available for repaying existing borrowings.



# Debt Profile (2) – Summary of Loans and Bonds

(As of June 30, 2022)

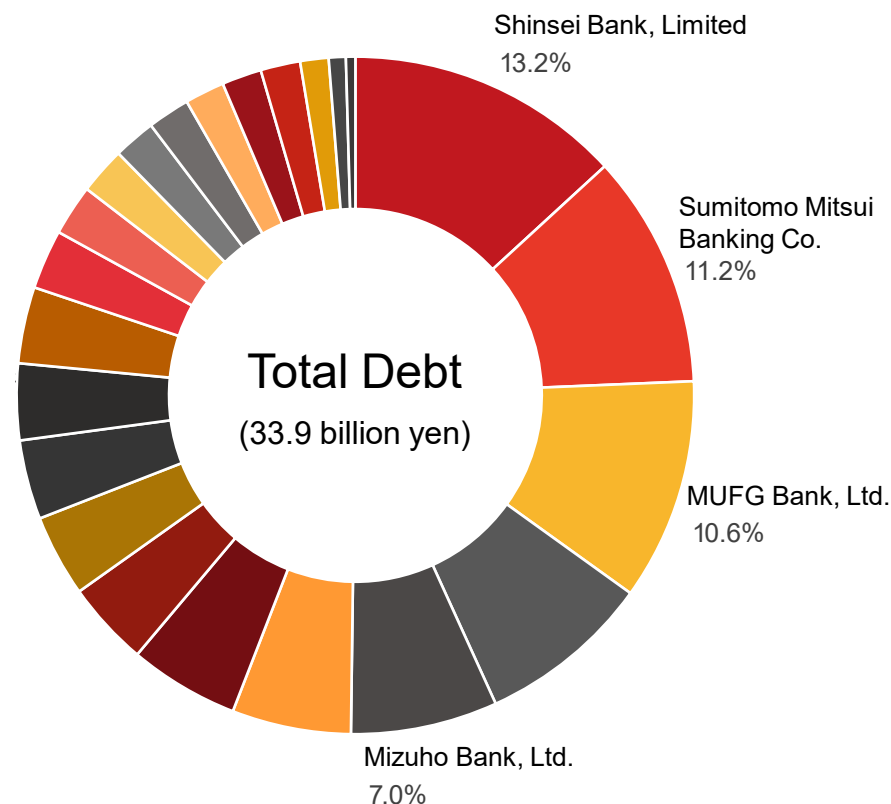
Category	Type	Initial amount (yen millions)	Outstanding (yen millions)	Interest rate	Interest rate type	Drawdown date	Maturity
Loan	Long-term	15,700	11,934	Base rate plus 0.45% (fixed at 0.845% upon executing interest rate swap)	Fixed	31-Oct- 2017	10 years from drawdown date <i>JCR Green Finance Evaluation</i>
	Long-term	8,000	6,376	Base rate plus 0.45% (fixed at 1.042% upon executing interest rate swap)	Fixed	6-Sep- 2018	10 years from drawdown date
	Long-term	17,000	15,594	Base rate plus 0.45% (fixed at 0.8199% upon executing interest rate swap)	Fixed	8-Mar- 2021	10 years from drawdown date <i>JCR Green Finance Evaluation</i>
Sub total of Loan		40,700	33,905				
Bond	Long-term	1,100	1,100	0.71%	Fixed	6-Nov- 2019	5 years from issuance date
	Long-term	3,800	3,800	0.80%	Fixed	26-Jan- 2021	5 years from issuance date <i>JCR Green Bond Evaluation</i>
Sub total of Bond		4,900	4,900				
Total		45,600	38,805				

# Bank Formation

- **Organized stable Bank Formation with 23 financial institutions including 3 Mega Banks, Shinsei Bank and Sumitomo Mitsui Trust Bank appointed as the Arrangers and Co-Arrangers**

	Lender	Balance (JPY million)	Share (%)
	Shinsei Bank, Limited	4,466	13.2%
	Sumitomo Mitsui Banking Co.	3,782	11.2%
	MUFG Bank, Ltd.	3,590	10.6%
	The Nanto Bank, Ltd	2,807	8.3%
	Mizuho Bank, Ltd.	2,376	7.0%
	Asahi Shinkin Bank	1,926	5.7%
	Hiroshima Bank, Ltd.	1,778	5.2%
	Resona Bank, Limited	1,368	4.0%
	The Oita Bank, Ltd.	1,326	3.9%
	The Tottori Bank, Ltd.	1,284	3.8%
	Sumitomo Mitsui Trust Bank, Limited.	1,236	3.6%
	The Chugoku Bank, Ltd.	1,236	3.6%
	The 77 Bank, Ltd.	963	2.8%
	The Ashikaga Bank, Ltd	821	2.4%
	Orix Bank Corporation	760	2.2%
	The Shonai Bank, Ltd.	684	2.0%
	The Tochigi Bank, Ltd.	684	2.0%
	The Bank of Saga, Ltd.	642	1.9%
	The Senshu Ikeda Bank, Ltd.	642	1.9%
	The Bank of Nagoya, Ltd.	642	1.9%
	The Fukuho Bank, Ltd.	458	1.4%
	The Bank of Fukuoka, Ltd.	275	0.8%
	San ju San Bank, Ltd.	152	0.4%

Sumitomo Mitsui  
Trust Bank, Limited  
3.6%





# Impact of Curtailment and Installing Online Curtailment Controller

## ■ Impact of curtailment on CSIF

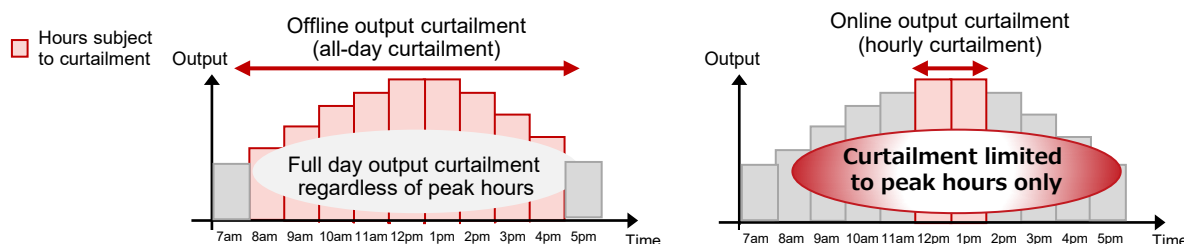
	3 <sup>rd</sup> Fiscal Period (period-ended Dec. 2018)	4 <sup>th</sup> Fiscal Period (period-ended Jun. 2019)	5 <sup>th</sup> Fiscal Period (period-ended Dec. 2019)	6 <sup>th</sup> Fiscal Period (period-ended Jun. 2020)	7 <sup>th</sup> Fiscal Period (period-ended Dec. 2020)	8 <sup>th</sup> Fiscal Period (period-ended Jun. 2021)	9 <sup>th</sup> Fiscal Period (period-ended Dec. 2021)	10 <sup>th</sup> Fiscal Period (period-ended Jun. 2022)
Number of days of curtailment	8 days	48 days	13 days	71 days	2 days	90 days	22 days	41 days
Number of times CSIF power plants underwent curtailment	12	117	21	249	1	206	96	136
Estimated variable rent losses (thousand Yen)	3,833	32,545	3,750	58,130	95	320,420	91,821	114,722
Ratio of estimated variable rent losses to projected rental revenues	0.21%	1.54%	0.17%	2.47%	0.004%	9.47%	2.46%	3.10%

- In the 10th FP, decrease in curtailment both in the numbers of days and times from the previous year, along with the completion of the installation of online curtailment controllers at power plants in the Kyushu region, had a significant effect on reducing the estimated variable rent losses compared to those in the 8th FP a year ago

**While the impact of curtailment still exists to a certain extent, the impact on the operating status and distributions is reduced due to various efforts by CSIF**

## ■ Rationale behind installing online curtailment controller

Transition from all-day curtailment to hourly curtailment with the introduction of online curtailment controller, it is possible to limit curtailment to peak hours only.



**CSIF expects to reduce the negative impact of curtailment on its revenue by installing a curtailment controller**

## ■ Promotion of installing curtailment controller by Kyushu Electric Power Transmission and Distribution Co., Inc. and other distributors

Output curtailment had commenced in many grids across Japan; In addition to Kyushu Electric Power Transmission and Distribution Co. Inc., Chugoku Electric Power Transmission & Distribution Co. Inc. and YONDEN T & D as of April 2022, and Shikoku Electric Power Transmission and Distribution Co. Inc., and Hokkaido Electric Power Network, Inc. as of May 2022. CSIF has been actively installing online curtailment controllers for its projects-under-management in not only the Kyushu power grid, but for projects in other power grids in the Tohoku, Shikoku, Hokkaido as well as the Chubu power grid which is expected to undergo online output curtailment in the future.

# ESG Initiatives (UN PRI · Wholesale Electricity Supply)

## ■ Signatory to UN PRI and Formulation of the “Approach to the UN PRI” by CSAM

- As of August 13, 2019, CSAM became the first Japanese asset manager of a listed infrastructure fund to be a signatory to the UN PRI (United Nations supported Principles for Responsible Investment) to promote ESG (Environmental, Social and Governance) investments.
- After signing the UN PRI, CSAM developed the "Approach to UN PRI" as its basic ESG policy as of the end of December 2020, is disclosed on the CSIF's website.

Signatory of:



## ■ Power sales with premium to renewable energy users through a Wholesale Electricity Supply Agreement with UPDATER, Inc. and Zero Watt Power Inc.

- By executing the wholesale electricity supply agreement with UPDATER, Inc (former Minna-denryoku, Inc.) and Zero Watt Power Inc for CSIF's power plants listed below, CSIF contributes to supply FIT electricity to consumers.
- CSIF has also begun purchasing clean electricity for power plant consumption. Clean electricity derived from renewable energy sources and FIT electricity to general households and companies that demand clean power from renewable energy sources, which will contribute to the diffusion of renewable energy. We believe that this will contribute to the spread of renewable energy and also to the generation of additional rental revenues.

Power Plant	Counter Party	Premium Wholesale	Purchase of clean energy
CS Marumori-machi PP	UPDATER	From February 2021	From January 2021
CS Izu-shi PP	Zero Watt Power	From February 2021	From March 2021
CS Mashiki-machi PP		From December 2021	From June 2021
CS Daisen-cho PP (A)(B)		From June 2021	From May 2021
CS Hiji-machi Dai-ni PP		From July 2021	From June 2021
CS Ogawara-machi PP		From May 2021	From July 2021



# ESG Initiatives (TCFD · SFDR)

## ■ The first listed infrastructure fund to conduct disclosures under TCFD guidelines

- Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB) to promote transparency on climate-related information disclosures and discuss implementation methods for financial institutions.
- On February 14, 2022, CSIF conducted climate-related disclosures in accordance with the guidelines of the “TCFD Recommendations” released in June 2017 where it is recommended to categorize disclosures by core elements; “governance”, “strategy”, “risk management” and “metrics and targets”.



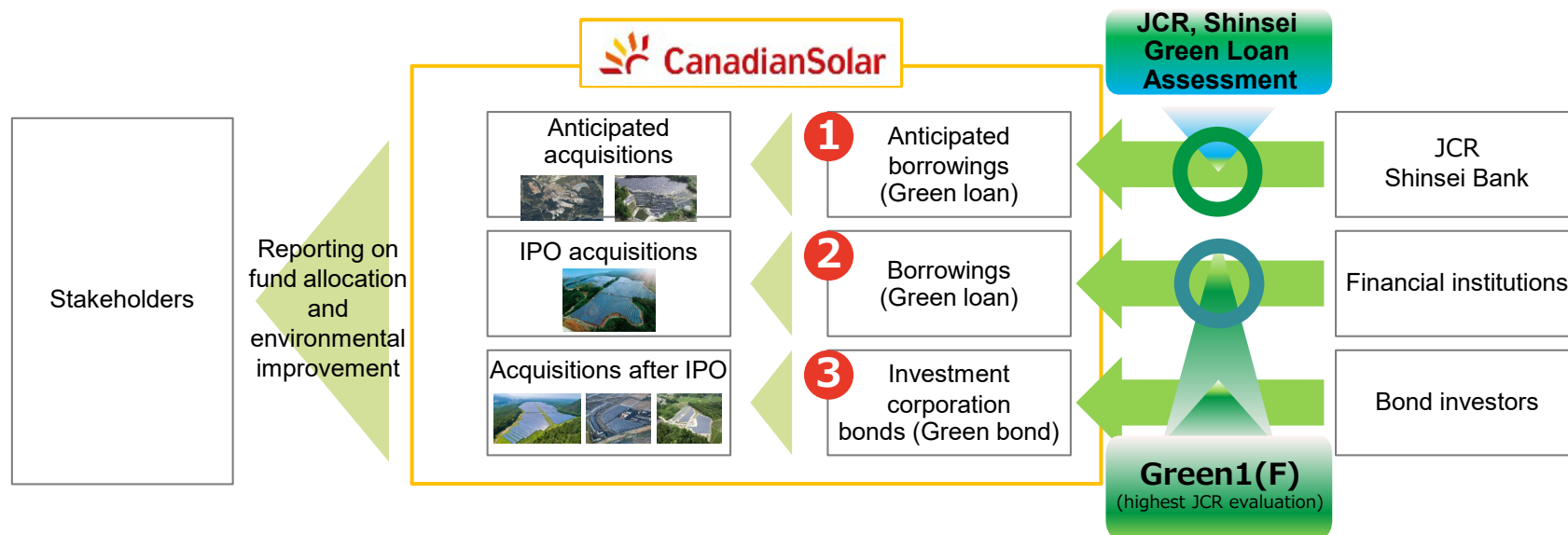
## ■ Adherence to EU SFDR Article 8 disclosure requirements

- In order to prevent greenwashing (falsely claiming the sustainability of a particular product) and to create a more transparent playing field for ESG investors in their investment decision-making, EU SFDR was created for the purpose of enhancing transparency of sustainable investment.
- Disclosure covers all information relevant to policies on sustainability risk, sustainability of financial products, and ESG factors.
- CSIF is scheduled to conduct SFDR Article 8 disclosure requirements of pre-defined ESG (environmental, social, governance) factors.



# ESG Initiatives (Green Finance)

- CSIF devised a new Green Finance Framework which obtained a Green1(F) assessment from JCR, the highest assessment rating as of May 11, 2020 and the rating is maintained.



1

CSIF obtained a Green1 (the highest rating) assessment from JCR and a Shinsei Green Loan Assessment from Shinsei Bank, Limited, which is one of CSIF's arranger banks, for the borrowings of 17.0 billion yen allocated towards acquisitions during the 8th Fiscal Period (acquired on March 8, 2021). Also, after JCR's review, the borrowings continued to be assessed as Green1 as of June 30, 2022.

2

The borrowings amounting to 15.7 billion yen which was allocated towards the funds for acquiring the acquisitions for the IPO obtained a Green1 (the highest rating) assessment by JCR as of November 22, 2017, based on JCR's evaluation of the use of proceeds and CSIF's management/operation/transparency. Also, after JCR's review, the borrowings continued to be assessed as Green1 as of June 30, 2022.

3

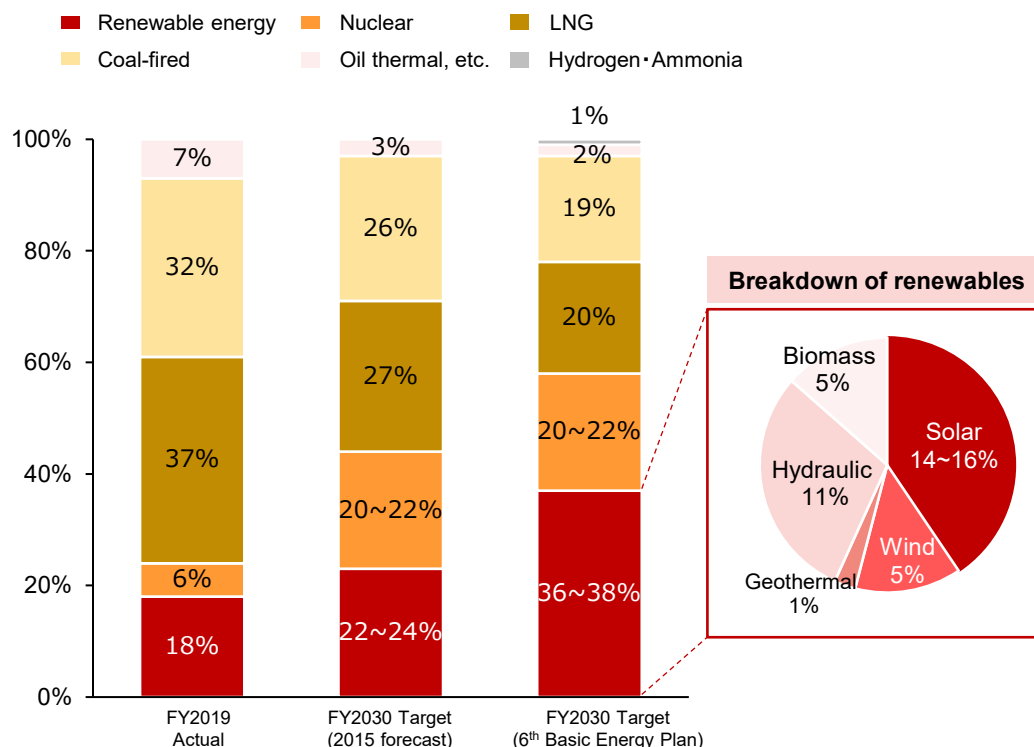
As of January 26, 2021, CSIF issued a 5-year Green Bond of 3.8 billion yen, which was given JCR Green1 assessment and the proceeds will be used for the repayment of borrowings. Also, after JCR's review, the Investment corporation bonds continued to be assessed as Green1 as of June 30, 2022.



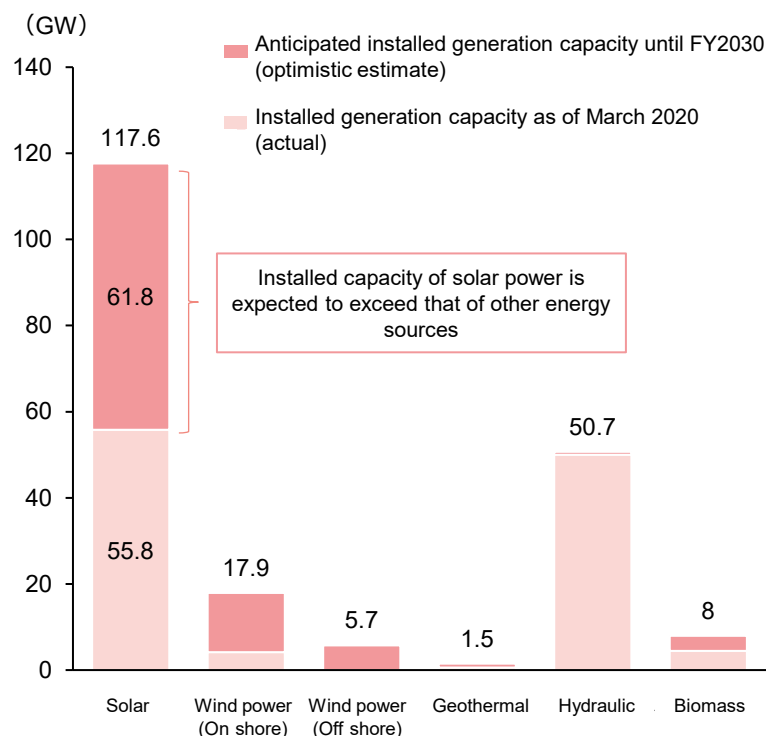
# Aim for Further Diffusion of Renewable Energy drawing on Positive Stance of the Japanese Government

- According to the 6th Basic Energy Plan approved by the Cabinet in October 2021, the government plans to set the share of renewable energy as the top source of energy. Also, it seeks to double the ratio of renewable energy (compared to FY2019 actuals, 18%) by FY2030; somewhere between 36%~38% of the total energy mix.
- Solar power is expected to compose 14%~16% of the total renewable energy mix. Moreover, installed capacity of solar power by FY2030 is expected to significantly larger than other sources.

## Ratio of renewables to total energy mix



## Expected installed capacity by renewable energy source



Source: Compiled by the asset manager based on documents by the Strategic Policy Committee of the METI Agency for Natural Resources and Energy Advisory Committee for Natural Resources and Energy

# Main Points of the Revised Renewable Energy Act (1)

- Detailed rules and procedures were announced by combined meetings under the leadership of Agency for Natural Resources and Energy (ANREA) in February of 2021 and after various considerations were conducted, various systems have been started since April 2022 .

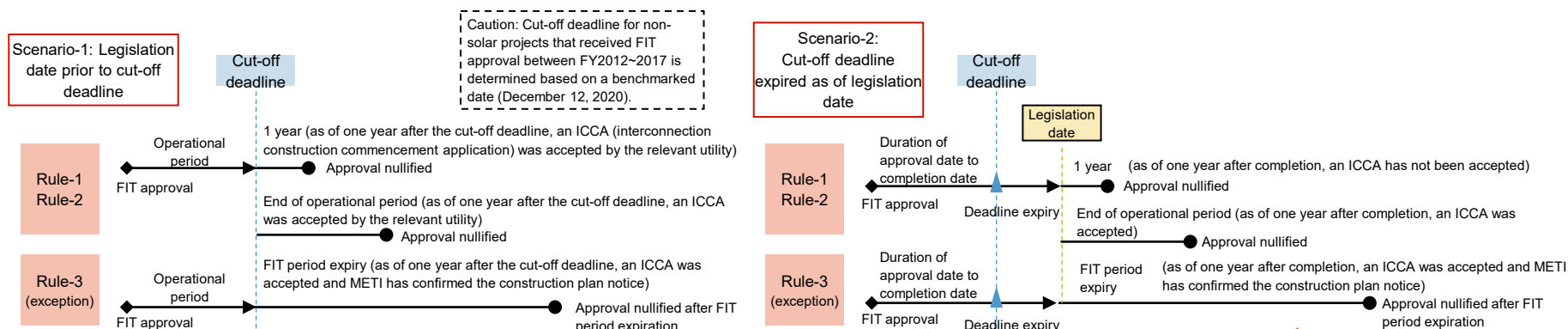
## ■ Regulation to maintain cash reserve for power plant demolition costs

<b>Categories subject to the cash reserve system</b>	All PV operations with FIT/FIP certificates of more than 10 kW or more
<b>Cash reserve method</b>	In principle, PV operators with FIT/FIP certificates put cash reserve for demolition cost on OCCTO by withholding such cash reserve from incoming electricity revenue. Exceptionally, cash reserve within PV operators shall be permitted under certain conditions ⇒ For listed infrastructure funds internal, cash reserve was permitted as meeting certain requirements above
<b>Cash reserve period</b>	For ten years prior to the end of the FIT period with a monthly frequency
<b>Cash reserve amount</b>	For accredited PV projects whose procurement prices have already been determined by FY2019, the reserve amount is the level of assumed costs for decommissioning, etc. in the procurement price calculation determined by the Procurement Price Calculation Committee

## ■ Non-operational PV Project : Automatic Cancellation of FIT Certificate

- Shall judge the progress status such as application for grid connection work in one year after the operational deadline in case of PV which has an operational deadline after April 1, 2022
- Shall judge the progress status in one year after April 1, 2022 in case PV of which operational deadline is delayed as of April 1, 2022

## 🌅 FIT/FIP Act “Nullification Rules (*Shikko-seido*)”

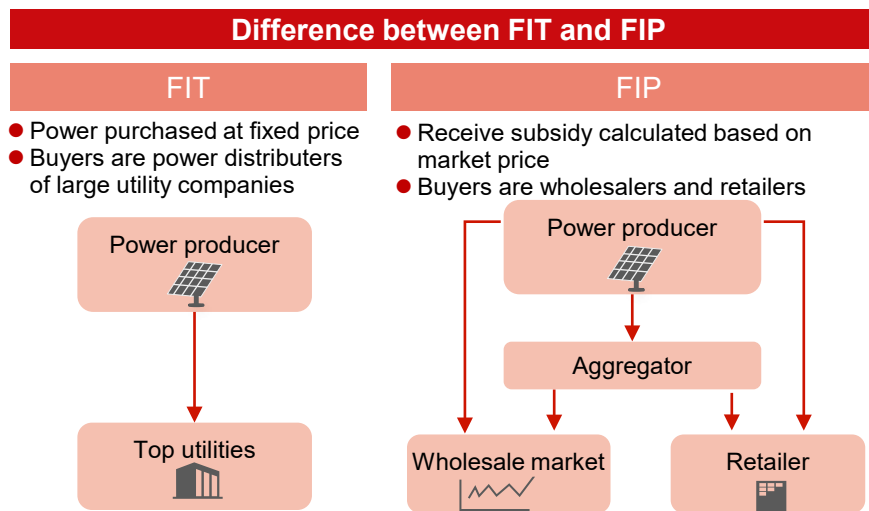
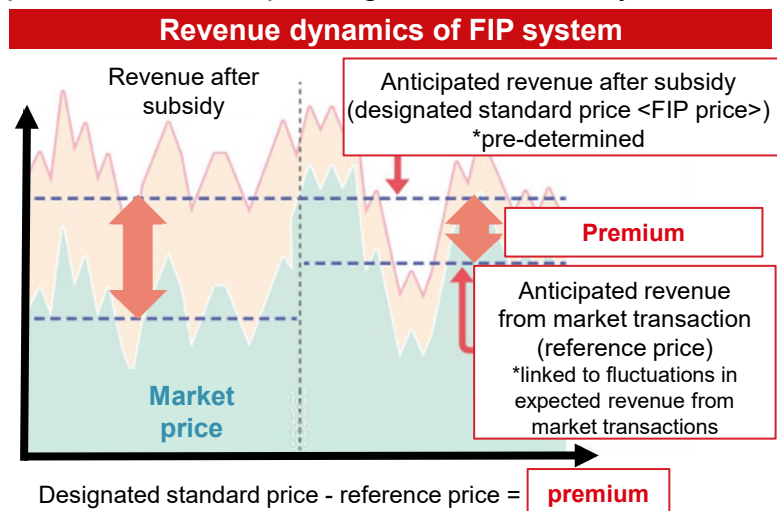




# Main Points of the Revised Renewable Energy Act (2)

## ■ Overview of FIP system

- The FIP system allows for the sale of electricity to the wholesale market and arms length transactions as well as paying a premium, the spread between the designated standard price and market price.
- Under the FIP system, buyers are not limited to power distributors of large utility companies and retailers. In addition, the purchase price fluctuates depending of the time of day.



## ☀ Reference method for anticipated revenue (reference price) of market transactions, etc., and flow of premium allocation

- Determination of **the average market price for the previous year**
  - Calculate the one-year weighted average of spot and pre-market prices by area, taking into account power generation characteristics.
- Determination of **the unadjusted premium unit price for the current month**
  - Calculate using the formula: "annual average market price for the previous year + monthly adjusted price (= monthly average market price for the current year - monthly average market price for the previous year)"
- Determination of **adjusted premium unit price for the current month**
  - Calculate using the formula: premium unit price before adjustment for the current month × total electricity supply for all areas by power source for the current month (incl. 0.01 yen/kWh time slot) divided by total electricity supply for all areas by power source for the current month (excl. 0.01 yen/kWh slot)
- Determination of **the amount of premium for the current month**
  - Calculate using the formula: adjusted premium unit price for the current month × electricity supply\* in the FIP business for the current month

(\* Amount of renewable electricity generated by certified power generation facilities and supplied on the market during the current month (excl. 0.01 yen/kWh slot))

To be determined after taking into account other factors, including premium during the curtailment time, values outside the wholesale electricity market, balancing costs, rules on aggregation business and requirements for shifting FIT to FIP

# Main Points of the Revised Renewable Energy Act (3)

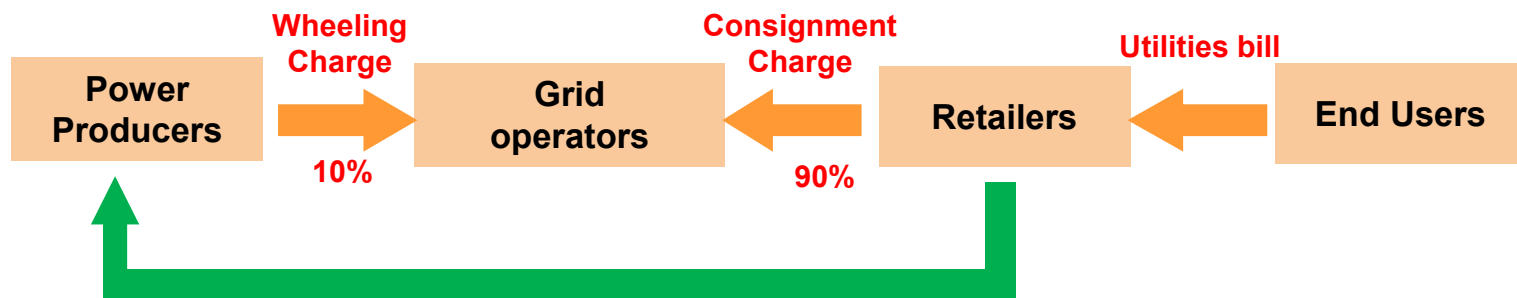
## ■ Discussions on Power Producer-side Wheeling Charge

- Committee consensus on new regulation to levy a 10% consignment charge (based on amount of power generated) on renewable energy power producers was scheduled to be reached during FY2021, however, the deadline was postponed for another year.

### A Summary of the details of Wheeling Charge

- Although discussions with METI on schematics of the wheeling charges proceeded as planned with an agenda to reach a decision during FY2021, the Committee decided to postpone the effective date of the regulation from FY2023 to FY2024.
- Topics on the agenda included special consideration for existing FIT projects along with method of levy and calculation models. However, METI described the following comment in the 6th Basic Energy Plan concerning this issue as “discussions will continue concerning the need for such treatment with the goal of implementing it quickly and efficiently”.
- At a METI Council meeting in Dec. 2021, they said “we want to reexamine this issue in light of recent affairs concerning energy and devising an effective implementation method in line with the Energy Agency’s accelerated progress in renewable energy initiatives”.

### 🌅 Scheme of Wheeling Charge



Wheeling charge shall be properly added to the wholesale price.



# The Merger Proposal of Renewable Japan Energy Infrastructure Fund and Canadian Solar Infrastructure Fund

- After the announcement of the TOB by Renewal Japan(RJ) to RJIF, CSAM implemented a merger proposal between CSIF and RJIF on July 16, 2022.
- As a result of the TOB conducted by RJ was completed on June 23, 2022, this proposal was unsuccessful, but CSAM believed that the merger proposal was meaningful in that it will further be able to contribute to the development of the infrastructure fund market.

## ■ Addressing Issues Faced by RJIF and effect of expanding the size of assets through merger

	Concerns about acquiring new properties	Sponsor's negative spread
Issues Faced by RJIF	<ul style="list-style-type: none"> <li>■ The purchase price of renewable energy power generation facilities has been rising, and in fact, RJIF have not been able to acquiring new properties in recent years</li> <li>■ Inability to expand asset size as required in the medium to long term, which may affect RJIF's profitability by failing to maintain an optimal portfolio to increase yields and stabilize income</li> </ul>	<ul style="list-style-type: none"> <li>■ Concerns that RJ Group will need a wider range of business capabilities to cope with the transition from FIT to FIP and non-FIT, increase lost profits due to the expansion of curtailment and continue “adverse market conditions” due to the establishment of lease terms favorable to RJIF</li> <li>■ Concerns that change of RJIF’s position within RJ Group and deterioration of RJ Group’s business performance due to “negative spread” will become difficult to maintain leasing scheme and support as before, resulting in a decrease in distributions</li> </ul>
Proposal from CSAM and CSP	<ul style="list-style-type: none"> <li>■ The Post-merger Investment Fund can continuously acquire properties.                             <ol style="list-style-type: none"> <li>1. CS Group's strong and abundant sponsor pipeline</li> <li>2. Appropriate LTV level (51.75% at the end of the 9<sup>th</sup> fiscal period)</li> <li>3. Certain payout ratio (82.3% in the 9<sup>th</sup> fiscal period)</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>■ CS Group can operate without “negative spread” by revising leasing structure based on CFIS’s term and conditions.</li> <li>■ Expansion of asset size, diversification of risk through regional supplementation and control of lost profit by the installation of online curtailment controller through the Merger will enable the Post-merger Investment Fund to maintain and improve profitability and maintain and improve the economics for RJIF unitholders.</li> </ul>

### Effect of expanding the size of assets through merger

- ①Expected to increase its liquidity, raising unit price and increasing the probability of future public offerings.
- ②As the dominant opinion leader in the market, the Post-Merger Investment Fund will further contribute to solving various problems under the current system, including lobbying the authorities.





### 3. Management Policy



# 11<sup>th</sup>, 12<sup>th</sup> and 13<sup>th</sup> FP Business Forecast

## ■ Business Forecast

11th Fiscal Period (ending December 2022)	12th Fiscal Period (ending June 2023)	13th Fiscal Period (ending December 2023)
--	--	--

### Statement of Income (million yen)

Operating revenues	3,725	3,689	3,705
Operating profit	1,404	1,397	1,409
Ordinary profit	1,190	1,193	1,208
Net profit	1,189	1,192	1,207
DPU (incl. distributions in excess of earnings)	3,750 yen	3,750 yen	3,750 yen
DPU (excl. distributions in excess of earnings)	3,077 yen	3,084 yen	3,123 yen
Per unit distributions in excess of earnings	673 yen	666 yen	627 yen

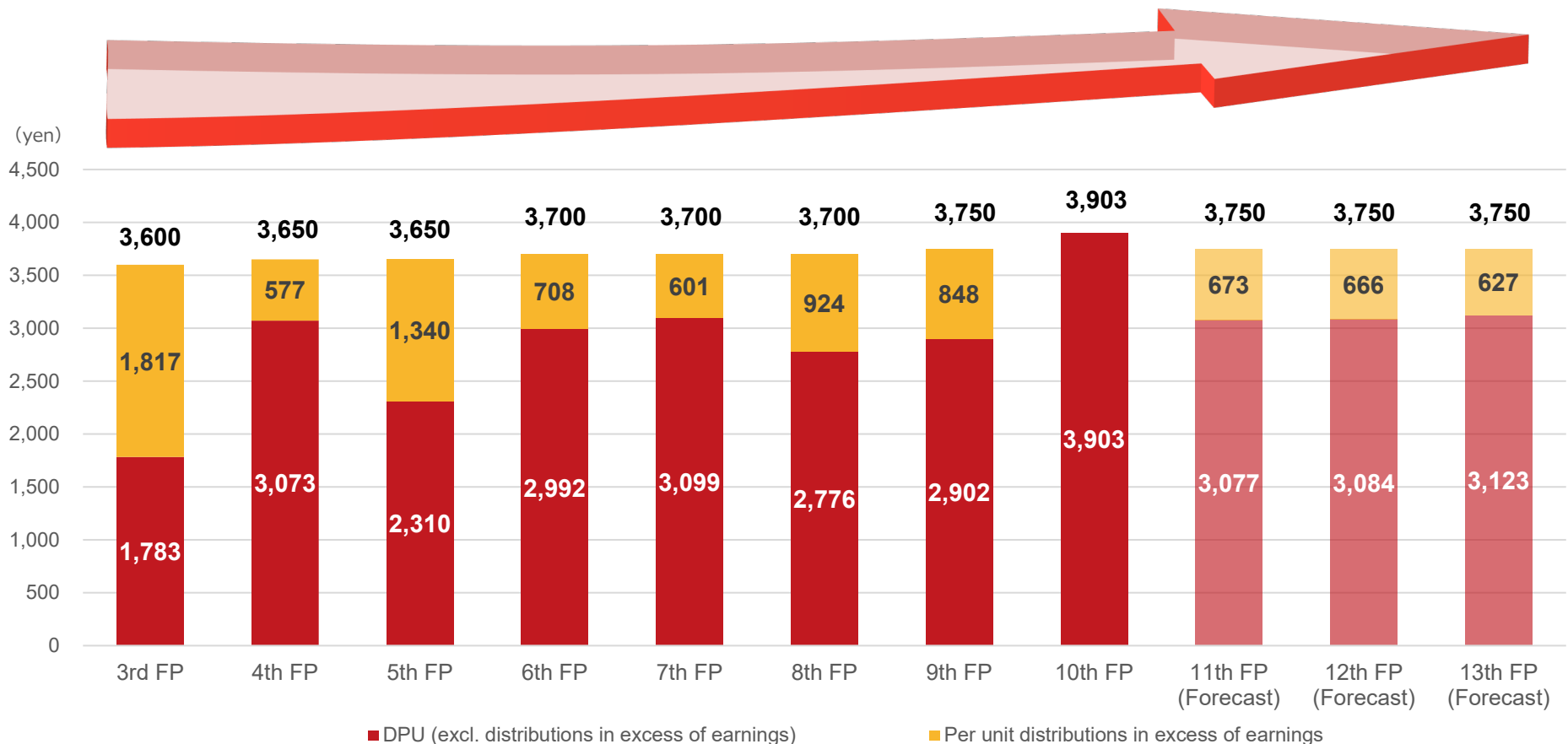
**CSIF expects to distribute JPY 3,750 per unit for the 11<sup>th</sup> to 13<sup>th</sup> FP with the aim of maintaining a stable and sustainable distribution payout**

(Note 1) Figures are rounded down to the nearest million yen.

(Note 2) Above forecasts are based on earnings summary dated August 16, 2022 and is subject to change due to factors including without limitation, acquisition or sale of renewable energy projects, changes in infrastructure markets, fluctuation in interest rates and other changes in circumstances surrounding CSIF. Forecasts do not guarantee any dividend amounts.

# Historical and Forecasted Dividend

- CSIF has maintained stable distributions ever since it realized a distribution of JPY3,600 per unit for the 3<sup>rd</sup> FP
- DPU forecast for the 11<sup>th</sup> to 13<sup>th</sup> FP is JPY 3,750 and CSIF aims to achieve a stable and sustainable distribution payout by utilizing distributions in excess of earnings



(Note) Figures for the 11<sup>th</sup> to 13<sup>th</sup> Fiscal Period are forecasts and are subject to change. They do not represent guaranteed distribution amounts.



# External Growth Strategy (Pipeline)

(Pipeline including projects owned by JGIF and Bridge Fund, the numbers are as of June 30, 2022)

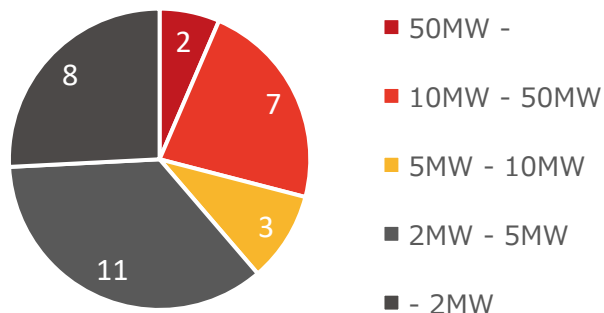
- Target to achieve ¥100Bn in asset size in medium term by mainly acquiring assets from abundant sponsor pipeline



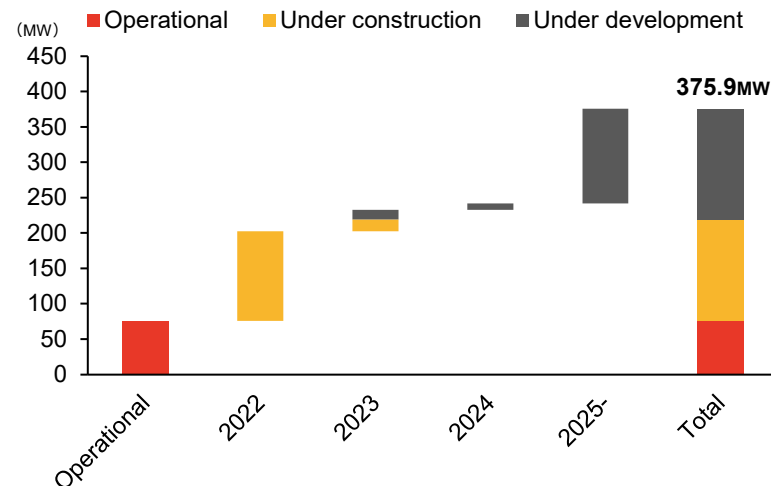
## ■ Pipeline snapshot

Fully taking advantage of vertically-integrated model to actively develop new projects regardless of project size

By size (per asset)



## ■ Operational start year and status of pipeline assets



# Abundant Pipeline Centered on Sponsor-Developed Assets Assisting CSIF's Growth

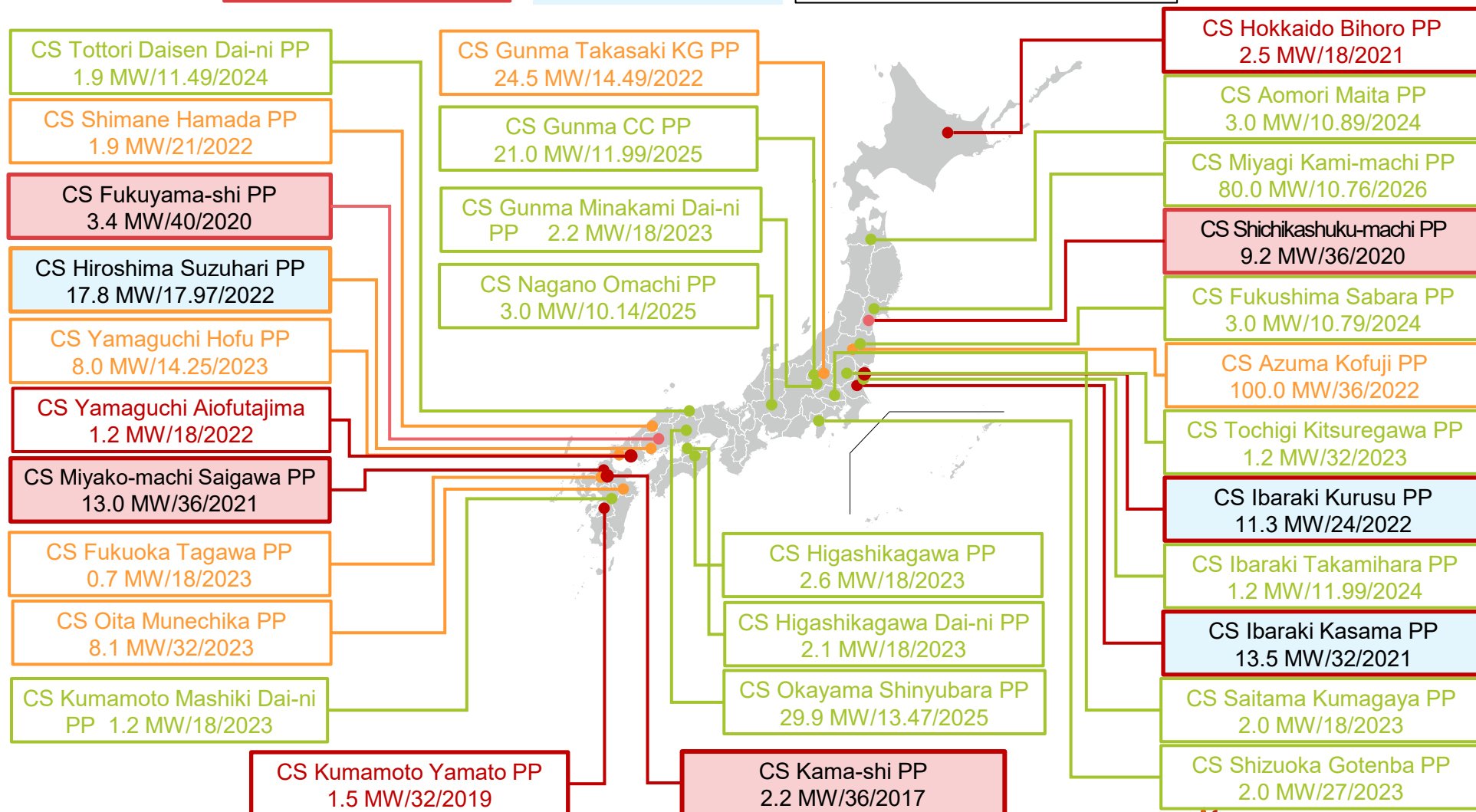
- Operational
- Under construction
- Under development

Pink box for Bridge Fund projects

Light blue box for JGIF's projects

Lower row in each box ; size (MW)/ FIT price in JPY/ anticipated COD

(as of June 30, 2022)





# Appendix





# Canadian Solar Group's Global Operations (1)

## ■ Key achievements of Canadian Solar Group

### Share of shipping PV modules

2021 Global share  
Top 5

Source: Pveye June 2022,  
Vis On Press Co.,Ltd.

### Bankability

2020 #1 bankable  
solar panel manufacturer  
(Solar module segment)

Source: Bloomberg New Energy  
Finance 2020 Module Bankability  
Survey

### Operational solar power plants

Approx. 800MW  
(panel output basis as of March  
31, 2022)

### Solar power plants under development or construction

Approx. 24GW  
(panel output basis as of March  
31, 2022)

## ■ Canadian Solar Group's history

- Founded in Ontario, Canada in 2001
- Listed on NASDAQ (CSIQ) in 2006
- Entered the Japan market in 2009 and established a proven track record for shipping PV modules
- Over 14,000 employees as of December 2021
- More than 67 GW of cumulative solar panels shipped



Over 67 GW  
solar modules shipped



Module capacity 27.9 GW  
Cell capacity 13.9 GW



24 GW project pipeline 27 GWh  
energy project pipeline of CSIQ



Active buying customers  
in more than 160  
countries



Subsidiaries in 23  
countries & regions on 6  
continents



20 manufacturing facilities  
in Asia & Americas



# Canadian Solar Group's Global Operations (2)

## Canadian Solar Group's Global Operations

Module and System solutions (MSS) segment : 17 countries  
 Energy segment : 19 countries  
 Solar panel factory : 4 countries (16 factories)

(As of March 31, 2022)



1 Canada	2 offices	6 Chile	1 office	11 Italy	1 office	16 India	1 office	21 Thailand	1 office
2 U.S.	4 offices	7 U.K.	1 office	12 Netherlands	1 office	17 China	14 offices	22 Vietnam	1 office
3 Mexico	1 office	8 Germany	1 office	13 France	1 office	18 Taiwan	1 office	23 Malaysia	1 office
4 Brazil	1 office	9 Poland	1 office	14 UAE	2 offices	19 Korea	1 office	24 Singapore	1 office
5 Columbia	1 office	10 Spain	1 office	15 South Africa	1 office	20 Japan	6 offices	25 Australia	2 offices

# Value Creation using the Sponsor Group's Vertically Integrated Model (manufacturer, developer, AM · O&M)



## Canadian Solar Infrastructure Fund, Inc.

Project owner

Capture continuous growth opportunities and  
create stable cash flow

Achieve growth from acquiring solar power plants

External  
growth

Same boat equity  
Sponsor support

Recoup  
development  
funds



Canadian Solar Inc.



Canadian Solar Projects K.K.



Canadian Solar Asset Management K.K.  
Canadian Solar O&M Japan K.K.

Manufacture PV modules

Develop solar power plants

Solar power plant AM · O&M

Vertically Integrated Business Model

Manufacturer

Developer  
Operator

Asset Management  
O&M provider



Canadian Solar Group



CanadianSolar

# Organizational Structure

- Identical structure as a typical J-REIT
- Our revenue is derived from rent income of solar energy projects

## Canadian Solar Asset Management K.K.

- Engaged in asset management in Canadian Solar Infrastructure Fund, Inc.
- Established in June 2016

## Canadian Solar Projects K.K. (Sponsor) (Sponsor / Operator)

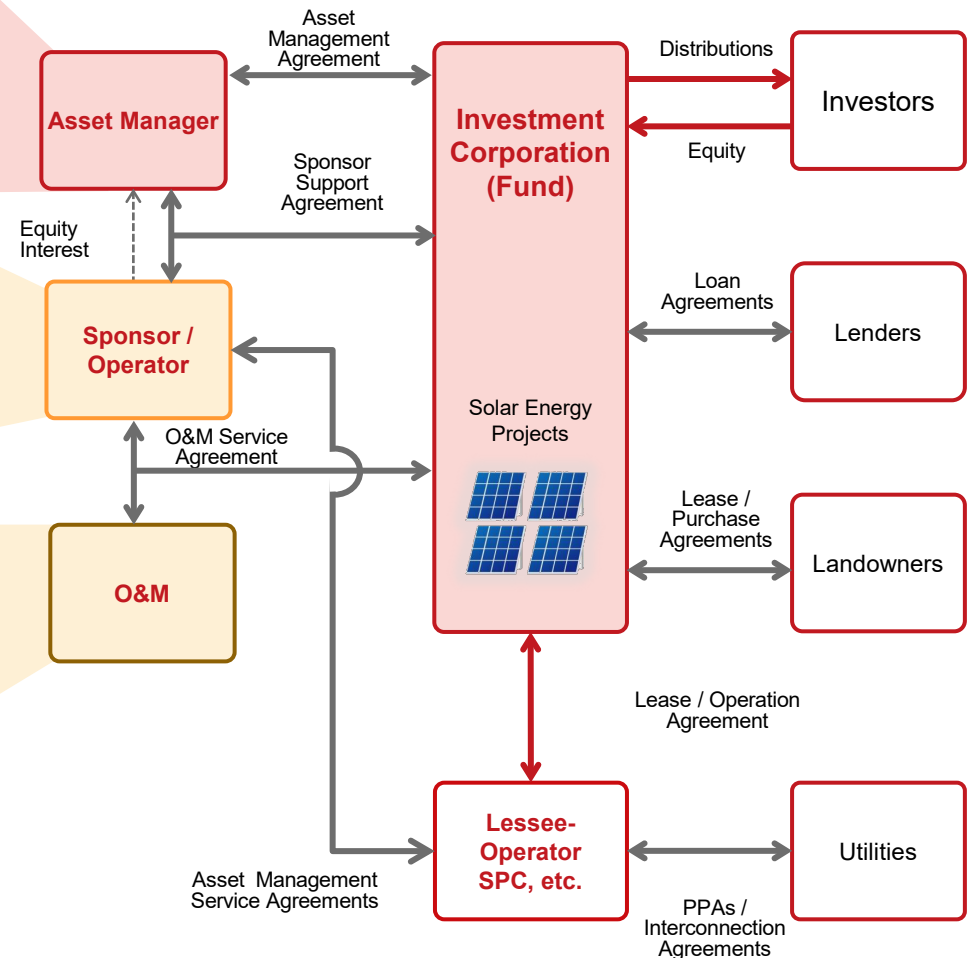
- Engaged in construction and operation of solar energy facilities
- Established in May 2014

## Canadian Solar O&M Japan K.K.

- Provides O&M services to solar energy facilities including our currently-owned projects
- Established in June 2016

## Canadian Solar Japan K.K.

- Sales of PV modules for use in residential and industrial solar power systems
- Established in June 2009





# Asset List– Operational Result for 10<sup>th</sup> FP

(in thousand yen)

No.	Project name	Basic Rent	Variable Rent and Other Revenues	Rental Expenses (incl. depreciation expenses)	Depreciation Expenses	Profits and losses from the rental business
S-01	CS Shibushi-shi Power Plant	18,440	5,387	13,355	9,539	10,473
S-02	CS Isa-shi Power Plant	14,095	5,707	11,625	7,924	8,177
S-03	CS Kasama-shi Power Plant	34,788	9,993	20,537	14,483	24,245
S-04	CS Isa-shi Dai-ni Power Plant	29,060	12,249	23,822	16,533	17,487
S-05	CS Yusui-cho Power Plant	26,418	6,377	21,290	14,358	11,505
S-06	CS Isa-shi Dai-san Power Plant	35,151	14,338	29,271	19,970	20,218
S-07	CS Kasama-shi Dai-ni Power Plant	34,365	13,724	26,256	17,604	21,834
S-08	CS Hiji-machi Power Plant	37,372	22,236	31,815	22,162	27,793
S-09	CS Ashikita-machi Power Plant	35,208	16,008	29,463	20,301	21,753
S-10	CS Minamishimabara-shi Power Plant (East & West)	62,521	33,501	51,331	35,397	44,692
S-11	CS Minano-machi Power Plant	34,981	10,801	23,718	16,211	22,064
S-12	CS Kannami-cho Power Plant	19,347	9,032	15,297	9,662	13,081
S-13	CS Mashiki-machi Power Plant	654,533	369,157	483,056	338,329	540,634
S-14	CS Koriyama-shi Power Plant	7,962	4,165	6,279	4,191	5,849
S-15	CS Tsuyama-shi Power Plant	23,931	11,850	19,145	13,146	16,636

# Asset List– Operational Result for 10<sup>th</sup> FP

(in thousand yen)

No.	Project name	Basic Rent	Variable Rent and Other Revenues	Rental Expenses (incl. depreciation expenses)	Depreciation Expenses	Profits and losses from the rental business
S-16	CS Ena-shi Power Plant	26,000	5,789	26,224	14,510	5,565
S-17	CS Daisen-cho Power Plant(A)(B)	322,958	259,138	315,321	214,569	266,774
S-18	CS Takayama-shi Power Plant	10,908	-	10,509	4,881	399
S-19	CS Misato-machi Power Plant	15,145	6,926	11,953	7,602	10,118
S-20	CS Marumori-machi Power Plant	32,065	10,421	32,239	17,059	10,247
S-21	CS Izu-shi Power Plant	154,247	89,977	135,161	87,776	109,063
S-22	CS Ishikari Shinshinotsu-mura Power Plant	21,389	14,050	21,394	12,995	14,046
S-23	CS Osaki-shi Kejonuma Power Plant	6,664	3,964	7,570	3,600	3,058
S-24	CS Hiji-machi Dai-ni Power Plant	851,537	470,888	639,532	475,277	682,893
S-25	CS Ogawara-machi Power Plant	101,700	44,084	84,446	54,273	61,338
Total		2,610,799	1,449,775	2,090,621	1,452,362	1,969,953

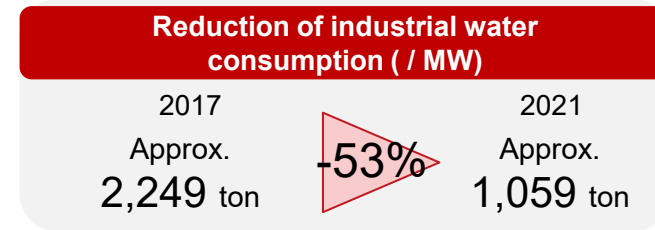
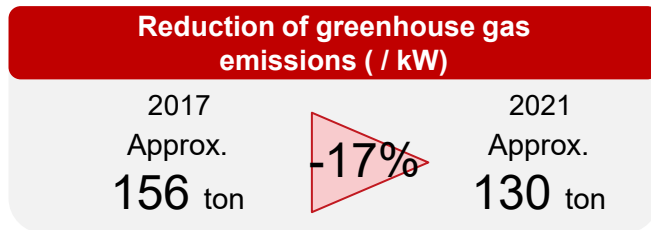


# ESG Initiatives (Environment)

- In consideration of the environment, CSIF and the Canadian Solar Group contributes to the utilization of renewable energy through renewable energy investments.

## ■ Incorporate measures to reduce environmental impact from manufacturing solar panels

- The Canadian Solar Group is focused on reducing the environmental impact from solar panel manufacturing processes such as greenhouse gases and industrial waste water and have achieved the following reductions in our environmental impact from 2017 to 2021.



Source : 「Sustainability Report 2021」 (Canadian Solar Inc.)

## ■ Environmentally-conscious development and operation of CS Daisen-cho Power Plant

- Given that Mount Daisen located near CS Daisen-cho Power Plant owned by CSIF, is in close proximity to an ecosystem rich with forests, plants and wild birds, the Sponsor made efforts to refrain from using chain-saws when developing the project to avoid damaging the habitat of rare species of indigenous falcons as well as painting the fence around the site using camouflage colors.

# ESG Initiatives (Social)

## ■ Canadian Solar Group's relationship with local communities at Hiji-machi

- In May 2017, the Sponsor supported a local fish releasing event of Hiji town near CS Hiji-machi Power Plant and CS Hiji-machi Dai-Ni Power Plant as part of its efforts to protect local traditions and specialty products of the area.

## ■ Canadian Solar Group's relationship with the local community around CS Daisen-cho

- The Sponsor constructed the Daisen Canadian Garden and donated it to the Daisen-cho Town Government in commemoration of the completion of CS Daisen-cho Power Plant, now owned by the CSIF after development, and as part of its contribution to local communities in an effort to create harmony between nature and the large-scale solar power plant. In addition, it repaired the Hima Jinja Shrine in the same town and donated an incense holder made of white granite to the Shimpukuji Temple.



## ■ Donation to Marumori-machi, Igu-gun, Miyagi prefecture where CS Marumori-machi is located

- The sponsor and CSAM offered donations to the Marumori-machi Town Government. The town was severely hit by Typhoon Hagibis in October 2019.



# ESG Initiatives (Governance)

## ■ Aligning the interest of unitholders with that of the Sponsor

- We aim to increase unitholders' value by aligning the interest of unitholders with that of the sponsor.

Number of units held by the sponsor and holding ratio after the offering: 56,620 units (14.64%)

## ■ Decision-making Procedures for Asset Purchase and Transfer Transactions with Related Parties

- The Asset Manager has implemented measures in the Regulations for Related-Party Transactions to limit adverse effects in connection with transactions with related parties such as Canadian Solar Group companies where conflicts of interest are highly likely to emerge

### Decision-Making Structure Concerning Transactions with Related Parties in connection with Asset Acquisitions and Transfers

Transactions with related parties  
(such transactions worth 5 billion yen or more)



Transactions with related parties  
(other transactions)



# Status of Unitholders

## ■ Unitholding (as at period-ended June 2022)

### ■ By unitholding amount



### ■ By unitholders



	Name	Number of investment units held (units)	Unitholding ratio to total issued units (%)
1	Canadian Solar Projects K.K.	56,620	14.64%
2	THE BANK OF NEW YORK	10,475	2.71%
3	THE BANK OF NEW YORK MELLON SA/NV 10	9,167	2.37%
4	SSBTC CLIENT ONMIBUS ACCOUNT	7,908	2.05%
5	The Bank of Fukuoka, Ltd.	7,790	2.01%
6	JP MORGAN CHASE BANK 385650	6,340	1.64%
7	The Rokinren Bank	6,223	1.61%
8	The Master Trust Bank of Japan, Ltd.	4,779	1.24%
9	Custody Bank of Japan, Ltd. (Trust Account)	4,547	1.18%
10	JP MORGAN CHASE BANK 380646	4,087	1.06%
	<b>Total</b>	<b>117,936</b>	<b>30.50%</b>

(Note): Unitholding ratio is rounded down to the nearest hundredth.



# Balance Sheet for 10<sup>th</sup> FP

## ■ 10<sup>th</sup> Fiscal Period (ended June 2022)

### ■ Assets

(in thousands of yen)

<b>Current assets</b>	
Cash and bank deposit	5,082,280
Operating accounts receivable	1,148,662
Accounts receivable	-
Prepaid expenses	163,589
Consumption tax receivable	-
Other current assets	75,513
<b>Total current assets</b>	<b>6,470,046</b>
<b>Fixed assets</b>	
<b>Property and equipment</b>	
Structures	1,055,391
Accumulated depreciation	△171,352
<b>Total structures (net)</b>	<b>884,038</b>
Machinery and equipment	42,434,266
Accumulated depreciation	△7,330,697
<b>Total machinery and equipment (net)</b>	<b>35,103,568</b>
Tools, equipment and supplies	591,024
Accumulated depreciation	△102,728
<b>Total tools, equipment and supplies (net)</b>	<b>488,296</b>
Land	4,505,944
Construction in progress	-
Structures in trust	6,569,721
Accumulated depreciation	△319,920
<b>Total structures in trust (net)</b>	<b>6,249,801</b>
Machinery and equipment in trust	20,291,246
Accumulated depreciation	△1,126,547
<b>Total machinery and equipment in trust (net)</b>	<b>19,164,699</b>
Tools, equipment and supplies in trust	93,540
Accumulated depreciation	△5,114
<b>Total tools, equipment and supplies in trust (net)</b>	<b>88,425</b>
Land in trust	4,769,905
<b>Total property and equipment</b>	<b>71,254,680</b>
<b>Intangible assets</b>	
Leasehold rights	1,156,923
Software	2,761
<b>Total intangible assets</b>	<b>1,159,685</b>

<b>Investments and other assets</b>	
Long-term prepaid expenses	520,335
Capital investments	10
Deferred tax asset	12
Long-term deposits	15,600
Guarantee deposits	37,790
<b>Total investments and other assets</b>	<b>573,747</b>
<b>Total fixed assets</b>	<b>72,988,113</b>
<b>Deferred assets</b>	
Investment corporation bond issuance cost	17,701
<b>Total deferred assets</b>	<b>17,701</b>
<b>Total assets</b>	<b>79,475,861</b>

### ■ Liabilities and Net Assets

(in thousands of yen)

<b>Current liabilities</b>	
Operating accounts payable	69,739
Long-term borrowings to be repaid within 1 year	2,261,543
Accounts payable	171,689
Accrued expenses	137,675
Income taxes payable	852
Consumption taxes payable	148,202
Deposits received	485
<b>Total current liabilities</b>	<b>2,790,188</b>
<b>Fixed liabilities</b>	
Investment corporation bond	4,900,000
Long-term borrowings	31,643,639
<b>Total fixed liabilities</b>	<b>36,543,639</b>
<b>Total liabilities</b>	<b>39,333,827</b>
<b>Unitholders' equity</b>	
Unitholders' capital	40,631,004
Amount deducted from Unitholders' capital	△1,998,255
<b>Unitholders' capital (net)</b>	<b>38,632,749</b>
<b>Surplus</b>	
Unappropriated retained earnings (accumulated deficit)	1,509,284
<b>Total surplus</b>	<b>1,509,284</b>
<b>Total unitholders' equity</b>	<b>40,142,034</b>
<b>Total net assets</b>	<b>40,142,034</b>
<b>Total liabilities and net assets</b>	<b>79,475,861</b>

# Statement of Income for 10<sup>th</sup> FP

## ■ 10<sup>th</sup> Fiscal Period (ended June 2022)

(in thousands of yen)

<b>Operating revenues</b>	
Rental revenues	4,060,575
<b>Total operating revenue</b>	<b>4,060,575</b>
<b>Operating expenses</b>	
Rental expenses of renewable energy projects	2,090,621
Asset management fee	127,390
Administrative service fees	27,877
Director's compensation	2,400
Tax and dues	65
Other operating expenses	68,261
<b>Total operating expenses</b>	<b>2,316,616</b>
<b>Operating profit</b>	<b>1,743,958</b>
<b>Non-operating income</b>	
Interest income	26
Insurance proceeds	-
Interest on refund	-
Other non-operating income	3,259
<b>Total non-operating income</b>	<b>3,285</b>
<b>Non-operating expenses</b>	
Interest expenses	151,215
Interest expenses on investment corporation bond	18,947
Amortization of investment corporation bond issuance expenses	2,779
Borrowing-related expenses	37,730
Investment unit issuance expenses	-
Loss on retirement of fixed assets	26,635
<b>Total non-operating expenses</b>	<b>237,310</b>
<b>Ordinary income</b>	<b>1,509,933</b>
<b>Income before income taxes</b>	<b>1,509,933</b>
Income taxes	856
Income tax adjustments	4
<b>Total income taxes</b>	<b>861</b>
<b>Net income</b>	<b>1,509,072</b>
Profits brought forward	211
Unappropriated retained earnings (accumulated deficit)	1,509,284



# Portfolio Assets (1)

**S-01 CS Shibushi-shi**  
Power Plant 1.2MW



**S-02 CS Isa-shi**  
Power Plant 0.9MW



**S-03 CS Kasama-shi**  
Power Plant 2.1MW



**S-04 CS Isa-shi Dai-ni**  
Power Plant 2.0MW



**S-05 CS Yusui-cho**  
Power Plant 1.7MW



**S-06 CS Isa-shi Dai-san**  
Power Plant 2.2MW



**S-07 CS Kasama-shi Dai-ni**  
Power Plant 2.1MW



**S-08 CS Hiji-machi**  
Power Plant 2.6MW



**S-09 CS Ashikita-machi**  
Power Plant 2.3MW



**S-10 CS Minami Shimabara-shi**  
Power Plant  
(East & West) 3.9MW



**S-11 CS Minano-machi**  
Power Plant 2.4MW



**S-12 CS Kannami-cho**  
Power Plant 1.3MW



**S-13 CS Mashiki-machi**  
Power Plant 47.7MW



**S-14 CS Koriyama-shi**  
Power Plant 0.6MW



**S-15 CS Tsuyama-shi**  
Power Plant 2.0MW





# Portfolio Assets (2)

**S-16 CS Ena-shi**  
Power Plant 2.1MW



**S-17 CS Daisen-cho**  
Power Plant (A&B) 27.3MW



**S-18 CS Takayama-shi**  
Power Plant 1.0MW



**S-19 CS Misato-machi**  
Power Plant 1.1MW



**S-20 CS Marumori-machi**  
Power Plant 2.2MW



**S-21 CS Izu-shi**  
Power Plant 10.7MW



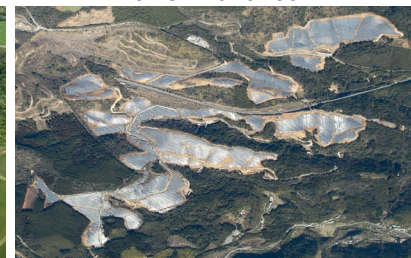
**S-22 CS Ishikari**  
Shinshinotsu-mura  
Power Plant 2.3MW



**S-23 CS Osaki-shi Kejonuma**  
Power Plant 0.9MW



**S-24 CS Hiji-machi Dai-ni**  
Power Plant 53.4MW



**S-25 CS Ogawara-machi**  
Power Plant 7.5MW





# Acquisition of assets from third-parties

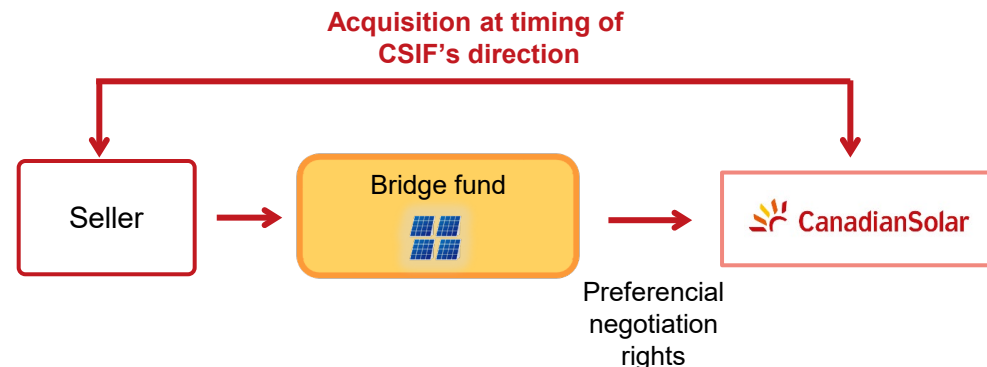
- Acquired the asset shown below from a third-party source using a bridge fund. Given that preferential negotiation rights were obtained, CSIF will be able to acquire the power plant at an opportune timing
- In addition to acquire assets from the sponsor pipeline, CSIF intends to diversify property sources by using asset manager's proprietary network and acquiring from third-parties utilizing bridge funds

## ■ Asset Overview

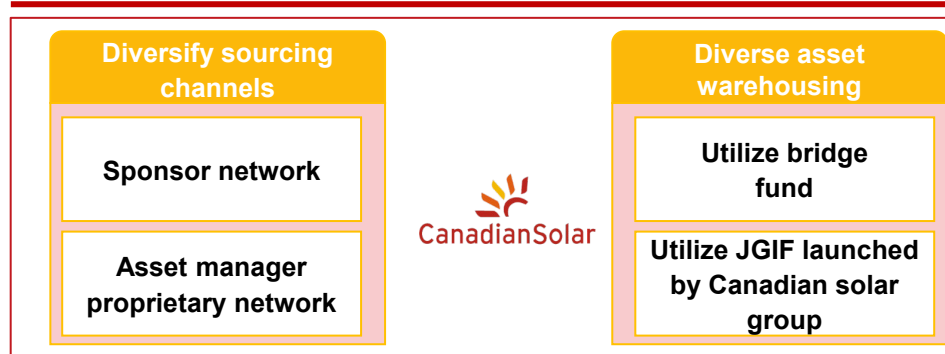


PP Name	CS Kama-shi PP	Location	Kama-shi, Hukuoka
O&M Provider	NEO	Power Output	1,750.0kW
EPC Service Provider	NEO	Panel Output	2,242.9kW
FIT Procurement Price	36 yen/kWh	Inverter Manufacturers	Hanwha Q CELLS Japan Co., Ltd.
Land Rights	Superficies	Supplier of Power Conditioner	MEIDENSHA CORPORATION

## ■ Bridge fund scheme



## ■ Diverse sourcing channels and methods



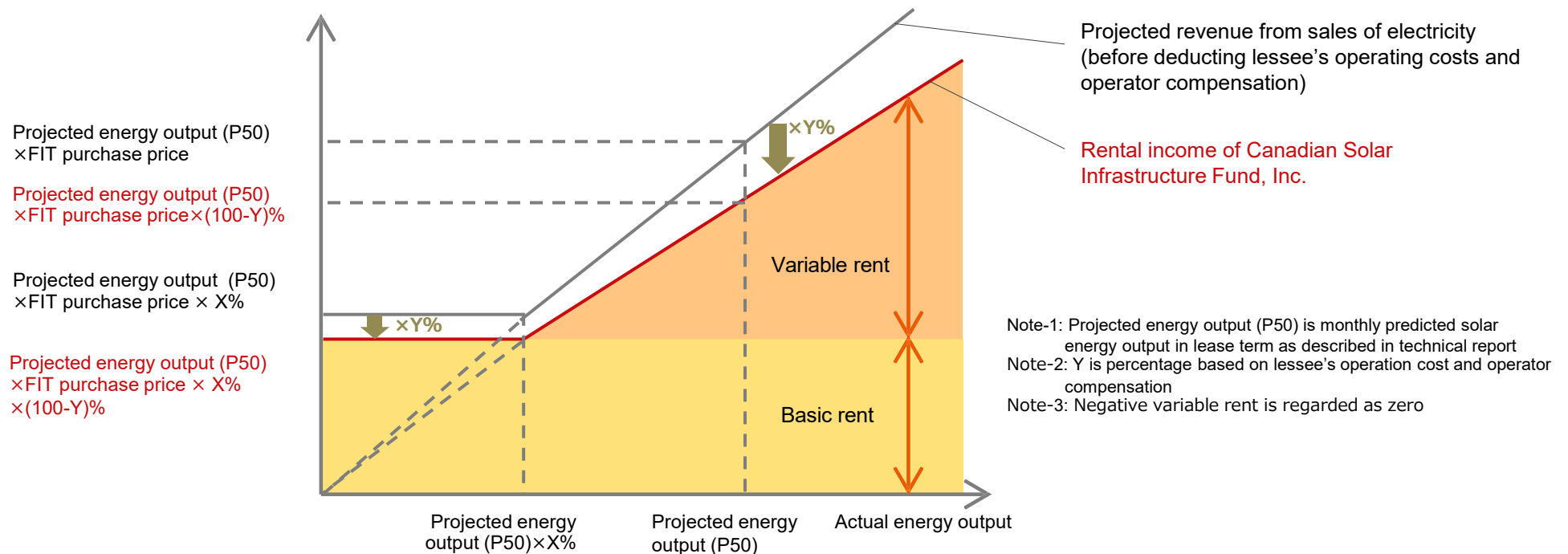
# Leasing Structure based on Basic and Valuable rent

## ■ Calculation method of basic rent and variable rent in anticipated projects to be acquired

<b>Basic rent</b>	$\text{Monthly projected energy output (P50)} \times (100 - Y)\% \times 70\% \times \text{FIT purchase price}$
<b>Variable rent</b>	$(\text{Monthly actual energy output} \times (100 - Y)\% \times \text{FIT purchase price}) - \text{Basic rent}$

- Even if actual energy output is lower than projected energy output (P50), the operator will be able to receive basic rent from lessee
- If actual energy output exceeds 70% of projected energy output (P50), possible to obtain variable rent

## ■ Diagram of rent structure

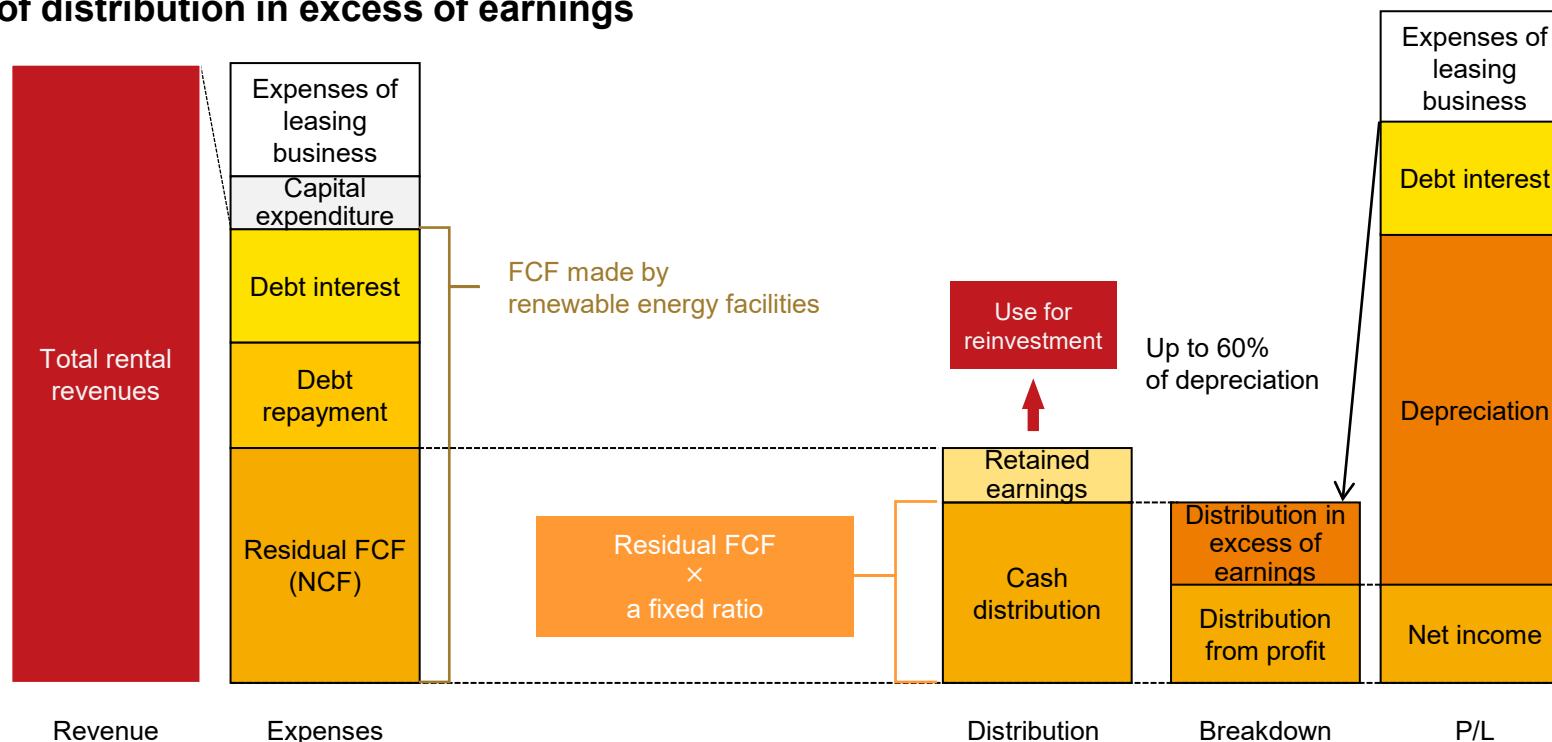




# Stable and Balanced Cash Flow Distribution Policy Supported by FIT System

- Cash distributions to CSIF's unitholders for each fiscal period are calculated by multiplying the residual free cash flow ("NCF"), which refers to free cash flow ("FCF") minus debt interest payments, by a fixed ratio, which is determined by CSIF for each fiscal period.

## ■ Image of distribution in excess of earnings



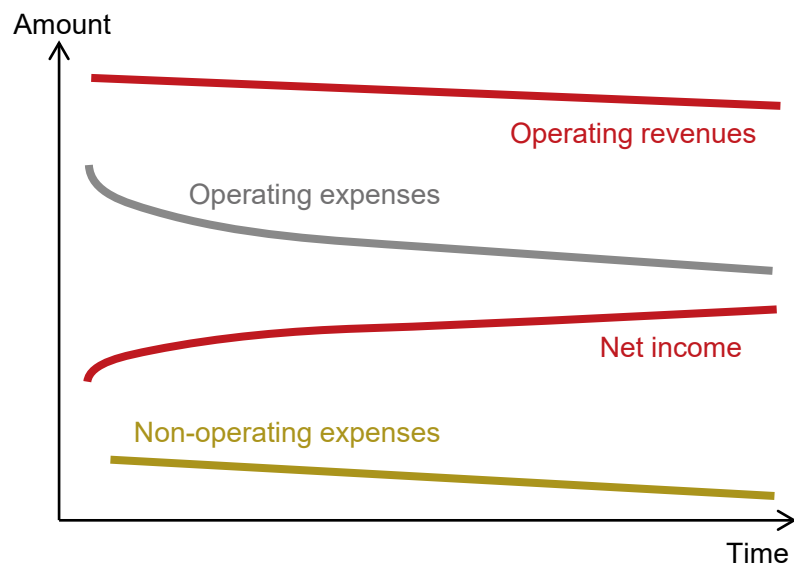
Note: The chart above is presented solely to facilitate a general understanding of the mechanism for cash distributions, and does not represent the ratio of our rental revenues or cash distributions in excess of retained earnings. CSIF may decide not to make any amount of cash distributions in excess of retained earnings for a particular fiscal period, based on a consideration of factors such as economic or renewable energy market conditions or financial conditions, among other factors, after taking into account of our financial situation and alternative uses of cash, such as the execution of repair plans and capital expenditures, the repayment of borrowings and project acquisition opportunities. We may, in place of making cash distributions in excess of retained earnings, decide to acquire our own units.

# Characteristics of PV Plant Revenue

## ■ Forecastability of earning stability on a long-term basis

- FIT price and FIT period of our PV plants are binding in accordance with the Feed-in-Tariff system. Moreover, given that our assets-under-management are set up so that we can capture basic rent from the lessee, we assume that any decline in rent income won't exceed a certain limit.
- Given that expenses on depreciable assets are largely fixed, earnings forecasts can be realistically projected for the long-term.

## ■ Dynamics of PV plant revenue during FIT period



Operating revenues	Operating revenues generally decrease gradually over the medium to long term due to expected degradation of PV modules.
Operating expenses	Depreciable asset tax, a large expense component, decreases due to a straight-line-based depreciation, so operating expenses generally decrease gradually over the medium to long term, under the assumption that expenses other than taxes on depreciable assets be largely fixed (including assumed regular maintenance costs).
Non-operating expenses	Amortization payments of loan principal and interest rates that are partially fixed generally cause non-operating expenses to decrease gradually over the medium to long term given typical amortization schedules, as these payments are the primary component of nonoperating expenses.

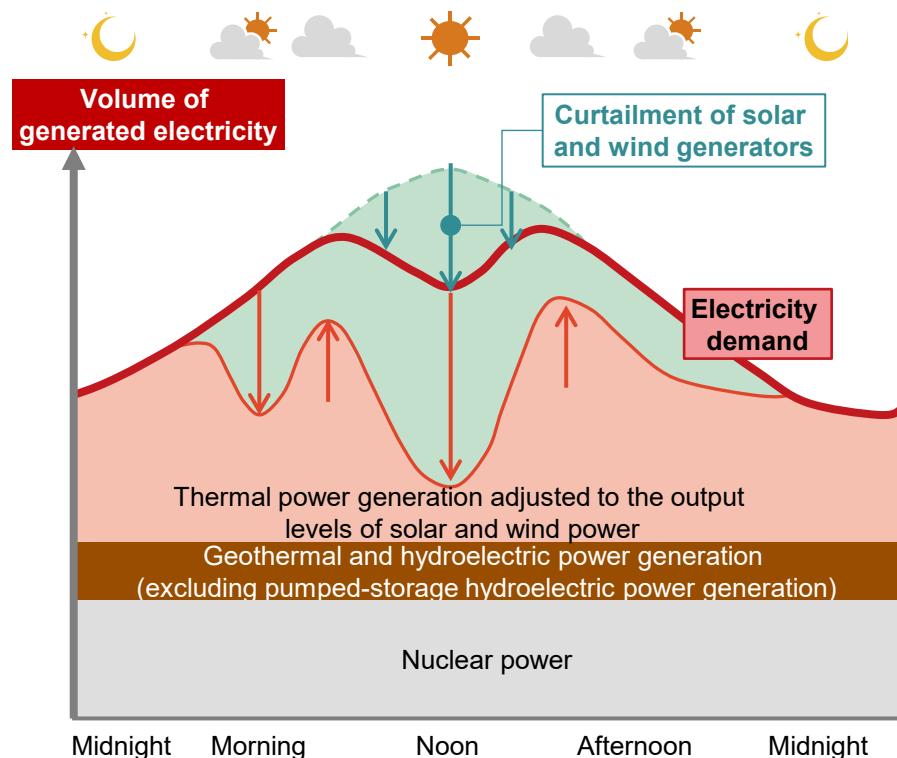
Note: The chart above is presented solely to facilitate a general understanding of the theory management considers in approaching the business of solar energy projects during the FIT period term. The chart assumes the continuous operations of solar energy projects during the FIT period term under normalized conditions, with no extraordinary events, including additional acquisitions or dispositions of projects, or expenses or changes in the operating or regulatory environment. Actual results may vary significantly depending on the particular features and circumstances of infrastructure funds, as well as unexpected events or changes or the realization of various risks. You should not rely on this model to predict the outcome of our operating revenues, operating expenses, non-operating expenses or net income.



# Overview of Output Curtailment

- In order for electric power companies in each region to stabilize the supply of electricity, each company curtails the output of power generators to control supply in the event that the supply of electricity in its grid largely exceeds demand.
- Output curtailment of each energy source is implemented according to the priority electric supply dispatch rule. According to this rule, solar energy output is curtailed after thermal and biomass energy generation, pumped-storage hydroelectric energy generation, charging of storage batteries for adjusting supply and demand, and electricity is supplied outside the area through interconnection.
- Furthermore, output curtailment is equally distributed by introducing a rule that sets the priority of output curtailment by group. By reducing the burden of output curtailment on all solar power plants, it is expected that output curtailment will be equally distributed even if solar power plants installed with curtailment controllers will be curtailed less than solar power plants without curtailment controllers.

## ■ Generic output curtailment scenario

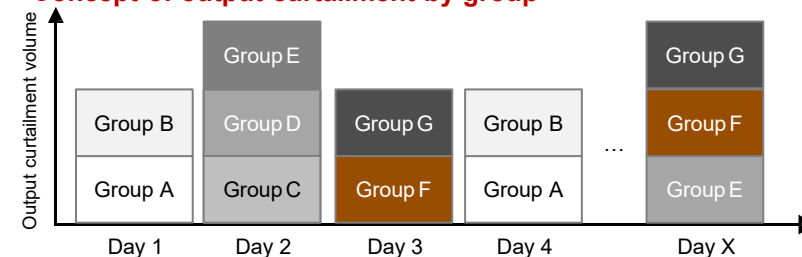


## ■ Rules on output curtailment

### ~Priority electric supply dispatch rule~

1	Curtail thermal, pumped-storage hydroelectric energy generation charging of storage batteries for adjusting supply and demand
2	Supply electricity outside the area through interconnection
3	Curtailment of biomass energy generation
4	Supply curtailment of local biomass energy generation
5	<b>Curtail natural variable renewable energy generation (solar and wind power)</b>
6	Instruction provided by Organization for Cross-regional Coordination of Transmission Operators
7	Curtailment of long-term fixed power source energy generation (nuclear, hydro and geothermal power)

### ~Concept of output curtailment by group~



Source: Compiled by CSAM based on the "Operational Policy on Power Transmission and Distribution" by the Organization for Cross-regional Coordination of Transmission Operators and "Guideline on Fairness of Output Curtailment (formulated on March 2017, amended Oct 2019)" by METI's Agency for Natural Resources and Energy

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