

## Asset Management Report for the 4<sup>th</sup> FP

From January 1, 2019 to June 30, 2019



Killarney Provincial Park, Canada

Canadian Solar Infrastructure Fund, Inc.

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Tokyo 163-0633 Japan

<https://www.canadiansolarinfra.com/>



## ➤ To Our Investors



Executive Director  
Canadian Solar Infrastructure Fund, Inc.

CEO and Representative Director  
Canadian Solar Asset Management K.K.

**Tetsuya Nakamura**

On behalf of the Canadian Solar Infrastructure Fund, Inc. (hereinafter referred to as "CSIF"), I would like to express sincere appreciation to all unitholders for their continued patronage and support.

CSIF listed its investment units on the Infrastructure Fund Market of the Tokyo Stock Exchange on October 30, 2017 and commenced substantive investment operations by acquiring photovoltaic power generation facilities with a total panel output of 72.7MW and a total acquisition price of ¥30,438 million, the largest in the Infrastructure Fund Market. Subsequently, CSIF acquired additional assets for five photovoltaic power plants from its sponsor in 2018, using loans and capital increase through public stock offering. Due to the support of generous unitholders, CSIF was able to close the accounts in the fiscal period ended June 30, 2019 (the 4th period from January 1, 2019 to June 30, 2019).

In the 4th period, CSIF recorded operating revenues of ¥2,185 million, operating income of ¥817 million and ordinary income of ¥711 million. In the fiscal period under review, as a result of incorporating assets for two photovoltaic power plants into the CSIF portfolio using cash on hand and loans, CSIF assets consists of 20 facilities and the total panel output increased to 108.9MW. Kyushu Electric Power Co. Inc. (hereinafter referred to as "Kyushu Electric Power") commenced the output control program in October 2018, and CSIF's photovoltaic power

plants in Kyushu in its portfolio were also affected. However, because of the cap effect due to the minimum guaranteed rent and good weather in May and June 2019, the actual performance of the portfolio exceeded the expected energy output throughout the period. In addition, as a result of posting insurance fee income of ¥26 million as non-operating income, net income exceeded the initial forecast of ¥572 million by ¥138 million. Consequently, CSIF increased distributions per unit ¥50 from the initial forecast of ¥3,600 (profit distributions of ¥2,478 and distributions in excess of earnings of ¥1,122), to ¥3,650 (profit distributions of ¥3,073 and distributions in excess of earnings of ¥577).

Expected distributions per unit for the 5th period (July 1, 2019 to December 31, 2019), the 6th period (January 1, 2020 to June 30, 2020) and the 7th period (July 1, 2020 to December 31, 2020) are ¥3,650, ¥3,650 and ¥3,650, respectively.

CSIF is determined to maximize unitholder value by making efforts to achieve efficient investment, taking advantage of the vertical integration model of the Canadian Solar Group and external growth through the acquisition of facilities mainly from the sponsor pipeline to provide stable distribution.

In pursuit of these initiatives, we expect the continued understanding and support of all unitholders.

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DPU for the 4th FP

**JPY 3,650**

Forecasted DPU for the 5th FP   Forecasted DPU for the 6th FP   Forecasted DPU for the 7th FP

**JPY 3,650**

**JPY 3,650**

**JPY 3,650**

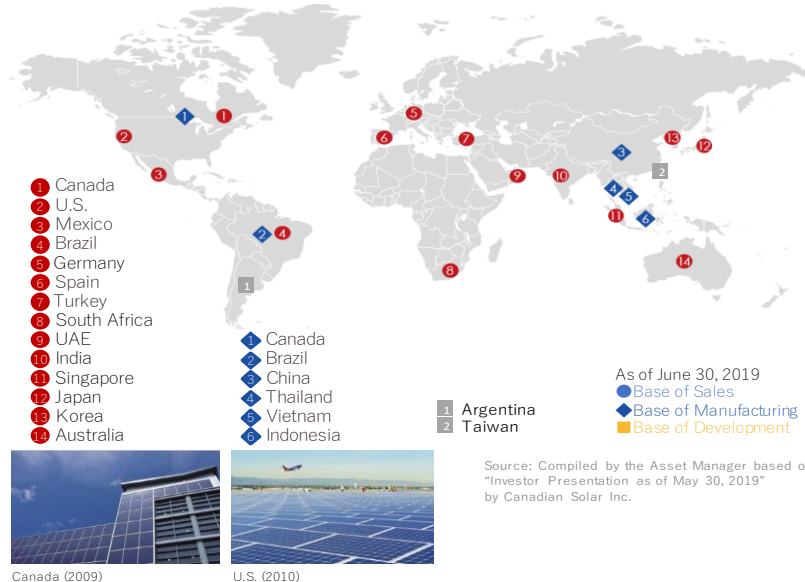


## ➤ Canadian Solar Group

### History and Accomplishment of the Group

2001	Founded in Ontario, Canada, as a solar panel manufacturer	Accumulated shipment of PV module <b>36GW+</b>	Developed projects <b>4.7GW+</b> in total globally
2006	Listed on NASDAQ (CSIQ) 11,000 employees globally as of today		
2009	Entered into the Japan market for sales of PV modules (by Canadian Solar Japan K.K.)		
2013	Started development business of solar power plant in Japan (by Canadian Solar Project K.K.)	Systems sold in 2018 <b>750MW</b>	Operating <b>795.8MW</b> solar power plants globally
2016	Established Canadian Solar Asset Management K.K., the asset management of the fund, as 100% subsidiary of Canadian Solar Project K.K.	Installed to <b>120,000</b> houses in Japan in total	Total <b>13GW</b> projects under construction or development
2017	Listed Canadian Solar Infrastructure Fund, Inc. on Tokyo Stock Exchange.		

### Canadian Solar Group's Global Operations



(Note) There is no assurance that we can acquire the solar energy projects showed in the above pictures in the future as of this writing.

## ➤ Unique Aspects of the Fund

### Advantageous Operation Based on the Vertically-Integrated Model of the Group

Prominent knowledge acquired by the Group as the total solution provider of solar power generation is fully utilized for the operation of CSIF. The uniqueness of the vertically integrated model of the group is shown as below.



### Stable Bank Formation

CSIF has successfully achieved to obtain debt financing from Shinsei Bank, Ltd. (as the main bank), 3 mega banks and other financial institutions. This is because the credibility and operational stability of CSIF are healthy enough for them to provide with the debt finances and we believe additional finance for future acquisitions of new assets can be obtained in stable manner.

### Global Offering

CSIF issues about the half of new units in the overseas market through the public offering process. By having foreign unitholders, Canadian Solar Asset Management K.K., the asset manager of CSIF, operates the fund in a way such foreign investors can support in line with the global standard of infrastructure fund management. Also, the base of the candidate investors can be broadened so that the liquidity of the units is heightened and future public offerings are conducted stably.



## > Financial Highlights

Distribution Per Unit for the 4<sup>th</sup> FP

**JPY 3,650**

Operating Income for the 4<sup>th</sup> FP

**JPY 817mIn**

Operational Revenue for the 4<sup>th</sup> FP

**JPY 2,185mIn**

Net Income for the 4<sup>th</sup> FP

**JPY 710mIn**

Forecasted DPU for  
the 5<sup>th</sup> FP

**JPY 3,650**

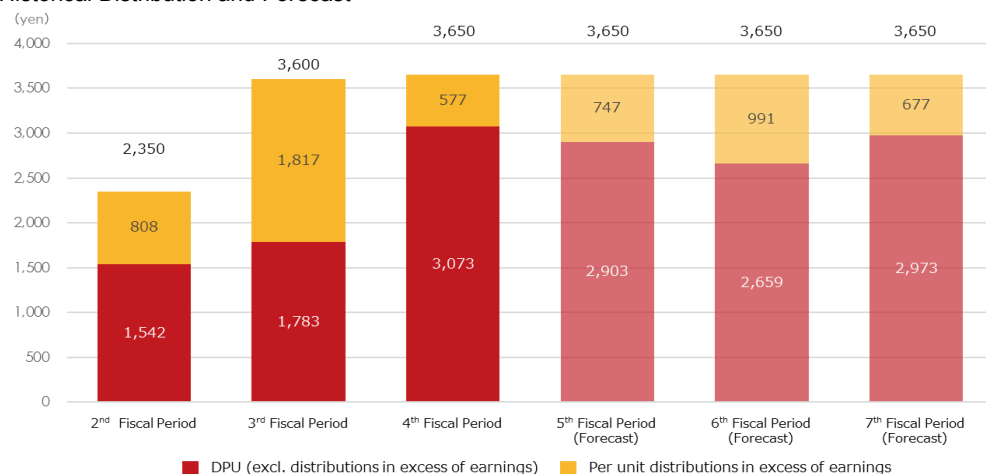
Forecasted DPU for  
the 6<sup>th</sup> FP

**JPY 3,650**

Forecasted DPU for  
the 7<sup>th</sup> FP

**JPY 3,650**

Historical Distribution and Forecast



## > Management Interview



*Q1: Termination of the feed-in tariff scheme for renewable energy (FIT scheme) has been reported. Will it impact CSIF? In addition, what is the bidding system that was recently reported by the media?*

The fundamental revision of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities, which is scheduled to be completed by the end of fiscal 2020, is being discussed in the Ministry of Economy, Trade and Industry (METI), but it is not yet determined how the FIT scheme should function after the fundamental revision, including its abolition and continuation.

All assets in the portfolio that CSIF has acquired up to now have already begun selling electricity to electric power companies under the current FIT scheme, and their electricity sales prices are fixed for 20 years after the commencement of electricity sales. Even after such a fundamental revision, it will not impact CSIF's power generation facilities that have already commenced electricity sales and whose electricity sales prices to electric power companies have already been determined.

Therefore, it will not impact the current portfolio of CSIF and the pipeline projects of the sponsor that have already entered into the phase of operation start by the deadline in accordance with the "response to not-yet-operated projects" announced by the METI in December 2018, in principle.

Regarding the frequently reported bidding system, it will not differ from the past in the sense that the bidding system will be maintained under the current FIT scheme until fiscal 2020 and under this scheme, electricity sales prices are determined by bidding, while the electricity sales prices of successful bids will be fixed for 20 years, in the same manner as past projects. Therefore, stable income can be expected. However, the bidding system after the fundamental revision above is not yet determined. CSIF's sponsor has a track record of successfully placing a bid on multiple projects that have already begun operating and aims to develop power plants that will be able to ensure certain profitability even after the electricity sales price declines due to the introduction of a new bidding system. Therefore, CSIF assumes that it will acquire such power plants.

Q2: In the current portfolio, assets appear to be dominated by those in Kyushu. What is the future outlook for the output curtailment implemented in Kyushu in the fiscal period under review?

In the current portfolio, assets located in Kyushu make up 61.3% (based on the acquisition price). Given that it is possible to gain a stable amount of solar radiation in this region and it was relatively easy to procure sites compared with other regions in Japan, there were many projects in this region among the development projects of the sponsor. In the future, CSIF intends to acquire assets to promote regional diversification in its portfolio. As stated in the sponsor pipeline described later, because the development projects of the sponsor are located in many parts of the country, it is believed that CSIF will be able to promote regional diversification along with the growth of the portfolio in the future.

In terms of the output curtailment implemented in the jurisdictional region of Kyushu Electric Power, Kyushu Electric Power currently uses four nuclear power plants, which have been conducting a periodic inspection since May 2019. In addition, the Nuclear Regulation Authority decided that if Kyushu Electric Power is unable to complete a terrorism-resistance facility, which nuclear power plants are obligated to set up, by the regulatory deadline, the Authority will order these nuclear power plants to halt operation. Therefore, if the construction of the terrorism-resistance facility misses the deadline, the nuclear power plants in the jurisdictional region of Kyushu Electric Power could be ordered to halt operation, in principle. Taking these factors into consideration, the electricity oversupply in the jurisdictional region of Kyushu Electric Power will not become more serious than the current situation in the immediate future after summer 2019 and the output curtailment will not be conducted more rigorously than in the fiscal period under review.

Q3: Recently, natural disasters such as earthquakes and intense rainfall have occurred frequently. It is understood that none have materially impacted the portfolio thus far, but there must be minor breakdowns and damages. What breakdowns and damages occurred in the assets of the portfolio,

including those caused by natural disasters?

Here are some examples of breakdowns and damages that have occurred thus far. There was the collapse of a slope and an artificial slope on the site of a power generation facility due to intense rainfall and the clogging of a drainage channel and drainage basin of a regulating reservoir by dirt on the site of a power generation facility. Because damages caused by rainfall, in particular, are seen here and there, CSIF has established a system that enables the discovery of damages and the implementation of quick restorative measures by focusing on the understanding of the situation at each power generation facility during rainfall.

Q4: It is understood that distributions include the refund portion of the principal of investment units (distributions in excess of earnings). What is the future outlook for distributions and the perspective on distributions in excess of earnings?

First, with regard to the future outlook for distributions, CSIF works to maintain the level of distributions made in the 4th period (¥3,650) for the time being. Because CSIF believes that it is important to provide unitholders with a stable level of distributions to enable them to hold their investment units in the long term, it tries to stabilize distributions every fiscal period by utilizing distributions in excess of earnings to a reasonable extent.

Distributions in excess of earnings refers to the amount to distribute in excess of distributions made by using net income as the source (distributions from earnings). (Therefore, the formula would be: Distributions in excess of earnings [¥577 in the 4th period, the same applies below] = Total distributions [¥3,650] - Profit distribution [¥3,073].) Because distributions in excess of earnings are not distributions funded by earnings, they are distributions in the form of the refund of investment capital (the principal of investment units) of unitholders. Because the depreciation of power generation facilities, which is an expense item in the calculation of net income for accounting purposes, is an expense unaccompanied by the outflow of funds in reality, funds equivalent to this expense will remain in CSIF's hand. Therefore, distributions will be made by using these funds as the source.

Distributions in excess of earnings are made to the extent to which they will not negatively impact cash flows, based on the characteristics of an infrastructure fund that has a higher ratio of depreciation than listed J-REITs.

In the medium to long term, CSIF will plan to use profit as the major source of distributions, because it is believed that CSIF will be able to improve the level of profit per investment unit by using those funds equivalent to depreciation, which are reserved in hand without being distributed as distributions in excess of earnings for the acquisition of new power generation facilities, combined with borrowings and capital increase through public stock offering.

Q5: What does CSIF think of the current challenges of the listed infrastructure funds?

Currently, six infrastructure funds are listed, but they may be insufficient for investors from the standpoint of the overall asset size of their portfolios and the number of funds. It is necessary for infrastructure funds to be newly listed to appear in the market and for individual funds to grow steadily. In addition, because all assets in the portfolios of the six funds are photovoltaic power generation facilities, it is necessary to create an environment for infrastructure funds whose portfolio assets are other renewable energy facilities or ports and harbors and water supply and sewerage systems, for example, to be listed in the market, as seen overseas.

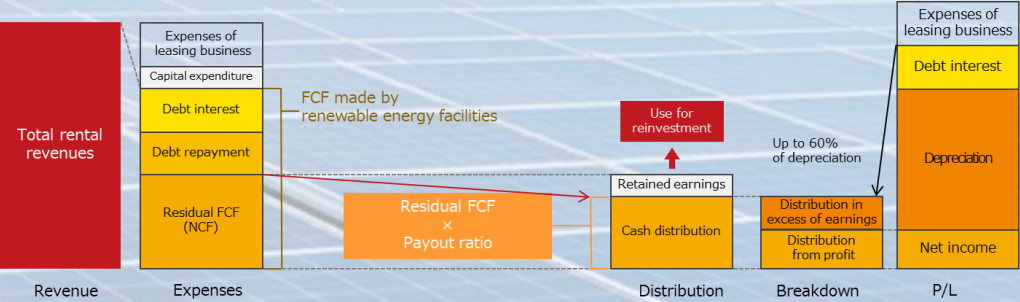
As for the tax system, the listed infrastructure funds have difficulty forecasting a future outlook given the following factors: 1) They are treated differently from listed J-REITs so that the

inclusion of distributions in deductible expenses is admitted for only 20 years, starting from the commencement of leasing of the portfolio assets acquired at the time of listing, and 2) they are unable to grasp how the electricity sales price will be after the period of the FIT scheme has expired. CSIF will respond appropriately to future developments in these environments surrounding the listed infrastructure funds.

Q6: How does CSIF operate its photovoltaic power plants after the termination of the FIT period?

CSIF assumes that it will continue the power generation business for at least about five years at each photovoltaic power plant, even after the termination of the FIT period. If it discontinues the power generation business by removing the facilities after the termination of the FIT period, it will not contribute to the dissemination of renewable energy, which is the primary aim of the Japanese government. While the electricity sales price is expected to decline after the termination of the FIT period, CSIF thinks that more value will be found from electricity generated by photovoltaic power plants if the electricity sales price declines, given that an increasing number of companies are joining the RE100 project, which is an initiative that aims to procure the electricity needed for business operation with 100% renewable energy. CSIF will advance preparations in cooperation with power generation companies to be able to adequately capture such needs and continue the power generation business even after the termination of the FIT period.

Distribution in Excess of Earnings (for Q5)





## ➤ Portfolio

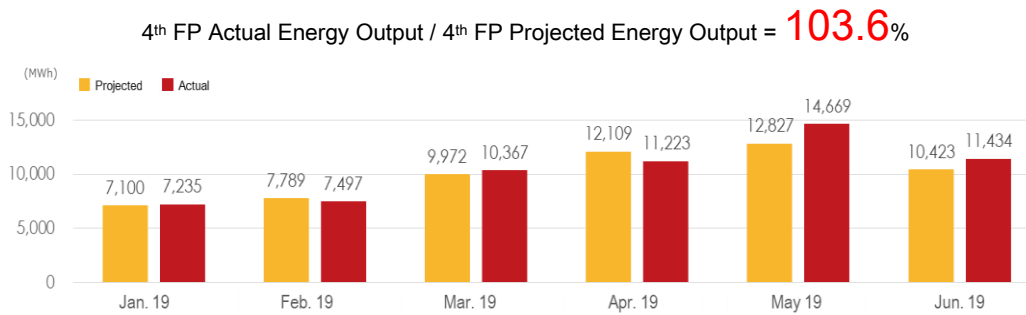
### Portfolio Highlight

# of Projects      Total Acquisition Price      Panel Output of AUM

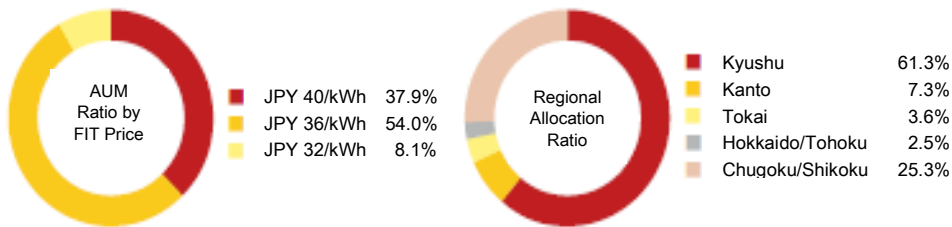
**20 PV Facilities**      **JPY 44.28bIn**      **108.9 MW**

(Note) "Total Acquisition Price" is total of the purchase prices based on the sales and purchase agreement for each project.

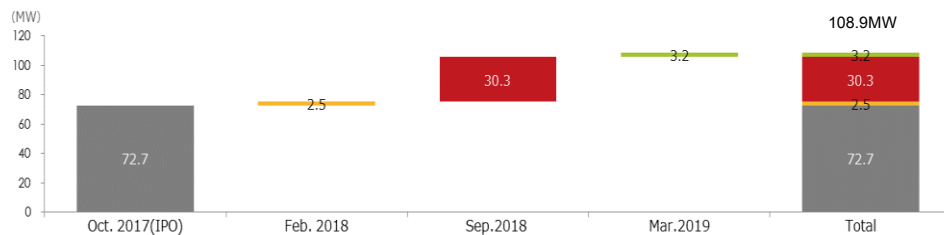
### Total Energy Output for the Period



### FIT Price Range and Regional Allocation



### Historical Total Solar Panel Output



### List of Power Plant Assets

No.	Project name	Location	Acquisition price (yen millions)	Price (yen millions)	Investment ratio (%)	Panel output (kW)
S-01	CS Shibushi-shi PP	Shibushi-shi, Kagoshima	540	607	1.21	1,224.00
S-02	CS Isa-shi PP	Isa-shi, Kagoshima	372	408	0.82	931.77
S-03	CS Kasama-shi PP	Kasama-shi, Ibaraki	907	1,082	2.16	2,127.84
S-04	CS Isa-shi Dai-ni PP	Isa-shi, Kagoshima	778	847	1.69	2,013.99
S-05	CS Yusui-cho PP	Aira-gun, Kagoshima	670	730	1.46	1,749.30
S-06	CS Isa-shi Dai-san PP	Isa-shi, Kagoshima	949	1,033	2.06	2,225.08
S-07	CS Kasama-shi Dai-ni PP	Kasama-shi, Ibaraki	850	923	1.85	2,103.75
S-08	CS Hiji-machi PP	Hayami-gun, Oita	1,029	1,111	2.22	2,574.99
S-09	CS Ashikita-machi PP	Ashikita-gun, Kumamoto	989	1,081	2.16	2,347.80
S-10	CS Minamishimabara-shi PP (East & West)	Shimabara-shi, Nagasaki	1,733	1,988	3.97	3,928.86
S-11	CS Minano-machi PP	Chichibu-gun, Saitama	1,018	1,173	2.34	2,448.60
S-12	CS Kannami-cho PP	Tagata-gun, Shizuoka	514	593	1.19	1,336.32
S-13	CS Mashiki-machi PP	Kamimashiki-gun, Kumamoto	20,084	23,465	46.91	47,692.62
S-14	CS Koriyama-shi PP	Koriyama-shi, Fukushima	246	272	0.54	636.00
S-15	CS Tsuyama-shi PP	Tsuyama-shi, Okayama	746	817	1.63	1,963.00
S-16	CS Ena-shi PP	Ena-shi, Gifu	757	868	1.74	2,124.20
S-17	CS Daisen-cho PP (A)(B)	Saihaku-gun, Tottori	10,447	11,310	22.61	27,302.40
S-18	CS Takayama-shi PP	Takayama-shi, Gifu	326	359	0.72	962.28
S-19	CS Misato-machi PP	Kodama-gun, Saitama	470	488	0.98	1,082.00
S-20	CS Marumori-machi PP	Igu-gun, Miyagi	850	866	1.73	2,194.50
Total			44,281	50,026	100.00	108,969.30

## ➤ Portfolio Overview

\*as of the end of the 4<sup>th</sup> FP

**S-19** / CS Misato-machi PP

**NEW**



Panel Output / 1,082.00kW  
FIT Price / JPY 32/kWh  
End of FIT Period / March 26, 2037

**S-20** / CS Marumori-machi PP

**NEW**



Panel Output / 2,194.50kW  
FIT Price / JPY 36/kWh  
End of FIT Period / July 12, 2038

**S-01** / CS Shibushi-shi PP



Panel Output / 1,224.00kW  
FIT Price / JPY 40/kWh  
End of FIT Period / September 16, 2034

**S-04** / CS Isa-shi Dai-ni PP



Panel Output / 2,013.99kW  
FIT Price / JPY 36/kWh  
End of FIT Period / June 28, 2035

**S-02** / CS Isa-shi PP



Panel Output / 931.77kW  
FIT Price / JPY 40/kWh  
End of FIT Period / June 8, 2035

**S-05** / CS Yusui-cho PP



Panel Output / 1,749.30kW  
FIT Price / JPY 36/kWh  
End of FIT Period / August 20, 2035

**S-03** / Kasama-shi PP



Panel Output / 2,127.84kW  
FIT Price / JPY 40/kWh  
End of FIT Period / June 25, 2035

**S-06** / CS Isa-shi Dai-san PP



Panel Output / 2,225.08kW  
FIT Price / JPY 40/kWh  
End of FIT Period / September 15, 2035

**S-07** / CS Kasama-shi Dai-ni PP



Panel Output / 2,103.75kW  
FIT Price / JPY 40/kWh  
End of FIT Period / September 23, 2035

**S-08** / CS Hiji-machi PP



Panel Output / 2,574.99kW  
FIT Price / JPY 36/kWh  
End of FIT Period / October 12, 2035

**S-09** / CS Ashikita-machi PP



Panel Output / 2,347.80kW  
FIT Price / JPY 40/kWh  
End of FIT Period / December 10, 2035

**S-10** / Minamishimabara-shi PP (East & West)



Panel Output / 3,928.86kW  
FIT Price / JPY 40/kWh  
End of FIT Period / December 24, 2035 (E)  
January 28, 2036 (W)

**S-11** / Minano-machi PP



Panel Output / 2,448.60kW  
FIT Price / JPY 32/kWh  
End of FIT Period / December 6, 2036

**S-12** / Kannami-cho PP



Panel Output / 1,336.32kW  
FIT Price / JPY 36/kWh  
End of FIT Period / March 2, 2037

**S-13** / Mashiki-machi PP



Panel Output / 47,692.62kW  
FIT Price / JPY 36/kWh  
End of FIT Period / June 1, 2037

**S-14** / Koriyama-shi PP



Panel Output / 636.00kW  
FIT Price / JPY 32/kWh  
End of FIT Period / September 15, 2036

**S-15** / Tsuyama-shi PP



Panel Output / 1,963.00kW  
FIT Price / JPY 32/kWh  
End of FIT Period / June 29, 2037

**S-16** / CS Ena-shi PP



Panel Output / 2,124.20kW  
FIT Price / JPY 32/kWh  
End of FIT Period / September 12, 2037

**S-17** / CS Daisen-cho PP (A)/(B)



Panel Output / 20,885.76kW (A)  
6,416.64kW (B)  
FIT Price / JPY 40/kWh  
End of FIT Period / August 9, 2037

**S-18** / CS Takayama-shi PP



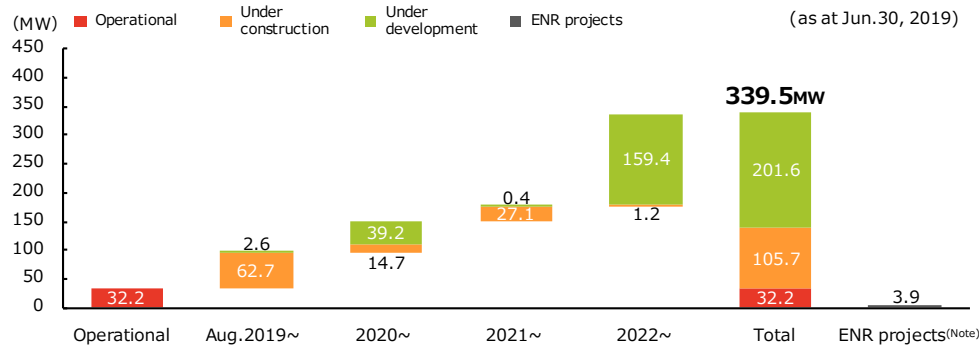
Panel Output / 962.28kW  
FIT Price / JPY 32/kWh  
End of FIT Period / October 9, 2037

## ➤ Sponsor Pipeline

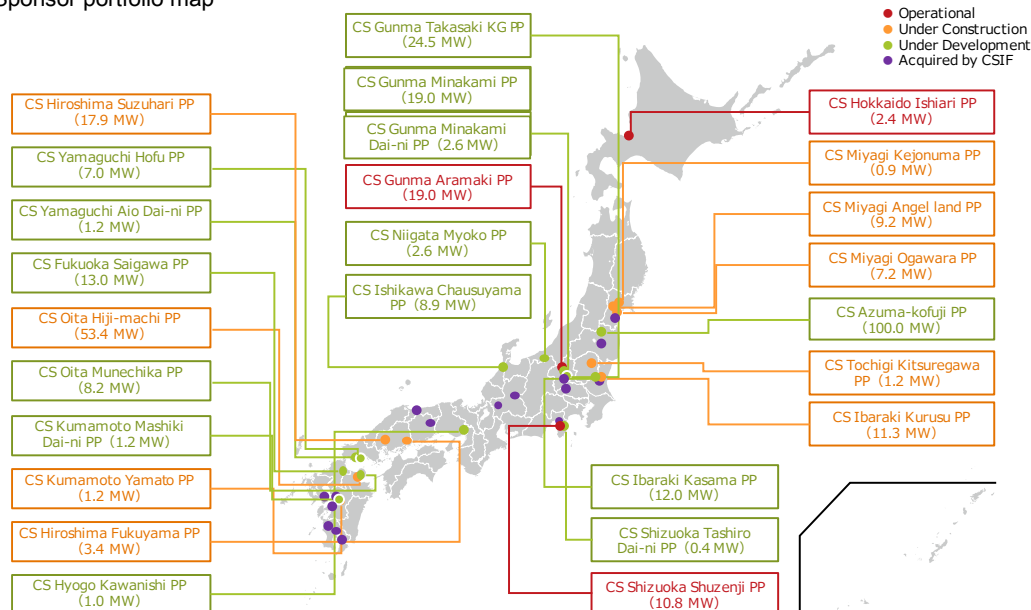
Targeting to achieve JPY100bn in asset size over the medium term by mainly acquiring from the sponsor pipeline.



The expected schedule of COD for the sponsor pipeline.



## Sponsor portfolio map



## ➤ Effort in ESG

On August 13, 2019, Canadian Solar Asset Management K.K. ("The Company"), the asset management company of CSIF, announced that it signed the United Nations Principles of Responsible Investment (UN PRI). The Company has been actively making ESG efforts in the Canadian Solar Group and the operation of CSIF, and with the declaration of this signature, it will work on the operation of CSIF, taking ESG (Environmental, Social and Governance) issues into consideration.

Major ESG-related efforts made thus far in the Canadian Solar Group and the operation of CSIF are as follows.

### Environmental (environmental considerations)

- CSIF is contributing to the dissemination of renewable energy through its listing on the infrastructure fund market and by raising funds from this market.
- CSIF emphasizes environmentally conscious operation in the surrounding areas, including the use of non-chemical panel cleaning fluid at its power generation facilities.
- The Company avoids excessive land development by the sponsor, achieving for the installation of power generation facilities that take advantage of the original land form.



### Social (social contributions)

- Mashiki-machi, Kamimashiki-gun, Kumamoto, where CS Mashiki-machi Power Plant is located, was affected by the 2016 Kumamoto earthquakes, and Canadian Solar Projects K.K., the sponsor who conducted development at that time, provided relief supplies to the disaster-stricken area. Canadian Solar Projects K.K. continued development even after the disaster and contributed to employment promotion in the area.



### Governance (corporate governance)

- The Company is working to strengthen governance by taking measures against the conflicts of interest and adopting an operation system that secures the third-party nature.
- Operations are conducted under an appropriate check function among departments and persons in charge due to the enhancement of the organizational structure, which has been advocated since the second half of 2018.



## 1. Overview of Fund Operation

### (1) Historical Operating Result of the Fund

Fiscal Period	1 <sup>st</sup> FP	2 <sup>nd</sup> FP	3 <sup>rd</sup> FP	4 <sup>th</sup> FP
	Fr. May 18, 2017 To Sep. 30, 2017	Fr. Oct. 1, 2017 To Jun. 30, 2018	Fr. Jul. 1, 2018 To Dec. 31, 2018	Fr. Jan. 1, 2019 To Jun. 30, 2019
Operating Revenue (in JPY mln)	-	2,023	1,785	2,185
(Rental revenue of renewable energy power plants, out of operating revenue) (in JPY mln)	-	2,023	1,785	2,185
Operating Expense (in JPY mln)	5	1,178	1,140	1,368
(Expense for rental of renewable energy power plants, out of operating expense) (in JPY mln)	-	1,066	1,035	1,234
Operating Income / Loss (-) (in JPY mln)	-5	845	644	817
Ordinary Income / Loss (-) (in JPY mln)	-49	331	413	711
Net Income / Loss (-) (in JPY mln)	-49	330	412	710
Unitholders' Capital (net) (Note 6) (in JPY mln)	150	17,315	21,902	21,482
Total number of units issued (unit)	1,500	182,190	231,190	231,190
Total Assets (in JPY mln)	101	35,841	46,773	45,981
(vs prior FP) (%)	-	35,386.1	30.5	-1.7
Total Net Assets (in JPY mln)	100	17,596	22,315	22,193
(vs prior FP) (%)	-	17,496.0	26.8	-0.5
Interest-bearing Liabilities (in JPY mln)	-	18,103	24,297	23,513
Net Asset Value per Unit (Base price) (in JPY)	67,065	96,583	96,523	95,996
Total Distribution (in JPY mln)	-	428	832	843
Distribution per Unit (in JPY)	-	2,350	3,600	3,650
(DPU excl. distribution in excess of earnings, in JPY)	-	1,542	1,783	3,073
(Distribution in excess of earnings per unit, in JPY)	-	808	1,817	577
Return on Assets (Note4) (%)	-39.3	1.8	1.0	1.5
(annualized ratio) (Note5) (%)	-105.4	2.8	2.0	3.1
Return on Capital (Note4) (%)	-39.4	3.7	2.1	3.2
(annualized ratio) (Note5) (%)	-105.8	5.6	4.1	6.4
Capital Ratio (Note4) (%)	99.4	49.1	47.7	48.3
(vs prior FP) (%)	-	-50.3	-1.4	0.6
Distribution Payout Ratio (Note4) (%)	-	76.9	100.0	100.0
[Other Information]				
Number of Days for FP (days)	136	244	184	181
Number of Invested Asset as of End of FP	-	15	18	20
Depreciation Expenses (in JPY mln)	-	743	713	813
CAPEX (in JPY mln)	-	-	27	54
Rental NOI (Note4) (in JPY mln)	-	1,700	1,462	1,764
FFO (Funds from Operation) (Note4) (in JPY mln)	-49	1,074	1,125	1,523
FFO per Unit (Note4) (in JPY)	-32,934	5,895	4,869	6,591
Interest-bearing Liabilities Ratio (Note4) (%)	-	50.5	51.9	51.1

(Note 1) Fiscal periods of the fund are six months for January 1 to June 30 and July 1 to December 31 every year. The 1<sup>st</sup> FP was from May 18, 2017 to September 30, 2017 and the 2<sup>nd</sup> FP was from October 1, 2017 to June 30, 2018.

Although the number of days for the 2<sup>nd</sup> FP was 273 days, the substantive operating period was from October 30, 2017 to June 30, 2018 (244 days).

(Note 2) Consumption taxes are not included in the operating revenue etc.

(Note 3) Unless otherwise described, the numbers are rounded down and the ratio are rounded up or down.

(Note 4) The calculation methods are as below.

Return on Assets	Ordinary Income / { (Total Assets at Beginning of FP + Total Assets at End of FP) / 2 } x 100
Return on Capital	Net Income / { (Net Assets at Beginning of FP + Net Assets at End of FP) / 2 } x 100
Capital Ratio	Net Assets at End of FP / Total Assets at End of FP x 100
Distribution Payout Ratio	DPU excl. distribution in excess of earnings / Net Income x 100
Rental NOI	Rental Revenue for renewable energy power generation facilities – Rental Expenses for renewable energy power generation facilities + Depreciation Expenses
FFO	Net Income + Depreciation Expenses + Profit from sales of renewable energy power generation facilities
FFO per unit	FFO / The number of total issued units
Interest-bearing Liabilities Ratio	Interest-bearing Liabilities / Total Assets x 100

(Note 5) For the 1<sup>st</sup> FP, the actual days for the period is used for annualization. For the 2<sup>nd</sup> FP, the days for the substantive operating period (244 days) is used for annualization instead of the actual number of days (273 days).

(Note 6) Deductible amount for unitholders' capital is deducted from the gross amount of unitholders' capital.

### (2) 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 6, 2018 and issued new investment units (2,333 units) through third-party allotment on October 4, 2018. As a result, the total units issued at the end of the fiscal period under review (as of December 31, 2018) were 231,190 units.

#### b. Investment Environment

During the fiscal period under review, the Japanese economy recovered at a moderate pace in the first half, despite economic trend indexes showing stagnant conditions. Moving into the second half, although the recovery tone was maintained, overall assessments changed from starting to follow a downward trend to deteriorating in terms of economic trend indexes, given signs of weakness partially visible in exports and production. Going forward, attention needs to be paid to the trend of the Japanese economy over the coming months because the possibility of an economic recession and economic uncertainty will increase due to the consumption tax hike expected in October 2019, in addition to lingering downward risks attributable to overseas economic conditions. In addition, it is becoming more likely that interest rates will fall in the U.S. and Europe against the backdrop of signs of an economic slowdown in the U.S., which has been relatively firm, and the advancement of the Euroskeptical group in the European assembly election. Under these conditions, a close eye should be kept on the impact of the U.S.-China trade tensions on the global economy.

Reflecting hope for progress in the U.S.-China trade talks and rising expectations for the termination of monetary tightening in the U.S., the stock market in Japan reacted favorably after the start of 2019. Now, adjustments are underway amid concerns over the global economic slowdown, movements of the exchange market, and prolongation of the U.S.-China trade tensions. Meanwhile, the Infrastructure Fund Market, whose neutrality to economic fluctuations and high yield rates draw people's interest, has been following a recovery path since the beginning of the year.

In the environment surrounding renewable energy power generation facilities (stipulated in Article 2, Paragraph 3 of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities [Act No. 108 of 2011, including subsequent amendments; hereinafter referred to as the “Act on Renewable Energy Special Measures”] [excluding those that fall under real estate]; hereinafter referred to as “renewable energy power generation facilities”) held by CSIF, Kyushu Electric Power Co., Inc. (hereinafter referred to as “Kyushu Electric Power”) implemented a full-scale output control program across the Kyushu mainland to request renewable energy operators the temporary termination of power generation through photovoltaic power generation facilities and wind power generation facilities (Note 1), starting from October 2018. Initially, the program was expected to be implemented mainly on weekends in spring and summer, because not many people use cooling and heating equipment and factories are not in operation. However, in 2019, the program was implemented for 16 days including weekdays in March, 20 days in April and 10 days in May. Meanwhile, it became possible to increase the amount of renewable energy-based electricity provided from the Kyushu area to other areas by approximately 300,000 kW at maximum from April, by utilizing the transfer blocking system installed in the Kanmon interconnection line between the Kyushu mainland and Honshu. As a result, Kyushu Electric Power can relax the output control on power generated by photovoltaic power generation facilities and wind power generation facilities.

In consideration of the sharp increase in the number of the output control programs implemented in the service area of Kyushu Electric Power in the spring, the Ministry of Economy, Trade and Industry indicated at a meeting of the Working Group on Systems of the New and Renewable Energy Subcommittee held in April 2019 the policy of extending the application of output control to photovoltaic power generation facilities of less than 500 kW (excluding those of less than 10 kW) connected under the previous rule (Note 2), which classifies such facilities as not being subject to output control for the time being, and the guideline was unanimously approved by the members. As of June 30, 2019, output control has not been implemented after May 12, 2019, partly due to the start of regular inspections of the Genkai Nuclear Power Station Unit No.3 of Kyushu Electric Power on May 13, 2019.

With respect to the feed-in tariff system for renewable energy, the amount of photovoltaic power generation for business that was authorized and introduced had increased rapidly since the commencement of the system in July 2012, and purchase prices fell to less than half (from ¥40 per kWh in 2012 to ¥18 per kWh in 2018, mainly due to a decline in capital expenses). Against this background, an issue arose involving projects with non-operating facilities, namely those not generating electric power generation yet maintaining a right to high purchase prices. The Ministry of Economy, Trade and Industry has been taking a range of measures related to this issue. As an additional step, with respect to photovoltaic power generation of 10 kW or greater, which obtained authorization between 2012 and 2014, the ministry has decided to apply new purchase prices that reflect the business costs at the time of the start of operation to projects with non-operating facilities (for which connection contracts were concluded by July 31, 2016) whose deadlines for the start of operation are not established, in sync with the timing of the start of operation, instead of high purchase prices based on costs at the time when the authorization was granted. The Ministry of Economy, Trade and Industry has also decided to take steps to guarantee the start of operation as soon as possible. All renewable energy power generation facilities owned by CSIF have already started operation; therefore these properties are not affected by the introduction of the said steps.

Some media outlets reported that the Ministry of Economy, Trade and Industry started to consider the abolishment of the feed-in tariff system for renewable energy on June 12, 2019. If the ministry moves forward with the abolishment of the feed-in tariff system as reported by the media, it is unlikely to have a significant impact on purchase prices of the photovoltaic power generation facilities in operation owned by CSIF.

#### c. Management Performance

During the fiscal period from October 1, 2017 to June 30, 2018, CSIF acquired 13 photovoltaic power generation facilities, etc. (Note 3) on October 31, 2017 (a total panel output (Note 1) of 72.7MW and a total acquisition price (Note 2) of ¥30,438 million) using the net proceeds from the issuance of new investment units through public offering as well as borrowings in accordance with the basic asset management policy, etc. set forth in its Articles of Incorporation, and commenced substantive investment operations. In addition, two photovoltaic power generation facilities, etc. (a total panel output of 2.6MW and a total acquisition price of ¥992 million) were acquired on February 1, 2018 using borrowings with the aim of improving CSIF's portfolio and

expanding external growth. As a result, CSIF held and managed a portfolio consisting of 15 photovoltaic power generation facilities, etc. (a total panel output of 75.3MW and a total price (Note 4) of ¥35,963 million) as of the end of the previous fiscal period.

During the previous fiscal period under review, CSIF acquired an additional three photovoltaic power generation facilities, etc. on September 6, 2018 (a total panel output of 30.3MW and a total acquisition price of ¥11,530 million) using the net proceeds from the issuance of new investment units through public offering as well as borrowings. As a result, CSIF held a portfolio consisting of 18 photovoltaic power generation facilities, etc. (a total panel output of 105.6MW and a total price of ¥47,100 million) as of the end of the fiscal period under review. CSIF achieved steady growth to an asset scale of over 100MW panel output for the first time as a listed infrastructure fund.

In addition, during the fiscal period under review, CSIF acquired one facility on March 1, 2019 with cash on hand and another facility on March 29, 2019 using borrowings and cash on hand, or a total of two facilities (a total panel output of 3.3MW and a total acquisition price of ¥1,320 million). As a result, CSIF held a portfolio consisting of 20 facilities (a total panel output of 108.9MW and a total price of ¥50,000 million) as of the end of the fiscal period under review. In terms of asset scale, CSIF continued to be the largest operator among listed infrastructure funds as of the end of the fiscal period under review.

(Note 1) “Photovoltaic power generation facilities” shall refer to renewable energy power generation facilities that generate power by using sunlight, among other sources, as energy, while “Wind power generation facilities” refer to renewable power generation facilities that generate power by using wind power, among other sources, as energy. The same shall apply hereunder.

(Note 2) “Previous rule” shall, as it pertains to photovoltaic facilities (excluding those of less than 10kW) installed in the service area of Kyushu Electric Power, refer to the rule on output control that applies to photovoltaic power generation facilities covered by connection requests, for which Kyushu Electric Power authorized interconnection on or before January 25, 2015. The previous rule specifies that output control may be implemented for up to 30 days every year without any compensation, while no such restriction is set in the current rule.

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

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

(Note 5) “Renewable energy power generation facilities, etc.” shall collectively refer to renewable energy power generation facilities as well as real estate and the right of lease (including the right of sublease) of real estate or the surface right (hereinafter referred to as “Site, etc.”) to install, maintain and operate the renewable energy power generation facilities. In addition, “photovoltaic power generation facilities, etc.” shall collectively refer to photovoltaic power generation facilities (of renewable energy power generation facilities, photovoltaic power generation facilities shall specifically refer to renewable energy power generation facilities that generate power using solar light as the source of energy; the same shall apply hereunder) as well as real estate and the right of lease (including the right of sublease) of real estate or the surface right to install, maintain and operate photovoltaic power generation facilities. The same shall apply hereunder.

(Note 6) “Price” shall mean the intermediate value calculated by CSIF using the appraisal value of each power plant as of June 30, 2018 for the second preceding fiscal period, December 31, 2018 for the previous fiscal period and as of June 30, 2019 for the fiscal period under review as stated in valuation reports obtained from PricewaterhouseCoopers Sustainability LLC or Ernst & Young Transaction Advisory Services Co., Ltd.. The same shall apply hereunder.

#### d. Overview of Financing

In the fiscal period under review, CSIF undertook the borrowing of funds amounting to a total of ¥700 million in March 2019. On the other hand, a contractual repayment was made at the end of the fiscal period under review, and the amount of borrowings as of the end of the fiscal period under review came to ¥23,513 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 51.1%.



e. Overview of Business Performance and Distributions

As a result of the management described above, the business performance in the fiscal period under review recorded operating revenue of ¥2,185 million, operating income of ¥817 million (mainly due to the impact of unseasonable weather), ordinary income of ¥711 million and net income of ¥710 million.

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

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

CSIF intends to make cash distributions to its unitholders for each fiscal period from free cash flow (hereinafter referred to as "FCF") generated by its renewable energy power generation facilities, in amounts determined in the following manner. The amount available for distribution shall be calculated by multiplying FCF, that is net cash flow (hereinafter referred to as "NCF"; CSIF shall incorporate the total amount of NCF remaining after deducting distributions for the preceding fiscal periods in calculating NCF) to be vested to equity investors after deducting FCF payable to debt investors, by a certain ratio (hereinafter referred to as "payout ratio"; The payout ratio for the 4th fiscal period is 48.0%.) determined by CSIF in light of the amount of NCF for each fiscal period.

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

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

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

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

Based on the above policy, CSIF determined to make a distribution for the fiscal period under review of ¥843,843,500, equivalent to 48.0% of projected NCF for the period (¥1,758,007,291). As a result, distribution in excess of earnings is ¥133,396,630, after deducting dividends for the period of ¥710,446,870. Dividend per investment unit is ¥3,650 for the fiscal period under review.

(3) Summary of Public Offering etc.

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)

(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.

#### (4) Historical Distributions

Based on the unappropriated earnings of JPY 710mln for the 4<sup>th</sup> FP, after a rounding down for the amount below JPY 1mln, JPY 710mln is the distribution for profit. Together with JPY 133mln of distribution in excess of earnings, as the result, JPY 3,650 is the DPU for the period.

Fiscal Period	1 <sup>st</sup> FP	2 <sup>nd</sup> FP	3 <sup>rd</sup> FP	4 <sup>th</sup> FP
	Fr. May 18, 2017 To Sep. 30, 2017	Fr. Oct. 1, 2017 To Jun. 30, 2018	Fr. Jul. 1, 2018 To Dec. 31, 2018	Fr. Jan. 1, 2019 To Jun. 30, 2019
Unappropriated Earnings or Undisposed Losses (in JPY thousand)	-49,402	281,047	412,298	710,506
Retained Earnings (in JPY thousand)	-49,402	110	86	59
Total Distribution (in JPY thousand)	-	428,146	832,284	843,843
(DPU, in JPY)	(-)	(2,350)	(3,600)	(3,650)
Distribution for Profit (in JPY thousand)	-	280,936	412,211	710,446
(Distribution for Profit per Unit, in JPY)	(-)	(1,542)	(1,783)	(3,073)
Distribution in Excess of Earnings (in JPY thousand)	-	147,209	420,072	133,396
(Distribution in Excess of Earnings per Unit, in JPY)	(-)	(808)	(1,817)	(577)
Distribution from Allowance for Adjustment for Temporary Difference out of Distribution in Excess of Earnings (in JPY thousand)	-	-	-	-
(Distribution from Allowance for Adjustment for Temporary Difference per Unit out of Distribution in Excess of Earnings per Unit, in JPY)	(-)	(-)	(-)	(-)
Distribution as Redemption of Capital based on Tax Law (in JPY thousand)	-	147,209	420,072	133,396
(Distribution as Redemption of Capital based on Tax Law, in JPY)	(-)	(808)	(1,817)	(577)

(Note) The fund makes distribution in excess of earnings every FP based on its article 47.2. Based on this policy, JPY 133mln which is 16.4% of the depreciation expenses, JPY 813mln, is to be distributed as the distribution in excess of earnings. As a result, JPY 3,650 is DPU for the 4<sup>th</sup> FP.

#### (5) Operational Policy and Agendas in the Future

##### a. Outlook for the Future Management

The Japanese economy is thought to already be in a recessionary phase after peaking in the fall of 2018. With (i) capital investments including those in facilities related to the Tokyo Olympics almost completed and (ii) the consumption tax rate expected to be raised in October 2019, attention needs to be paid to the likelihood of downward pressure being put on the economy, going forward. Given the strong possibility that the slowdown of the U.S. economy will become apparent following the worsening of the Eurozone and Chinese economies, the market is cautious about the possibility that it will enter a recessionary phase in the near future. It is also necessary to monitor the likelihood of the appreciation of the yen against the U.S. dollar, given a backdrop of the ending of circumstances that support an increase in interest rates and the rising expectations of lower interest rates in the U.S.

With respect to the environment surrounding photovoltaic power generation facilities that are included in renewable energy power generation facilities, as stated in "(I. Overview of the Fiscal Period under Review) b. Investment Environment" above, with the goal of introducing renewable energy wherever possible while simultaneously curbing the burden on the public, a decision was made on December 5, 2018 to apply new purchase prices that reflect the business costs at the time of the start of operation, to projects with non-operating facilities for photovoltaic power generation for business use, in sync with the timing of the start of operation, instead of high purchase prices based on costs at the time the authorization was granted. Steps were also taken to guarantee the start of operation as soon as possible.

The output control program, in which a request for the temporary termination of power generation was made to operators of facilities that generate power through renewable energy such as sunlight, was implemented in the service area of Kyushu Electric Power, starting from October 2018. If the introduced amount of renewable energy continues to increase, going forward, this output control is likely to be implemented outside Kyushu region, including in Tohoku region and Chugoku region. Meanwhile, to minimize output control, the Ministry of Economy, Trade and Industry plans to enhance inter-regional connection line networks, one between Hokkaido and Tohoku and the other between Tohoku and Tokyo, respectively, to use solar and other renewable energy-generated electric power in broader areas, efficiently. In addition, to secure the necessary amount of power subject to control by extending the application of output control, and to reduce each operator's burden, the ministry has indicated a policy of extending the application of output control on photovoltaic power generation, to photovoltaic power generation facilities of less than 500 kW (excluding those of less than 10 kW) operating under the previous rule which classifies such facilities as being outside the scope of output control for the time being. In addition to the reduction of the controlled amount of overall renewable energy, the ministry appears to be ready to work on facilitating online operation in conjunction with output control, so that power generation operators can reduce the loss of opportunities and lower personnel expenses.

##### b. Future Management Policy

###### (i) External Growth Strategy

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

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

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

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

###### (ii) Internal Growth Strategy

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

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

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

###### (iii) Financial Strategy

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



(6) Subsequent Event

Not applicable.

2. Overview of Fund Corporation

(1) Summary of Invested Capital

Fiscal Period	1 <sup>st</sup> FP	2 <sup>nd</sup> FP	3 <sup>rd</sup> FP	4 <sup>th</sup> FP
	Sep. 30, 2017	Jun. 30, 2018	Dec. 31, 2018	Jun. 30, 2019
The Number of Units Allowed for Issuance	10,000,000	10,000,000	10,000,000	10,000,000
Total Number of Units Issued	1,500	182,190	231,190	231,190
Unitholders' Capital (net) (Note) (in JPY mln)	150	17,315	21,902	21,482
The Number of Unitholders	1	5,753	9,815	11,143

(Note) Deductible amount for unitholders' capital is deducted from the gross amount of unitholders' capital.

(2) Major Unitholders List

Major unitholders as of June 30, 2019 are as follows.

Name	The Number of Units Held	Ratio vs Total Number of Units Issued (%)
Canadian Solar Project K.K.	33,895	14.66
SSBTC CLIENT OMNIBUS ACCOUNT	12,774	5.52
GOLDMAN SACHS INTERNATIONAL	5,414	2.34
Individual	4,399	1.90
The Bank of Fukuoka, Ltd.	3,430	1.48
CITIBANK INTERNATIONAL PLC AS TRUSTEE FOR STANDARD LIFE WEALTH PHOENIX FUND	3,292	1.42
Individual	1,662	0.71
Individual	1,556	0.67
Individual	1,500	0.64
Yamato Shinkin Bank	1,500	0.64
Total	69,422	30.02

(Note) The ratio is rounded down.

(3) Summary of Executives

a. Executive Director, Supervisory Director and Accounting Auditor

Position	Name	Concurrent Post	Compensation (in JPY thousand)
Executive Director (Note 2)	Tetsuya Nakamura	Representative director of Canadian Solar Asset Management K.K.	-
	Yoshihisa Otake	Representative director of Canadian Solar Asset Management K.K.	-
Supervisory Director	Michihiko Takabe (Note 3)	Akira Watanabe Law Office (Attorney at law) Seikei University Laws School (Professor) Ministry of Internal Affairs and Communications (Member of the Severance Pay and Pension Examination Committee)	2,400
	Takashi Handa	Mazars WB Audit Corporation (Corporate representative)	

		Mazars Sarl (Partner) Mazars FAS K.K. (Representative Director) Zuken Inc. (Audit and Supervisory board member)	
	Eriko Ishii (Note 3)	Shin Saiwai Law Office (Partner, Attorney at law) Itochu REIT Management Co., Ltd. (Member of the compliance committee)	
Accounting Auditor	Grant Thornton Taiyo LLC	-	8,500

(Note 1) The executive directors and the supervisory director don't hold the fund's unit. Although the supervisory directors may be in a position of executive officer of any corporations other than stated above, there is no conflict of interest related to the fund.

(Note 2) Yoshihisa Otake resigned the executive director on May 18, 2019 and Tetsuya Nakamura assumed the position on May 19, 2019.

(Note 3) Michihiko Takebe resigned the supervisory director and Eriko Ishii was elected to the position at the 2<sup>nd</sup> unitholders' meeting on March 28, 2019.

b. The policy on decision of removal / not-to-reappoint of accounting auditor

Decision of removal is made based on Investment Trust Law and not-to-reappoint is made by unitholders' meeting.

(4) Asset Manager, Asset Custodian and Administrator

Asset manager, asset custodian and administrator as of June 30, 2019 are as follows.

Delegated Position	Name
Asset Manager	Canadian Solar Asset Management K.K.
Asset Custodian	Sumitomo Mitsui Trust Bank, Ltd.
Administrator (Institutional Operation)	Sumitomo Mitsui Trust Bank, Ltd.
Administrator (Custodian of List of Unitholders)	Sumitomo Mitsui Trust Bank, Ltd.
Administrator (Accounting)	Ernst & Young Tax Co.

3. Overview of Assets under Management

(1) Composition of Assets and Regional Diversification

Type of asset	Region (Note 1)	Total Asset-Under-Management (AUM) ('000yen)(Note 2)	% of total AUM (Note 3)
Solar energy facility	Hokkaido/Tohoku	1,040,655	2.3
	Kanto	2,461,223	5.4
	Tokai	1,418,596	3.1
	Chugoku/Shikoku	10,484,457	22.8
	Kyushu	22,292,578	48.5
Subtotal		37,697,511	82.0
Land	Hokkaido/Tohoku	48,970	0.1

	Kanto	647,430	1.4
	Tokai	63,309	0.1
	Chugoku/Shikoku	522,185	1.1
	Kyushu	3,184,875	6.9
Subtotal		4,466,771	9.7
Land lease	Hokkaido/Tohoku	17,924	0.0
	Kanto	59,197	0.1
	Tokai	41,423	0.1
	Chugoku/Shikoku	3,415	0.0
	Kyushu	390,450	0.8
Subtotal		512,411	1.1
Solar energy facility etc.	Hokkaido/Tohoku	1,107,550	2.4
	Kanto	3,167,851	6.9
	Tokai	1,523,330	3.3
	Chugoku/Shikoku	11,010,058	23.9
	Kyushu	25,867,904	56.3
Subtotal		42,676,695	92.8
Solar energy facility etc. total		42,676,695	92.8
Saving/other assets		3,304,406	7.2
Asset total (2)		45,981,101	100.0

## (2) Major Assets List

The summary of the top 10 assets as of June 30, 2019 is as follows.

Name of Infrastructure Asset	Rental Revenue Earned by Infrastructure Asset (in JPY thousand)	Book Value (in JPY mln)
CS Mashiki-machi Power Plant	912,334	19,165
CS Daisen-cho Power Plant (A) and (B)	574,967	10,237
CS Minamishimabara-shi Power Plant	90,859	1,644
CS Minano-machi Power Plant	50,525	1,007
CS Hiji-machi Power Plant	53,755	973
CS Ashikita-machi Power Plant	48,568	937
CS Isa-shi Dai-san Power Plant	47,860	899
CS Kasama-shi Power Plant	52,796	875
CS Marumori-machi Power Plant	29,758	860
CS Kasama-shi Dai-ni Power Plant	51,284	800
Total	1,912,706	37,397

## (3) Details of Assets

### a. Details of Power Generation Facilities

#### (i) Summary

Type of Asset		Beginning Balance	Increase in the FP	Decrease in the FP	Ending Balance	Accumulated Depreciation / Amortization	For this FP	Net Ending Balance	Abstract
Property and Equipment	Structures	797	38	-	835	45	17	790	(Note)
	Machinery and Equipment	37,427	1,182	-	38,610	2,191	785	36,418	(Note)
	Tools, Furniture and Fixtures	505	15	-	521	32	10	488	(Note)
	Land	4,309	157	-	4,466	-	-	4,466	(Note)
	Construction in Progress	6	-	6	-	-	-	-	
	Total	43,046	1,393	6	44,433	2,269	813	42,164	
Intangible Assets	Leasehold Rights	494	17	-	512	-	-	512	(Note)
	Software	3	0	-	3	1	0	2	
	Total	498	18	-	516	1	0	515	

(Note) The increases for the 4<sup>th</sup> FP are related to the acquisition of the power plants on March 1 and March 29, 2019.

#### (ii) Details of Power Generation Facilities

Asset #	Category	Project Name	Location	Site Area (m <sup>2</sup> ) (Note 1)	PPA Purchase Price (yen/kwh) (Note 2)	Certification Date (Note 3)	FIT Term End (Note 4)
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 5)	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 Minamishimabara-shi Power Plant (East) / CS Minamishimabara-shi Power Plant (West)	Minamishimabar a-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 (Note 6)	36	October 24, 2013	June 1, 2037
S-14	Solar Plant etc.	CS Koriyama-shi Power Plan	Koriyama-shi, Fukushima	30,376 (Note 5)	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
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 7)	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 5)	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 8)	36	February 28, 2014	July 12, 2038

(Note 1) The numbers for "Site Area" are not equal to the real situation but based on the ground register.

(Note 2) "PPA Purchase Price" are the FIT price for each power plant (excluding consumption tax amount).

(Note 3) "Certification Date" denotes the date each power plant is certified under the article 6.1 of Revision Renewable Energy Special Measures Law. Each power plant is deemed being certified on April 1, 2017 based on the article 9.3 of Revision Renewable Energy Special Measures Law.

(Note 4) "FIT Term End" denotes the date 20-year FIT term ends for each power plant.

(Note 5) The number for the site area is only for the power plant's land ownership rights and doesn't include easement.

(Note 6) The number for the site area is only for the power plant's and self-employed line's land ownership rights and doesn't include easement.

(Note 7) The number for the site area is only for the power plant's and self-employed line's surface right and doesn't include leasehold right and easement.

(Note 8) The number for the site area is only for the power plant's, self-employed line's and access road's surface right and doesn't include easement.

Asset #	Project name	Certified Operator	PPA company	Acquisition Price (million yen) (Note 1)	Fiscal period end valuation (million yen) (Note 2)	Appraisal value of solar plants (million yen)(Note 3) (upper : solar energy facility) (lower : land)	Fiscal period end book value (million yen) (Note 4)
S-01	CS Shibushi-shi Power Plant	Tida Power 01 G.K	Kyushu Electric Power Co., Inc	540	607	472 135	520
S-02	CS Isa-shi Power Plant	Tida Power01 G.K.	Kyushu Electric Power Co., Inc	372	408	387 21	355
S-03	CS Kasama-shi Power Plant	Tida Power01 G.K.	TEPCO Energy Partner, Incorporated	907	1,082	815 267	875
S-04	CS Isa-shi Dai-ni Power Plant	Tida Power01 G.K.	Kyushu Electric Power Co., Inc	778	847	808 38	737
S-05	CS Yusui-cho Power Plant	Tida Power01 G.K.	Kyushu Electric Power Co., Inc	670	730	698 31	636
S-06	CS Isa-shi Dai-san Power Plant	Tida Power01 G.K..	Kyushu Electric Power Co., Inc	949	1,033	973 59	899
S-07	CS Kasama-shi Dai-ni Power Plant	Tida Power01 G.K..	TEPCO Energy Partner, Incorporated	850	923	874 49	800
S-08	CS Hiji-machi Power Plant	Tida Power01 G.K.	Kyushu Electric Power Co., Inc	1,029	1,111	1,069 41	973
S-09	CS Ashikita-machi Power Plant	Tida Power01 G.K..	Kyushu Electric Power Co., Inc	989	1,081	1,041 39	937
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	1,988	1,909 78	1,644
S-11	CS Minano-machi Power Plant	Tida Power01 G.K.	TEPCO Energy Partner, Incorporated	1,018	1,173	909 264	1,007
S-12	CS Kannami-cho Power Plant	Tida Power01 G.K..	TEPCO Energy Partner, Incorporated	514	593	551 41	490
S-13	CS Mashiki-machi Power Plan	Tida Power01 G.K.	Kyushu Electric Power Co., Inc.	20,084	23,465	20,195	19,165
S-14	CS Koriyama-shi Power Plan	Tida Power01 G.K..	Tohoku Electric Power Co., Inc.	246	272	222 50	246
S-15	CS Tsuyama-shi Power Plan	Tida Power01 G.K..	The Chugoku Electric Power Co., Inc.	746	817	690 127	772
S-16	CS Ena-shi Power Plant	Tida Power01 G.K..	The Chubu Electric Power Co., Inc.	757	868	832 36	702
S-17	CS Daisen-cho Power Plant (A) and (B)	Tida Power01 G.K.. (Note 5)	The Chugoku Electric Power Co., Inc.	10,447	11,310	10,960 350	10,237
S-18	CS Takayama-shi Power Plant	Tida Power01 G.K.	The Chubu Electric Power Co., Inc.	326	359	298 61	329

S-19	CS Misato-machi Power Plant	Univergy 01 G.K.	TEPCO Energy Partner, Incorporated	470	488	365 123	484
S-20	CS Marumori-machi Power Plant	CLEAN ENERGIES SOLUTIONS K.K.	Tohoku Electric Power Co., Inc.	850	866	848 17	860
Total				44,281	50,026	44,925 5,100	42,676

(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) Median project valuation report amount is the median amount that we calculated based on the estimated values as of June 30, 2019 provided to us by PricewaterhouseCoopers Sustainability LLC or Ernst & Young Transaction Advisory Services Co., Ltd. in its project valuation report. Based on the appraised value in the range stated in the valuation report with the date of the value opinion on June 30, 2019, which was obtained from PricewaterhouseCoopers Sustainability LLC or Ernst & Young Transaction Advisory Services Co., Ltd., the Investment Corporation calculated the total sum of the intermediate values according to Article 41, paragraph 1 of the CSIF's Articles of Incorporation, and the said sum is used in the statement.

(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 as of June 30, 2019.

(Note 5) Former certified operator, CLEAN ENERGIES XXI G.K., was merged into Tida Powe01 G.K. as of March 19, 2019.

### (iii) Operational Results of Each Power Generation Facilities (in JPY thousand)

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

Accounting Item	1st FP	2nd FP	3rd FP	4th FP
	Fr. May 18, 2017 To Sep. 30, 2017	Fr. Oct. 1, 2017 To Jun. 30, 2018	Fr. Jul. 1, 2018 To Dec. 31, 2018	Fr. Jan. 1, 2019 To Jun. 30, 2019
Rental revenue of renewable energy power plant				
Basic rent	-	24,112	19,235	18,727
Variable rent linked to actual output	-	12,197	7,474	6,605
Incidental income	-	-	-	-
Total of rental revenue of renewable energy power plant (A)	-	36,310	26,710	25,332
Expense for rental of renewable energy power plant				
Tax and public dues	-	2,665	2,664	2,254
(Property tax)	-	2,665	2,664	2,254
(Other and public dues)	-	-	-	-
Other expenses	-	2,573	1,912	1,907
(Management entrustment expenses)	-	2,376	1,745	1,701
(Repair and maintenance costs)	-	-	-	-
(Utilities expenses)	-	-	-	-
(Insurance expenses)	-	197	166	205
(Land rent)	-	-	-	-
(Other rental expense)	-	-	-	-
Depreciation expenses	-	12,608	9,456	9,459
(Structures)	-	593	445	447
(Machinery and equipment)	-	11,959	8,969	8,970
(Tools, furniture and fixtures)	-	55	41	41
Total of expense for rental of renewable energy power plant (B)	-	17,847	14,032	13,621
Income from rental of renewable energy power plant (A-B)	-	18,463	12,677	11,711

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

Accounting Item	1st FP	2nd FP	3rd FP	4th FP
	Fr. May 18, 2017 To Sep. 30, 2017	Fr. Oct. 1, 2017 To Jun. 30, 2018	Fr. Jul. 1, 2018 To Dec. 31, 2018	Fr. Jan. 1, 2019 To Jun. 30, 2019
Rental revenue of renewable energy power plant				
Basic rent	-	18,190	14,244	14,313
Variable rent linked to actual output	-	9,608	7,166	5,648
Incidental income	-	-	-	-
Total of rental revenue of renewable energy power plant (A)	-	27,799	21,411	19,961
Expense for rental of renewable energy power plant				
Tax and public dues	-	1,349	1,346	1,699
(Property tax)	-	1,349	1,346	1,699
(Other and public dues)	-	-	-	-
Other expenses	-	3,034	2,248	2,261
(Management entrustment expenses)	-	1,808	1,328	1,299
(Repair and maintenance costs)	-	-	-	-
(Utilities expenses)	-	-	-	-
(Insurance expenses)	-	170	141	168
(Land rent)	-	1,055	778	794
(Other rental expense)	-	-	-	-
Depreciation expenses	-	10,445	7,833	7,835
(Structures)	-	341	256	256
(Machinery and equipment)	-	10,079	7,559	7,561
(Tools, furniture and fixtures)	-	23	17	17
Total of expense for rental of renewable energy power plant (B)	-	14,829	11,428	11,796
Income from rental of renewable energy power plant (A-B)	-	12,969	9,982	8,165

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

Accounting Item	1st FP	2nd FP	3rd FP	4th FP
	Fr. May 18, 2017 To Sep. 30, 2017	Fr. Oct. 1, 2017 To Jun. 30, 2018	Fr. Jul. 1, 2018 To Dec. 31, 2018	Fr. Jan. 1, 2019 To Jun. 30, 2019
Rental revenue of renewable energy power plant				
Basic rent	-	43,712	29,549	35,327
Variable rent linked to actual output	-	17,154	11,846	17,266
Incidental income	-	-	110	202
Total of rental revenue of renewable energy power plant (A)	-	60,866	41,506	52,796
Expense for rental of renewable energy power plant				
Tax and public dues	-	3,050	3,050	3,791
(Property tax)	-	3,050	3,050	3,791
(Other and public dues)	-	-	-	-
Other expenses	-	4,665	4,359	3,277
(Management entrustment expenses)	-	4,296	3,033	2,931
(Repair and maintenance costs)	-	-	1,025	-
(Utilities expenses)	-	-	-	-
(Insurance expenses)	-	368	299	346
(Land rent)	-	-	-	-
(Other rental expense)	-	-	-	-
Depreciation expenses	-	19,283	14,462	14,462
(Structures)	-	433	324	324
(Machinery and equipment)	-	18,805	14,104	14,104
(Tools, furniture and fixtures)	-	45	33	33
Total of expense for rental of renewable energy power plant (B)	-	26,999	21,872	21,532
Income from rental of renewable energy power plant (A-B)	-	33,866	19,634	31,264

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

Accounting Item	1st FP	2nd FP	3rd FP	4th FP
	Fr. May 18, 2017 To Sep. 30, 2017	Fr. Oct. 1, 2017 To Jun. 30, 2018	Fr. Jul. 1, 2018 To Dec. 31, 2018	Fr. Jan. 1, 2019 To Jun. 30, 2019
Rental revenue of renewable energy power plant				
Basic rent	-	37,574	29,412	29,510
Variable rent linked to actual output	-	16,481	11,590	10,641
Incidental income	-	-	-	-
Total of rental revenue of renewable energy power plant (A)	-	54,056	41,003	40,152
Expense for rental of renewable energy power plant				
Tax and public dues	-	2,962	2,964	3,768
(Property tax)	-	2,962	2,964	3,768
(Other and public dues)	-	-	-	-
Other expenses	-	6,360	5,150	5,236
(Management entrustment expenses)	-	3,909	2,871	2,866
(Repair and maintenance costs)	-	-	418	458
(Utilities expenses)	-	-	-	-
(Insurance expenses)	-	326	269	320
(Land rent)	-	2,124	1,590	1,590
(Other rental expense)	-	-	-	-
Depreciation expenses	-	21,926	16,445	16,449
(Structures)	-	408	306	306
(Machinery and equipment)	-	21,463	16,097	16,101
(Tools, furniture and fixtures)	-	55	41	41
Total of expense for rental of renewable energy power plant (B)	-	31,249	24,559	25,454
Income from rental of renewable energy power plant (A-B)	-	22,807	16,443	14,697

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

Accounting Item	1st FP	2nd FP	3rd FP	4th FP
	Fr. May 18, 2017 To Sep. 30, 2017	Fr. Oct. 1, 2017 To Jun. 30, 2018	Fr. Jul. 1, 2018 To Dec. 31, 2018	Fr. Jan. 1, 2019 To Jun. 30, 2019
Rental revenue of renewable energy power plant				
Basic rent	-	33,203	23,595	26,827
Variable rent linked to actual output	-	11,831	10,410	5,533
Incidental income	-	-	-	-
Total of rental revenue of renewable energy power plant (A)	-	45,034	34,006	32,361
Expense for rental of renewable energy power plant				
Tax and public dues	-	2,635	2,634	3,277
(Property tax)	-	2,635	2,634	3,277
(Other and public dues)	-	-	-	-
Other expenses	-	5,389	4,010	3,987
(Management entrustment expenses)	-	3,396	2,494	2,425
(Repair and maintenance costs)	-	-	-	-
(Utilities expenses)	-	-	-	-
(Insurance expenses)	-	305	252	298
(Land rent)	-	1,687	1,263	1,263
(Other rental expense)	-	-	-	-
Depreciation expenses	-	18,972	14,229	14,242
(Structures)	-	761	571	582
(Machinery and equipment)	-	17,897	13,423	13,425
(Tools, furniture and fixtures)	-	313	235	235
Total of expense for rental of renewable energy power plant (B)	-	26,997	20,873	21,507
Income from rental of renewable energy power plant (A-B)	-	18,036	13,132	10,853

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

Accounting Item	1st FP	2nd FP	3rd FP	4th FP
	Fr. May 18, 2017 To Sep. 30, 2017	Fr. Oct. 1, 2017 To Jun. 30, 2018	Fr. Jul. 1, 2018 To Dec. 31, 2018	Fr. Jan. 1, 2019 To Jun. 30, 2019
Rental revenue of renewable energy power plant				
Basic rent	-	45,112	35,028	35,695
Variable rent linked to actual output	-	19,799	15,056	12,165
Incidental income	-	-	-	-
Total of rental revenue of renewable energy power plant (A)	-	64,912	50,085	47,860
Expense for rental of renewable energy power plant				
Tax and public dues	-	3,525	3,526	4,494
(Property tax)	-	3,525	3,526	4,494
(Other and public dues)	-	-	-	-
Other expenses	-	7,387	5,500	5,551
(Management entrustment expenses)	-	4,319	3,172	3,080
(Repair and maintenance costs)	-	-	-	84
(Utilities expenses)	-	-	-	-
(Insurance expenses)	-	348	290	349
(Land rent)	-	2,719	2,036	2,036
(Other rental expense)	-	-	-	-
Depreciation expenses	-	26,377	19,783	19,784
(Structures)	-	386	290	290
(Machinery and equipment)	-	25,922	19,441	19,443
(Tools, furniture and fixtures)	-	68	51	51
Total of expense for rental of renewable energy power plant (B)	-	37,290	28,809	29,830
Income from rental of renewable energy power plant (A-B)	-	27,621	21,275	18,030



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

Accounting Item	1st FP	2nd FP	3rd FP	4th FP
	Fr. May 18, 2017 To Sep. 30, 2017	Fr. Oct. 1, 2017 To Jun. 30, 2018	Fr. Jul. 1, 2018 To Dec. 31, 2018	Fr. Jan. 1, 2019 To Jun. 30, 2019
Rental revenue of renewable energy power plant				
Basic rent	-	43,063	29,161	34,897
Variable rent linked to actual output	-	16,959	12,354	16,386
Incidental income	-	-	-	-
Total of rental revenue of renewable energy power plant (A)	-	60,023	41,516	51,284
Expense for rental of renewable energy power plant				
Tax and public dues	-	3,371	3,370	4,304
(Property tax)	-	3,371	3,370	4,304
(Other and public dues)	-	-	-	-
Other expenses	-	7,526	6,000	6,964
(Management entrustment expenses)	-	4,084	3,318	3,532
(Repair and maintenance costs)	-	-	-	700
(Utilities expenses)	-	-	-	-
(Insurance expenses)	-	346	285	335
(Land rent)	-	3,095	2,396	2,396
(Other rental expense)	-	-	-	-
Depreciation expenses	-	23,453	17,604	17,604
(Structures)	-	310	247	247
(Machinery and equipment)	-	23,085	17,314	17,314
(Tools, furniture and fixtures)	-	57	42	42
Total of expense for rental of renewable energy power plant (B)	-	34,350	26,975	28,873
Income from rental of renewable energy power plant (A-B)	-	25,672	14,541	22,410

S-08 CS Hiji-machi Power Plant

Accounting Item	1st FP	2nd FP	3rd FP	4th FP
	Fr. May 18, 2017 To Sep. 30, 2017	Fr. Oct. 1, 2017 To Jun. 30, 2018	Fr. Jul. 1, 2018 To Dec. 31, 2018	Fr. Jan. 1, 2019 To Jun. 30, 2019
Rental revenue of renewable energy power plant				
Basic rent	-	48,091	37,673	37,949
Variable rent linked to actual output	-	26,458	17,650	15,805
Incidental income	-	-	-	-
Total of rental revenue of renewable energy power plant (A)	-	74,549	55,323	53,755
Expense for rental of renewable energy power plant				
Tax and public dues	-	4,113	4,112	5,167
(Property tax)	-	4,113	4,112	5,167
(Other and public dues)	-	-	-	-
Other expenses	-	8,278	5,682	5,622
(Management entrustment expenses)	-	5,064	3,733	3,562
(Repair and maintenance costs)	-	-	75	-
(Utilities expenses)	-	-	-	-
(Insurance expenses)	-	442	361	419
(Land rent)	-	2,771	1,512	1,639
(Other rental expense)	-	-	-	-
Depreciation expenses	-	29,419	22,064	22,066
(Structures)	-	1,113	835	835
(Machinery and equipment)	-	28,153	21,114	21,116
(Tools, furniture and fixtures)	-	152	114	114
Total of expense for rental of renewable energy power plant (B)	-	41,810	31,858	32,855
Income from rental of renewable energy power plant (A-B)	-	32,738	23,464	20,899

S-09 CS Ashikita-machiPower Plant

Accounting Item	1st FP	2nd FP	3rd FP	4th FP
	Fr. May 18, 2017 To Sep. 30, 2017	Fr. Oct. 1, 2017 To Jun. 30, 2018	Fr. Jul. 1, 2018 To Dec. 31, 2018	Fr. Jan. 1, 2019 To Jun. 30, 2019
Rental revenue of renewable energy power plant				
Basic rent	-	44,791	37,301	35,753
Variable rent linked to actual output	-	21,114	15,543	12,815
Incidental income	-	-	-	-
Total of rental revenue of renewable energy power plant (A)	-	65,906	52,845	48,568
Expense for rental of renewable energy power plant				
Tax and public dues	-	3,973	3,972	4,879
(Property tax)	-	3,973	3,972	4,879
(Other and public dues)	-	-	-	-
Other expenses	-	7,205	5,431	5,337
(Management entrustment expenses)	-	4,557	3,347	3,249
(Repair and maintenance costs)	-	-	66	-
(Utilities expenses)	-	-	-	-
(Insurance expenses)	-	402	336	406
(Land rent)	-	2,245	1,681	1,681
(Other rental expense)	-	-	-	-
Depreciation expenses	-	26,937	20,203	20,207
(Structures)	-	1,921	1,441	1,441
(Machinery and equipment)	-	24,679	18,509	18,514
(Tools, furniture and fixtures)	-	336	252	252
Total of expense for rental of renewable energy power plant (B)	-	38,116	29,606	30,424
Income from rental of renewable energy power plant (A-B)	-	27,789	23,238	18,144

S-10 CS Minamishimabara-shi Power Plant (East and West)

Accounting Item	1st FP	2nd FP	3rd FP	4th FP
	Fr. May 18, 2017 To Sep. 30, 2017	Fr. Oct. 1, 2017 To Jun. 30, 2018	Fr. Jul. 1, 2018 To Dec. 31, 2018	Fr. Jan. 1, 2019 To Jun. 30, 2019
Rental revenue of renewable energy power plant				
Basic rent	-	80,847	65,854	63,488
Variable rent linked to actual output	-	42,444	30,406	27,370
Incidental income	-	-	-	-
Total of rental revenue of renewable energy power plant (A)	-	123,291	96,260	90,859
Expense for rental of renewable energy power plant				
Tax and public dues	-	6,747	6,744	8,533
(Property tax)	-	6,747	6,744	8,533
(Other and public dues)	-	-	-	-
Other expenses	-	13,894	10,331	11,314
(Management entrustment expenses)	-	7,627	5,601	6,502
(Repair and maintenance costs)	-	-	-	-
(Utilities expenses)	-	-	-	-
(Insurance expenses)	-	571	469	551
(Land rent)	-	5,696	4,260	4,260
(Other rental expense)	-	-	-	-
Depreciation expenses	-	46,965	35,224	35,224
(Structures)	-	985	739	739
(Machinery and equipment)	-	45,647	34,235	34,235
(Tools, furniture and fixtures)	-	331	248	248
Total of expense for rental of renewable energy power plant (B)	-	67,607	52,299	55,071
Income from rental of renewable energy power plant (A-B)	-	55,683	43,960	35,787

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

Accounting Item	1st FP	2nd FP	3rd FP	4th FP
	Fr. May 18, 2017 To Sep. 30, 2017	Fr. Oct. 1, 2017 To Jun. 30, 2018	Fr. Jul. 1, 2018 To Dec. 31, 2018	Fr. Jan. 1, 2019 To Jun. 30, 2019
Rental revenue of renewable energy power plant				
Basic rent	-	45,753	30,843	35,519
Variable rent linked to actual output	-	17,427	9,769	15,005
Incidental income	-	6	1	-
Total of rental revenue of renewable energy power plant (A)	-	63,187	40,614	50,525
Expense for rental of renewable energy power plant				
Tax and public dues	-	4,907	4,904	4,412
(Property tax)	-	4,907	4,904	4,412
(Other and public dues)	-	-	-	-
Other expenses	-	5,128	4,143	3,953
(Management entrustment expenses)	-	4,753	3,491	3,372
(Repair and maintenance costs)	-	-	330	178
(Utilities expenses)	-	-	-	-
(Insurance expenses)	-	374	321	402
(Land rent)	-	-	-	-
(Other rental expense)	-	-	-	-
Depreciation expenses	-	20,819	15,798	16,132
(Structures)	-	1,021	766	766
(Machinery and equipment)	-	19,798	15,031	15,366
(Tools, furniture and fixtures)	-	-	-	-
Total of expense for rental of renewable energy power plant (B)	-	30,855	24,845	24,499
Income from rental of renewable energy power plant (A-B)	-	32,331	15,769	26,025

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

Accounting Item	1st FP	2nd FP	3rd FP	4th FP
	Fr. May 18, 2017 To Sep. 30, 2017	Fr. Oct. 1, 2017 To Jun. 30, 2018	Fr. Jul. 1, 2018 To Dec. 31, 2018	Fr. Jan. 1, 2019 To Jun. 30, 2019
Rental revenue of renewable energy power plant				
Basic rent	-	24,748	18,550	19,644
Variable rent linked to actual output	-	11,233	5,241	9,060
Incidental income	-	-	-	-
Total of rental revenue of renewable energy power plant (A)	-	35,982	23,791	28,705
Expense for rental of renewable energy power plant				
Tax and public dues	-	2,772	2,770	2,398
(Property tax)	-	2,772	2,770	2,398
(Other and public dues)	-	-	-	-
Other expenses	-	4,539	3,978	3,735
(Management entrustment expenses)	-	2,594	1,905	1,840
(Repair and maintenance costs)	-	-	-	42
(Utilities expenses)	-	-	-	-
(Insurance expenses)	-	119	125	198
(Land rent)	-	1,826	1,947	1,653
(Other rental expense)	-	-	-	-
Depreciation expenses	-	12,837	9,639	9,662
(Structures)	-	461	357	380
(Machinery and equipment)	-	12,302	9,226	9,226
(Tools, furniture and fixtures)	-	73	55	55
Total of expense for rental of renewable energy power plant (B)	-	20,149	16,388	15,796
Income from rental of renewable energy power plant (A-B)	-	15,832	7,402	12,908

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

Accounting Item	1st FP	2nd FP	3rd FP	4th FP
	Fr. May 18, 2017 To Sep. 30, 2017	Fr. Oct. 1, 2017 To Jun. 30, 2018	Fr. Jul. 1, 2018 To Dec. 31, 2018	Fr. Jan. 1, 2019 To Jun. 30, 2019
Rental revenue of renewable energy power plant				
Basic rent	-	852,054	691,759	664,560
Variable rent linked to actual output	-	412,102	254,450	247,774
Incidental income	-	-	12	-
Total of rental revenue of renewable energy power plant (A)	-	1,264,157	946,222	912,334
Expense for rental of renewable energy power plant				
Tax and public dues	-	112,207	112,206	96,650
(Property tax)	-	112,207	112,206	96,650
(Other and public dues)	-	-	-	-
Other expenses	-	89,590	67,638	68,918
(Management entrustment expenses)	-	81,898	61,168	61,168
(Repair and maintenance costs)	-	-	-	-
(Utilities expenses)	-	-	-	-
(Insurance expenses)	-	7,659	6,397	7,703
(Land rent)	-	32	71	45
(Other rental expense)	-	-	-	-
Depreciation expenses	-	459,030	344,335	344,340
(Structures)	-	4,625	3,531	3,531
(Machinery and equipment)	-	443,887	332,915	332,915
(Tools, furniture and fixtures)	-	10,518	7,888	7,893
Total of expense for rental of renewable energy power plant (B)	-	660,827	524,180	509,908
Income from rental of renewable energy power plant (A-B)	-	603,329	422,042	402,426

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

Accounting Item	1st FP	2nd FP	3rd FP	4th FP
	Fr. May 18, 2017 To Sep. 30, 2017	Fr. Oct. 1, 2017 To Jun. 30, 2018	Fr. Jul. 1, 2018 To Dec. 31, 2018	Fr. Jan. 1, 2019 To Jun. 30, 2019
Rental revenue of renewable energy power plant				
Basic rent	-	7,267	7,619	8,085
Variable rent linked to actual output	-	4,627	3,978	5,215
Incidental income	-	-	2	-
Total of rental revenue of renewable energy power plant (A)	-	11,895	11,600	13,300
Expense for rental of renewable energy power plant				
Tax and public dues	-	-	-	1,298
(Property tax)	-	-	-	1,298
(Other and public dues)	-	-	-	-
Other expenses	-	768	1,081	990
(Management entrustment expenses)	-	768	922	883
(Repair and maintenance costs)	-	-	-	-
(Utilities expenses)	-	-	-	-
(Insurance expenses)	-	-	158	106
(Land rent)	-	-	-	-
(Other rental expense)	-	-	-	-
Depreciation expenses	-	3,492	4,191	4,191
(Structures)	-	272	327	327
(Machinery and equipment)	-	3,220	3,864	3,864
(Tools, furniture and fixtures)	-	-	-	-
Total of expense for rental of renewable energy power plant (B)	-	4,261	5,272	6,479
Income from rental of renewable energy power plant (A-B)	-	7,633	6,328	6,820

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

Accounting Item	1st FP	2nd FP	3rd FP	4th FP
	Fr. May 18, 2017 To Sep. 30, 2017	Fr. Oct. 1, 2017 To Jun. 30, 2018	Fr. Jul. 1, 2018 To Dec. 31, 2018	Fr. Jan. 1, 2019 To Jun. 30, 2019
Rental revenue of renewable energy power plant				
Basic rent	-	21,830	22,253	24,444
Variable rent linked to actual output	-	13,233	10,447	12,668
Incidental income	-	-	-	-
Total of rental revenue of renewable energy power plant (A)	-	35,064	32,701	37,113
Expense for rental of renewable energy power plant				
Tax and public dues	-	-	-	3,901
(Property tax)	-	-	-	3,901
(Other and public dues)	-	-	-	-
Other expenses	-	2,371	3,156	10,045
(Management entrustment expenses)	-	2,371	2,846	2,727
(Repair and maintenance costs)	-	-	-	7,096
(Utilities expenses)	-	-	-	-
(Insurance expenses)	-	-	310	221
(Land rent)	-	-	-	-
(Other rental expense)	-	-	-	-
Depreciation expenses	-	10,640	12,768	12,946
(Structures)	-	290	348	365
(Machinery and equipment)	-	10,095	12,114	12,276
(Tools, furniture and fixtures)	-	254	304	304
Total of expense for rental of renewable energy power plant (B)	-	13,011	15,924	26,893
Income from rental of renewable energy power plant (A-B)	-	22,052	16,776	10,219

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

Accounting Item	1st FP	2nd FP	3rd FP	4th FP
	Fr. May 18, 2017 To Sep. 30, 2017	Fr. Oct. 1, 2017 To Jun. 30, 2018	Fr. Jul. 1, 2018 To Dec. 31, 2018	Fr. Jan. 1, 2019 To Jun. 30, 2019
Rental revenue of renewable energy power plant				
Basic rent	-	-	211,123	327,901
Variable rent linked to actual output	-	-	29,966	247,066
Incidental income	-	-	-	-
Total of rental revenue of renewable energy power plant (A)	-	-	241,089	574,967
Expense for rental of renewable energy power plant				
Tax and public dues	-	-	-	59,954
(Property tax)	-	-	-	59,954
(Other and public dues)	-	-	-	-
Other expenses	-	-	34,450	54,498
(Management entrustment expenses)	-	-	23,490	36,805
(Repair and maintenance costs)	-	-	140	-
(Utilities expenses)	-	-	-	-
(Insurance expenses)	-	-	2,511	4,622
(Land rent)	-	-	8,308	13,070
(Other rental expense)	-	-	-	-
Depreciation expenses	-	-	136,406	214,526
(Structures)	-	-	3,088	4,863
(Machinery and equipment)	-	-	132,820	208,879
(Tools, furniture and fixtures)	-	-	497	782
Total of expense for rental of renewable energy power plant (B)	-	-	170,857	328,979
Income from rental of renewable energy power plant (A-B)	-	-	70,232	245,988

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

Accounting Item	1st FP	2nd FP	3rd FP	4th FP
	Fr. May 18, 2017 To Sep. 30, 2017	Fr. Oct. 1, 2017 To Jun. 30, 2018	Fr. Jul. 1, 2018 To Dec. 31, 2018	Fr. Jan. 1, 2019 To Jun. 30, 2019
Rental revenue of renewable energy power plant				
Basic rent	-	-	14,524	26,398
Variable rent linked to actual output	-	-	7,383	15,982
Incidental income	-	-	-	-
Total of rental revenue of renewable energy power plant (A)	-	-	21,908	42,381
Expense for rental of renewable energy power plant				
Tax and public dues	-	-	-	4,344
(Property tax)	-	-	-	4,344
(Other and public dues)	-	-	-	-
Other expenses	-	-	2,561	4,306
(Management entrustment expenses)	-	-	1,827	3,115
(Repair and maintenance costs)	-	-	-	-
(Utilities expenses)	-	-	-	-
(Insurance expenses)	-	-	138	252
(Land rent)	-	-	595	938
(Other rental expense)	-	-	-	-
Depreciation expenses	-	-	9,226	14,510
(Structures)	-	-	374	589
(Machinery and equipment)	-	-	8,790	13,823
(Tools, furniture and fixtures)	-	-	61	97
Total of expense for rental of renewable energy power plant (B)	-	-	11,788	23,161
Income from rental of renewable energy power plant (A-B)	-	-	10,120	19,219

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

Accounting Item	1st FP	2nd FP	3rd FP	4th FP
	Fr. May 18, 2017 To Sep. 30, 2017	Fr. Oct. 1, 2017 To Jun. 30, 2018	Fr. Jul. 1, 2018 To Dec. 31, 2018	Fr. Jan. 1, 2019 To Jun. 30, 2019
Rental revenue of renewable energy power plant				
Basic rent	-	-	4,937	11,075
Variable rent linked to actual output	-	-	1,841	5,290
Incidental income	-	-	-	-
Total of rental revenue of renewable energy power plant (A)	-	-	6,779	16,365
Expense for rental of renewable energy power plant				
Tax and public dues	-	-	-	2,007
(Property tax)	-	-	-	2,007
(Other and public dues)	-	-	-	-
Other expenses	-	-	891	1,411
(Management entrustment expenses)	-	-	828	1,296
(Repair and maintenance costs)	-	-	-	-
(Utilities expenses)	-	-	-	-
(Insurance expenses)	-	-	62	114
(Land rent)	-	-	-	-
(Other rental expense)	-	-	-	-
Depreciation expenses	-	-	3,494	5,496
(Structures)	-	-	218	344
(Machinery and equipment)	-	-	3,267	5,139
(Tools, furniture and fixtures)	-	-	8	12
Total of expense for rental of renewable energy power plant (B)	-	-	4,386	8,915
Income from rental of renewable energy power plant (A-B)	-	-	2,393	7,450



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

Accounting Item	1st FP	2nd FP	3rd FP	4th FP
	Fr. May 18, 2017 To Sep. 30, 2017	Fr. Oct. 1, 2017 To Jun. 30, 2018	Fr. Jul. 1, 2018 To Dec. 31, 2018	Fr. Jan. 1, 2019 To Jun. 30, 2019
Rental revenue of renewable energy power plant				
Basic rent	-	-	-	10,733
Variable rent linked to actual output	-	-	-	6,273
Incidental income	-	-	-	-
Total of rental revenue of renewable energy power plant (A)	-	-	-	17,006
Expense for rental of renewable energy power plant				
Tax and public dues	-	-	-	-
(Property tax)	-	-	-	-
(Other and public dues)	-	-	-	-
Other expenses	-	-	-	877
(Management entrustment expenses)	-	-	-	877
(Repair and maintenance costs)	-	-	-	-
(Utilities expenses)	-	-	-	-
(Insurance expenses)	-	-	-	-
(Land rent)	-	-	-	-
(Other rental expense)	-	-	-	-
Depreciation expenses	-	-	-	5,056
(Structures)	-	-	-	117
(Machinery and equipment)	-	-	-	4,896
(Tools, furniture and fixtures)	-	-	-	41
Total of expense for rental of renewable energy power plant (B)	-	-	-	5,934
Income from rental of renewable energy power plant (A-B)	-	-	-	11,072

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

Accounting Item	1st FP	2nd FP	3rd FP	4th FP
	Fr. May 18, 2017 To Sep. 30, 2017	Fr. Oct. 1, 2017 To Jun. 30, 2018	Fr. Jul. 1, 2018 To Dec. 31, 2018	Fr. Jan. 1, 2019 To Jun. 30, 2019
Rental revenue of renewable energy power plant				
Basic rent	-	-	-	17,989
Variable rent linked to actual output	-	-	-	11,768
Incidental income	-	-	-	-
Total of rental revenue of renewable energy power plant (A)	-	-	-	29,758
Expense for rental of renewable energy power plant				
Tax and public dues	-	-	-	-
(Property tax)	-	-	-	-
(Other and public dues)	-	-	-	-
Other expenses	-	-	-	3,730
(Management entrustment expenses)	-	-	-	1,376
(Repair and maintenance costs)	-	-	-	-
(Utilities expenses)	-	-	-	-
(Insurance expenses)	-	-	-	-
(Land rent)	-	-	-	2,354
(Other rental expense)	-	-	-	-
Depreciation expenses	-	-	-	8,847
(Structures)	-	-	-	261
(Machinery and equipment)	-	-	-	8,464
(Tools, furniture and fixtures)	-	-	-	121
Total of expense for rental of renewable energy power plant (B)	-	-	-	12,578
Income from rental of renewable energy power plant (A-B)	-	-	-	17,179

### b. Details of Investment in Operating Rights for Public Facilities

Not applicable.

### c. Details of Investment in Real Estate

Not applicable.

### d. Details of Investment in Securities

Not applicable.

### (4) Other Assets

Assets related to the power plants are described in “(3) Details of Assets / a. Details of Power Generation Facilities / (iii) Operational Results of Each Power Generation Facilities (in JPY thousand)” and other assets as of June 30, 2019 are as follows.

Category	Type	Contracted Amount		Fair Value (Note 2)
		(Note 1)	Over 1 year (Note 1)	
Transaction Outside of Market	Interest Rate Swap	22,012,204	20,811,569	-
Total		22,012,204	20,811,569	-

(Note 1) The contracted amount is based on notional amount.

(Note 2) As the transaction is booked based on special treatment under the financial instrument accounting standard, the fair value is omitted.

### (5) Location of Assets by Country

There is no asset in the countries outside Japan as of June 30, 2019.

### 4. Capital Expenditures for Assets under Management

#### (1) Scheduled Capital Expenditures

Not applicable.

#### (2) Capital Expenditures during the 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 Tsuyama-shi Power Plant (Tsuyama-shi, Okayama)	Slope disaster countermeasures works	From November 5, 2018 To March 15, 2019	42,403
Other plants			12,135
Total			54,539

(3) Cash Reserved for Long-term Maintenance Plan  
Not applicable.

5. Summary of Expenses and Debts

(1) Summary of Expenses

Fiscal Period	3 <sup>rd</sup> FP	4 <sup>th</sup> FP
	From July. 1, 2018 To December 31, 2018	From January 1, 2019 To June 30, 2019
Asset Management Fee	43,934	55,979
Administrative Service Fee	17,066	18,945
Directors' Compensation	2,400	2,400
Other Operating Expenses	41,274	56,752
Total	104,676	134,076

(2) Summary of Debts

Category	Lender	Borrowing Date	Beginning Balance	Ending Balance	Average Interest Rate (%) (Note 1)	Repayment Date	Repayment Method	Use	Abstract
Long-term	Shinsei Bank, Ltd.	October 31, 2017	2,261	2,201	0.84500 (Note 2)	October 31, 2027	Partial amortization	(Note 4)	Unsecured and no guarantee
	Mizuho Bank, Ltd.		1,413	1,375					
	Sumitomo Mitsui Banking Corporation		1,413	1,375					
	MUFG Bank, Ltd.		942	917					
	Resona Bank, Ltd.		1,696	1,650					
	Orix Bank Corporation		942	917					
	The Hiroshima Bank, Ltd.		1,696	1,650					
	Nanto Bank, Ltd.		1,696	1,650					
	The Oita Bank, Ltd.		848	825					
	The Shonai Bank, Ltd.		848	825					
	The Mie Bank, Ltd.		188	183					
	The Tochigi Bank, Ltd.		848	825					
	Sumitomo Mitsui Banking Corporation	February 1, 2018	844	820	0.57636	February 1, 2021	Partial amortization	(Note 4)	Unsecured and no guarantee
	Shinsei Bank, Ltd.	September 6, 2018	1,689	1,647	1.04200 (Note 2)	September 6, 2028	Partial amortization	(Note 4)	Unsecured and no guarantee
	Sumitomo Mitsui Banking Corporation		1,689	1,647					
	MUFG Bank, Ltd.		1,951	1,903					
	Nanto Bank, Ltd.		975	951					
	The Ashikaga Bank, Ltd.		1,000	975					
	The Hiroshima Bank, Ltd.		500	487					
	Shinsei Bank, Ltd.	September 6, 2018	318	-	0.06183	Earlier date of June 30, 2020 or interest payment date immediately after refund of consumption tax	Bullet		Unsecured and no guarantee
	Sumitomo Mitsui Banking Corporation		318	-					
	MUFG Bank, Ltd.		212	-					
	Shinsei Bank, Ltd.	March 29, 2019	-	680	0.52091	March 29, 2022	Partial amortization	(Note 4)	Unsecured and no guarantee
			24,297	23,513					

(Note 1) Average interest rate are based on actual number of days and weighted average. The number are rounded down.  
(Note 2) For the debts with interest rate swap for hedging interest rate risk, the average interest rate incorporates the effect of such interest rate swap.  
(Note 3) The debt had been repaid on April 26, 2019 immediately after the refund of consumption tax.  
(Note 4) The use of the debt proceeds are the purchase of power plants.

(3) Investment Corporation Bond

Not applicable.

(4) Short-term Investment Corporation Bond

Not applicable.

(5) Unit Acquisition Right

Not applicable.

6. Sales and Purchases during the Period

(1) Summary for Sales and Purchases of Infrastructure Assets, Infrastructure-related Assets, Real Estate and Asset-backed Securities

Asset No.	Name	Purchase		Sales			
		Date	Amount (in JPY mln) (Note)	Date	Amount (in JPY mln)	Book Value (in JPY mln)	Profit / Loss (in JPY mln)
S-19	CS Misato-machi Power Plant	March 1, 2019	470	-	-	-	-
S-20	CS Marumori-machi Power Plant	March 29, 2019	850	-	-	-	-
Total			1,320	-	-	-	-

(Note) "Amount" is the purchase price based on the purchase contract and excludes costs such as property tax and consumption tax.

(2) Summary for Sales and Purchases of Other Assets

Not applicable.

(3) Valuation of Specified Assets

a. Real Estate (appraisal value)

Purchase or Sales	Name	Transaction Date	Purchase Price (in JPY mln) (Note 1)	Appraisal Value (Note 2)	Valuation Date
Purchase	CS Misato-machi Power Plant	March 1, 2019	122	122	December 31, 2018-
Purchase	CS Marumori-machi Power Plant	March 29, 2019	17	17	February 1, 2019-
Total		-	139	139	-

(Note 1) "Purchase Price" denotes the contracted price for land ownership right or land surface right.

(Note 2) Daiwa Real Estate Appraisal Co., Ltd. is the appraiser.

#### b. Infrastructure Asset

Purchase or Sales	Name	Transaction Date	Purchase Price (in JPY mln) (Note 1)	Asset Value (Note 2)	Valuation Date
Purchase	CS Misato-machi Power Plant	March 1, 2019	470	429 – 534	December 31, 2018-
Purchase	CS Marumori-machi Power Plant	March 29, 2019	850	771 – 945	February 1, 2019-
Total		-	1,320	1,201 – 1,479	-

(Note 1) "Purchase Price" denotes the contracted price on the purchase agreement.

(Note 2) "Asset Value" includes the appraisal value of the real estate mentioned in "a. Real Estate (appraisal value)" above.

(Note 3) The investigation of the asset value is conducted by Grant Thornton Taiyo LLC based on the guideline No.23 published by JICPA.

#### c. Other

There has been no transaction other than stated in "a. Real Estate (appraisal value)" and "b. Infrastructure Asset" above.

#### (4) Transactions with Interested Parties

##### a. Sales and Purchases

Category	Purchase / Sale Amount (Note 2)			
	Purchase Amount (in JPY thousand)		Sales Amount (in JPY thousand)	
Total	1,320,000		-	
Breakdown of Transactions with Interested Parties (Note 1)				
Univergy 01 G.K.	470,000	(35.6%)	-	(-%)
CLEAN ENERGIES SOLUTIONS K.K.	850,000	(64.4%)	-	(-%)
Total	1,320,000	(100.0%)	-	(-%)

(Note 1) The definition of "Interested Parties" is depending on the relevant law.

(Note 2) The amounts are based on the amount stated in the purchase and sales agreement of the assets.

(Note 3) The parties above were the interested parties at the time of purchase of the assets. But, after the purchase, they were no longer the interested parties.

#### b. Lease

Not applicable.

#### c. Commission Paid

Not applicable.

#### (5) Asset Manager's Transaction Related to Asset Manager's Other Business

Asset Manager doesn't conduct any of the type1 and type2 financial instrument exchange business, real estate transaction business and specified joint real estate ventures. There was no applicable transaction during the period.

### 7. Summary of Accounts

#### (1) Summary of Assets, Liabilities, Capital and Income/Loss

Please see the balance sheet, statement of income, statement of changes in unitholders'

equity, note and statement of cash distribution.

#### (2) Change in Calculation Method of Depreciation

Not applicable.

#### (3) Change in Valuation Method of Infrastructure Assets and Real Estate

Not applicable.

#### (4) Company Setting Investment Trust Beneficial Securities

Not applicable.

### 8. Other

#### (1) Notification

##### a. Unitholders' Meeting

The 2<sup>nd</sup> unitholders' meeting was held on March 28, 2019 and the matters below had been approved.

Date	Matters	Summary
March 28, 2019	Partial change of the fund's articles	Deletion of unnecessary articles and addition of articles regarding the compensation to the asset manager.
	Election of the executive director	Tetsuya Nakamura was elected.
	Election of the supervisory director	Takashi Handa and Eriko Ishii were elected.
	Election of the substitute executive director	Hiromoto Ishizuka was elected.

##### b. Board of Executives Meeting

None of new contract and change for major contract of the fund was approved by the board of executives meeting for the FP.

#### (2) Treatment of Amount and Ratio with Fractional Point

Unless otherwise described, the amounts are rounded down and the ratio are rounded up or down.



## Balance Sheet

	( Unit : thousand yen )	
	3 <sup>rd</sup> Period ( December 31, 2018 )	4 <sup>th</sup> Period ( June, 2019 )
<b>Assets</b>		
Current Assets		
Cash and bank deposit	3,222,807	2,466,624
Operating accounts receivable	208,913	426,756
Prepaid expenses	107,714	71,805
Consumption taxes receivable	793,148	-
Other current assets	685	215
Total current assets	4,333,268	2,965,401
Fixed Assets		
Property and equipment		
Structures	797,621	835,726
Accumulated depreciation	(28,399)	(45,417)
Structures, net	769,221	790,308
Machinery and equipment	37,427,871	38,610,034
Accumulated depreciation	(1,405,797)	(2,191,437)
Machinery and equipment ,net	36,022,074	36,418,597
Tools, furniture and fixtures	505,287	521,176
Accumulated depreciation	(22,181)	(32,570)
Tools, furniture and fixtures, net	483,106	488,605
Land	4,309,021	4,466,771
Construction in progress	6,244	-
Total property and equipment	41,589,667	42,164,283
Intangible assets		
Leasehold rights	494,487	512,411
Software	2,763	2,746
Total intangible assets	497,250	515,158
Investments and other assets		
Long-term prepaid expenses	324,500	307,424
Deferred tax assets	12	12
Long term deposits	7,800	7,800
Guarantee deposits	21,021	21,021
Total investment and other assets	353,333	336,258
Total fixed assets	42,440,252	43,015,700
Total Assets	46,773,521	45,981,101

<b>Liabilities</b>		
Current liabilities		
Accounts payable – operating	25,290	26,344
Current portion of long-term loans payable	1,239,176	1,286,149
Accounts payable – other	56,317	83,003
Accrued expenses	73,449	112,673
Income taxes payable	857	868
Consumption tax payable	-	49,904
Deposits received	5,246	1,750
Total current liabilities	1,400,337	1,560,694
Non-current liabilities		
Long-term loan payable	23,057,919	22,227,007
Total non-current liabilities	23,057,919	22,227,007
Total liabilities	24,458,257	23,787,702
Net assets		
Unitholders' equity		
Unit holders' capital	22,050,175	22,050,175
Deduction from unitholders' capital	(147,209)	(567,281)
Unitholders' capital (net value)	21,902,965	21,482,893
Surplus		
Unappropriated retained earnings (Accumulated deficit)	412,298	710,506
Total surplus	412,298	710,506
Total unitholders' equity	22,315,263	22,193,399
Total net assets	*1 22,315,263	*1 22,193,399
Total liabilities and net assets	46,773,521	45,981,101

# Statement of Income

	(Unit: thousand yen)	
	3 <sup>rd</sup> period (from July 1, 2018 to December 31, 2018)	4 <sup>th</sup> period (from January 1, 2019 to June 30, 2019)
Operating revenues		
Rental revenues of renewable energy power generation facilities, etc.	*1 1,785,374	*1 2,185,392
Total operating revenues	1,785,374	2,185,392
Operating expenses		
Rental expenses of renewable energy power generation facilities, etc.	*1 1,035,958	*1 1,234,114
Asset management fee	43,934	55,979
Administrative service fees	17,066	18,945
Director's compensation	2,400	2,400
Taxes and duties	1,346	399
Other operating expenses	39,928	56,352
Total operating expenses	1,140,634	1,368,191
Operating income or loss	644,739	817,201
Non-operating incomes		
Interest income	17	15
Insurance income	18,815	27,146
Interest on refund	1,942	1,355
Total non-operating income	20,775	28,517
Non-operating expenses		
Interest expenses	97,912	106,345
Borrowing-related expenses	103,408	28,083
Investment unit issuance expenses	51,132	-
Total non-operating expenses	252,452	134,428
Ordinary income	413,062	711,290
Income before income taxes	413,062	711,290
Income taxes - current	860	870
Income tax - deferred	14	0
Total income taxes	874	870
Net income	412,187	710,419
Retained earnings (deficit) brought forward	110	86
Unappropriated retained earnings (Accumulated deficit)	412,298	710,506

# Statements of Changes in Unitholders' Equity 3rd Fiscal Period (From July 1, 2018 to December 31, 2018)

( 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, 2019	17,315,550	-	17,315,550	281,047	281,047	17,596,597	17,596,597
Changes of items during the period							
Issuance of units	4,734,625	-	4,734,625	-	-	4,734,625	4,734,625
Distribution in excess of earnings	-	(147,209)	(147,209)	-	-	(147,209)	(147,209)
Dividend of surplus	-	-	-	(280,936)	(280,936)	(280,936)	(280,936)
Net Income	-	-	-	412,187	412,187	412,187	412,187
Total changes of items during the period	4,734,625	(147,209)	4,587,415	131,250	131,250	4,718,666	4,718,666
Balance as of June 30, 2018	*1 22,050,175	(147,209)	21,902,965	412,298	412,298	22,315,263	22,315,263

# 4th Fiscal Period (From January 1, 2019 to June 30, 2019)

( 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, 2019	22,050,175	(147,209)	21,902,965	412,298	412,298	22,315,263	22,315,263
Changes of items during the period							
Distribution in excess of earnings	-	(420,072)	(420,072)	-	-	(420,072)	(420,072)
Dividend of surplus	-	-	-	(412,211)	(412,211)	(412,211)	(412,211)
Net Income	-	-	-	710,419	710,419	710,419	710,419
Total changes of items during the period	-	(420,072)	(420,072)	298,208	298,208	(121,864)	(121,864)
Balance as of June 30, 2018	*1 22,050,175	(567,281)	21,482,893	710,506	710,506	22,193,399	22,193,399

## Notes

### 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> <p>Structures .....22 - 25 years Machinery and equipment.....22 - 25 years Tools, furniture and fixtures.....22 - 25 years</p> <p>(2) Intangible assets The straight-line method is adopted. In addition, the useful life is as shown below:</p> <p>Software .....5 years</p> <p>(3) Long-term prepaid expenses The straight-line method is adopted.</p>
2.Standards for revenue and expense recognition	<p>Accounting for fixed assets tax</p> <p>With respect to fixed assets tax, city planning tax and depreciable assets tax, among other taxes, on the infrastructure assets held, of the tax amount assessed and determined, the amount corresponding to the calculation period is accounted as rental expenses. In addition, reimbursement such as fixed assets tax, which is paid to the seller and other persons on the acquisition of infrastructure assets and other assets ("the amount equivalent to the fixed assets taxes and other taxes") is not recognized as rental expenses but included in the acquisition cost of the concerned infrastructure assets and other assets. In the fiscal period under review, the amount equivalent to the fixed assets tax and other taxes included in the acquisition cost of infrastructure assets and other assets is 27,047 thousand yen.</p>
3.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: · Hedging instruments.....Interest rate swap transaction · Hedged items.....Interest rate on loans</p> <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>
4.Other significant matters serving as the basis for preparation of financial statements	<p>Accounting for Consumption tax</p> <p>Consumption tax and local consumption tax are excluded from the corresponding transaction amount.</p>

## 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, 2018	As of June 30, 2019
	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, 2017 to December 31, 2018	From January 1, 2019 to June 30, 2019

### A. Operating revenue from the rental business of renewable energy power generation facilities, etc.

Rental revenue of renewable energy power generation facilities, etc.

(Basic rent)	1,322,669	1,478,843
(Variable rent linked to actual output)	462,578	706,346
(Incidental income)	127	202
Total operating revenue from the rental business of renewable energy power generation facilities, etc.	1,785,374	2,185,392

### 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)	127,128	144,616
(Repair and maintenance costs)	2,055	8,560
(Taxes and duties )	154,262	217,138
(Utilities expenses)	-	-
(Insurance expenses)	12,900	17,023
(Depreciation expenses)	713,168	813,047
(Land rent)	26,444	33,727
(Other rental expenses)	-	-
Total operating expenses from the rental business of renewable energy power generation facilities, etc.	1,035,958	1,234,114

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

749,416	951,278
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## Notes to Statements of Changes in Unitholders' Equity

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

	From July 1, 2017 To December 31, 2018	From January 1, 2019 To June 30, 2019
Total number of authorized investment units	10,000,000 unit	10,000,000 unit
Total number of investment units issued and outstanding	231,190 unit	231,190 unit

## Notes 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, 2018	Fiscal period ended June 30, 2019
Accrued business tax not deductible from taxable income	12	12
Total deferred tax assets	12	12
Net amount of deferred tax assets	12	12

### 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

(Unit: thousand yen)

	Fiscal period ended December 31, 2018	Fiscal period ended June 30, 2019
Effective statutory tax rate	31.51%	31.51%
(Adjustment)		
Dividends paid deductible for tax purpose	(31.45)%	(31.47)%
Loss carried forward and deducted for the period	-	-
Others	0.15%	0.08%
Rate of burden of corporate tax and other taxes after the application of tax effect accounting	0.21%	0.12%

## 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, 2018 and the difference between them. Financial instruments whose fair values are extremely difficult to estimate are not included in the table.

(Unit: thousand yen)

	Book value	Fair value	Difference
(1) Cash and deposits	3,222,807	3,222,807	-
(2) Operating accounts receivable	208,913	208,913	-
(3) Long-term deposits	7,800	7,800	-
Total assets	3,439,520	3,439,520	-
(4) Current portion of long-term loans payable	1,239,176	1,241,069	1,892
(5) Long-term loans payable	23,057,919	23,391,454	333,534
Total liabilities	24,297,096	24,632,523	335,427
(6) Derivative transaction	-	-	-

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

#### Assets

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

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

##### (3) Long-term deposits

This financial instrument refers to time deposits. With no significant difference between the expected interest rate for a new deposit and a contractual interest rate, their fair values are very close to their book values. Therefore, the book values are used.

#### Liabilities

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

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

##### (6) 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, 2019, and the difference between them. Financial instruments whose fair values are extremely difficult to estimate are not included in the table.

(Unit: thousand yen)

	Book value	Fair value	Difference
(1) Cash and deposits	2,466,624	2,466,624	-
(2) Operating accounts receivable	426,756	426,756	-
(3) Long term deposits	7,800	7,800	-
Total assets	2,901,181	2,901,181	-
(4) Current portion of long-term loans payable	1,286,149	1,287,698	1,548
(5) Long-term loans payable	22,227,007	22,491,852	264,844
Total liabilities	23,513,157	23,779,551	266,393
(6) Derivative transaction	-	-	-

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

#### Assets

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

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

(3) Long-term deposits

These financial instruments are time deposits, and their fair values are deemed to be close to their book value as there is no significant variance between the deposit and the contracted interest rates that are assumed upon a new cash deposit. Therefore, the book values are used as the values.

#### Liabilities

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

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

(6) Derivative transaction

Please refer to the "Notes on derivative transactions" below.

(Note 2) Scheduled redemption amounts of monetary receivables after the closing date (December 31, 2018)

(Unit: thousand yen)

	Within one year	Longer than one year, within two years	Longer than two years, within three years	Longer than three years, within four years	Longer than four years, within five years	Longer than five years
(1) Cash and deposits	3,222,807	-	-	-	-	-
(2) Operating accounts receivable	208,913	-	-	-	-	-
(3) Long-term deposits	-	7,800	-	-	-	-
Total	3,431,720	7,800	-	-	-	-

Scheduled redemption amounts of monetary receivables after the closing date (June 30, 2019)

(Unit: thousand yen)

	Within one year	Longer than one year, within two years	Longer than two years, within three years	Longer than three years, within four years	Longer than four years, within five years	Longer than five years
(1) Cash and deposits	2,466,624	-	-	-	-	-
(2) Operating accounts receivable	426,756	-	-	-	-	-
(3) Long-term deposits	-	7,800	-	-	-	-
Total	2,893,381	7,800	-	-	-	-

(Note 3) Scheduled redemption amount of loans payables after the closing date (December 31, 2018)

(Unit: thousand yen)

	Within one year	Longer than one year, within two years	Longer than two years, within three years	Longer than three years, within four years	Longer than four years, within five years	Longer than five years
(4) Current portion of long-term loans payable	1,239,176	-	-	-	-	-
(5) Long-term loans payable	-	2,122,610	1,995,867	1,275,305	1,292,889	16,371,247
Total	1,239,176	2,122,610	1,995,867	1,275,305	1,292,889	16,371,247

Scheduled redemption amount of loans payables after the closing date (June 30, 2018)

(Unit: thousand yen)

	Within one year	Longer than one year, within two years	Longer than two years, within three years	Longer than three years, within four years	Longer than four years, within five years	Longer than five years
(4) Current portion of long-term loans payable	1,286,149	-	-	-	-	-
(5) Long-term loans payable	-	2,053,702	1,862,492	1,286,533	1,285,273	15,739,005
Total	1,286,149	2,053,702	1,862,492	1,286,533	1,285,273	15,739,005

## Notes on Derivative Transactions

1. Those to which hedge accounting is not applied

Prior fiscal period (as of December 31, 2018) and current fiscal period (as of June 30, 2019)

Not applicable.

2. Those to which hedge accounting is applied

Prior fiscal period (as of December 31, 2018)

(Unit: thousand yen)

(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	22,603,027	21,411,430	(Note)	-

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

Current fiscal period (as of June 30, 2019)

(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	22,012,204	20,811,569	( Note )	-

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

#### Notes on 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, 2018	Fiscal period ended June 30, 2019
Book value (Note 2)		
Beginning balance	31,110,561	42,077,910
Change during the period (Note 3)	10,967,348	598,784
Ending balance	42,077,910	42,676,695
Fair value at the end of the period (Note 4)	47,099,500	50,026,000

(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, 2018 primarily consisted of the increase due to acquisition of three photovoltaic power generation facilities (11,651,820 thousand yen), and the decrease due to depreciation expenses (713,168 thousand yen). And the change during the period ended June 30, 2019 primarily consisted of the increase due to acquisition of two photovoltaic power generation facilities (1,357,292 thousand yen), and the decrease due to depreciation expenses (813,047 thousand yen).

(Note 4) The fair value is the total sum of the intermediate values 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, 2018 and June 30, 2019, which was obtained from PricewaterhouseCoopers Sustainability LLC or Ernst & Young Transaction Advisory Services Co., Ltd..

In addition, profits and losses from the renewable energy power generation facilities, etc. for the

fiscal period ended December 31, 2018 (the 3rd period) and the fiscal period ended June 30, 2019 (the 4th period) are as stated in the “Notes to statement of income” above.

#### Notes on Restriction for Asset Management

Not applicable.

#### Notes on Related Party Transaction

For prior period (from July 1, 2018 to December 31, 2018)

Attribute	Name	Address	Capital (in JPY thousand)	Business	Number of Units Held (Held)	Relationship		Transaction	Transaction Amount (in JPY thousand) (Note 1) (Note 2)	Account	Ending Balance (in JPY thousand) (Note 1)
						Concurrent Position of Executive	Business Relationship				
Interested Party of Asset Manager	Univergy 23 G.K.	50F Shinjuku Mitsui Bldg., Nishi-shinjuku 2-1-1, Shinjuku-ku, Tokyo JAPAN	0	Development, Acquisition, Construction and Operation of Renewable Energy Power Plant	-	Not applicable	Purchase of Solar Power Plant	Acquisition of Solar Power Plant	757,000	-	-
Interested Party of Asset Manager	CLEAN ENERGIES XXI G.K.	50F Shinjuku Mitsui Bldg., Nishi-shinjuku 2-1-1, Shinjuku-ku, Tokyo JAPAN	100	Development, Acquisition, Construction and Operation of Renewable Energy Power Plant	-	Not applicable	Purchase of Solar Power Plant	Acquisition of Solar Power Plant	10,447,000	-	-
Interested Party of Asset Manager	Univergy 10 G.K.	50F Shinjuku Mitsui Bldg., Nishi-shinjuku 2-1-1, Shinjuku-ku, Tokyo JAPAN	0	Development, Acquisition, Construction and Operation of Renewable Energy Power Plant	-	Not applicable	Purchase of Solar Power Plant	Acquisition of Solar Power Plant	325,000	-	-
Interested Party of Asset Manager	Canadian Solar O&M Japan K.K.	33F ShinjukuCenter Bldg., Nishi-shinjuku 1-25-1, Shinjuku-ku, Tokyo JAPAN	0	Operation and Maintenance	-	Not applicable	Outsourcing of Operation and Maintenance	Payment of O&M Fee	127,128	Accounts Payable	25,290

(Note 1) The amounts exclude consumption taxes.

(Note 2) The condition of transactions are referring to market prices etc.

For current period (from January 1, 2019 to June 30, 2019)

Attribute	Name	Address	Capital (in JPY thousand)	Business	Number of Units Held (Held)	Relationship		Transaction	Transaction Amount (in JPY thousand) (Note 1) (Note 2)	Account	Ending Balance (in JPY thousand) (Note 1)
						Concurrent Position of Executive	Business Relationship				
Interested Party of Asset Manager	Univergy 01 G.K.	0F Shinjuku Mitsui Bldg., Nishi-shinjuku 2-1-1, Shinjuku-ku, Tokyo JAPAN	0	Development, Acquisition, Construction and Operation of Renewable Energy Power Plant	-	Not applicable	Purchase of Solar Power Plant	Acquisition of Solar Power Plant	470,000	-	-
Interested Party of Asset Manager	CLEAN ENERGIES SOLUTIONS G.K.	Hippo Aza Higashiyama 8-1, Marumori-machi, Igu-gun, Miyagi, JAPAN	100	Development, Acquisition, Construction and Operation of Renewable Energy Power Plant	-	Not applicable	Purchase of Solar Power Plant	Acquisition of Solar Power Plant	850,000	-	-
Interested Party of Asset Manager	Canadian Solar O&M Japan K.K.	33F ShinjukuCenter Bldg., Nishi-shinjuku 1-25-1, Tokyo JAPAN	0	Operation and Maintenance	-	Not applicable	Outsourcing of Operation and Maintenance	Payment of O&M Fee	144,616	Accounts Payable	26,344

(Note 1) The amounts exclude consumption taxes.

(Note 2) The condition of transactions are referring to market prices etc.

## Notes on Per Unit Information

	Prior fiscal period From July 1, 2018 to December 31, 2018	Current fiscal period From July 1, 2018 December 31, 2018
Net assets per unit	96,523 yen	95,996 yen
Net income (Net loss) per unit	1,932 yen	3,072 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, 2018 to December 31, 2018	Current fiscal period From July 1, 2018 December 31, 2018
Net income (Net loss) (Thousand yen)	412,187	710,419
Amount not attributable to common unit holders (Thousand yen)	-	-
Net income (Net loss) attributable to Common unit holders (Thousand yen)	412,187	710,419
Average number of investment units during the period (Units)	213,246	231,190

## Notes on Facts Arising after the Settlement of Accounts

Not applicable.

## Statement of Cash Distribution

	Fiscal Period under Review (From July 1, 2018 to December 31, 2018)	Fiscal Period under Review (From January 1, 2019 to June 30, 2019) Unit: Yen
I Unappropriated retained earnings (accumulated deficit)	412,298,211	710,506,353
II Distributions in excess of retained earnings Deduction from unitholders' capital	420,072,230	133,396,630
III Cash distributions	832,284,000	843,843,500
(Cash distributions per unit)	(3,600)	(3,650)
Profit distributions	412,211,770	710,446,870
(Profit distributions per unit)	(1,783)	(3,073)
Distributions in excess of retained earnings	420,072,230	133,396,630
(Distributions in excess of retained earnings)	(1,817)	(577)
IV. Retained earnings (deficit) carried forward	86,441	59,483
Calculation method for cash distributions	In accordance with Articles 47, Paragraph 1 of Canadian Solar Infrastructure Fund, Inc. ("CSIF") s Articles of Incorporation, the amount	In accordance with Articles 47, Paragraph 1 of Canadian Solar Infrastructure Fund, Inc. ("CSIF") s Articles of Incorporation, the amount

	<p>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 ¥412,211,770 which is the entire amount equivalent to the unappropriated retained earnings for the fiscal period under review of ¥412,298,211 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 ¥420,072,230 which is equivalent to 58.9% of the amount of depreciation expenses recorded for the fiscal period under review of ¥713,524,700.</p> <p>Accordingly, the distribution per unit is ¥3,600.</p>	<p>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 ¥710,506,353 which is the entire amount equivalent to the unappropriated retained earnings for the fiscal period under review of ¥710,446,870 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 ¥133,396,630 which is equivalent to 16.4% of the amount of depreciation expenses recorded for the fiscal period under review of ¥813,434,738.</p> <p>Accordingly, the distribution per unit is ¥3,650.</p>
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(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 ¥832,284,000 which is equivalent to 79.1% of forecast NCF amount for the fiscal period under review of ¥1,052,089,734. Of this, ¥420,072,230 which is the amount less of distributions of profit of ¥412,211,770 is distributions in excess of retained earnings.

Based on this policy, CSIF decided to make distributions for the current fiscal period of ¥843,843,500 which is equivalent to 48.0% of forecast NCF amount for the fiscal period under review of ¥1,758,007,291. Of this, ¥133,396,630 which is the amount less of distributions of profit of ¥710,446,870 is distributions in excess of retained earnings.

## Statement of Cash Flow

( unit: thousand yen )		
	3 <sup>rd</sup> period (From July 1, 2018 to December 31, 2018)	4 <sup>th</sup> period (From January 1, 2019 to June 30, 2019)
Cash flows from operating activities		
Income (Loss) before income taxes	413,062	711,290
Depreciation cost	713,524	813,434
Investment unit issuance expenses	51,132	-
Interest income	(17)	(15)
Interest expenses	97,912	106,345
Decrease (Increase) in operating accounts receivable	109,517	(217,843)
Decrease (Increase) in consumption taxes receivable	1,316,672	793,148
Decrease (Increase) in consumption taxes payable	-	49,904
Decrease (Increase) in prepaid expenses	(92,669)	35,909
Decrease (Increase) in long-term prepaid expenses	(94,581)	17,075
Increase (Decrease) in operating accounts payable	7,073	1,053
Increase (Decrease) in accounts payable - other	13,846	26,686
Increase (Decrease) in accrued expenses	(6,021)	39,839
Other, net	3,228	(3,024)
Sub-total	2,532,681	2,373,805
Interest received	17	15
Interest paid	(96,340)	(106,961)
Income taxes paid	(1,468)	(859)
Net cash provided by (used in) operating activities	2,434,890	2,265,998
Cash flows from investing activities		
Payment for long term deposit	(7,800)	-
Purchases of property and equipment	(11,679,932)	(1,387,663)
Purchases of intangible fixed assets	(4,885)	(18,294)
Net cash provided by (used in) investing activities	(11,692,617)	(1,405,958)
Cash flows from financing activities		
Proceeds from long-term loans payable	8,850,000	700,000
Repayment of long-term loans payable	(2,656,191)	(1,483,938)
Proceeds from issuance of investment units	4,734,625	-
Payments for investment unit issuance expenses	(51,132)	-
Dividends paid	(280,936)	(412,211)
Surplus earning distribution paid	(147,209)	(420,072)
Net cash provided by (used in) financing activities	10,449,154	(1,616,222)
Net increase (decrease) in cash and cash equivalents	1,191,427	(756,182)
Cash and cash equivalents at the beginning of the fiscal period	2,031,379	3,222,807
Cash and cash equivalents at the end of the fiscal period	*1 3,222,807	*1 2,466,624

## Summary of Significant Accounting Policies

Scope of funds in statement of cash flows	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.
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## 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, 2017 to December 31, 2018	From January 1, 2019 to June 30, 2019
Cash and deposits	3,222,807	2,466,624
Cash and cash equivalents	3,222,807	2,466,624