



CS-30 CS Kasama-shi Dai-san Power Plant

証券コード 9284

13th FP (ended December 2023)
Presentation Materials
Canadian Solar Infrastructure Fund, Inc.

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1. Financial Highlights

Financial highlights of 13th FP

- Although output curtailment was imposed during the 13th FP, actual energy output surpassed that on initial forecast. As a result, operation revenues amounted to JPY4,537Mn, an increase by JPY65Mn compared to initial forecast
- As operating expenses were allocated towards reducing repairment costs and depreciation expenses as well as allocating non-operating expenses towards reducing investment unit issuance fees as well as interest payable and debt costs, net income amounted to JPY1,385Mn (up JPY 238Mn compared to initial estimates). As a result, DPU will be JPY3,067 (up JPY528 from initial forecast)

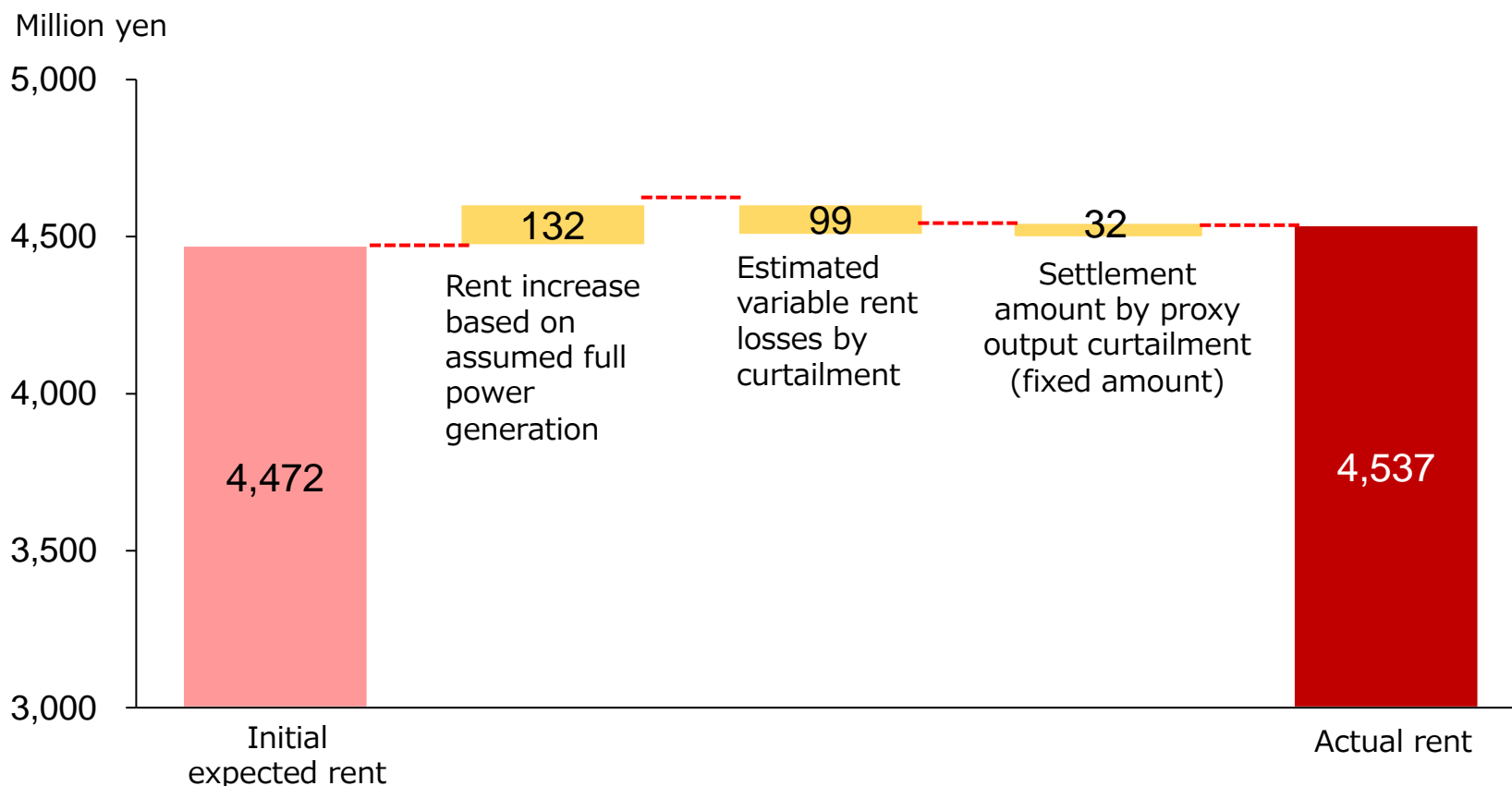
Statement of Income Data (million yen)	12 th FP		13 th FP (ended Dec. 2023)	
	Actual	Forecast @Aug.17, 2023	Actual	Increase / (Decrease) (vs Forecast)
Operating revenues	3,452	4,472	4,537	65
Operating income	1,156	1,665	1,846	181
Income before income taxes	1,003	1,148	1,386	238
Net income	1,003	1,147	1,385	238
Distribution per unit (including distributions in excess of earnings)	3,750 yen	3,750 yen	3,750 yen	-
Distributions per unit (excluding distributions in excess of earnings)	2,595 yen	2,539 yen	3,067 yen	528 yen
Distributions in excess of earnings per unit	1,155 yen	1,211 yen	683 yen	(528) Yen

Variance (vs. forecast)		
Operating revenues	Increase in variable rent	65
Operating expenses	Decrease in; Repairment costs, etc.	76
	Depreciation	39
Non-operating incomes and expenses	Reduction of Investment unit issuance expenses	25
	Decrease in finance cost including interest expenses	31

Analysis of Operating Revenues in the 13th FP

- Against the backdrop of stable power generation during the interim of the 13th FP and a sharp decrease in estimated variable rent loss due to curtailment compared the 12th FP, actual rent income amounted to JPY4,537Mn up JPY65Mn compared to initial forecast at the beginning of the period.

Transition of rent income for the 13th FP (period-ended Dec. 2023)

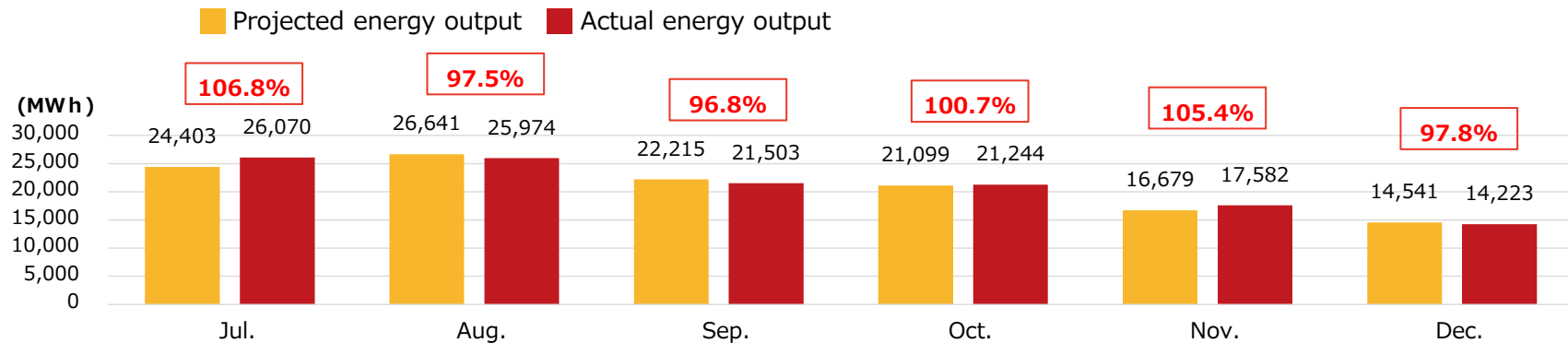


(Note) Proxy output curtailment means that when the actual output curtailment is carried out, the online control operator performs the output curtailment that should be performed by the offline control operator instead, and under the law, the online control operator is deemed to have generated and supplied the electricity, and the online control operator will receive the adjustment amount at a later date, which will be calculated based on the consideration at the procurement price applicable to their own power generation facilities.

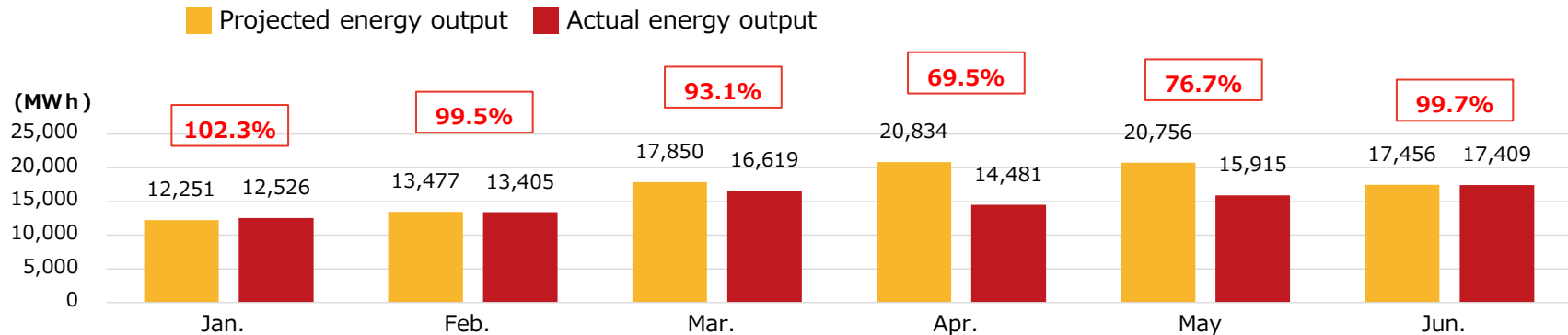
Portfolio Power Generation Performance

- Actual energy output in the 13th FP was almost the same level as the initial forecast, due to the stable weather throughout the period, and the impact of curtailment was limited.
- 13th FP actual energy output ÷ projected energy output = 100.81%
(11th FP (corresponding period of the previous year): 96.69%)

■ 13th Fiscal Period (July 2023~December 2023)



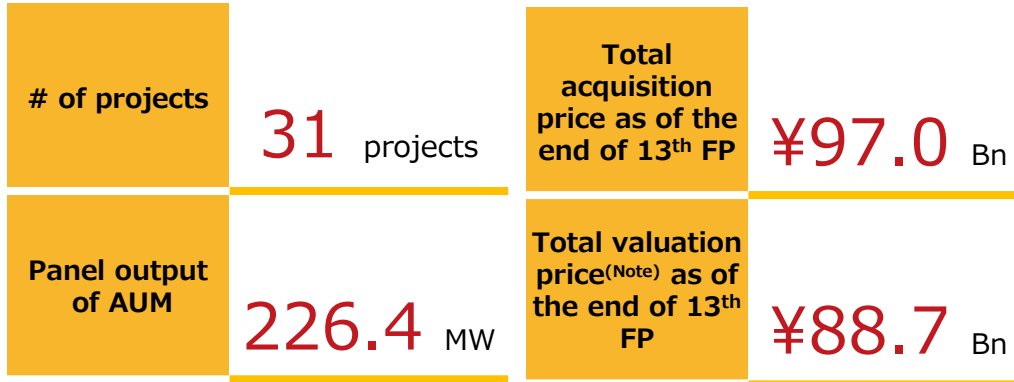
■ 12th Fiscal Period (January 2023~June 2023)



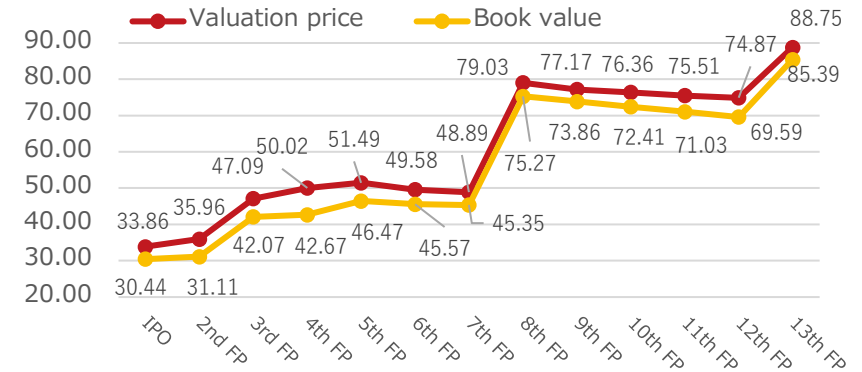
AUM Snapshot

- A summary of AUM as of the end of 13th FP. The fund has 31 power plants with total panel output of 226 MW and the total acquisition price is approximately ¥97Bn

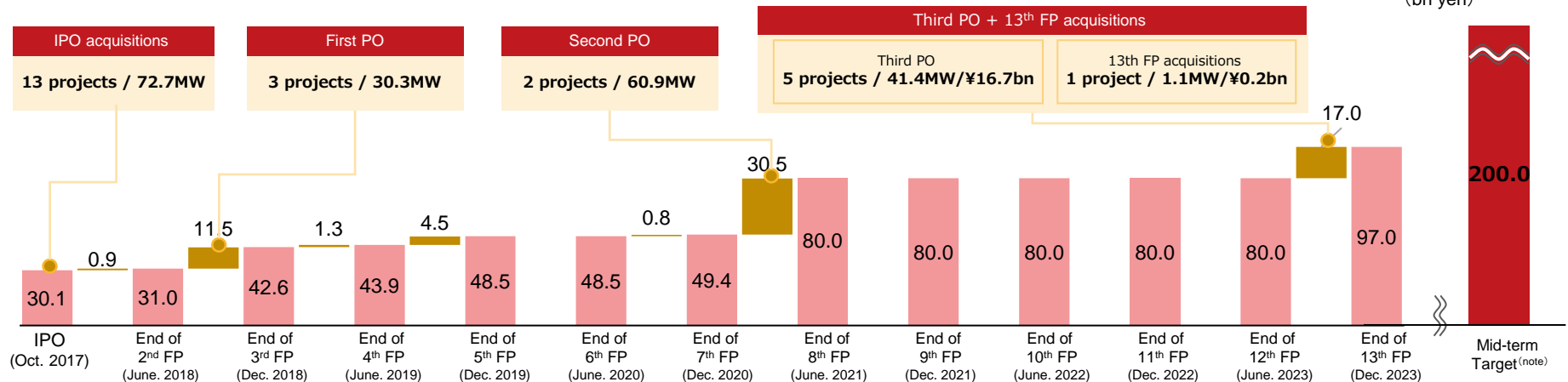
<Portfolio as of the end of 13th FP>



■ Historical valuation and book value (after depreciation)



■ Track Record of Consistent External Growth and Target of asset size (Acquisition price basis)

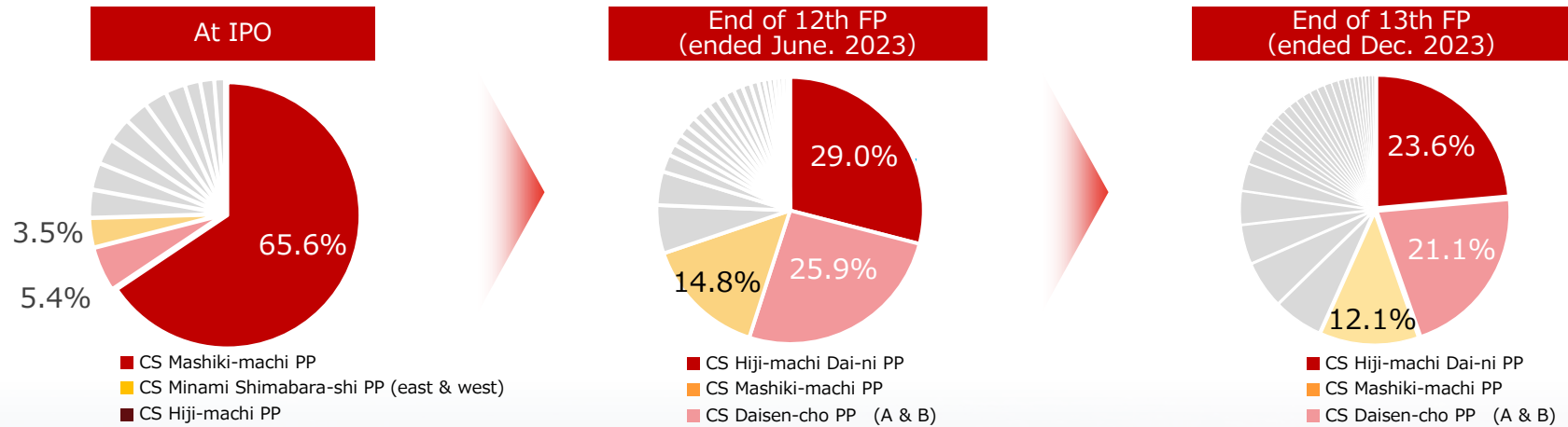


(Note): The term "valuation price" refers to the intermediate value of power plants whose property numbers in the Asset List on page 8-9 are S-01 through S-18 estimated by CSIF, based on the valuations of power plants at the end of Dec. 2023 calculated by PricewaterhouseCoopers Sustainability LLC. As for power plants S-19 through S-30, "valuation price" is the median value calculated by Kroll, LLC at the end of Dec. 2023, and for power plant S-31, "valuation price" is estimated by CSIF, based on the valuations of power plants at the end of Dec. 2023 calculated by Japan Real Estate Institute.

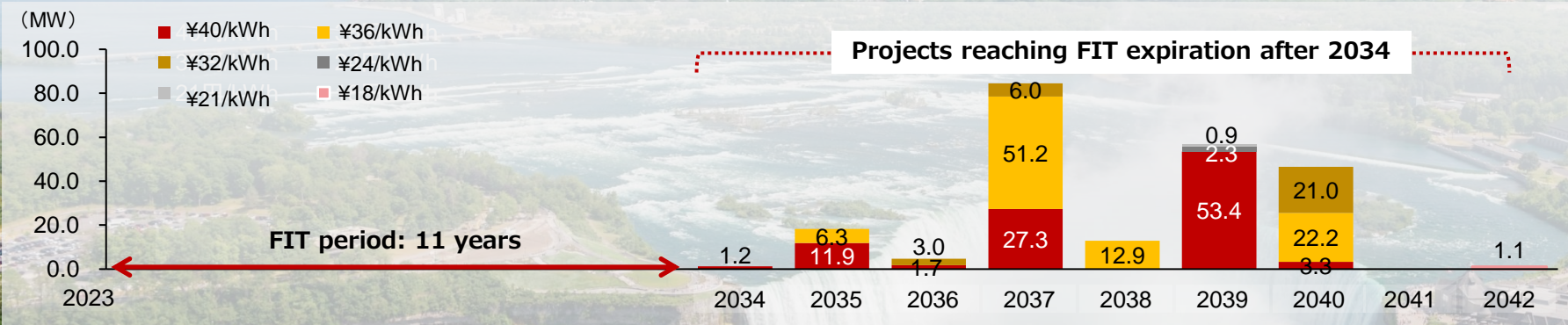
Portfolio Diversification

- Since the IPO, CSIF has reduced its concentration risk of assets under management by consistently acquiring PV projects.
- The remaining FIT period is also diversified over a long period of time, aiming to build a portfolio that will support stable cash flows in the future.

☀ Changes in portfolio income diversification (panel output basis)



☀ Remaining FIT period of CSIF portfolio (panel output basis)



Asset List – Power Plant Data, Valuation and etc.

No.	Project name	Location	Acquisition Price (million yen)	Valuation Price (million yen) (Note)	Portfolio %	Panel Output (kW)	FIT Price (yen)	Electric Power service area	Curtailment rules	Online curtailment system status
S-01	CS Shibushi-shi Power Plant	Shibushi-shi, Kagoshima	540	432	0.5%	1,224.00	40	Kyushu	30-day rule	○
S-02	CS Isa-shi Power Plant	Isa-shi, Kagoshima	372	285	0.3%	931.77	40	Kyushu	30-day rule	○
S-03	CS Kasama-shi Power Plant	Kasama-shi, Ibaraki	907	818	0.9%	2,127.84	40	Tokyo	30-day rule	
S-04	CS Isa-shi Dai-ni Power Plant	Isa-shi, Kagoshima	778	591	0.7%	2,013.99	36	Kyushu	30-day rule	○
S-05	CS Yusui-cho Power Plant	Aira-gun, Kagoshima	670	510	0.6%	1,749.30	36	Kyushu	30-day rule	○
S-06	CS Isa-shi Dai-san Power Plant	Isa-shi, Kagoshima	949	737	0.8%	2,225.08	40	Kyushu	30-day rule	○
S-07	CS Kasama-shi Dai-ni Power Plant	Kasama-shi, Ibaraki	850	705	0.8%	2,103.75	40	Tokyo	30-day rule	
S-08	CS Hiji-machi Power Plant	Hayami-gun, Oita	1,029	794	0.9%	2,574.99	36	Kyushu	30-day rule	○
S-09	CS Ashikita-machi Power Plant	Ashikita-gun, Kumamoto	989	772	0.9%	2,347.80	40	Kyushu	30-day rule	○
S-10	CS Minamishimabara-shi Power Plant (East & West)	Shimabara-shi, Nagasaki	1,733	1,418	1.6%	3,928.86	40	Kyushu	30-day rule	○
S-11	CS Minano-machi Power Plant	Chichibu-gun, Saitama	1,018	903	1.0%	2,448.60	32	Tokyo	30-day rule	
S-12	CS Kannami-cho Power Plant	Tagata-gun, Shizuoka	514	452	0.5%	1,336.32	36	Tokyo	30-day rule	
S-13	CS Mashiki-machi Power Plant	Kamimashiki-gun, Kumamoto	19,751	18,336	20.7%	47,692.62	36	Kyushu	30-day rule	○
S-14	CS Koriyama-shi Power Plant	Koriyama-shi, Fukushima	246	209	0.2%	636.00	32	Tohoku	30-day rule	
S-15	CS Tsuyama-shi Power Plant	Tsuyama-shi, Okayama	746	608	0.7%	1,930.50	32	Chugoku	30-day rule	○
S-16	CS Ena-shi Power Plant	Ena-shi, Gifu	757	676	0.8%	2,124.20	32	Chubu	360-hour rule	○
S-17	CS Daisen-cho Power Plant(A)(B)	Saihaku-gun, Tottori	10,447	8,781	9.9%	27,302.40	40	Chugoku	30-day rule	14 th FP (Scheduled within February)
S-18	CS Takayama-shi Power Plant	Takayama-shi, Gifu	326	272	0.3%	962.28	32	Chubu	360-hour rule	○
S-19	CS Misato-machi Power Plant	Kodama-gun, Saitama	470	364	0.4%	1,082.88	32	Tokyo	30-day rule	
S-20	CS Marumori-machi Power Plant	Igu-gun, Miyagi	850	694	0.8%	2,194.50	36	Tohoku	Unlimited and Uncompensated rule	○

Asset List – Power Plant Data, Valuation and etc.

No.	Project name	Location	Acquisition Price (million yen)	Valuation Price (million yen) (Note)	Portfolio %	Panel Output (kW)	FIT Price (yen)	Electric Power service area	Curtailment rules	Online curtailment system status
S-21	CS Izu-shi Power Plant	Izu-shi, Shizuoka	4,569	3,942	4.4%	10,776.80	36	Tokyo	30-day rule	15 th FP (Scheduled)
S-22	CS Ishikari Shinshinotsu-mura Power Plant	Ishikari-gun, Hokkaido	680	538	0.6%	2,384.64	24	Hokkaido	Unlimited and Uncompensated rule	○
S-23	CS Osaki-shi Kejonuma Power Plant	Osaki-shi, Kejonuma	208	173	0.2%	954.99	21	Tohoku	Unlimited and Uncompensated rule	○
S-24	CS Hiji-machi Dai-ni Power Plant	Hayami-gun, Oita	27,851	25,928	29.2%	53,403.66	40	Kyushu	30-day rule	○
S-25	CS Ogawara-machi Power Plant	Shibata-gun, Miyagi	2,745	2,492	2.8%	7,515.35	32	Tohoku	Unlimited and Uncompensated rule	○
S-26	CS Fukuyama-shi Power Plant	Fukuyama-shi, Hiroshima	1,340	1,309	1.5%	3,316.95	40	Chugoku	30-day rule	○
S-27	CS Shichikashuku-machi Power Plant	Katta-gun, Miyagi	3,240	3,558	4.0%	9,213.12	36	Tohoku	30-day rule	○
S-28	CS Kama-shi Power Plant	Kama-shi, Fukuoka	586	594	0.7%	2,242.96	36	Kyushu	Unlimited and Uncompensated rule	○
S-29	CS Miyako-machi Saigawa Power Plant	Miyako-gun, Fukuoka	5,780	5,771	6.5%	13,011.20	36	Kyushu	Unlimited and Uncompensated rule	○
S-30	CS Kasama-shi Dai-san Power Plant	Kasama-shi, Ibaraki	5,840	5,834	6.6%	13,569.36	32	Tokyo	30-day rule	○
S-31	CS Yamaguchi-shi Power Plant	Yamaguchi-shi, Yamaguchi-ken	230	254	0.3%	1,107.60	18	Chugoku	Unlimited and Uncompensated rule	○
Portfolio Total			97,017	88,755	100.00%	226,434.31	-	-	-	-

(Note): The term “valuation price” refers to the intermediate value of power plants whose property numbers in the Asset List on page 12 are S-01 through S-18 estimated by CSIF, based on the valuations of power plants at the end of Dec. 2023 calculated by PricewaterhouseCoopers Sustainability LLC. As for power plants S-19 through S-30, “valuation price” is the median value calculated by Kroll, LLC at the end of Dec 2023, and for power plant S-31, “valuation price” is estimated by CSIF, based on the valuations of power plants at the end of Dec. 2023 calculated by Japan Real Estate Institute.

Impact of curtailment and installing online curtailment controller

■ Impact of curtailment on CSIF

	6 th Fiscal Period (period-ended Jun. 2020)	7 th Fiscal Period (period-ended Dec. 2020)	8 th Fiscal Period (period-ended Jun. 2021)	9 th Fiscal Period (period-ended Dec. 2021)	10 th Fiscal Period (period-ended Jun. 2022)	11 th Fiscal Period (period-ended Dec. 2022)	12 th Fiscal Period (period-ended Jun. 2023)	13 th Fiscal Period (period-ended Dec. 2023)
Number of days of curtailment	71 days	2 days	90 days	22 days	41days	7 days	93 days	50 days
Number of times CSIF power plants underwent curtailment	249	1	206	96	136	24	691	151
Estimated variable rent losses (thousand Yen)	58,130	95	320,420	91,821	114,722	19,773	857,252	99,413
Ratio of estimated variable rent losses to projected rental revenues	2.47%	0.004%	9.47%	2.46%	3.10%	0.53%	23.24%	2.22%

Generally, the number of curtailment tends to increase in early spring when supply and demand slacken.
Although the number of curtailment at power plants subject to the unlimited and uncompensated rule increased significantly, actual variable rent reduction (vs forecast) are within a certain extent

■ Rationale behind installing online curtailment controller

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



Reduction of electricity sales loss by installing a curtailment controller

■ Promotion of installing online curtailment controller in power plants located in Kyushu Electric Power Transmission and Distribution Co., Inc. and other distributors

Output curtailment has commenced in many grids across Japan; In addition to Kyushu Electric Power Transmission and Distribution Co., Chugoku Electric Power Transmission & Distribution Co., Inc. and Shikoku Electric Power Transmission & Distribution Company, Incorporated as of April 2022, Hokkaido Electric Power Network, Inc. as of May 2022, The Okinawa Electric Power Company, Inc. as of January 2023, Chubu Electric Power Grid Co.,Inc. as of April 2023 and The Kansai Electric Power Company, Inc. as of June 2023. CSIF has already installed online curtailment controller for solar power plants in Kyushu region, and has been actively installing online curtailment controllers to other region to reduce negative impact from curtailment.

Output Curtailment Outlook

■ Initiatives to reduce curtailment of renewable energy power output

- ☀️ METI's "Mass Renewable Energy Introduction / Next Generation Energy Network Committee" convened a meeting in June 21, 2023, in which experts agreed to compile new countermeasure packages for the reduction of curtailment of renewable energy power output within 2023 after broadly discussing possible actions to be taken each for supply, demand and grid.
- ☀️ On December 19, 2023, the subcommittee introduced a "Renewable output curtailment countermeasure package" which outlines the following.

Demand-side countermeasures

Household sector

- Stimulating demand (and transition) by introducing residential solar battery storage, heat pump water heaters, among others
- DR Readiness of equipment (installation of communication control devices)
- Promote consumer behavioral changes to utilize demand-side resources (initiatives to stimulate demand during output curtailment)

Industrial sector

- Grid: Stimulate demand of and transition towards usage of battery storages, (renewable) adjacent battery storages, and hydrogen electrolyzers
- Corporates: Promote battery storages and provide assistance for installing communication control devices
- Promote DR for furnaces used by energy-intensive industries
- Introduce new locations and/or alter demand dynamics for energy-intensive industries to adapt to new supply/demand dynamics

Supply-side countermeasures

- Further promotion of online conversion of renewable facilities
- Lowered minimum output of newly-built thermal plants (50% to 30%), request existing thermal plants to follow suit
- Lowered output of unregulated power supply in surrounding areas of sectors that are undergoing output curtailment
- Boost operational efficiency of thermal power plants
- Optimize output curtailment by utilizing hydroelectric energy
- Promote FIP to stimulate renewable energy to better adapt to energy demand/supply fluctuations in the market

Grid countermeasures

Grid reinforcement

- Expand intra-region grid transmission by revamping current interconnection operations
- Expand intra-region grid transmission by reinforcing cross-regional interconnection lines

Energy market dynamics (medium-long term agenda)

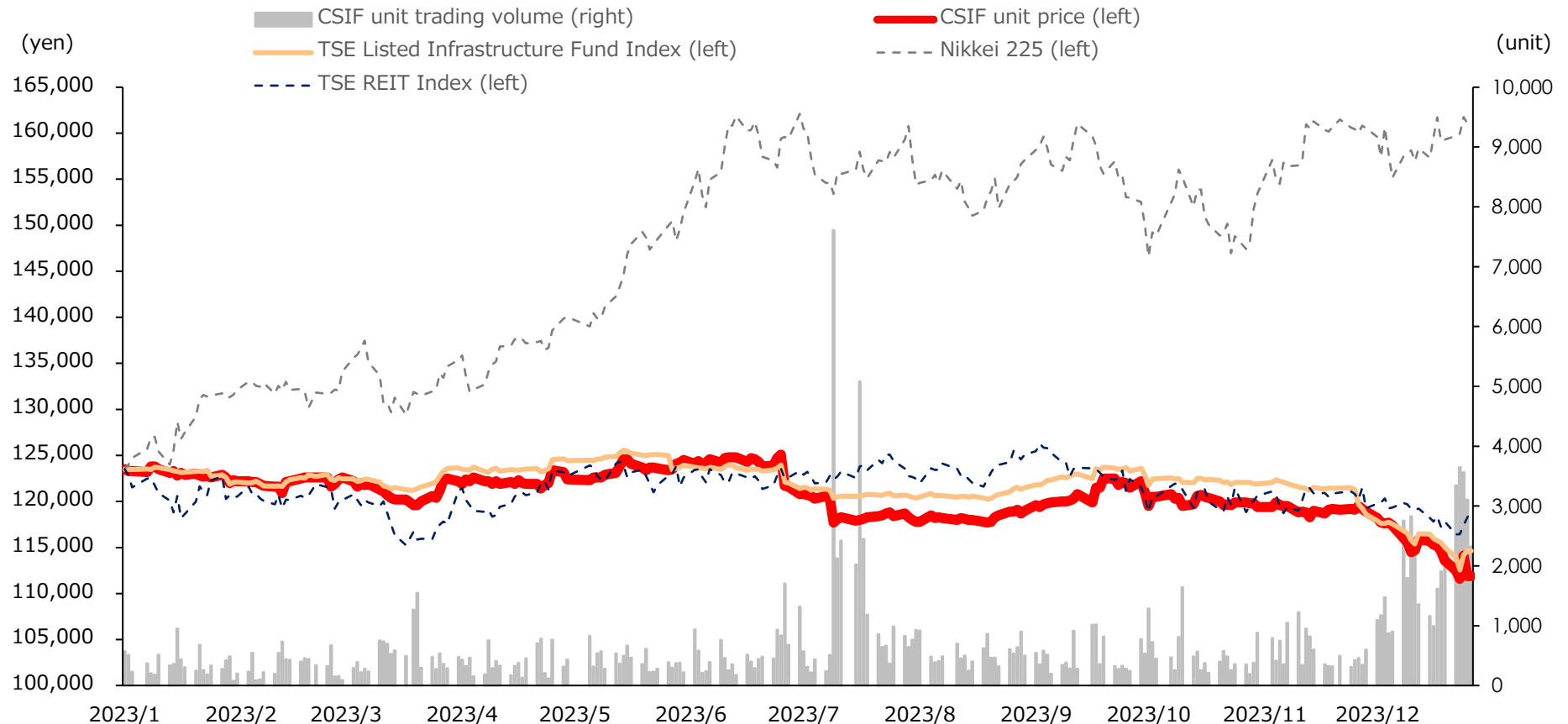
- Adjust and stimulate demand/supply through chained price index mechanism

■ Initiatives to reduce curtailment of renewable energy power output

- ☀️ Against the backdrop of the lack of timely and accurate disclosures by some electricity transmission and distribution companies, we submitted a questionnaire and opinion letter to these companies through the Listed Infrastructure Council (formed in Nov. 2023) in order to obtain more transparency.

Unit Price Performance

- Against backdrop of revised FY2023 business forecast and expectations for capital efficiency measures for listed companies with PBR below 1, the Nikkei Average rallied. However, the TSE Infrastructure Fund and TSE REIT index were slightly decreased compared to the beginning of 2023 driven by fears of headlines concerning BoJ's interest rate hike.
- CSIF unit price has remained stable almost in line with the TSE Infrastructure Fund Index



Source: Tokyo Stock Exchange, Inc.

Note : Weighted average of listed infrastructure funds, Nikkei average, and TSE REIT Index is benchmarked to CSIF's closing price as of Jan. 4, 2023 and shows the rate of decline since Jan. 4, 2023.



2. Earnings Forecast

14th, 15th and 16th FP Earnings Forecast

■ Earnings Forecast

	14th Fiscal Period (ending June 2024)	15th Fiscal Period (ending December 2024)	16th Fiscal Period (ending June 2025)
Operating revenues	4,500	4,459	4,445
Operating profit	1,671	1,629	1,641
Ordinary profit	1,404	1,365	1,387
Net profit	1,403	1,364	1,386
DPU (incl. distributions in excess of earnings)	3,775 yen	3,775 yen	3,775 yen
DPU (excl. distributions in excess of earnings)	3,107 yen	3,020 yen	3,070 yen
Per unit distributions in excess of earnings	668 yen	755 yen	705 yen

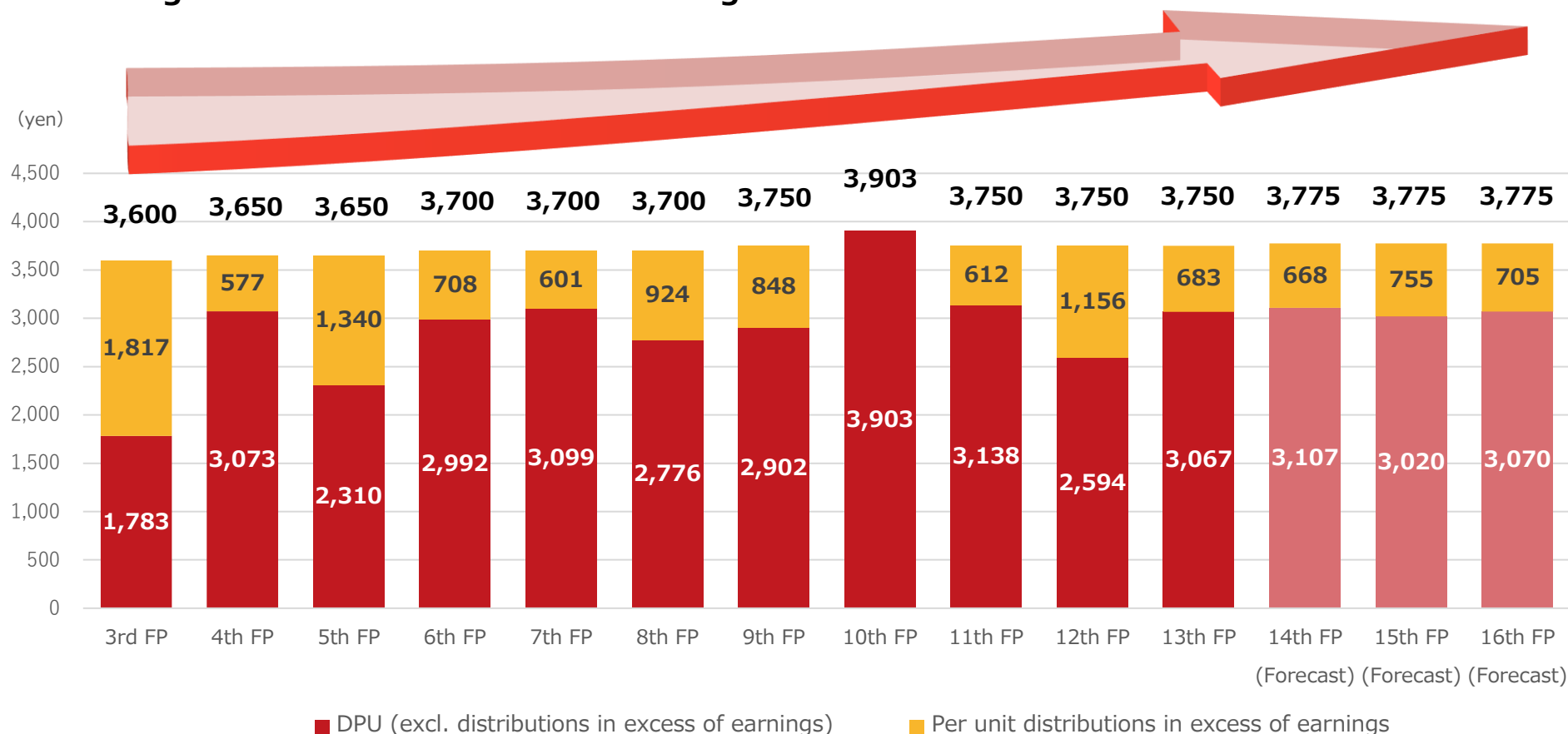
CSIF aims for growth while maintaining a stable level of distribution payout

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

(Note 2) Above forecasts are based on earnings summary dated February 15, 2024 and is subject to change due to factors including without limitation, acquisition or sale of renewable energy projects, changes in infrastructure markets, fluctuation in interest rates and other changes in circumstances surrounding CSIF. Forecasts do not guarantee any dividend amounts.

Historical and Forecasted Dividend

- CSIF has maintained stable distributions ever since it realized a distribution of JPY3,600 per unit for the 3rd FP
- CSIF expects to distribute JPY 3,775 per unit from 14th FP, an increase of 25 yen from the previous period and CSIF aims to achieve a stable and sustainable distribution payout by utilizing distributions in excess of earnings



(Note) Figures for the 14th~16th Fiscal Period are forecasts and are subject to change. They do not represent guaranteed distribution amounts.

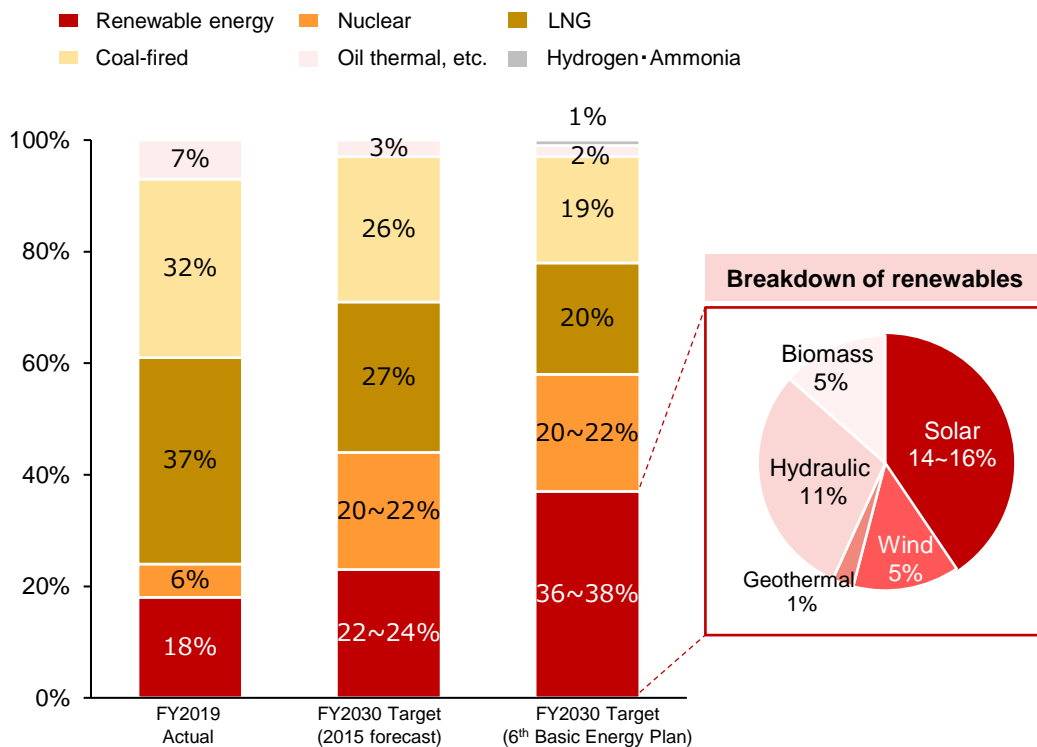


3. Management Policy

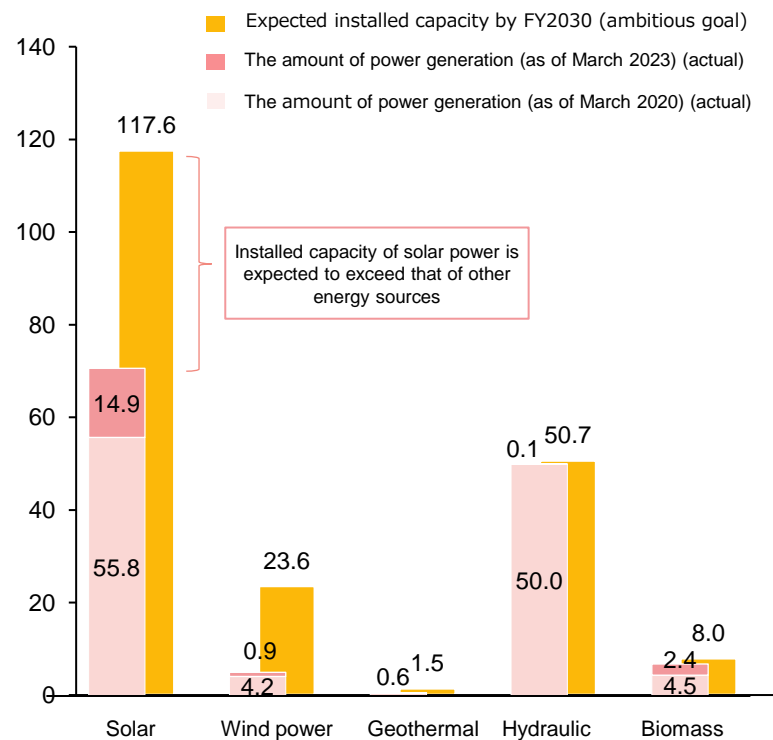
Aim for Further Diffusion of Renewable Energy drawing on Positive Stance of the Japanese Government

- According to the 6th Basic Energy Plan approved by the Cabinet in October 2021, the government plans to set the share of renewable energy as the top source of energy. Also, it seeks to approx. double the ratio of renewable energy (compared to FY2020 actuals, 20%) by FY2030; somewhere between 36%~38% of the total energy mix.
- Solar power is expected to compose 14%~16% of the total energy mix. Moreover, installed capacity of solar power by FY2030 is expected to significantly larger than other renewable energy sources.

Ratio of renewables to total energy mix



Expected installed capacity by renewable energy source



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

Source: Compiled by the asset manager based on documents by the Strategic Policy Committee of the METI Agency for Natural Resources and Energy Advisory Committee for Natural Resources and Energy
 Note: The amount of power generation (as of March 2023) (actual) represents the increase from the amount of power generation (as of March 2020) (actual).

External Growth Strategy (Pipeline)

(Pipeline including projects owned by Bridge Fund, the numbers are as of December 31, 2023)

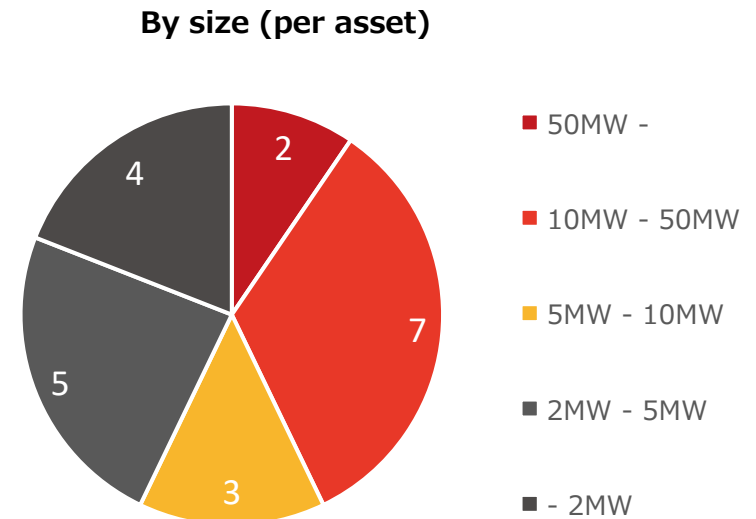
- Target to achieve ¥200 Bn in asset size in the medium term by accelerating acquisitions of third-party development projects, in addition to acquisitions from abundant sponsor pipeline



■ Pipeline List

Project name	Location	Panel Output (kW)	Developer
CS Ibaraki Kurusu PP	Ibaraki	11.3	Sponsor
CS Hiroshima Suzuhari PP	Hiroshima	17.8	Sponsor
CS Azuma Kofuji PP	Fukushima	100.0	Sponsor
CS Yamaguchi Hofu PP	Yamaguchi	8.0	Sponsor
CS Gunma Takasaki KG PP	Gunma	24.5	Sponsor
CS Tochigi Kitsuregawa PP	Tochigi	1.2	Sponsor
CS Tottori Daisen Dai-ni PP	Tottori	1.9	Sponsor
CS Gunma Minakami Dai-ni PP	Gunma	2.2	Sponsor
CS Oita Munechika PP	Oita	8.1	Sponsor
CS Ibaraki Takamihara PP	Ibaraki	1.2	Sponsor
CS Okayama Shinyubara PP	Okayama	28.8	Sponsor
CS Gunma CC PP	Gunma	21.0	Sponsor
CS Fukushima Sabara PP	Fukushima	3.0	Sponsor
CS Aomori Maita PP	Aomori	3.0	Sponsor
CS Miyagi Kami-machi PP	Miyagi	80.0	Sponsor
CS Shizuoka Gotenba PP	Shizuoka	2.0	Sponsor
CS Nagano Omachi PP	Nagano	3.0	Sponsor
CS Fukushima Ishikawa PP	Fukushima	19.4	Sponsor
CS Ishikawa Chausuyama PP	Ishikawa	8.9	Sponsor
CS Chiba Sakura PP	Chiba	1.2	Third Party
CS Tochigi Yuzukami Kita PP	Tochigi	45.8	Third Party

■ Pipeline snapshot



Source: Compiled by the Asset Manager based on disclosures by Canadian Solar Projects K.K.

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

- Operational
- Under construction
- Under development

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

Pink box for sponsor development projects held by bridge Fund

Blue box for third-party development projects held by bridge Fund

CS Tottori Daisen Dai-ni PP
1.9 MW/11.49/2024

CS Okayama Shinyubara PP
28.8 MW/13.47/2025

CS Hiroshima Suzuhari PP
17.8 MW/17.97/2022

CS Yamaguchi Hofu PP
8.0 MW/14.25/2023

CS Oita Munechika PP
8.1 MW/32/2023

CS Gunma Takasaki KG PP
24.5 MW/14.49/2022

CS Gunma CC PP
21.0 MW/11.99/2026

CS Gunma Minakami Dai-ni PP
2.2 MW/18/2023

CS Nagano Omachi PP
3.0 MW/10.14/2025

CS Ishikawa Chausuyama PP
(8.9MW/24/2025)

CS Shizuoka Gotenba PP
2.0 MW/27/2023

CS Aomori Maita PP
3.0 MW/10.89/2024

CS Miyagi Kami-machi PP
80.0 MW/10.76/2026

CS Fukushima Sabara PP
3.0 MW/10.79/2024

CS Azuma Kofuji PP
100.0 MW/36/2022

CS Fukushima Ishikawa PP
(19.4MW/FIP/2028)

CS Tochigi Kitsuregawa PP
1.2 MW/32/2023

CS Ibaraki Kurusu PP
11.3 MW/24/2022

CS Ibaraki Takamihara PP
1.2 MW/11.99/2024

CS Chiba Sakura PP
(1.2MW/21/2023)

CS Tochigi Yuzukami Kita PP
(45.8MW/36/2023)

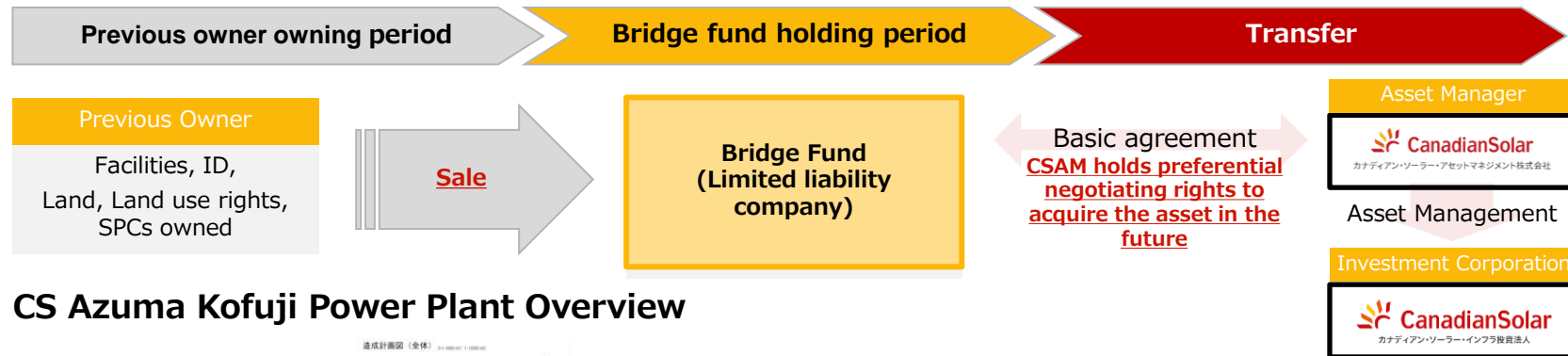
(as of December 31, 2023 : the third-party development assets are as of the date of the announcement of these financial results.)

Source: Compiled by the Asset Manager based on disclosures by Canadian Solar Projects K.K.

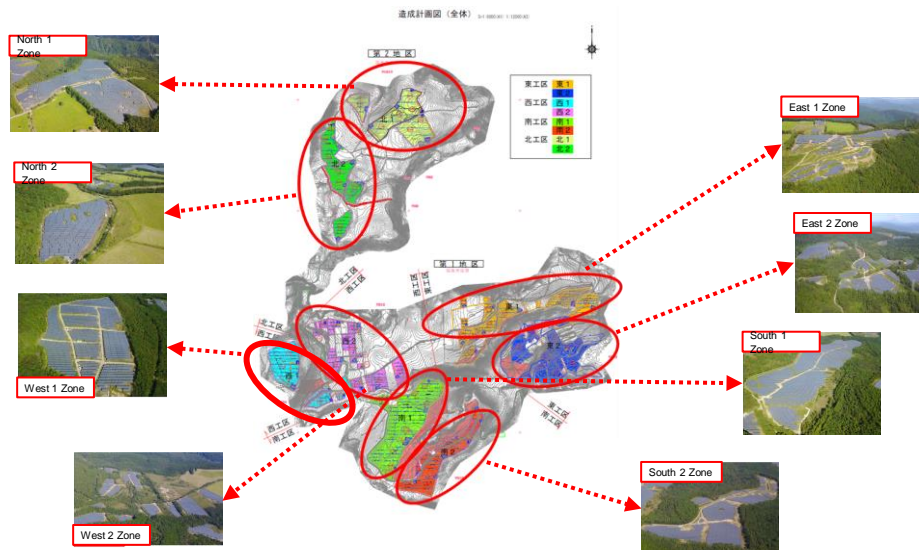
CS Azuma Kofuji Power Plant, the largest Sponsor-developed project, has been transferred to the Bridge Fund

- Completed transfer of CS Azuma Kofuji Power Plant, the largest (100MW) sponsored development project in Japan and one of the largest development projects in Japan for which CSIF holds preferential negotiation rights to the Bridge Fund.
- Expected to generate approximately 110 million kWh per year, which is equivalent to the electricity generated by about 31,000 households (September 2022 in operation).

Acquisition flow via bridge fund



CS Azuma Kofuji Power Plant Overview

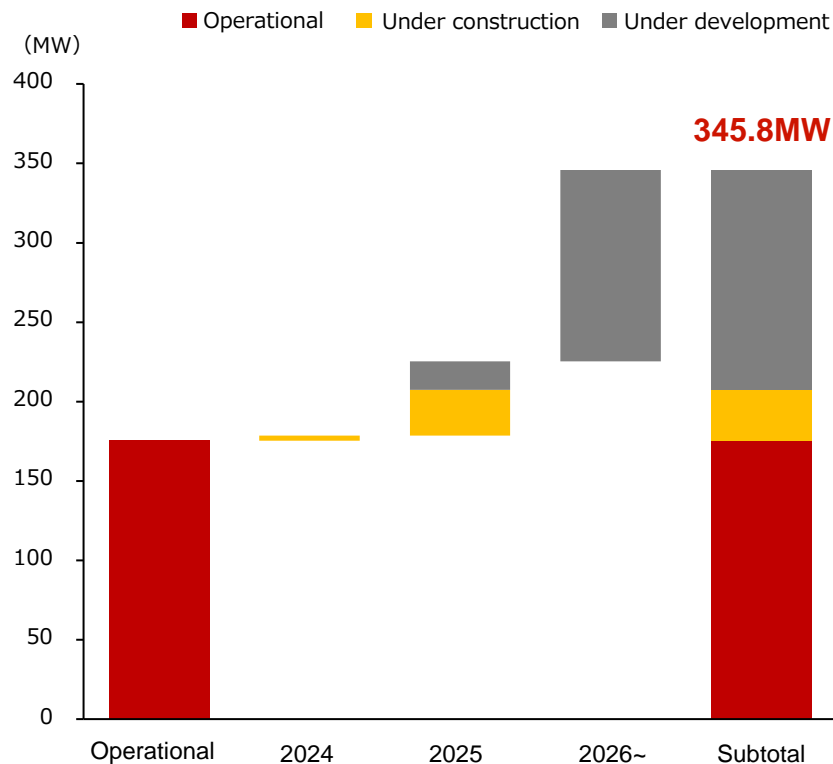


- CS Azuma Kofuji Power Plant utilizes abandoned farmland, and the construction of a large-scale solar power plant makes a significant contribution to the revitalization and promotion of local farming and fishing communities.
- Located in an area where horseradish production is thriving, where high water quality for agriculture is required, and a series of water quality tests have been carried out to eliminate concerns about water pollution related to the development.

Expand pipeline by utilizing the development capabilities of the sponsor group

- Canadian Solar Group has been engaged in development, O&M, and asset management of FIT-eligible solar power plants from the early stage as well as actively engaging in FIT business operations such as participating in the FIT auction system and accumulating successful bids.
- A total of 15 bids have been conducted since 2017, total capacity of successful bids by Sponsor Group amounts to 180.358 MW which far surpasses the runner-up which placed a total of approximately 98 MW in successful bids.

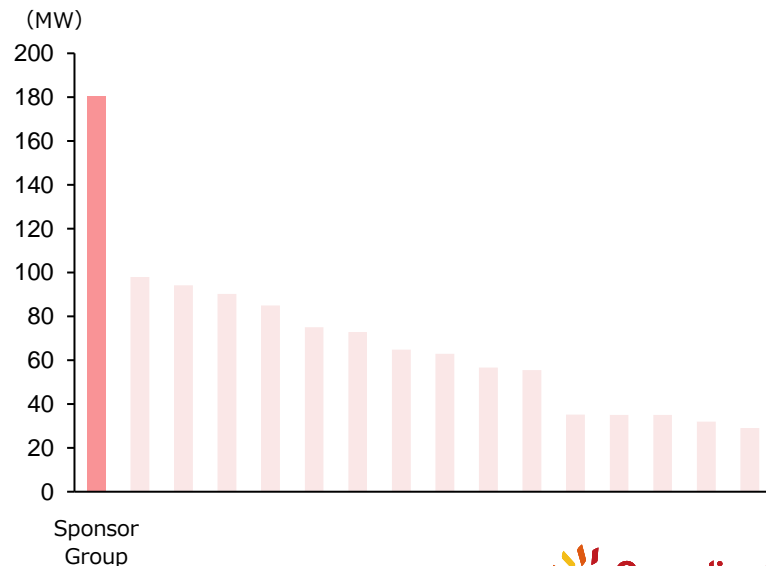
Operational start years and status of Sponsor Pipeline (panel output basis as of Dec. 31, 2023)



Track record of participation in FIT auction bidding by sponsor group (as of March 31, 2023)

List of successful bids at FIT auction

The sponsor group participated in 9 of the 15 FIT auction bidding. Total capacity of **180.358 MW** in successful bids, the highest out of all participants from the 1st to 15th auctions.





Diversification of sourcing channels and enhancing the flexibility to grow

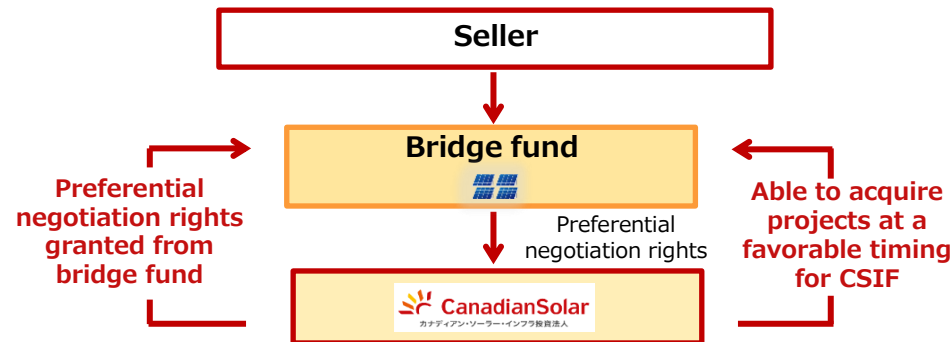
- CSIF has been promoting the diversification of its sourcing channels with third parties by leveraging the network of CSAM, CSIF's asset manager.
- CSIF aims for further stable external growth not only by directly acquiring properties from sellers, but also by using various acquisition means such as the effective use of bridge funds etc.

Diversification of sourcing channels and methods



Acquisitions through bridge funds

-  Infrastructure assets that CSIF intends to eventually integrate into the portfolio can be temporarily warehoused in a bridge fund for CSIF to acquire at an opportune timing.
-  By utilizing bridge funds, it is possible to (i) adjust the discrepancy in timing between the seller and CSIF transaction requests and (ii) control the number of projects acquired and the scale of acquisitions, resulting in an increase in projects acquisition opportunities for CSIF

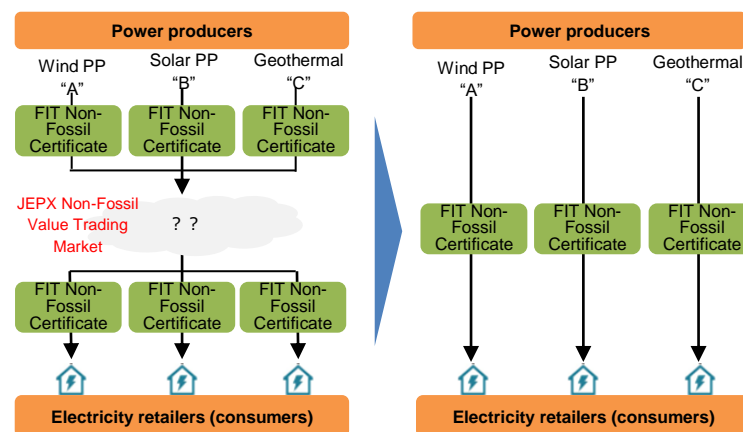


Initiatives for Internal Growth

Tracking information disclosure and expansion of demand for renewable energy

- In light of the rapidly increasing awareness of global efforts towards carbon neutrality amongst Japanese electricity consumers, CSIF will grant access to tracking information (key information on renewable Power Plant as specified in the FIT Non-Fossil Certificate) of CS Daisen-cho Power Plant (A), Daisen-cho Power Plant (B), and CS Marumori-machi Power Plant for electricity consumers.
- At the Electricity and Gas Strategic Policy Subcommittee held in December 2022, a proposal to raise the minimum price of renewable energy traded in the Non-Fossil Value Trading Market has been submitted for panel review. CSIF believes that the need for renewable energy trading is rising amongst consumers.

(Summary image of tracking information)



New Specific Wholesale contracts with Retail Electricity provider

- For the following Power Plants, CSIF has reviewed the existing specific wholesale contracts for premium electricity sales and concluded new specific wholesale contracts for renewable electricity and with retail electricity providers in April 2023 and June 2023.
- CSIF believes that it will contribute to the spread of renewable energy and at the same time, contribute to the realization of internal growth through the recording of additional rental income.

Power Plant	Renewal Period/ Termination of contract	Contract Date	Start Date of Specific Wholesale
CS Hiji-machi Dai-ni PP	Renewal for 1 year after 2 years	April 24, 2023	July 1, 2023
CS Mashiki-machi PP		June 30, 2023	September 1, 2023
CS Izu-shi PP		June 30, 2023	September 1, 2023
CS Ogawara-machi PP		June 30, 2023	September 1, 2023

Debt Profile (1) – LTV, Fixed-to-variable interest rate ratio, DSCR and Credit Rating

■ Issuer's ratings

☀️ CSIF is the only TSE-listed infrastructure fund rated by both of JCR and R&I as of June 30, 2023.

JCR A (Stable)

(As of August 17, 2023)

R&I A- (Positive)

(As of August 4, 2023)

■ Key financial indicators

☀️ CSIF intends to build a stable and strong financial base by maintaining a high fixed interest rate ratio and keeping an appropriate LTV level.

Average borrowing interest

As of December 31, 2023

0.865%

of financial institutions

As of December 31, 2023

23

DSCR

As of December 31, 2023

2.12x

LTV

As of June 30, 2023

48.81%

As of December 31, 2023

52.59%

Fixed interest rate ratio

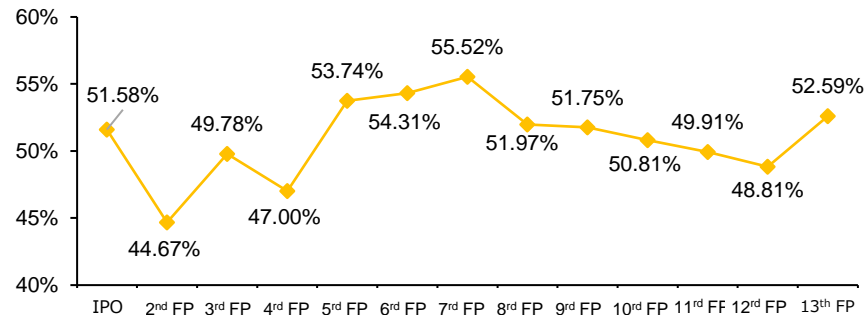
As of June 30, 2023

100.0%

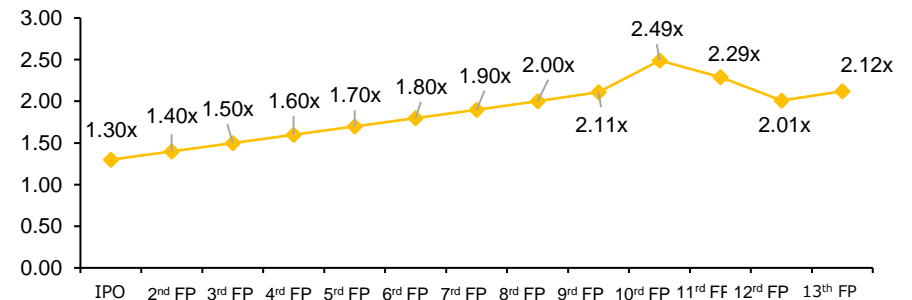
As of December 31, 2023

89.8%

■ Historical LTV



■ Historical DSCR

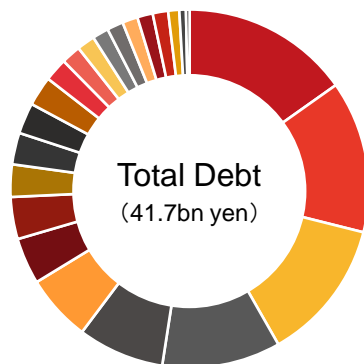


Debt Profile (2) – Summary of Loans and Bonds

■ Overview of Interest-bearing Debts (As of December 31, 2023)

Category	Type	Initial amount (yen millions)	Outstanding (yen millions)	Interest rate	Interest rate type	Drawdown date	Maturity
Loan	Long term	15,700	10,648	Base rate plus 0.45% (fixed at 0.845% upon executing interest rate swap)	Floating (Fixed)	October 31, 2017	10 years from drawdown date <i>JCR Green Finance Evaluation</i>
	Long term	8,000	5,722	Base rate plus 0.45% (fixed at 1.042% upon executing interest rate swap)	Floating (Fixed)	September 6, 2018	10 years from drawdown date
	Long term	17,000	14,141	Base rate plus 0.45% (fixed at 0.8199% upon executing interest rate swap)	Floating (Fixed)	March 8, 2021	10 years from drawdown date <i>JCR Green Finance Evaluation</i>
	Long term	5,800	5,631	Base rate plus 0.45% (fixed at 1.2695% upon executing interest rate swap)	Floating (Fixed)	July 19, 2023	10 years from drawdown date <i>JCR Green Finance Evaluation</i>
	Long term	5,800	5,631	Base rate plus 0.45%	Floating	July 19, 2023	10 years from drawdown date <i>JCR Green Finance Evaluation</i>
	Short term	1,100	1,100	Base rate plus 0.20%	Floating	July 19, 2023	Earlier of (i) July 19, 2024 or (ii) first interest payment date after the consumption tax refund date
Bond	Long term	1,100	1,100	0.71%	Fixed	November 6, 2019	5 years from issuance date
	Long term	3,800	3,800	0.80%	Fixed	January 26, 2021	5 years from issuance date <i>JCR Green Bond Evaluation</i>
Total / Average		58,300	47,776	–	–	–	–

■ Stable lender formation with a total of 23 banks, including 3 megabanks, SBI Shinsei Bank and Sumitomo Mitsui Trust Bank as arrangers/co-arrangers (excl. consumption tax bridge loans)



SBI Shinsei Bank, Limited	15.2%	Resona Bank, Limited.	2.9%	The TOCHIGI BANK, LTD.	1.5%
Sumitomo Mitsui Banking Corporation	13.7%	The Oita Bank, Ltd.	2.9%	The Senshu Ikeda Bank, Ltd.	1.4%
MUFG Bank, Ltd.	12.8%	The Tottori Bank, Ltd.	2.8%	The BANK OF SAGA LTD.	1.4%
Mizuho Bank, Ltd.	10.7%	The Chugoku Bank, Ltd.	2.7%	The Bank of Nagoya, Ltd.	1.4%
Sumitomo Mitsui Trust Bank, Limited	7.8%	The 77 Bank, Ltd.	2.1%	The Fukuho Bank, Ltd.	1.0%
The Nanto Bank, Ltd.	6.0%	The Ashikaga Bank, Ltd.	1.8%	The BANK OF FUKUOKA., LTD.	0.6%
THE ASAHI SHINKIN BANK	4.2%	ORIX Bank Corporation	1.6%	San ju San Bank, Ltd.	0.3%
The Hiroshima Bank, Ltd.	3.8%	THE SHONAI BANK, Ltd.	1.5%		

ESG Initiatives (UN PRI · ESG Report)

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

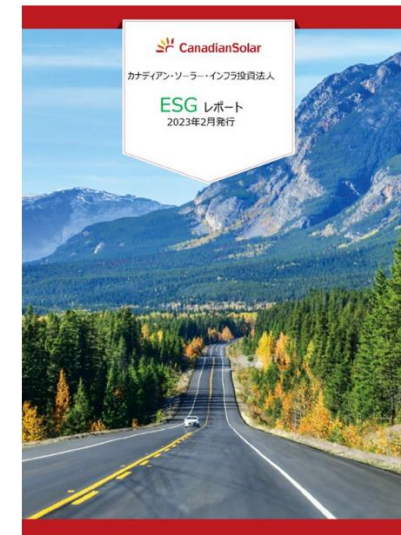
- As of August 13, 2019, CSAM became the first Japanese asset manager of a listed infrastructure fund to be a signatory to the UN PRI (United Nations supported Principles for Responsible Investment), as a signatory to the UN PRI, CSAM devised an “Approach to UN PRI Guidelines”.

Signatory of:



■ ESG Report

- CSAM endorsed the TCFD (Task Force on Climate-related Financial Disclosures) recommendations in February 2022. CSIF and CSAM published the ESG report in February 2023.
- CSIF selects ESG subjects (materiality) of particular importance to CSIF and promote efforts to achieve and further improve targets by setting KPIs and implementing specific measures for materiality items through future activities.



ESG Initiatives (TCFD · SFDR)

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

- TCFD was established by the Financial Stability Board (FSB) to promote transparency on climate-related information disclosures and discuss implementation methods for financial institutions.
- As of February 14, 2022, CSIF conducts climate-related disclosures in accordance with the guidelines of the “TCFD Recommendations.



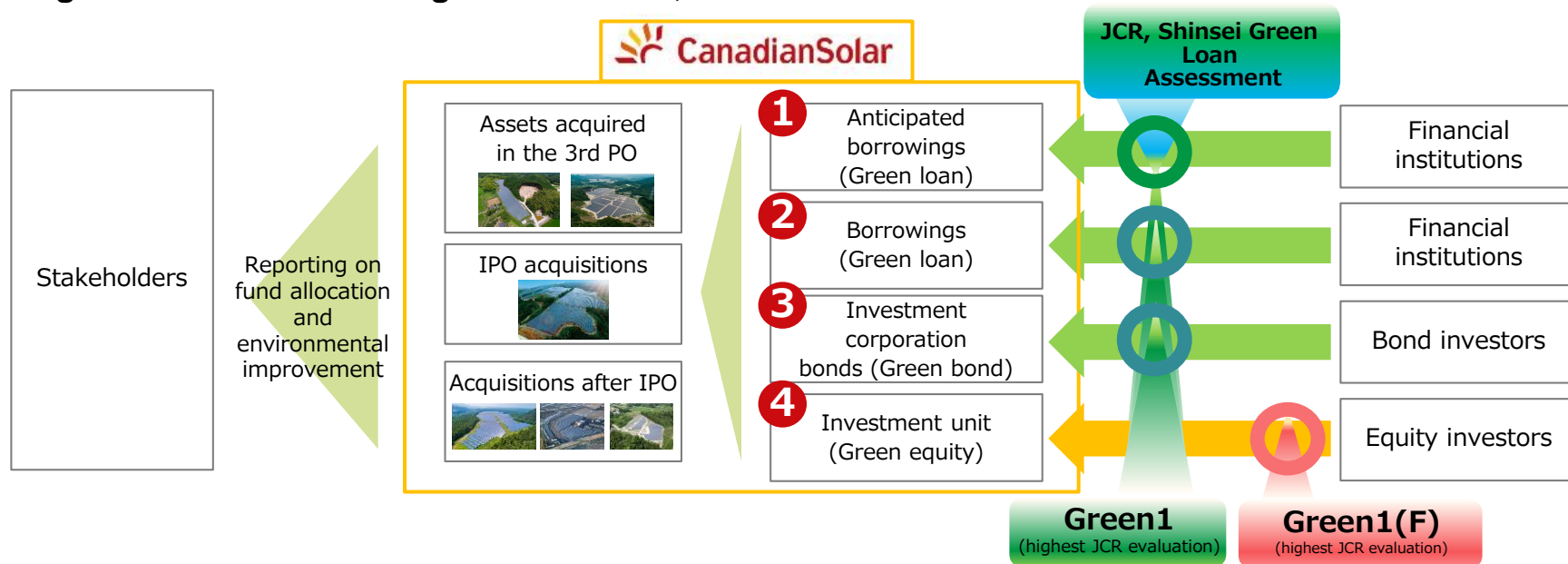
■ Adherence to EU Sustainable Finance Disclosure Regulation (SFDR) Article 8 disclosure requirements

- SFDR requires financial market participants to disclose information such as policies regarding consideration of sustainability risk in investment decisions, and also requires disclosure of information for each of the three classifications of financial products, according to the applicable classification of the financial products.
- CSIF conducted SFDR Article 8 disclosure requirements of pre-defined ESG (including Article 8) for “financial products that promote environmental or social characteristics” factors.



ESG Initiatives (Green Finance)

- CSIF revised a new Green Finance Framework which obtained a Green1(F) assessment from JCR, the highest assessment rating as of June 30, 2023.



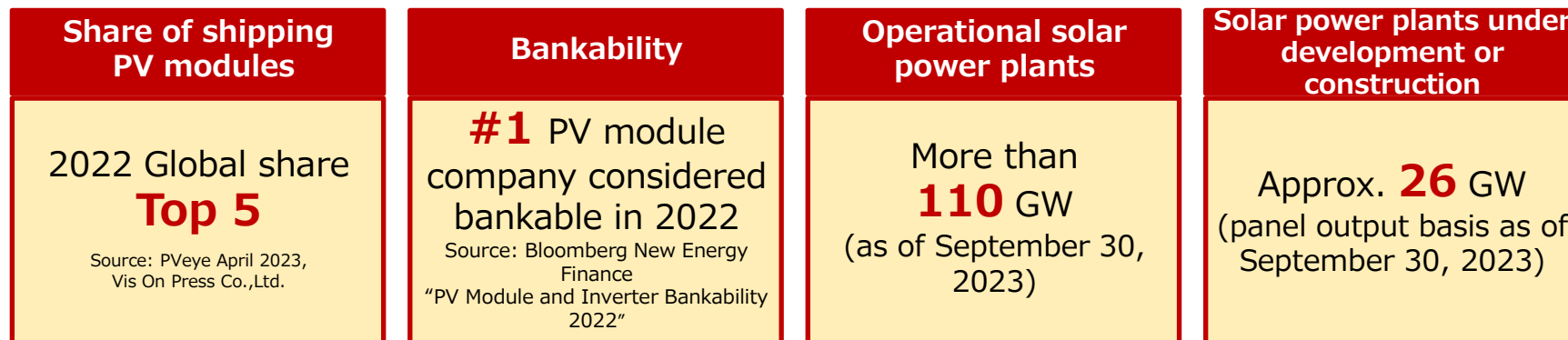
- CSIF obtained a Green1 (the highest rating) assessment from JCR and a Shinsei Green Loan Assessment from Shinsei Bank, Limited (Current SBI Shinsei Bank, Limited), which is one of CSIF's arranger banks, for the borrowings of 17.0 bn yen allocated towards acquisitions during the 8th Fiscal Period (acquired on March 8, 2021). In addition, as a result of review by JCR, indicates the continuation of the same Green1 (the highest rating) assessment as of August 17, 2023.
- The borrowings amounting to 15.7 bn yen which was allocated towards the funds for acquiring the acquisitions for the IPO obtained a Green1 (the highest rating) assessment by JCR as of November 22, 2017, based on JCR's evaluation of the use of proceeds and CSIF's management / operation / transparency. Also, after an annual review, the borrowings continued to be assessed as Green1 as of August 17, 2023. And the borrowings amounting to 11.6 bn yen which was allocated towards acquisitions during the 13th Fiscal Period (acquired on July 19, 2023) obtained a Green1 (the highest rating) assessment by JCR as of June 30, 2023,
- As of January 26, 2021, CSIF issued a 5-year Green Bond of 3.8 bn yen, which was given JCR Green1 assessment and the proceeds will be used for the repayment of borrowings. Also, after an annual review, the Bond continued to be assessed as Green1 as of August 17, 2023.
- Simultaneously with this offering, CSIF has revised its Green Finance Framework to make it also applicable to the issuance of investment units. CSIF plans to obtain a third-party evaluation of the revised Green Finance Framework from JCR as of June 30, 2023 for the issuance of investment units as green equity in accordance with the new Green Finance Framework.

Appendix



Canadian Solar Group's Global Operations (1)

■ Key achievements of Canadian Solar Group



■ Canadian Solar Group's history

- Founded in Ontario, Canada in 2001
- Listed on NASDAQ (CSIQ) in 2006
- Entered the Japan market in 2009 and established a proven track record for shipping PV modules
- Over 20,000 employees as of June 30, 2023
- More than 110 GW of cumulative solar panels shipped



Over 110GW
solar modules shipped



Module capacity exceeding 51 GW
Cell capacity approx. 39.0 GW



26 GW project pipeline
55 GWh energy project pipeline
of CSIQ



Active buying customers
in more than 160
countries



Subsidiaries in 23 countries
& regions on 6 continents




26 manufacturing facilities
in Asia & Americas

Canadian Solar Group's Global Operations (2)

Canadian Solar Group's Global Operations

(As of September 30, 2023)

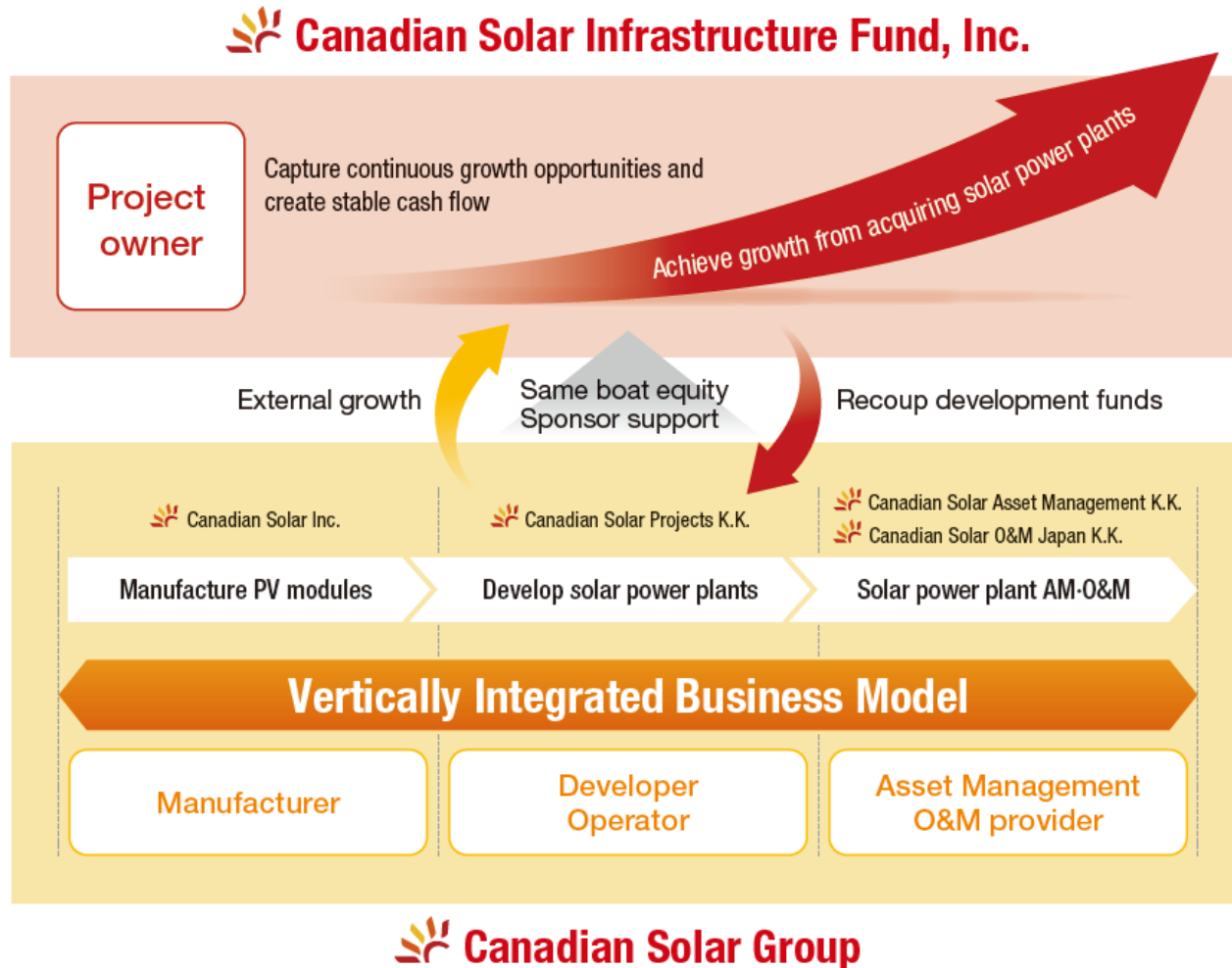
 Solar panel factory (including plants under construction in the U.S.): 5 countries



Source: The above map was compiled by CSAM based Canadian Solar Inc. Investor Presentation November 2023

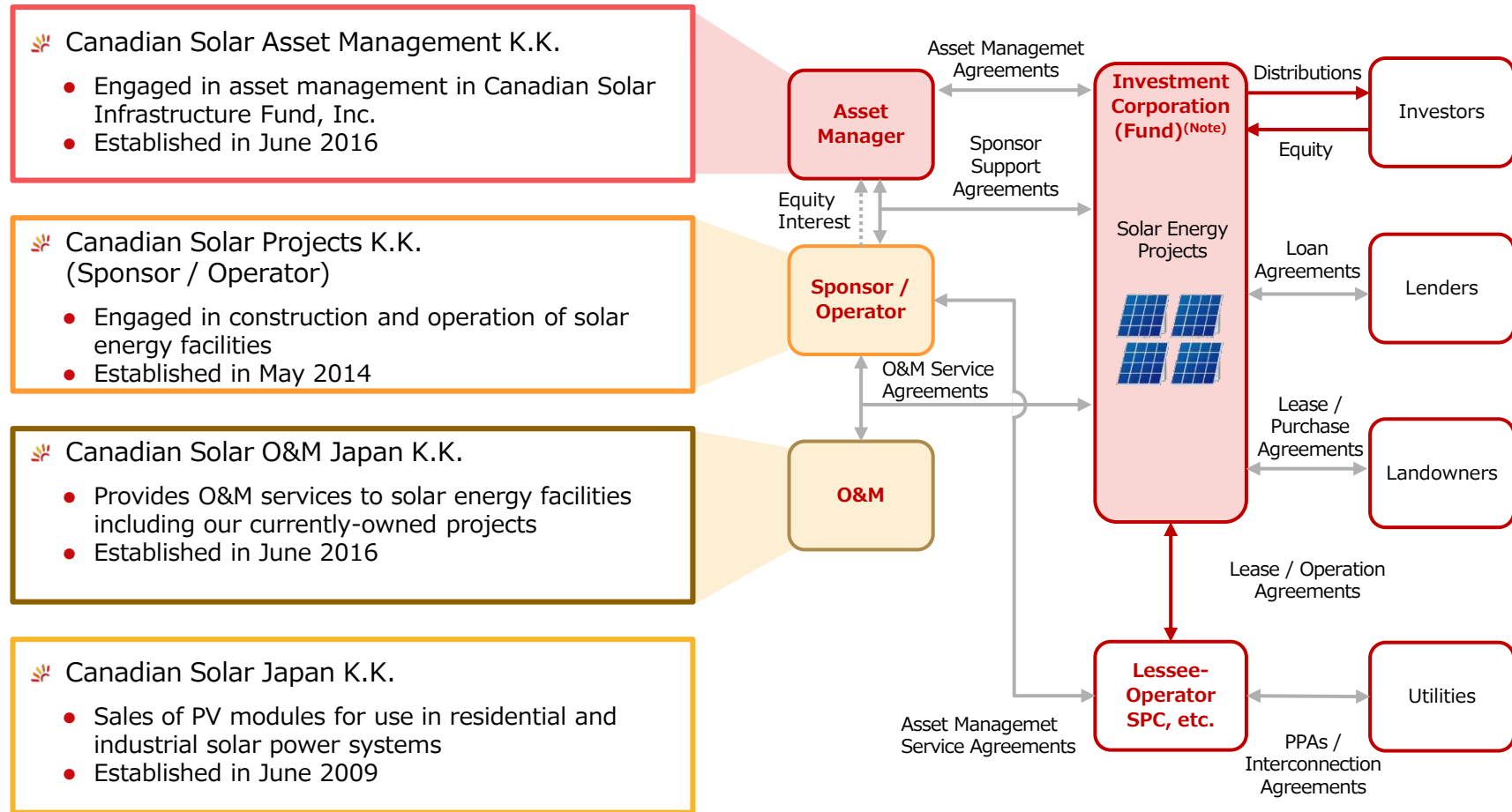
Value Creation using the Sponsor Group's Vertically Integrated Model (manufacturer, developer, AM · O&M)

- CSIF operates by fully utilizing the outstanding knowledge that the Canadian Solar Group has accumulated to date as a total provider of solar power generation as a "vertically integrated model," and considers the characteristics of CSIF, including the vertically integrated model, as shown in the figure below.



Organizational Structure

- Canadian Solar Group, under its vertically integrated business model, supports CSIF's PV plant asset management by integrating its knowhow and expertise accumulated from a broad range of PV business domains



Note: In the event that CSIF will acquire trust beneficiary rights, the lessor will be the trustee and will be outsourced to conduct facility operations and O&M operations.

Asset List– Operational Result for 13th FP

(in thousand yen)

No.	Project name	Basic Rent	Variable Rent and Other Revenues	Rental Expenses (incl. depreciation expenses)	Depreciation Expenses	Profits and losses from the rental business
S-01	CS Shibushi-shi Power Plant	18,708	7,240	13,504	9,539	12,444
S-02	CS Isa-shi Power Plant	13,854	5,686	12,260	7,925	7,280
S-03	CS Kasama-shi Power Plant	28,799	16,439	22,083	14,956	23,156
S-04	CS Isa-shi Dai-ni Power Plant	28,609	12,509	24,444	16,534	16,673
S-05	CS Yusui-cho Power Plant	22,952	9,768	21,519	14,364	11,201
S-06	CS Isa-shi Dai-san Power Plant	34,073	15,759	29,260	19,971	20,573
S-07	CS Kasama-shi Dai-ni Power Plant	28,422	15,267	28,666	18,077	15,024
S-08	CS Hiji-machi Power Plant	36,652	19,119	32,174	22,166	23,597
S-09	CS Ashikita-machi Power Plant	36,290	13,986	30,021	20,306	20,255
S-10	CS Minamishimabara-shi Power Plant (East & West)	64,070	29,866	51,590	35,417	42,346
S-11	CS Minano-machi Power Plant	30,068	10,839	23,846	16,212	17,062
S-12	CS Kannami-cho Power Plant	18,084	7,120	15,171	9,671	10,032
S-13	CS Mashiki-machi Power Plant	673,083	273,331	481,644	340,453	464,769
S-14	CS Koriyama-shi Power Plant	7,427	4,848	6,163	4,193	6,113
S-15	CS Tsuyama-shi Power Plant	21,464	10,869	19,940	13,161	12,393
S-16	CS Ena-shi Power Plant	25,096	14,014	21,813	14,526	17,297

Asset List– Operational Result for 13th FP

(in thousand yen)

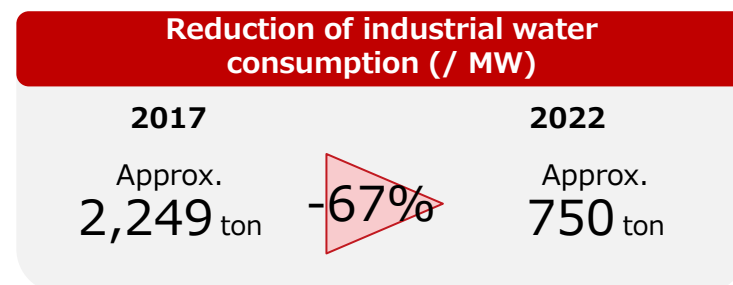
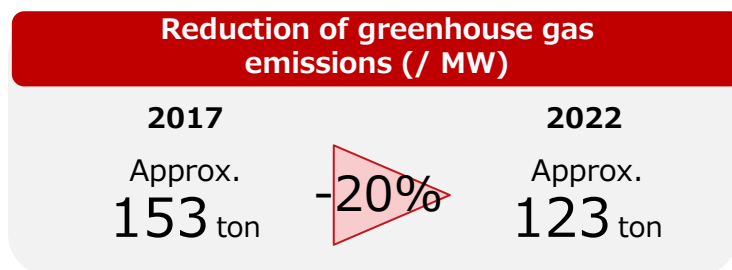
No.	Project name	Basic Rent	Variable Rent and Other Revenues	Rental Expenses (incl. depreciation expenses)	Depreciation Expenses	Profits and losses from the rental business
S-17	CS Daisen-cho Power Plant(A)(B)	321,310	184,490	315,777	214,575	190,023
S-18	CS Takayama-shi Power Plant	10,852	16,866	9,816	5,795	17,902
S-19	CS Misato-machi Power Plant	15,068	6,911	11,357	7,603	10,621
S-20	CS Marumori-machi Power Plant	31,901	15,904	29,017	17,059	18,788
S-21	CS Izu-shi Power Plant	153,464	74,165	132,375	87,835	95,255
S-22	CS Ishikari Shinshinotsu-mura Power Plant	21,199	15,847	21,535	13,015	15,511
S-23	CS Osaki-shi Kejonuma Power Plant	6,657	3,880	6,175	3,600	4,362
S-24	CS Hiji-machi Dai-ni Power Plant	843,148	229,068	639,418	475,621	432,799
S-25	CS Ogawara-machi Power Plant	103,146	43,279	82,644	54,545	63,781
S-26	CS Fukuyama-shi Power Plant	53,301	21,530	36,276	21,059	38,555
S-27	CS Shichikashuku-machi Power Plant	120,630	69,538	89,264	53,392	100,904
S-28	CS Kama-shi Power Plant	27,430	2,234	13,362	10,629	16,301
S-29	CS Miyako-machi Saigawa Power Plant	175,496	50,949	85,645	68,880	140,801
S-30	CS Kasama-shi Dai-san Power Plant	141,360	68,896	101,015	82,793	109,241
S-31	CS Yamaguchi-shi Power Plant	696	312	823	529	185
Total		3,100,065	1,437,856	2,414,802	1,694,467	2,123,120

ESG Initiatives (Environment)

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

■ Incorporate measures to reduce environmental impact from manufacturing solar panels

- The Canadian Solar Group is focused on reducing the environmental impact from solar panel manufacturing processes such as greenhouse gases and industrial waste water and have achieved the following reductions in our environmental impact from 2017 to 2022.



出所：「Sustainability Report 2022」(Canadian Solar Inc.)

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

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

ESG Initiatives (Social)

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

- CSAM is sponsoring the Xavier's Way Walking in Hiji-machi, where CS Hiji-machi Power Plant and CS Hiji-machi Dai-Ni Power Plant are located. In 2023, CSAM employees participated in this event, which is a walk along a historic trail that Francisco Xavier is said to have passed through.



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

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



Repaired the Hima Jinja Shrine



Donated an incense holder made of white granite to Shimpukuji Temple



In the Daisen Canadian Garden, there is a monument created in the motif of the local mountain, Mt. Daisen.

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

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

ESG Initiatives (Governance)

■ Aligning the interest of unitholders with that of the Sponsor

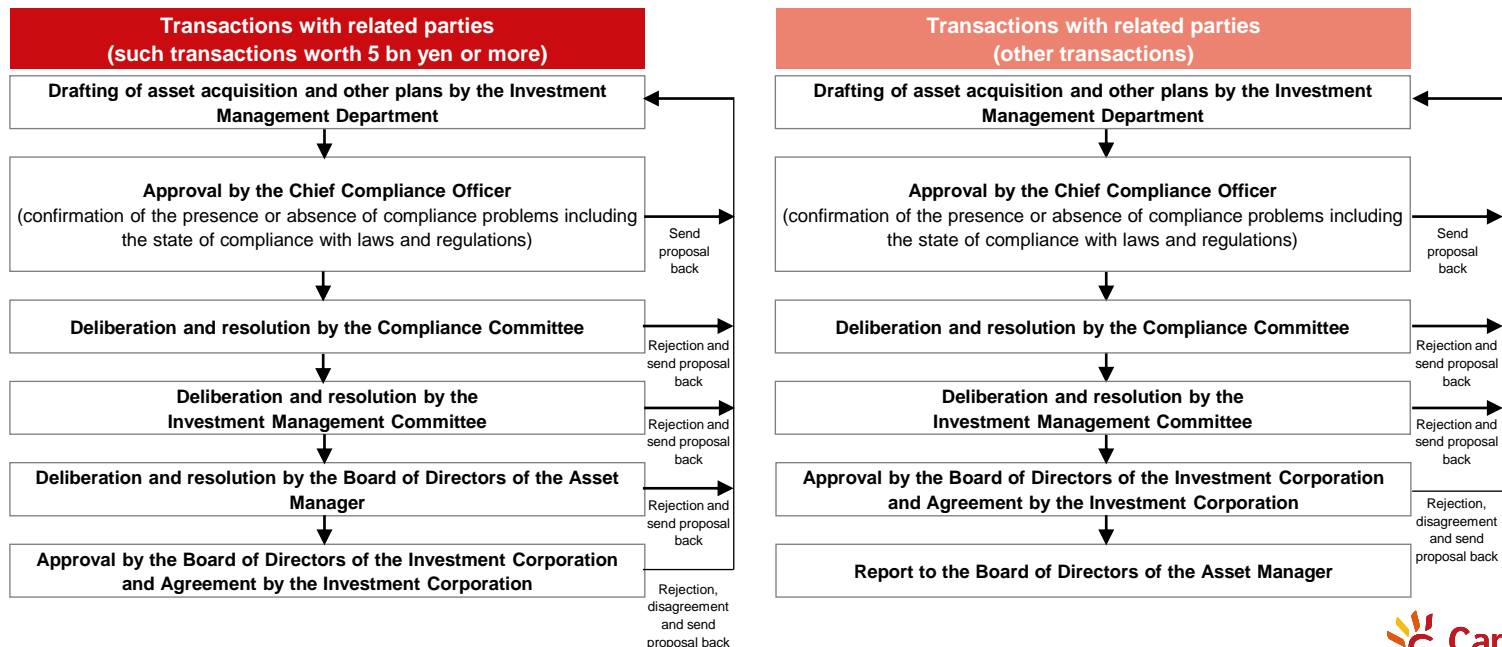
- CSIF aims to increase unitholders's value by aligning the interest of unitholders with that of the sponsor.

Number of units held by the sponsor and holding ratio:
65,672 units 14.53%

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

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

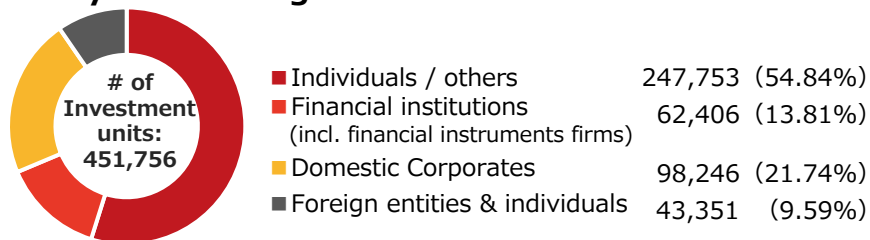
Decision-Making Structure Concerning Transactions with Related Parties in connection with Asset Acquisitions and Transfers



Status of Unitholders

■ Unitholding (as at period-ended December 2023)

■ By unitholding amount



■ By unitholders



	Name	Number of investment units held (units)	Unitholding ratio to total issued units (%)
1	Canadian Solar Projects K.K.	65,672	14.53%
2	THE BANK OF NEW YORK MELLON SA/NV 10	7,919	1.75%
3	The Bank of Fukuoka, Ltd.	7,830	1.73%
4	SSBTC CLIENT ONMIBUS ACCOUNT	6,164	1.36%
5	Custody Bank of Japan, Ltd. (Trust Account)	5,877	1.30%
6	JP MORGAN CHASE BANK 385650	5,660	1.25%
7	THE BANK OF NEW YORK 133522	4,612	1.02%
8	The Master Trust Bank of Japan, Ltd.	4,354	0.96%
9	Individual investor	4,210	0.93%
10	JP MORGAN CHASE BANK 380646	4,087	0.90%
	Total	116,385	25.76%

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

Balance Sheet for 13th FP

■ 13th Fiscal Period (ended December 2023)

■ Assets

(in thousands of yen)

Current assets	
Cash and bank deposit	5,911,425
Operating accounts receivable	946,740
Accounts receivable	337,251
Prepaid expenses	1,385,163
Consumption tax receivable	40,800
Other current assets	8,621,381
Total current assets	
Fixed assets	
Property and equipment	1,074,228
Structures	△236,994
Accumulated depreciation	837,233
Total structures (net)	43,317,800
Machinery and equipment	△9,964,984
Accumulated depreciation	33,352,815
Total machinery and equipment (net)	592,466
Tools, equipment and supplies	△138,582
Accumulated depreciation	453,884
Total tools, equipment and supplies (net)	4,570,689
Land	-
Construction in progress	7,923,918
Structures in trust	△706,649
Accumulated depreciation	7,217,268
Total structures in trust (net)	33,005,488
Machinery and equipment in trust	△2,599,626
Accumulated depreciation	30,405,862
Total machinery and equipment in trust (net)	134,095
Tools, equipment and supplies in trust	△11,544
Accumulated depreciation	122,550
Total tools, equipment and supplies in trust (net)	6,948,625
Land in trust	3,751
Total property and equipment	83,912,681
Intangible assets	
Leasehold rights	1,486,690
Software	2,176
Total intangible assets	1,488,866

Investments and other assets	
Long-term prepaid expenses	914,460
Capital investments	10
Deferred tax asset	16
Long-term deposits	23,400
Guarantee deposits	46,909
Total investments and other assets	984,797
Total fixed assets	86,386,345
Deferred assets	
Investment corporation bond issuance cost	9,361
Total deferred assets	9,361
Total assets	95,017,088

■ Liabilities and Net Assets

(in thousands of yen)

Current liabilities	
Operating accounts payable	100,930
Short-term borrowings	1,100,000
Long-term borrowings to be repaid within 1 year	2,900,480
Investment corporation bond to be repaid within 1 year	1,100,000
Accounts payable	233,455
Accrued expenses	111,268
Income taxes payable	954
Consumption taxes payable	48,654
Deposits received	16,424
Total current liabilities	5,612,168
Fixed liabilities	
Investment corporation bond	3,800,000
Long-term borrowings	38,876,005
Long-term Accounts payable	71,215
Total fixed liabilities	42,747,220
Total liabilities	48,359,388
Unitholders' equity	
Unitholders' capital	47,953,452
Amount deducted from Unitholders' capital	△2,681,476
Unitholders' capital (net)	45,271,976
Surplus	
Unappropriated retained earnings (accumulated deficit)	1,385,723
Total surplus	1,385,723
Total unitholders' equity	46,657,699
Total net assets	46,657,699
Total liabilities and net assets	95,017,088

Statement of Income for 13th FP

■ 13th Fiscal Period (ended December 2023)

(in thousands of yen)

Operating revenues	
Rental revenues	4,537,922
Total operating revenue	4,537,922
Operating expenses	
Rental expenses of renewable energy projects	2,414,802
Asset management fee	168,639
Administrative service fees	28,023
Director's compensation	2,400
Tax and dues	3,108
Other operating expenses	73,957
Total operating expenses	2,690,932
Operating profit	1,846,990
Non-operating income	
Interest income	32
Gain on forfeiture of unclaimed dividends	648
Compensation income	688
Others	285
Total non-operating income	1,654
Non-operating expenses	
Interest expenses	183,994
Interest expenses on investment corporation bond	19,262
Amortization of investment corporation bond issuance expenses	2,779
Borrowing-related expenses	213,085
Investment unit issuance expenses	42,181
Loss on retirement of fixed assets	653
Total non-operating expenses	461,954
Ordinary income	1,386,688
Income before income taxes	1,386,688
Income taxes	959
Income tax adjustments	55
Total income taxes	1,014
Net income	1,385,673
Profits brought forward	49
Unappropriated retained earnings (accumulated deficit)	1,385,723

Portfolio Assets (1)

S-01 CS Shibushi-shi
Power Plant 1.2MW



S-02 CS Isa-shi
Power Plant 0.9MW



S-03 CS Kasama-shi
Power Plant 2.1MW



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



S-05 CS Yusui-cho
Power Plant 1.7MW



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



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



S-08 CS Hiji-machi
Power Plant 2.6MW



S-09 CS Ashikita-machi
Power Plant 2.3MW



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



S-11 CS Minano-machi
Power Plant 2.4MW



S-12 CS Kannami-cho
Power Plant 1.3MW



Portfolio Assets (2)

S-13 CS Mashiki-machi
Power Plant 47.7MW



S-14 CS Koriyama-shi
Power Plant 0.6MW



S-15 CS Tsuyama-shi
Power Plant 2.0MW



S-16 CS Ena-shi
Power Plant 2.1MW



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



S-18 CS Takayama-shi
Power Plant 1.0MW



S-19 CS Misato-machi
Power Plant 1.1MW



S-20 CS Marumori-machi
Power Plant 2.2MW



S-21 CS Izu-shi
Power Plant 10.7MW



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



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



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



Portfolio Assets (3)

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



**S-26 CS Fukuyama-shi Power
Plant 3.3MW**



**S-27 CS Shichikashuku-machi
Power Plant 9.2MW**



**S-28 CS Kama-shi Power Plant
2.2MW**



**S-29 CS Miyako-machi Saigawa
Power Plant 13.0MW**



**S-30 CS Kasama-shi Dai-san
Power Plant 13.6MW**



**S-31 CS Yamaguchi-shi Power
Plant 1.1MW**



Distributions based on stable cash flow under the FIT system

- Solar power plants that CSIF invests in have a fixed procurement price and period under a feed-in tariff (FIT system), and since the projects under CSIF's ownership are structured to secure basic rents, CSIF believe that potential declines in rental revenue is limited.

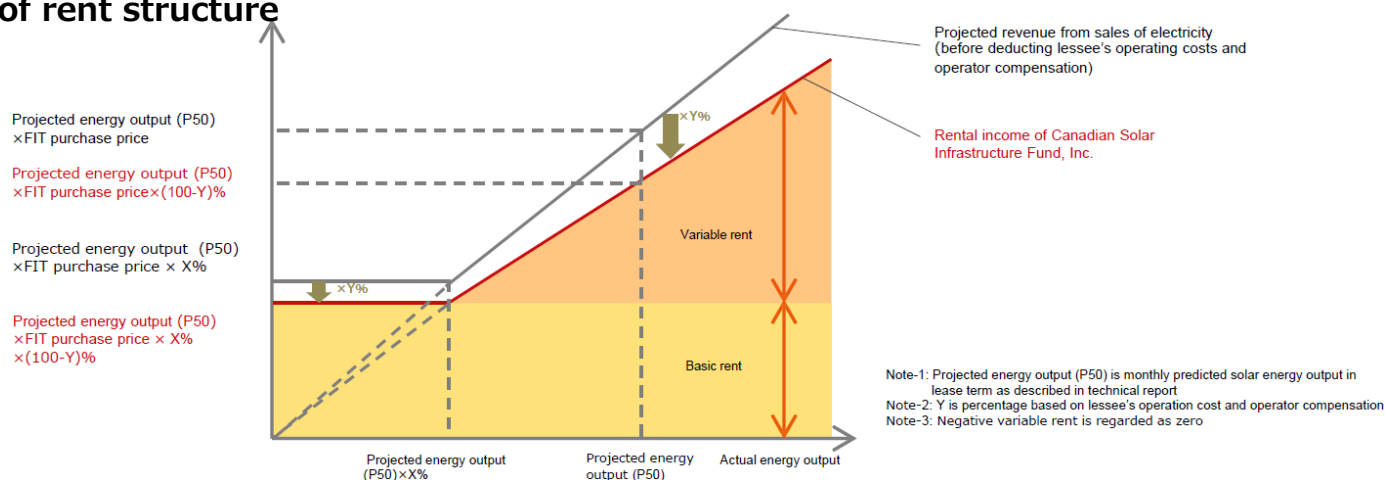
- Structure of electricity sales revenue (source of basic rent and variable rent) that is less susceptible to economic fluctuations



- Calculation method of basic rent and variable rent of projects under management and Anticipated acquisitions

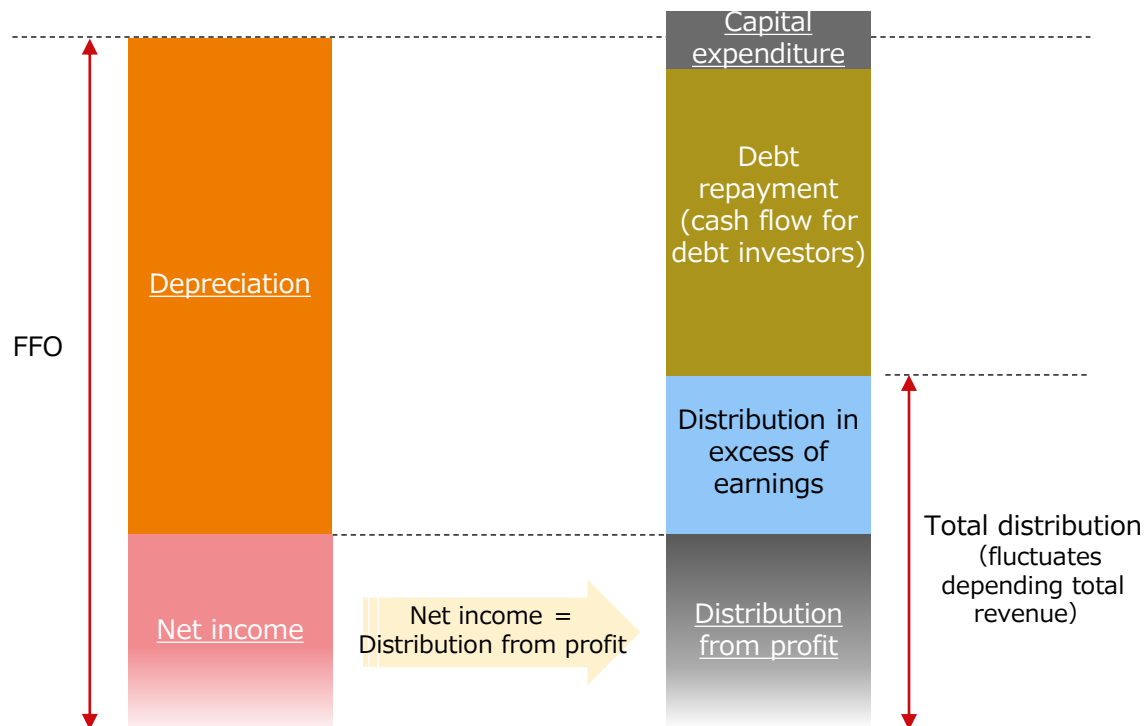
Basic rent	Monthly projected energy output (P50) × (100 - Y)% × 70% × FIT purchase price	Even if actual energy output is lower than 70% of projected energy output (P50), the operator will be able to receive basic rent from lessee
Variable rent	(Monthly actual energy output × (100 - Y)% × FIT purchase price) - Basic rent	If actual energy output exceeds 70% of projected energy output (P50), possible to obtain variable rent

- Diagram of rent structure



Cash Management Policy

- CSIF aims to use free cash flow (FFO) generated during the interim from renewable power production to allocate towards net income (distribution from profit), distribution in excess of earnings, and debt repayment



■ Current cash management policy

Total FFO is currently roughly equivalent to distributable cash and total debt repayment amount. Depending on the final amount of distribution in excess of earnings, it may be difficult to reserve sufficient funds for future capital expenditures, with the amount of cash generated during the interim.

Going forward, CSIF intends to reduce total distributions in excess of earnings by increasing EPU (earnings per unit) through liquidity events such as acquisitions to increase the ratio of EPU within the total distributable amount per unit

FFO(Funds from Operation)=Net income + Depreciation ± Gain / Loss on sales of renewable energy power plants

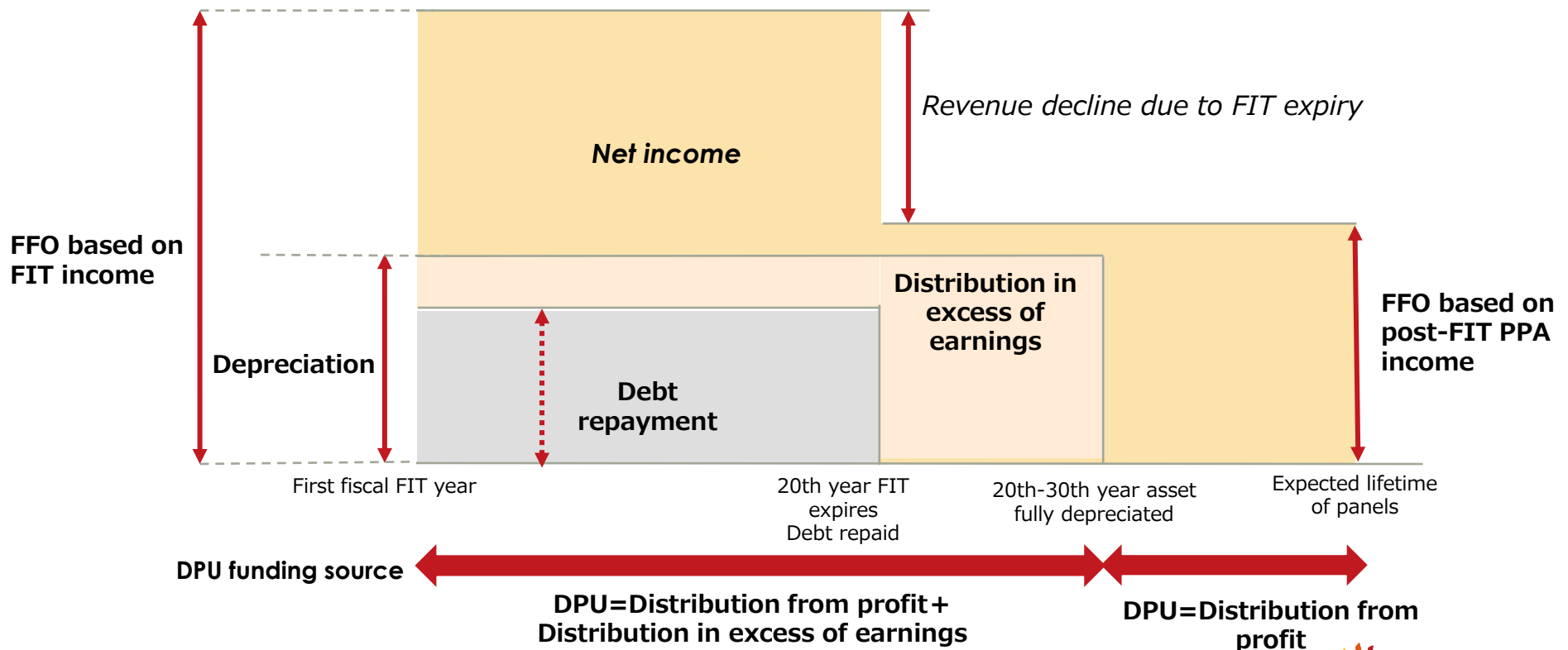
Note: The chart above is presented solely to facilitate a general understanding of the mechanism for cash distributions, and does not represent the ratio of our rental revenues or cash distributions in excess of retained earnings. CSIF may decide not to make any amount of cash distributions in excess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

Long-term Profitability Schematics

■ CSIF Profitability Schematics

- Since the repayment of borrowings will finish once the Fit period expires, it is possible for a certain amount of cash to be secured for distribution. After the asset is fully depreciated (and depreciable asset tax is no longer levied), net income will increase equivalent to the depreciable cash amount.
- Rent income will decrease once the FIT period expires. Upon expiry, it is anticipated that the drop in electricity sale price will be covered to a certain extent by increases in sale price by switching to corporate PPA to stabilize electricity rates, increasing panel output through repowering solar panels, and installing battery storage systems.

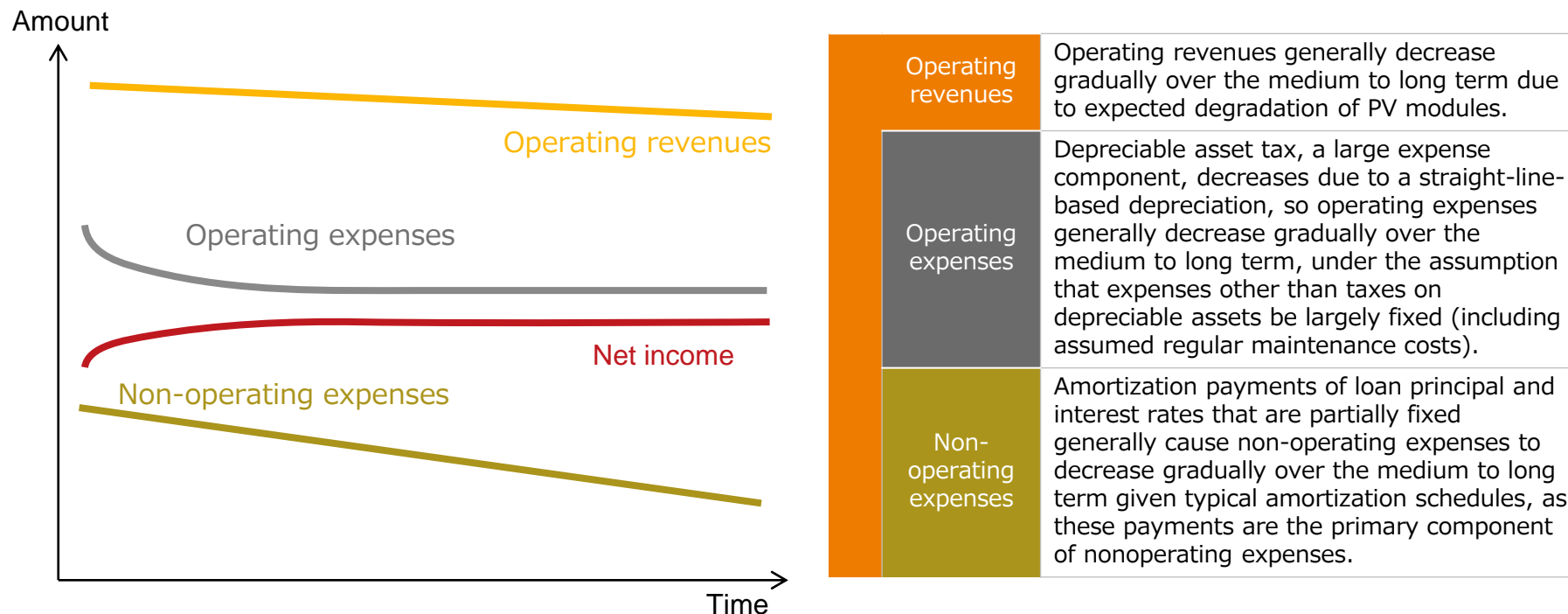
FFO(Funds from Operation)=Net income + Depreciation ± Gain / Loss on sales of renewable energy power plants



Operating revenue / expenditure structure for long-term and stable forecasts

- It is relatively easy to produce long-dated and stable P/L forecast because CSIF has rent revenue supported by the FIT system and a large proportion of fixed expenses.
- Assuming that CSIF purchases solar power plants with neither additional purchase nor disposition, its operating revenue, operating expenses and non-operating expenses shall follow the general trend below during the FIT period. Hence, CSIF understands that CSIF's current income is to gradually increase over the medium- to long-term during the FIT period.

■ Dynamics of solar power plant revenue during FIT period

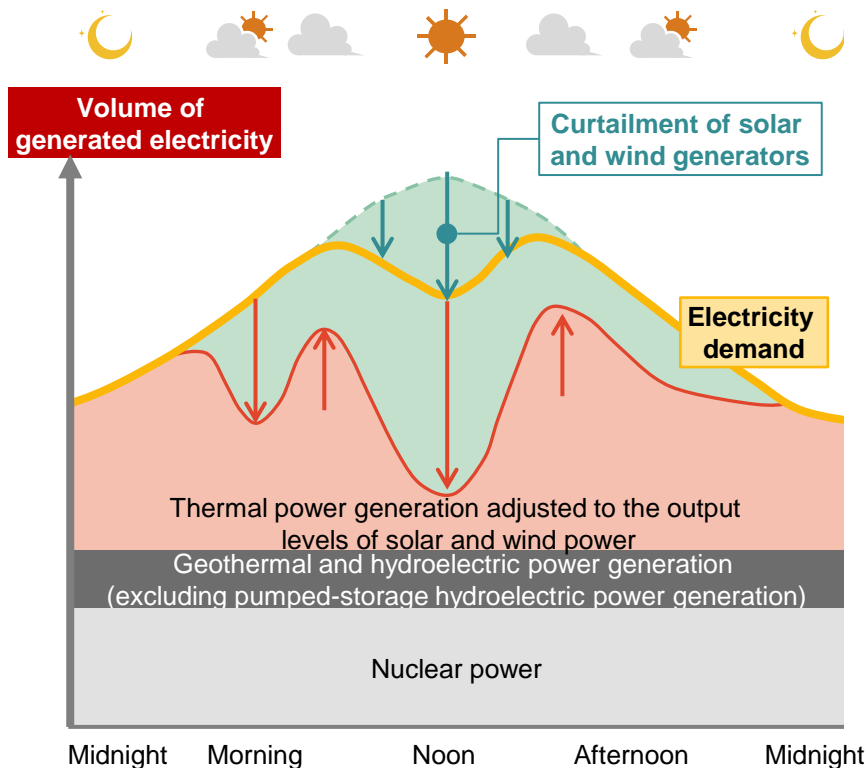


Note: The chart above is presented solely to facilitate a general understanding of the theory management considers in approaching the business of solar energy projects during the FIT period term. The chart assumes the continuous operations of solar energy projects during the FIT period term under normalized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

Overview of curtailment

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

■ Generic output curtailment scenario

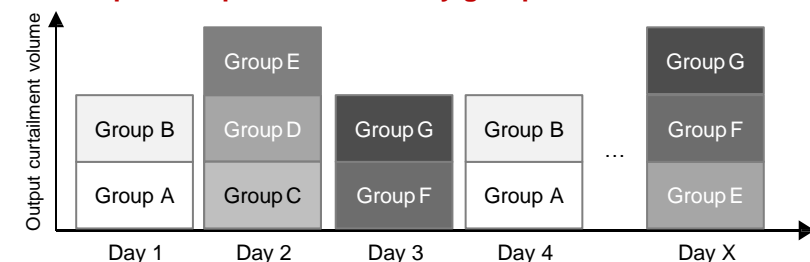


■ Rules on output curtailment

~Priority electric supply rule (Order of output curtailment)~

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

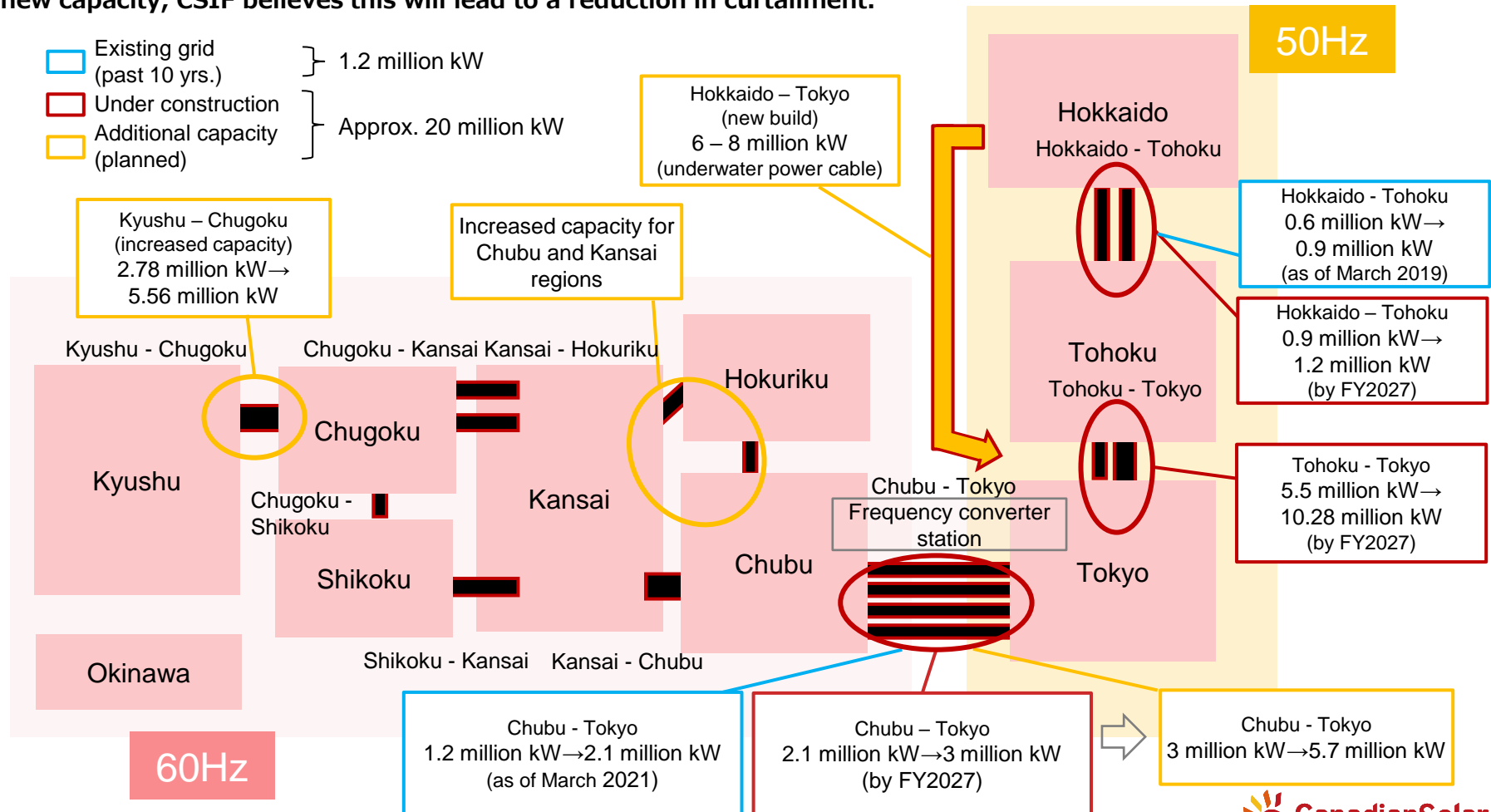
~Concept of output curtailment by group~



Source: Compiled by CSAM based on the "Operational Policy on Power Transmission and Distribution" by the Organization for Cross-regional Coordination of Transmission Operators and "Guideline on Fairness of Output Curtailment (formulated on March 2017, amended October 2019, April 2021 and April 2022)" by METI's Agency for Natural Resources and Energy

Capacity increase of cross-regional interconnection lines to reduce curtailment

- The Organization for Cross-regional Coordination of Transmission Operators (“OCCTO”) is planning to increase the capacity of interconnection lines between Hokkaido and Tohoku, Tohoku and Tokyo, and Chubu and Tokyo. Construction is scheduled to be completed during FY2027.
- Also, the OCCTO is discussing plans to expand the grid between the Kyushu and Chugoku region as well as the Chubu region and Tokyo, in addition to a new underwater power cable connecting the Hokkaido and Tokyo grids. With such new capacity, CSIF believes this will lead to a reduction in curtailment.

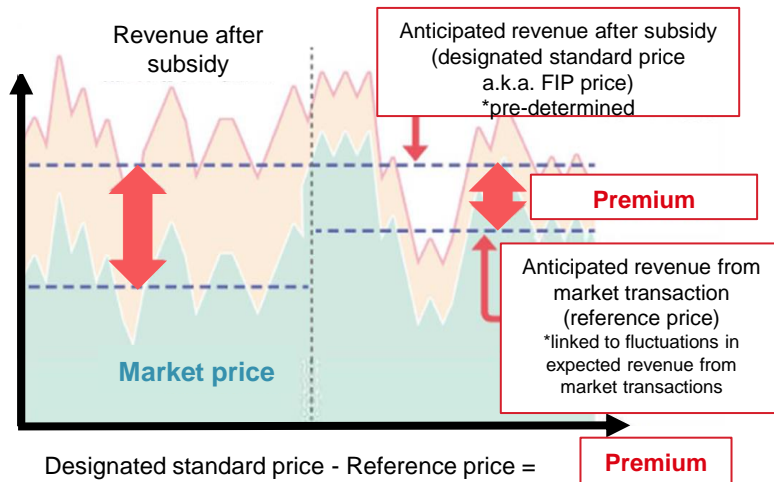


Main Points of the Revised Renewable Energy Act (1)

Overview of FIP system

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

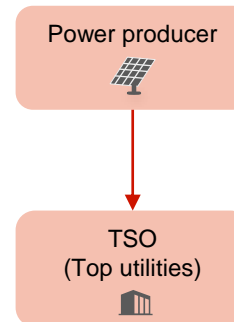
Revenue dynamics of FIP system



Difference between FIT and FIP

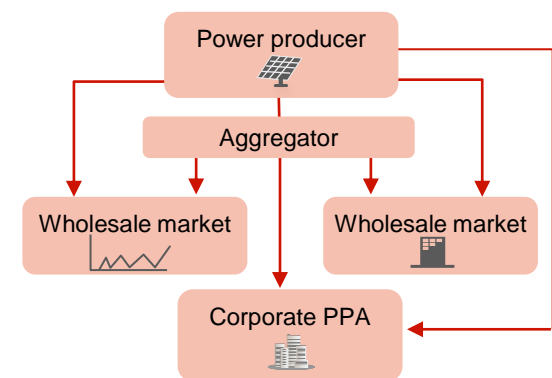
FIT

- Power purchased at fixed price
- Buyers are power distributors of large utility companies



FIP

- Receive subsidy calculated based on market price
- Buyers are wholesalers and retailers



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

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

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

Source: Agency for Natural Resources and Energy website

Note: TSO stands for Transmission System Operator.

Main Points of the Revised Renewable Energy Act (2)

- Detailed rules and procedures were announced by combined meetings under the leadership of Agency for Natural Resources and Energy (ANREA) in February of 2021. Since then, various systems to start in April 2022 have been discussed until December 2021.

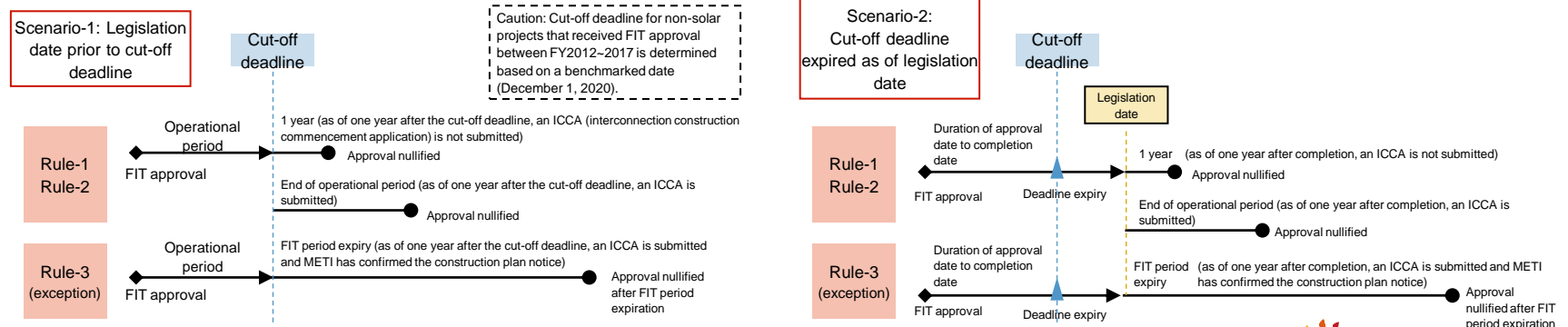
■ Regulation to maintain cash reserve for power plant demolition costs

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

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

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

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



Main Points of the Revised Renewable Energy Act (3)

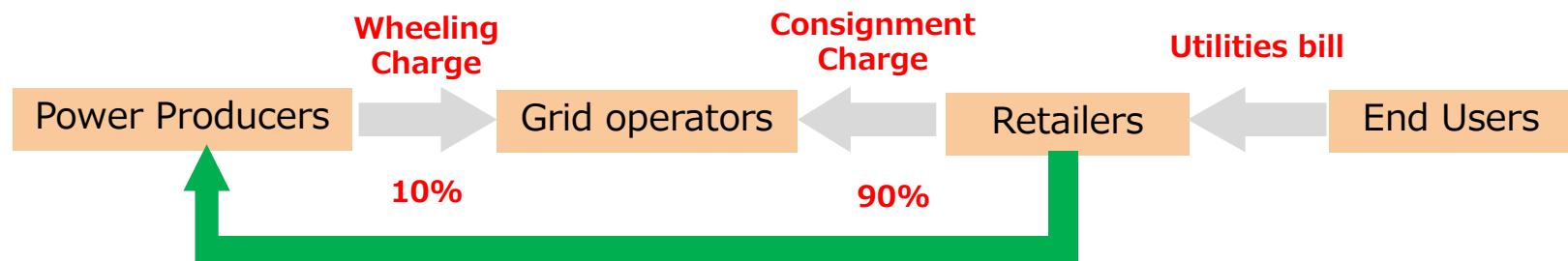
■ Discussions on Wheeling Charge

- Concerning the regulation on the Wheeling Charge where power producers (including renewable energy producers) must bear 10% of consignment charges which the retailer previously paid the full cost, a proposal to exempt wheeling charges on FIT/FIP-certified projects until after the FIT period expires has been submitted.

Summary of the details of Wheeling Charge

- In addition to levy methods and detailed calculation methods, discussions on the Wheeling Charge on existing FIT-certified projects were held. However, at the “Mass Renewable Energy Introduction / Next Generation Energy Network Committee” held in December 2021, the government ultimately decided to reach a decision during FY2022 with the common understanding that the effective date will be postponed from FY2023 to FY2024.
- At the “Mass Renewable Energy Introduction / Next Generation Energy Network Committee” held in November 2022, the members decided that careful discussions on how to regulate FIT energy sources without interrupting the growth of renewable energy. Considering the burden on the Japanese citizens a motion to either allow installment payments or completely exempt the Wheeling Charge on existing FIT/FIP-certified projects has been submitted.
- Finally, the aforementioned committee held in December 2022 decided that the Wheeling Charge are exempt for existing FIT/FIP projects during their respective FIT periods. After receiving public comments on this new regulation in April 2023, is scheduled to be effective as of FY2024.
- In December 2023, each electricity transmission and distribution companies submitted an application to the Minister of Economy, unit price of Wheeling Charge. The rate system expert meeting is currently verifying whether the content of the application is in accordance with laws, ministerial ordinances, etc.

🌻 Scheme of Wheeling Charge (All of CSIF's assets are already FIT-certified projects)



Policy to be organized under the basic concept of that the reduction of consignment charge due to the introduction of “Power Producer-side Wheeling Charge” should be appropriately borne by the power producers.

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