CanadianSolar

Security code 9284

S-25 CS Ogawara-machi Power Plant

9th FP (ended December 2021)

Presentation Materials

Canadian Solar Infrastructure Fund, Inc.

Asset Manager
Canadian Solar Asset management K.K.

Table of Contents

1. Financial Highlights

Financial highlights of 9th FP

- **Operating revenues fell short of the forecast given that actual energy output of the portfolio did not meet forecasted levels due to the nationwide decrease in sunshine hours caused by typhoons and autumn rain in Aug and Sep 2021.**
- **Income before income taxes fell below the forecast though it was not as adversely impacted as operating income attribute to gains in non-operating incomes and expenses from the record of insurance proceeds and loss on retirement of fixed assets and operating expenses from an increase in indemnity insurance fees and a decrease in construction expenses.**
- **As a result, net income fell short of the initial forecast as consequently, DPU (excl. distributions in excess of earnings) decreased by JPY 320 compared to the initial forecast. However, DPU in excess of earnings was increased by the same amount, hence, JPY 3,750 of distribution in total remains unchanged**

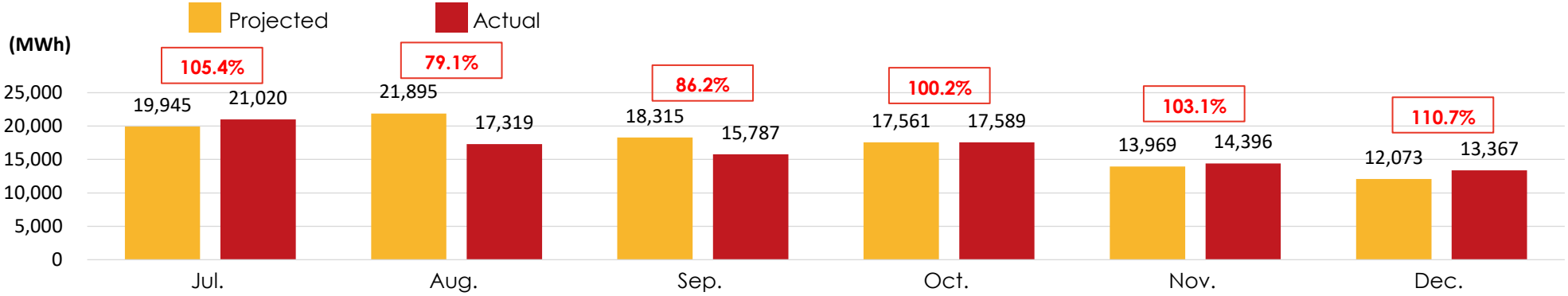
	8th FP	9th FP (ended Dec. 2021)		
	Actual	Forecast @Aug.13, 2021	Actual	Increase / (Decrease) (vs Forecast)
Statement of Income Data (million yen)				
Operating revenues	**3,425**	**3,740**	**3,587**	**▲153**
Operating income	**1,459**	**1,471**	**1,344**	**▲126**
Income before income taxes	**1,074**	**1,246**	**1,123**	**▲123**
Net income	**1,073**	**1,245**	**1,122**	**▲123**
Distribution per unit (including distributions in excess of earnings) (yen)	**3,700**	**3,750**	**3,750**	**0**
Distributions per unit (excluding distributions in excess of earnings) (yen)	**2,776**	**3,222**	**2,902**	**▲320**
Distributions in excess of earnings per unit (yen)	**924**	**528**	**848**	**320**

Main difference (vs. forecast)		
Operating revenues	Decrease in variable rent	▲153
Operating expenses	Decrease in construction costs, etc. Increase in Insurance premium	16 ▲7
Non-operating incomes and expenses	Insurance proceeds Loss on retirement of fixed assets	8 ▲11

Portfolio Performance

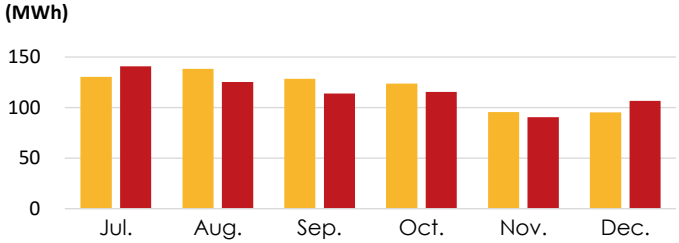
- **Actual energy output of the portfolio did not meet forecasted levels due to the low irradiation caused by the typhoons, etc. in August and September 2021.**
- **9th FP actual energy output ÷ projected energy output = 95.87%　(Full year of 2021 : 98.57%)**

Total energy output

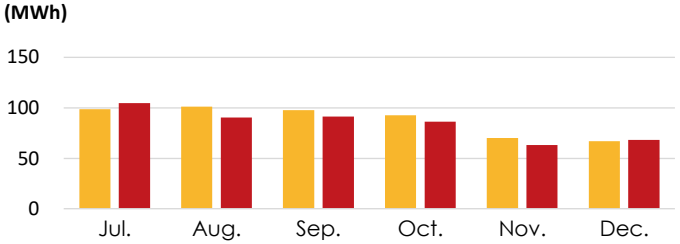


Energy output by project

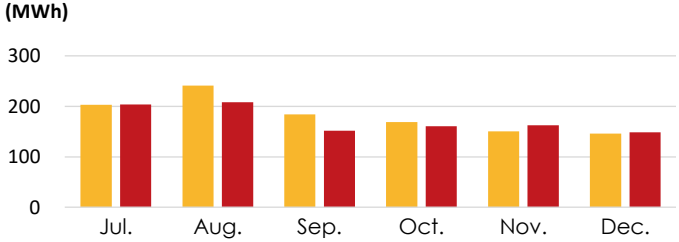
S-01 CS Shibushi-shi Power Plant



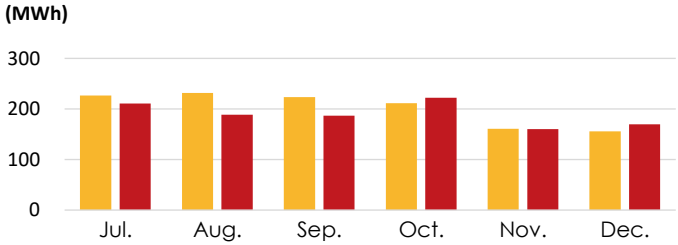
S-02 CS Isa-shi Power Plant



S-03 CS Kasama-shi Power Plant

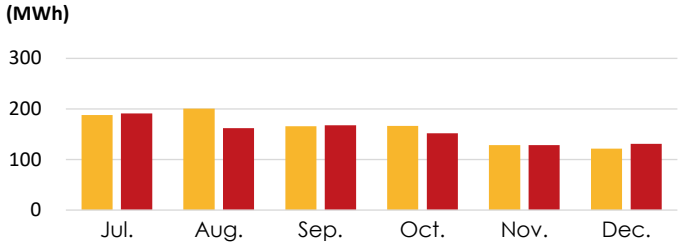


S-04 CS Isa-shi Dai-ni Power Plant

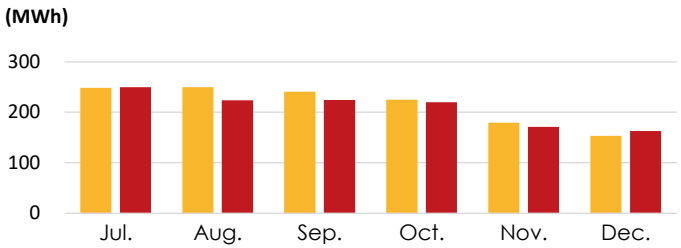


Portfolio Performance

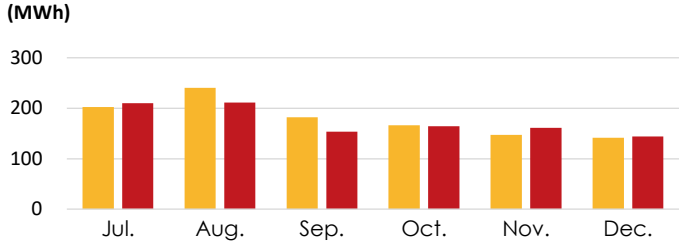
S-05 CS Yusui-cho Power Plant



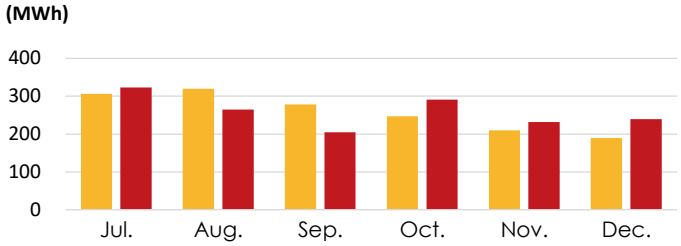
S-06 CS Isa-shi Dai-san Power Plant



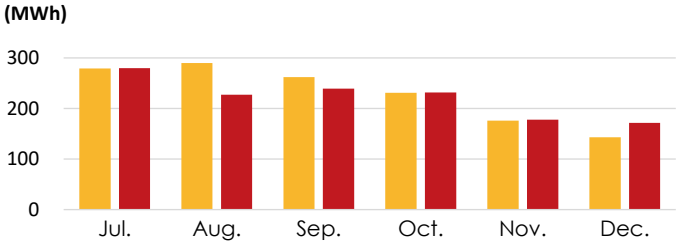
S-07 CS Kasama-shi Dai-ni Power Plant



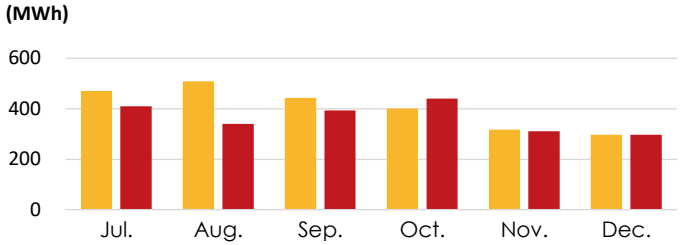
S-08 CS Hiji-machi Power Plant



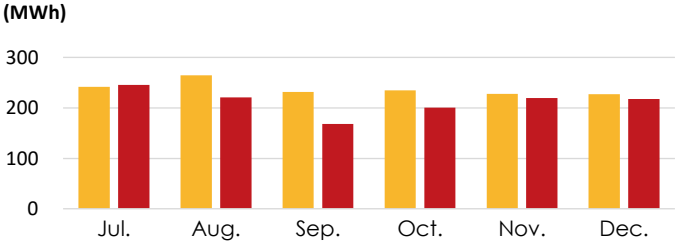
S-09 CS Ashikita-machi Power Plant



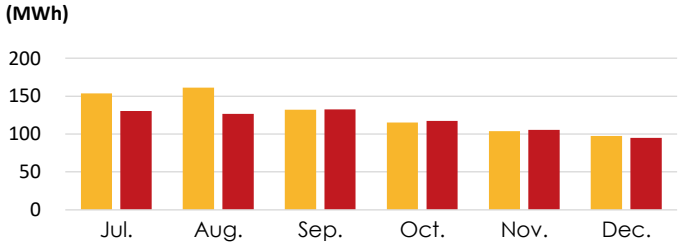
S-10 CS Minami Shimabara-shi Power Plant (East & West)



S-11 CS Minano-machi Power Plant

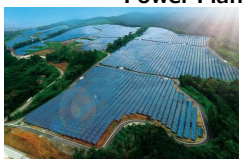


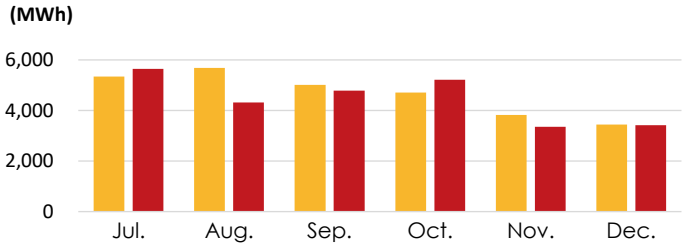
S-12 CS Kannami-cho Power Plant



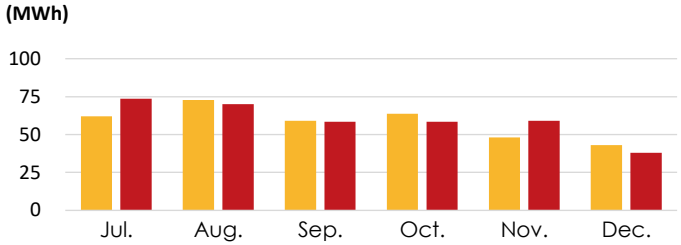
Portfolio Performance

S-13 CS Mashiki-machi Power Plant

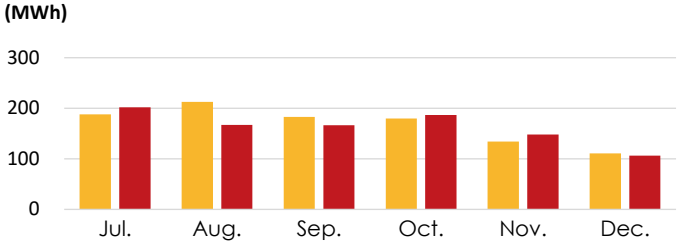




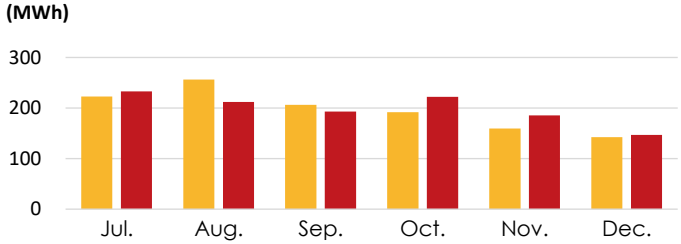
S-14 CS Koriyama-shi Power Plant



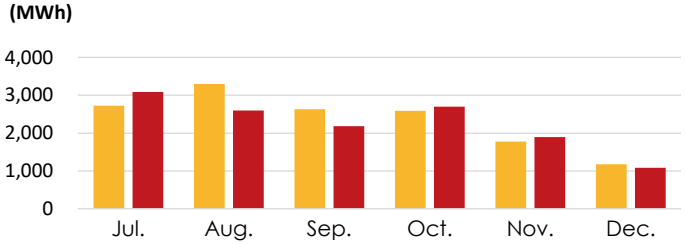
S-15 CS Tsuyama-shi Power Plant



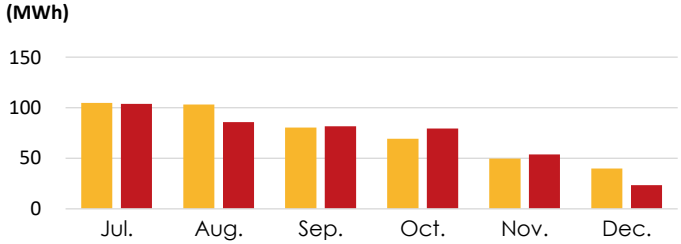
S-16 CS Ena-shi Power Plant



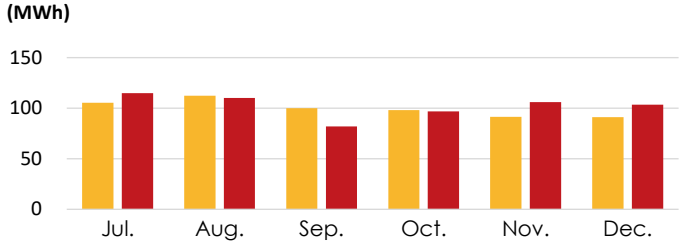
S-17 CS Daisen-cho Power Plant (A&B)



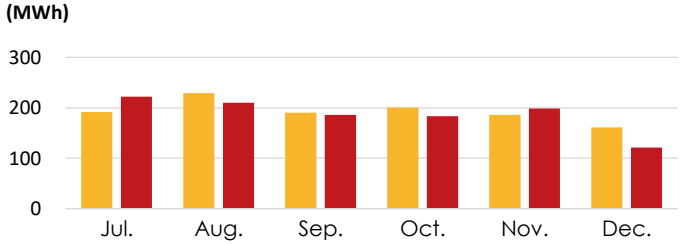
S-18 CS Takayama-shi Power Plant



S-19 CS Misato-machi Power Plant

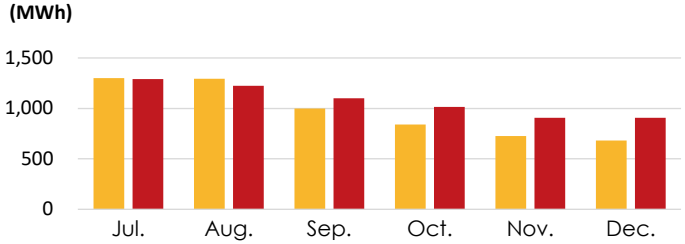


S-20 CS Marumori-machi Power Plant

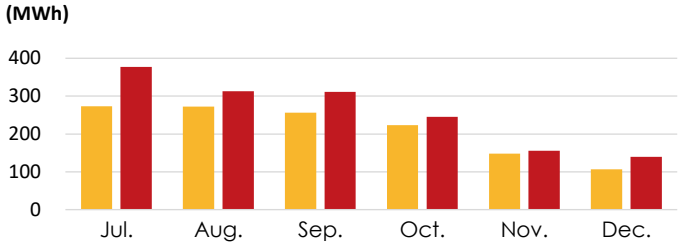


Portfolio Performance

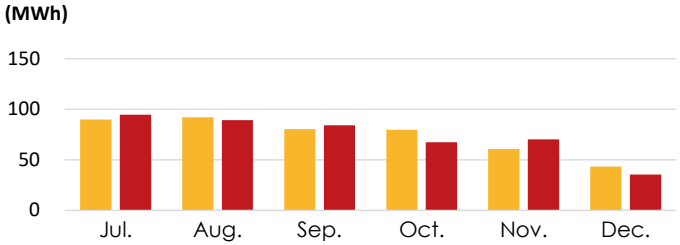
S-21 CS Izu-shi Power Plant



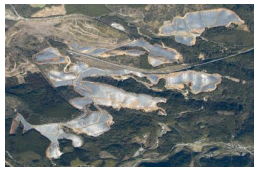
S-22 CS Ishikari Shinshinotsu-mura Power Plant

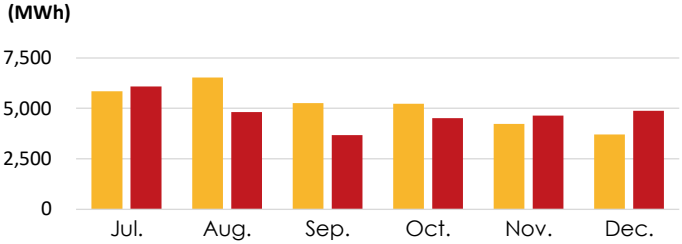


S-23 CS Osaki-shi Kejonuma Power Plant

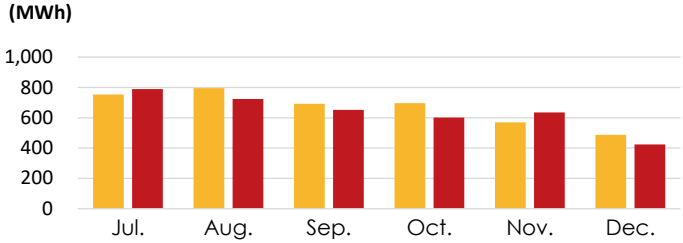


S-24 CS Hiji-machi Dai-ni Power Plant





S-25 CS Ogawara-machi Power Plant



Asset List (1) – Power Plant Data, Valuation and etc.

No.	Project name	Location	FIT Price (yen)	Acquisition Date	FIT Expiration	Land Rights	Acquisition Price (million yen)	Valuation Price (million yen)(Note)	Portfolio %	Panel Output (kW)
S-01	CS Shibushi-shi Power Plant	Shibushi-shi, Kagoshima	40	Oct. 31, 2017	Sep. 16, 2034	Ownership	540	492	0.64	1,224.00
S-02	CS Isa-shi Power Plant	Isa-shi, Kagoshima	40	Oct. 31, 2017	Jun. 8, 2035	Lease-hold	372	329	0.43	931.77
S-03	CS Kasama-shi Power Plant	Kasama-shi, Ibaraki	40	Oct. 31, 2017	Jun. 25, 2035	Ownership/Easement	907	922	1.20	2,127.84
S-04	CS Isa-shi Dai-ni Power Plant	Isa-shi, Kagoshima	36	Oct. 31, 2017	Jun. 28, 2035	Lease-hold	778	682	0.88	2,013.99
S-05	CS Yusui-cho Power Plant	Aira-gun, Kagoshima	36	Oct. 31, 2017	Aug. 20, 2035	Lease-hold	670	589	0.76	1,749.30
S-06	CS Isa-shi Dai-san Power Plant	Isa-shi, Kagoshima	40	Oct. 31, 2017	Sep. 15, 2035	Lease-hold	949	843	1.09	2,225.08
S-07	CS Kasama-shi Dai-ni Power Plant	Kasama-shi, Ibaraki	40	Oct. 31, 2017	Sep. 23, 2035	Lease-hold	850	802	1.04	2,103.75
S-08	CS Hiji-machi Power Plant	Hayami-gun, Oita	36	Oct. 31, 2017	Oct. 12, 2035	Lease-hold	1,029	910	1.18	2,574.99
S-09	CS Ashikita-machi Power Plant	Ashikita-gun, Kumamoto	40	Oct. 31, 2017	Dec. 10, 2035	Lease-hold	989	885	1.15	2,347.80
S-10	CS Minamishimabara-shi Power Plant (East & West)	Shimabara-shi, Nagasaki	40	Oct. 31, 2017	Dec. 24, 2035 (E) Jan. 28, 2036 (W)	Lease-hold	1,733	1,597	2.07	3,928.86
S-11	CS Minano-machi Power Plant	Chichibu-gun, Saitama	32	Oct. 31, 2017	Dec. 6, 2036	Ownership	1,018	1,019	1.32	2,448.60
S-12	CS Kannami-cho Power Plant	Tagata-gun, Shizuoka	36	Oct. 31, 2017	Mar. 2, 2037	Surface rights	514	502	0.65	1,336.32
S-13	CS Mashiki-machi Power Plant	Kamimashiki-gun, Kumamoto	36	Oct. 31, 2017	Jun. 1, 2037	Ownership/Easement	19,751	19,524	25.30	47,692.62
S-14	CS Koriyama-shi Power Plant	Koriyama-shi, Fukushima	32	Feb. 1, 2018	Sep. 15, 2036	Ownership/Easement	246	228	0.30	636.00
S-15	CS Tsuyama-shi Power Plant	Tsuyama-shi, Okayama	32	Feb. 1, 2018	Jun. 29, 2037	Ownership	746	695	0.90	1,930.50
S-16	CS Ena-shi Power Plant	Ena-shi, Gifu	32	Sep. 6, 2018	Sep. 12, 2037	Surface rights	757	742	0.96	2,124.20
S-17	CS Daisen-cho Power Plant(A)(B)	Saihaku-gun, Tottori	40	Sep. 6, 2018	Aug. 9, 2037	Surface rights/Lease-hold/Easement	10,447	9,641	12.49	27,302.40
S-18	CS Takayama-shi Power Plant	Takayama-shi, Gifu	32	Sep. 6, 2018	Oct. 9, 2037	Ownership/Easement	326	303	0.39	962.28
S-19	CS Misato-machi Power Plant	Kodama-gun, Saitama-ken	32	Mar. 1, 2019	Mar. 26, 2037	Ownership	470	429	0.56	1,082.00
S-20	CS Marumori-machi Power Plant	Igu-gun, Miyagi	36	Mar. 29, 2019	Jul. 12, 2038	Surface rights/Easement	850	772	1.00	2,194.50

(Note) "Price" refers to the median project valuation report amount, which is the estimated values provided to us by PricewaterhouseCoopers Sustainability LLC (S01 – S18) and Kroll, LLC (S-19 – S-25) in its project valuation reports as of December 31, 2021.

Asset List (1) – Power Plant Data, Valuation and etc.

No.	Project name	Location	FIT Price (yen)	Acquisition Date	FIT Expiration	Land Rights	Acquisition Price (million yen)	Valuation Price (million yen)(Note)	Portfolio %	Panel Output (kW)
S-21	CS Izu-shi Power Plant	Izu-shi, Shizuoka	36	Nov. 29, 2019	Nov. 29, 2038	Surface rights	4,569	4,257	5.52	10,776.80
S-22	CS Ishikari Shinshinotsu-mura Power Plant	Ishikari-gun, Hokkaido	24	Sep. 28, 2020	Jul. 15, 2039	Ownership	680	621	0.80	2,384.64
S-23	CS Osaki-shi Kejonuma Power Plant	Osaki-shi, Kejonuma	21	Sep. 28, 2020	Jul. 21, 2039	Ownership	208	195	0.25	954.99
S-24	CS Hiji-machi Dai-ni Power Plant	Hayami-gun, Oita	40	Mar. 8, 2021	Oct. 30, 2039	Ownership/Lease-hold/Easement	27,851	27,485	35.62	53,403.66
S-25	CS Ogawara-machi Power Plant	Shibata-gun, Miyagi	32	Mar. 8, 2021	Mar. 19, 2040	Ownership/Lease-hold/Easement	2,745	2,703	3.50	7,515.35
Total							80,001	77,172	100.00	183,973.12

(Note) "Price" refers to the median project valuation report amount, which is the estimated values provided to us by PricewaterhouseCoopers Sustainability LLC (S01 – S18) and Kroll, LLC (S-19 – S-25) in its project valuation reports as of December 31, 2021.

Asset List (2) – Operational Result for 9th FP

(in thousand yen)

No.	Project name	Basic Rent	Variable Rent and Other Revenues	Rental Expenses (incl. depreciation expenses)	Depreciation Expenses	Net Operating Income after Depreciation Expenses
S-01	CS Shibushi-shi Power Plant	18,941	7,353	14,254	9,539	12,040
S-02	CS Isa-shi Power Plant	14,027	5,006	11,700	7,837	7,332
S-03	CS Kasama-shi Power Plant	29,099	10,886	20,925	14,483	19,059
S-04	CS Isa-shi Dai-ni Power Plant	28,965	10,513	24,111	16,481	15,366
S-05	CS Yusui-cho Power Plant	23,236	8,331	21,487	14,269	10,080
S-06	CS Isa-shi Dai-san Power Plant	34,496	13,204	29,923	19,896	17,776
S-07	CS Kasama-shi Dai-ni Power Plant	28,718	10,587	26,693	17,604	12,610
S-08	CS Hiji-machi Power Plant	37,101	16,053	32,646	22,119	20,507
S-09	CS Ashikita-machi Power Plant	36,736	13,064	29,962	20,216	19,837
S-10	CS Minamishimabara-shi Power Plant (East & West)	64,856	18,371	53,690	35,397	29,535
S-11	CS Minano-machi Power Plant	30,378	8,454	25,009	16,211	13,821
S-12	CS Kannami-cho Power Plant	18,270	6,460	16,863	9,662	7,866
S-13	CS Mashiki-machi Power Plant	681,331	250,520	489,975	338,300	441,875
S-14	CS Koriyama-shi Power Plant	7,504	3,483	6,143	4,191	4,844
S-15	CS Tsuyama-shi Power Plant	21,685	8,308	19,502	13,144	10,492
S-16	CS Ena-shi Power Plant	25,353	11,281	22,392	14,510	14,241
S-17	CS Daisen-cho Power Plant (A) (B)	381,584	139,595	320,354	214,568	200,825
S-18	CS Takayama-shi Power Plant	9,622	3,173	8,595	5,496	4,201
S-19	CS Misato-machi Power Plant	12,873	6,079	11,590	7,600	7,362
S-20	CS Marumori-machi Power Plant	28,045	10,675	30,855	17,059	7,865

Asset List (2) – Operational Result for 9th FP

(in thousand yen)

No.	Project name	Basic Rent	Variable Rent and Other Revenues	Rental Expenses (incl. depreciation expenses)	Depreciation Expenses	Net Operating Income after Depreciation Expenses
S-21	CS Izu-shi Power Plant	141,256	81,935	137,922	87,776	85,268
S-22	CS Ishikari Shinshinotsu-mura Power Plant	20,656	18,948	28,612	12,665	10,990
S-23	CS Osaki-shi Kejonuma Power Plant	6,288	2,618	6,149	3,600	2,756
S-24	CS Hiji-machi Dai-ni Power Plant	827,769	274,328	571,834	475,055	530,262
S-25	CS Ogawara-machi Power Plant	85,867	33,454	72,593	54,273	46,728
Total		2,614,668	972,693	2,033,808	1,451,961	1,553,553

2. Major Topics

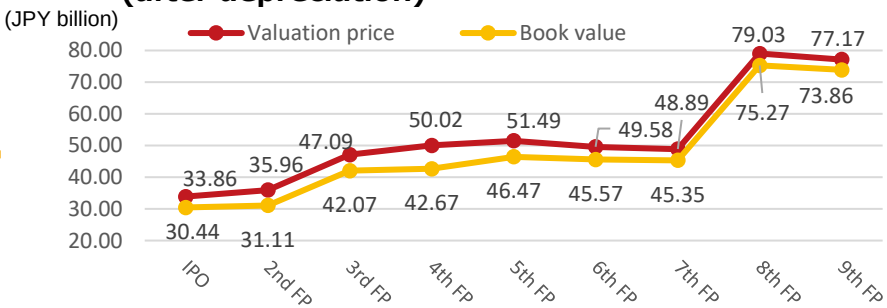
AUM Snapshot

- **A summary of AUM as of the end of 9th FP. The fund has 25 power plants with total panel output of 184 MW and the total acquisition price is approximately ¥80Bn, which maintains the largest scale among the listed infrastructure funds**

<Portfolio as of the end of 9th FP>

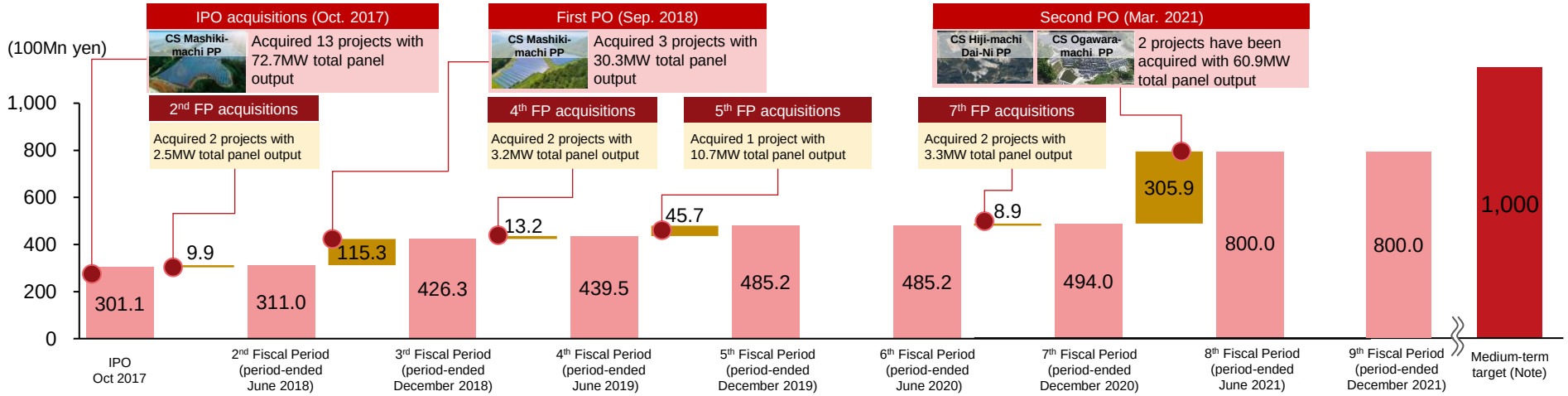
# of projects	25 projects	**Total acquisition price as of the end of 9th FP**	¥80.00 Bn
Panel output of AUM	183.9 MW	**Total valuation price(Note) as of the end of 9th FP**	¥77.17 Bn

Historical valuation and book value (after depreciation)



(Note) "Price" refers to the median project valuation report amount, which is the estimated values provided to us by PricewaterhouseCoopers Sustainability LLC and Kroll, LLC in its project valuation reports as of December 31, 2021.

Track Record of Consistent External Growth (acquisition price basis)

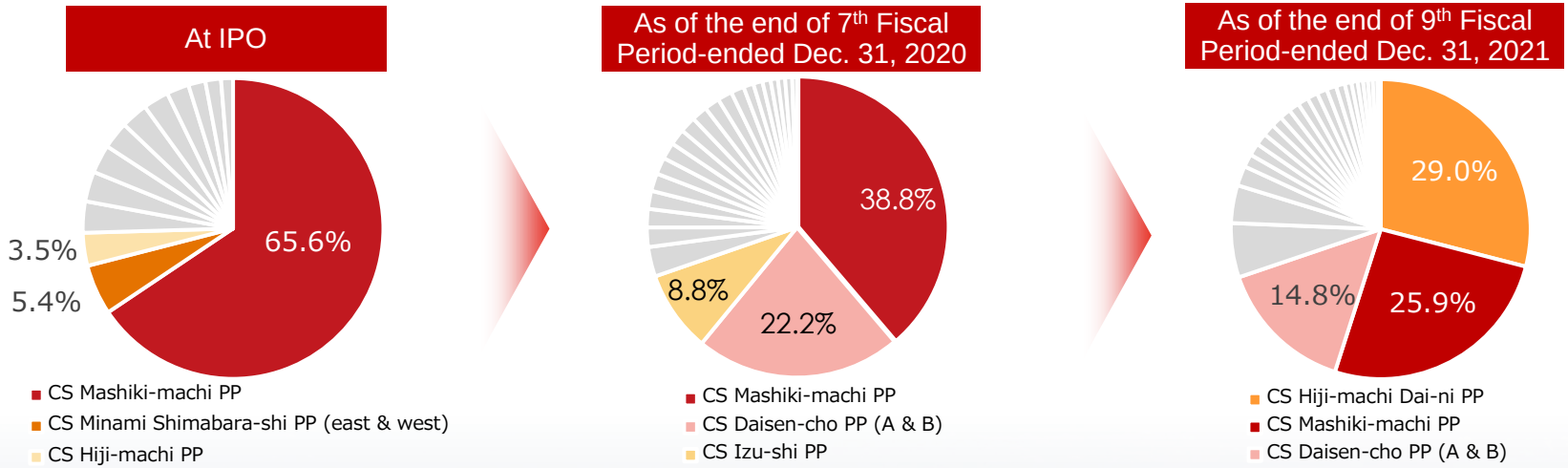


Note: The medium-term target shown above is CSIF's target as of December 31, 2021, and does neither represent a guarantee nor promise that the target will be achieved nor when it will be achieved. CSIF's asset size expansion is dependent on financing environment, development schedule of solar power plants in the sponsor pipeline, acquisition opportunities of projects outside of the sponsor pipeline, and negotiations with sellers. Hence, there is a possibility that the asset size target may not be achieved.

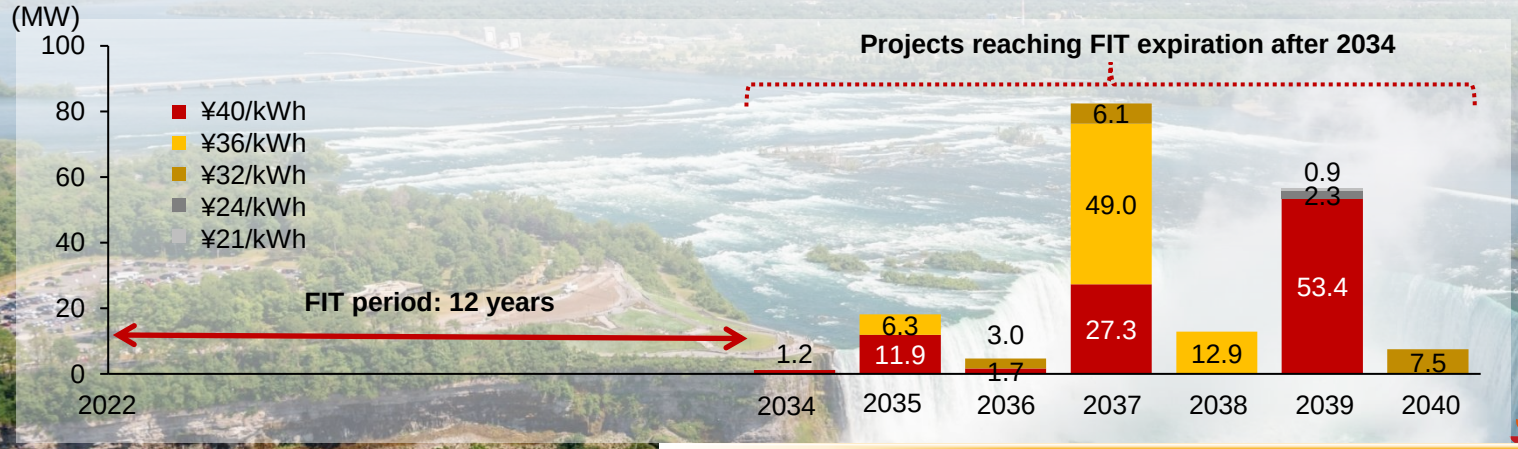
Portfolio Diversification

- **Since the IPO, CSIF has reduced its concentration risk of projects under management by consistently acquiring PV projects developed by the Sponsor.**
- **Aiming to build a portfolio to support stable cashflow with the remaining FIT period diversified.**

- **Decline in ratio of top-3 projects in the portfolio (panel output basis)**

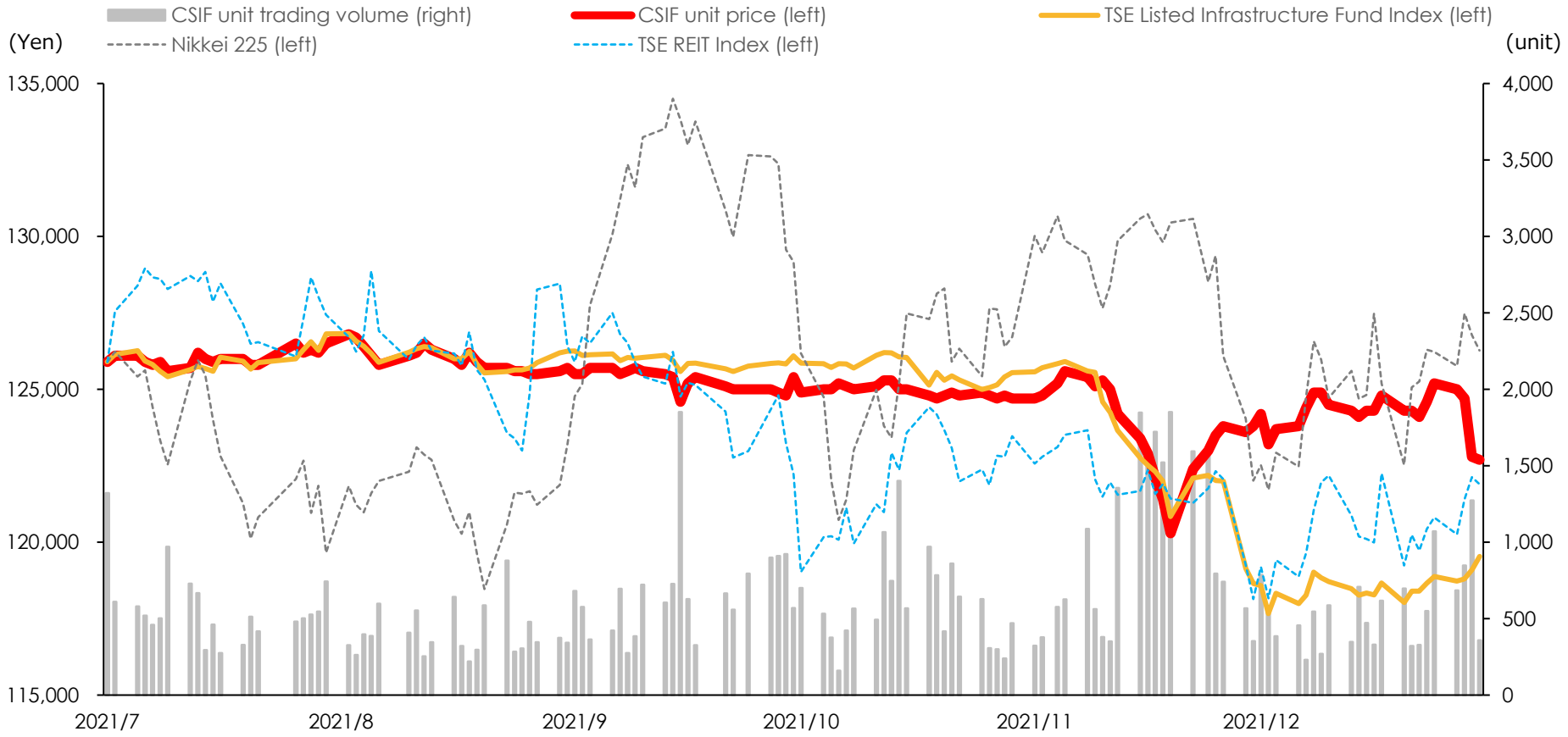


- **Remaining FIT period of projects-under-management (panel output basis)**



Unit Price Performance

- **CSIF's unit price performance was generally stable and quite closely linked to the behavior of the TSE Listed Infrastructure Fund Index.**
- **Unit price across-the-board for listed infrastructure funds slumped due to disrupted supply/demand dynamics. However, CSIF was the first to recover and outperformed the TSE Listed 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 July 1, 2021 and shows the rate of decline since July 1, 2021.

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

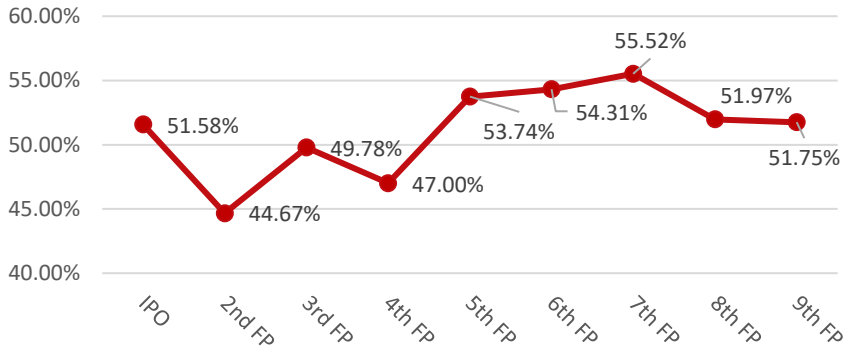
- **Employed conservative finance strategies to maintain sound LTV levels and a comfortable level of borrowing capacity while taking advantage of leverage effects**
- **CSIF financial profile remains stable as fixed-to-variable interest rate ratio is 100% and DSCR is 2.11**

Fixed-to-variable interest rate ratio and DSCR

Fixed-to-variable interest rate ratio (Note1)	
As at end of June 2021	As at end of December 2021
95.19 %	**100.00 %**

DSCR (Note2)	
As at end of June 2021	As at end of December 2021
2.32	**2.11**

Historical LTV



Credit Rating

Rating Agency	Subject to Rating	After Review	Outlook	Renewal Date
Japan Credit Rating Agency, Ltd.	Long-term Issuer Rating	A	Stable	July 19, 2021
	The 1st Unsecured Investment Corporation Bond (only for Qualified Institutional Investors)	A	-	July 19, 2021
Rating and Investment Information, Inc.	Long-term Issuer Rating	A-	Stable	August 12, 2021

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

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

Debt Profile (2) – Summary of Loans and Bonds

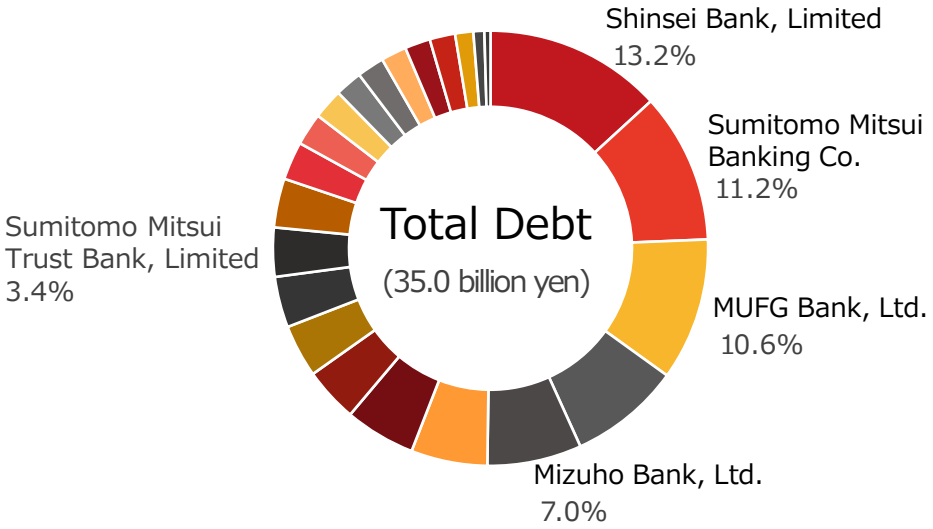
(As of December 31, 2021)

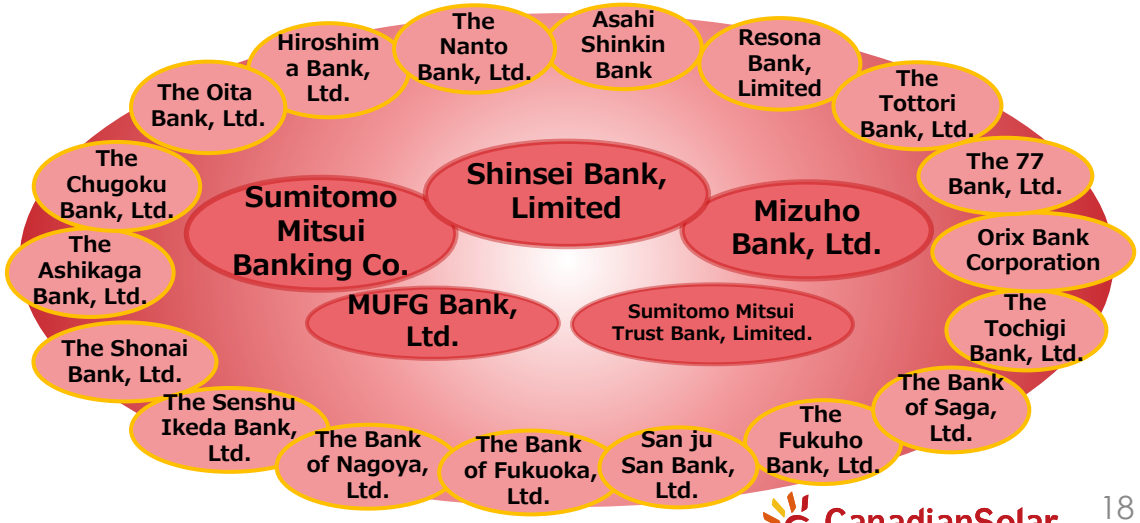
Category	Type	Initial amount (yen millions)	Outstanding (yen millions)	Interest rate	Interest rate type	Drawdown date	Maturity
Loan	Long-term	15,700	13,188	Base rate plus 0.45% (fixed at 0.845% upon executing interest rate swap)	Fixed	31-Oct-2017	10 years from drawdown date *JCR Green Finance Evaluation*
	Long-term	8,000	6,995	Base rate plus 0.45% (fixed at 1.042% upon executing interest rate swap)	Fixed	6-Sep-2018	10 years from drawdown date
	Long-term	17,000	16,607	Base rate plus 0.45% (fixed at 0.8199% upon executing interest rate swap)	Fixed	8-Mar-2021	10 years from drawdown date *JCR Green Finance Evaluation*
Sub total of Loan		**40,700**	**35,037**				
Bond	Long-term	1,100	1,100	0.71%	Fixed	6-Nov-2019	5 years from issuance date
	Long-term	3,800	3,800	0.80%	Fixed	26-Jan-2021	5 years from issuance date *JCR Green Bond Evaluation*
Sub total of Bond		**4,900**	**4,900**				
Total		**45,600**	**39,937**				

Bank Formation

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

	Lender	Balance (JPY million)	Share (%)
	Shinsei Bank, Limited	4,620	13.2%
	Sumitomo Mitsui Banking Co.	3,912	11.2%
	MUFG Bank, Ltd.	3,708	10.6%
	The Nanto Bank, Ltd	2,902	8.3%
	Mizuho Bank, Ltd.	2,456	7.0%
	Asahi Shinkin Bank	1,988	5.7%
	Hiroshima Bank, Ltd.	1,838	5.2%
	Resona Bank, Limited	1,416	4.0%
	The Oita Bank, Ltd.	1,371	3.9%
	The Tottori Bank, Ltd.	1,325	3.8%
	Sumitomo Mitsui Trust Bank, Limited.	1,275	3.6%
	The Chugoku Bank, Ltd.	1,275	3.6%
	The 77 Bank, Ltd.	994	2.8%
	The Ashikaga Bank, Ltd	843	2.4%
	Orix Bank Corporation	786	2.2%
	The Shonai Bank, Ltd.	708	2.0%
	The Tochigi Bank, Ltd.	708	2.0%
	The Bank of Saga, Ltd.	662	1.9%
	The Senshu Ikeda Bank, Ltd.	662	1.9%
	The Bank of Nagoya, Ltd.	662	1.9%
	The Fukuho Bank, Ltd.	473	1.4%
	The Bank of Fukuoka, Ltd.	284	0.8%
	San ju San Bank, Ltd.	157	0.4%





Impact of Curtailment by Kyushu Electric Power

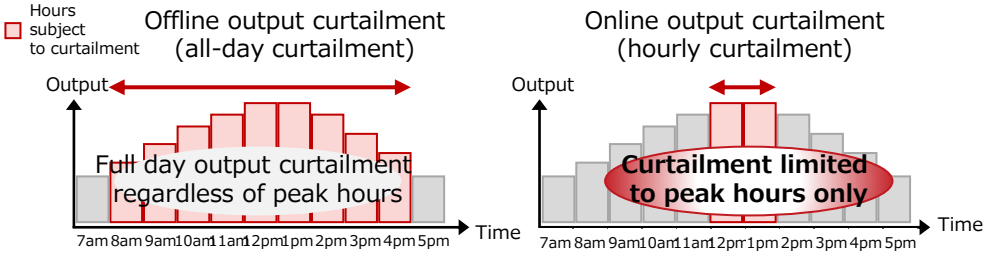
- **Data of past cases of curtailment and estimated impacts are showed below. Business forecast for the future FP includes estimated impacts. (10 out of 25 portfolio assets are located in Kyushu region)**

FP	No. of days of implementation	No. of days at CSIF power plants	Current situation of curtailment and impacts on CSIF
3rd	8	12	■ Kyushu Electric Power commenced curtailment in October 2018 in the 3rd FP.
4th	48	117	■ In the 4th FP, despite the high frequency of curtailment from March to May, actual power generation exceeded forecasted amounts. Hence, impact to CSIF's performance was limited. ■ No curtailments occurred after May 13 because inspections at the nuclear power plants commenced, and electric power demand rose in summer.
5th	13	21	■ In the 5th FP, the CSIF's facilities were again subject to curtailment from October 13, 2019, but the impact remained limited for the FP.
6th	71	249	■ In the 6th FP, the curtailment had seemed to have minor impacts in view of ongoing regular inspections of the nuclear power plants, measures against terrorist attacks. ■ However, the impact of curtailment increased in the 6th FP due the increase of the number of PV power plants in Kyushu region and decrease in electricity demand by the current situation with COVID-19
7th	2	1	■ In the 7th FP, the curtailment had seemed to have minor impacts in view of ongoing regular inspections of the nuclear power plants and measures against terrorist attacks. ■ Strong electricity demand in November and December 2020 due to cold weather.
8th	90	206	■ Since the measures against terrorist attacks and regular inspections of nuclear power plants in the region had been completed and resumed operations, the number of days of curtailment implementation was more than that of the 6th FP. ■ For the power plants with online operation controller, the impact of curtailments were limited because the number of days of curtailment were less than offline plants and peak time basis curtailments were conducted. ■ Actual variable rent reduction (vs forecast): JPY 320.42 million (9.47% of forecasted rental income)
9th	22	96	■ The number of curtailment days and frequency of curtailment decreased compared to the previous period and the completion of the installation of online curtailment controller at 9 power plants, excluding the CS Hiji-machi Dai-ni PP, seemed to have a certain effect on reducing the rent reduction caused by curtailment. ■ Actual variable rent reduction (vs forecast): JPY 91.821 million (2.46% of forecasted rent income)

Onlinization Related to Curtailment

Rationale behind installing online curtailment controller

Transition from all-day curtailment to hourly curtailment is possible through retrofitting for online operation.



Examples of CSIF's online operation retrofitting

Installed Cyclic Data Transfer system designed to manage power curtailment and to optimize output of the entire power conditioner.

Expect to increase power generation efficiency except for curtailed hours as well as transitioning to hourly curtailment instead of all-day curtailment

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

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

Under the new curtailment method to be implemented by Kyushu Electric Power Transmission and Distribution Co., Inc. as of April 2021, curtailment duration in case of online output curtailment compared to offline output curtailment has been much reduced. Kyushu Electric Power Transmission and Distribution Co., Inc. has announced its policy to promote the installation of curtailment controllers. (Both number of days and hours within the day are reduced, so positive contribution to the fund's power generation is expected.)
Promote the installation of online curtailment controllers to power plants connected to the Chugoku Electric Power Transmission & Distribution, Tohoku Electric Power Network, and Chubu Electric Power Miraizare.

Online output curtailment controllers will be installed at all Kyushu assets in the 10th FP

Timing	Power Plant
8th FP	CS Mashiki-machi PP, CS Shibushi-shi PP, CS Minamishimabara-shi PP (E)(W)
9th FP	Other PPs connected to the Kyushu Electric grid (except for CS Hiji-machi Dai-ni PP)
10th FP (in Feb)	CS Hiji-machi Dai-ni PP

ESG Initiatives (UN PRI / Wholesale Electricity Supply)

■ Signatory to UN PRI

- As of August 13, 2019, our asset manager, Canadian Solar Asset Management K.K. ("CSAM"), became the first Japanese asset manager of a listed infrastructure fund to be a signatory to the UN PRI (United Nations supported Principles for Responsible Investment) to promote ESG (Environmental, Social, Governance) investments.
- The UN PRI sets the global standards for incorporating ESG factors into the decision-making process of asset managers.

■ CSAM's approach on UN PRI

- As a signatory to the UN PRI, CSAM devised an "Approach to UN PRI Guidelines" as of the end of December 2020 as its basic ESG policy, which can be found on CSIF's website.

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

- By executing the wholesale electricity supply agreement with UPDATER, Inc (fomer Minna-denryoku, Inc.) and Zero Watt Power Inc for CSIF's power plants listed below, CSIF contributes to supply FIT electricity to consumers. With respect to electricity consumption of CSIF's power plants, purchase of clean energy derived from renewable sources have been started. CSIF believes that the fund contributes to the utilization of renewable energy.

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

ESG Initiatives (TCFD)

■ TCFD

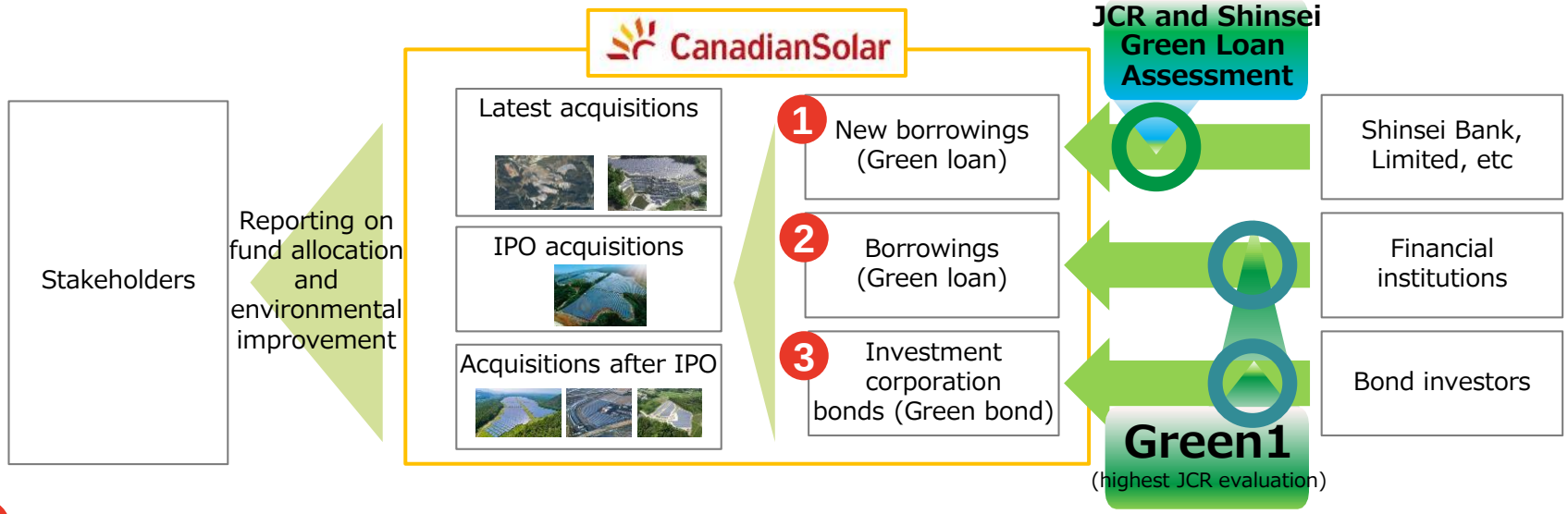
- Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB) to promote transparency on climate-related information disclosures and discuss implementation methods for financial institutions.
- CSIF has structured climate-related disclosures in accordance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

Climate-related financial disclosures in accordance with TCFD recommendations

Category	Content on CSIF Disclosure
Governance	■ CSAM Sustainability Committee, scheduled to be officially established on March 1, 2022, will advise the board of directors (reporting twice annually) on ESG including response to climate change. ■ Drawing on the latest insight on political trends on renewables and natural disasters, this committee will advise and provide guidance on how to mitigate specific risks and capitalize on opportunities.
Strategy	■ Identifying specific risks and opportunities - Organize and understand transition and physical risks/opportunities over the short-term (less than 5 years), medium term (5~15 years), and long-term (more than 15 years) perspectives. ■ Scenario analysis - Analyze scenarios for climate-related risks and opportunities identified as "high priority" while factoring in impacts to the organization, consistency with corporate strategy and stakeholder interest.
Risk management	■ Analyze priority of climate-related risks and opportunities relevant to solar power from the perspective of impacts to the organization, consistency with corporate strategy and stakeholder interest. ■ Management process of high priority risks will be administered upon considering "risk identification method", "risk limit", "risk reduction measures" and "mitigation measures when risk is identified".
Metrics and targets	■ CSIF acknowledges that the government's 2030 target (6th Basic Energy Plan) for 36-38% of energy to come from renewables as an important metric and target when investing in and operating PV projects. ■ Considering to install online curtailment controllers to minimize power sale losses from curtailment.

ESG Initiatives (Green Finance)

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



1. CSIF obtained Green 1(Green Bond/Loan) rating, the highest rating from JCR and Shinsei Green Loan Assessment from Shinsei Bank, Limited, which is one of CSIF's arranger banks, for its new borrowings of 17.0bn yen which was allocated towards the latest acquisitions.

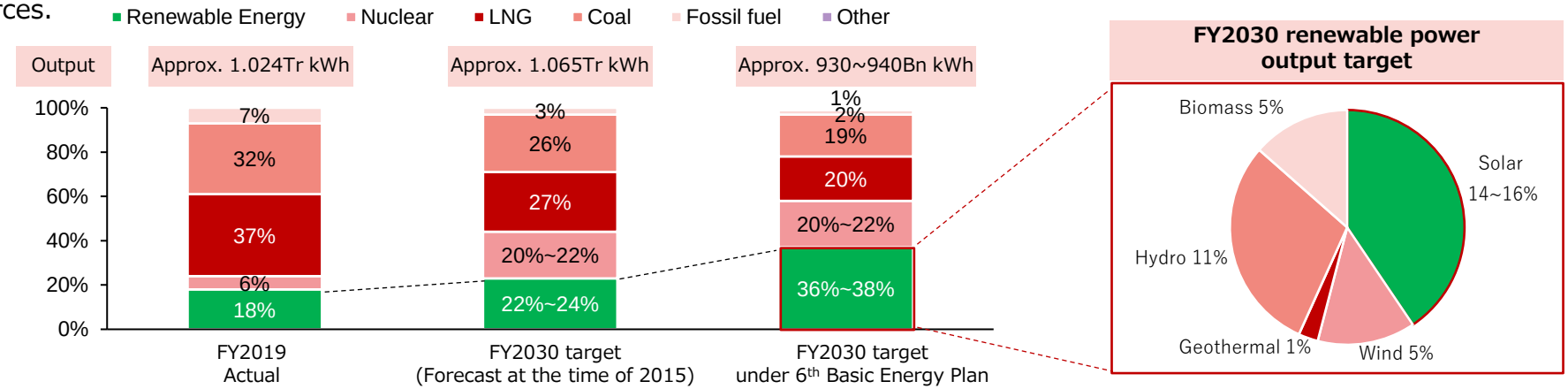
2. The borrowings amounting to 15.7bn yen which was allocated towards the funds for acquiring the acquisitions for the IPO obtained a Green1 (the highest rating) assessment by JCR as of November 22, 2017, based on JCR's evaluation of the use of proceeds and CSIF's management/operation/transparency. Also, after an annual review, the borrowings continued to be assessed as Green1 as of February 13, 2020.

3. On January 26, 2021, CSIF issued a 5-year Green Bond of 3.8 bn yen, which was given JCR Green1 assessment and the proceeds was used for the repayment of borrowings.

Outlook on Japan's Renewable Energy Mix

Ratio of renewable energy with total energy mix

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



Breakdown of renewable energy sources

- As of March 2020, the installed capacity of solar power is the highest among all other renewable sources, and it is expected that installed capacity of solar will continue increasing.

Source	Installed capacity (March 2020)	FY2030 Forecast capacity (Case of enhanced policy response)	FY2030 Forecast capacity (Ambitious outlook)
Solar	55.8GW	100.0GW	103.5~117.6GW
Onshore wind	4.2GW	15.9GW	17.9GW
Offshore wind	0.01GW	3.7GW	5.7GW
Geothermal	0.6GW	1.5GW	1.5GW
Hydro	50.0GW	50.7GW	50.7GW
Biomass	4.5GW	8.0GW	8.0GW
Total output	Approx. 187.6Bn kWh	Approx. 313.0Bn kWh	Approx. 336.0~353.0 Bn kWh

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

Main Points of the Revised Renewable Energy Act

■ **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.

Categories subject to the cash reserve system	All PV operations with FIT/FIP certificates of more than 10kW
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, 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 PV projects whose procurement prices have already been determined by FY2019, the reserve amount is the level of assumed costs for decommissioning, etc. in the procurement price calculation determined by the Procurement Price Calculation Committee

■ Market-linked FIP System

- Market Price Benchmark: Adopted an area price with weighted-average prices on the Spot Market and Pre-Market
- Frequency of Premium Distribution: One month
- Market Reference Term and Timing: A reference price on the JPEX shall be determined by " Average Price for the Previous Year + Monthly Adjusted Price (＝Monthly Average Price for the Current Year －Monthly Average Price for the Previous Year"
- Among the following items announced by ANREA are a) premium during the curtailment time, b) how to handle non-electricity elements such as non-fossil value, c) how to handle FIP for the curtailment, d) balancing cost, e) rule on aggregation business, f) requirements for a transfer of FIT to FIP, etc.

■ 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

Discussions on Power Producer-Side Wheeling Charge

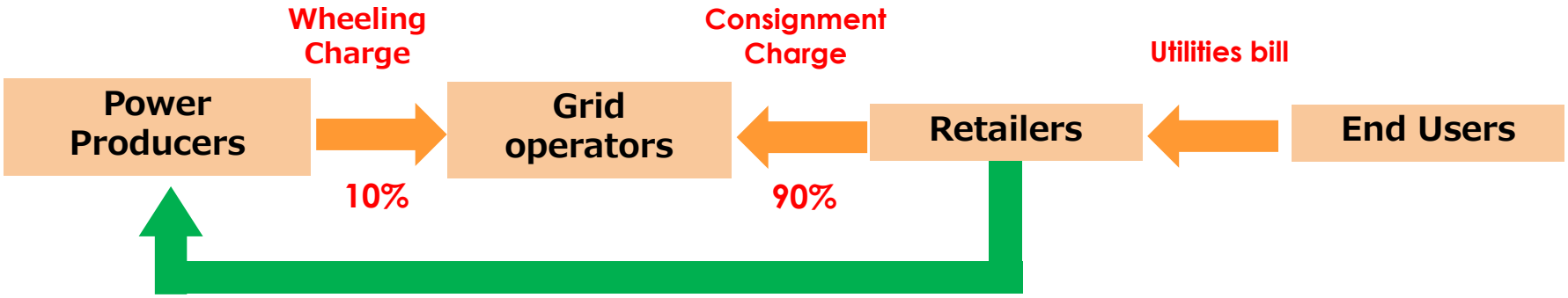
Power Producer-side wheeling charges (postponed for 1 year)

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

A Summary of the details of Wheeling Charge

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

Scheme of Wheeling Charge



Wheeling charge shall be properly added to the wholesale price.

3. Management Policy

10th, 11th and 12th FP Business Forecast

Business Forecast

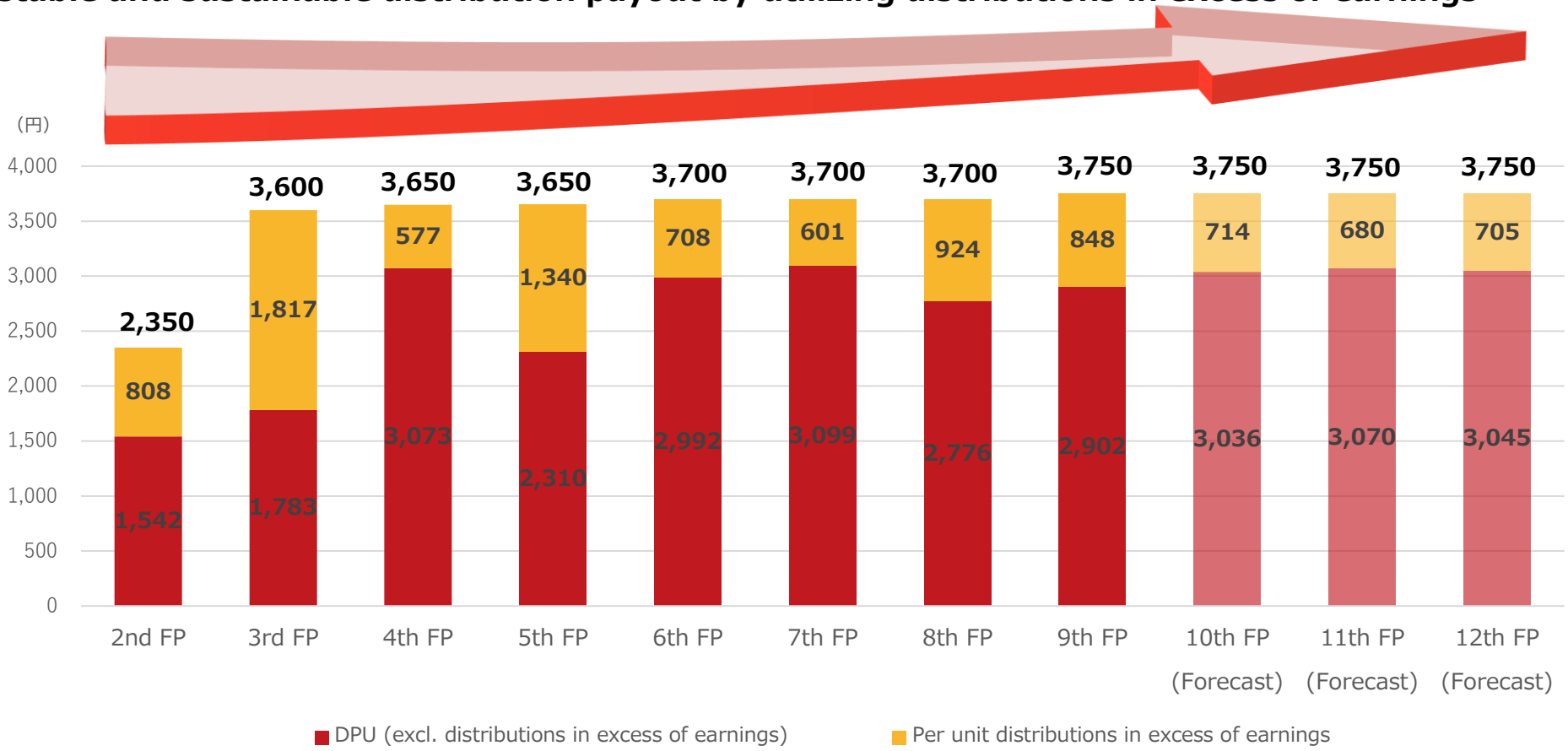
Statement of Income (million yen)	10th Fiscal Period (ending June 2022)	11th Fiscal Period (ending December 2022)	12th Fiscal Period (ending June 2023)
Operating revenue	**3,704**	**3,722**	**3,672**
Operating profit	**1,388**	**1,401**	**1,381**
Ordinary profit	**1,174**	**1,188**	**1,178**
Current net profit	**1,174**	**1,187**	**1,177**
DPU (incl. distributions in excess of earnings)	**3,750yen**	**3,750yen**	**3,750yen**
DPU (excl. distributions in excess of earnings)	**3,036yen**	**3,070yen**	**3,045yen**
Per unit distributions in excess of earnings	**714yen**	**680yen**	**705yen**

Congruent with CSIF's policy to maintain stable levels of distributions, DPU for the 9th FP is increased by ¥50 from the 8th FP due to the effect of the acquisition of assets in the 8th FP and projected DPU for the 10th – 12th FP is the same level of 9th FP

(Note-1) Figures are rounded down to the nearest million yen.
(Note-2) Above forecasts are based on earnings summary dated February 14, 2022 and is subject to change due to factors including without limitation, acquisition or sale of renewable energy projects, changes in infrastructure markets, fluctuation in interest rates and other changes in circumstances surrounding CSIF. Forecasts do not guarantee any dividend amounts.

Historical and Forecasted Dividend

- **CSIF has realized stable dividend since distributing ¥3,600 for the 3rd FP**
- **DPU for the 9th FP is ¥3,750 with ¥50 increase from the 8th FP. The acquisition of assets in the 8th FP contributed to the increase**
- **DPU forecast for the 10th – 12th FP is the same level of 9th FP and The fund aims to achieve a stable and sustainable distribution payout by utilizing distributions in excess of earnings**



(Note) Figures for the 10th~12th Fiscal Period are forecasts and are subject to change. They do not represent guaranteed distribution amounts.

External Growth Strategy (Sponsor Pipeline)

(Sponsor Pipeline including projects owned by JGIF and Bridge Fund, the numbers are as of December 31, 2021)

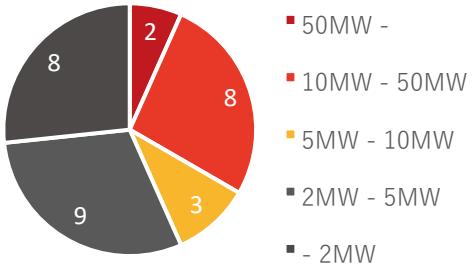
- **Target to achieve ¥100Bn in asset size in medium term by mainly acquiring assets from abundant sponsor pipeline**
- **Sponsor launched Japan Green Infrastructure Fund (JGIF) with a third-party investor. JGIF is operated as the development fund of PV power plants and enables the sponsor group to accelerate development activity. CSIF has first refusal right to acquire the projects which JGIF owns.**

Operational and under construction	+	Under development	=	Total sponsor portfolio
16 projects, **219.3**MW		**14** projects, **171.6**MW		**30** projects, **390.9**MW

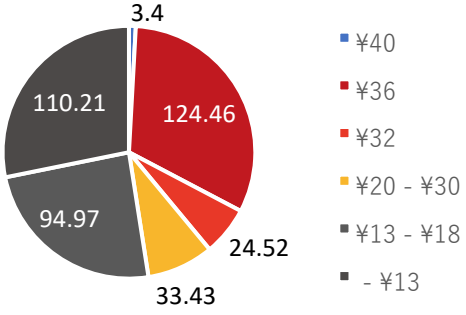
Sponsor pipeline snapshot

FIT purchase price range ¥32~¥40/kWh projects are mostly composed of large projects
Fully taking advantage of vertically-integrated model to actively develop new projects regardless of project size or FIT price

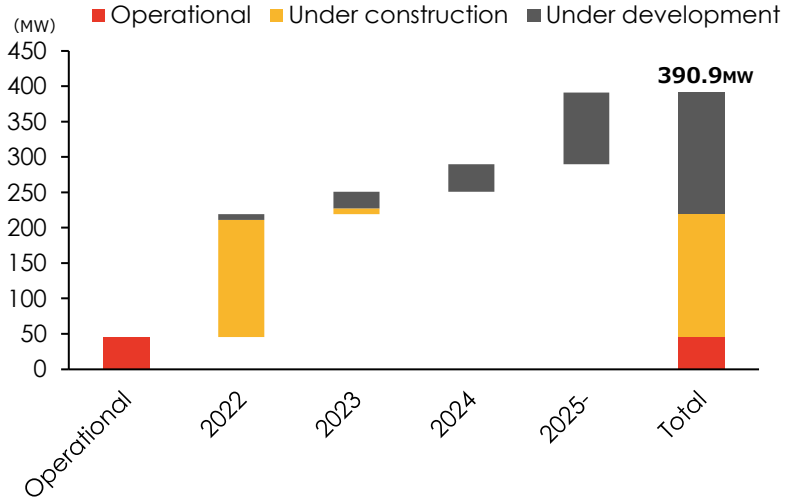
By size (per asset)



By FIT price (panel output)



Operational start year and status of sponsor pipeline assets



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

Sponsor Pipeline Map (Including Projects Owned by JGIF and Bridge fund)

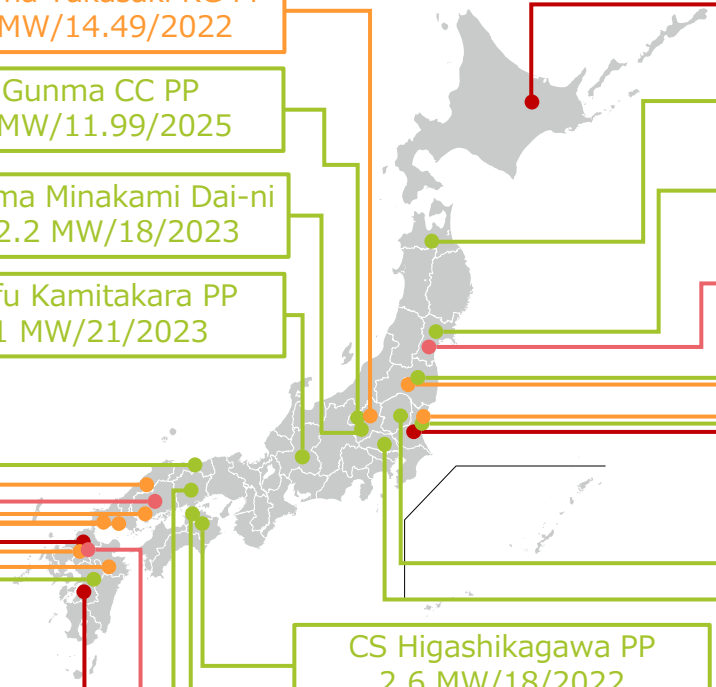
- Operational
- Under construction
- Under development

Pink box for Bridge Fund projects

Light blue box for JGIF's projects

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

(as of December 31, 2021)



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

CS Shimane Hamada PP
2.0 MW/21/2022

CS Hiroshi Fukuyama PP
3.4 MW/40/2020

CS Hiroshima Suzuhari PP
17.8 MW/17.97/2022

CS Yamaguchi Hofu PP
8.0 MW/14.25/2022

CS Yamaguchi Aiofutajima
1.2 MW/18/2022

CS Fukuoka Saigawa PP
13.0 MW/36/2021

CS Fukuoka Tagawa PP
0.7 MW/18/2022

CS Oita Munechika PP
8.1 MW/32/2023

CS Kumamoto Mashiki Dai-ni PP 1.2 MW/18/2022

CS Kumamoto Yamato PP
1.5 MW/32/2019

CS Gunma Takasaki KG PP
24.5 MW/14.49/2022

CS Gunma CC PP
21.0 MW/11.99/2025

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

CS Gifu Kamitakara PP
20.1 MW/21/2023

CS Higashikagawa PP
2.6 MW/18/2022

CS Higashikagawa Dai-ni PP
2.1 MW/18/2022

CS Okayama Shinyubara PP
30.0 MW/13.47/2024

Hitachi Kama PP
2.2 MW/36/2017

CS Hokkaido Bihoro PP
2.5 MW/18/2021

CS Aomori Maita PP
3.0 MW/10.89/2024

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

CS Shichikashuku-machi PP
9.2 MW/36/2020

CS Fukushima Sabara PP
3.0 MW/10.79/2024

CS Azuma Kofuji PP
100.0 MW/36/2022

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 Ibaraki Kasama PP
13.5 MW/32/2021

CS Saitama Kumagaya PP
2.0 MW/18/2022

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

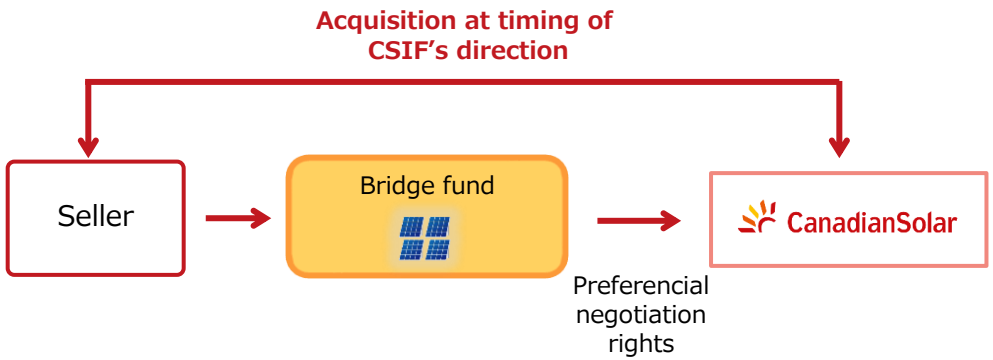
Acquisition of assets from third-parties

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

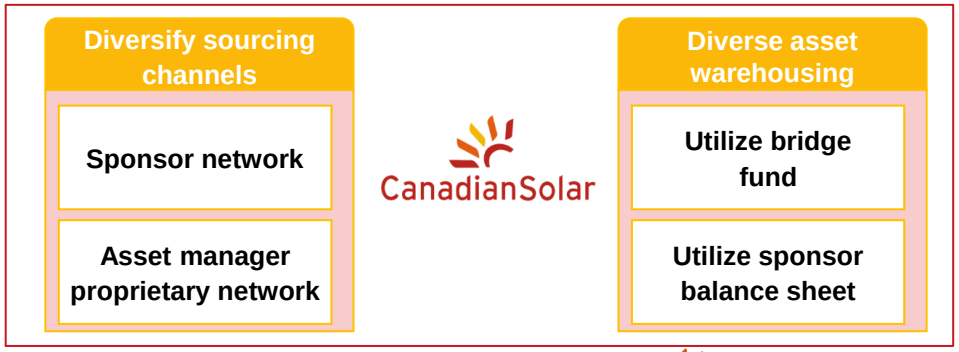
Asset Overview

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

Bridge fund scheme



Diverse sourcing channels and methods



Appendix

Overview of Canadian Solar Group

Canadian Solar Group's history

- Founded in Ontario, Canada, 2001
- Listed on NASDAQ (CSIQ) in 2006
- Entered the Japan market in 2009 and established proven track record for shipping PV modules
- Approximately 14,000 employees globally
- Presence in 25 countries/territories
- Delivered solar panels amounting to over 63 GW total capacity
- Over 24 GW solar power plants are being built and developed globally (incl. Recurrent Energy)
- The manufacturer of the most "Bankable" (qualified as lending subject) solar power module
  (by Bloomberg New Energy Finance 2020 Module Bankability Survey)

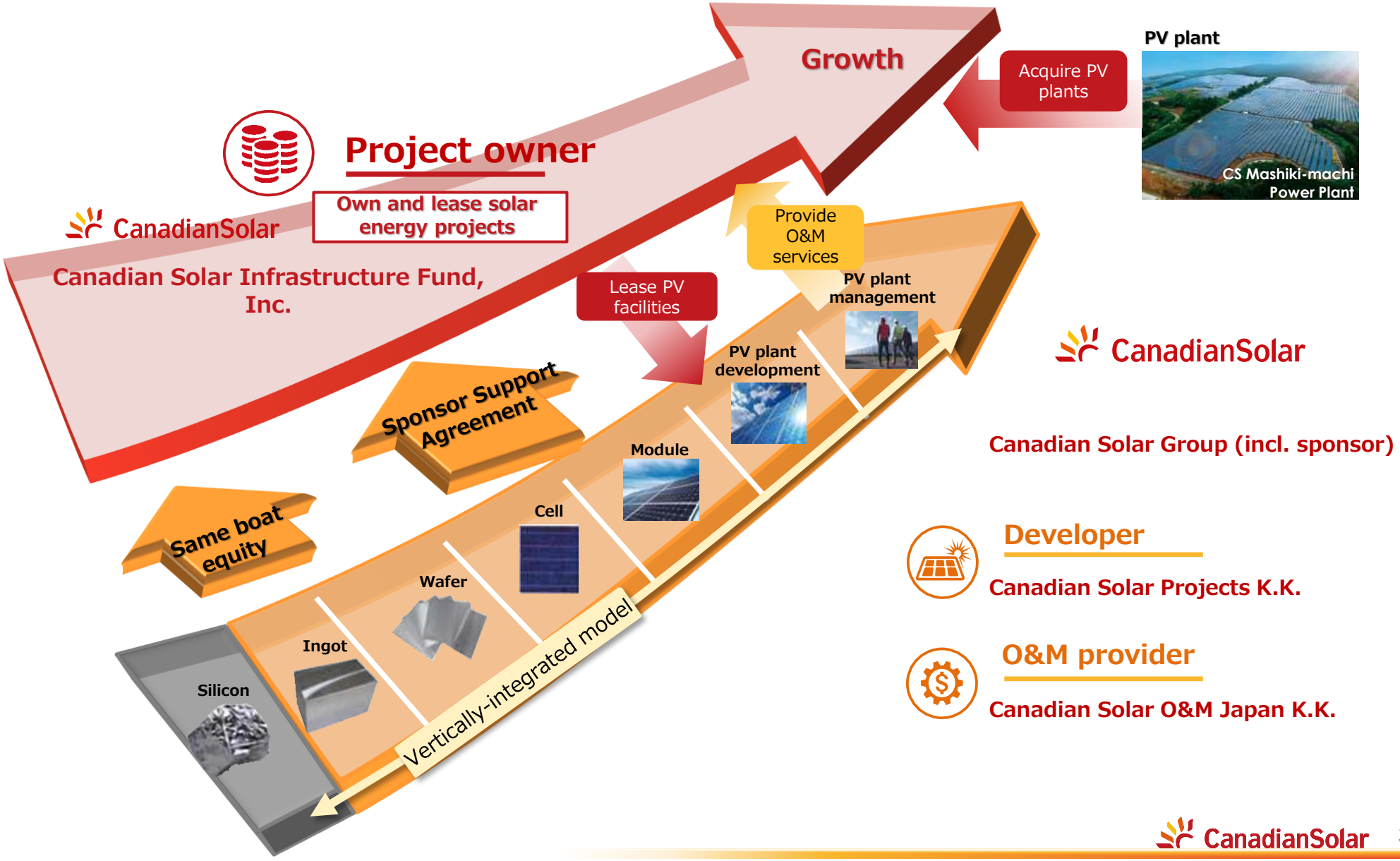
Canadian Solar Group's Global Operations

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

(As of Sep. 30, 2021)

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

Canadian Solar Group's Vertically-integrated Business Model



Organizational Structure

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

Canadian Solar Asset Management K.K.

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

Canadian Solar Projects K.K. (Sponsor)

(Sponsor / Operator)

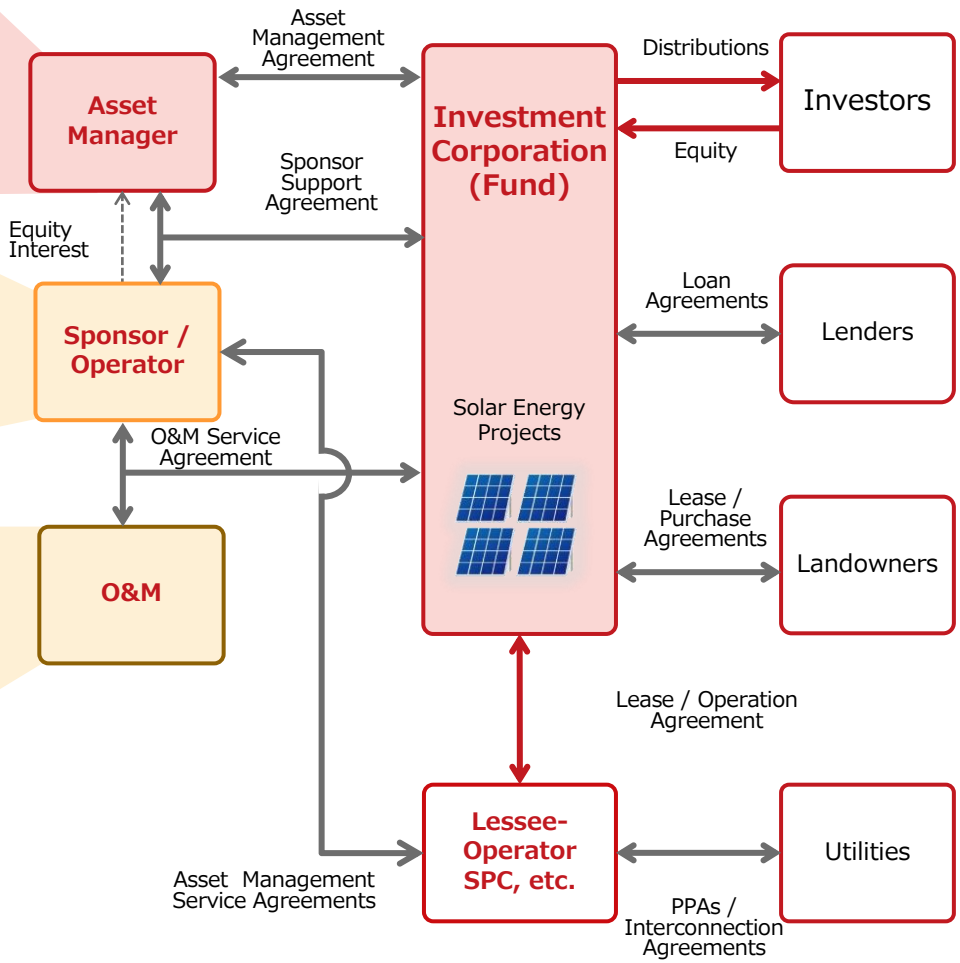
- Engaged in construction and operation of solar energy facilities
- Established in May 2014

Canadian Solar O&M Japan K.K.

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

Canadian Solar Japan K.K.

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



ESG Initiatives: Environment

- **In consideration of the environment, CSIF and the Sponsor 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 manufacturing waste and water. (2017-2020)

Greenhouse gas emissions	Manufacturing water consumption
-20%	-18%
Energy consumption	**Manufacturing waste**
-19%	-44%

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

- CSIF supported a local walking event (“Walking on Francis Xavier Road”) of Hiji town where CS Hiji-machi Power Plant and CS Hiji-machi Dai-ni Power Plant located.

■ 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

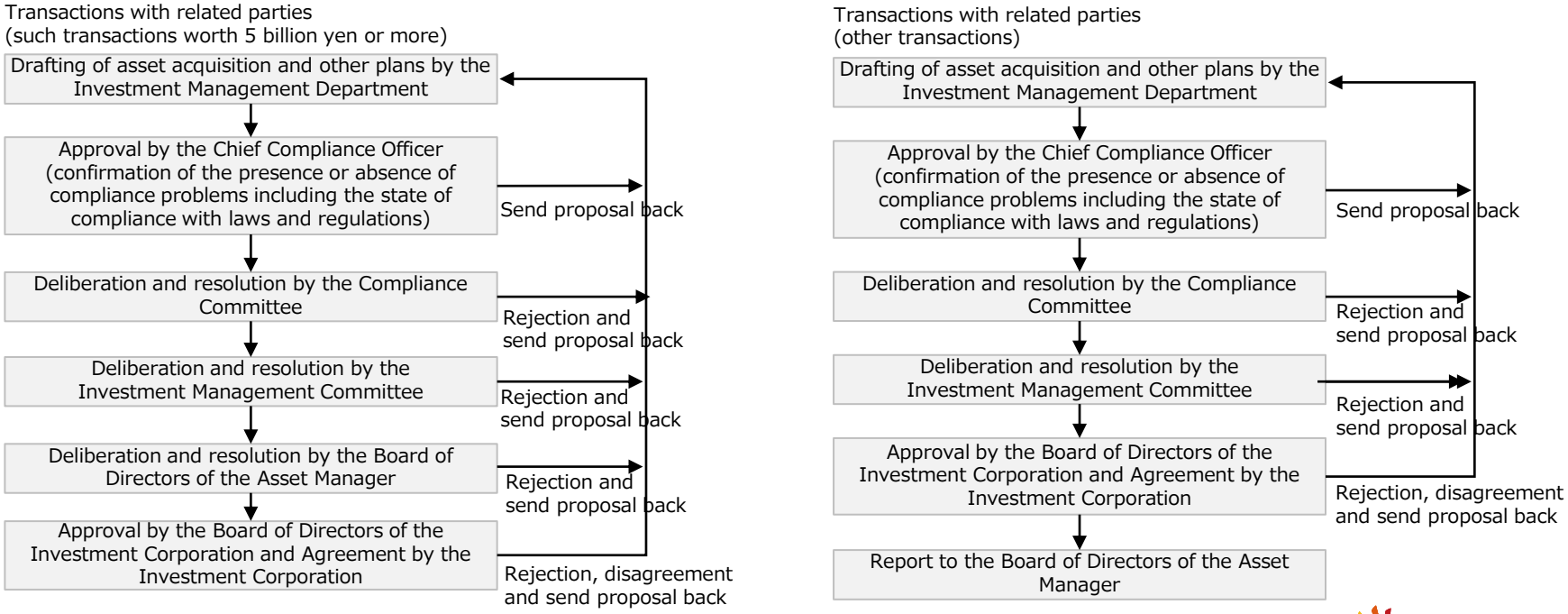
- We aim to increase unitholders' value by aligning the interest of unitholders with that of the sponsor.

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

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

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

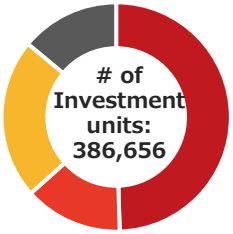
Decision-Making Structure Concerning Transactions with Related Parties in connection with Asset Acquisitions and Transfers



Status of Unitholders

Unitholding (as at period-ended December 2021)

By unitholding amount



Individuals / others	191,427	(49.50%)
Financial institutions (incl. financial instruments firms)	53,673	(13.88%)
Domestic Corporates	87,493	(22.62%)
Foreign entities & individuals	54,063	(13.98%)

By unitholders

Individuals / others	18,017	(97.45%)
Financial institutions (incl. financial instruments firms)	53	(0.28%)
Domestic Corporates	310	(1.67%)
Foreign entities & individuals	108	(0.58%)

	Name	Number of investment units held (units)	Unitholding ratio to total issued units (%)
1	Canadian Solar Projects K.K.	56,620	14.64%
2	SSBTC CLIENT OMNIBUS ACCOUNT	10,757	2.78%
3	THE BANK OF NEW YORK	10,303	2.66%
4	THE BANK OF NEW YORK MELLON	8,923	2.30%
5	The Bank of Fukuoka, Ltd.	7,686	1.98%
6	The Rokinren Bank	6,536	1.69%
7	JP MORGAN CHASE BANK	6,100	1.57%
8	Custody Bank of Japan, Ltd. (Trust Account)	4,338	1.12%
9	The Hachijuni Bank, Ltd.	3,759	0.97%
10	Individual investor	3,300	0.85%
	Total	118,322	30.60%

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

Balance Sheet for 9th FP

9th Fiscal Period (ended December 2021)

Assets

(in thousands of yen)

Current assets	
Cash and bank deposit	5,101,023
Operating accounts receivable	757,343
Accounts receivable	-
Prepaid expenses	223,542
Consumption tax receivable	-
Other current assets	59,130
Total current assets	6,141,040
Fixed assets	
Property and equipment	
Structures	1,048,112
Accumulated depreciation	△149,698
Total structures (net)	898,414
Machinery and equipment	42,462,893
Accumulated depreciation	△6,462,147
Total machinery and equipment (net)	36,000,745
Tools, equipment and supplies	590,890
Accumulated depreciation	△90,792
Total tools, equipment and supplies (net)	500,097
Land	4,505,944
Construction in progress	-
Structures in trust	6,567,393
Accumulated depreciation	△198,477
Total structures in trust (net)	6,368,915
Machinery and equipment in trust	20,271,746
Accumulated depreciation	△703,763
Total machinery and equipment in trust (net)	19,567,983
Tools, equipment and supplies in trust	93,540
Accumulated depreciation	△3,195
Total tools, equipment and supplies in trust (net)	90,345
Land in trust	4,769,905
Total property and equipment	72,702,352
Intangible assets	
Leasehold rights	1,156,098
Software	780
Total intangible assets	1,156,878
Investments and other assets	
Long-term prepaid expenses	558,869
Capital investments	10
Deferred tax asset	16
Long-term deposits	15,600
Guarantee deposits	37,790
Total investments and other assets	612,285
Total fixed assets	74,471,517
Deferred assets	
Investment corporation bond issuance cost	20,481
Total deferred assets	20,481
Total assets	80,633,040

Liabilities and Net Assets

Current liabilities	(in thousands of yen)
Operating accounts payable	47,248
Long-term borrowings to be repaid within 1 year	2,248,718
Accounts payable	157,466
Accrued expenses	101,743
Income taxes payable	944
Consumption taxes payable	304,665
Deposits received	1,010
Total current liabilities	2,861,797
Fixed liabilities	
Investment corporation bond	4,900,000
Long-term borrowings	32,788,321
Total fixed liabilities	37,688,321
Total liabilities	40,550,118
Unitholders' equity	
Unitholders' capital	40,631,004
Amount deducted from Unitholders' capital	△1,670,370
Unitholders' capital (net)	38,960,634
Surplus	
Unappropriated retained earnings (accumulated deficit)	1,122,287
Total surplus	1,122,287
Total unitholders' equity	40,082,921
Total net assets	140,082,921
Total liabilities and net assets	80,633,040

Statement of Income for 9th FP

9th Fiscal Period (ended December 2021)

(in thousands of yen)

Operating revenues	
Rental revenues	13,587,363
Total operating revenue	3,587,363
Operating expenses	
Rental expenses of renewable energy projects	12,033,809
Asset management fee	111,737
Administrative service fees	27,850
Director's compensation	2,400
Tax and dues	163
Other operating expenses	66,741
Total operating expenses	2,242,703
Operating profit	1,344,659
Non-operating income	
Interest income	26
Insurance proceeds	8,194
Interest on refund	327
Other non-operating income	411
Total non-operating income	8,960
Non-operating expenses	
Interest expenses	160,345
Interest expenses on investment corporation bond	19,262
Amortization of investment corporation bond issuance expenses	2,779
Borrowing-related expenses	37,766
Investment unit issuance expenses	-
Loss on retirement of fixed assets	10,309
Total non-operating expenses	230,463
Ordinary income	1,123,156
Income before income taxes	1,123,156
Income taxes	948
Income tax adjustments	△3
Total income taxes	944
Net income	1,122,211
Profits brought forward	75
Unappropriated retained earnings (accumulated deficit)	1,122,287

Portfolio Assets (1)

S-01 CS Shibushi-shi Power Plant 1.2MW

S-02 CS Isa-shi Power Plant 0.9MW

S-03 CS Kasama-shi Power Plant 2.1MW

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

S-05 CS Yusui-cho Power Plant 1.7MW

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

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

S-08 CS Hiji-machi Power Plant 2.6MW

S-09 CS Ashikita-machi Power Plant 2.3MW

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

S-11 CS Minano-machi Power Plant 2.4MW

S-12 CS Kannami-cho Power Plant 1.3MW

S-13 CS Mashiki-machi Power Plant 47.7MW

S-14 CS Koriyama-shi Power Plant 0.6MW

S-15 CS Tsuyama-shi Power Plant 2.0MW

Portfolio Assets (2)

S-16 CS Ena-shi
Power Plant 2.1MW

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

S-18 CS Takayama-shi
Power Plant 1.0MW

S-19 CS Misato-machi
Power Plant 1.1MW

S-20 CS Marumori-machi
Power Plant 2.2MW

S-21 CS Izu-shi
Power Plant 10.7MW

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

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

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

S-25 CS Ogawara-machi
Power Plant 7.5MW

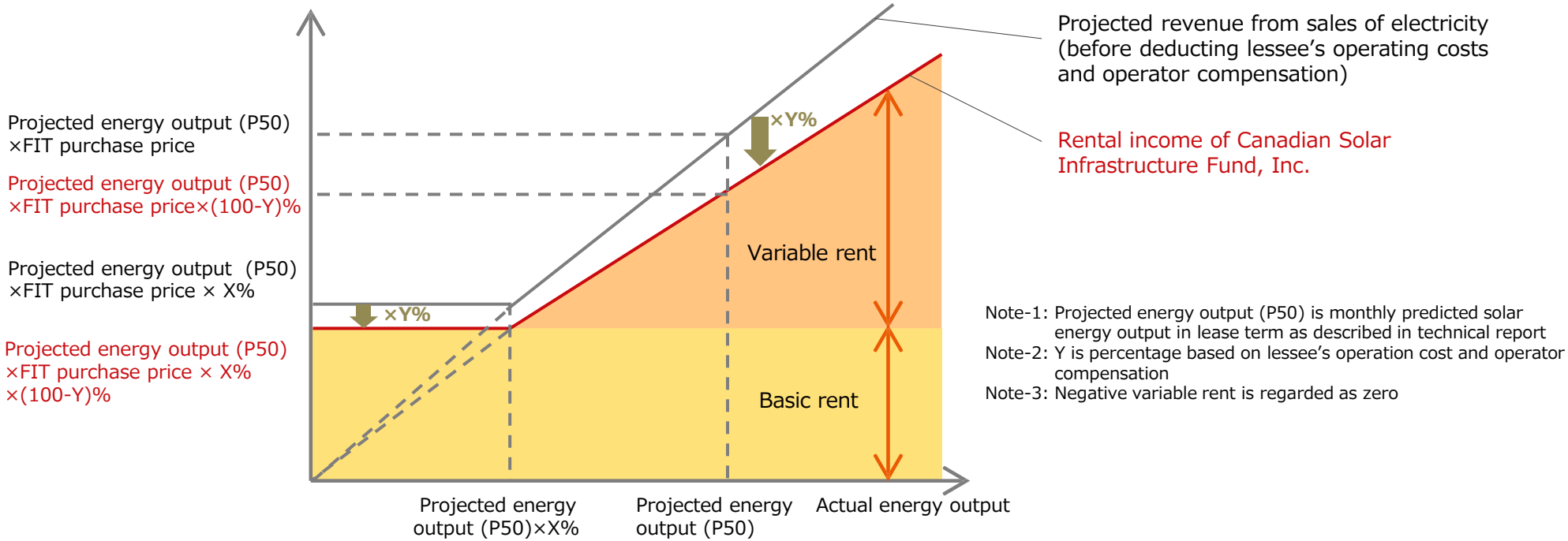
Leasing Structure based on Basic and Valuable rent

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

Basic rent	**Monthly projected energy output (P50) ×(100−Y)% × 70% × FIT purchase price**
Variable rent	**(Monthly actual energy output × (100−Y)% × FIT purchase price) − Basic rent**

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

■ Diagram of rent structure

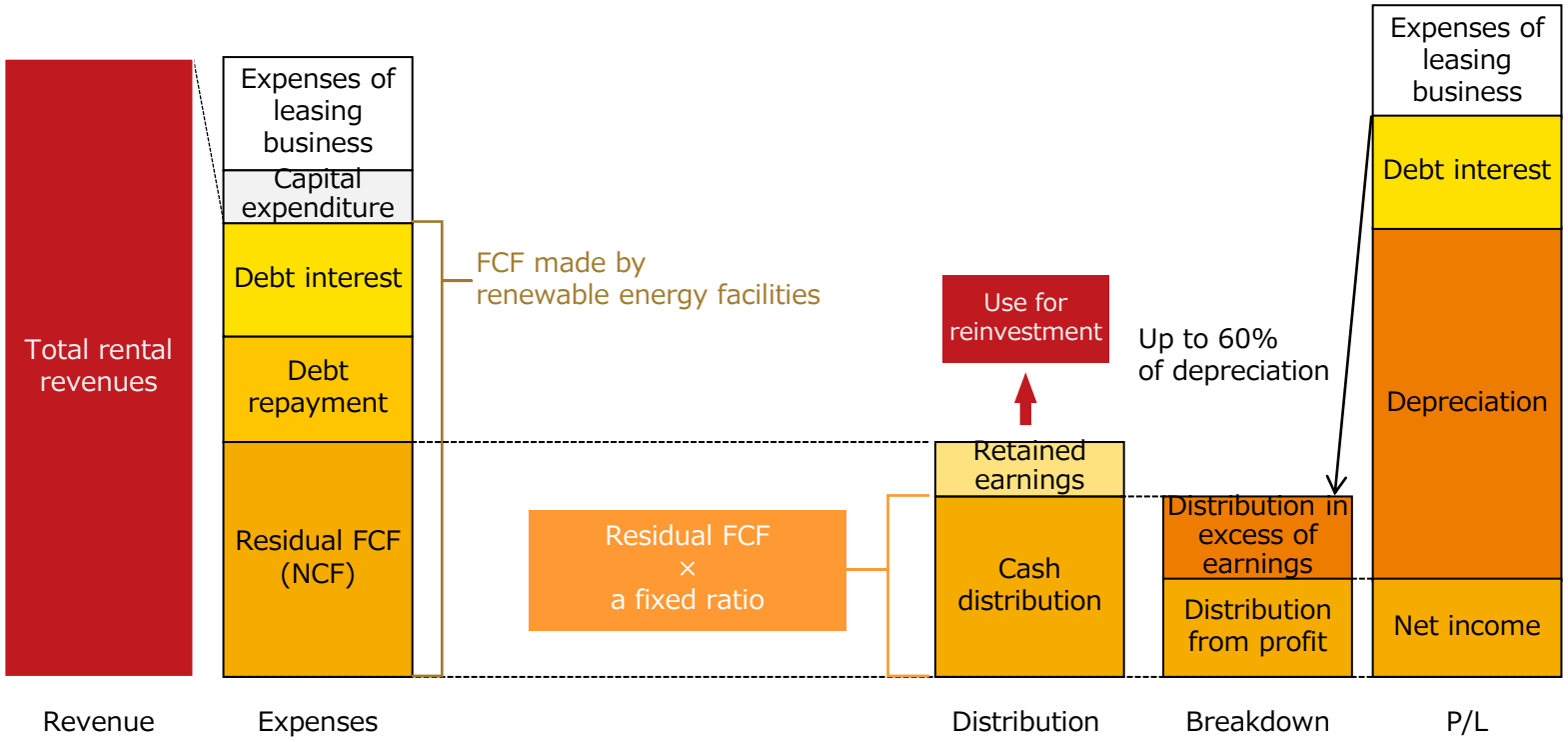


Note-1: Projected energy output (P50) is monthly predicted solar energy output in lease term as described in technical report
Note-2: Y is percentage based on lessee's operation cost and operator compensation
Note-3: Negative variable rent is regarded as zero

Stable and Balanced Cash Flow Distribution Policy Supported by FIT System

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

- **Image of distribution in excess of earnings**



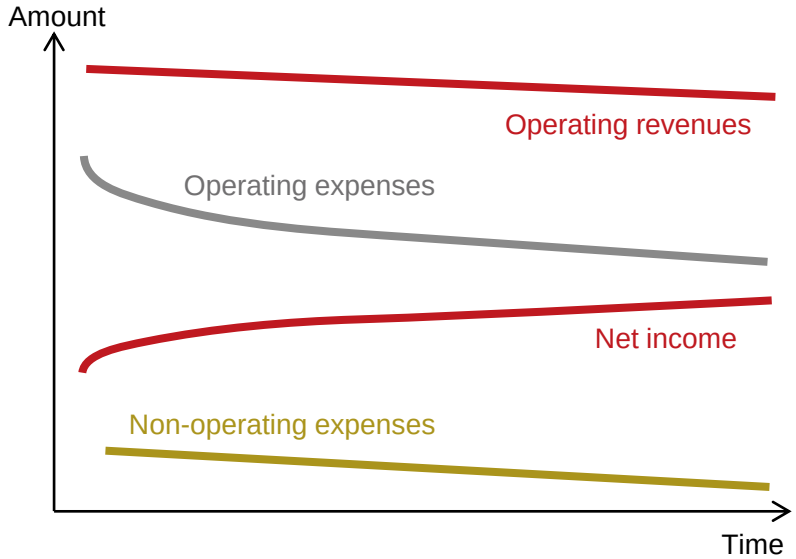
Note: The chart above is presented solely to facilitate a general understanding of the mechanism for cash distributions, and does not represent the ratio of our rental revenues or cash distributions in excess of retained earnings. CSIF may decide not to make any amount of cash distributions in excess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

Characteristics of PV Plant Revenue

Forecastability of earning stability on a long-term basis

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

Dynamics of PV plant revenue during FIT period



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

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

History of CSIF

Date	Event
April 21, 2017	Notification on incorporation of the Investment Corporation by the organizer (Canadian Solar Asset Management K.K.) in accordance with Article 69, Paragraph 1 of the Investment Trust Law
May 18, 2017	Registration of incorporation of the Investment Corporation in accordance with Article 166 of the Investment Trust Law, Company Incorporation
May 25, 2017	Application for registration of the Investment Corporation in accordance with Article 188 of the Investment Trust Law
June 9, 2017	Prime Minister's approval of registration of the Investment Corporation in accordance with Article 187 of the Investment Trust Law (Kanto Regional Finance Bureau Director-General Registration No. 127)
October 30, 2017	Listing on Tokyo Stock Exchange (Securities Code:9284) Acquisition of 13 power plants (AUM: 13 power plants, total acquisition price JPY30.4Bn and total panel output 72.7MW)
February 1, 2018	Acquisition of 2 power plants (AUM: 15 power plants, total acquisition price JPY31.4Bn and total panel output 75.2MW)
September 6, 2018	Follow-on Offering Acquisition of 3 power plants (AUM: 18 power plants, total acquisition price JPY42.9Bn and total panel output 105.6MW)
March 1, 2019	Acquisition of 1 power plants (AUM: 19 power plants, total acquisition price JPY43.3Bn and total panel output 106.7MW)
March 29, 2019	Acquisition of 1 power plants (AUM: 20 power plants, total acquisition price JPY44.2Bn and total panel output 108.9MW)
November 29, 2019	Acquisition of 1 power plants (AUM: 21 power plants, total acquisition price JPY48.8Bn and total panel output 119.7MW)
September 28, 2020	Acquisition of 2 power plants (AUM: 23 power plants, total acquisition price JPY49.7Bn and total panel output 123.0MW)
March 8, 2021	Follow-on Offering Acquisition of 2 power plants (AUM: 25 power plants, total acquisition price JPY80.0Bn and total panel output 183.9MW)

Disclaimer

- This document has been prepared to provide information, and is not for soliciting and inviting investments in or recommending transaction of certain products. We request investors to make investments with their own responsibility and judgment.
- This document does not constitute a disclosure document or a management report based on the Financial Instruments and Exchange Act, the Act on Investment Trusts and Investment Corporations or the listing regulations of the Tokyo Stock Exchange.
- In addition to information on Canadian Solar Infrastructure Fund, Inc. (the "Investment Corporation"), this document includes figures, tables and data prepared by Canadian Solar Asset Management K.K. (the "Asset Manager") based on data/index and other information released by third parties. Analysis, judgment and other views of the Asset Manager on such information at the time of preparation are also included in this document.
- The information contained in this document is not audited and there is no assurance of the accuracy and certainty of such information. Analysis, judgment and other non-factual views of the Asset Manager represent views of the Asset Manager at this point in time. Different views may exist or the Asset Manager may change its views in the future.
- Figures under the same items of other disclosed materials may differ from figures presented in this document due to difference in the rounding of fractions, etc.
- While the Investment Corporation takes reasonable care in the preparation of this document, there may be errors. Readers are also cautioned that the contents of this document may be corrected or changed without prior notice.
- The Investment Corporation and the Asset Manager assume no responsibility for the accuracy of data, indexes and other information released by third parties.
- This document includes statements regarding future policies, etc. of the Investment Corporation. However, these statements do not guarantee said future policies, etc.
- For the convenience of preparing graphs, the dates indicated herein may differ from actual business dates.