

Canadian Solar Infrastructure Fund, Inc.

Independent Auditor's Report

12th Period

Grant Thornto Taiyo LLC

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of
Canadian Solar Infrastructure Fund, Inc.**

Opinion

We have audited the financial statements of Canadian Solar Infrastructure Fund, Inc. (the Company), which comprise the balance sheet as at June 30, 2023, and the statement of income, the statement of changes in Unitholders' Equity, the statement of cash distributions, the statement of cash flows for the six months then ended, notes to the financial statements, and supplementary schedules all expressed in Japanese yen.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2023, and its financial performance and its cash flows for the six months then ended in accordance with the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements, and the Ordinance on Accountings of Investment Corporations and accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without qualifying our opinion, we draw attention to "Notes on Facts Arising after the Settlement of Accounts" that describes that Canadian Solar Infrastructure Fund, Inc. issued new investments units, obtained additional borrowings and acquired assets.

Other Information

The other information comprises the information included in the disclosure documents including the audited financial statements, but does not include the financial statements and our auditor's report thereon.

We have not performed any work on the other information as we have determined that it does not exist.

Responsibilities of Management and Supervisory Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Supervisory Directors are responsible for overseeing the Executive Director's execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Executive Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Executive Director with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with him all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Hiroaki Ohkane 

Hiroaki Ohkane

Designated Engagement Partner

Certified Public Accountant

Takayoshi Ishikura 

Takayoshi Ishikura

Designated Engagement Partner

Certified Public Accountant

Grant Thornton Taiyo LLC

Grant Thornton Taiyo LLC

Tokyo, Japan

17 October, 2023

Summary of Financial Results for Fiscal Period Ended June 30, 2023

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

Balance Sheet

Statements of Income and Retained Earnings

Statements of Changes in Unitholders' Equity

Statements of Cash Flows

Notes to Financial Statements

1 【Financial Statement】

(1) Balance Sheet

(Unit : thousand yen)

	11th Period (December 31, 2022)	12th Period (June 30, 2023)
Assets		
Current Assets		
Cash and bank deposit	5,271,544	4,989,834
Operating accounts receivable	798,973	1,035,888
Accounts receivable	13,141	-
Prepaid expenses	262,709	181,049
Other current assets	59,468	46,202
Total current assets	6,405,837	6,252,975
Fixed Assets		
Property and equipment		
Structures	1,056,877	1,064,093
Accumulated depreciation	(193,153)	(215,001)
Structures, net	863,724	849,092
Machinery and equipment	42,480,349	42,495,764
Accumulated depreciation	(8,203,513)	(9,077,413)
Machinery and equipment, net	34,276,835	33,418,351
Tools, furniture and fixtures	591,663	592,466
Accumulated depreciation	(114,667)	(126,616)
Tools, furniture and fixtures, net	476,996	465,849
Land	4,505,944	4,505,944
Structures in trust	6,590,138	6,590,138
Accumulated depreciation	(441,608)	(563,468)
Structures in trust, net	6,148,530	6,026,670
Machinery and equipment in trust	20,291,246	20,291,246
Accumulated depreciation	(1,549,535)	(1,972,524)
Machinery and equipment in trust, net	18,741,711	18,318,722
Tools, furniture, and fixtures in trust	94,264	94,418
Accumulated depreciation	(7,036)	(8,971)
Tools, furniture and fixtures in trust, net	87,228	85,447
Land in trust	4,769,905	4,769,905
Construction in progress in trust	-	3,751
Total property and equipment	69,870,876	68,443,734
Intangible assets		
Leasehold rights	1,156,923	1,156,923
Software	2,226	2,528
Total intangible assets	1,159,150	1,159,452
Investments and other assets		
Long-term prepaid expenses	481,802	443,268
Investment in capital	10	10
Deferred tax assets	15	72
Long-term deposit	15,600	15,600
Guarantee deposits	37,790	37,790
Total investment and other assets	535,217	496,741
Total fixed assets	71,565,244	70,099,928
Deferred Assets		
Investment corporation bond issuance cost	14,921	12,141
Total deferred assets	14,921	12,141
Total assets	77,986,003	76,365,045

(Unit : thousand yen)

	11th Period (December 31, 2022)	12th Period (June 30, 2023)
Liabilities		
Current liabilities		
Operating Accounts payable	87,324	56,399
Current portion of long-term loans payable	2,275,477	2,267,295
Accounts payable – other	161,541	158,704
Accrued expenses	123,547	120,796
Income taxes payable	914	848
Consumption tax payable	76,773	84,607
Deposits received	1,265	511
Total current liabilities	2,726,843	2,689,163
Non-current liabilities		
Investment corporation bond	4,900,000	4,900,000
Long-term loan payable	30,512,844	29,376,343
Total non-current liabilities	35,412,844	34,276,343
Total liabilities	38,139,687	36,965,507
Net assets		
Unitholders' equity		
Unitholders' capital	40,631,004	40,631,004
Deduction from unitholders' capital	(1,998,255)	(2,234,888)
Unitholders' capital, net	38,632,749	38,396,116
Surplus		
Unappropriated retained earnings (Accumulated deficit)	1,213,566	1,003,421
Total surplus	1,213,566	1,003,421
Total unitholders' equity	39,846,315	39,399,537
Total net assets	*139,846,315	*139,399,537
Total liabilities and net assets	77,986,003	76,365,045

(2) Statements of Income

(Unit: thousand yen)

	11th Period (From July 1, 2022 to December 31, 2022)	12th Period (From January 1, 2023 to June 30, 2023)
Operating revenues		
Rental revenues of renewable energy power generation facilities, etc.	*13,715,150	*13,452,770
Total operating revenues	3,715,150	3,452,770
Operating expenses		
Rental expenses of renewable energy power generation facilities, etc.	*12,114,647	*12,083,424
Asset management fee	115,772	108,941
Administrative service fees	27,251	28,873
Director's compensation	2,400	2,400
Taxes and duties	164	52
Other operating expenses	71,612	72,905
Total operating expenses	2,331,848	2,296,597
Operating income	1,383,301	1,156,173
Non-operating incomes		
Interest income	29	28
Dividends	-	0
Insurance income	39,287	56,880
Other non-operating income	202	301
Total non-operating income	39,519	57,210
Non-operating expenses		
Interest expenses	148,732	141,496
Interest on investment corporation bond	19,262	18,947
Investment corporation bond issuance cost	2,779	2,779
Borrowing-related expenses	37,730	37,730
Investment units issuance costs	-	8,451
Total non-operating expenses	208,505	209,406
Ordinary income	1,214,315	1,003,977
Income before income taxes	1,214,315	1,003,977
Income taxes – current	918	852
Income taxes – deferred	(2)	(57)
Total income taxes	915	794
Net income	1,213,400	1,003,182
Retained earnings (Deficit) brought forward	165	239
Unappropriated retained earnings (Accumulated deficit)	1,213,566	1,003,421

(3) Statements of Changes in Unitholders' Equity

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

(Unit: thousand yen)

	Unitholders' equity						Total net assets
	Unitholders' capital			Surplus		Total unitholders' equity	
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Capital surplus or loss	Total surplus		
Balance as of July 1, 2022	40,631,004	(1,998,255)	38,632,749	1,509,284	1,509,284	40,142,034	40,142,034
Changes of items during the period							
Dividend of surplus	-	-	-	(1,509,118)	(1,509,118)	(1,509,118)	(1,509,118)
Net Income	-	-	-	1,213,400	1,213,400	1,213,400	1,213,400
Total changes of items during the period	-	-	-	(295,718)	(295,718)	(295,718)	(295,718)
Balance as of December 31, 2022	*1 40,631,004	(1,998,255)	38,632,749	1,213,566	1,213,566	39,846,315	39,846,315

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

(Unit: thousand yen)

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

(4) Statements of Cash Distribution

(Unit: yen)

	11th Fiscal Period (From July 1, 2022 to December 31, 2022)	12th Fiscal Period (From January 1, 2023 to June 30, 2023)
I Unappropriated retained earnings (Accumulated deficit)	1,213,566,004	1,003,421,642
II Distributions in excess of retained earnings		
Deduction from unitholders' capital	236,633,472	446,587,680
III Cash distributions	1,449,960,000	1,449,960,000
(Cash distributions per unit)	(3,750)	(3,750)
Profit distributions	1,213,326,528	1,003,372,320
(Profit distributions per unit)	(3,138)	(2,595)
Distributions in excess of retained earnings	236,633,472	446,587,680
(Distributions in excess of retained earnings)	(612)	(1,155)
IV Retained earnings (Deficit) carried forward	239,476	49,322
Calculation method for cash distributions	<p>In accordance with Articles 47, Paragraph 1 of Canadian Solar Infrastructure Fund, Inc. ("CSIF")'s Articles of Incorporation, the amount of cash distributions shall be the amount of profit in excess of an amount equivalent to 90% of distributable profits, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. Based on this policy, CSIF decided to make distributions of ¥1,213,326,528 which is the entire amount equivalent to the unappropriated retained earnings for the fiscal period under review of ¥1,213,566,004 excluding fractions of the distribution per unit that are less than ¥1.</p> <p>CSIF distributes cash in excess of retained earnings every fiscal period based on the cash distribution policy prescribed in Article 47, Paragraph 2 of CSIF's Articles of Incorporation. Based on this policy, CSIF decided to make cash distributions in excess of earnings (return of capital categorized as a distribution of the reduction in capital for Japanese tax purposes) in the amount of ¥236,633,472 which is equivalent to 16.3% of the amount of depreciation expenses recorded for the fiscal period under review of ¥1,453,687,832.</p> <p>Accordingly, the distribution per unit is ¥3,750.</p>	<p>In accordance with Articles 47, Paragraph 1 of Canadian Solar Infrastructure Fund, Inc. ("CSIF")'s Articles of Incorporation, the amount of cash distributions shall be the amount of profit in excess of an amount equivalent to 90% of distributable profits, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. Based on this policy, CSIF decided to make distributions of ¥1,003,372,320 which is the entire amount equivalent to the unappropriated retained earnings for the fiscal period under review of ¥1,003,421,642 excluding fractions of the distribution per unit that are less than ¥1.</p> <p>CSIF distributes cash in excess of retained earnings every fiscal period based on the cash distribution policy prescribed in Article 47, Paragraph 2 of CSIF's Articles of Incorporation. Based on this policy, CSIF decided to make cash distributions in excess of earnings (return of capital categorized as a distribution of the reduction in capital for Japanese tax purposes) in the amount of ¥446,587,680 which is equivalent to 30.7% of the amount of depreciation expenses recorded for the fiscal period under review of ¥1,454,833,616.</p> <p>Accordingly, the distribution per unit is ¥3,750.</p>

(Note) Distributions in excess of retained earnings per unit will generally be based on the cash distribution policy prescribed in CSIF's Articles of Incorporation and the Asset Manager's asset management guideline.

CSIF intends to make cash distributions of NCF within the FCF generated from the renewable energy power generation facilities. The amount available for distribution shall be calculated by multiplying NCF by the payout ratio.

Further, CSIF intends to make distributions in excess of retained earnings for each fiscal period in order to realize such policy.

CSIF's forecasts (including revised forecasts) for each fiscal period are based on the assumption of the Forecast Power Generation (P50) provided in the independent technical report which is used as a basis for calculating rents for renewable energy power generation facilities and if actual NCF calculated based on actual power generation during the applicable fiscal period exceeds forecast NCF, CSIF's policy is to set "forecast NCF multiplied by the payout ratio" as the upper limit of the amount of cash distributions for the applicable fiscal period.

On the other hand, if actual NCF is less than forecast NCF, CSIF's policy is to set "actual NCF multiplied by the payout ratio" as the amount of cash distributions for the applicable fiscal period.

Based on this policy, CSIF decided to make distributions for the previous fiscal period of ¥1,449,960,000 which is equivalent to 77.1% of forecast NCF amount for the fiscal period under review of ¥1,880,540,436. Of this, ¥236,633,472 which is the amount less of distributions of profit of ¥1,213,326,528 is distributions in excess of retained earnings.

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

(5) Statements of Cash Flows

(Unit: thousand yen)

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

(6) Notes To Financial Statements
 [NOTES ON GOING CONCERN PREMISE]
 Not applicable.

[SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES]

<p>1.Method of depreciation and amortization of non-current assets</p>	<p>(1) Property and equipment The straight-line method is adopted. In addition, the useful lives of major property and equipment are as shown below: Structures22 - 30 years Machinery and equipment6 - 25 years Tools, furniture and fixtures22 - 25 years Structures in trust24 - 30 years Machinery and equipment in trust... 24 - 25 years Tools, furniture and fixtures in trust...24 - 25 years</p> <p>(2) Intangible assets The straight-line method is adopted. In addition, the useful life is as shown below: Software 5 years</p> <p>(3) Long-term prepaid expenses The straight-line method is adopted.</p>
<p>2.Method of amortization of deferred assets</p>	<p>(1) Investment corporation bond issuance cost Amortized by the straight-line method over the life of the bonds.</p> <p>(2) Investment units issuance costs Expensed wholly when incurred.</p>
<p>3.Standards for revenue and expense recognition</p>	<p>Accounting for fixed assets tax With respect to fixed assets tax, city planning tax and depreciable assets tax, among other taxes, on the infrastructure assets held, of the tax amount assessed and determined, the amount corresponding to the calculation period is accounted as rental expenses. In addition, reimbursement such as fixed assets tax, which is paid to the seller and other persons on the acquisition of infrastructure assets and other assets ("the amount equivalent to the fixed assets taxes and other taxes") is not recognized as rental expenses but included in the acquisition cost of the concerned infrastructure assets and other assets.</p>
<p>4.Scope of funds in statements of cash flows</p>	<p>Funds (cash and cash equivalents) in statements of cash flows consist of cash on hand, demand deposits and short-term investments with a maturity of three months or less at the date of acquisition that can readily be converted into cash and that are subject to insignificant risks of changes in value.</p>
<p>5.Method of hedge accounting</p>	<p>(1) Method of hedge accounting Special treatment is adopted for the interest rate swap that meets the requirements for special treatment.</p> <p>(2) Hedging instruments and hedged items: · Hedging instruments.....Interest rate swap transaction · Hedged items.....Interest rate on loans</p> <p>(3) Policy for hedging CSIF conducts derivative transactions to hedge risks as set forth in the CSIF's Articles of Incorporation according to the rules for risk management.</p> <p>(4) Method of evaluation of effectiveness of hedging The interest rate swap meets the requirements for special treatment, and thus the evaluation of effectiveness is omitted.</p>
<p>6.Other significant matters serving as the basis for preparation of financial statements</p>	<p>Accounting treatment with regard to trust beneficiary interest in real estate With regards to trust beneficial interest in equipment of renewable energy power plants, all assets and liabilities within entrusted assets as well as all revenue and expense items which occur to entrusted assets are recorded as the respective account titles on the balance sheet and statements of income. The following</p>

	important account titles among the entrusted assets which are recorded as the respective account titles are separately indicated on the balance sheet: Structures in trust, Machinery and equipment in trust, Tools, furniture and fixtures in trust, Land in trust, Construction in progress in trust.
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[NOTES TO BALANCE SHEET]

*1 Minimum net assets stipulated in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

(Unit: thousand yen)	
As of December 31, 2022	As of June 30, 2023
50,000	50,000

[NOTES TO STATEMENTS OF INCOME]

*1 Breakdown of profits and losses from the rental business of renewable energy power generation facilities, etc.

(Unit: thousand yen)		
	From July 1, 2022 to December 31, 2022	From January 1, 2023 to June 30, 2023
A. Operating revenue from the rental business of renewable energy power generation facilities, etc.		
Rental revenue of renewable energy power generation facilities, etc.		
(Basic rent)	2,603,324	2,572,178
(Variable rent linked to actual output)	1,111,032	880,587
(Incidental income)	794	4
Total operating revenue from the rental business of renewable energy power generation facilities, etc.	3,715,150	3,452,770
B. Operating expenses from the rental business of renewable energy power generation facilities, etc.		
Rental expenses of renewable energy power generation facilities, etc.		
(Management entrustment expenses)	254,787	252,922
(Repair and maintenance costs)	50,561	29,835
(Taxes and duties)	243,242	211,913
(Utilities expenses)	6,915	7,262
(Insurance expenses)	37,243	58,314
(Depreciation expenses)	1,453,152	1,454,481
(Land rent)	62,096	62,044
(Trust fees)	6,600	6,600
(Other rental expenses)	49	49
Total operating expenses from the rental business of renewable energy power generation facilities, etc.	2,114,647	2,083,424
C. Profits and losses from the rental business of renewable energy power generation facilities, etc. (A-B)		
	1,600,502	1,369,346

[NOTES TO STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY]

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

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

[NOTES TO STATEMENTS OF CASH FLOWS]

*1 Relationship between the ending balance of cash and cash equivalents and the amounts on the balance sheet
(Unit: thousand yen)

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

[NOTES ON LEASE TRANSACTIONS]

Operating lease (as the lessor)
Future minimum lease payments

(Unit: thousand yen)

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

[NOTES ON FINANCIAL INSTRUMENTS]

1. Situation of financial instruments

(1) Policy for financial instruments

CSIF procures funds for acquiring new assets or repaying loans through loans from financial institutions, issuing investment corporation bonds or issuing investment units. The basic policy is to build stable and sound financial operations to maintain and increase earnings in the medium to long term and grow the size and value of assets.

(2) Details of the financial instruments and their risks and the risk management system

Long-term loans payables are one of the means to procure the funds for the acquisition of managed assets and are exposed to interest rate fluctuation risk and liquidity risk, among other risks. However, this risk is deducted through the appropriate balancing of the loan period and the interest rate type, and diversification of lenders, and the appropriate management of various types of indexes, especially the general application of the upper limit of the ratio of interest-bearing, which is 60%.

(3) Supplementary explanation on fair value of financial instruments

The fair values of financial instruments are values based on market prices, or if there are no market prices, values are reasonably calculated. Since certain assumptions are used for the calculation of fair values, they may change if different assumptions are used.

2. Matters relating to fair values of financial instruments

The book value and fair value as of December 31, 2022, and the amount of difference between these, are as follows. Notes to "Cash and bank deposit" and "Operating accounts receivable" have been omitted because their fair values are close to their book values since they are settled in cash and in a short period of time. And "Long-term deposit" and "Guarantee deposits" have been omitted because of low-materiality.

(Unit: thousand yen)

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

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

Liabilities

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

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

(3) Investment corporation bond

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

(4) Derivative transaction

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

The book value and fair value as of June 30, 2023, and the amount of difference between these, are as follows. Notes to "Cash and bank deposit" and "Operating accounts receivable" have been omitted because their fair values are close to their book values since they are settled in cash and in a short period of time. And "Long-term deposit" and "Guarantee deposits" have been omitted because of low-materiality.

(Unit: thousand yen)

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

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

Liabilities

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

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

(3) Investment corporation bond

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

(4) Derivative transaction

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

(Note 2) Scheduled redemption amount of loans payable and investment corporation bond after the closing date (December 31, 2022)

(Unit: thousand yen)

	Within one year	Longer than one year, within two years	Longer than two years, within three years	Longer than three years, within four years	Longer than four years, within five years	Longer than five years
Long-term loans payable	2,275,477	2,228,931	2,270,245	2,256,998	9,570,112	14,186,556
Investment corporation bond	-	1,100,000	-	3,800,000	-	-
Total	2,275,477	3,328,931	2,270,245	6,056,998	9,570,112	14,186,556

Scheduled redemption amount of loans payable and investment corporation bond after the closing date (June 30, 2023)

(Unit: thousand yen)

	Within one year	Longer than one year, within two years	Longer than two years, within three years	Longer than three years, within four years	Longer than four years, within five years	Longer than five years
Long-term loans payable	2,267,295	2,206,896	2,301,459	2,240,050	9,164,997	13,462,939
Investment corporation bond	-	1,100,000	3,800,000	-	-	-
Total	2,267,295	3,306,896	6,101,459	2,240,050	9,164,997	13,462,939

[NOTES ON SECURITIES]

Prior fiscal period (as of December 31, 2022)

Not applicable.

Current fiscal period (as of June 30, 2023)

Not applicable.

[NOTES ON DERIVATIVE TRANSACTIONS]

1. Those to which hedge accounting is not applied

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

Not applicable.

2. Those to which hedge accounting is applied

Prior fiscal period (as of December 31, 2022)

(Unit: thousand yen)

Method of hedge accounting	Type of derivative transactions and other matters	Major items hedged	Contract amount and other amounts		Fair value	Method of calculation of said market value
				Longer than one year		
Special treatment of interest rate swap	Interest rate swap transaction Fixed payment/variable receipt	Long-term loans payable	32,788,321	30,512,844	(Note)	-

(Note) Those that are subject to special treatment of interest rate swap are treated together with the current portion of long-term loans payable and the long-term loans payable to be hedged as one, and thus their fair value is presented together with the fair value of (Note 1)

(1) Current portion of long-term loans payable and (2) Long-term loans payable in "Notes on financial instruments 2. Matters relating to fair values of financial instruments, among other matters".

Current fiscal period (as of June 30, 2023)

(Unit: thousand yen)

Method of hedge accounting	Type of derivative transactions and other matters	Major items hedged	Contract amount and other amounts		Fair value	Method of calculation of said market value
				Longer than one year		
Special treatment of interest rate swap	Interest rate swap transaction Fixed payment/variable receipt	Long-term loans payable	31,643,639	29,376,343	(Note)	-

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

[NOTES ON RETIREMENT BENEFITS]

Prior fiscal period (as of December 31, 2022)
Not applicable.

Current fiscal period (as of June 30, 2023)
Not applicable.

[NOTES ON TAX EFFECT ACCOUNTING]

1. Breakdown of deferred tax assets and deferred tax liabilities by major cause

(Unit: thousand yen)

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

2. Breakdown of each major item that causes a significant difference between the effective statutory tax rate and the rate of the burden of corporate tax and other taxes after the application of tax effect accounting

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

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

Prior fiscal period (from July 1, 2022 to December 31, 2022)
Not applicable.

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

Not applicable.

[NOTES ON RELATED PARTY TRANSACTIONS]

1. Major corporate unitholders

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

Not applicable.

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

Not applicable.

2. Affiliates

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

Not applicable.

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

Not applicable.

3. Fellow Subsidiaries

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

Not applicable.

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

Not applicable.

4. Officers and major individual unitholders

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

Not applicable.

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

Not applicable.

[NOTES ON ASSET RETIREMENT OBLIGATIONS]

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

Not applicable.

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

Not applicable.

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

In addition, the Investment Corporation considers that the possibility of such contracts being cancelled is extremely low because it is difficult to use land covered by the contracts for purposes other than renewable energy power generation facilities.

[NOTES ON INVESTMENT AND RENTAL PROPERTY]

CSIF has renewable energy power generation facilities, etc. The book value, change during the period and fair value at the end of the period are as shown below.

(Unit: thousand yen)

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

(Note 1) The real estate that CSIF holds is real estate to be provided for the use of renewable energy power generation facilities, and thus with respect to the book value and the fair value, the amount of the renewable energy power generation facilities and real estate are stated together as one.

(Note 2) The book value is the amount at acquisition cost less the accumulated depreciation.

(Note 3) The change during the period ended December 31, 2022 primarily consisted of the increase due to capital expenditure for photovoltaic power generation facilities (69,349 thousand yen), and the decrease due to depreciation expenses (1,453,152 thousand yen). And the change during the period ended June 30, 2023 primarily consisted of the increase due to capital expenditure for photovoltaic power generation facilities (23,588 thousand yen), and the decrease due to depreciation expenses (1,454,481 thousand yen).

(Note 4) The fair value is the total sum of the median amount that we calculated according to Article 41, paragraph 1 of the CSIF's Articles of Incorporation on the basis of the appraised value in the range stated in the valuation report with the date of the value opinion on December 31, 2022 and June 30, 2023, which was obtained from PricewaterhouseCoopers Sustainability LLC (for S-01 to S-18). And, the fair value is the total sum of the median amount on the basis of the appraised value stated in the valuation report with the date of the value opinion on December 31, 2022 and June 30, 2023, which was obtained from Kroll International Inc (for S-19 to S-25). The fair value which is the total sum of the median amount stated in the valuation report of Kroll International Inc is rounded down to the nearest million yen.

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

[NOTES ON REVENUE RECOGNITION]

Not applicable.

[NOTES ON SEGMENT INFORMATION]

1. Segment information

Since CSIF has a single segment of the rental business of infrastructure assets, the segment information is omitted.

2. Related Information

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

(1) Information on products and services

Information is omitted because operating revenue from a single product/service to outside customers exceeds 90% of the operating revenue on the statements of income.

(2) Information on regions

① Operating revenue

Information is omitted because operating revenue from outside customers in Japan exceeds 90% of the operating revenue on the statements of income.

② Property and equipment

Information is omitted because the amount of property and equipment located in Japan exceeds 90% of the amount of property and equipment on the balance sheet.

(3) Information on major customers

(Unit: thousand yen)

Name of customer	Total net revenue	Name of related segment
Tida Power 01 G.K.	2,522,080	Renewable energy power generation facilities, etc. rental business
LOHAS ECE 2 G.K.	1,192,276	Renewable energy power generation facilities, etc. rental business

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

(1) Information on products and services

Information is omitted because operating revenue from a single product/service to outside customers exceeds 90% of the operating revenue on the statements of income.

(2) Information on regions

① Operating revenue

Information is omitted because operating revenue from outside customers in Japan exceeds 90% of the operating revenue on the statements of income.

② Property and equipment

Information is omitted because the amount of property and equipment located in Japan exceeds 90% of the amount of property and equipment on the balance sheet.

(3) Information on major customers

(Unit: thousand yen)

Name of customer	Total net revenue	Name of related segment
Tida Power 01 G.K.	2,785,578	Renewable energy power generation facilities, etc. rental business
LOHAS ECE 2 G.K. (Note)	667,187	Renewable energy power generation facilities, etc. rental business

(Note) LOHAS ECE2 G.K., which was the certified operator for CS Hij-machi Dai-ni Power Plant, was merged with Tida Power 01 G.K. as the surviving company on May 10, 2023.

[NOTES ON PER UNIT INFORMATION]

(Unit: yen)

	Prior fiscal period From July 1, 2022 to December 31, 2022	Current fiscal period From January 1, 2023 to June 30, 2023
Net assets per unit	103,053	101,898
Net income (Net loss) per unit	3,138	2,594

(Note 1) Net income (net loss) per unit is calculated by dividing net income (net loss) by the average number of investment units during the period. With respect to diluted profit per unit for the period under review, there are no dilutive investment units, and thus the statement is omitted.

(Note 2) The basis of calculation of net income (net loss) per unit is as follows.

	Prior fiscal period From July 1, 2022 to December 31, 2022	Current fiscal period From January 1, 2023 to June 30, 2023
Net income (Net loss) (Thousand yen)	1,213,400	1,003,182
Amount not attributable to common unit holders (Thousand yen)	—	—
Net income (Net loss) attributable to Common unit holders (Thousand yen)	1,213,400	1,003,182
Average number of investment units during the period (Units)	386,656	386,656

[NOTES ON FACTS ARISING AFTER THE SETTLEMENT OF ACCOUNTS]

(i) Issuance of new investment units

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

(a) Issuance of new investment units through public offering

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

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

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

(ii) Borrowing of funds

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

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

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

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

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

(Note 3) CSIF can make an early repayment during the period from the drawdown date to the maturity date of all or part of the Borrowings subject to certain conditions, such as prior written notice to the relevant lenders.

(Note 4) The loan agreements contain restrictive financial covenants, as a condition of the Borrowings, to be applied on each settlement date of CSIF, such as the total amount of interest-bearing liabilities to the total asset value, debt-to-equity ratio and debt service coverage ratios as indicators to determine the ability of CSIF to repay the loan. Breaches of such covenants for 2 successive fiscal periods or an occurrence of an acceleration event could result in being required to grant security interests in favor of the lenders.

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

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

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

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

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

(iii) Acquisition of assets

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

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

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

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

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

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

(7) Supplementary Schedules

1. Schedule of Securities

Not applicable.

2. Status of Contract Amounts, etc. and Estimated Fair Value of Derivative Transactions and Forward Exchange Transactions

(Unit: thousand yen)

Category	Type	Contract amount and other amounts (Note 1)		Fair value (Note 2)
			Longer than one year	
OTC (over-the-counter)	Interest rate swap transactions pay-fixed, receive-variable	31,643,639	29,376,343	-
Total		31,643,639	29,376,343	-

(Note 1) The contract amount, etc. of interest rate swap transactions is based upon notional principal amount.

(Note 2) Fair value is omitted because the transaction meets the requirement for special treatment based on the Accounting Standard for Financial Statements.

3. Schedule of Assets Related to Real Estate

Not applicable.

4. Schedule of Assets Related to Renewable Energy Power Generation Facilities

(Unit: million yen)

Asset Type	Balance as of December 31, 2022	Increase during the period	Decrease during the period	Balance as of June 30, 2023	Accumulated depreciation or accumulated amortization		Net balance as of June 30, 2023	Remarks	
						Depreciation during the period			
Property and equipment	Structures	1,056	7	-	1,064	215	21	849	(Note 1)
	Machinery and equipment	42,480	15	-	42,495	9,077	873	33,418	(Note 2)
	Tools, furniture and fixtures	591	0	-	592	126	11	465	(Note 3)
	Land	4,505	-	-	4,505	-	-	4,505	
	Structures in trust	6,590	-	-	6,590	563	121	6,026	
	Machinery and equipment in trust	20,291	-	-	20,291	1,972	422	18,318	
	Tools, furniture and fixtures in trust	94	0	-	94	8	1	85	(Note 3)
	Land in trust	4,769	-	-	4,769	-	-	4,769	
	Construction in progress in trust	-	3	-	3	-	-	3	(Note 4)
	Total	80,380	27	-	80,407	11,963	1,454	68,443	
Intangible assets	Leasehold rights	1,156	-	-	1,156	-	-	1,156	
	Software	6	0	-	7	4	0	2	
	Total	1,163	0	-	1,164	4	0	1,159	

(Note 1) The increase for the 12th FP is related to the renovation work for the second retention pond of S-13 CS Mashiki-machi Power Plant.

(Note 2) The increase for the 12th FP is mainly related to the PCS 6th year inspection of S-3 CS Kasama-shi Power Plant and S-7 CS Kasama-shi Dai-ni Power Plant and Cable protection work for the second work area for weeding of S-13 CS Mashiki-machi Power Plant.

(Note 3) The increase for the 12th FP is wholly related to the capital expenditure for photovoltaic power generation facilities.

(Note 4) The increase for the 12th FP is related to the cavity restoration work for E site of S-24 CS Hiji-machi Dai-ni Power Plant.

5. Schedule of Other Specified Assets

Not applicable.

6. Schedule of Investment corporation bond

(Unit: million yen)

Name of bond	Issue date	Balance as of January, 2023	Decrease during the period	Increase during the period	Balance as of June 30, 2023	Interest rate (%)	Repayment date	Use	Remarks
Canadian Solar Infrastructure Investment Corporation / The 1st Unsecured Bond	November 6, 2019	1,100	-	-	1,100	0.71	November 6, 2024	(Note1)	Unsecured Unguaranteed
Canadian Solar Infrastructure Investment Corporation / The 1st Unsecured Bond (Green bond)	January 26, 2021	3,800	-	-	3,800	0.80	January 26, 2026	(Note1)	Unsecured Unguaranteed
Total		4,900	-	-	4,900				

(Note 1) The proceeds shall be allocated for part of the funds for repayment of existing borrowing, acquisition of specified assets in the future repairing works, capital expenditure and operating expenses.

(Note 2) Scheduled redemption amounts of Investment corporation bond within five years after the date of the balance sheet are as follows.

(Unit: million yen)

	Within one year	Longer than one year within two years	Longer than two years within three years	Longer than three years within four years	Longer than four years within five years
Investment Corporation Bond	-	1,100	3,800	-	-
Total	-	1,100	3,800	-	-

7. Schedule of Loans Payable

(Unit: million yen)

Category	Lender	Balance as of January 1, 2023	Increase during the period	Decrease during the period	Balance as of June 30, 2023	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks
Long-term loans payable	SBI Shinsei Bank, Limited	1,759	-	65	1,693	0.84500 (Note 2)	October 31, 2027	Repayment in partial installments	(Note 4)	Unsecured, Unguaranteed
	Mizuho Bank, Ltd.	1,099	-	40	1,058					
	Sumitomo Mitsui Banking Corporation.	1,099	-	40	1,058					
	MUFG Bank, Ltd.	732	-	27	705					
	Resona Bank, Limited.	1,319	-	49	1,270					
	ORIX Bank Corporation.	732	-	27	705					
	The Hiroshima Bank, Ltd.	1,319	-	49	1,270					
	The Nanto Bank, Ltd.	1,319	-	49	1,270					
	The Oita Bank, Ltd.	659	-	24	635					
	The Shonai Bank, Ltd.	659	-	24	635					
	San ju San Bank, Ltd.	146	-	5	141					
	The Tochigi Bank, Ltd.	659	-	24	635					
	SBI Shinsei Bank, Limited	1,332	-	45	1,286					
Sumitomo Mitsui Banking Corporation	1,332	-	45	1,286						
MUFG Bank, Ltd.	1,539	-	52	1,486						
The Nanto Bank, Ltd.	769	-	26	743						
The Ashikaga Bank, Ltd.	788	-	27	761						
The Hiroshima Bank, Ltd.	394	-	13	380						

(Unit: million yen)

Category	Lender	Balance as of January 1, 2023	Increase during the period	Decrease during the period	Balance as of June 30, 2023	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks
Long-term loans payable	SBI Shinsei Bank, Limited	1,227	-	40	1,186	0.81990 (Note 3)	March 8, 2031	Repayment in partial installments	(Note 4)	Unsecured, Unguaranteed
	Sumitomo Mitsui Banking Corporation	1,227	-	40	1,186					
	Mizuho Bank, Ltd.	1,198	-	40	1,158					
	MUFG Bank, Ltd.	1,198	-	40	1,158					
	Sumitomo Mitsui Trust Bank, Limited	1,198	-	40	1,158					
	Asahi Shinkin Bank	1,868	-	62	1,805					
	The Tottori Bank, Ltd.	1,245	-	41	1,203					
	The Chugoku Bank, Ltd.	1,198	-	40	1,158					
	The 77 Bank, Ltd.	934	-	31	902					
	The Oita Bank, Ltd.	622	-	20	601					
	The Nanto Bank, Ltd.	622	-	20	601					
	The Senshu Ikeda Bank, Ltd.	622	-	20	601					
	The Bank of Saga, Ltd.	622	-	20	601					
	The Bank of Nagoya, Ltd.	622	-	20	601					
	The Fukuho Bank, Ltd.	444	-	14	429					
The Bank of Fukuoka, Ltd.	266	-	8	257						
Total		32,788	-	1,144	31,643	-	-	-	-	-

(Note 1) Average interest rate is based on actual number of days and weighted average. The number are rounded down.

(Note 2) For the debts with interest rate swap for hedging interest rate risk, the average interest rate incorporates the effect of such interest rate swap.

(Note 3) As from March 29, 2021, for the debts with interest rate swap for hedging interest rate risk, the average interest rate incorporates the effect of such interest rate swap.

(Note 4) The uses of the debt proceeds are the purchase of power plants.

(Unit: thousand yen)

	Within one year	Longer than one year within two years	Longer than two years within three years	Longer than three years within four years	Longer than four years within five years
Long-term loans payable	2,267,295	2,206,896	2,301,459	2,240,050	9,164,997