

Canadian Solar Infrastructure Fund, Inc.

Independent Auditor's Report

13<sup>th</sup> Period

Grant Thornton Taiyo LLC

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements Opinion

We have audited the financial statements of Canadian Solar Infrastructure Fund, Inc. (the Company), which comprise the balance sheet as at December 31, 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 December 31, 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.

## **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, actions taken to eliminate threats or safeguards applied.

### **Fee-related Information**

Fees paid or payable to our firm and to other firms within the same network as our firm for the audit of the financial statements of the Company and other non-audit fees charged in the audit period to the Company are 11 million yen and 2 million yen, respectively.

### **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

*Yukiya Yamamura*



Yukiya Yamamura

Designated Engagement Partner

Certified Public Accountant

*Grant Thornton Taiyo LLC*

Grant Thornton Taiyo LLC

Tokyo, Japan

9 April, 2024

# Summary of Financial Results for Fiscal Period Ended December 31, 2023

(13th Fiscal Period: from July 1 to December 31, 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)

	12th Period (June 30, 2023)	13th Period (December 31, 2023)
<b>Assets</b>		
<b>Current Assets</b>		
Cash and bank deposit	4,989,834	5,911,425
Operating accounts receivable	1,035,888	946,740
Prepaid expenses	181,049	337,251
Consumption taxes receivable	-	1,385,163
Other current assets	46,202	40,800
<b>Total current assets</b>	<b>6,252,975</b>	<b>8,621,381</b>
<b>Fixed Assets</b>		
<b>Property and equipment</b>		
Structures	1,064,093	1,074,228
Accumulated depreciation	(215,001)	(236,994)
<b>Structures, net</b>	<b>849,092</b>	<b>837,233</b>
Machinery and equipment	42,495,764	43,317,800
Accumulated depreciation	(9,077,413)	(9,964,984)
<b>Machinery and equipment, net</b>	<b>33,418,351</b>	<b>33,352,815</b>
Tools, furniture and fixtures	592,466	592,466
Accumulated depreciation	(126,616)	(138,582)
<b>Tools, furniture and fixtures, net</b>	<b>465,849</b>	<b>453,884</b>
Land	4,505,944	4,570,689
Structures in trust	6,590,138	7,923,918
Accumulated depreciation	(563,468)	(706,649)
<b>Structures in trust, net</b>	<b>6,026,670</b>	<b>7,217,268</b>
Machinery and equipment in trust	20,291,246	33,005,488
Accumulated depreciation	(1,972,524)	(2,599,626)
<b>Machinery and equipment in trust, net</b>	<b>18,318,722</b>	<b>30,405,862</b>
Tools, furniture, and fixtures in trust	94,418	134,095
Accumulated depreciation	(8,971)	(11,544)
<b>Tools, furniture and fixtures in trust, net</b>	<b>85,447</b>	<b>122,550</b>
Land in trust	4,769,905	6,948,625
Construction in progress in trust	3,751	3,751
<b>Total property and equipment</b>	<b>68,443,734</b>	<b>83,912,681</b>
<b>Intangible assets</b>		
Leasehold rights	1,156,923	1,486,690
Software	2,528	2,176
<b>Total intangible assets</b>	<b>1,159,452</b>	<b>1,488,866</b>
<b>Investments and other assets</b>		
Long-term prepaid expenses	443,268	914,460
Investment in capital	10	10
Deferred tax assets	72	16
Long-term deposit	15,600	23,400
Guarantee deposits	37,790	46,909
<b>Total investment and other assets</b>	<b>496,741</b>	<b>984,797</b>
<b>Total fixed assets</b>	<b>70,099,928</b>	<b>86,386,345</b>
<b>Deferred Assets</b>		
Investment corporation bond issuance cost	12,141	9,361
<b>Total deferred assets</b>	<b>12,141</b>	<b>9,361</b>
<b>Total assets</b>	<b>76,365,045</b>	<b>95,017,088</b>



(Unit : thousand yen)

	12th Period (June 30, 2023)	13th Period (December 31, 2023)
<b>Liabilities</b>		
Current liabilities		
Operating Accounts payable	56,399	100,930
Short-term loans payable	-	1,100,000
Current portion of investment corporation bond	-	1,100,000
Current portion of long-term loans payable	2,267,295	2,900,480
Accounts payable – other	158,704	233,455
Accrued expenses	120,796	111,268
Income taxes payable	848	954
Consumption tax payable	84,607	48,654
Deposits received	511	16,424
Total current liabilities	2,689,163	5,612,168
Non-current liabilities		
Investment corporation bond	4,900,000	3,800,000
Long-term loan payable	29,376,343	38,876,005
Long-term accounts payable - other	-	71,215
Total non-current liabilities	34,276,343	42,747,220
Total liabilities	36,965,507	48,359,388
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital	40,631,004	47,953,452
Deduction from unitholders' capital	(2,234,888)	(2,681,476)
Unitholders' capital, net	38,396,116	45,271,976
Surplus		
Unappropriated retained earnings (Accumulated deficit)	1,003,421	1,385,723
Total surplus	1,003,421	1,385,723
Total unitholders' equity	39,399,537	46,657,699
Total net assets	*1 39,399,537	*1 46,657,699
<b>Total liabilities and net assets</b>	<b>76,365,045</b>	<b>95,017,088</b>

## (2) Statements of Income

(Unit: thousand yen)

	12th Period (From January 1, 2023 to June 30, 2023)	13th Period (From July 1, 2023 to December 31, 2023)
<b>Operating revenues</b>		
Rental revenues of renewable energy power generation facilities, etc.	*1 3,452,770	*1 4,537,922
<b>Total operating revenues</b>	<b>3,452,770</b>	<b>4,537,922</b>
<b>Operating expenses</b>		
Rental expenses of renewable energy power generation facilities, etc.	*1 2,083,424	*1 2,414,802
Asset management fee	108,941	168,639
Administrative service fees	28,873	28,023
Director's compensation	2,400	2,400
Taxes and duties	52	3,108
Other operating expenses	72,905	73,957
<b>Total operating expenses</b>	<b>2,296,597</b>	<b>2,690,932</b>
<b>Operating income</b>	<b>1,156,173</b>	<b>1,846,990</b>
<b>Non-operating incomes</b>		
Interest income	28	32
Dividends	0	-
Gain on forfeiture of unclaimed dividends	291	648
Insurance income	56,880	-
Guarantee commission received	-	688
Other non-operating income	10	285
<b>Total non-operating income</b>	<b>57,210</b>	<b>1,654</b>
<b>Non-operating expenses</b>		
Interest expenses	141,496	183,994
Interest on investment corporation bond	18,947	19,262
Investment corporation bond issuance cost	2,779	2,779
Borrowing-related expenses	37,730	213,085
Investment units issuance costs	8,451	42,181
Loss on retirement of noncurrent assets	-	653
<b>Total non-operating expenses</b>	<b>209,406</b>	<b>461,956</b>
<b>Ordinary income</b>	<b>1,003,977</b>	<b>1,386,688</b>
<b>Income before income taxes</b>	<b>1,003,977</b>	<b>1,386,688</b>
Income taxes – current	852	959
Income taxes – deferred	(57)	55
<b>Total income taxes</b>	<b>794</b>	<b>1,014</b>
<b>Net income</b>	<b>1,003,182</b>	<b>1,385,673</b>
<b>Retained earnings (Deficit) brought forward</b>	<b>239</b>	<b>49</b>
<b>Unappropriated retained earnings (Accumulated deficit)</b>	<b>1,003,421</b>	<b>1,385,723</b>

## (3) Statements of Changes in Unitholders' Equity

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

13th Fiscal Period (From July 1, 2023 to December 31, 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 July 1, 2023	40,631,004	(2,234,888)	38,396,116	1,003,421	1,003,421	39,399,537	39,399,537
Changes of items during the period							
Issuance of new investment units	7,322,448	-	7,322,448	-	-	7,322,448	7,322,448
Distribution in excess of earnings	-	(446,587)	(446,587)	-	-	(446,587)	(446,587)
Dividend of surplus	-	-	-	(1,003,372)	(1,003,372)	(1,003,372)	(1,003,372)
Net Income	-	-	-	1,385,673	1,385,673	1,385,673	1,385,673
Total changes of items during the period	7,322,448	(446,587)	6,875,860	382,301	382,301	7,258,161	7,258,161
Balance as of December 31, 2023	*1 47,953,452	(2,681,476)	45,271,976	1,385,723	1,385,723	46,657,699	46,657,699

## (4) Statements of Cash Distribution

(Unit: yen)

	12th Fiscal Period (From January 1, 2023 to June 30, 2023)	13th Fiscal Period (From July 1, 2023 to December 31, 2023)
I Unappropriated retained earnings (Accumulated deficit)	1,003,421,642	1,385,723,092
II Distributions in excess of retained earnings		
Provision for temporary difference adjustments	-	1,807,024
Deduction from unitholders' capital	446,587,680	306,742,324
III Cash distributions	1,449,960,000	1,694,085,000
(Cash distributions per unit)	(3,750)	(3,750)
Profit distributions	1,003,372,320	1,385,535,652
(Profit distributions per unit)	(2,595)	(3,067)
Provision for temporary difference adjustments	-	1,807,024
(Distributions in excess of retained earnings per unit (for provision for temporary difference adjustments))	-	(4)
Distributions in excess of other retained earnings	446,587,680	306,742,324
(Distributions in excess of retained earnings per unit (for distributions in excess of other retained earnings))	(1,155)	(679)
IV Retained earnings (Deficit) carried forward	49,322	187,440
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 ¥1,003,372,320 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</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 ¥1,385,535,652 which is the entire amount equivalent to the unappropriated retained earnings for the fiscal period under review of ¥1,385,723,092 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</p>

	<p>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>	<p>reduction in capital for Japanese tax purposes) in the amount of ¥306,742,324 which is equivalent to 18.1% of the amount of depreciation expenses recorded for the fiscal period under review of ¥1,694,819,934.</p> <p>And CSIF decided to make cash distributions in excess of earnings (not return of capital categorized as a distribution of the reduction in capital for Japanese tax purposes) in the amount of ¥1,807,024 equivalent to provision for temporary difference adjustments.</p> <p>Accordingly, the distribution per unit is ¥3,750.</p>
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(Note) Distributions in excess of retained earnings per unit will generally be based on the cash distribution policy prescribed in CSIF's Articles of Incorporation and the Asset Manager's asset management guideline.

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

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

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

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

Based on this policy, CSIF decided to make distributions for the previous fiscal period of ¥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.

Based on this policy, CSIF decided to make distributions for the current fiscal period of ¥1,694,085,000 which is equivalent to 91.6% of forecast NCF amount for the fiscal period under review of ¥1,850,262,805. Of this, ¥308,549,348 which is the amount less of distributions of profit of ¥1,385,535,652 is distributions in excess of retained earnings.

## (5) Statements of Cash Flows

(Unit: thousand yen)

	12th Fiscal Period (From January 1, 2023 to June 30, 2023)	13th Fiscal Period (From July 1, 2023 to December 31, 2023)
<b>Cash flows from operating activities</b>		
Income before income taxes	1,003,977	1,386,688
Depreciation cost	1,454,833	1,694,819
Investment unit issuance costs	-	42,181
Amortization of investment corporation bond issuance cost	2,779	2,779
Interest income and dividends	(28)	(32)
Interest expenses	160,444	203,256
Gain on forfeiture of unclaimed dividends	(291)	(648)
Loss on retirement of noncurrent assets	-	653
Decrease (Increase) in operating accounts receivable	(236,915)	89,148
Decrease (Increase) in accounts receivable - other	13,141	-
Decrease (Increase) in consumption taxes receivable	-	(1,385,163)
Increase (Decrease) in consumption taxes payable	7,645	(36,052)
Decrease (Increase) in prepaid expenses	81,659	(156,202)
Decrease (Increase) in long-term prepaid expenses	38,533	(471,191)
Increase (Decrease) in operating accounts payable	(35,111)	49,334
Increase (Decrease) in accounts payable - other	(45)	80,147
Increase (Decrease) in accrued expenses	(1,784)	(11,970)
Other, net	12,512	21,315
Sub-total	2,501,351	1,509,064
Interest and dividends received	28	32
Interest paid	(161,410)	(200,814)
Income taxes paid	(918)	(853)
Net cash provided by (Used in) operating activities	2,339,051	1,307,428
<b>Cash flows from investing activities</b>		
Payments into fixed deposits	-	(7,800)
Purchases of property and equipment	(25,465)	(17,168,817)
Purchases of intangible assets	(654)	(254,802)
Payments of guarantee deposits	-	(9,119)
Net cash provided by (Used in) investing activities	(26,119)	(17,440,539)
<b>Cash flows from financing activities</b>		
Proceeds from short-term loans payable	-	1,100,000
Proceeds from long-term loans payable	-	11,600,000
Repayment of long-term loans payable	(1,144,681)	(1,467,153)
Proceeds from issuance of investment units	-	7,322,448
Payments of investment unit issuance costs	-	(50,632)
Dividends paid	(1,213,326)	(1,003,372)
Surplus earning distribution paid	(236,633)	(446,587)

Net cash provided by (Used in) financing activities	(2,594,641)	17,054,702
Net increase (Decrease) in cash and cash equivalents	(281,710)	921,591
Cash and cash equivalents at the beginning of the fiscal period	5,271,544	4,989,834
Cash and cash equivalents at the end of the fiscal period	*1 4,989,834	*1 5,911,425

(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:              Structures .....22 - 30 years              Machinery and equipment .....6 - 29 years              Tools, furniture and fixtures .....22 - 25 years              Structures in trust .....24 - 30 years              Machinery and equipment in trust... 24 - 29 years              Tools, furniture and fixtures in trust...24 - 29 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.          The amount equivalent to the fixed assets taxes and other taxes which are included in the acquisition cost of infrastructure assets during the fiscal period under review are 38,285 thousand yen.</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>



6.Other significant matters serving as the basis for preparation of financial statements	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 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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(Additional Information)

(Notes to Provision and Reversal of Reserve for Temporary Difference Adjustments)

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

Not applicable

Current fiscal period (from July 1, 2023 to December 31,2023)

1.Reasons for occurrence, assets and amount of the reserve

Subject asset	Reason for reserve	Reserve for temporary difference adjustment
Solar energy facility (mainly CS Mashiki-machi Power Plant)	Occurrence of the issue of inconsistency between accounting purposes and tax purposes regarding recording of depreciation expenses	1,807 thousand yen

(Note) Regarding the depreciation expenses related to the PCS 6th annual inspection parts that were acquired during the current period and recorded as machinery and equipment mainly at the CS Mashiki-machi Power Plant, there is a tax-accounting discrepancy between the accounting useful life and the statutory useful life for tax purposes on which the calculation was based. In order to reduce the tax burden due to the tax-accounting discrepancy, CSIF plans to record the amount equivalent to the tax-accounting discrepancy as a reserve for temporary difference adjustment and distribute it as a distribution in excess of earnings in the calculation of cash distribution for the current fiscal year.

2.Specific method of reversal

CSIF plans to reverse the amount to be reversed upon inclusion of the expenses after passing the useful life on the tax purpose.

#### [NOTES TO CHANGES IN PRESENTATION METHODS]

(Statements of Income)

In the previous fiscal period, "Gain on forfeiture of unclaimed dividends", which was included in "Other non-operating income" under "Non-operating income", is presented separately from this fiscal period because it is expected to occur on a materiality basis.

As a result, "Other non-operating income" at 291 thousand yen under "Non-operating income" has been reclassified to "Gain on forfeiture of unclaimed dividends" at 291 thousand yen under "Non-operating income" in the statements of income for the previous fiscal period.

(Statements of Cash Flows)

In the previous fiscal period, "Gain on forfeiture of unclaimed dividends", which was included in "Other non-operating income" under "Cash flows from operating activities", is presented separately from this fiscal period because it is expected to occur on a materiality basis.

As a result, "Other non-operating income" at 291 thousand yen under "Cash flows from operating activities" has been reclassified to "Gain on forfeiture of unclaimed dividends" at 291 thousand yen under "Cash flows from operating activities" in the statements of cash flows for the previous fiscal period.

[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 June 30, 2023	As of December 31, 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 January 1, 2023 to June 30, 2023	From July 1, 2023 to December 31, 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)	2,572,178	3,100,065
(Variable rent linked to actual output)	880,587	1,437,806
(Incidental income)	4	50
Total operating revenue from the rental business of renewable energy power generation facilities, etc.	3,452,770	4,537,922
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)	252,922	298,151
(Repair and maintenance costs)	29,835	30,500
(Taxes and duties)	211,913	211,914
(Utilities expenses)	7,262	5,574
(Insurance expenses)	58,314	67,406
(Depreciation expenses)	1,454,481	1,694,467
(Land rent)	62,044	96,599
(Trust fees)	6,600	10,188
(Other rental expenses)	49	-
Total operating expenses from the rental business of renewable energy power generation facilities, etc.	2,083,424	2,414,802
C. Profits and losses from the rental business of renewable energy power generation facilities, etc. (A-B)	1,369,346	2,123,120

[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 January 1, 2023 to June 30, 2023	From July 1, 2023 to December 31, 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	451,756 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 January 1, 2023 to June 30, 2023	From July 1, 2023 to December 31, 2023
Cash and deposits	4,989,834	5,911,425
Fixed term deposits exceeding 3 months	-	-
Cash and cash equivalents	4,989,834	5,911,425

[NOTES ON LEASE TRANSACTIONS]

Operating lease (as the lessor)  
Future minimum lease payments

(Unit: thousand yen)

	Fiscal period ended June 30, 2023	Fiscal period ended December 31, 2023
Within one year	5,108,927	6,260,744
Longer than one year	66,556,237	81,394,527
Total	71,665,164	87,655,272

[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 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.

The book value and fair value as of December 31, 2023, and the amount of difference between these, are as follows. Notes to "Cash and bank deposit", "Operating accounts receivable" and "Short-term loans payable" 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 investment corporate bond	1,100,000	1,097,690	(2,310)
(2) Current portion of long-term loans payable	2,900,480	2,904,388	3,907
(3) Long-term loans payable	38,876,005	39,291,685	415,680
(4) Investment corporation bond	3,800,000	3,782,520	(17,480)
Total liabilities	46,676,485	47,076,283	399,798
(5) 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 investment corporate bond (4) Investment corporation bond

The fair value is determined based on market prices.

(2) Current portion of long-term loans payable (3) 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.

(5) 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 (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

Scheduled redemption amount of loans payable and investment corporation bond after the closing date (December 31, 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	2,900,480	2,935,268	2,882,405	10,249,481	5,669,200	17,139,648
Investment corporation bond	1,100,000	-	3,800,000	-	-	-
Total	4,000,480	2,935,268	6,682,405	10,249,481	5,669,200	17,139,648

[NOTES ON SECURITIES]

Prior fiscal period (as of June 30, 2023)

Not applicable.

Current fiscal period (as of December 31, 2023)

Not applicable.

[NOTES ON DERIVATIVE TRANSACTIONS]

1. Those to which hedge accounting is not applied

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

Not applicable.

2. Those to which hedge accounting is applied

Prior 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".

Current fiscal period (as of December 31, 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	36,144,664	33,579,958	(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) (2) Current portion of long-term loans payable and (3) 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 June 30, 2023)

Not applicable.

Current fiscal period (as of December 31, 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 June 30, 2023	Fiscal period ended December 31, 2023
Deferred tax assets		
Accrued business tax not deductible from taxable income	12	16
Non-deductible excess depreciation	60	616
Total deferred tax assets	72	632
Valuation allowance	-	(616)
Total deferred tax assets	-	16
Net amount of deferred tax assets	72	16

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 June 30, 2023	Fiscal period ended December 31, 2023
Effective statutory tax rate	31.46%	31.46%
(Adjustment)		
Dividends paid deductible for tax purpose	(31.44)%	(31.47)%
Others	0.06%	0.09%
Rate of burden of corporate tax and other taxes after the application of tax effect accounting	0.08%	0.07%

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

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

Not applicable.

Current fiscal period (from July 1, 2023 to December 31, 2023)

Not applicable.

[NOTES ON RELATED PARTY TRANSACTIONS]

1. Major corporate unitholders

Prior fiscal period (from January 1, 2023 to June 30, 2023)  
Not applicable.

Current fiscal period (from July 1, 2023 to December 31, 2023)  
Not applicable.

2. Affiliates

Prior fiscal period (from January 1, 2023 to June 30, 2023)  
Not applicable.

Current fiscal period (from July 1, 2023 to December 31, 2023)  
Not applicable.

3. Fellow Subsidiaries

Prior fiscal period (from January 1, 2023 to June 30, 2023)  
Not applicable.

Current fiscal period (from July 1, 2023 to December 31, 2023)  
Not applicable.

4. Officers and major individual unitholders

Prior fiscal period (from January 1, 2023 to June 30, 2023)  
Not applicable.

Current fiscal period (from July 1, 2023 to December 31, 2023)  
Not applicable.

[NOTES ON ASSET RETIREMENT OBLIGATIONS]

Prior fiscal period (from January 1, 2023 to June 30, 2023)  
Not applicable.

Current fiscal period (from July 1, 2023 to December 31, 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 January 1, 2023 to June 30, 2023	Current fiscal period From July 1, 2023 to December 31, 2023
Book value (Note 2)		
Beginning balance	71,027,800	69,596,907
Change during the period (Note 3)	(1,430,893)	15,798,713
Ending balance	69,596,907	85,395,621
Fair value at the end of the period (Note 4)	74,876,000	88,755,000

(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 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). And the change during the period ended December 31, 2023 primarily consisted of the increase due to acquisition of 6 photovoltaic power generation facilities (17,403,921 thousand yen), and the decrease due to depreciation expenses (1,694,467 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 June 30, 2023 and December 31, 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 June 30, 2023 and December 31, 2023, which was obtained from Kroll International Inc (for S-19 to S-30). For the period ended June 30, 2023, 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. 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, 2023, which was obtained from Japan Real Estate Institute (for S-31).

In addition, profits and losses from the renewable energy power generation facilities, etc. for the fiscal period ended June 30, 2023 (the 12th period) and the fiscal period ended December 31, 2023 (the 13th 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 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.

Current fiscal period (from July 1, 2023 to December 31, 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.	4,536,863	Renewable energy power generation facilities, etc. rental business
CS Yamaguchi Aio Futajima Ni G.K.	1,008	Renewable energy power generation facilities, etc. rental business

[NOTES ON PER UNIT INFORMATION]

(Unit: yen)

	Prior fiscal period From January 1, 2023 to June 30, 2023	Current fiscal period From July 1, 2023 to December 31, 2023
Net assets per unit	101,898	103,280
Net income (Net loss) per unit	2,594	3,111

(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 January 1, 2023 to June 30, 2023	Current fiscal period From July 1, 2023 to December 31, 2023
Net income (Net loss) (Thousand yen)	1,003,182	1,385,673
Amount not attributable to common unit holders (Thousand yen)	—	-
Net income (Net loss) attributable to Common unit holders (Thousand yen)	1,003,182	1,385,673
Average number of investment units during the period (Units)	386,656	445,353

[NOTES ON FACTS ARISING AFTER THE SETTLEMENT OF ACCOUNTS]

Not applicable.

(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	36,144,664	33,579,958	-
Total		36,144,664	33,579,958	-

(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 July 1, 2023	Increase during the period	Decrease during the period	Balance as of December 31, 2023	Accumulated depreciation or accumulated amortization		Net balance as of December 31, 2023	Remarks	
						Depreciation during the period			
Property and equipment	Structures	1,064	10	-	1,074	236	21	837	(Note)
	Machinery and equipment	42,495	822	-	43,317	9,964	887	33,352	(Note)
	Tools, furniture and fixtures	592	-	-	592	138	11	453	
	Land	4,505	64	-	4,570	-	-	4,570	(Note)
	Structures in trust	6,590	1,333	-	7,923	706	143	7,217	(Note)
	Machinery and equipment in trust	20,291	12,714	0	33,005	2,599	627	30,405	(Note)
	Tools, furniture and fixtures in trust	94	39	-	134	11	2	122	(Note)
	Land in trust	4,769	2,178	-	6,948	-	-	6,948	(Note)
	Construction in progress in trust	3	-	-	3	-	-	3	
	Total	80,407	17,164	0	97,571	13,658	1,694	83,912	
Intangible assets	Leasehold rights	1,156	329	-	1,486	-	-	1,486	(Note)
	Software	7	-	-	7	4	0	2	
	Total	1,164	329	-	1,493	4	0	1,488	

(Note) The increase for the 13th FP is mainly related to the acquisition of photovoltaic power generation facilities (on July 19, 2023 and December 1, 2023).

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 July 1, 2023	Decrease during the period	Increase during the period	Balance as of December 31, 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 July 1, 2023	Increase during the period	Decrease during the period	Balance as of December 31, 2023	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks
Short-term loans payable	Sumitomo Mitsui Banking Corporation.	-	367	-	367	0.25188	July 19, 2024 or the first interest payment date after the consumption tax refund date, whichever is earlier	Bullet	(Note 4)	Unsecured, Unguaranteed
	Mizuho Bank, Ltd.	-	367	-	367					
	SBI Shinsei Bank, Limited	-	366	-	366					
Sub total		-	1,100	-	1,100	-	-	-	-	-
Long-term loans payable	SBI Shinsei Bank, Limited	1,693	-	65	1,627	0.84500 (Note 2)	October 31, 2027	Repayment in partial installments	(Note 4)	Unsecured, Unguaranteed
	Mizuho Bank, Ltd.	1,058	-	41	1,017					
	Sumitomo Mitsui Banking Corporation.	1,058	-	41	1,017					
	MUFG Bank, Ltd.	705	-	27	678					
	Resona Bank, Limited.	1,270	-	49	1,220					
	ORIX Bank Corporation.	705	-	27	678					
	The Hiroshima Bank, Ltd.	1,270	-	49	1,220					
	The Nanto Bank, Ltd.	1,270	-	49	1,220					
	The Oita Bank, Ltd.	635	-	24	610					
	The Shonai Bank, Ltd.	635	-	24	610					
	San ju San Bank, Ltd.	141	-	5	135					
	The Tochigi Bank, Ltd.	635	-	24	610					

(Unit: million yen)

Category	Lender	Balance as of July 1, 2023	Increase during the period	Decrease during the period	Balance as of December 31, 2023	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks
Long-term loans payable	SBI Shinsei Bank, Limited	1,286	-	48	1,238	1.04200 (Note 2)	September 6, 2028	Repayment in partial installments	(Note 4)	Unsecured, Unguaranteed
	Sumitomo Mitsui Banking Corporation	1,286	-	48	1,238					
	MUFG Bank, Ltd.	1,486	-	55	1,430					
	The Nanto Bank, Ltd.	743	-	27	715					
	The Ashikaga Bank, Ltd.	761	-	28	733					
	The Hiroshima Bank, Ltd.	380	-	14	366					
	SBI Shinsei Bank, Limited	1,186	-	38	1,147	0.81990 (Note 3)	March 8, 2031	Repayment in partial installments	(Note 4)	Unsecured, Unguaranteed
	Sumitomo Mitsui Banking Corporation	1,186	-	38	1,147					
	Mizuho Bank, Ltd.	1,158	-	37	1,120					
	MUFG Bank, Ltd.	1,158	-	37	1,120					
	Sumitomo Mitsui Trust Bank, Limited	1,158	-	37	1,120					
	Asahi Shinkin Bank	1,805	-	59	1,746					
	The Tottori Bank, Ltd.	1,203	-	39	1,164					
	The Chugoku Bank, Ltd.	1,158	-	37	1,120					
	The 77 Bank, Ltd.	902	-	29	873					
	The Oita Bank, Ltd.	601	-	19	582					
	The Nanto Bank, Ltd.	601	-	19	582					
	The Senshu Ikeda Bank, Ltd.	601	-	19	582					
	The Bank of Saga, Ltd.	601	-	19	582					
	The Bank of Nagoya, Ltd.	601	-	19	582					
The Fukuho Bank, Ltd.	429	-	14	415						
The Bank of Fukuoka, Ltd.	257	-	8	249						

(Unit: million yen)

Category	Lender	Balance as of July 1, 2023	Increase during the period	Decrease during the period	Balance as of December 31, 2023	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks
Long-term loans payable	Sumitomo Mitsui Banking Corporation	-	1,200	34	1,165	1.14759 (Note 5)	July 19, 2033	Repayment in partial installments	(Note 4)	Unsecured, Unguaranteed
	Mizuho Bank, Ltd.	-	1,200	34	1,165					
	SBI Shinsei Bank, Limited	-	1,200	34	1,165					
	MUFG Bank, Ltd.	-	1,100	31	1,068					
	Sumitomo Mitsui Trust Bank, Limited	-	1,100	31	1,068					
	Sumitomo Mitsui Banking Corporation	-	1,200	34	1,165	0.52018	July 19, 2033	Repayment in partial installments	(Note 4)	Unsecured, Unguaranteed
	Mizuho Bank, Ltd.	-	1,200	34	1,165					
	SBI Shinsei Bank, Limited	-	1,200	34	1,165					
	MUFG Bank, Ltd.	-	1,100	31	1,068					
	Sumitomo Mitsui Trust Bank, Limited	-	1,100	31	1,068					
Sub total	31,643	11,600	1,467	41,776	-	-	-	-	-	
Total	31,643	12,700	1,467	42,876	-	-	-	-	-	

(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.

(Note 5) As from August 15, 2023, for the debts with interest rate swap for hedging interest rate risk, the average interest rate incorporates the effect of such interest rate swap.

(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	2,900,480	2,935,268	2,882,405	10,249,481	5,669,200