



S-29 CS Miyako-machi Saigawa PP

Security Code **9284**

12<sup>th</sup> FP (ended June 2023)  
**Presentation Materials**  
Canadian Solar Infrastructure Fund, Inc.

**Asset Manager**  
Canadian Solar Asset management K.K.

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# 1. Financial Highlights

# Financial highlights of 12<sup>th</sup> FP

- In the 12<sup>th</sup> FP, actual energy output was lower than the projected energy output, mainly due to the large increase in the number of output curtailments in Kyushu area though the weather was favorable in general. As a result, operating revenues decreased by 238 million yen from the initial forecast in February.
- Despite a decrease in maintenance and management costs, depreciation and administrative fees, as well as insurance income of 56 million yen recorded in non-operating incomes and expenses, net income was 144 million yen below the initial forecast and EPU was 374 yen below the initial forecast (Distributions in excess of earnings increased by 374 yen, and total distributions per unit remained at 3,750 yen).

Statement of Income Data (million yen)	11 <sup>th</sup> FP	12 <sup>th</sup> FP (ended Jun. 2023)			
	Actual	Forecast @Feb.15, 2023	Amendment @Jun.30, 2023	Actual	Increase / (Decrease) (vs Forecast)
Operating revenues	<b>3,715</b>	<b>3,690</b>	<b>3,400</b>	<b>3,452</b>	(238)
Operating income	<b>1,383</b>	<b>1,352</b>	<b>1,107</b>	<b>1,156</b>	(196)
Income before income taxes	<b>1,214</b>	<b>1,149</b>	<b>963</b>	<b>1,003</b>	(145)
Net income	<b>1,213</b>	<b>1,148</b>	<b>962</b>	<b>1,003</b>	(144)
Distribution per unit (including distributions in excess of earnings)	3,750 yen	3,750 yen	3,750 yen	<b>3,750 yen</b>	-
Distributions per unit (excluding distributions in excess of earnings)	3,138 yen	2,696 yen	2,491 yen	<b>2,595 yen</b>	(374 yen)
Distributions in excess of earnings per unit	612 yen	781 yen	1,259 yen	<b>1,155 yen</b>	374 yen

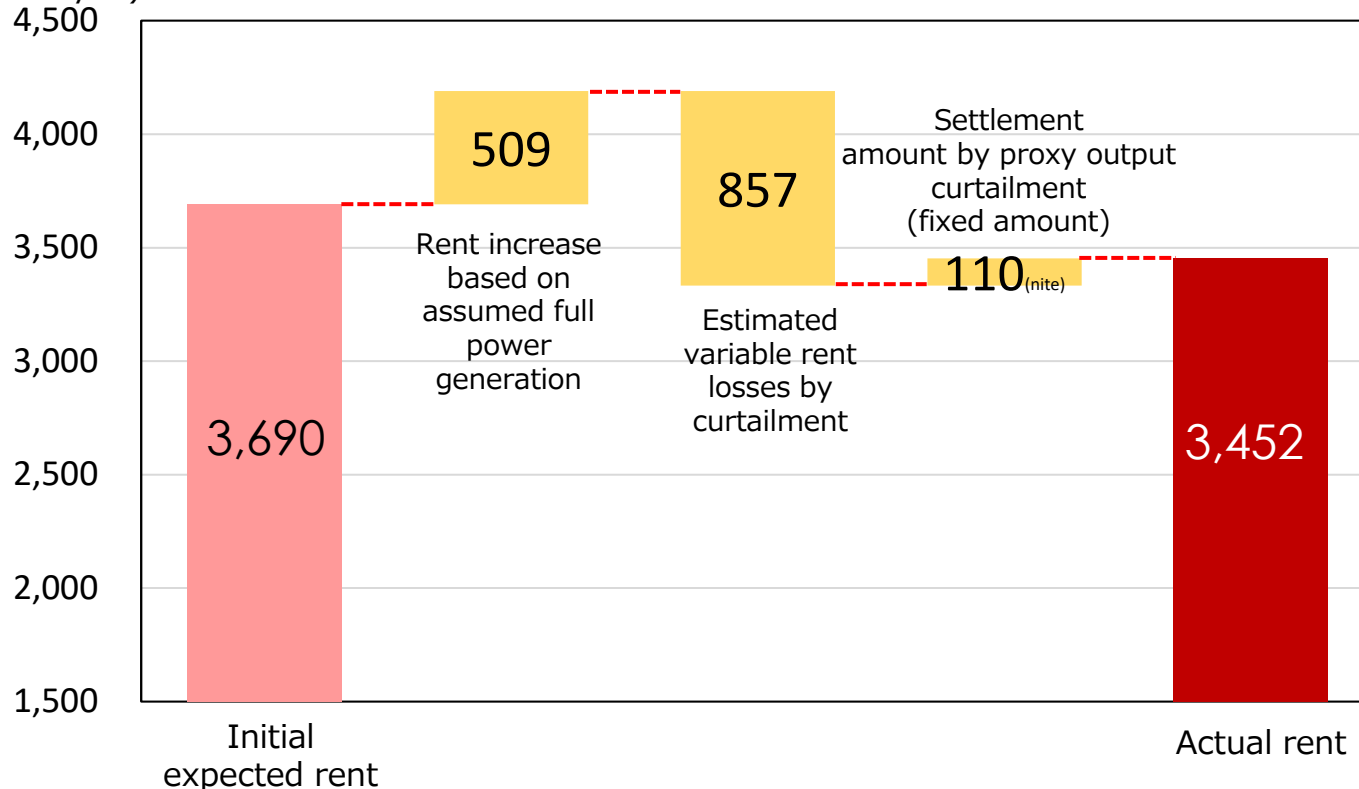
Main difference (vs. forecast)		
Operating revenues	Decrease in variable rent	(226)
Operating expenses	Decrease in; Maintenance management cost	20
	Depreciation	10
	Administration fee	5
Non-operating incomes and expenses	Insurance income	56

# Analysis of Operating Revenues in the 12th FP

- In the 12th FP, it is assumed that overall power generation was favorable due to good weather throughout the period, but the number of times curtailment was implemented, including in Kyushu area, was much higher than expected. As a result, the total estimated lost rent was approximately 857 million yen, and actual rent income was 3,452 million yen, 238 million yen lower than the forecast.

## Transition of rent income for the 12th FP (period-ended Jun. 2023)

(million yen)

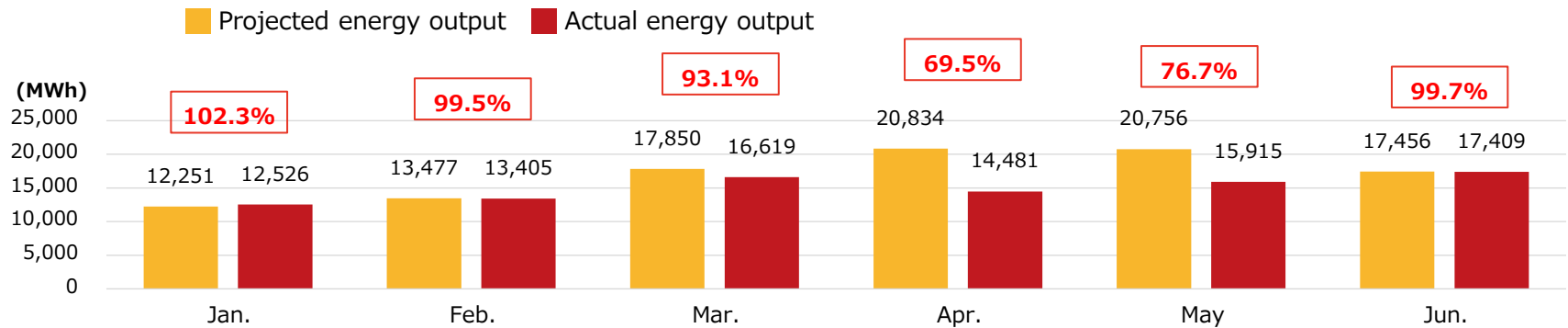


(Note) Proxy output curtailment means that when the actual output curtailment is carried out, the online control operator performs the output curtailment that should be performed by the offline control operator instead, and under the law, the online control operator is deemed to have generated and supplied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

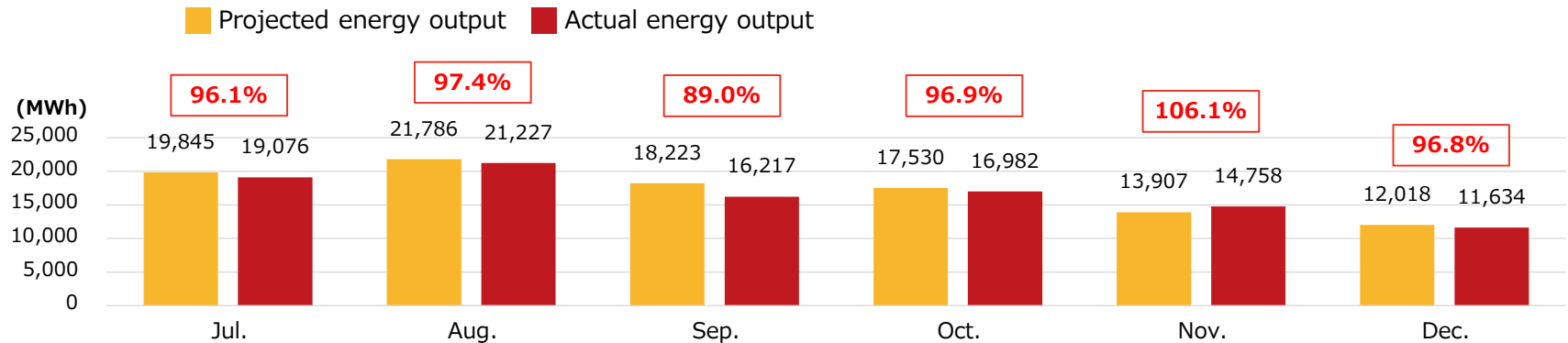
# Portfolio Power Generation Performance

- Actual power generation in the 12<sup>th</sup> FP fell far below the initial forecast since the number of output curtailments, especially from March to May, increased significantly compared to the previous year
- 12<sup>th</sup> FP actual energy output ÷ projected energy output = 88.05%  
(10<sup>th</sup> FP (corresponding period of the previous year): 108.23%)

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



## 11th Fiscal Period (July 2022~December 2022)



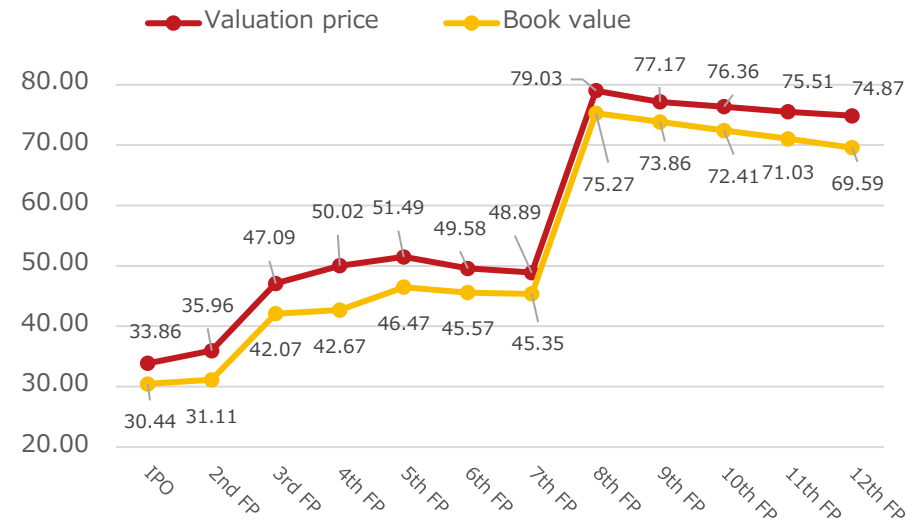
# AUM Snapshot

- A summary of AUM as of the end of 12th FP. The fund has 25 power plants with total panel output of 184 MW and the total acquisition price is approximately ¥80Bn

## <Portfolio as of the end of 12<sup>th</sup> FP>

# of projects	25 projects
Panel output of AUM	183.9 MW
Total acquisition price as of the end of 12 <sup>th</sup> FP	¥80.00 Bn
Total valuation price <sup>(Note)</sup> as of the end of 12 <sup>th</sup> FP	¥74.87 Bn

## ■ Historical valuation and book value (after depreciation)



## < (Reference) Portfolio after acquisition of assets acquired in the 3<sup>rd</sup> PO >

# of projects	30 properties	Panel output of AUM	225.3 MW	Total acquisition price	¥96.78 bn	Total valuation price <sup>(Note)</sup>	¥91.99 bn
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(Note): The term "valuation price" refers to the intermediate value of power plants whose property numbers in the Asset List on page 12 are S-01 through S-18 estimated by CSIF, based on the valuations of power plants at the end of June 2023 calculated by PricewaterhouseCoopers Sustainability LLC. As for power plants S-19 through S-25, "valuation price" is the median value calculated by Kroll, LLC at the end of June 2023, and for power plants in S-26 through S-30, the median value calculated by Kroll, LLC at the time of the pricing on July 1, 2023

# Asset List – Power Plant Data, Valuation and etc.

No.	Project name	Location	Acquisition Price (million yen)	Valuation Price (million yen) (Note)	Portfolio %	Panel Output (kW)	FIT Price (yen)	Electric Power service area	Curtailment rules	Online curtailment system status
S-01	CS Shibushi-shi Power Plant	Shibushi-shi, Kagoshima	540	460	0.5%	1,224.00	40	Kyushu	30-day rule	○
S-02	CS Isa-shi Power Plant	Isa-shi, Kagoshima	372	305	0.3%	931.77	40	Kyushu	30-day rule	○
S-03	CS Kasama-shi Power Plant	Kasama-shi, Ibaraki	907	853	0.9%	2,127.84	40	Tokyo	30-day rule	
S-04	CS Isa-shi Dai-ni Power Plant	Isa-shi, Kagoshima	778	630	0.7%	2,013.99	36	Kyushu	30-day rule	○
S-05	CS Yusui-cho Power Plant	Aira-gun, Kagoshima	670	544	0.6%	1,749.30	36	Kyushu	30-day rule	○
S-06	CS Isa-shi Dai-san Power Plant	Isa-shi, Kagoshima	949	786	0.9%	2,225.08	40	Kyushu	30-day rule	○
S-07	CS Kasama-shi Dai-ni Power Plant	Kasama-shi, Ibaraki	850	738	0.8%	2,103.75	40	Tokyo	30-day rule	
S-08	CS Hiji-machi Power Plant	Hayami-gun, Oita	1,029	845	0.9%	2,574.99	36	Kyushu	30-day rule	○
S-09	CS Ashikita-machi Power Plant	Ashikita-gun, Kumamoto	989	830	0.9%	2,347.80	40	Kyushu	30-day rule	○
S-10	CS Minamishimabara-shi Power Plant (East & West)	Shimabara-shi, Nagasaki	1,733	1,505	1.6%	3,928.86	40	Kyushu	30-day rule	○
S-11	CS Minano-machi Power Plant	Chichibu-gun, Saitama	1,018	950	1.0%	2,448.60	32	Tokyo	30-day rule	
S-12	CS Kannami-cho Power Plant	Tagata-gun, Shizuoka	514	477	0.5%	1,336.32	36	Tokyo	30-day rule	
S-13	CS Mashiki-machi Power Plant	Kamimashiki-gun, Kumamoto	19,751	19,047	20.7%	47,692.62	36	Kyushu	30-day rule	○
S-14	CS Koriyama-shi Power Plant	Koriyama-shi, Fukushima	246	221	0.2%	636.00	32	Tohoku	30-day rule	
S-15	CS Tsuyama-shi Power Plant	Tsuyama-shi, Okayama	746	643	0.7%	1,930.50	32	Chugoku	30-day rule	○
S-16	CS Ena-shi Power Plant	Ena-shi, Gifu	757	714	0.8%	2,124.20	32	Chubu	360-hour rule	○
S-17	CS Daisen-cho Power Plant(A)(B)	Saihaku-gun, Tottori	10,447	9,147	9.9%	27,302.40	40	Chugoku	30-day rule	13th FP (Scheduled)
S-18	CS Takayama-shi Power Plant	Takayama-shi, Gifu	326	289	0.3%	962.28	32	Chubu	360-hour rule	○
S-19	CS Misato-machi Power Plant	Kodama-gun, Saitama-ken	470	397	0.4%	1,082.88	32	Tokyo	30-day rule	
S-20	CS Marumori-machi Power Plant	Igu-gun, Miyagi	850	730	0.8%	2,194.50	36	Tohoku	Unlimited and Uncompensated rule	○



# Asset List – Power Plant Data, Valuation and etc.

No.	Project name	Location	Acquisition Price (million yen)	Valuation Price (million yen) (Note)	Portfolio %	Panel Output (kW)	FIT Price (yen)	Electric Power service area	Curtailment rules	Online curtailment system status
S-21	CS Izu-shi Power Plant	Izu-shi, Shizuoka	4,569	3,998	4.3%	10,776.80	36	Tokyo	30-day rule	13th FP (Scheduled)
S-22	CS Ishikari Shinshinotsu-mura Power Plant	Ishikari-gun, Hokkaido	680	579	0.6%	2,384.64	24	Hokkaido	Unlimited and Uncompensated rule	○
S-23	CS Osaki-shi Kejonuma Power Plant	Osaki-shi, Kejonuma	208	186	0.2%	954.99	21	Tohoku	Unlimited and Uncompensated rule	○
S-24	CS Hiji-machi Dai-ni Power Plant	Hayami-gun, Oita	27,851	27,272	29.6%	53,403.66	40	Kyushu	30-day rule	○
S-25	CS Ogawara-machi Power Plant	Shibata-gun, Miyagi	2,745	2,730	3.0%	7,515.35	32	Tohoku	Unlimited and Uncompensated rule	○
Portfolio as of the end of 12th FP Subtotal			80,001	74,873	81.4%	183,973.12	-	-	-	-
S-26	CS Fukuyama-shi Power Plant	Fukuyama-shi, Hiroshima-ken	1,340	1,349	1.5%	3,316.95	40	Chugoku	30-day rule	○
S-27	CS Shichikashuku-machi Power Plant	Katta-gun, Miyagi-ken	3,240	3,337	3.6%	9,213.12	36	Tohoku	30-day rule	13th FP (Scheduled)
S-28	CS Kama-shi Power Plant	Kama-shi, Fukuoka-ken	586	614	0.7%	2,242.96	36	Kyushu	Unlimited and Uncompensated rule	○
S-29	CS Miyako-machi Saigawa Power Plant	Miyako-gun, Fukuoka-ken	5,780	5,941	6.5%	13,011.20	36	Kyushu	Unlimited and Uncompensated rule	○
S-30	CS Kasama-shi Dai-san Power Plant	Kasama-shi, Ibaraki-ken	5,840	5,877	6.4%	13,569.36	32	Tokyo	30-day rule	
Assets acquired in the 3rd PO Subtotal			16,786	17,118	18.6%	41,353.59	-	-	-	-
Portfolio Total			96,787	91,991	100.00%	225,326.71	-	-	-	-

(Note): The term “valuation price” refers to the intermediate value of power plants whose property numbers in the Asset List on page 12 are S-01 through S-18 estimated by CSIF, based on the valuations of power plants at the end of June 2023 calculated by PricewaterhouseCoopers Sustainability LLC. As for power plants S-19 through S-25, “valuation price” is the median value calculated by Kroll, LLC at the end of June 2023, and for power plants in S-26 through S-30, the median value calculated by Kroll, LLC at the time of the pricing on July 1, 2023

# Impact of curtailment and installing online curtailment controller

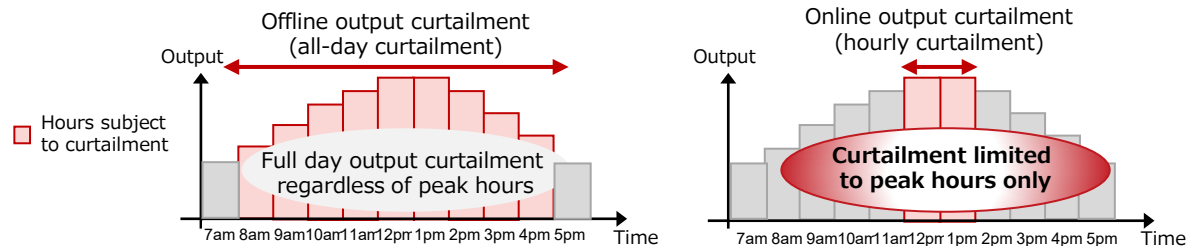
## ■ Impact of curtailment on CSIF

	5 <sup>th</sup> Fiscal Period (period-ended Dec. 2019)	6 <sup>th</sup> Fiscal Period (period-ended Jun. 2020)	7 <sup>th</sup> Fiscal Period (period-ended Dec. 2020)	8 <sup>th</sup> Fiscal Period (period-ended Jun. 2021)	9 <sup>th</sup> Fiscal Period (period-ended Dec. 2021)	10 <sup>th</sup> Fiscal Period (period-ended Jun. 2022)	11 <sup>th</sup> Fiscal Period (period-ended Dec. 2022)	12 <sup>th</sup> Fiscal Period (period-ended Jun. 2023)
Number of days of curtailment	13 days	71 days	2 days	90 days	22 days	41days	7 days	93 days
Number of times CSIF power plants underwent curtailment	21	249	1	206	96	136	24	691
Estimated variable rent losses (thousand Yen)	3,750	58,130	95	320,420	91,821	114,722	19,773	857,252
Ratio of estimated variable rent losses to projected rental revenues	0.17%	2.47%	0.004%	9.47%	2.46%	3.10%	0.53%	23.24%

Generally, the number of curtailment tends to increase in early spring when supply and demand slacken. However, both the number of times curtailment was implemented and the estimated variable rent loss increased significantly in the 12th FP compared to the previous year.

## ■ Rationale behind installing online curtailment controller

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



Reduction of electricity sales loss by installing a curtailment controller

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

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

# Output Curtailment Outlook and Impact on CSIF

## ■ Impact of future output curtailment on CSIF

- ☀️ Output curtailments significantly increased in the 12th FP compared to the previous FP, because new solar energy facilities have been constantly installed and soaring power prices encouraged users to save on electricity.
- ☀️ Seasonal analysis of output curtailments status shows that 600 million kWh of output was curtailed in FY2022 and more than 80% of the total curtailment was required in the March-May period, indicating that output tends to be curtailed in spring, when power demand starts decreasing. Also, for “30-day Rule projects”, the day of output curtailment in FY2023 is already reaching the upper limit of 30 days. CSIF believe that these indicate that the curtailment’s impact on CSIF’s performance is limited in the 13th FP ending December 2023.
- ☀️ In addition, CSIF believes that information on output curtailment from some electricity transmission and distribution companies is insufficient and untimely, and needs to be clearly disclosed

## ■ Initiatives to reduce curtailment of renewable energy power output

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

### Short-term measures

1

Spread the online curtailment system among power plants

2

Lower the minimum thermal power output level on a national basis (including max. use of pumped storage system)

3

Create power demand to be used in storage cells, water electrolysis equipment and heat pumps

4

Increase renewable energy power transmission through interconnection under a control system

### Middle- to long-term measures

1

Expand the interconnection system

2

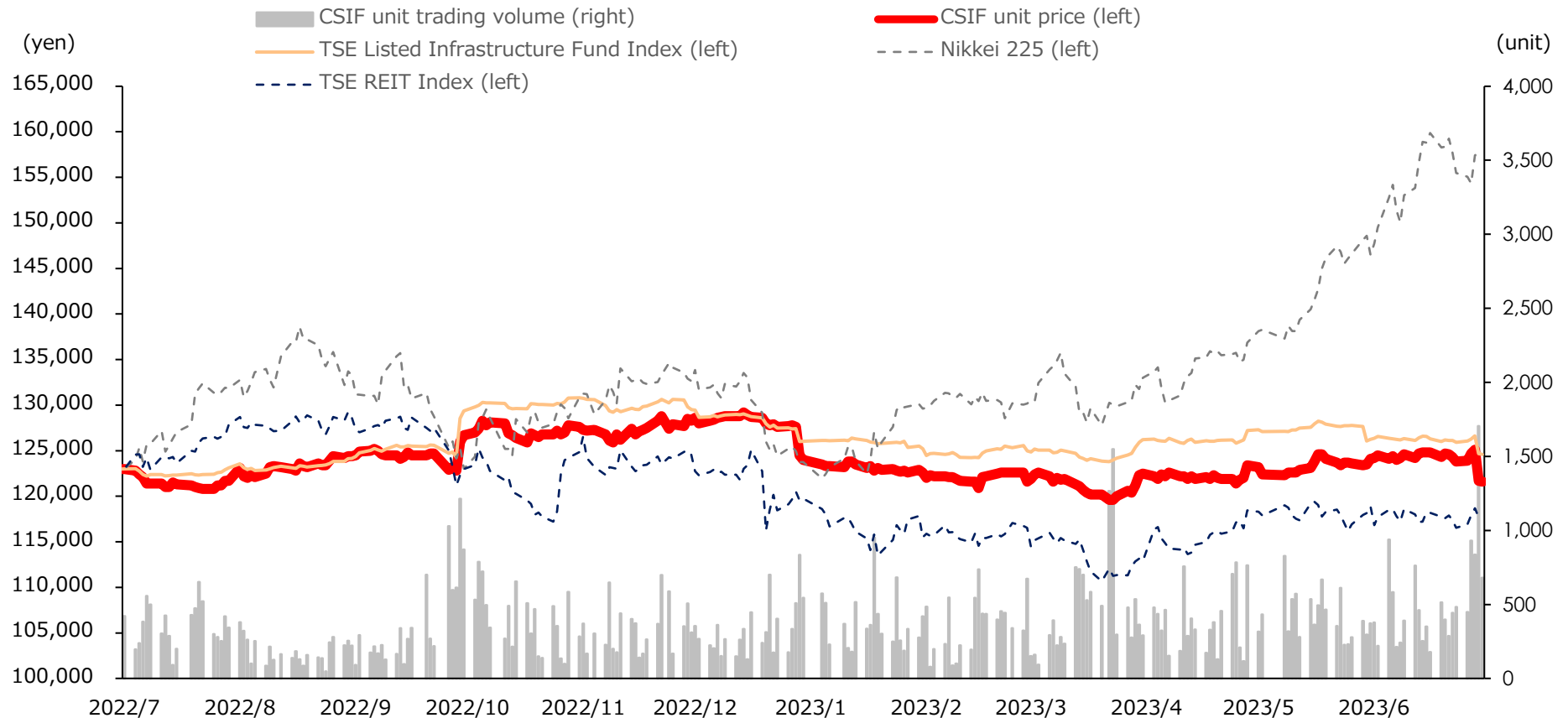
Adjust power supply & demand using variable renewable energy (wind and solar)

3

Adjust and stimulate power supply & demand based on the price mechanism

# Unit Price Performance

- While the TSE REIT Index have been on a downtrend after the decision to increase interest rate volatility at the BOJ's Monetary Policy Meeting in December 2022, the TSE Infrastructure Fund Index remained stable without major fluctuations
- Although the number of output curtailments has increased significantly in the 12th FP compared to previous fiscal periods, CSIF unit price has remained stable almost in line with the TSE Infrastructure Fund Index



Source: Tokyo Stock Exchange, Inc.

Note: Weighted average of listed infrastructure funds, Nikkei average, and TSE REIT Index is benchmarked to CSIF's closing price as of July 1, 2022 and shows the rate of decline since July 1, 2022.



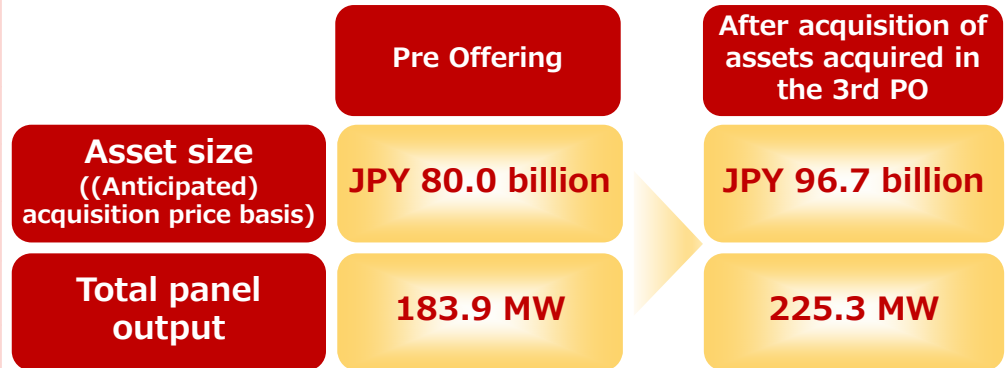
## 2. Major Topics

# Overview of 3<sup>rd</sup> PO<sup>①</sup>

CSIF will acquire the sponsor-developed assets, and its first third-party developed asset

- Through the offering, CSIF's total asset size ((Anticipated) acquisition price basis) will expand to JPY 96.7 bn yen and total panel output to 225.3 MW.

Offering Format	Domestic Offering (Rinpo Format · Transaction will be documented by a Japanese language prospectus. An English language prospectus will not be prepared.)
Total Units Offered	65,100 units
Total Offering Amount	JPY 7,322 million
Issuer Price	JPY 117,292
Issuance Resolution Date /Delivery Date	June 30, 2023 / July 19, 2023
Joint Lead Managers, Joint Bookrunners	Mizuho Securities Co., Ltd. SMBC Nikko Securities Inc.



## Sponsor-developed assets

**S-26** CS Fukuyama-shi PP



Anticipated acquisition price JPY 1.34 bn  
Panel output 3.3 MW

Location Fukuyama-shi, Hiroshima-ken

**S-27** CS Shichikashuku-machi PP



Anticipated acquisition price JPY 3.24 bn  
Panel output 9.2 MW

Location Katta-gun, Miyagi-ken

**S-29** CS Miyako-machi Saigawa PP



Anticipated acquisition price JPY 5.78 bn  
Panel output 13.0 MW

Location Miyako-gun, Fukuoka-ken

**S-30** CS Kasama-shi Dai-san PP



Anticipated acquisition price JPY 5.84 bn  
Panel output 13.6 MW

Location Kasama-shi, Ibaraki-ken

## Third Party-developed assets

**S-28** CS Kama-shi PP



Anticipated acquisition price JPY 0.58 bn  
Panel output 2.2 MW

Location Kama-shi, Fukuoka-ken

**Abundant sponsor pipeline**  
26 projects / 365.3 MW

**Secondary market**

# Overview of 3<sup>rd</sup> PO<sup>②</sup>

## Acquired assets<sup>①</sup>

### S-26 CS Fukuyama-shi PP

Power plant located on a hill facing the Seto Inland Sea, reusing a former hotel site

Sponsor-developed assets



Operator	Canadian Solar Projects K.K.	FIT Term End	Oct. 15, 2040
O&M Provider	Canadian Solar O&M Japan K.K.	Type of Module	Polycrystalline Silicon
EPC Service Provider	Daisan Co., Ltd.	Panel Output	3,316.95 kW
FIT Procurement Price	¥40/kWh	Power Output	3,000.00 kW
Applicable Curtailment Rule	30-day rule	Panel Manufacturers	Canadian Solar Group
Site Area	90,794.61 m <sup>2</sup>	PCS Manufacturer	Power Electronics Japan Corporation
Land Rights	Surface rights	Availability Factor on First Operating Year (forecast)	—

### S-27 CS Shichikashuku-machi PP

In preparation for winter snow, bifacial panels are used to pursue power generation efficiency, reusing a former amusement park site

Sponsor-developed assets



Operator	Canadian Solar Projects K.K.	FIT Term End	Mar. 30, 2040
O&M Provider	Canadian Solar O&M Japan K.K.	Type of Module	Polycrystalline Silicon
EPC Service Provider	Daiwa Energy Co., Ltd.	Panel Output	9,213.12 kW
FIT Procurement Price	¥36/kWh	Power Output	6,993.00 kW
Applicable Curtailment Rule	30-day rule	Panel Manufacturers	Canadian Solar Group
Site Area	143,369.00 m <sup>2</sup>	PCS Manufacturer	Sungrow Power Supply Japan Co., Ltd.
Land Rights	Surface rights / Easement	Availability Factor on First Operating Year (forecast)	—

### S-29 CS Miyako-machi Saigawa PP

A "deemed special high voltage" power plant, which is an aggregate of six high voltage power plants

Sponsor-developed assets



Operator	Canadian Solar Projects K.K.	FIT Term End	Mar. 30, 2040
O&M Provider	Canadian Solar O&M Japan K.K.	Type of Module	Monocrystal Silicon
EPC Service Provider	Kyocera Communication Systems Co., Ltd.	Panel Output	13,011.20 kW
FIT Procurement Price	¥36/kWh	Power Output	8,380.50 kW
Applicable Curtailment Rule	Unlimited · Uncompensated Rule	Panel Manufacturers	Jinko Solar
Site Area	407,762.61 m <sup>2</sup>	PCS Manufacturer	Sungrow Power Supply Japan Co., Ltd.
Land Rights	Ownership / Surface rights	Availability Factor on First Operating Year (forecast)	—

# Overview of 3<sup>rd</sup> PO<sup>2</sup>

## Acquired assets<sup>2</sup>

### S-30 CS Kasama-shi Dai-san PP

Power plant is adjacent to the CS Kasama Dai-ichi / Dai-ni power plant already owned by CSIF

Sponsor-developed assets



Operator	Canadian Solar Projects K.K.	FIT Term End	Sep. 29, 2040
O&M Provider	Canadian Solar O&M Japan K.K.	Type of Module	Polycrystalline Silicon
EPC Service Provider	Daiwa Energy Co., Ltd.	Panel Output	13,569.36 kW
FIT Procurement Price	¥32/kWh	Power Output	12,000 kW
Applicable Curtailment Rule	30-day Rule	Panel Manufacturers	Canadian Solar Group
Site Area	291,147.59 m <sup>2</sup>	PCS Manufacturer	Sungrow Power Supply Japan Co., Ltd.
Land Rights	Ownership / Surface rights	Availability Factor on First Operating Year (forecast)	—

### S-28 CS Kama-shi PP

CSIF's first third-party development project from CSAM's proprietary network

Third Party-developed assets



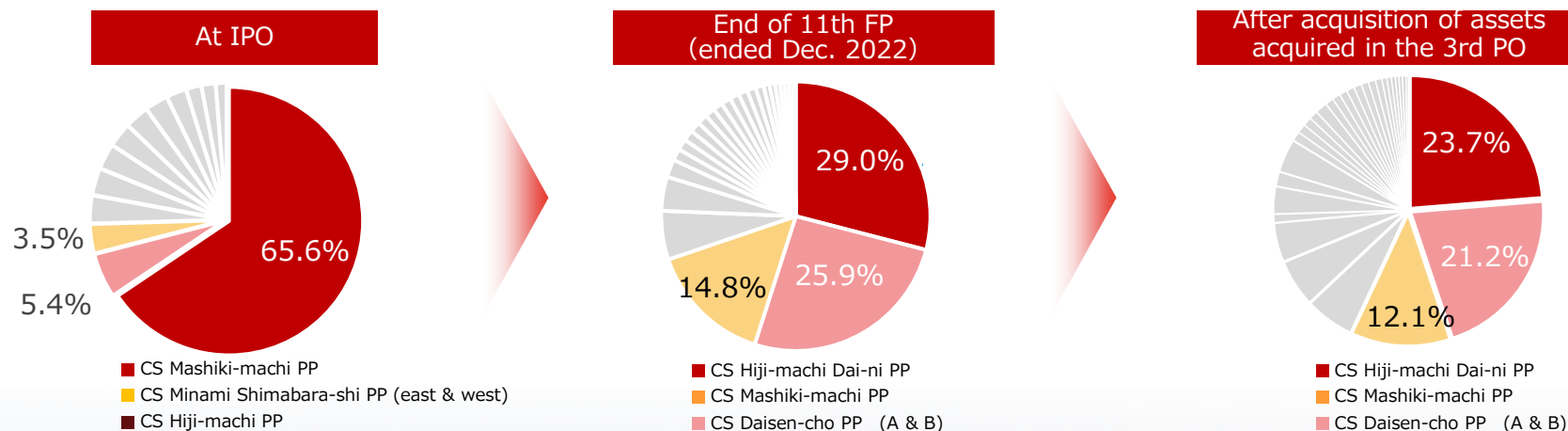
Operator	Canadian Solar Projects K.K.	FIT Term End	Mar. 30, 2037
O&M Provider	NEO Co.,Ltd.	Type of Module	Polycrystalline Silicon
EPC Service Provider	NEO Co.,Ltd.	Panel Output	2,242.96 kW
FIT Procurement Price	¥36/kWh	Power Output	1,750.00 kW
Applicable Curtailment Rule	Unlimited · Uncompensated Rule	Panel Manufacturers	Hanwha Q CELLS Japan Co., Ltd.
Site Area	35,352.00 m <sup>2</sup>	PCS Manufacturer	Meidensha Corporation
Land Rights	Surface rights	Availability Factor on First Operating Year (forecast)	12.18%



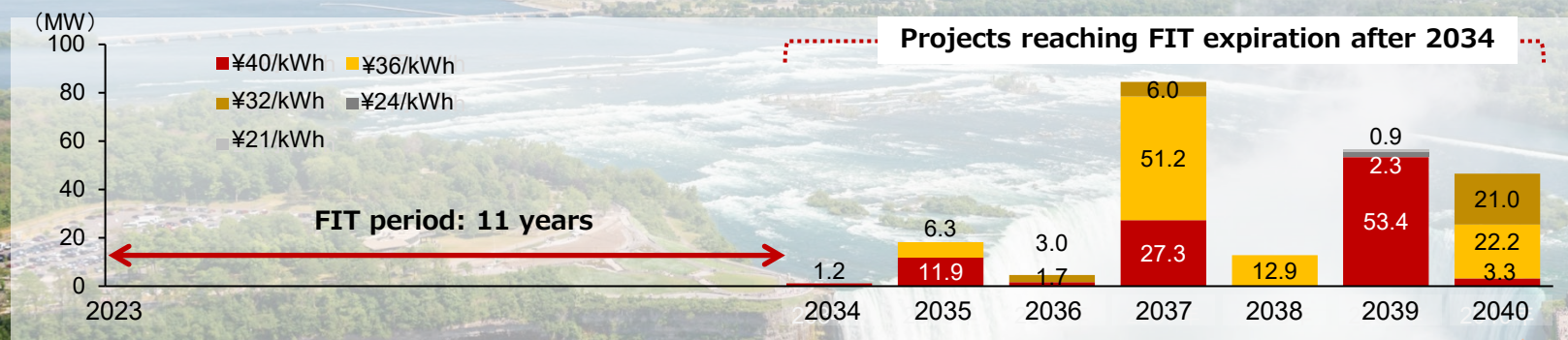
# Overview of 3<sup>rd</sup> PO<sup>③</sup>

## Portfolio Diversification

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



- Remaining FIT period of CSIF portfolio (panel output basis)  
(After acquisition of assets acquired in the 3rd PO)

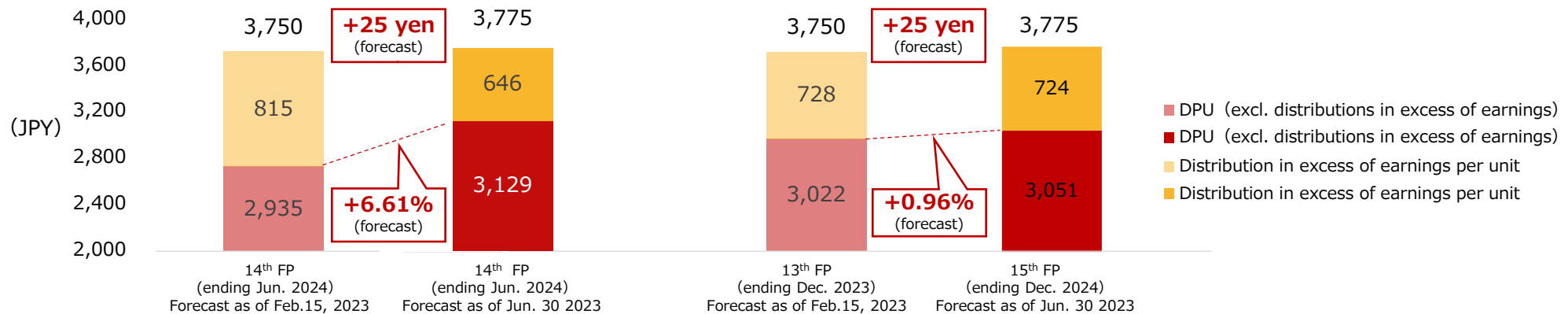


# Overview of 3<sup>rd</sup> PO<sup>4</sup>

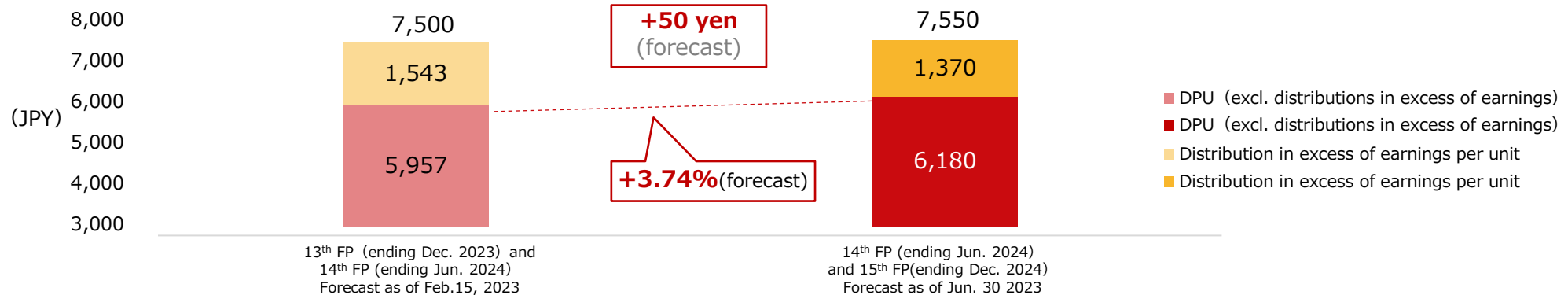
## Effects of the 3<sup>rd</sup> offering on DPU

- With the 3<sup>rd</sup> PO, the EPU forecast for the 14<sup>th</sup> FP is expected to further increase by 6.61%, and the EPU forecast for the 15<sup>th</sup> FP is expected to increase by 0.96% from the 13<sup>th</sup> FP forecasted (excluding temporary factors) as of February 15, 2023
- As for the full-year forecast, if temporary factors are excluded, EPU for the 14<sup>th</sup> FP and the 15<sup>th</sup> FP is expected to increase by 3.74% from the forecasts as of February 15, 2023 for the 13<sup>th</sup> FP and the 14<sup>th</sup> FP

### ■ DPU Growth (on a fiscal period basis)



### ■ DPU Growth (on a full-year basis)





# 3. Earnings Forecast

# 13th, 14th and 15th FP Earnings Forecast

## ■ Earnings Forecast

	13th Fiscal Period (ending December 2023)	14th Fiscal Period (ending June 2024)	15th Fiscal Period (ending December 2024)
Operating revenues	4,472	4,487	4,445
Operating profit	1,665	1,682	1,639
Ordinary profit	1,148	1,414	1,379
Net profit	1,189	1,192	1,207
DPU (incl. distributions in excess of earnings)	<b>3,750 yen</b>	<b>3,775 yen</b>	<b>3,775 yen</b>
DPU (excl. distributions in excess of earnings)	<b>2,539 yen</b>	<b>3,129 yen</b>	<b>3,051 yen</b>
Per unit distributions in excess of earnings	<b>1,211 yen</b>	<b>646 yen</b>	<b>724 yen</b>

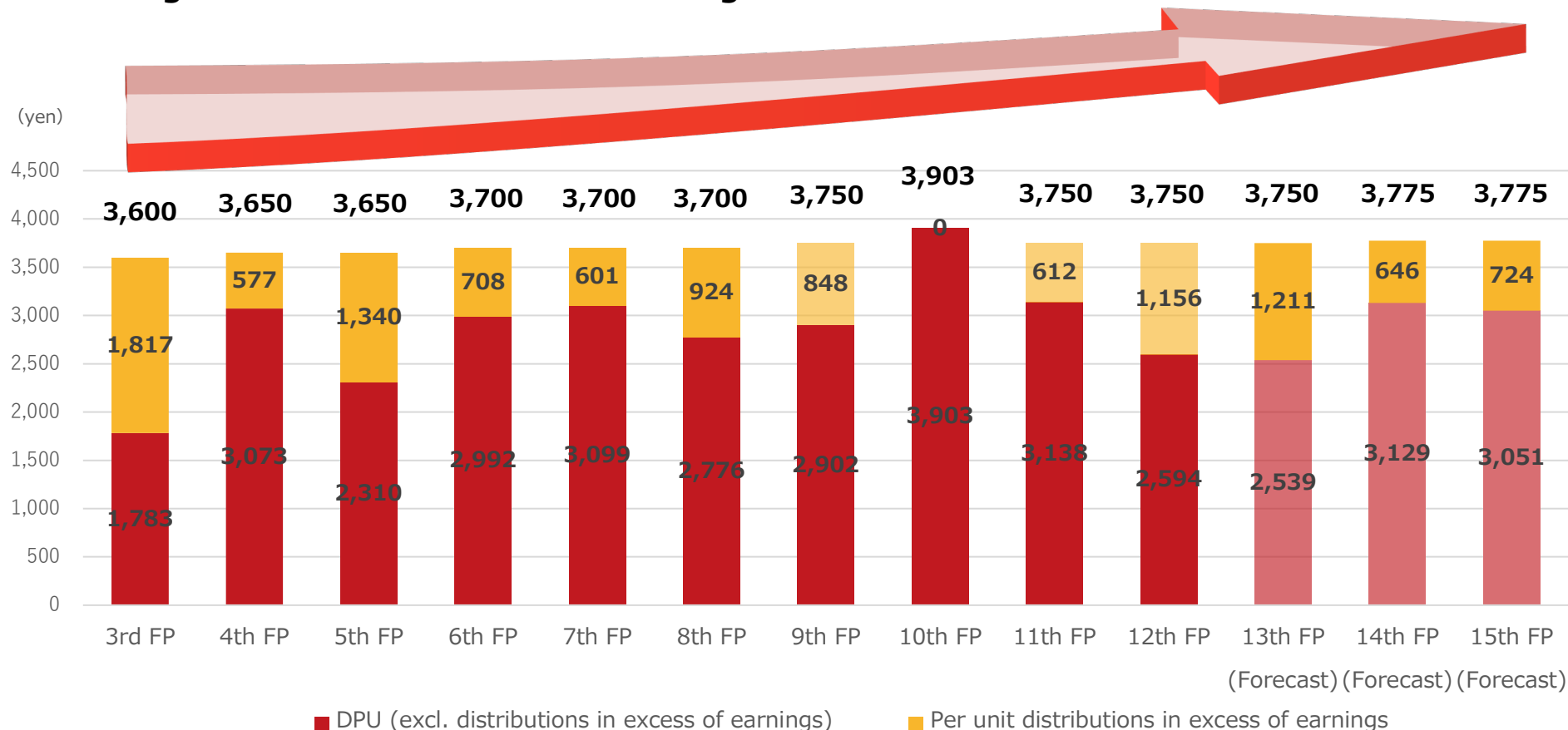
CSIF aims for growth while maintaining a stable level of distribution payout

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

(Note 2) Above forecasts are based on earnings summary dated August 17, 2023 and is subject to change due to factors including without limitation, acquisition or sale of renewable energy projects, changes in infrastructure markets, fluctuation in interest rates and other changes in circumstances surrounding CSIF. Forecasts do not guarantee any dividend amounts.

# Historical and Forecasted Dividend

- CSIF has maintained stable distributions ever since it realized a distribution of JPY3,600 per unit for the 3rd FP
- CSIF expects to distribute JPY 3,775 per unit for 14<sup>th</sup> to 15<sup>th</sup> FP, an increase of 25 yen from the previous period and CSIF aims to achieve a stable and sustainable distribution payout by utilizing distributions in excess of earnings



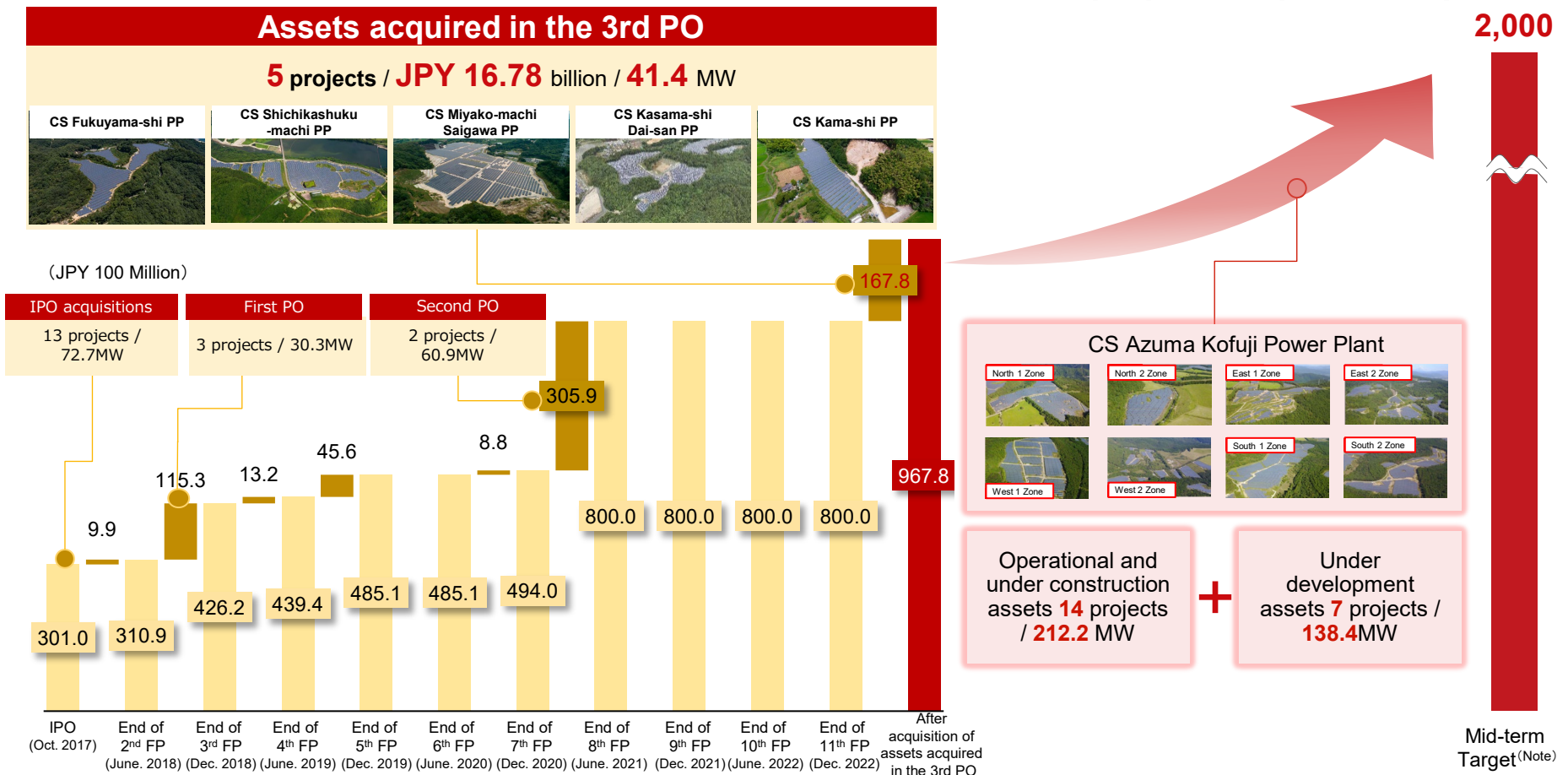
(Note) Figures for the 13th~15th Fiscal Period are forecasts and are subject to change. They do not represent guaranteed distribution amounts.



## 4. Management Policy

# Aiming for JPY 200 billion in asset size based on solar power plants

- CSIF continues to aim for growth with a new mid-term target of JPY 200 billion yen in asset size, while diversifying its portfolio with a focus on solar power plants, of which the Canadian Solar Group has expertise
- Track Record of Consistent External Growth and Target of asset size (acquisition price basis)

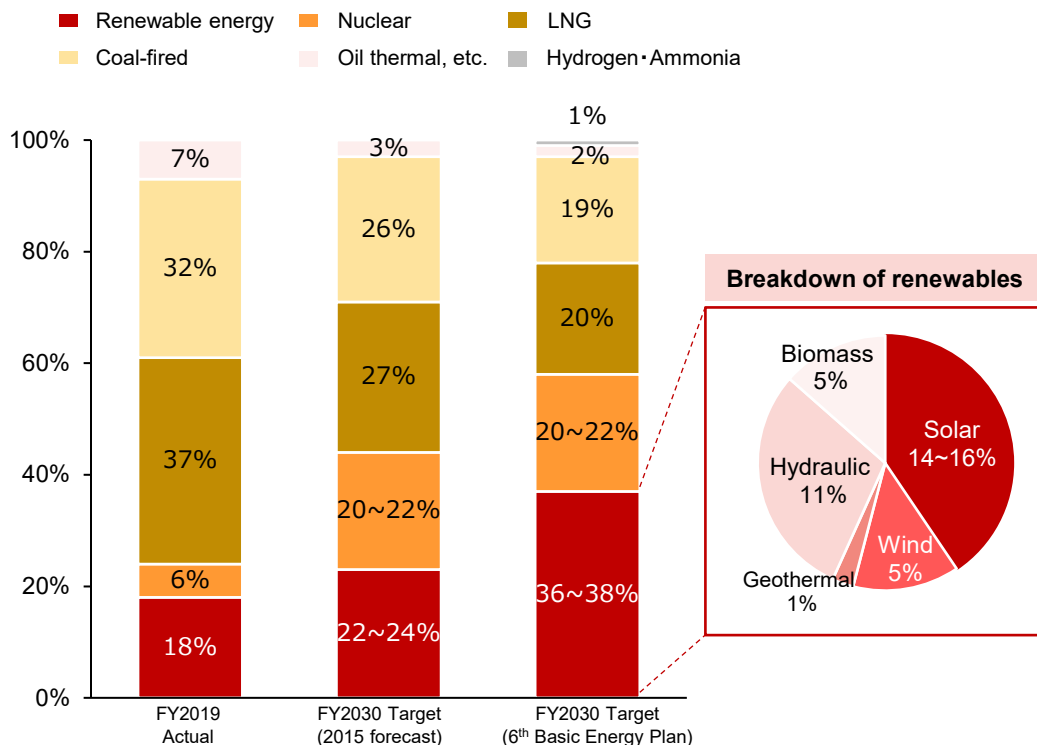


Note: The medium-term target shown above is CSIF's target as of August 17, 2023, and does not represent a guarantee nor promise that the target will be achieved nor when it will be achieved. CSIF's asset size expansion is dependent on financing environment, development schedule of solar power plants in the sponsor pipeline, acquisition opportunities of projects outside of the sponsor pipeline, and negotiations with sellers.

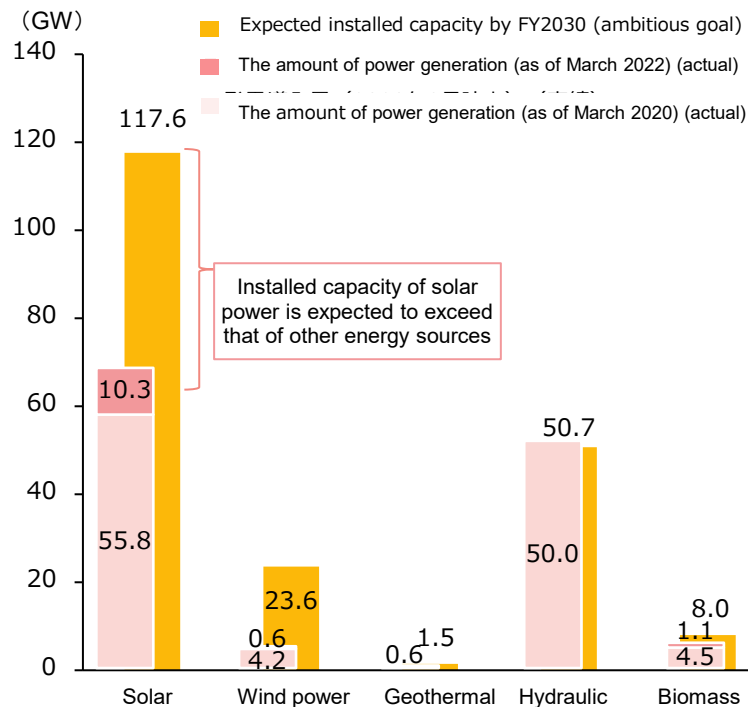
# Aim for Further Diffusion of Renewable Energy drawing on Positive Stance of the Japanese Government

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

## Ratio of renewables to total energy mix



## Expected installed capacity by renewable energy source



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

Note: The amount of power generation (as of March 2022) (actual) represents the increase from the amount of power generation (as of March 2020) (actual). With regard to the amount of hydroelectric power generation (actual), the amount of power generation (as of March 2022) (actual) has not been announced, but the amount of power generation (as of March 2021) (actual) is unchanged from the amount of power generation (as of March 2020) (actual)

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



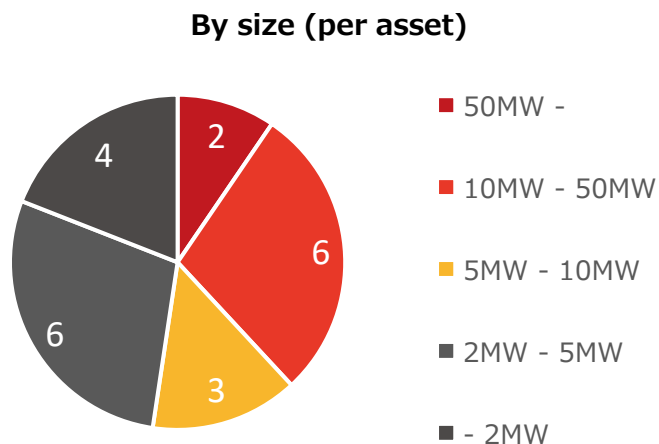
# External Growth Strategy (Pipeline)

(Pipeline including projects owned by Bridge Fund, the numbers are as of June 30, 2023)

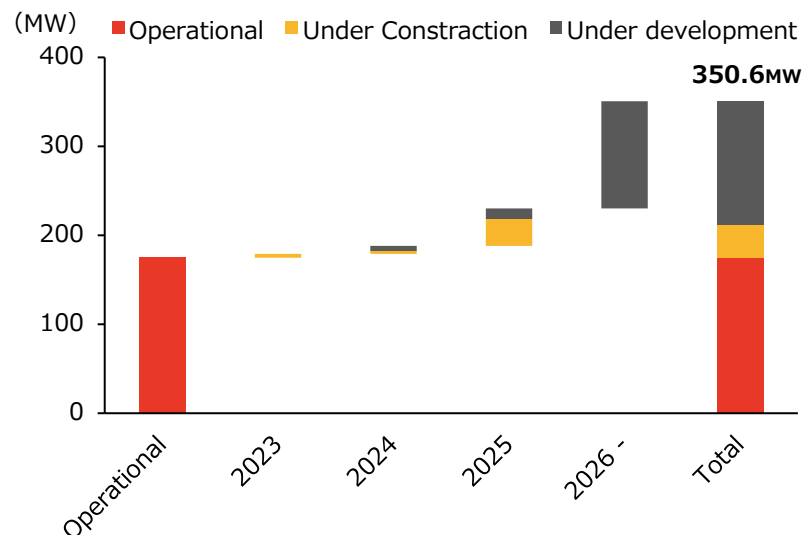
- Target to achieve ¥200 Bn in asset size in the medium term by mainly acquiring assets from abundant sponsor pipeline



## ■ Pipeline snapshot



## ■ Operational start year and status of pipeline assets

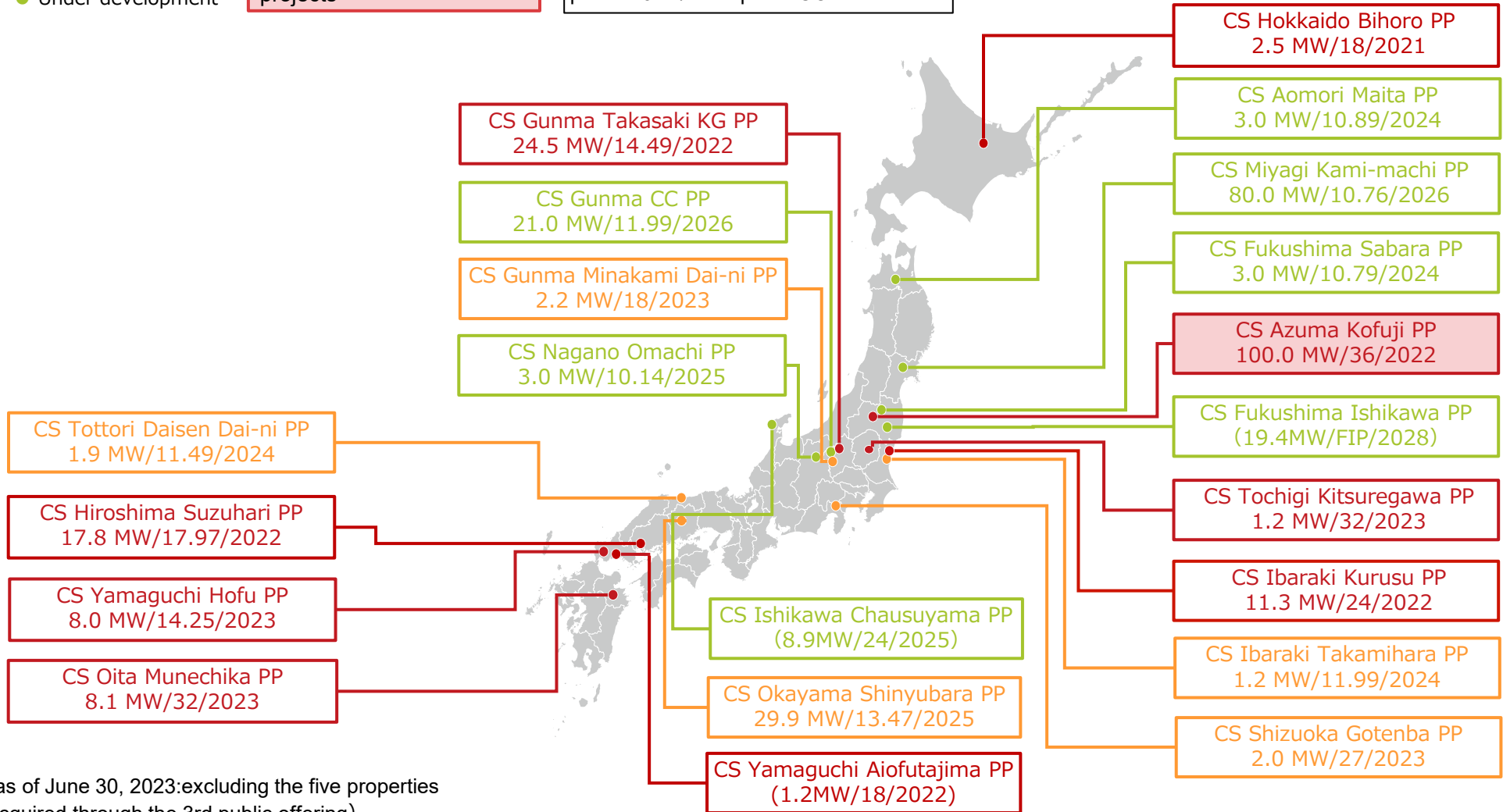


# Abundant Pipeline Centered on Sponsor-Developed Assets Assisting CSIF's Growth

- Operational
- Under construction
- Under development

Pink box for Bridge Fund projects

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

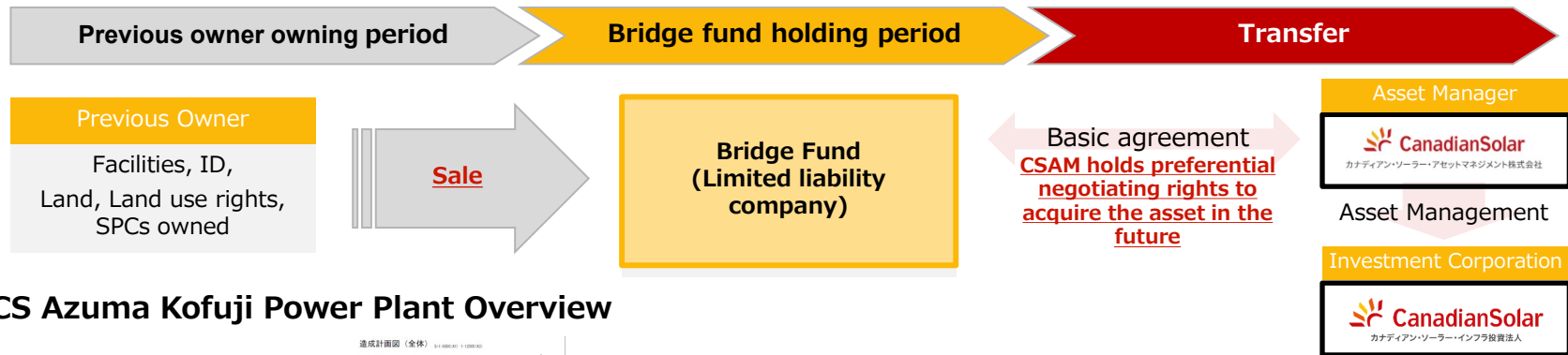


(as of June 30, 2023:excluding the five properties acquired through the 3rd public offering)

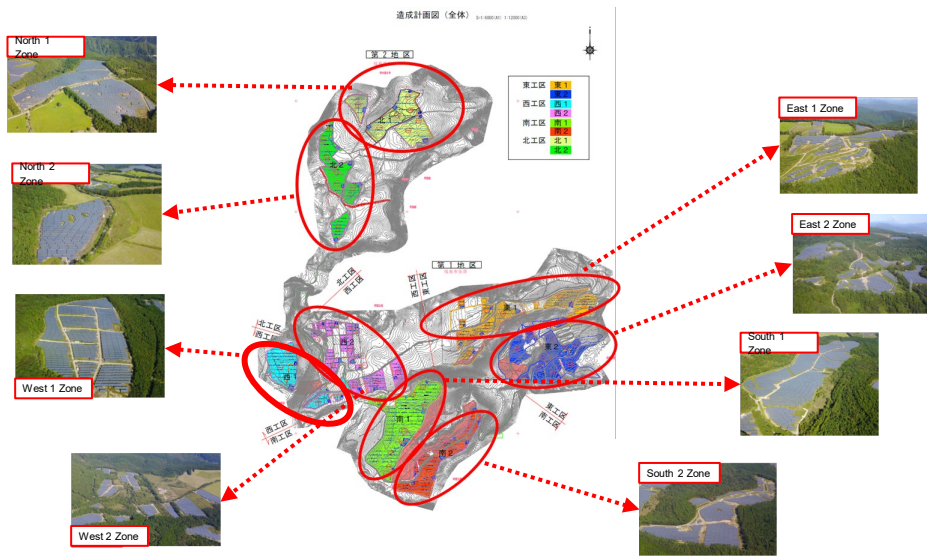
Source: Compiled by the Asset Manager based on disclosures by Canadian Solar Projects K.K.

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

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



## CS Azuma Kofuji Power Plant Overview

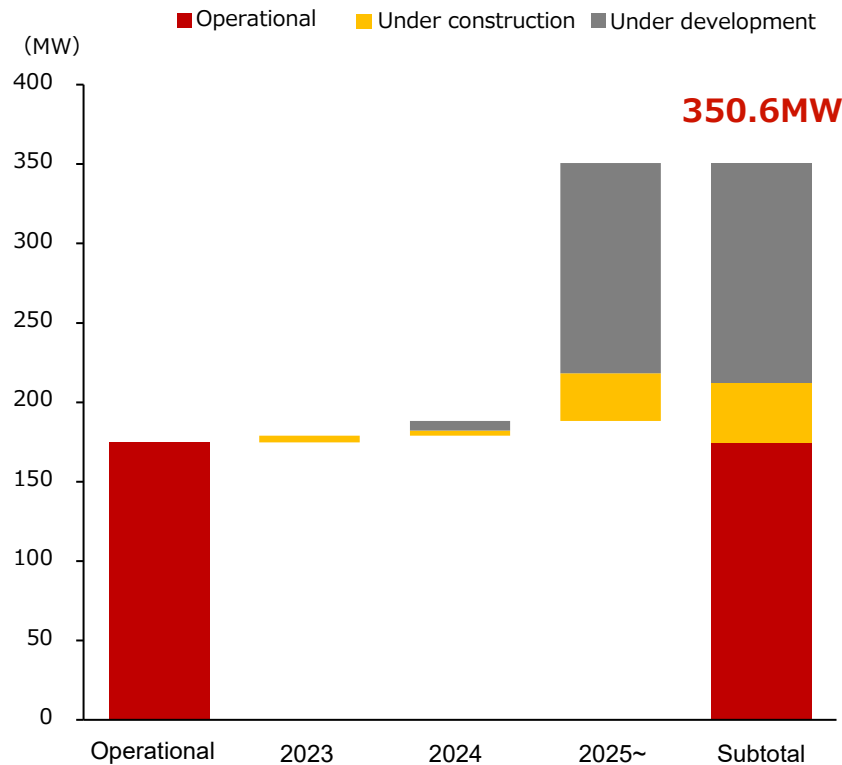


- CS Azuma Kofuji Power Plant utilizes abandoned farmland, and the construction of a large-scale solar power plant makes a significant contribution to the revitalization and promotion of local farming and fishing communities.
- Located in an area where horseradish production is thriving, where high water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

# Expand pipeline by utilizing the development capabilities of the sponsor group

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

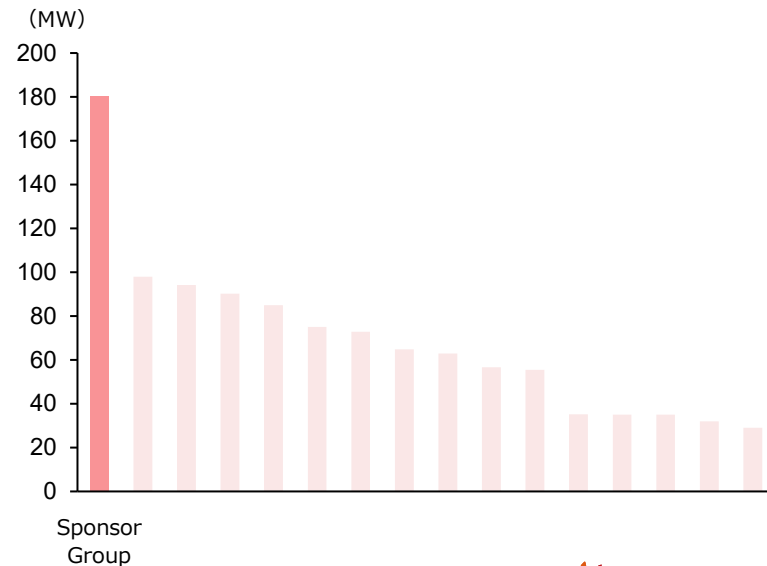
## Operational start years and status of Pipeline (panel output basis as of June 30, 2023)



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

**List of successful bids at FIT auction**

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



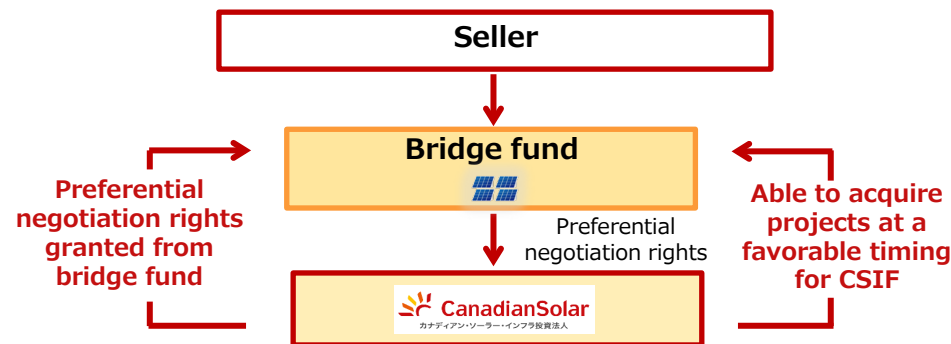
# Diversification of sourcing channels and enhancing the flexibility to grow

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



## ■ Acquisitions through bridge funds

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

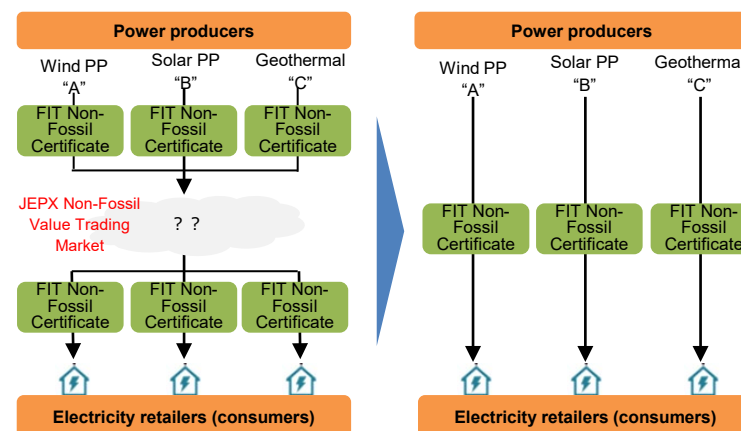


# Initiatives for Internal Growth

## Tracking information disclosure and expansion of demand for renewable energy

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

(Summary image of tracking information)



## New Specific Wholesale contracts with Retail Electricity provider

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

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

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

## ■ Issuer's ratings

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

**JCR A (Stable)**

(As of August 17, 2023)

**R&I A- (Positive)**

(As of August 4, 2023)

## ■ Key financial indicators

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

**Average borrowing interest**

As of June 30, 2023

**0.86%**

**# of financial institutions**

As of June 30, 2023

**23**

**DSCR**

As of June 30, 2023

**2.01x**

**LTV**

As of June 30, 2023

**48.81%**

End of 13<sup>th</sup> FP (forecast)

**50.69%**

**Fixed interest rate ratio**

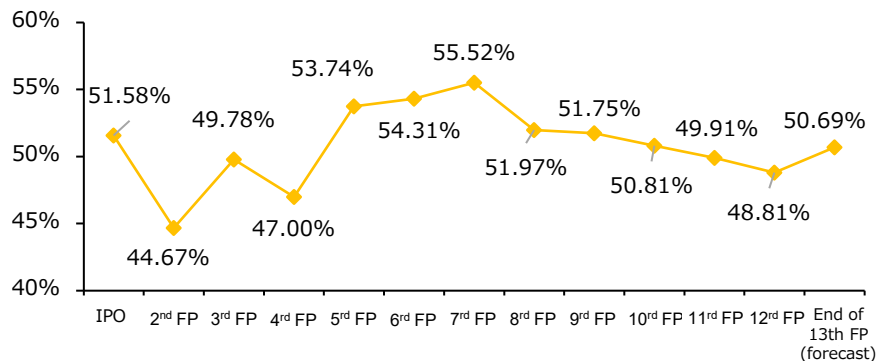
As of June 30, 2023

**100.0%**

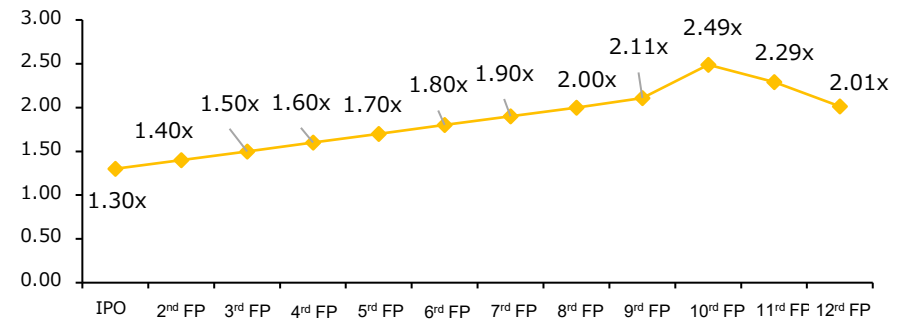
As of August 15, 2023 (Note)

**88.2%**

## ■ Historical LTV



## ■ Historical DSCR



(Note) Fixed date of swap rate for borrowings at the time of the 3<sup>rd</sup> PO (excl. consumption tax bridge loans)

# Debt Profile (2) – Summary of Loans and Bonds

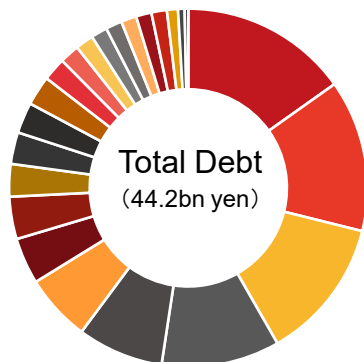
## Overview of Interest-bearing Debts (As of June 30, 2023)

Category	Type	Initial amount (yen millions)	Outstanding (yen millions)	Interest rate	Interest rate type	Drawdown date	Maturity
Loan	Long term	15,700	11,078	Base rate plus 0.45% (fixed at 0.845% upon executing interest rate swap)	Floating (Fixed)	October 31, 2017	10 years from drawdown date <i>JCR Green Finance Evaluation</i>
	Long term	8,000	5,945	Base rate plus 0.45% (fixed at 1.042% upon executing interest rate swap)	Floating (Fixed)	September 6, 2018	10 years from drawdown date
	Long term	17,000	14,619	Base rate plus 0.45% (fixed at 0.8199% upon executing interest rate swap)	Floating (Fixed)	March 8, 2021	10 years from drawdown date <i>JCR Green Finance Evaluation</i>
Bond	Long term	1,100	1,100	0.71%	Fixed	November 6, 2019	5 years from issuance date
	Long term	3,800	3,800	0.80%	Fixed	January 26, 2021	5 years from issuance date <i>JCR Green Bond Evaluation</i>
<b>Total / Average</b>		<b>45,600</b>	<b>36,543</b>	<b>0.86%</b>			

## Overview of borrowings in the 3<sup>rd</sup> PO

Type	Lender	Scheduled amount of borrowings	Interest rate	Tentative drawdown date	Maturity date	Repayment method	Use of proceeds	Overview
Long-term	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd. and SBI Shinsei Bank, Limited, as arrangers, MUFG Bank, Ltd. and Sumitomo Mitsui Trust Bank, Limited as co-arrangers	5,800 million yen	Base rate plus 0.45% (fixed at 1.26950% upon executing interest rate swap)	July 19, 2023	10 years from date of loan disbursement	Balloon	Allocated towards funds for Anticipated acquisitions and related costs and expenses	Unguaranteed Unsecured
Long-term	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd. and SBI Shinsei Bank, Limited, as arrangers, MUFG Bank, Ltd. and Sumitomo Mitsui Trust Bank, Limited as co-arrangers	5,800 million yen	Base rate plus 0.45%	July 19, 2023	10 years from date of loan disbursement	Balloon	Allocated towards funds for Anticipated acquisitions and related costs and expenses	Unguaranteed Unsecured
Short-term	Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd. and SBI Shinsei Bank, Limited	1,100 million yen	Base rate plus 0.20%	July 19, 2023	Earlier date of (i) July 19, 2024 or (ii) the first interest payment date after the consumption tax refund date	Bullet	Allocated towards funds for Anticipated acquisitions and payment of consumption taxes for related expenses	Unguaranteed Unsecured

## Stable lender formation with a total of 23 banks, including 3 megabanks, SBI Shinsei Bank and Sumitomo Mitsui Trust Bank as arrangers/co-arrangers (after borrowings in the 3<sup>rd</sup> PO) (excl. consumption tax bridge loans)



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



# ESG Initiatives (UN PRI · ESG Report)

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

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

Signatory of:



## ■ ESG Report

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



# ESG Initiatives (TCFD · SFDR)

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

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



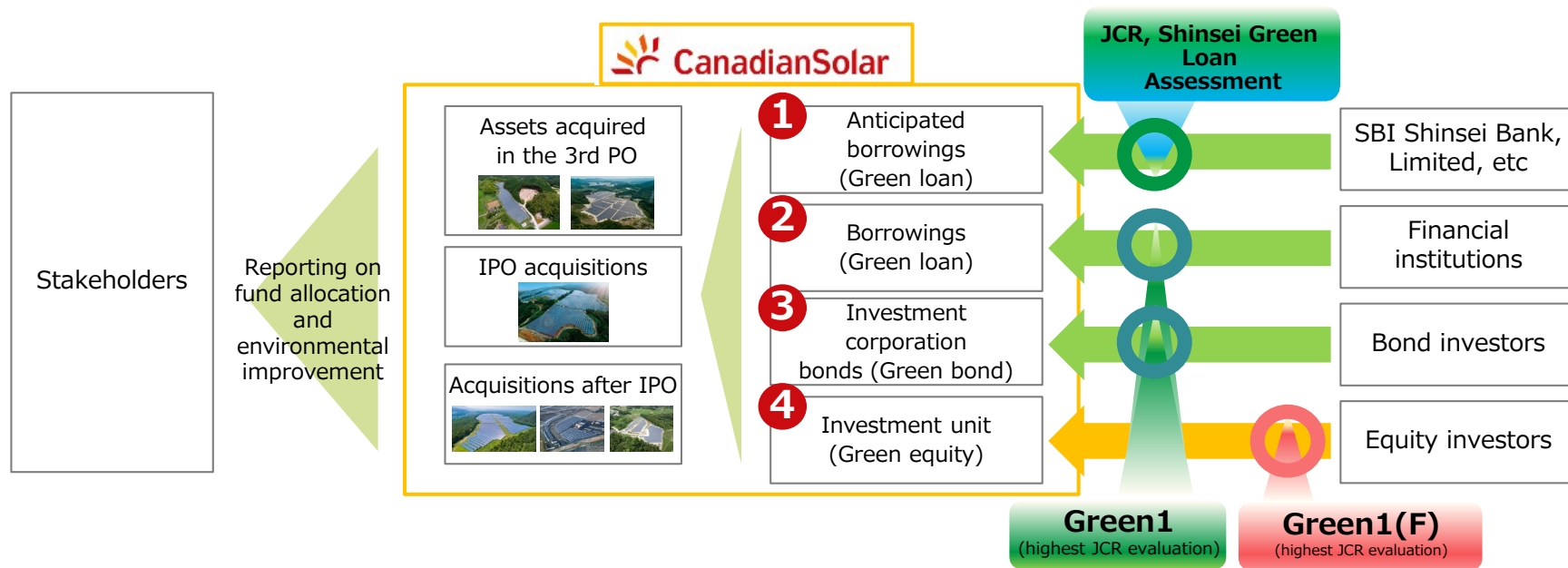
## ■ Adherence to EU Sustainable Finance Disclosure Regulation (SFDR) Article 8 disclosure requirements

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



# ESG Initiatives (Green Finance)

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



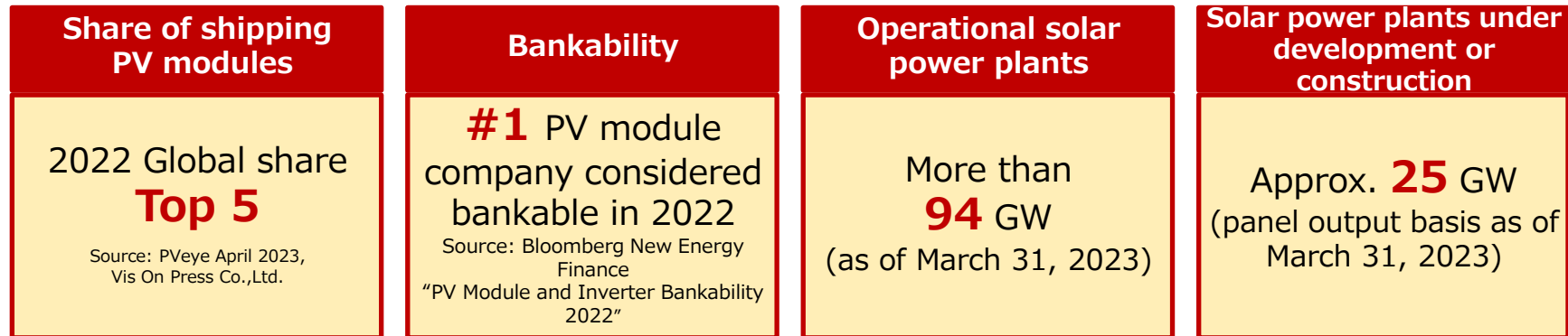
- CSIF obtained a Green1 (the highest rating) assessment from JCR and a Shinsei Green Loan Assessment from SBI Shinsei Bank, Limited, which is one of CSIF's arranger banks, for the borrowings of 17.0 bn yen allocated towards acquisitions during the 8th Fiscal Period (acquired on March 8, 2021). In addition, as a result of review by JCR, indicates the continuation of the same Green1 (the highest rating) assessment as of June 30, 2022.
- The borrowings amounting to 15.7 bn yen which was allocated towards the funds for acquiring the acquisitions for the IPO obtained a Green1 (the highest rating) assessment by JCR as of November 22, 2017, based on JCR's evaluation of the use of proceeds and CSIF's management/operation/transparency. Also, after an annual review, the borrowings continued to be assessed as Green1 as of June 30, 2022.
- As of January 26, 2021, CSIF issued a 5-year Green Bond of 3.8 bn yen, which was given JCR Green1 assessment and the proceeds will be used for the repayment of borrowings.
- Simultaneously with this offering, CSIF has revised its Green Finance Framework to make it also applicable to the issuance of investment units. CSIF plans to obtain a third-party evaluation of the revised Green Finance Framework from JCR for the issuance of investment units as green equity in accordance with the new Green Finance Framework.

# Appendix



# Canadian Solar Group's Global Operations (1)

## ■ Key achievements of Canadian Solar Group



## ■ Canadian Solar Group's history

- Founded in Ontario, Canada in 2001
- Listed on NASDAQ (CSIQ) in 2006
- Entered the Japan market in 2009 and established a proven track record for shipping PV modules
- Over 18,500 employees as of March 31, 2023
- More than 94 GW of cumulative solar panels shipped



Over 94GW  
solar modules shipped



Module capacity exceeding 36 GW  
Cell capacity approx. 21.0 GW



25 GW project pipeline  
47 GWh energy project pipeline  
of CSIQ



Active buying customers  
in more than 160  
countries



Subsidiaries in 23 countries  
& regions on 6 continents



20 manufacturing facilities  
in Asia & Americas

# Canadian Solar Group's Global Operations (2)

## Canadian Solar Group's Global Operations

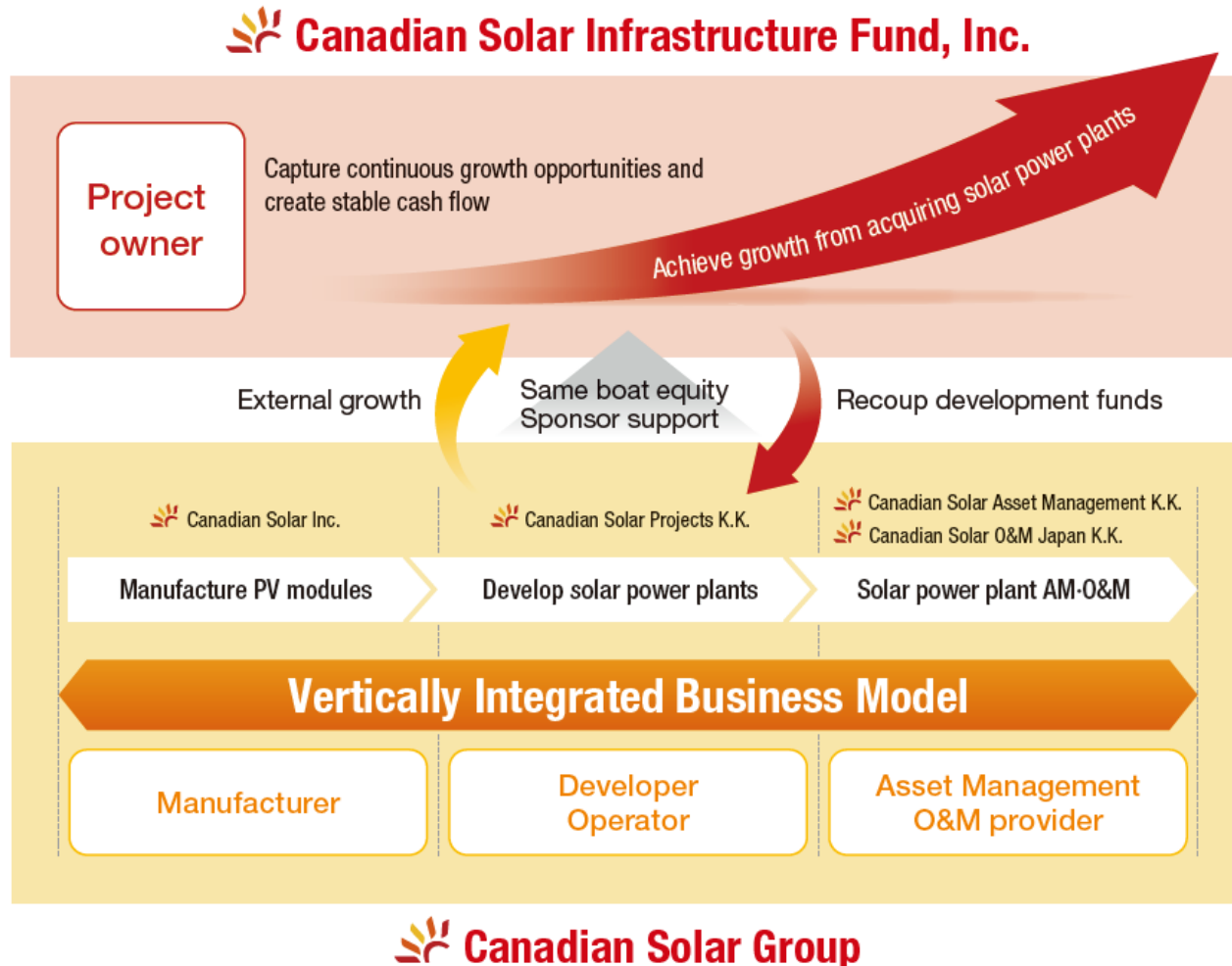
(As of March 31, 2023)



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

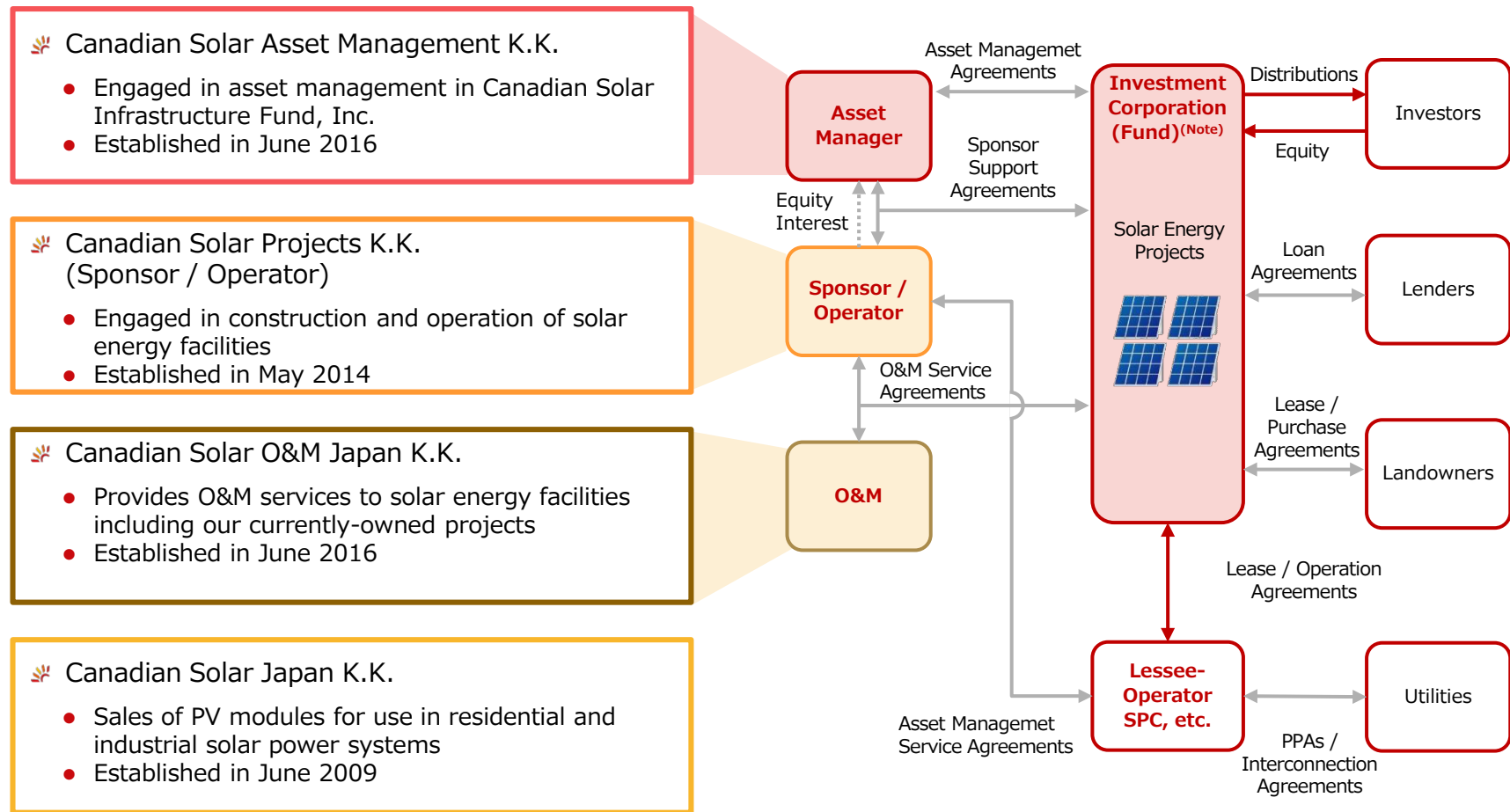
# Value Creation using the Sponsor Group's Vertically Integrated Model (manufacturer, developer, AM · O&M)

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



# Organizational Structure

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



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



# Asset List– Operational Result for 12<sup>th</sup> FP

(in thousand yen)

No.	Project name	Basic Rent	Variable Rent and Other Revenues	Rental Expenses (incl. depreciation expenses)	Depreciation Expenses	Profits and losses from the rental business
S-01	CS Shibushi-shi Power Plant	17,897	4,313	13,504	9,539	8,707
S-02	CS Isa-shi Power Plant	13,669	3,961	11,736	7,925	5,895
S-03	CS Kasama-shi Power Plant	34,609	12,261	23,238	14,637	23,632
S-04	CS Isa-shi Dai-ni Power Plant	28,183	7,593	25,581	16,534	10,196
S-05	CS Yusui-cho Power Plant	25,618	2,703	22,122	14,364	6,200
S-06	CS Isa-shi Dai-san Power Plant	34,073	8,278	29,260	19,971	13,092
S-07	CS Kasama-shi Dai-ni Power Plant	34,188	12,032	31,555	17,758	14,665
S-08	CS Hiji-machi Power Plant	36,242	12,274	32,062	22,166	16,454
S-09	CS Ashikita-machi Power Plant	34,121	10,068	29,724	20,306	14,465
S-10	CS Minamishimabara-shi Power Plant (East & West)	60,618	16,865	51,581	35,408	25,902
S-11	CS Minano-machi Power Plant	34,802	9,489	24,006	16,211	20,285
S-12	CS Kannami-cho Power Plant	19,248	7,589	14,998	9,671	11,839
S-13	CS Mashiki-machi Power Plant	634,560	157,504	478,785	338,451	313,278
S-14	CS Koriyama-shi Power Plant	7,916	4,129	6,025	4,193	6,020
S-15	CS Tsuyama-shi Power Plant	23,809	7,889	19,044	13,160	12,654

# Asset List– Operational Result for 12<sup>th</sup> FP

(in thousand yen)

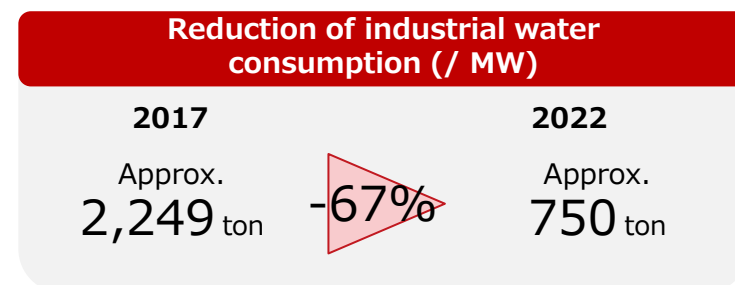
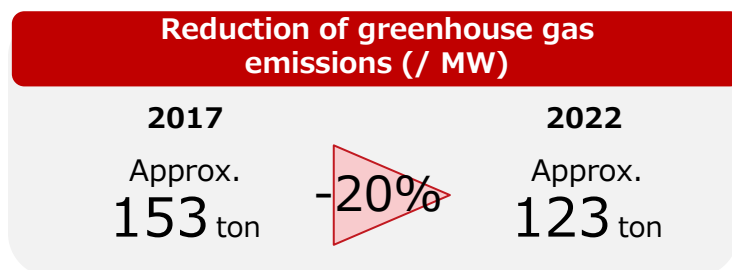
No.	Project name	Basic Rent	Variable Rent and Other Revenues	Rental Expenses (incl. depreciation expenses)	Depreciation Expenses	Profits and losses from the rental business
S-16	CS Ena-shi Power Plant	25,868	13,218	22,077	14,526	17,009
S-17	CS Daisen-cho Power Plant(A)(B)	321,310	184,490	315,777	214,575	190,023
S-18	CS Takayama-shi Power Plant	10,852	16,866	9,816	5,795	17,902
S-19	CS Misato-machi Power Plant	15,068	6,911	11,357	7,603	10,621
S-20	CS Marumori-machi Power Plant	31,901	15,904	29,017	17,059	18,788
S-21	CS Izu-shi Power Plant	153,464	74,165	132,375	87,835	95,255
S-22	CS Ishikari Shinshinotsu-mura Power Plant	21,199	15,847	21,535	13,015	15,511
S-23	CS Osaki-shi Kejonuma Power Plant	6,657	3,880	6,175	3,600	4,362
S-24	CS Hiji-machi Dai-ni Power Plant	843,148	229,068	639,418	475,621	432,799
S-25	CS Ogawara-machi Power Plant	103,146	43,279	82,644	54,545	63,781
Total		2,572,178	880,591	2,083,424	1,454,481	1,369,346

# ESG Initiatives (Environment)

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

## ■ Incorporate measures to reduce environmental impact from manufacturing solar panels

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



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

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

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

# ESG Initiatives (Social)

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

- CSAM is sponsoring the Xavier's Way Walking in Hiji-machi, where CS Hiji-machi Power Plant and CS Hiji-machi Dai-Ni Power Plant are located. In 2022, CSAM employees participated in this event, which is a walk along a historic trail that Francisco Xavier is said to have passed through.



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

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



Repaired the Hima Jinja Shrine



Donated an incense holder made of white granite to Shimpukuji Temple



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

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

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

# ESG Initiatives (Governance)

## ■ Aligning the interest of unitholders with that of the Sponsor

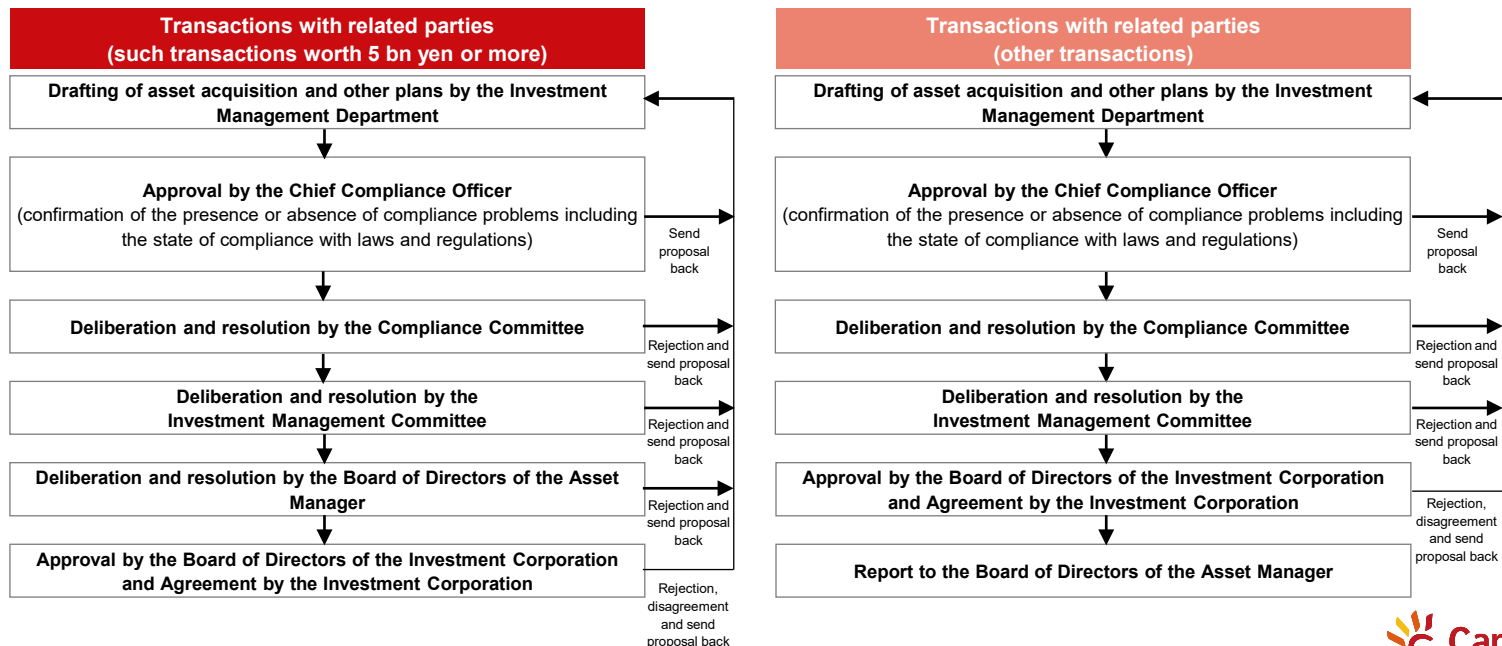
- CSIF aims to increase unitholders's value by aligning the interest of unitholders with that of the sponsor.

After the 3<sup>rd</sup> PO, number of units held by the sponsor and holding ratio: 65,672 units 14.63%

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

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

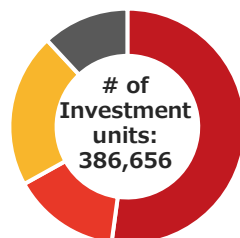
### Decision-Making Structure Concerning Transactions with Related Parties in connection with Asset Acquisitions and Transfers



# Status of Unitholders

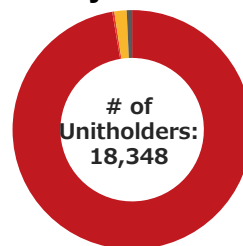
## ■ Unitholding (as at period-ended June 2023)

### ■ By unitholding amount



■ Individuals / others	201,698 (52.16%)
■ Financial institutions (incl. financial instruments firms)	57,092 (14.77%)
■ Domestic Corporates	81,805 (21.16%)
■ Foreign entities & individuals	46,061 (11.91%)

### ■ By unitholders



■ Individuals / others	17,859 (97.33%)
■ Financial institutions (incl. financial instruments firms)	51 (0.28%)
■ Domestic Corporates	305 (1.66%)
■ Foreign entities & individuals	133 (0.72%)

	Name	Number of investment units held (units)	Unitholding ratio to total issued units (%)
1	Canadian Solar Projects K.K.	56,620	14.64%
2	The Bank of Fukuoka, Ltd.	7,830	2.03%
3	THE BANK OF NEW YORK MELLON SA/NV 10	7,768	2.01%
4	SSBTC CLIENT ONMIBUS ACCOUNT	7,249	1.87%
5	JP MORGAN CHASE BANK 385650	5,576	1.44%
6	Custody Bank of Japan, Ltd. (Trust Account)	5,265	1.36%
7	THE BANK OF NEW YORK 133522	5,264	1.36%
8	The Master Trust Bank of Japan, Ltd.	4,600	1.19%
9	The Rokinren Bank	4,453	1.15%
10	JP MORGAN CHASE BANK 380646	4,087	1.06%
	<b>Total</b>	<b>108,712</b>	<b>28.12%</b>

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

# Balance Sheet for 12<sup>th</sup> FP

## ■ 12<sup>th</sup> Fiscal Period (ended June 2023)

### ■ Assets

(in thousands of yen)

Current assets	
Cash and bank deposit	4,989,834
Operating accounts receivable	1,035,888
Accounts receivable	181,049
Prepaid expenses	-
Consumption tax receivable	46,202
Other current assets	6,252,975
<b>Total current assets</b>	
Fixed assets	
Property and equipment	1,064,093
Structures	△215,001
Accumulated depreciation	849,092
Total structures (net)	42,495,764
Machinery and equipment	△9,077,413
Accumulated depreciation	33,418,351
Total machinery and equipment (net)	592,466
Tools, equipment and supplies	△126,616
Accumulated depreciation	465,849
Total tools, equipment and supplies (net)	4,505,944
Land	-
Construction in progress	6,590,138
Structures in trust	△563,468
Accumulated depreciation	6,026,670
Total structures in trust (net)	20,291,246
Machinery and equipment in trust	△1,972,524
Accumulated depreciation	18,318,722
Total machinery and equipment in trust (net)	94,418
Tools, equipment and supplies in trust	△8,971
Accumulated depreciation	85,447
Total tools, equipment and supplies in trust (net)	4,769,905
Land in trust	3,751
<b>Total property and equipment</b>	<b>68,443,734</b>
Intangible assets	
Leasehold rights	1,156,923
Software	2,528
<b>Total intangible assets</b>	<b>1,159,452</b>

Investments and other assets	
Long-term prepaid expenses	443,268
Capital investments	10
Deferred tax asset	72
Long-term deposits	15,600
Guarantee deposits	37,790
<b>Total investments and other assets</b>	<b>496,741</b>
<b>Total fixed assets</b>	<b>70,099,928</b>
Deferred assets	
Investment corporation bond issuance cost	12,141
<b>Total deferred assets</b>	<b>12,141</b>
<b>Total assets</b>	<b>76,365,045</b>

### ■ Liabilities and Net Assets

(in thousands of yen)

Current liabilities	
Operating accounts payable	56,399
Long-term borrowings to be repaid within 1 year	2,267,295
Accounts payable	158,704
Accrued expenses	120,796
Income taxes payable	848
Consumption taxes payable	84,607
Deposits received	511
<b>Total current liabilities</b>	<b>2,689,163</b>
Fixed liabilities	
Investment corporation bond	4,900,000
Long-term borrowings	29,376,343
<b>Total fixed liabilities</b>	<b>34,276,343</b>
<b>Total liabilities</b>	<b>36,965,507</b>
Unitholders' equity	
Unitholders' capital	40,631,004
Amount deducted from Unitholders' capital	△2,234,888
Unitholders' capital (net)	38,396,116
Surplus	
Unappropriated retained earnings (accumulated deficit)	1,003,421
<b>Total surplus</b>	<b>1,003,421</b>
<b>Total unitholders' equity</b>	<b>39,399,537</b>
<b>Total net assets</b>	<b>39,399,537</b>
<b>Total liabilities and net assets</b>	<b>76,365,045</b>

# Statement of Income for 12<sup>th</sup> FP

## ■ 12<sup>th</sup> Fiscal Period (ended June 2023)

(in thousands of yen)

<b>Operating revenues</b>	
Rental revenues	3,452,770
<b>Total operating revenue</b>	<b>3,452,770</b>
<b>Operating expenses</b>	
Rental expenses of renewable energy projects	2,083,424
Asset management fee	108,941
Administrative service fees	28,873
Director's compensation	2,400
Tax and dues	52
Other operating expenses	72,905
<b>Total operating expenses</b>	<b>2,296,597</b>
<b>Operating profit</b>	<b>1,156,173</b>
<b>Non-operating income</b>	
Interest income	28
Insurance proceeds	56,880
Interest on refund	301
Other non-operating income	57,210
<b>Total non-operating income</b>	
<b>Non-operating expenses</b>	<b>141,496</b>
Interest expenses	18,947
Interest expenses on investment corporation bond	2,779
Amortization of investment corporation bond issuance expenses	37,730
Borrowing-related expenses	8,451
Investment unit issuance expenses	-
Loss on retirement of fixed assets	209,406
<b>Total non-operating expenses</b>	<b>1,003,977</b>
<b>Ordinary income</b>	<b>1,003,977</b>
Income before income taxes	852
Income taxes	△57
Income tax adjustments	794
<b>Total income taxes</b>	<b>1,003,182</b>
<b>Net income</b>	<b>239</b>
<b>Profits brought forward</b>	<b>1,003,421</b>



# Portfolio Assets (1)

**S-01 CS Shibushi-shi**  
Power Plant 1.2MW



**S-02 CS Isa-shi**  
Power Plant 0.9MW



**S-03 CS Kasama-shi**  
Power Plant 2.1MW



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



**S-05 CS Yusui-cho**  
Power Plant 1.7MW



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



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



**S-08 CS Hiji-machi**  
Power Plant 2.6MW



**S-09 CS Ashikita-machi**  
Power Plant 2.3MW



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



**S-11 CS Minano-machi**  
Power Plant 2.4MW



**S-12 CS Kannami-cho**  
Power Plant 1.3MW



**S-13 CS Mashiki-machi**  
Power Plant 47.7MW



**S-14 CS Koriyama-shi**  
Power Plant 0.6MW



**S-15 CS Tsuyama-shi**  
Power Plant 2.0MW



# Portfolio Assets (2)

**S-16 CS Ena-shi**  
Power Plant 2.1MW



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



**S-18 CS Takayama-shi**  
Power Plant 1.0MW



**S-19 CS Misato-machi**  
Power Plant 1.1MW



**S-20 CS Marumori-machi**  
Power Plant 2.2MW



**S-21 CS Izu-shi**  
Power Plant 10.7MW



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



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



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



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



# Distributions based on stable cash flow under the FIT system

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

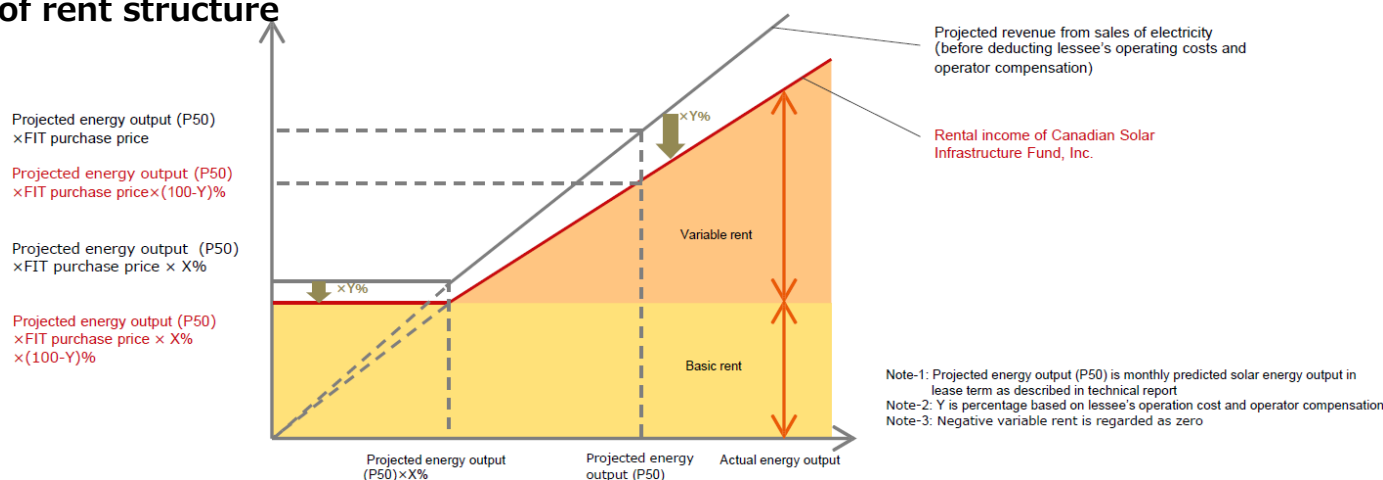
- Structure of electricity sales revenue (source of basic rent and variable rent) that is less susceptible to economic fluctuations



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

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

- Diagram of rent structure



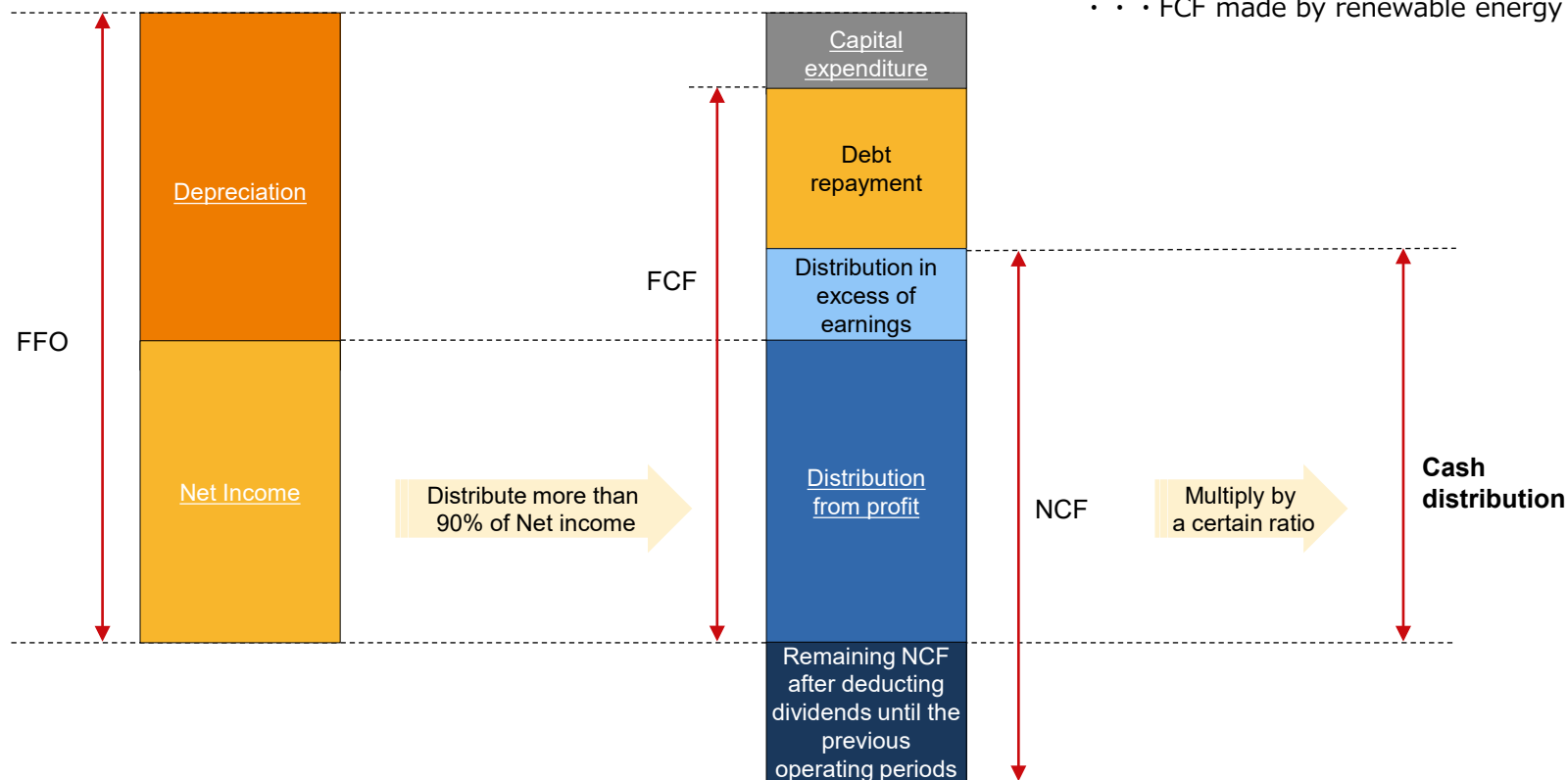
# Rational and stable distribution policy

- Cash distributions (include Distribution in excess of earnings) to CSIF's unitholders for each fiscal period are calculated by multiplying the residual free cash flow ("NCF"; remaining NCF after deducting dividends for the previous operating periods is also taken into account.), which refers to free cash flow ("FCF") minus debt interest payments, by a fixed ratio, which is determined by CSIF for each fiscal period

## ■ Image of distribution in excess of earnings

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

• • • FCF made by renewable energy facilities

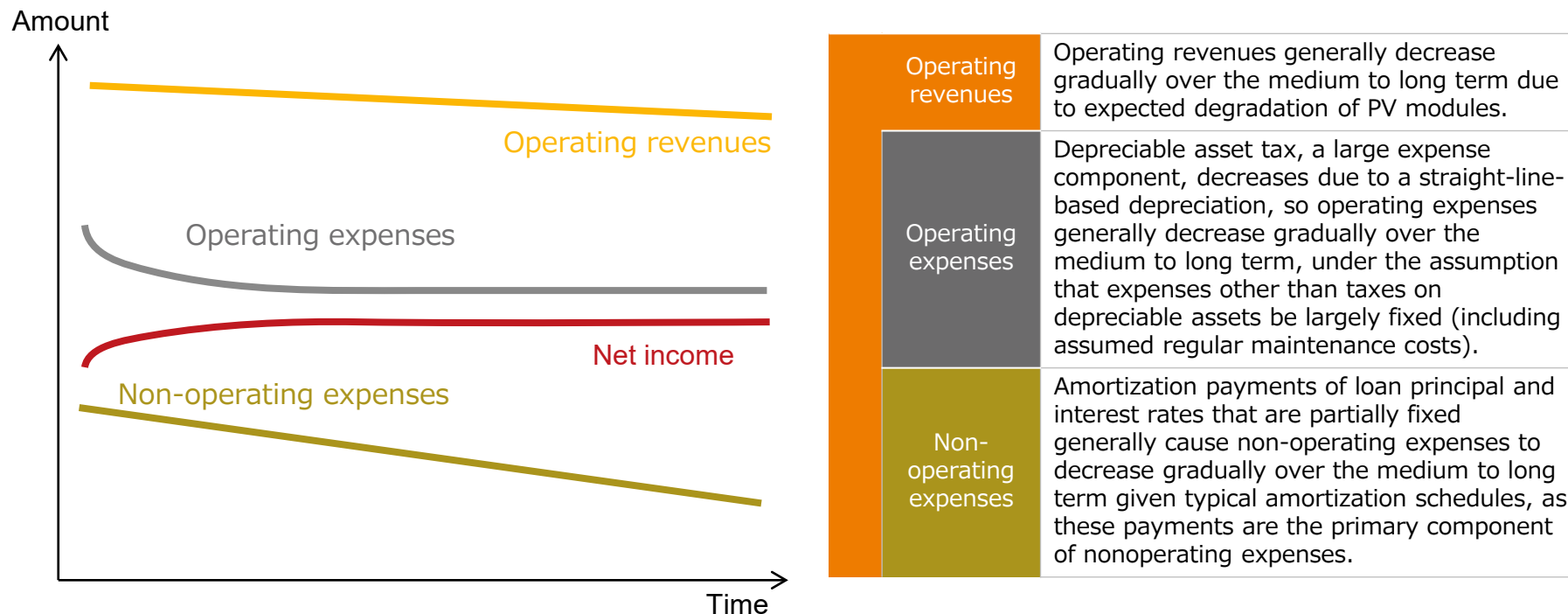


Note: The chart above is presented solely to facilitate a general understanding of the mechanism for cash distributions, and does not represent the ratio of our rental revenues or cash distributions in excess of retained earnings. CSIF may decide not to make any amount of cash distributions in excess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

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

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

## ■ Dynamics of solar power plant revenue during FIT period

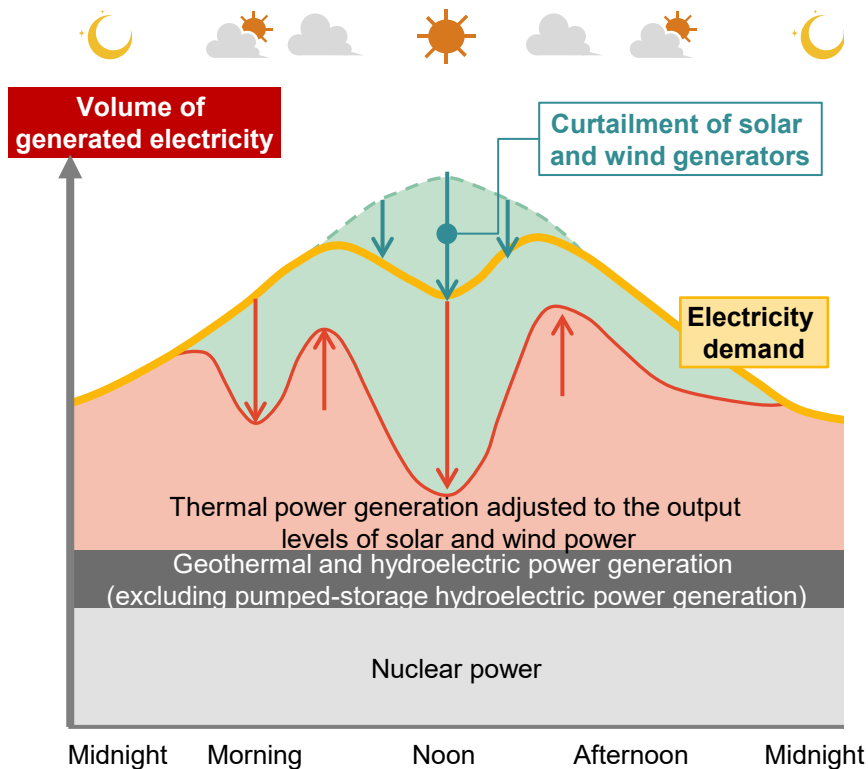


Note: The chart above is presented solely to facilitate a general understanding of the theory management considers in approaching the business of solar energy projects during the FIT period term. The chart assumes the continuous operations of solar energy projects during the FIT period term under normalized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

# Overview of curtailment

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

## ■ Generic output curtailment scenario

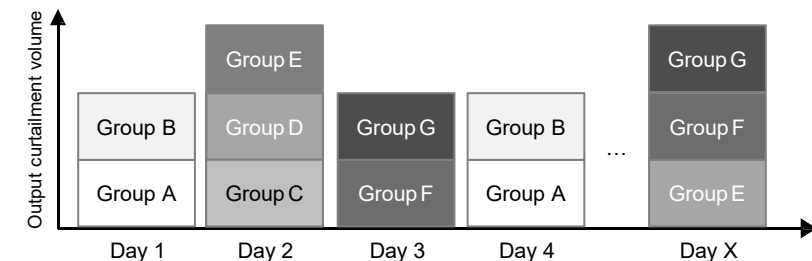


## ■ Rules on output curtailment

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

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

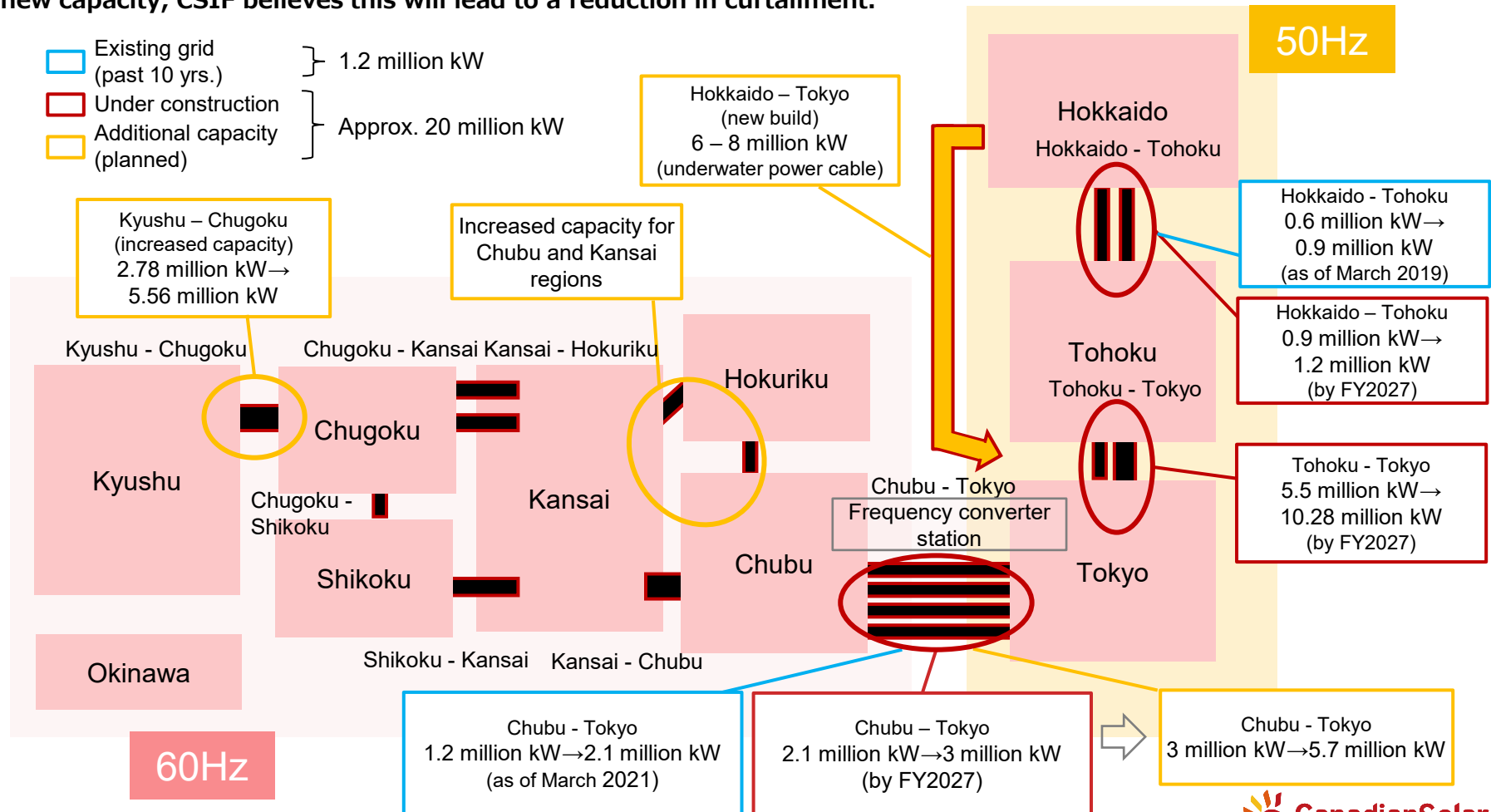
### ~Concept of output curtailment by group~



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

# Capacity increase of cross-regional interconnection lines to reduce curtailment

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

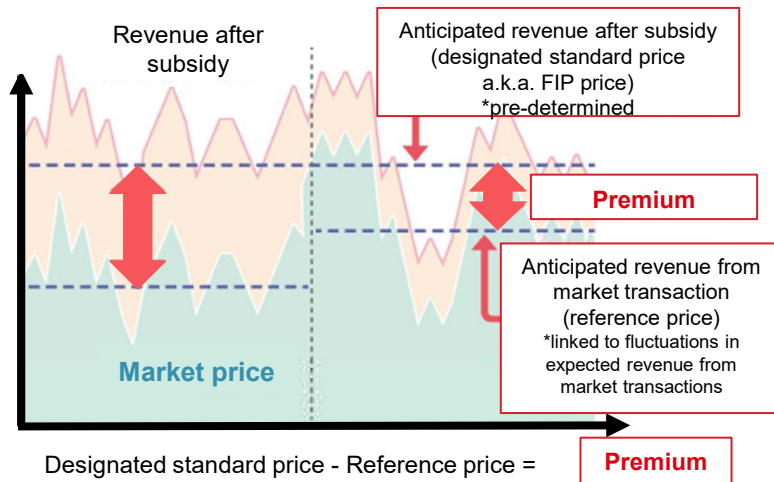


# Main Points of the Revised Renewable Energy Act (1)

## ■ Overview of FIP system

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

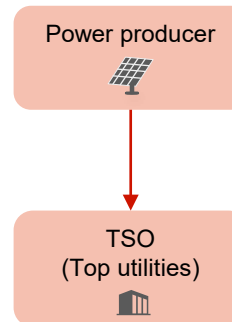
### Revenue dynamics of FIP system



### Difference between FIT and FIP

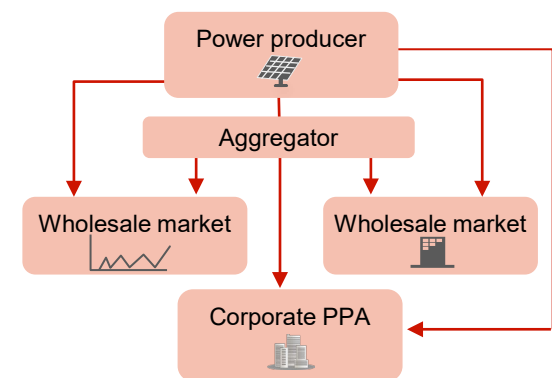
#### FIT

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



#### FIP

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



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

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

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



# Main Points of the Revised Renewable Energy Act (2)

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

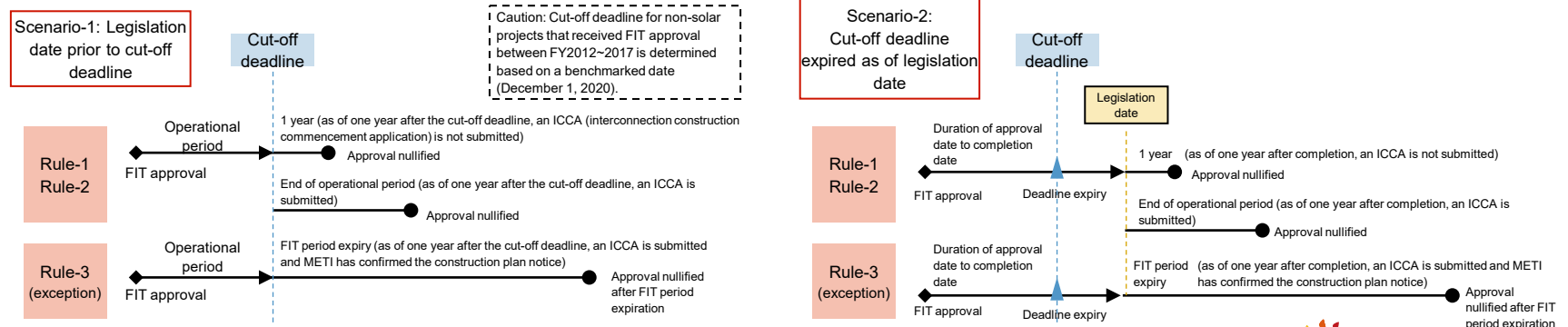
## ■ Regulation to maintain cash reserve for power plant demolition costs

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

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

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

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



# Main Points of the Revised Renewable Energy Act (3)

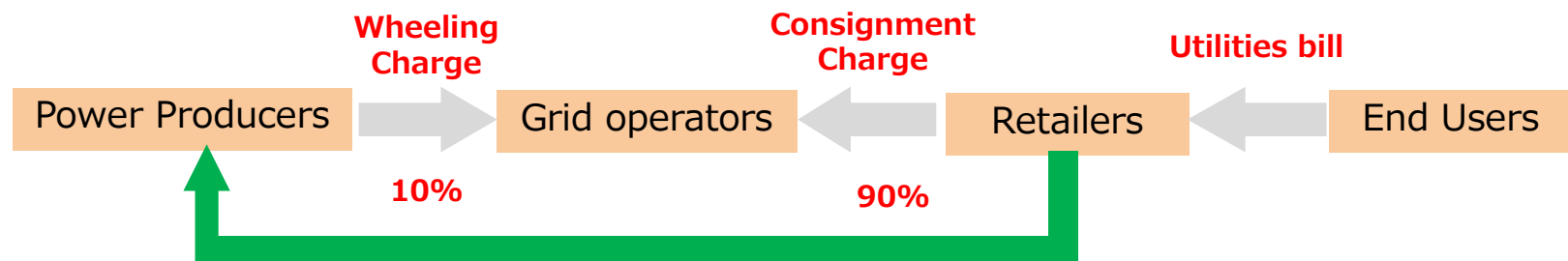
## ■ Discussions on Wheeling Charge

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

Summary of the details of Wheeling Charge

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

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



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

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