

Canadian Solar Infrastructure Fund, Inc.

Independent Auditor's Report

6th Period

Grant Thornton Taiyo LLC

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Canadian Solar Infrastructure Fund, Inc. (the Company), which comprise the balance sheet as at June 30, 2020, and the statement of income, the statement of changes in Unitholders' Equity, the statement of cash distributions, the statement of cash flows for the six months then ended, notes to the financial statements, and supplementary schedules all expressed in Japanese yen.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2020, and its financial performance and its cash flows for the six months then ended in accordance with 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.

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 the Ordinance on Accountings of Investment Corporations and 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 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 Supervisory Directors 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 an Executive Director with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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

Keita Kawashima
Keita Kawashima
Designated Engagement Partner
Certified Public Accountant



Takayoshi Ishikura
Takayoshi Ishikura
Designated Engagement Partner
Certified Public Accountant



Grant Thornton Taiyo LLC
Grant Thornton Taiyo LLC
Tokyo, Japan
27, October, 2020

Summary of Financial Results for Fiscal Period Ended June 30, 2020

(6th Fiscal Period: from January 1 to June 30, 2020)

Balance Sheet
Statements of Income and Retained Earnings
Statements of Changes in Net Assets
Statements of Cash Flows
Notes to Financial Statements

1 [Financial Statement]

(1) Balance Sheet

(Unit : thousand yen)

	5 th Period (December 31, 2019)	6 th Period (June 30, 2020)
Assets		
Current Assets		
Cash and bank deposit	2,474,056	2,627,638
Operating accounts receivable	268,927	477,976
Prepaid expenses	157,523	109,917
Consumption taxes receivable	329,815	-
Other current assets	860	1,799
Total current assets	3,231,182	3,217,332
Fixed Assets		
Property and equipment		
Structures	1,040,844	1,041,843
Accumulated depreciation	(63,543)	(85,025)
Structures, net	977,300	956,818
Machinery and equipment	42,726,985	42,736,685
Accumulated depreciation	(3,002,153)	(3,880,573)
Machinery and equipment, net	39,724,832	38,856,111
Tools, furniture and fixtures	592,249	592,249
Accumulated depreciation	(43,368)	(55,331)
Tools, furniture and fixtures, net	548,881	536,917
Land	4,469,653	4,469,653
Construction in progress	-	10,560
Total property and equipment	45,720,667	44,830,061
Intangible assets		
Leasehold rights	753,139	753,139
Software	2,353	1,960
Total intangible assets	755,492	755,099
Investments and other assets		
Long-term prepaid expenses	316,119	284,425
Deferred tax assets	12	15
Guarantee deposits	37,790	37,790
Total investment and other assets	353,922	322,230
Total fixed assets	46,830,082	45,907,391
Deferred Assets		
Investment corporation bond issuance cost	8,536	7,656
Total deferred assets	8,536	7,656
Total assets	50,069,801	49,132,379
Liabilities		
Current liabilities		
Operating Accounts payable	32,988	29,958
Current portion of long-term loans payable	1,512,196	1,534,806
Accounts payable – other	67,471	78,655
Accrued expenses	102,033	155,410
Income taxes payable	860	922
Consumption tax payable	8,317	203,692
Deposits received	1,562	301
Total current liabilities	1,725,429	2,003,746
Non-current liabilities		
Investment corporation bond	1,100,000	1,100,000
Long-term loan payable	25,360,810	24,297,106
Total non-current liabilities	26,460,810	25,397,106
Total liabilities	28,186,239	27,400,853
Net assets		
Unitholders' equity		
Unitholders' capital	22,050,175	22,050,175
Deduction from unitholders' capital	(700,678)	(1,010,472)
Unitholders' capital, net	21,349,496	21,039,702
Surplus		
Unappropriated retained earnings	534,065	691,823
(Accumulated deficit)	-	-
Total surplus	534,065	691,823
Total unitholders' equity	21,883,561	21,731,525

Total net assets
Total liabilities and net assets

	<u>*1 21,883,561</u>	<u>*1 21,731,525</u>
	<u>50,069,801</u>	<u>49,132,379</u>

(2) 【Statements of Income】

(Unit: thousand yen)

	5 th period (From July 1, 2019 to December 31, 2019)	6 th period (From January 1, 2020 to June 30, 2020)
Operating revenues		
Rental revenues of renewable energy power generation facilities, etc.	*1 2,088,116	*1 2,331,291
Total operating revenues	2,088,116	2,331,291
Operating expenses		
Rental expenses of renewable energy power generation facilities, etc.	*1 1,261,805	*1 1,362,007
Asset management fee	52,213	59,407
Administrative service fees	18,542	19,402
Director's compensation	2,400	2,400
Taxes and duties	772	101
Other operating expenses	55,412	47,603
Total operating expenses	1,391,146	1,490,922
Operating income	696,970	840,369
Non-operating incomes		
Interest income	13	13
Interest on refund	-	400
Total non-operating income	13	413
Non-operating expenses		
Interest expenses	107,285	112,576
Interest on investment corporation bond	1,176	3,894
Amortization of investment corporation bond issuance cost	263	879
Borrowing-related expenses	53,389	30,701
Total non-operating expenses	162,115	148,053
Ordinary income	534,868	692,729
Income before income taxes	534,868	692,729
Income taxes – current	862	924
Income tax – deferred	0	(2)
Total income taxes	862	921
Net income	534,005	691,807
Retained earnings (deficit) brought forward	59	16
Unappropriated retained earnings (Accumulated deficit)	534,065	691,823

(3) 【Statements of Changes in Unitholders' Equity】

5th Fiscal Period (From July 1, 2019 to December 31, 2019)

(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, 2019	22,050,175	(567,281)	21,482,893	710,506	710,506	22,193,399	22,193,399
Changes of items during the period							
Distribution in excess of earnings	-	(133,396)	(133,396)	-	-	(133,396)	(133,396)
Dividend of surplus	-	-	-	(710,446)	(710,446)	(710,446)	(710,446)
Net Income	-	-	-	534,005	534,005	534,005	534,005
Total changes of items during the period	-	(133,396)	(133,396)	(176,441)	(176,441)	(309,837)	(309,837)
Balance as of December 31, 2019	*1 22,050,175	(700,678)	21,349,496	534,065	534,065	21,883,561	21,883,561

6th Fiscal Period (From January 1, 2020 to June 30, 2020)

(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, 2020	22,050,175	(700,678)	21,349,496	534,065	534,065	21,883,561	21,883,561
Changes of items during the period							
Distribution in excess of earnings	-	(309,794)	(309,794)	-	-	(309,794)	(309,794)
Dividend of surplus	-	-	-	(534,048)	(534,048)	(534,048)	(534,048)
Net Income	-	-	-	691,807	691,807	691,807	691,807
Total changes of items during the period	-	(309,794)	(309,794)	157,758	157,758	(152,035)	(152,035)
Balance as of June 30, 2020	*1 22,050,175	(1,010,472)	21,039,702	691,823	691,823	21,731,525	21,731,525

(4) [Statements of Cash Distribution]

(Unit: yen)

	Fiscal Period under Review (From July 1, 2019 to December 31, 2019)	Fiscal Period under Review (From January 1, 2020 to June 30, 2020)
I Unappropriated retained earnings (accumulated deficit)	534,065,162	691,823,858
II Distributions in excess of retained earnings		
Deduction from unitholders' capital	309,794,600	163,682,520
III Cash distributions	843,843,500	855,403,000
(Cash distributions per unit)	(3,650)	(3,700)
Profit distributions	534,048,900	691,720,480
(Profit distributions per unit)	(2,310)	(2,992)
Distributions in excess of retained earnings	309,794,600	163,682,520
(Distributions in excess of retained earnings)	(1,340)	(708)
IV Retained earnings (deficit) carried forward	16,262	103,378
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 ¥534,065,162 which is the entire amount equivalent to the unappropriated retained earnings for the fiscal period under review of ¥534,048,900 excluding fractions of the distribution per unit that are less than ¥1.</p> <p>CSIF distributes cash in excess of retained earnings every fiscal period based on the cash distribution policy prescribed in Article 47, Paragraph 2 of CSIF's Articles of Incorporation. Based on this policy, CSIF decided to make cash distributions in excess of earnings (return of capital categorized as a distribution of the reduction in capital for Japanese tax purposes) in the amount of ¥309,794,600 which is equivalent to 36.9% of the amount of depreciation expenses recorded for the fiscal period under review of</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 ¥691,823,858 which is the entire amount equivalent to the unappropriated retained earnings for the fiscal period under review of ¥691,720,480 excluding fractions of the distribution per unit that are less than ¥1.</p> <p>CSIF distributes cash in excess of retained earnings every fiscal period based on the cash distribution policy prescribed in Article 47, Paragraph 2 of CSIF's Articles of Incorporation. Based on this policy, CSIF decided to make cash distributions in excess of earnings (return of capital categorized as a distribution of the reduction in capital for Japanese tax purposes) in the amount of ¥163,682,520 which is equivalent to 17.9% of the amount of depreciation expenses recorded for the fiscal period under review of</p>

	¥840,031,795. Accordingly, the distribution per unit is ¥3,650.	¥912,259,006. Accordingly, the distribution per unit is ¥3,700.
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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 ¥843,843,500 which is equivalent to 82.0% of forecast NCF amount for the fiscal period under review of ¥1,029,345,000. Of this, ¥309,794,600 which is the amount less of distributions of profit of ¥534,048,900 is distributions in excess of retained earnings.

And, CSIF decided to make distributions for the current fiscal period of ¥855,403,000 which is within the limitation of 95% and equivalent to 94.7% of forecast NCF amount for the fiscal period under review of ¥902,632,000. Of this, ¥163,682,520 which is the amount less of distributions of profit of ¥691,720,480 is distributions in excess of retained earnings.

(5) 【Statements of Cash Flow】

(Unit: thousand yen)

	5 th period (From July 1, 2019 to December 31, 2019)	6 th period (From January 1, 2020 to June 30, 2020)
Cash flows from operating activities		
Income before income taxes	534,868	692,729
Depreciation cost	840,031	912,259
Investment corporation bond expenses	263	879
Interest income	(13)	(13)
Interest expenses	108,461	116,471
Decrease (Increase) in operating accounts receivable	157,829	(209,049)
Decrease (Increase) in consumption taxes receivable	(329,815)	329,815
Decrease (Increase) in consumption taxes payable	(41,587)	195,374
Decrease (Increase) in prepaid expenses	(85,718)	47,606
Decrease (Increase) in long-term prepaid expenses	(8,695)	31,694
Increase (Decrease) in operating accounts payable	6,644	(3,030)
Increase (Decrease) in accounts payable - other	(15,532)	11,184
Increase (Decrease) in accrued expenses	(11,331)	54,026
Other, net	(833)	(2,200)
Sub-total	1,154,572	2,177,748
Interest received	13	13
Interest paid	(107,769)	(117,120)
Income taxes paid	(870)	(862)
Net cash provided by (used in) operating activities	1,045,945	2,059,778
Cash flows from investing activities		
Purchases of property and equipment	(4,396,022)	(21,259)
Purchases of intangible fixed assets	(240,727)	-
Payment of guarantee deposits	(16,769)	-
Net cash provided by (used in) investing activities	(4,653,519)	(21,259)
Cash flows from financing activities		
Proceeds from long-term loans payable	4,800,000	-
Repayment of long-term loans payable	(1,440,151)	(1,041,093)
Proceeds from issuance of investment units	1,100,000	-
Payments for investment unit issuance expenses	(8,800)	-
Dividends paid	(710,446)	(534,048)
Surplus earning distribution paid	(133,396)	(309,794)
Net cash provided by (used in) financing activities	3,607,205	(1,884,936)
Net increase (decrease) in cash and cash equivalents	(368)	153,581
Cash and cash equivalents at the beginning of the fiscal period	2,466,624	2,466,256
Cash and cash equivalents at the end of the fiscal period	*1 2,466,256	*1 2,619,838

- (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 - 25 years Machinery and equipment 22 - 25 years Tools, furniture and fixtures 22 - 25 years</p> <p>(2) Intangible assets The straight-line method is adopted. In addition, the useful life is as shown below: Software 5 years</p> <p>(3) Long-term prepaid expenses The straight-line method is adopted.</p>
<p>2.Method of amortization of deferred assets</p>	<p>(1) Investment corporation bond issuance expenses Amortized by the straight-line method over the life of the bonds.</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. In the fiscal period under review, the amount equivalent to the fixed assets tax and other taxes included in the acquisition cost of infrastructure assets and other assets is 504 thousand yen.</p>
<p>4.Scope of funds in statement of cash flows</p>	<p>Funds (cash and cash equivalents) in statement of cash flows consist of cash on hand, demand deposits and short-term investments with a maturity of three months or less at the date of acquisition that can readily be converted into cash and that are subject to insignificant risks of changes in value.</p>
<p>5.Method of hedge accounting</p>	<p>(1) Method of hedge accounting Special treatment is adopted for the interest rate swap that meets the requirements for special treatment.</p> <p>(2) Hedging instruments and hedged items: · Hedging instruments Interest rate swap transaction · Hedged items Interest rate on loans</p> <p>(3) Policy for hedging CSIF conducts derivative transactions to hedge risks as set forth in the CSIF's Articles of Incorporation according to the rules for risk management.</p> <p>(4) Method of evaluation of effectiveness of hedging The interest rate swap meets the requirements for special treatment, and thus the evaluation of effectiveness is omitted.</p>
<p>6.Other significant matters serving as the basis for preparation of financial statements</p>	<p>Accounting for Consumption tax Consumption tax and local consumption tax are excluded from the corresponding transaction amount.</p>

【NOTES REGARDING CHANGE OF PRESENTATION METHOD】

Not applicable.

[NOTES ON UNAPPLIED ACCOUNTING STANDARDS]

(Unapplied Accounting Standards)

- Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 published on March 31, 2020 by the Accounting Standards Board of Japan)
- Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30 published on March 31, 2020 by the Accounting Standards Board of Japan)
- Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19 published on March 31, 2020 by the Accounting Standards Board of Japan)

1.Overview

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) have jointly developed a converged accounting standard on revenue recognition and issued "Revenue from Contracts with Customers" (IFRS 15 by IASB and Topic 606 by FASB) in May 2014. IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2018 and Topic 606 is effective for annual reporting periods beginning on or after December 15, 2017. In this connection, the ASBJ developed a converged accounting standard on revenue recognition and issued the standard together with its implementation guidance.

The ASBJ followed two policies in developing accounting standard for revenue recognition. That is, to incorporate all basic IFRS 15 requirements to ensure comparability of financial statements, but also to consider additional alternative treatments based on practices applied by Japanese companies so that the standards would not significantly impair comparability.

2.Planned date of application

CSIF will apply the standard at the beginning of the fiscal period ending December 2021.

3.Effect of application of the standard

The effect that the application of Accounting Standard for Revenue Recognition will have on the financial statements is currently under evaluation.

- Accounting Standard for Fair Value Measurement (ASBJ Statement No.30 published on July 4, 2019 by the Accounting Standards Board of Japan)
- Accounting Standard for Financial Instruments (ASBJ Statement No.10 published on July 4, 2019 by the Accounting Standards Board of Japan)
- Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No.31 published on July 4, 2019 by the Accounting Standards Board of Japan)
- Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No.19 published on March 31, 2020 by the Accounting Standards Board of Japan)

1.Overview

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) have established detailed guidelines for the measurement of fair value (IFRS 13 "Fair Value Measurement" and "Fair Value Measurement (Topic 820)" of the FASB). In order to facilitate the comparison of the provisions in these international accounting standards, the Accounting Standards Board of Japan (ASBJ) has carefully examined the guidance and disclosure primarily for the market prices of financial instruments and announced the accounting standard for the calculation of market prices and guidelines.

2.Planned date of application

CSIF will apply the standard at the beginning of the fiscal period ending December 2021.

3.Effect of application of the standard

The effect that the application of Accounting Standard for Fair value Measurement will have on the financial statements is currently under evaluation.

- Accounting Standard for Disclosure of Accounting Estimates (Corporate Accounting Standard No. 31, March 31, 2020, the Accounting Standards Board of Japan)

1.Overview

Regarding "source of uncertainty of estimate" disclosure, which is required in Clause 125 of the International Accounting Standard (IAS) No. 1, "Presentation of Financial Statements (hereinafter "IAS No. 1")" announced by the International Accounting Standards Board (IASB) in 2003, there have been requests to consider the requirement to disclose useful information to users of financial statements as notes in the Japanese standard as well, and it has been published.

In developing the Accounting Standards, the basic policy on which the Accounting Standards Board of Japan relies is not to expand individual notes but to require companies to make a judgment on the disclosure of specific content in light of the disclosure purpose after demonstrating the principle (disclosure purpose). The provision of Clause 125, IAS No. 1 shall be referenced when developing the Accounting Standards.

2.Planned date of application

This shall apply from the end of the fiscal period ending June 2021.

3.Effect of application of the standard

The effect that the application of Accounting Standard for Disclosure of Accounting Estimates will have on the financial statements is currently under evaluation.

- Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections" (Corporate Accounting Standard No. 24, March 31, 2020, the Accounting Standards Board of Japan)

1.Overview

It was recommended to consider expanding notes related to "accounting principles and procedures used when provisions of the relevant accounting standards, etc., are unclear." Subsequently, the Accounting Standards Board of Japan has made the necessary revisions and published the Accounting Standard for Accounting Policy Disclosure, Accounting Changes and Error Corrections.

In expanding notes related to "accounting principles and procedures used when provisions of the relevant accounting standards, etc., are unclear," provisions for annotations in the Corporate Accounting Principles (Note 1-2) shall continue to apply, to avoid disrupting existing practice in cases where the provisions of the relevant accounting standards, etc., are clear.

2.Planned date of application

This shall apply from the end of the fiscal period ending June 2021.

[NOTES TO BALANCE SHEET]

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

(Unit: thousand yen)

	As of December 31, 2019	As of June 30, 2020
	50,000	50,000

[NOTES TO STATEMENT OF INCOME]

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

(Unit: thousand yen)

	From July 1, 2019 to December 31, 2019	From January 1, 2020 to June 30, 2020
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)	1,567,010	1,646,317
(Variable rent linked to actual output)	520,930	684,879
(Incidental income)	176	94
Total operating revenue from the rental business of renewable energy power generation facilities, etc.	2,088,116	2,331,291
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)	146,524	159,491
(Repair and maintenance costs)	1,768	98
(Taxes and duties)	217,112	223,768
(Insurance expenses)	19,571	22,112
(Depreciation expenses)	839,638	911,865
(Land rent)	37,190	44,670
Total operating expenses from the rental business of renewable energy power generation facilities, etc.	1,261,805	1,362,007
C. Profits and losses from the rental business of renewable energy power generation facilities, etc. (A-B)	826,311	969,284

[NOTES TO STATEMENT OF CHANGES IN NET ASSETS]

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

	From July 1, 2019 to December 31, 2019	From January 1, 2020 to June 30, 2020
Total number of authorized investment units	10,000,000 unit	10,000,000 unit
Total number of investment units issued and outstanding	231,190 unit	231,190 unit

[NOTES TO STATEMENT OF CASH FLOWS]

*1 Relationship between the ending balance of cash and cash equivalents and the amounts on the balance sheet

(Unit: thousand yen)

	From July 1, 2019 to December 31, 2019	From January 1, 2020 to June 30, 2020
Cash and deposits	2,474,056	2,627,638
Fixed Term deposits exceeding 3 months	(7,800)	(7,800)
Cash and cash equivalents	2,466,256	2,619,838

[NOTES ON LEASE TRANSACTIONS]

Operating lease (as the lessor)
Future minimum lease payments

(Unit: thousand yen)

	Fiscal period ended December 31, 2019	Fiscal period ended June 30, 2020
Within one year	3,329,182	3,320,471
Longer than one year	51,816,828	50,176,820
Total	55,146,011	53,497,291

[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 table below shows the book value and fair values of financial instruments as of December 31, 2019 and the difference between them. Financial instruments whose fair values are extremely difficult to estimate are not included in the table.

(Unit: thousand yen)

	Book value	Fair value	Difference
(1) Cash and deposits	2,474,056	2,474,056	-
(2) Operating accounts receivable	268,927	268,927	-
Total assets	2,742,983	2,742,983	-
(3) Current portion of long-term loans payable	1,512,196	1,513,923	1,726
(4) Long-term loans payable	25,360,810	25,651,566	290,756
(5) Investment corporation bond	1,100,000	1,100,000	-
Total liabilities	27,973,006	28,265,489	292,482
(6) Derivative transaction	-	-	-

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

Assets

(1) Cash and deposits (2) Operating accounts receivable

These financial instruments are settled in the short term, and their fair values are deemed to approximate their book value. Therefore, the book values are used as the values.

Liabilities

(3) Current portion of long-term loans payable (4) 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) Investment corporation bond

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

(6) Derivative transaction

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

The table below shows the book value and fair values of financial instruments as of June 30, 2020, and the difference between them. Financial instruments whose fair values are extremely difficult to estimate are not included in the table.

(Unit: thousand yen)

	Book value	Fair value	Difference
(1) Cash and deposits	2,627,638	2,627,638	-
(2) Operating accounts receivable	477,976	477,976	-
Total assets	3,105,615	3,105,615	-
(3) Current portion of long-term loans payable	1,534,806	1,536,238	1,432
(4) Long-term loans payable	24,297,106	24,526,517	229,410
(5) Investment corporation bond	1,100,000	1,086,690	(13,310)

Total liabilities	26,931,912	27,149,446	217,533
(6) Derivative transaction	-	-	-

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

Assets

(1) Cash and deposits (2) Operating accounts receivable

These financial instruments are settled in the short term, and their fair values are deemed to approximate their book value. Therefore, the book values are used as the values.

Liabilities

(3) Current portion of long-term loans payable (4) 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) Investment corporation bond

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

(6) Derivative transaction

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

(Note 2) Scheduled redemption amounts of monetary receivable after the closing date (December 31, 2019)

(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
(1) Cash and deposits	2,474,056	-	-	-	-	-
(2) Operating accounts receivable	268,927	-	-	-	-	-
Total	2,742,983	-	-	-	-	-

Scheduled redemption amounts of monetary receivable after the closing date (June 30, 2020)

(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
(1) Cash and deposits	2,627,638	-	-	-	-	-
(2) Operating accounts receivable	477,976	-	-	-	-	-
Total	3,105,615	-	-	-	-	-

(Note 3) Scheduled redemption amount of loans payable after the closing date (December 31, 2019)

(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
(3) Current portion of long-term loans payable	1,512,196	-	-	-	-	-
(4) Long-term loans payable	-	5,836,435	1,860,238	1,292,889	1,254,936	15,116,310
(5) Investment corporation bond	-	-	-	-	1,100,000	-
Total	1,512,196	5,836,435	1,860,238	1,292,889	2,354,936	15,116,310

Scheduled redemption amount of loans payable after the closing date (June 30, 2020)

(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
(3) Current portion of long-term loans payable	1,534,806	-	-	-	-	-
(4) Long-term loans payable	-	5,986,293	1,286,533	1,285,273	1,242,792	14,496,212
(5) Investment corporation bond	-	-	-	-	1,100,000	-
Total	1,534,806	5,986,293	1,286,533	1,285,273	2,342,792	14,496,212

[NOTES ON SECURITIES]

Prior fiscal period (as of December 31, 2019)

Not applicable.

Current fiscal period (as of June 30, 2020)

Not applicable.

[NOTES ON DERIVATIVE TRANSACTIONS]

1. Those to which hedge accounting is not applied

Prior fiscal period (as of December 31, 2019) and current fiscal period (as of June 30, 2020)

Not applicable.

2. Those to which hedge accounting is applied

Prior fiscal period (as of December 31, 2019)

(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	21,411,430	20,187,606	(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) (3) Current portion of long-term loans payable and (4) Long-term loans payable in "Notes on financial instruments 2. Matters relating to fair values of financial instruments, among other matters".

Current fiscal period (as of June 30, 2020)

(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	20,811,569	19,568,757	(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) (3) Current portion of long-term loans payable and (4) Long-term loans payable in "Notes on financial instruments 2. Matters relating to fair values of financial instruments, among other matters".

[NOTES ON RETIREMENT BENEFITS]

Prior fiscal period (as of December 31, 2019)
Not applicable.

Current fiscal period (as of June 30, 2020)
Not applicable.

[NOTES ON TAX EFFECT ACCOUNTING]

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

(Unit: thousand yen)

	Fiscal period ended December 31, 2019	Fiscal period ended June 30, 2020
Accrued business tax not deductible from taxable income	12	15
Total deferred tax assets	12	15
Net amount of deferred tax assets	12	15

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

	Fiscal period ended December 31, 2019	Fiscal period ended June 30, 2020
Effective statutory tax rate	31.51%	31.46%
(Adjustment)		
Dividends paid deductible for tax purpose	(31.46)%	(31.41)%
Others	0.11%	0.09%
Rate of burden of corporate tax and other taxes after the application of tax effect accounting	0.16%	0.14%

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

Prior fiscal period (from July 1, 2019 to December 31, 2019)
Not applicable.

Current fiscal period (from January 1, 2020 to June 30, 2020)
Not applicable.

[NOTES ON RELATED PARTY TRANSACTIONS]

1. Major corporate unitholders

Prior fiscal period (from July 1, 2019 to December 31, 2019)
Not applicable.

Current fiscal period (from January 1, 2020 to June 30, 2020)
Not applicable.

2. Affiliates

Prior fiscal period (from July 1, 2019 to December 31, 2019)
Not applicable.

Current fiscal period (from January 1, 2020 to June 30, 2020)
Not applicable.

3. Fellow Subsidiaries

Prior fiscal period (from July 1, 2019 to December 31, 2019)
Not applicable.

Current fiscal period (from January 1, 2020 to June 30, 2020)
Not applicable.

4. Officers and major individual unitholders

Prior fiscal period (from July 1, 2019 to December 31, 2019)
Not applicable.

Current fiscal period (from January 1, 2020 to June 30, 2020)
Not applicable.

[NOTES ON ASSET RETIREMENT OBLIGATIONS]

Prior fiscal period (from July 1, 2019 to December 31, 2019)
Not applicable.

Current fiscal period (from January 1, 2020 to June 30, 2020)
Not applicable.

[NOTES ON INVESTMENT AND RENTAL PROPERTY]

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

(Unit: thousand yen)

	Prior fiscal period From July 1, 2019 to December 31, 2019	Current fiscal period From January 1, 2020 to June 30, 2020
Book value (Note 2)		
Beginning balance	42,676,695	46,473,806
Change during the period (Note 3)	3,797,111	(901,166)
Ending balance	46,473,806	45,572,640
Fair value at the end of the period (Note 4)	51,498,500	49,588,000

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

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

(Note 3) The change during the period ended December 31, 2019 primarily consisted of the increase due to acquisition of one photovoltaic power generation facility (4,629,532 thousand yen), and the decrease due to depreciation expenses (839,638 thousand yen). And the change during the period ended June 30, 2020 primarily consisted of the increase due to capital expenditure of one photovoltaic power generation facility (10,699 thousand yen), and the decrease due to depreciation expenses (911,865 thousand yen).

(Note 4) The fair value is the total sum of values of the intermediate values 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, 2019 and June 30, 2020 (including values for real estate, leasehold rights to real estate or surface rights), which was obtained from PricewaterhouseCoopers Sustainability LLC for the power generation facilities from S-01 to S-18, and of the total sum of the intermediate values stated in the valuation report with the date of the value opinion on December 31, 2019 and June 30, 2020, which was obtained from Ernst & Young Transaction Advisory Services Co., Ltd. for the power generation facilities from S-19 to S-21.

In addition, profits and losses from the renewable energy power generation facilities, etc. for the fiscal period ended December 31, 2019 (the 5th period) and the fiscal period ended June 30, 2020 (the 6th period) are as stated in the "Notes to statement of income" above.

[NOTES ON SEGMENT INFORMATION]

1. Segment information

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

2. Related Information

Prior fiscal period (from July 1, 2019 to December 31, 2019)

(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 statement 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 statement 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.	2,061,357	Renewable energy power generation facilities, etc. rental business
LOHAS CLEAN ENERGIES WORLD K.K.	26,582	Renewable energy power generation facilities, etc. rental business

Current fiscal period (from January 1, 2020 to June 30, 2020)

(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 statement 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 statement 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.	2,331,196	Renewable energy power generation facilities, etc. rental business

[NOTES ON PER UNIT INFORMATION]

(Unit: yen)

	Prior fiscal period From July 1, 2019 to December 31, 2019	Current fiscal period From January 1, 2020 to June 30, 2020
Net assets per unit	94,656	93,998
Net income (Net loss) per unit	2,309	2,992

(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. In the previous fiscal period, a loss was posted and there were no dilutive investment units, and thus diluted loss per unit is not stated. With respect to diluted profit per unit for the period under review, there are no dilutive investment units, and thus the statement is omitted.

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

	Prior fiscal period From July 1, 2019 to December 31, 2019	Current fiscal period From January 1, 2020 to June 30, 2020
Net income (Net loss) (Thousand yen)	534,005	691,807
Amount not attributable to common unit holders (Thousand yen)	-	-
Net income (Net loss) attributable to Common unit holders (Thousand yen)	534,005	691,807
Average number of investment units during the period (Units)	231,190	231,190

[NOTES ON FACTS ARISING AFTER THE SETTLEMENT OF ACCOUNTS]

1. Borrowings of the Funds

CSIF decided to borrow funds for the purpose of the application to partial fund for acquisition of the newly acquired assets described in "2. Acquisition of assets" below at the meeting of the board of directors held on September 17, 2020 and completed the borrowing of funds, as described below, on September 28, 2020. The borrowed funds were applied to partial fund for acquisition of the two acquired assets described in "2. Acquisition of assets" below and expenses related thereto (including consumption taxes).

Type (Note 1)	Lenders	Borrowing Amount (million yen)	Interest Rate (Note 2)	Drawdown Date	Repayment Date	Repayment Method (Note 3)	Security (Note 4)
Short-term	Mizuho Bank, Ltd.	1,000 (Note 5)	Base rate plus 0.3% (Note 6)	September 28, 2020	Corresponding date in one year from the drawdown date	Partial installment (Note 5)	Unsecured, unguaranteed

(Note 1) Short-term refers to borrowings that have a period of a year or less from the drawdown date to the repayment date.

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

(Note 3) CSIF can make an early repayment of all or part of our borrowings subject to certain conditions, such as prior written notice to the relevant lenders.

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

(Note 5) CSIF intends to enter into balloon amortization loans, which has an initial principal repayment date of December 31, 2020, and subsequent principal repayment dates shall be the last day of March, June and September (if a principal repayment date is not a business day, then the payment shall be made on the immediately succeeding business day; provided, however, that if such payment day falls into the following month, then the payment shall be made on the immediately preceding business day) and the remaining principal shall be repaid as a balloon payment on the repayment date.

(Note 6) The applicable base rate for each interest calculation period (being 3 months, excluding the first interest period) for the calculation of the interest payable on the interest payment date shall be the 3 month Japanese yen TIBOR (Tokyo Interbank Offered Rate) announced by the General Incorporated Association JBA (Japanese Bankers Association) TIBOR Administration on the 2nd business day prior to the Drawdown Date for the first interest calculation period and on the 2nd business day prior to the beginning of each relevant interest calculation period thereafter. The applicable base rate shall be revised for each interest period. However, if a corresponding base rate is not available for an interest calculation period, the base rate shall be calculated using the method agreed in the relevant loan agreement.

2. Acquisition of assets

The Investment Corporation decided to acquire the following two assets according to the basic policy for asset management set forth in the Articles of Incorporation at the meeting of the board of directors held on August 14, 2020 and completed the acquisition of the said assets with the funds of "1. Borrowings of the Funds" on September 28, 2020.

Asset Number (Note 1)	Project Name (Note 2)	Type of Asset	Location (Note 3)	Acquisition Price (million yen) (Note 4)	Acquired from
S-22	CS Ishikari Shinshinotsu-mura Power Plant	Trust beneficiary rights	Ishikari-gun, Hokkaido	680	CS Hokkaido Ishikari G.K.
S-23	CS Osaki-shi Kejonuma Power Plant	Trust beneficiary rights	Osaki-shi, Miyagi	208	CS Miyagi Kejonuma G.K.
Total				888	

(Note 1) Asset Number is the number that we have assigned to our projects, based on the classification of the renewable energy project.

The S denotes a solar energy project. The same applies herein.

(Note 2) "CS" is the abbreviation for Canadian Solar. The same applies herein.

(Note 3) Based on the location of the land or one of the lands upon which the photovoltaic power generation is installed, as described in the property registry. In either case, the address is described up to the city or district.

(Note 4) Acquisition Price is the selling price (excluding acquisition costs such as service fees etc. in relation to asset acquisition, fixed asset tax, city planning tax, consumption tax equivalent amounts and any other fees) stated in the sales agreements for each acquisition of asset, and prices less than one million yen are disregarded.

(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, etc. (Note 1)		Fair value (Note 2)
			Longer than one year	
OTC (over-the-counter)	Interest rate swap transactions pay-fixed, receive-variable	20,811,569	19,568,757	-
Total		20,811,569	19,568,757	-

(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 January 1, 2020	Increase during the period	Decrease during the period	Balance as of June 30, 2020	Accumulated depreciation or accumulated amortization		Net balance as of June 30, 2020	Remarks
						Depreciation during the period		
Property and equipment	Structures	1,040	0	-	1,041	85	21	956
	Machinery and equipment	42,726	9	-	42,736	3,880	878	38,856 (Note 1)
	Tools, furniture and fixtures	592	-	-	592	55	11	536
	Land	4,469	-	-	4,469	-	-	4,469
	Construction in progress	-	10	-	10	-	-	10 (Note 2)
	Total	48,829	21	-	48,850	4,020	911	44,830
Intangible assets	Leasehold rights	753	-	-	753	-	-	753
	Software	3	-	-	3	1	0	1
	Total	757	-	-	757	1	0	755

(Note 1) The "increase during the period" is entirely due to the acquisition of Photovoltaic power generation facilities (February 28, 2020).

(Note 2) The "increase during the period" is due to the restoration works for existing Photovoltaic power generation facilities (S-12 CS Kannami cho power generation facilities 4 million yen, S-15 CS Tsuyama shi power generation facilities 6 million yen). With regard to the works for construction in progress for CS Kannami cho, the estimated amount for capital expenditure for the next fiscal year is not fixed.

5. Schedule of Other Specified Assets

Not applicable.

6. Schedule of Investment corporation bond

(Unit: million yen)

Name of bond	Issue date	Balance as of January 1, 2020	Decrease during the period	Increase during the period	Balance as of June 30, 2020	Interest rate (%)	Repayment date	Use	Remarks
First Series of Unsecured Investment Corporation Bond	November 6, 2019	1,100	-	-	1,100	0.71	November 6, 2024	(Note1)	Unsecured Unguaranteed
Total		1,100	-	-	1,100				

(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

7. Schedule of Loans Payable

(Unit: million yen)

Category	Lender	Balance as of January 1, 2020	Increase during the period	Decrease during the period	Balance as of June 30, 2020	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks
Long-term loans payable	Shinsei Bank, Limited.	2,140	-	61	2,079	0.84500 (Note 2)	October 31, 2027	Repayment in partial installments	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	1,337	-	38	1,299					
	Sumitomo Mitsui Banking Corporation.	1,337	-	38	1,299					
	MUFG Bank, Ltd.	891	-	25	866					
	Resona Bank, Limited.	1,605	-	46	1,559					
	ORIX Bank Corporation.	891	-	25	866					
	The Hiroshima Bank, Ltd.	1,605	-	46	1,559					
	The Nanto Bank, Ltd.	1,605	-	46	1,559					
	The Oita Bank, Ltd.	802	-	23	779					
	The Shonai Bank, Ltd.	802	-	23	779					

Long-term loans payable	The Mie Bank, Ltd.	178	-	5	173	1.04200 (Note2)	September 6, 2028	Repayment in partial installments	(Note 3)	Unsecured Unguaranteed
	The Tochigi Bank, Ltd.	802	-	23	779					
	Shinsei Bank, Limited.	1,603	-	42	1,560					
	Sumitomo Mitsui Banking Corporation.	1,603	-	42	1,560					
	MUFG Bank, Ltd.	1,851	-	49	1,802					
	The Nanto Bank, Ltd.	925	-	24	901					
	The Ashikaga Bank, Ltd.	948	-	25	923					
	The Hiroshima Bank, Ltd.	474	-	12	461					
	Shinsei Bank, Limited.	661	-	18	643	0.57636	March 29, 2022	Repayment in partial installments	(Note3)	Unsecured Unguaranteed
	Shinsei Bank, Limited.	1,000	-	27	972	0.52085	November 29, 2021	Repayment in partial installments	(Note3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	700	-	19	680					
	The Ashikaga Bank, Ltd.	500	-	13	486					
	The Shonai Bank, Ltd.	1,000	-	27	972					
	The Nanto Bank, Ltd.	500	-	13	486					
	The Hiroshima Bank, Ltd.	800	-	21	778					

Long-term loans payable	MUFG Bank, Ltd.	300	-	300	-	0.26738	The earlier date of November 29, 2021 or the first interest payment date after the consumption tax refund date	Bullet (Note4)	(Note3)	Unsecured Unguaranteed
Total		26,873	-	1,041	25,831	-	-	-	-	-

(Note 1) The average interest rate is the weighted-average figure during the period and is rounded to the sixth decimal place.

(Note 2) CSIF conducts interest rate swaps which fix interest rates to hedge interest rate risk, and the average interest rate is the weighted-average figure during the period taking the effect of interest rate swaps into consideration.

(Note 3) Funds are used mainly for acquisition of renewable energy power generation facilities.

(Note 4) CSIF repaid the funds in a lump sum on April 30, 2020 using the refund of consumption tax.

(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	1,534,806	5,986,293	1,286,533	1,285,273	1,242,792