

Canadian Solar Infrastructure Fund, Inc.

Independent Auditor's Report

8th Period

Grant Thornto Taiyo LLC

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Canadian Solar Infrastructure Fund, Inc. (the Company), which comprise the balance sheet as at June 30, 2021, 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, 2021, and its financial performance and its cash flows for the six months then ended in accordance with the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements, and the Ordinance on Accountings of Investment Corporations and accounting principles generally accepted in Japan.

Basis for Opinion

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

Responsibilities of Management and Supervisory Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Katsuhiko Kaneko 

Katsuhiko Kaneko

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

16 December ,2021

Summary of Financial Results for Fiscal Period Ended June 30, 2021

(8th Fiscal Period: from January 1 to June 30, 2021)

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)

	7th Period (December 31, 2020)	8th Period (June 30, 2021)
Assets		
Current Assets		
Cash and bank deposit	2,828,532	4,611,954
Operating accounts receivable	362,206	1,006,913
Accounts receivable – other	-	75,459
Prepaid expenses	155,628	135,464
Consumption taxes receivable	26,241	2,511,791
Other current assets	2,130	10,200
Total current assets	3,374,740	8,351,783
Fixed Assets		
Property and equipment		
Structures	1,043,042	1,048,112
Accumulated depreciation	(106,526)	(128,066)
Structures, net	936,515	920,046
Machinery and equipment	*2 42,426,996	*2 42,436,866
Accumulated depreciation	(4,716,860)	(5,589,346)
Machinery and equipment, net	37,710,136	36,847,519
Tools, furniture and fixtures	590,418	590,890
Accumulated depreciation	(66,933)	(78,859)
Tools, furniture and fixtures, net	523,485	512,031
Land	4,485,144	4,505,944
Construction in progress	17,017	6,380
Structures in trust	33,071	6,559,095
Accumulated depreciation	(341)	(77,626)
Structures in trust, net	32,729	6,481,469
Machinery and equipment in trust	776,471	20,260,404
Accumulated depreciation	(8,017)	(281,261)
Machinery and equipment in trust, net	768,453	19,979,143
Tools, furniture, and fixtures in trust	3,204	93,540
Accumulated depreciation	(33)	(1,276)
Tools, furniture and fixtures in trust, net	3,171	92,264
Land in trust	116,748	4,771,145
Total property and equipment	44,593,402	74,115,945
Intangible assets		
Leasehold rights	753,139	1,156,098
Software	1,566	1,173
Total intangible assets	754,706	1,157,272
Investments and other assets		
Long-term prepaid expenses	269,287	597,402
Investment in capital	-	10
Deferred tax assets	13	12
Long-term deposit	15,600	15,600
Guarantee deposits	37,790	37,790
Total investment and other assets	322,690	650,815
Total fixed assets	45,670,799	75,924,033
Deferred Assets		
Investment corporation bond issuance cost	6,776	23,261
Total deferred assets	6,776	23,261
Total assets	49,052,315	84,299,078

(Unit : thousand yen)

	7th Period (December 31, 2020)	8th Period (June 30, 2021)
Liabilities		
Current liabilities		
Operating Accounts payable	67,910	79,837
Current portion of long-term loans payable	6,517,867	2,270,023
Accounts payable – other	109,145	298,657
Accrued expenses	102,519	112,830
Income taxes payable	879	860
Consumption tax payable	33,948	23,959
Deposits received	3,085	15,090
Total current liabilities	6,835,355	2,801,259
Non-current liabilities		
Investment corporation bond	1,100,000	4,900,000
Long-term loan payable	19,524,374	36,206,482
Total non-current liabilities	20,624,374	41,106,482
Total liabilities	27,459,730	43,907,741
Net assets		
Unitholders' equity		
Unitholders' capital	22,050,175	40,631,004
Deduction from unitholders' capital	(1,174,155)	(1,313,100)
Unitholders' capital, net	20,876,019	39,317,904
Surplus		
Unappropriated retained earnings (Accumulated deficit)	716,565	1,073,432
Total surplus	716,565	1,073,432
Total unitholders' equity	21,592,585	40,391,337
Total net assets	*1 21,592,585	*1 40,391,337
Total liabilities and net assets	49,052,315	84,299,078

(2) Statements of Income

(Unit: thousand yen)

	7th Period (From July 1, 2020 to December 31, 2020)	8th Period (From January 1, 2021 to June 30, 2021)
Operating revenues		
Rental revenues of renewable energy power generation facilities, etc.	*1 2,413,625	*1 3,425,186
Total operating revenues	2,413,625	3,425,186
Operating expenses		
Rental expenses of renewable energy power generation facilities, etc.	*1 1,409,487	*1 1,781,479
Asset management fee	61,062	88,086
Administrative service fees	18,994	23,437
Director's compensation	2,400	2,400
Taxes and duties	436	2,204
Other operating expenses	62,912	68,534
Total operating expenses	1,555,292	1,966,142
Operating income	858,332	1,459,043
Non-operating incomes		
Interest income	14	35
Dividends	-	0
Insurance income	1,219	79,272
Interest on refund	-	33
Other non-operating income	*2 35,501	*2 11,615
Total non-operating income	36,735	90,957
Non-operating expenses		
Interest expenses	111,324	147,299
Interest on investment corporation bond	3,937	16,782
Amortization of Investment corporation bond issuance cost	879	2,514
Borrowing-related expenses	56,792	212,847
Investment unit issuance costs	-	72,734
Loss on retirement of non-current assets	4,787	23,630
Total non-operating expenses	177,721	475,809
Ordinary income	717,346	1,074,191
Income before income taxes	717,346	1,074,191
Income taxes – current	881	866
Income taxes – deferred	2	0
Total income taxes	883	867
Net income	716,462	1,073,324
Retained earnings (Deficit) brought forward	103	108
Unappropriated retained earnings (Accumulated deficit)	716,565	1,073,432

(3) Statements of Changes in Unitholders' Equity

7th Fiscal Period (From July 1, 2020 to December 31, 2020)

(Unit: thousand yen)

(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, 2020	22,050,175	(1,010,472)	21,039,702	691,823	691,823	21,731,525	21,731,525
Changes of items during the period							
Distribution in excess of earnings	-	(163,682)	(163,682)	-	-	(163,682)	(163,682)
Dividend of surplus	-	-	-	(691,720)	(691,720)	(691,720)	(691,720)
Net Income	-	-	-	716,462	716,462	716,462	716,462
Total changes of items during the period	-	(163,682)	(163,682)	24,742	24,742	(138,940)	(138,940)
Balance as of December 31, 2020	*1 22,050,175	(1,174,155)	20,876,019	716,565	716,565	21,592,585	21,592,585

8th Fiscal Period (From January 1, 2021 to June 30, 2021)

(Unit: thousand yen)

(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, 2021	22,050,175	(1,174,155)	20,876,019	716,565	716,565	21,592,585	21,592,585
Changes of items during the period							
Issuance of Investment units	18,580,829	-	18,580,829	-	-	18,580,829	18,580,829
Distribution in excess of earnings	-	(138,945)	(138,945)	-	-	(138,945)	(138,945)
Dividend of surplus	-	-	-	(716,457)	(716,457)	(716,457)	(716,457)
Net Income	-	-	-	1,073,324	1,073,324	1,073,324	1,073,324
Total changes of items during the period	18,580,829	(138,945)	18,441,884	356,866	356,866	18,798,751	18,798,751
Balance as of June 30, 2021	*1 40,631,004	(1,313,100)	39,317,904	1,073,432	1,073,432	40,391,337	40,391,337

(4) Statements of Cash Distribution

(Unit: yen)

	7th Fiscal Period (From July 1, 2020 to December 31, 2020)	8th Fiscal Period (From January 1, 2021 to June 30, 2021)
I Unappropriated retained earnings (Accumulated deficit)	716,565,873	1,073,432,803
II Distributions in excess of retained earnings	138,945,190	357,270,144
Deduction from unitholders' capital		
III Cash distributions	855,403,000	1,430,627,200
(Cash distributions per unit)	(3,700)	(3,700)
Profit distributions	716,457,810	1,073,357,056
(Profit distributions per unit)	(3,099)	(2,776)
Distributions in excess of retained earnings	138,945,190	357,270,144
(Distributions in excess of retained earnings)	(601)	(924)
IV Retained earnings (Deficit) carried forward	108,063	75,747
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 ¥716,457,810 which is the entire amount equivalent to the unappropriated retained earnings for the fiscal period under review of ¥716,565,873 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 ¥138,945,190 which is equivalent to 15.2% 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 ¥1,073,357,056 which is the entire amount equivalent to the unappropriated retained earnings for the fiscal period under review of ¥1,073,432,803 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 ¥357,270,144 which is equivalent to 28.4% of the amount of depreciation expenses recorded for the fiscal period under review of</p>

	¥914,309,028. Accordingly, the distribution per unit is ¥3,700.	¥1,258,689,411. 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 ¥855,403,000 which is equivalent to 89.0% of forecast NCF amount for the fiscal period of ¥960,272,000. Of this, ¥138,945,190 which is the amount less of distributions of profit of ¥716,457,810 is distributions in excess of retained earnings.

Based on this policy, CSIF decided to make distributions for the current fiscal period of ¥1,430,627,200 which is equivalent to 91.4% of forecast NCF amount for the fiscal period under review of ¥1,564,321,798. Of this, ¥357,270,144 which is the amount less of distributions of profit of ¥1,073,357,056 is distributions in excess of retained earnings.

(5) Statements of Cash Flows

(Unit: thousand yen)

	7th Fiscal Period (From July 1, 2020 to December 31, 2020)	8th Fiscal Period (From January 1, 2021 to June 30, 2021)
Cash flows from operating activities		
Income before income taxes	717,346	1,074,191
Depreciation cost	914,309	1,258,689
Investment unit issuance costs	-	72,734
Investment corporation bond expenses	879	2,514
Interest income	(14)	(35)
Interest expenses	115,261	164,082
Other non-operating income	(35,501)	-
Loss on retirement of non-current assets	4,787	23,630
Decrease (Increase) in operating accounts receivable	115,770	(644,706)
Decrease (Increase) in accounts receivable - other	-	(75,459)
Decrease (Increase) in consumption taxes receivable	(26,241)	(2,468,252)
Decrease (Increase) in consumption taxes payable	(169,743)	(9,989)
Decrease (Increase) in prepaid expenses	(45,710)	18,744
Decrease (Increase) in long-term prepaid expenses	15,137	(336,693)
Increase (Decrease) in operating accounts payable	37,951	(12,894)
Increase (Decrease) in accounts payable - other	30,490	16,916
Increase (Decrease) in accrued expenses	(53,510)	(2,242)
Other, net	2,453	3,935
Sub-total	1,623,665	(914,834)
Interest received	14	35
Interest paid	(114,642)	(151,529)
Income taxes paid	(925)	(885)
Net cash provided by (Used in) operating activities	1,508,112	(1,067,212)
Cash flows from investing activities		
Deposit into fixed deposits	(7,800)	-
Purchases of property and equipment	*1 (646,543)	*1 (30,614,353)
Purchases of intangible assets	-	(402,959)
Payment of investment in capital	-	(10)
Net cash provided by (Used in) investing activities	(654,343)	(31,017,322)
Cash flows from financing activities		
Proceeds from long-term loans payable	1,000,000	19,300,000
Repayment of long-term loans payable	(789,671)	(6,865,735)
Proceeds from investment corporation bond issuance	-	3,800,000
Payment of investment corporation bond issuance costs	-	(19,000)
Proceeds from issuance of investment units	-	18,580,829
Payment of investment units issuance costs	-	(72,734)
Dividends paid	(691,720)	(716,457)
Surplus earning distribution paid	(163,682)	(138,945)
Net cash provided by (Used in) financing activities	(645,074)	33,867,956
Net increase (Decrease) in cash and cash equivalents	208,694	1,783,421

Cash and cash equivalents at the beginning of the fiscal period	2,619,838	2,828,532
Cash and cash equivalents at the end of the fiscal period	*2 2,828,532	*2 4,611,954

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

[SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES]

1.Method of depreciation and amortization of non-current assets	<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:</p> <p>Structures 22 - 25 years Machinery and equipment 22 - 25 years Tools, furniture and fixtures 22 - 25 years Structures in trust 24 - 30 years Machinery and equipment in trust 24 - 25 years Tools, furniture and fixtures in trust 24 - 25 years</p> <p>(2) Intangible assets The straight-line method is adopted. In addition, the useful life is as shown below: Software 5 years</p> <p>(3) Long-term prepaid expenses The straight-line method is adopted.</p>
2.Method of amortization of deferred assets	<p>(1) Investment corporation bond issuance expenses Amortized by the straight-line method over the life of the bonds.</p> <p>(2) Investment units issuance expenses Expensed as incurred.</p>
3.Standards for revenue and expense recognition	<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, the amount equivalent to the fixed assets tax and other taxes included in the acquisition cost of infrastructure assets and other assets is 140,493 thousand yen.</p>
4.Scope of funds in statement of cash flows	<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>
5.Method of hedge accounting	<p>(1) Method of hedge accounting Special treatment is adopted for the interest rate swap that meets the requirements for special treatment.</p> <p>(2) Hedging instruments and hedged items: · Hedging instruments.....Interest rate swap transaction · Hedged items.....Interest rate on loans</p> <p>(3) Policy for hedging CSIF conducts derivative transactions to hedge risks as set forth in the CSIF's Articles of Incorporation according to the rules for risk management.</p> <p>(4) Method of evaluation of effectiveness of hedging The interest rate swap meets the requirements for special treatment, and thus the evaluation of effectiveness is omitted.</p>

6. Other significant matters serving as the basis for preparation of financial statements	<p>(1) Accounting treatment with regard to trust beneficiary interest in real estate</p> <p>With regards to trust beneficial interest in equipment of renewable energy power plants, all assets and liabilities within entrusted assets as well as all revenue and expense items which occur to entrusted assets are recorded as the respective account titles on the balance sheet and statements of income. The following important account titles among the entrusted assets which are recorded as the respective account titles are separately indicated on the balance sheet:</p> <p>Structures in trust, Machinery and equipment in trust, Tools, furniture and fixtures in trust, Land in trust.</p> <p>(2) Accounting for Consumption tax</p> <p>Consumption tax and local consumption tax are excluded from the corresponding transaction amount.</p>
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[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 26, 2021 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 June 17, 2021 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.

[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, 2020	As of June 30, 2021
50,000	50,000

*2 JPY amount of a decrease in acquisition price for machine and equipment of S-13 CS Mashiki-machi PV Power Plant

(Unit: thousand yen)	
As of December 31, 2020	As of June 30, 2021
332,606	-

[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, 2020 to December 31, 2020	From January 1, 2021 to June 30, 2021
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)	1,698,289	2,369,477
(Variable rent linked to actual output)	715,325	1,055,618
(Incidental income)	11	89
Total operating revenue from the rental business of renewable energy power generation facilities, etc.	2,413,625	3,425,186
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)	191,463	228,743
(Repair and maintenance costs)	8,585	17,289
(Taxes and duties)	223,744	195,754
(Utilities expenses)	-	3,505
(Insurance expenses)	24,676	20,478
(Depreciation expenses)	913,915	1,258,296
(Land rent)	46,502	52,686
(Trust fees)	600	4,700
(Other rental expenses)	-	24
Total operating expenses from the rental business of renewable energy power generation facilities, etc.	1,409,487	1,781,479
C. Profits and losses from the rental business of renewable energy power generation facilities, etc. (A-B)	1,004,138	1,643,706

*2 Breakdown of other non-operating income

	(Unit: thousand yen)	
	From July 1, 2020 to December 31, 2020	From January 1, 2021 to June 30, 2021
JPY Amount of reversal of accumulated depreciation corresponding to a decrease in acquisition price for S-13 CS Mashiki-machi PV Power Plant	35,478	-

[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, 2020 to December 31, 2020	From January 1, 2021 to June 30, 2021
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	386,656 unit

[NOTES TO STATEMENT OF CASH FLOWS]

*1 Breakdown of purchases of property and equipment

(Unit: thousand yen)

	From July 1, 2020 to December 31, 2020	From January 1, 2021 to June 30, 2021
Consideration of property and equipment purchased for the fiscal period end	(980,537)	(30,614,353)
Refund of a part of consideration of property and equipment purchased before the previous fiscal period	333,993	-
Purchases of property and equipment	(646,543)	(30,614,353)

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

(Unit: thousand yen)

	From July 1, 2020 to December 31, 2020	From January 1, 2021 to June 30, 2021
Cash and deposits	2,828,532	4,611,954
Fixed Term deposits exceeding 3 months	-	-
Cash and cash equivalents	2,828,532	4,611,954

[NOTES ON LEASE TRANSACTIONS]

Operating lease (as the lessor)
Future minimum lease payments

(Unit: thousand yen)

	Fiscal period ended December 31, 2020	Fiscal period ended June 30, 2021
Within one year	3,367,129	5,225,472
Longer than one year	49,423,243	77,545,167
Total	52,790,373	82,770,639

[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, 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	2,828,532	2,828,532	-
(2) Operating accounts receivable	362,206	362,206	-
(3) Long-term deposits	15,600	15,600	-
Total assets	3,206,339	3,206,339	-
(4) Current portion of long-term loans payable	6,517,867	6,509,162	(8,704)
(5) Long-term loans payable	19,524,374	19,684,965	160,591
(6) Investment corporation bond	1,100,000	1,088,120	(11,880)
Total liabilities	27,142,241	27,282,248	140,006
(7) 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.

(3) Long-term deposits

These financial instruments are fixed deposits and there is no significant fluctuation between estimated interest rates upon new deposit and engaged rates of interest and their fair market values approximate their book values. Therefore, the book values are used as the values.

Liabilities

(4) Current portion of long-term loans payable (5) 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.

(6) Investment corporation bond

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

(7) 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, 2021, 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	4,611,954	4,611,954	-
(2) Operating accounts receivable	1,006,913	1,006,913	-
(3) Long-term deposits	15,600	15,600	-
Total assets	5,634,467	5,634,467	-
(4) Current portion of long-term loans payable	2,270,023	2,271,482	1,459
(5) Long-term loans payable	36,206,482	36,370,362	163,879
(6) Investment corporation bond	4,900,000	4,889,550	(10,450)
Total liabilities	43,376,505	43,531,395	154,889
(7) 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.

(3) Long-term deposits

These financial instruments are fixed deposits and there is no significant fluctuation between estimated interest rates upon new deposit and engaged rates of interest and their fair market values approximate their book values. Therefore, the book values are used as the values.

Liabilities

(4) Current portion of long-term loans payable (5) 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.

(6) Investment corporation bond

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

(7) 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, 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	2,828,532	-	-	-	-	-
(2) Operating accounts receivable	362,206	-	-	-	-	-
(3) Long-term deposits	-	-	15,600	-	-	-
Total	3,190,739	-	15,600	-	-	-

Scheduled redemption amounts of monetary receivable after the closing date (June 30, 2021)

(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	4,611,954	-	-	-	-	-
(2) Operating accounts receivable	1,006,913	-	-	-	-	-
(3) Long-term deposits	-	-	15,600	-	-	-
Total	5,618,867	-	15,600	-	-	-

(Note 3) Scheduled redemption amount of loans payable after the closing date (December 31, 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
(4) Current portion of long-term loans payable	6,517,867	-	-	-	-	-
(5) Long-term loans payable	-	1,860,238	1,292,889	1,254,936	1,291,266	13,825,044
(6) Investment corporation bond	-	-	-	1,100,000	-	-
Total	6,517,867	1,860,238	1,292,889	2,354,936	1,291,266	13,825,044

Scheduled redemption amount of loans payable after the closing date (June 30, 2021)

(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
(4) Current portion of long-term loans payable	2,270,023	-	-	-	-	-
(5) Long-term loans payable	-	4,561,543	2,267,295	2,206,896	2,301,459	24,869,286
(6) Investment corporation bond	-	-	-	1,100,000	3,800,000	-
Total	2,270,023	4,561,543	2,267,295	3,306,896	6,101,459	24,869,286

[NOTES ON SECURITIES]

Prior fiscal period (as of December 31, 2020)

Not applicable.

Current fiscal period (as of June 30, 2021)

Not applicable.

[NOTES ON DERIVATIVE TRANSACTIONS]

1. Those to which hedge accounting is not applied

Prior fiscal period (as of December 31, 2020) and current fiscal period (as of June 30, 2021)

Not applicable.

2. Those to which hedge accounting is applied
Prior fiscal period (as of December 31, 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	20,187,606	18,939,441	(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) (4) Current portion of long-term loans payable and (5) 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, 2021)

(Unit: thousand yen)

Method of hedge accounting	Type of derivative transactions and other matters	Major items hedged	Contract amount and other amounts		Fair value	Method of calculation of said market value
				Longer than one year		
Special treatment of interest rate swap	Interest rate swap transaction Fixed payment/variable receipt	Long-term loans payable	36,176,505	33,906,482	(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) (4) Current portion of long-term loans payable and (5) 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, 2020)
Not applicable.

Current fiscal period (as of June 30, 2021)
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, 2020	Fiscal period ended June 30, 2021
Deferred tax assets		
Accrued business tax not deductible from taxable income	13	12
Total deferred tax assets	13	12
Net amount of deferred tax assets	13	12

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, 2020	Fiscal period ended June 30, 2021
Effective statutory tax rate	31.46%	31.46%
(Adjustment)		
Dividends paid deductible for tax purpose	(31.42)%	(31.44)%
Others	0.08%	0.06%
Rate of burden of corporate tax and other taxes after the application of tax effect accounting	0.12%	0.08%

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

Prior fiscal period (from July 1, 2020 to December 31, 2020)

Not applicable.

Current fiscal period (from January 1, 2021 to June 30, 2021)

Not applicable.

[NOTES ON RELATED PARTY TRANSACTIONS]

1. Major corporate unitholders

Prior fiscal period (from July 1, 2020 to December 31, 2020)

Not applicable.

Current fiscal period (from January 1, 2021 to June 30, 2021)

Not applicable.

2. Affiliates

Prior fiscal period (from July 1, 2020 to December 31, 2020)

Not applicable.

Current fiscal period (from January 1, 2021 to June 30, 2021)

Not applicable.

3. Fellow Subsidiaries

Prior fiscal period (from July 1, 2020 to December 31, 2020)

Not applicable.

Current fiscal period (from January 1, 2021 to June 30, 2021)

Not applicable.

4. Officers and major individual unitholders

Prior fiscal period (from July 1, 2020 to December 31, 2020)

Not applicable.

Current fiscal period (from January 1, 2021 to June 30, 2021)

Not applicable.

[NOTES ON ASSET RETIREMENT OBLIGATIONS]

Prior fiscal period (from July 1, 2020 to December 31, 2020)

Not applicable.

Current fiscal period (from January 1, 2021 to June 30, 2021)

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, 2020 to December 31, 2020	Current fiscal period From January 1, 2021 to June 30, 2021
Book value (Note 2)		
Beginning balance	45,572,640	45,329,524
Change during the period (Note 3)	(243,115)	29,936,139
Ending balance	45,329,524	75,265,664
Fair value at the end of the period (Note 4)	48,890,000	79,037,000

(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, 2020 primarily consisted of the increase due to acquisition of two photovoltaic power generation facilities (929,496 thousand yen), and the decrease due to depreciation expenses (913,915 thousand yen). And the change during the period ended June 30, 2021 primarily consisted of the increase due to acquisition of two photovoltaic power generation facilities (31,110,809 thousand yen), and the decrease due to depreciation expenses (1,258,296 thousand yen).

(Note 4) The fair value is the total sum of the median amount that we calculated according to Article 41, paragraph 1 of the CSIF's Articles of Incorporation on the basis of the appraised value in the range stated in the valuation report with the date of the value opinion on December 31, 2020 and June 30, 2021, which was obtained from PricewaterhouseCoopers Sustainability LLC (for S-01 to S-18). And, the fair value is the total sum of the median amount on the basis of the appraised value stated in the valuation report with the date of the value opinion on December 31, 2020 and June 30, 2021, which was obtained from Ernst & Young Transaction Advisory Services Co., Ltd. or Ernst & Young Strategy and Consulting Co., Ltd. (for S-19 to S-25). Please note that Ernst & Young Transaction Advisory Services Co., Ltd. and Ernst & Young Advisory and Consulting Co., Ltd. have been integrated and those were incorporated as Ernst & Young Strategy and Consulting Co., Ltd. as of October 1, 2020.

In addition, profits and losses from the renewable energy power generation facilities, etc. for the fiscal period ended December 2020 (the 7th period) and the fiscal period ended June 2021 (the 8th 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, 2020 to December 31, 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.	2,395,335	Renewable energy power generation facilities, etc. rental business
CS Hokkaido Ishikari G.K.	13,862	Renewable energy power generation facilities, etc. rental business
CS Miyagi Kejonuma G.K.	4,416	Renewable energy power generation facilities, etc. rental business

Current fiscal period (from January 1, 2021 to June 30, 2021)

(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.	2,542,612	Renewable energy power generation facilities, etc. rental business
LOHAS ECE 2 G.K.	767,470	Renewable energy power generation facilities, etc. rental business
Tida Power 45 G.K.	115,013	Renewable energy power generation facilities, etc. rental business

[NOTES ON PER UNIT INFORMATION]

(Unit: yen)

	Prior fiscal period From July 1, 2020 to December 31, 2020	Current fiscal period From January 1, 2021 to June 30, 2021
Net assets per unit	93,397	104,463
Net income (Net loss) per unit	3,099	3,234

(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.

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

	Prior fiscal period From July 1, 2020 to December 31, 2020	Current fiscal period From January 1, 2021 to June 30, 2021
Net income (Net loss) (Thousand yen)	716,462	1,073,324
Amount not attributable to common unit holders (Thousand yen)	-	-
Net income (Net loss) attributable to Common unit holders (Thousand yen)	716,462	1,073,324
Average number of investment units during the period (Units)	231,190	331,820

[NOTES ON FACTS ARISING AFTER THE SETTLEMENT OF ACCOUNTS]

Not applicable.

(7) Supplementary Schedules

1. Schedule of Securities

Not applicable.

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

(Unit: thousand yen)

Category	Type	Contract amount and other amounts (Note 1)		Fair value (Note 2)
			Longer than one year	
OTC (over-the-counter)	Interest rate swap transactions pay-fixed, receive-variable	36,176,505	33,906,482	-
Total		36,176,505	33,906,482	-

(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, 2021	Increase during the period	Decrease during the period	Balance as of June 30, 2021	Accumulated depreciation or accumulated amortization		Net balance as of June 30, 2021	Remarks
							Depreciation during the period		
Property and equipment	Structures	1,043	5	-	1,048	128	21	920	(Note 1)
	Machinery and equipment	42,426	9	-	42,436	5,589	872	36,847	(Note 1)
	Tools, furniture and fixtures	590	0	-	590	78	11	512	(Note 1)
	Land	4,485	20	-	4,505	-	-	4,505	(Note 1)

	Construction in progress	17	6	17	6	-	-	6	(Note 2)
	Structures in trust	33	6,526	-	6,559	77	77	6,481	(Note 3)
	Machinery and equipment in trust	776	19,508	24	20,260	281	273	19,979	(Note 3)
	Tools, furniture and fixtures in trust	3	90	-	93	1	1	92	(Note 3)
	Land in trust	116	4,654	-	4,771	-	-	4,771	(Note 3)
	Total	49,492	30,821	41	80,272	6,156	1,258	74,115	
Intangible assets	Leasehold rights	753	402	-	1,156	-	-	1,156	(Note 3)
	Software	3	-	-	3	2	0	1	
	Total	757	402	-	1,160	2	0	1,157	

(Note 1) The increase during the 8th period is entirely due to the capital expenditure of the power plants.

(Note 2) The increase during the 8th period is related to the remodeling work for online curtailment for S-08 CS Hiji-machi Power Plant. And, the decrease during 8th period is for the completion of the disaster recovery work for S-12 CS Kannami-cho Power Plant.

(Note 3) The increases during the 8th period are mainly related to the acquisition of the power plants on March 8, 2021. And the decrease during 8th period is for the disposal of a part of the facilities of S-22 CS Ishikari Shinshinotsu-mura Power Plant.

5. Schedule of Other Specified Assets

Not applicable.

6. Schedule of Investment corporation bond

(Unit: million yen)

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

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

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

(Unit: million yen)

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

7. Schedule of Loans Payable

(Unit: million yen)

Category	Lender	Balance as of January 1, 2021	Increase during the period	Decrease during the period	Balance as of June 30, 2021	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks
Long-term loans payable	Shinsei Bank, Limited.	2,016	-	63	1,952	0.84500 (Note 2)	October 31, 2027	Repayment in partial installments	(Note 4)	Unsecured, Unguaranteed
	Mizuho Bank, Ltd.	1,260	-	39	1,220					
	Sumitomo Mitsui Banking Corporation.	1,260	-	39	1,220					
	MUFG Bank, Ltd.	840	-	26	813					
	Resona Bank, Limited.	1,512	-	47	1,464					
	ORIX Bank Corporation.	840	-	26	813					
	The Hiroshima Bank, Ltd.	1,512	-	47	1,464					
	The Nanto Bank, Ltd.	1,512	-	47	1,464					
	The Oita Bank, Ltd.	756	-	23	732					
	The Shonai Bank, Ltd.	756	-	23	732					
	San ju San Bank, Ltd.	168	-	5	162					
	The Tochigi Bank, Ltd.	756	-	23	732					
	Shinsei Bank, Limited.	1,514	-	43	1,470	1.04200 (Note 2)	September 6, 2028	Repayment in partial installments	(Note 4)	Unsecured, Unguaranteed
	Sumitomo Mitsui Banking Corporation	1,514	-	43	1,470					
	MUFG Bank, Ltd.	1,749	-	50	1,698					
	The Nanto Bank, Ltd.	874	-	25	849					

	The Ashikaga Bank, Ltd.	896	-	25	870					
	The Hiroshima Bank, Ltd.	448	-	12	435					
	Shinsei Bank, Limited.	623	-	623	-	0.58636	March 29, 2022	Repayment in partial installments (Note 6)	(Note 4)	Unsecured, Unguaranteed
	Shinsei Bank, Limited.	944	-	944	-	0.58636	November 29, 2021	Repayment in partial installments (Note 7)	(Note 4)	Unsecured, Unguaranteed
	MUFG Bank, Ltd.	661	-	661	-					
	The Ashikaga Bank, Ltd.	472	-	472	-					
	The Shonai Bank, Ltd.	944	-	944	-					
	The Nanto Bank, Ltd.	472	-	472	-					
	The Hiroshima Bank, Ltd.	755	-	755	-					
	Shinsei Bank, Limited.	-	1,380	31	1,348	0.77725 (Note 3)	March 8, 2031	Repayment in partial installments	(Note 4)	Unsecured, Unguaranteed
	Sumitomo Mitsui Banking Corporation.	-	1,380	31	1,348					
	Mizuho Bank, Ltd.	-	1,347	31	1,316					
	MUFG Bank, Ltd.	-	1,347	31	1,316					
	Sumitomo Mitsui Trust Bank, Limited	-	1,347	31	1,316					
	Asahi Shinkin Bank	-	2,100	48	2,051					
	The Tottori Bank, Ltd.	-	1,400	32	1,367					
	The Chugoku Bank, Ltd.	-	1,347	31	1,316					
	The 77 Bank, Ltd.	-	1,050	24	1,025					

	The Oita Bank, Ltd.	-	700	16	683					
	The Nanto Bank, Ltd.	-	700	16	683					
	The Senshu Ikeda Bank, Ltd.	-	700	16	683					
	The Bank of Saga, Ltd.	-	700	16	683					
	The Bank of Nagoya, Ltd.	-	700	16	683					
	The Fukuho Bank, Ltd.	-	500	11	488					
	The Bank of Fukuoka, Ltd.	-	300	6	293					
	Shinsei Bank, Limited.	-	850	-	850	0.28119	Earlier of (i) March 8, 2023 or (ii) the first interest payment date after the consumption tax refund date.	Bullet	(Note 4)	Unsecured, Unguaranteed
	Sumitomo Mitsui Banking Corporation.	-	850	-	850					
	Mizuho Bank, Ltd.	-	600	-	600					
Current portion of long-term loans payable	Mizuho Bank, Ltd.	981	-	981	-	0.37909	September 28, 2021	Repayment in partial installments (Note 5)	(Note 4)	Unsecured, Unguaranteed
Total		26,042	19,300	6,865	38,476	-	-	-	-	-

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

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

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

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

(Note 5) Using a part of net estimated receipts of the corporate bond issuance of which payment due date is January 26, 2021, it is repaid on March 8, 2021, fully.

(Note 6) Using a part of net estimated receipts of the corporate bond issuance of which payment due date is January 26, 2021, it is repaid on May 14, 2021, fully.

(Note 7) Using a part of net estimated receipts of the corporate bond issuance of which payment due date is January 26, 2021 and a part of receipts of the new investment units of which payment due date is March 5, 2021, it is repaid on May 31, 2021, fully.

(Unit: thousand yen)

	Within one year	Longer than one year within two years	Longer than two years within three years	Longer than three years within four years	Longer than four years within five years
Long-term loans payable	2,270,023	4,561,543	2,267,295	2,206,896	2,301,459