

Oct 5, 2020

Enex Infrastructure Investment Corporation

Securities code: 9286

Japan Credit Rating Agency, Ltd.
(JCR)

Long-term issuer rating: **A-**
(Stable)
(As of August 30, 2019)

S-05 Hokota Solar Power Plant

Asset Management Company

 Enex Asset Management Co.,Ltd.

Basic Principle

Enex Infrastructure Investment Corporation
aims to contribute to the sustainable global environment and
realize a sustainable society through adoption and expansion
of eco-friendly renewable energy that emits very little CO2



Enex Infrastructure Investment Corporation

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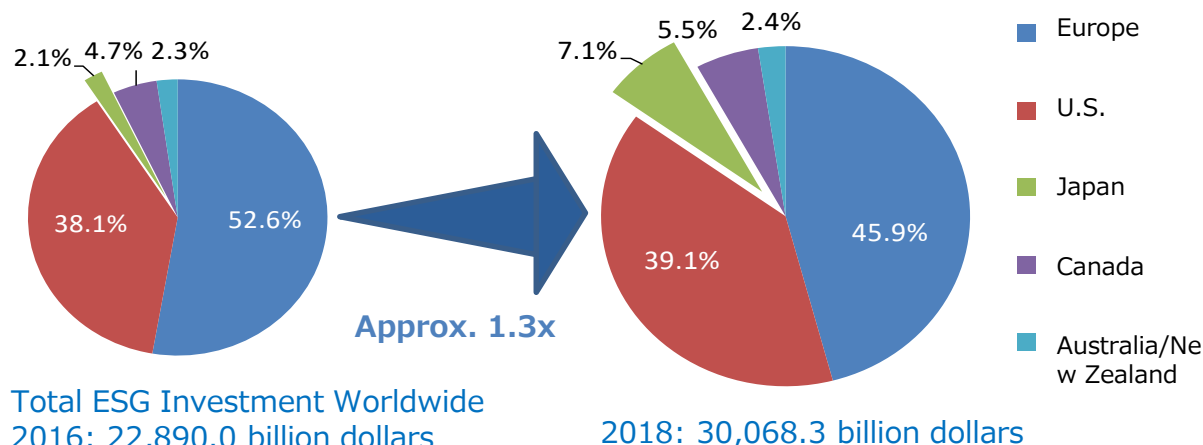
1.

About Infrastructure Fund

Renewable Energy as an Investment Target

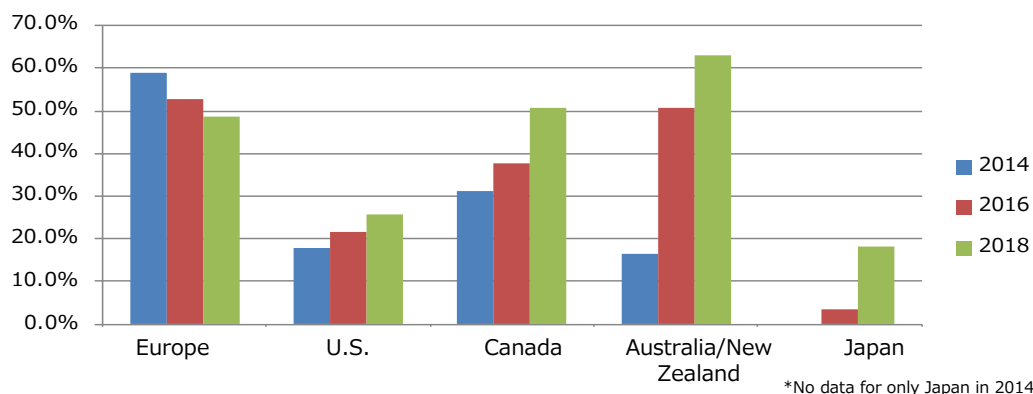
- The ESG investment market in Japan will continue to follow the path of expansion going forward

<Global Share of ESG Investment>



- Within the two years from 2016 to 2018, the total amount of ESG investment in major regions of the world increased by 34%
- Japan's share expanded rapidly from 2.1% to 7.1% in the recent two years
- The absolute amount of ESG investment in Japan is still low compared with the rest of the world, however, and further expansion is expected

<Ratio of ESG Investment to Total AUM in the World's Major Regions>



- The ratio of ESG investment to total AUM is growing steadily in major regions of the world, except for in Europe where the ratio is already high.
- As for Japan, while the ratio has grown to 18%, the country still lags behind other major regions
- In the global trend of expanding ESG investment, Japan's market size has room for further growth

Source: Prepared by the Asset Management Company based on Global Sustainable Investment Review 2016 and 2018

Environment Surrounding Renewable Energy

- The trend is shifting from thermal power generation to renewable energy going forward
- Renewable energy is to become a major source of electricity in 2050

<The Fifth Strategic Energy Plan>

Measures towards 2030

- Towards reducing greenhouse gas emissions by 26%—
- Ensuring achievement of an optimal energy mix—

- Currently, only halfway through
- Systematic promotion
- Efforts focusing on realization
- Exploration and enhancement of measures

<Main measures>

- Renewable energy
 - Laying the foundation for major sources of electricity
 - Achieving lower costs, overcoming power grid constraints, and securing sufficient load following capacity of thermal power plants

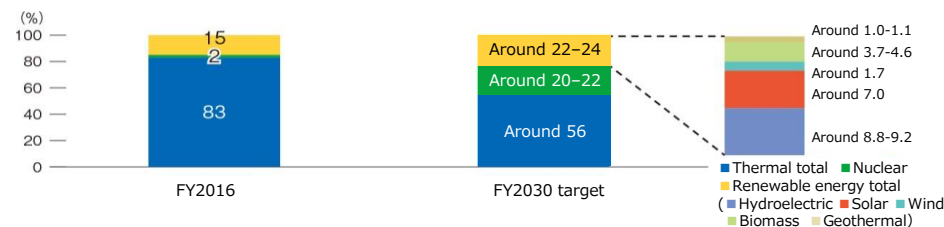
Measures towards 2050

- Towards reducing greenhouse gas emissions by 80%—
- Efforts for energy changeover and decarbonization—

- Potential and uncertainty
- Ambitious, multiple-track scenario
- Pursuit of every option
- Determination of important issues through scientific review

<Main Direction>

- Renewable energy
 - Aim to make renewable energy an economically self-supporting, decarbonized main source of electricity
 - Begin hydrogen/power storage/digital technology development



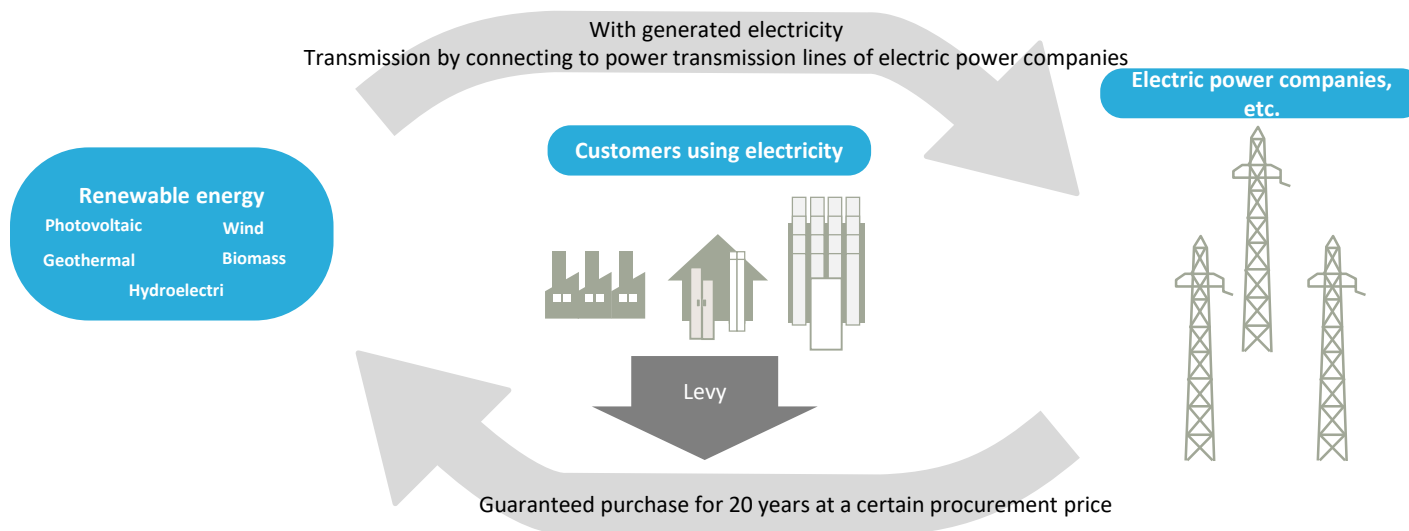
- Renewable energy, which is domestically produced, low-carbon energy, will be introduced proactively and account for around 22 to 24% of the total power generation in 2030
- In order to achieve the high target of reducing greenhouse gas emissions by 80%, the Japanese government is striving for an energy changeover and promoting efforts for decarbonization
- Aim to make renewable energy an economically self-supporting, decarbonized main source of electricity

Source: Prepared by the Asset Management Company based on the materials of the Agency for Natural Resources and Energy

Feed-in Tariffs (FIT System)

- A system that requires electric power companies to purchase fixed procurement periods at fixed procurement prices
- Guaranteed purchase of PV power for 20 years at a certain procurement price

Overview of the feed-in tariff



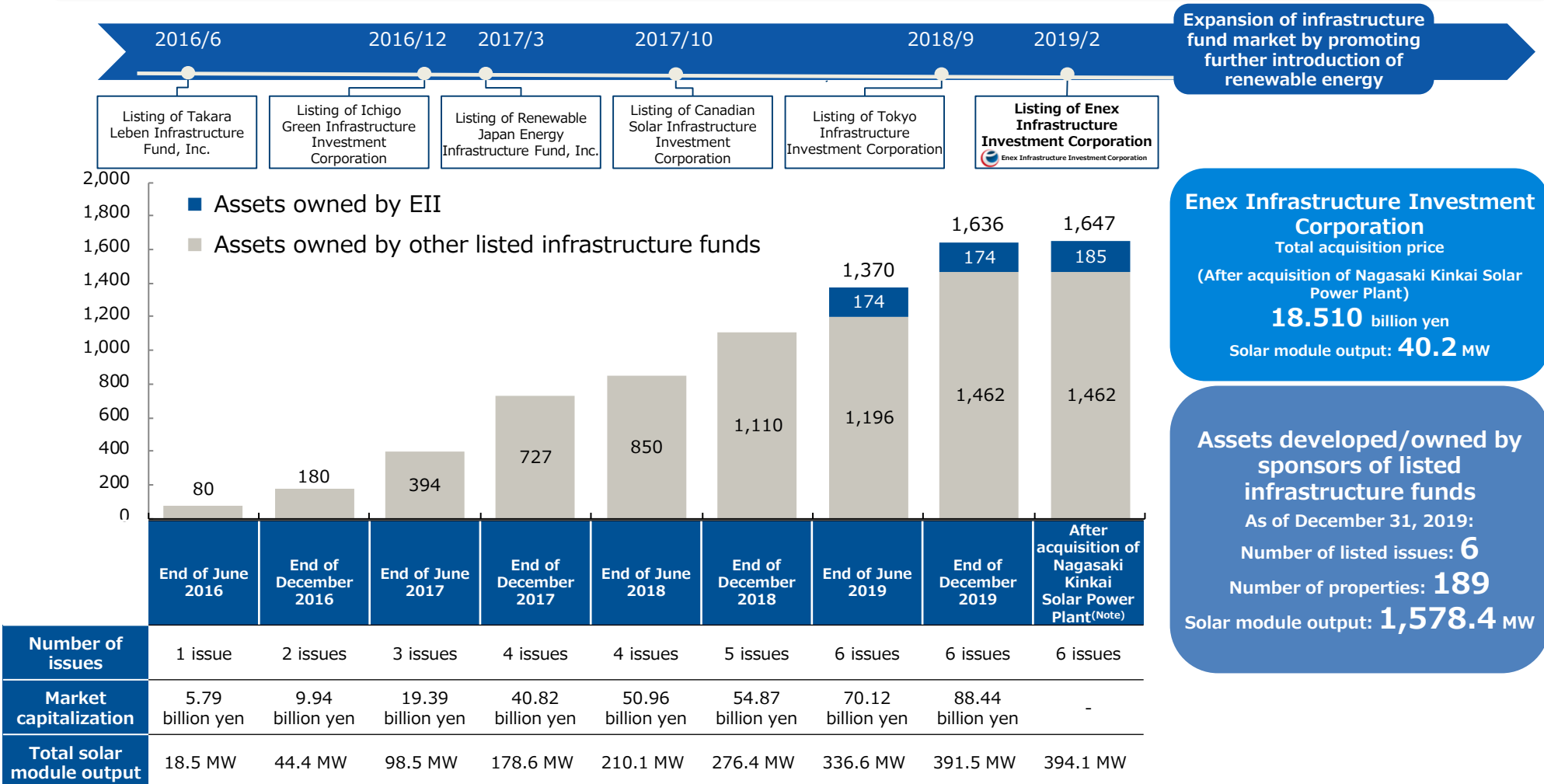
Trends in Procurement

Power supply [Procurement Period]	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Solar power for business use (10kW or more) [20 years]	40 yen	¥36	¥32	¥29 ¥27 <small>※ ¥27 is 2015/7/1~ (After the Term for Profit Consideration)</small>	24 yen	Bidding system (2000kW or more)		Bidding system (500kW or more)	Bidding system (250kW or more)
						21 yen (10 kW or more Less than 2000 kW)	18 yen (10 kW or more Less than 2000 kW)	14 yen (10 kW or more Less than 500 kW)	¥12 (50 kW or more Less than 250 kW)
									¥13 (10 kW or more Less than 50 kW)

Source: Prepared by the Asset Management Company based on materials from the Agency for Natural Resources and Energy and the Tokyo Stock Exchange

External Environment of Japanese Infrastructure Funds

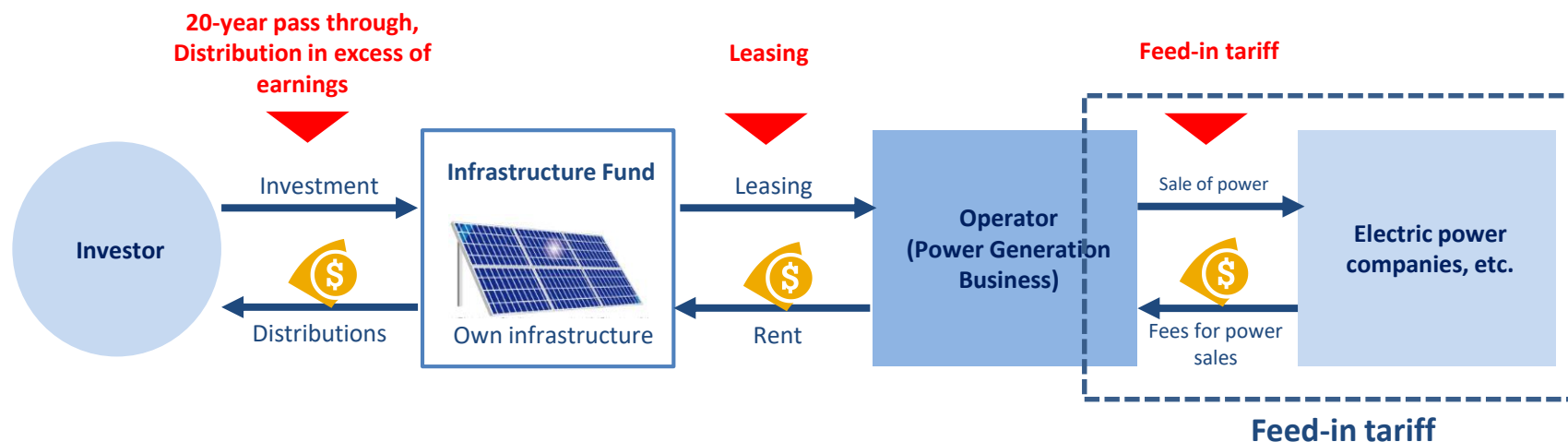
- The infrastructure fund market has been constantly expanding since its establishment



Note: Figures after the acquisition of Nagasaki Kinkai Solar Power Plant are indicated for EII, and figures as of December 31, 2019, are indicated for other infrastructure funds.

Structure of Infrastructure Funds

Basic structure (in case of renewable energy)



Assets to owned by Infrastructure Funds

Renewable energy Power generation facility



Solar wind geothermal
Biomass small-and medium-sized
hydropower, etc.

Right to operate public facilities (Concessions)



Management rights for various infrastructure
assets

Transport



Road Airport Facilities
Railway energy ship

Energy



Electric Facilities (Power Plants)
Petroleum gas pipeline

Other



Water supply and
sewerage
Radio equipment,
etc.

Risks and Countermeasures

- Insufficient amount of solar radiation due to poor weather conditions (photovoltaic power generation)

- Revenue plan based on the forecast of the amount of solar radiation (P50)
- Stabilize earnings through rent reserve scheme

- Natural disasters such as typhoons and earthquakes

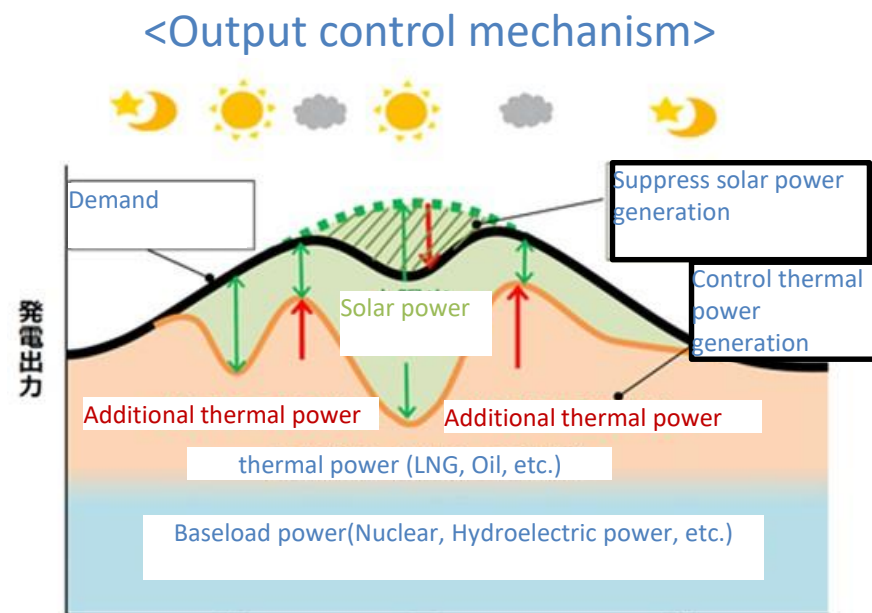
- Equipment coverage by insurance
- Risk assessment in earthquake PML report

- Accidents and theft

- Insurance covers equipment and lost profits
- Enhancement of monitoring and security systems

- Output control

- Acquisition of equipment at a price that takes the impact into consideration



Source: Agency for Natural Resources and Energy

2.

About Enex Infrastructure Investment Corporation

Overview of EII

■ Corporate Profile

Company name	Enex Infrastructure Investment Corporation
Representative	Executive Officer Keiichi Matsuzuka
Location	3-2-5 Kasumigaseki, Chiyoda-ku, Tokyo
Settlement of accounts	November
Listing date	February 13, 2019
Securities code	9286
Asset management company	Enex Asset Management Co., Ltd.

■ History

- ◆ August 2018 Established
- ◆ September 2018 Registered as investment corporation (pursuant to Article 187 of the Act on Investment Trusts and Investment Corporations)
- ◆ February 2019 Listed on the Infrastructure Fund Market at the Tokyo Stock Exchange
- ◆ April 2019 Head office relocated
- ◆ November 2019 Settlement of the fiscal period ended November 2019 (2nd fiscal period)
- ◆ February 2020 Appointment of new executive officer of the investment corporation



Comprehensive support by sponsors with diverse characteristics and strengths



Equity stake in the Asset Management Company: 50.1%

- ITOCHU Group's energy trading company (listed on the First Section of the Tokyo Stock Exchange)
- Establishing a business model integrating development of sources of electricity, supply-demand management and sales



SUMITOMO MITSUI TRUST BANK

Equity stake in the Asset Management Company: 22.5%

- Brings substantial experience in financing for renewable energy projects and possesses extensive knowledge on the financial market and financing environment



マーキュリアインベストメント

Equity stake in the Asset Management Company: 22.5%

- Track record of REIT management through domestic real estate funds and subsidiary in Hong Kong



Maiora Asset Management Pte. Ltd.

Equity stake in the Asset Management Company: 4.9%

- Possesses a significant track record in investment in solar power generation facilities (269 MW in Japan and more than 2 GW worldwide)

Wide-Ranging Support from the Sponsors (1)

- Aiming to maximize unitholder value through investment in renewable energy power generation facilities for which the market is expected to continue to expand by utilizing the wide-ranging support of the sponsors
- Utilization of resources of sponsor companies for EII's investment management



SUMITOMO MITSUI TRUST BANK



- Market research on renewable energy by Itochu Enex and Maiora
- Sumitomo Mitsui Trust Bank's operating know-how on J-REITs and expertise in finance
- Mercuria Investment's know-how on appropriate information disclosure and operation of invest corporations based on its proven operating track record of overseas listed REITs
- Provision of personnel and operating support for EII

- Utilization of power generation facility operator Enex Electric Power Co., Ltd.'s resources on operation/management of renewable energy generation facilities



Enex Electric Power Co., Ltd.

- Track record of stable operation requiring sophisticated operating skills and technology
 - 24-hour operation management system
 - Maintenance
 - Speedy troubleshooting
- Engineering group equipped with field experience and specialist skill qualifications
 - Accumulation of know-how based on operating experience
 - Problem analysis and sharing
- Cost reduction by switching night-time electricity consumption to Enex Electric Power
 - Consolidate night-time electricity consumption at solar power plants from Enex Electric Power to realize power procurement at favorable prices

- Holding of investment units by the sponsors (same-boat investment)



SUMITOMO MITSUI TRUST BANK

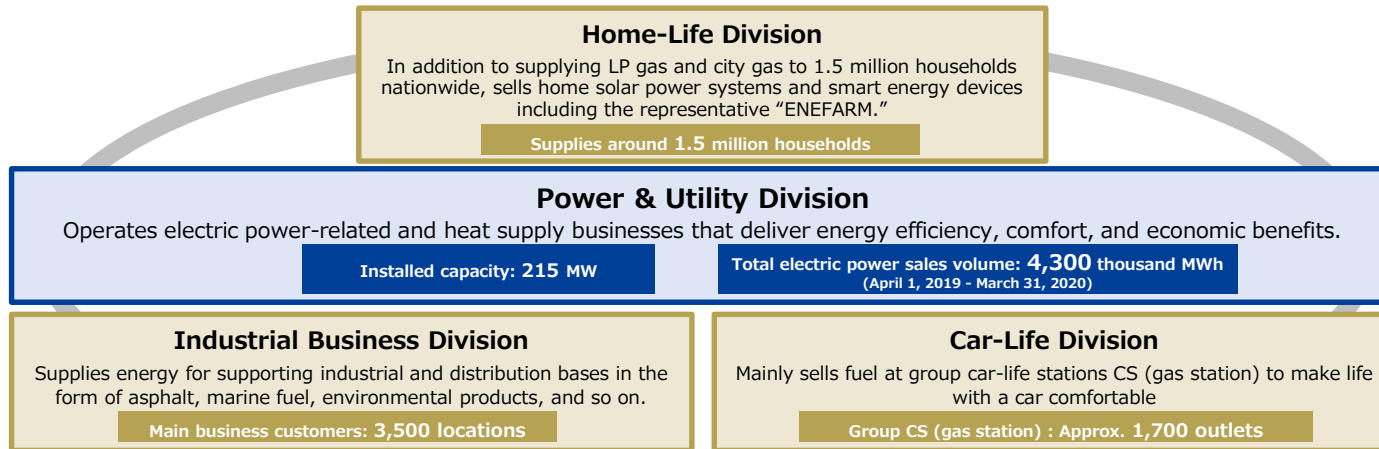


- Executed same-boat investment (5.15%) based on the idea that aligning the interest of unitholders and the sponsors would contribute to the enhancement of unitholder value for EII

Wide-Ranging Support from the Sponsors (2)

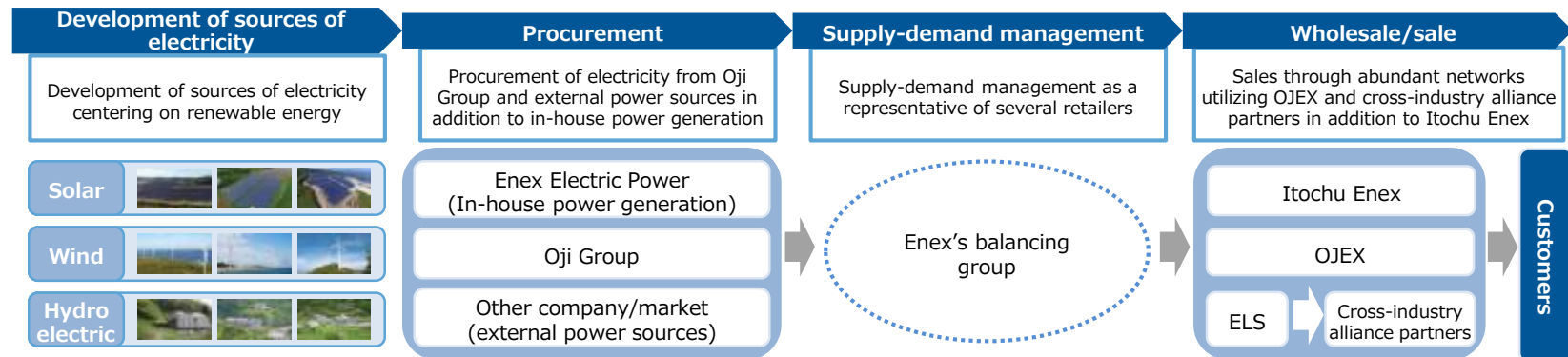
- Itochu Enex Group conducts business ranging from power generation to sales under an integrated system

■ Overview of the Enex Group's Businesses



(As of April 1, 2020)

- The Enex Group, which conducts business ranging from power generation to sales under an integrated system, could be a major candidate for electricity sales after the feed-in tariff scheme

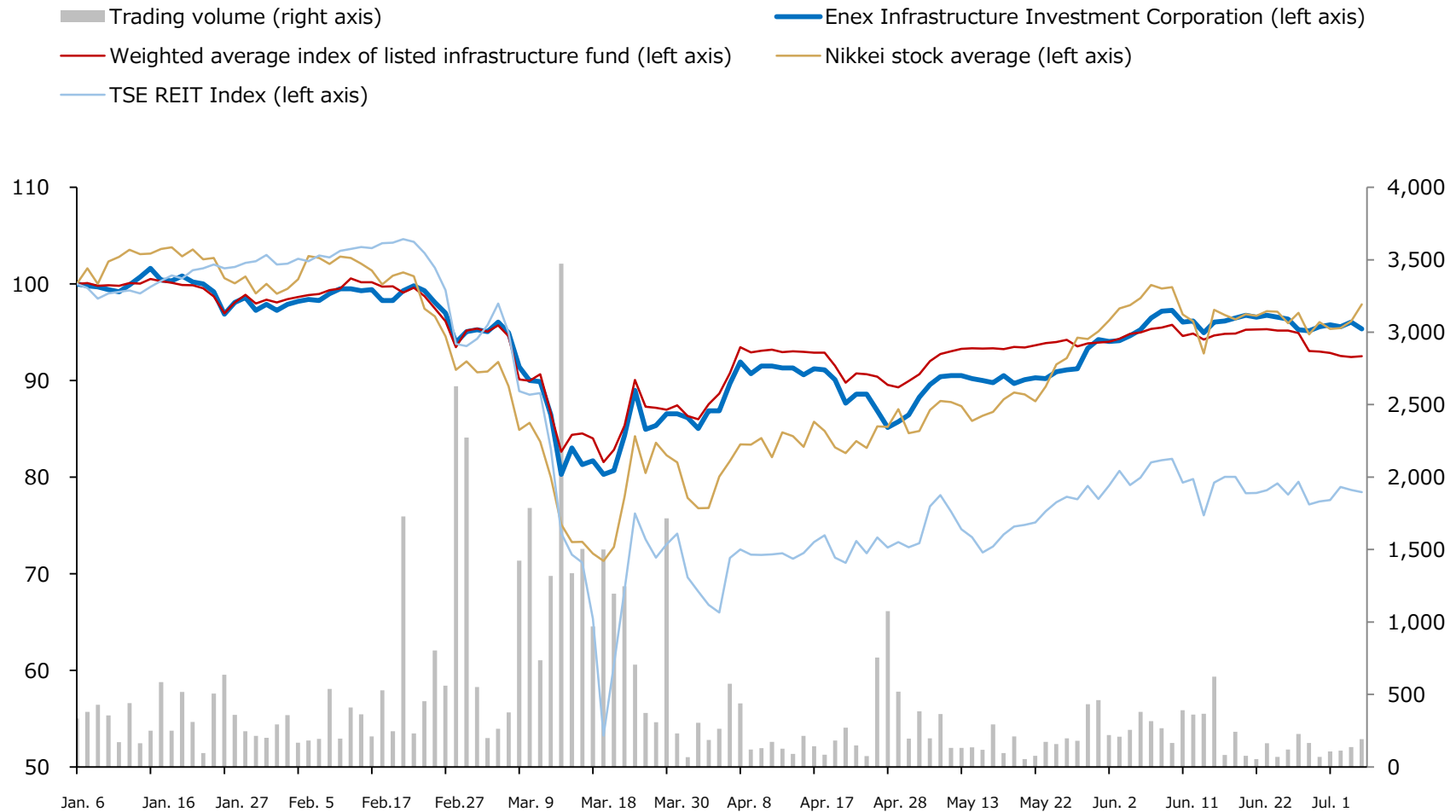


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Highlights - Interim Financial Results for the Fiscal Period
Ending November 2020 (3rd Fiscal Period)

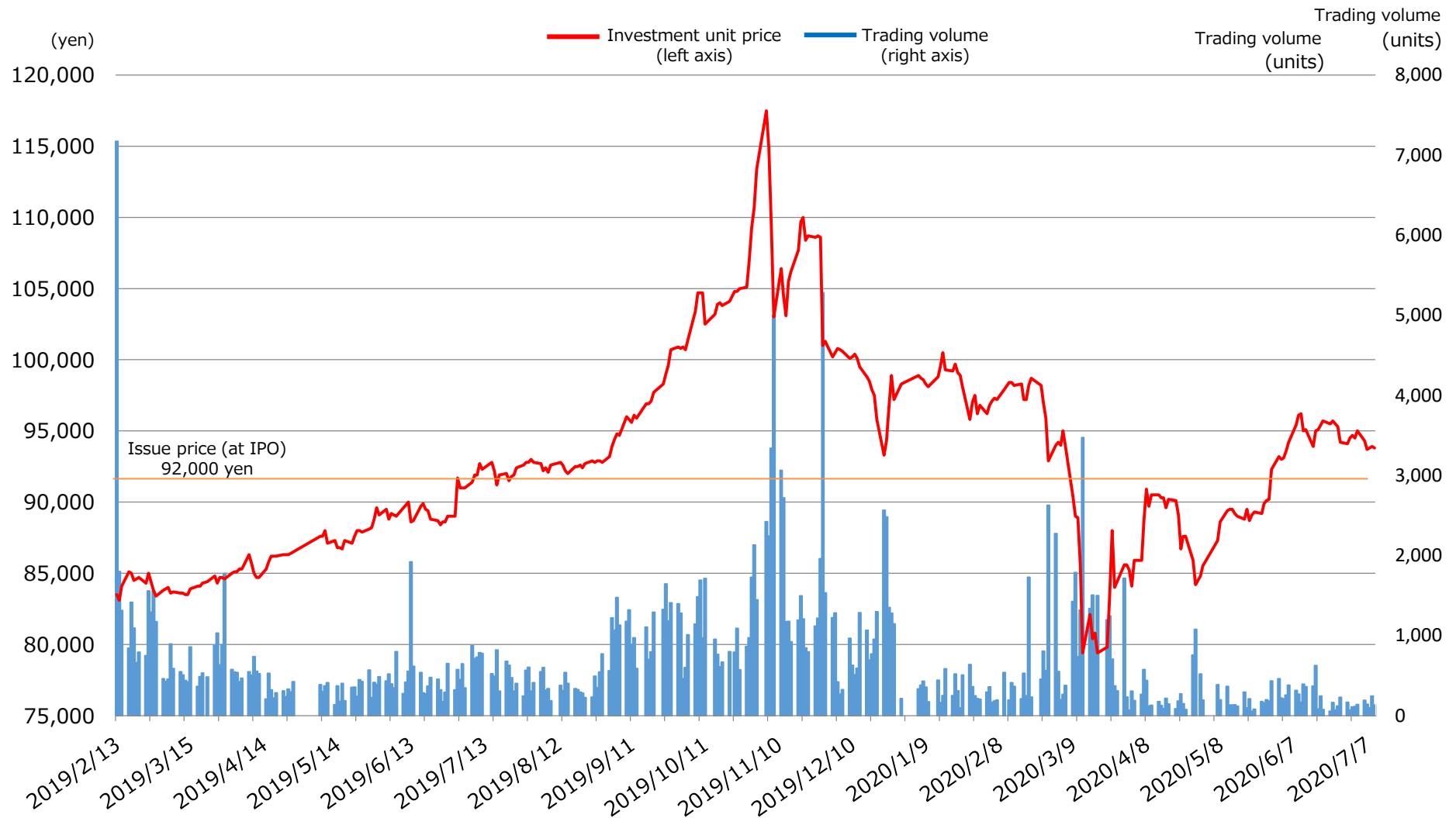
Impact of COVID-19

The impact of COVID-19 on infrastructure funds overall is relatively small, and prices have remained stable



Change in Investment Unit Price

Change in Investment Unit Price



Further Growth Under New Team

We are aiming for accelerated growth under a new team with a new executive officer at the investment corporation and director at the Asset Management Company



Enex Infrastructure
Investment Corporation
Keiichi Matsuzuka,
Executive Officer

We are aiming to create a society considerate of the global environment and realize enriched life for people through investment in renewable energy.

Enex Asset Management Co., Ltd.
Keisuke Hioki, Director and General
Manager of Finance & General
Accounting Department


Global IR Activities

Launched full-fledged global IR activities including opening of website in English, disclosure of English-language financial materials and participation in IR events for overseas investors

The screenshot shows the 'Investor Relations' page of the Enex Infrastructure Investment Corporation. The header includes the company logo, name, securities code (9286), and language options (JA / EN). The main content is divided into two columns. The left column, titled 'Distributions', features a background image of financial charts and a tablet. It lists 'Actual Distributions' for the fiscal period ended November 2019 (2nd fiscal period) as 5,980 yen, and 'Forecast Distributions' for the fiscal period ending November 2020 (3rd fiscal period) as 6,000 yen. A 'Details' button with a right arrow is at the bottom. The right column, titled 'Latest Financial Materials', features a background image of hands pointing at documents. It lists materials for the 2nd fiscal period (ending November 2019): 'Summary of Financial Results' (1008KB), 'Presentation Material' (2.6MB), and 'Annual Report' (4.4MB). An 'IR Library' button with a right arrow is at the bottom.

Enex Infrastructure Investment Corporation Securities code:9286 JA / EN

Investor Relations




Distributions

Actual Distributions
Fiscal period ended November 2019
(2nd fiscal period) **5,980** yen

Forecast Distributions
Fiscal period ending November 2020
(3rd fiscal period) **6,000** yen

Details >



Latest Financial Materials

2nd fiscal period (ending November 2019)

PDF	Summary of Financial Results	[1008KB]
PDF	Presentation Material	[2.6MB]
PDF	Annual Report	[4.4MB]

IR Library >

Expansion of Asset Size Through New Property Acquisition

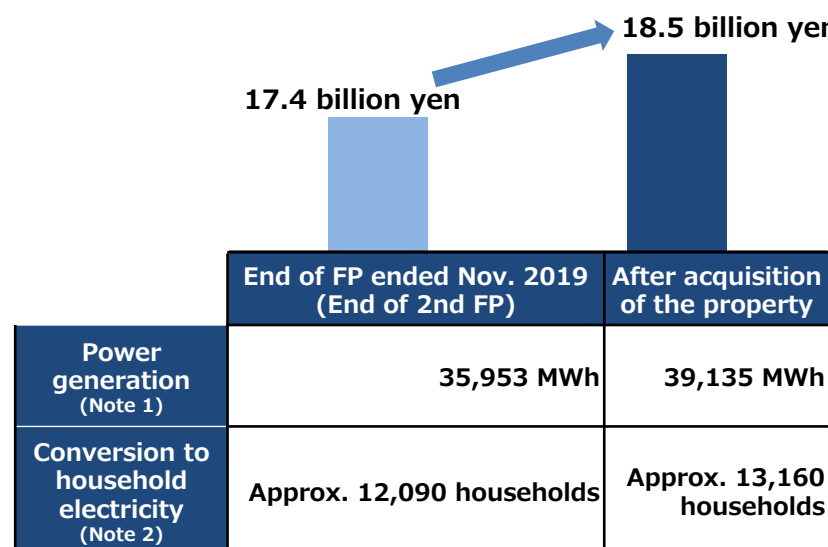
Asset size expanded to 18.5 billion yen with the acquisition of Nagasaki Kinkai Solar Power Plant for around 1.1 billion yen

S-06 Nagasaki Kinkai Solar Power Plant



Acquisition price	1,097 million yen	EPC operator	West Energy Solution Inc.
Location	Nagasaki City, Nagasaki	Solar module manufacturer	West Holdings Corporation
Solar module output	2.66 MW	PCS provider	Toshiba Mitsubishi-Electric Industrial Systems Corporation
Number of solar modules installed	9,856	O&M provider	Enex Engineering & Service Co., Ltd.
Power output	1.99 MW	Site area	25,501 m ²
Tariff	36 yen/kWh	Type of right of the site	Superficies right
FIT term end	March 2039	Solar module type	Polycrystal silicon
Electricity utilities	Kyushu Electric Power Co., Inc.		
Operator	Enex Electric Power Co., Ltd.		

<Growth of Asset Size of the Investment Corporation>



Note 1: Power generation after the acquisition of the property is the sum total of that at the end of the fiscal period ended November 2019 and that of the first fiscal year of the operation of the property (power plant).

Note 2: Estimated annualized figure assuming the monthly electric consumption per household to be 247.8 kWh.

Highlights (1) - Interim Financial Results for the Fiscal Period Ending November 2020 (3rd Fiscal Period)

- Interim results are mostly as forecast

	FY20/11 (3rd FP)			
	FY20/11 (interim)	FY20/11 (interim)	Achievement	FY20/11 (full-period)
(million yen)	Forecast	Actual		Forecast
Operating revenue	786	787	100.2%	1,570
Operating income	153	156	101.6%	313
Ordinary income	104	108	104.3%	216
Net income	103	108	104.3%	214

Distribution per unit	FY20/11 (3rd FP)		
	Actual for 2nd FP (A)	Forecast for 3rd FP (B)	Change
	5,980 yen	6,000 yen	+20 yen
(Breakdown)			
Distribution per unit (excluding distribution in excess of earnings)	3,250 yen	2,341 yen	-909 yen
Distribution in excess of earnings per unit	2,730 yen	3,659 yen	+929 yen

Highlights (2) - Interim Financial Results for the Fiscal Period Ending November 2020 (3rd Fiscal Period)

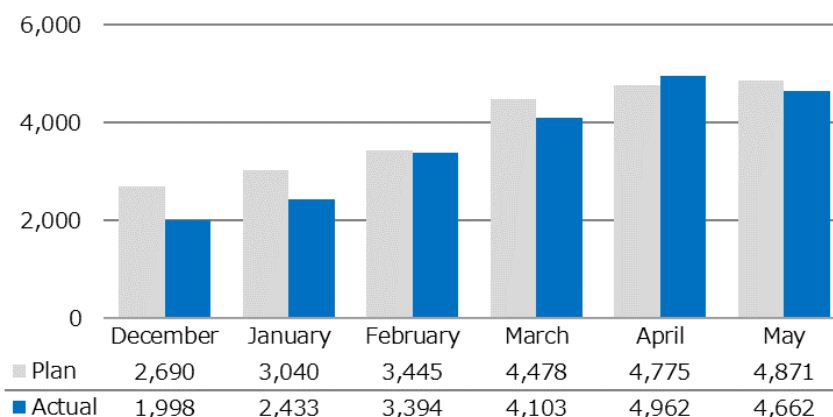
- Although power generation was lower than the plan, distribution was unaffected due to the rent stabilization scheme

Power generation operator (lessee)	Total		
	Plan (Interim) ^(Note 1)	Actual (Interim) ^(Note 1)	Achievement
Power generation (MWh)	23,299	21,553	92.5%
Revenue from electricity sales (million yen)	873	799	91.5%

Note 1: Calculated based on the exceedance probability P (percentile) 50 in the technical report by an external expert.

<Change in Monthly Power Generation>

Unit: MWh



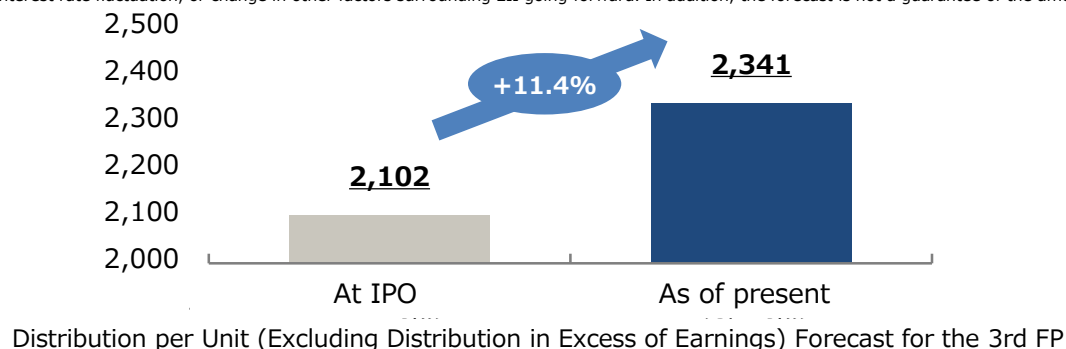
Full-Year Earnings Forecast for Fiscal Period Ending November 2020 (3rd Fiscal Period)

- With the acquisition of Nagasaki Kinkai Solar Power Plant, a steady increase of 11.4% in distribution per unit (excluding distribution in excess of earnings) is expected

	Earnings Forecast for 3rd FP (ending November 2020)	Forecast for 3rd FP at IPO (ending November 2020)	Difference
Management status forecast			
Operating revenue	1,570 million yen	1,488 million yen	82 million yen
Operating income	313 million yen	293 million yen	20 million yen
Ordinary income	216 million yen	202 million yen	14 million yen
Net income	214 million yen	200 million yen	14 million yen
Distribution per unit (including distribution in excess of earnings) forecast	6,000 yen	5,936 yen	64 yen
Distribution per unit (excluding distribution in excess of earnings)	2,341 yen	2,102 yen	239 yen
Distribution in excess of earnings per unit	3,659 Yen	3,834 yen	-175 yen

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

Note 2: The above earnings forecasts are forecast figures based the Summary of Financial Results announced on January 1, 2020, and are subject to change due to future acquisition or sale of renewable energy power generation facilities, trends in the infrastructure market, interest rate fluctuation, or change in other factors surrounding EII going forward. In addition, the forecast is not a guarantee of the amount of cash distributions.



Portfolio Overview

- Asset size expanded to 18.5 billion yen with the acquisition of Nagasaki Kinkai Solar Power Plant

Total acquisition price

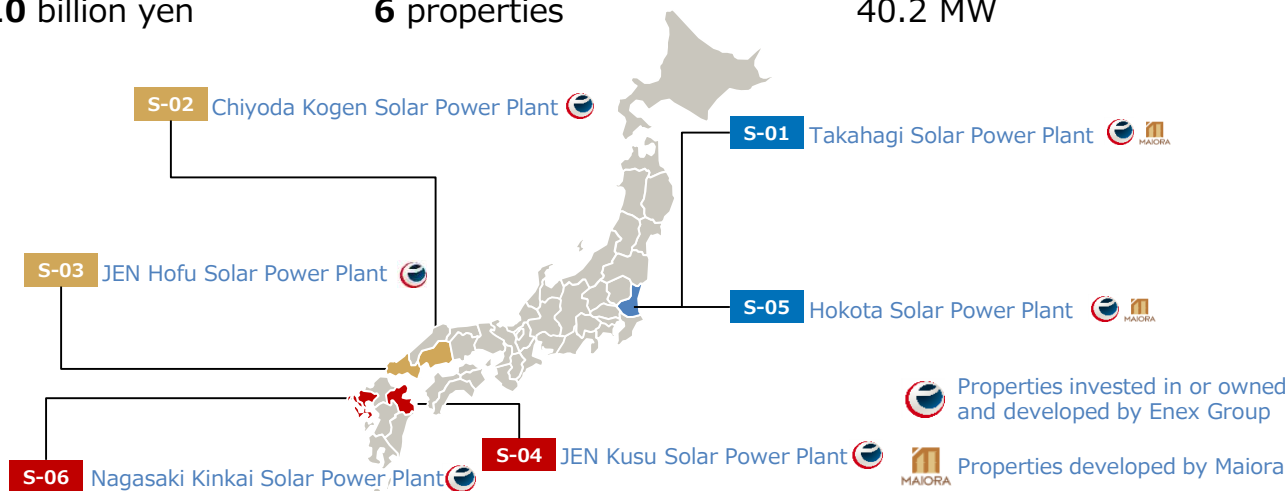
18.510 billion yen

Number of properties owned

6 properties

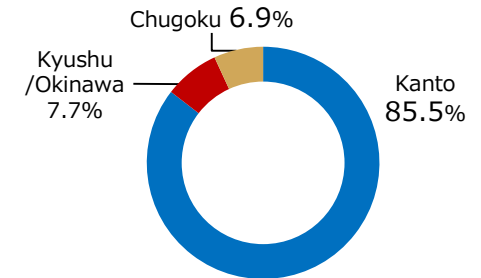
Total solar module output

40.2 MW

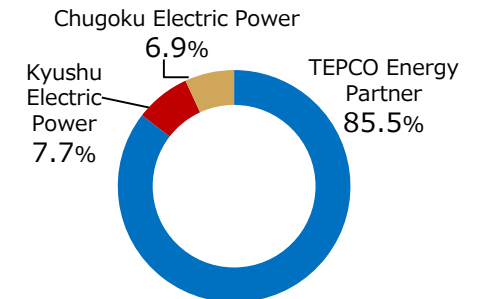


Property No.	Property name	Location	Acquisition price (million yen)	Solar module output (MW)	Tariff (yen per kWh)
S-01	Takahagi Solar Power Plant	Hitachi-shi, Ibaraki	5,305	11.5	40
S-02	Chiyoda Kogen Solar Power Plant	Yamagata-gun, Hiroshima	590	1.6	40
S-03	JEN Hofu Solar Power Plant	Hofu-shi, Yamaguchi	680	1.9	36
S-04	JEN Kusu Solar Power Plant	Kusu-gun, Oita	324	1.0	40
S-05	Hokota Solar Power Plant	Hokota-shi, Ibaraki	10,514	21.5	36
S-06	Nagasaki Kinkai Solar Power Plant	Nagasaki-shi, Nagasaki	1,097	2.6	36

■ By Region (based on acquisition price)



■ By Electric Power Supplier (based on acquisition price)



- Currently, properties are mainly located within the service area of TEPCO Energy Partner, where electricity demand is the largest.

Existing Portfolio Status (1)

- Power generation was 93% of the plan due to the impact of bad weather at the beginning of the fiscal period, power curtailment, etc.

Power generation operator (lessee)	S-01 Takahagi			S-02 Chiyoda Kogen			S-03 Hofu			S-04 Kusu			S-05 Hokota			S-06 Kinkai			Total		
	Plan	Actual	Achievement	Plan	Actual	Achievement	Plan	Actual	Achievement	Plan	Actual	Achievement	Plan	Actual	Achievement	Plan	Actual	Achievement	Plan	Actual	Achievement
Power generation (Note 2) (MWh)	7,270	6,843	94%	823	900	109%	1,115	1,175	106%	551	472	86%	12,309	11,144	91%	1,231	1,018	83%	23,299	21,553	93%
Revenue from electricity sales (million yen)	291	274	94%	33	36	109%	40	42	106%	22	19	86%	443	401	91%	44	37	83%	873	799	92%

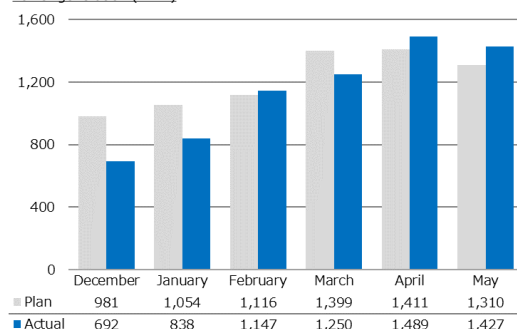
Note 1: Percentages are rounded to the nearest whole number. Others are rounded down to the nearest whole number.

Note 2: Planned values are calculated based on the exceedance probability P (percentile) 50 in the technical report produced by an external expert.

S-01 Takahagi Solar Power Plant



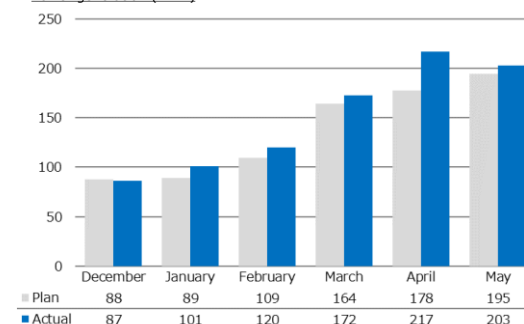
Power generation (MWh)



S-02 Chiyoda Kogen Solar Power Plant

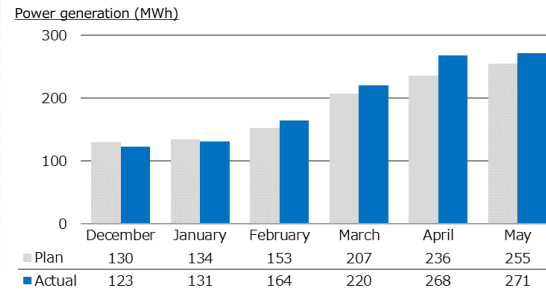


Power generation (MWh)

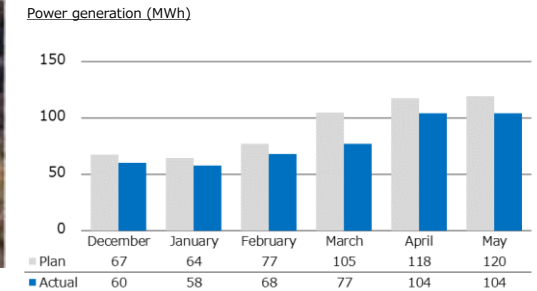


Existing Portfolio Status (2)

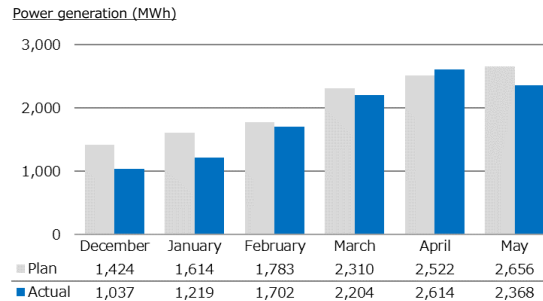
S-03 JEN Hofu Solar Power Plant



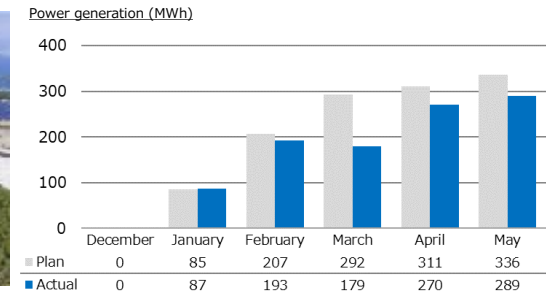
S-04 JEN Kusu Solar Power Plant



S-05 Hokota Solar Power Plant



S-06 Nagasaki Kinkai Solar Power Plant



Existing Portfolio Status (3)

- Earnings performance at each power plant was mostly as planned

<Status by Property>

(thousand yen)

Property name		Base rent (A)	Performance- linked rent and incidental income (B)	Rent revenue – renewable energy power generation facilities (A+B)	Rent expenses		NOI before depreciation	NOI after depreciation
						(of which, depreciation)		
S-01	Takahagi Solar Power Plant	266,077	-	266,077	168,121	126,827	224,784	97,956
S-02	Chiyoda Kogen Solar Power Plant	27,169	-	27,169	20,719	14,724	21,174	6,449
S-03	JEN Hofu Solar Power Plant	34,090	-	34,090	22,755	15,092	26,428	11,335
S-04	JEN Kusu Solar Power Plant	17,385	-	17,385	14,274	11,165	14,276	3,111
S-05	Hokota Solar Power Plant	404,654	5,778	410,432	300,517	228,902	338,818	109,915
S-06	Nagasaki Kinkai Solar Power Plant	32,342	-	32,342	21,221	18,921	30,042	11,120
Total		781,720	-	787,499	547,609	415,634	655,524	239,890

Note: Figures are rounded down to the nearest thousand yen.

4.

Management Strategy

Sound Financial Management

- Elimination of finance risk due to long-term loans payable whose repayment period is close to the remaining FIT period
- Reduce risk of interest rate fluctuation by financing partially at fixed interest rates while benefiting from the current low interest rates

Borrowing period (Note 1)

Fixed interest ratio (Note 2)

LTV (After additional acquisition of property)

17 years

50%

58.1%

<Properties Acquired at IPO>

Category	Lender	Interest rate	Lender (million yen)	Repayment method	Drawdown date	Repayment date	Borrowing period
Long-term	Sumitomo Mitsui Trust Bank, Limited	Base rate +0.45%	5,237	Installment	February 13, 2019	May 30, 2036	17 years
Long-term	Sumitomo Mitsui Trust Bank, Limited	0.95% after fixation	5,237	Installment	February 13, 2019	May 30, 2036	17 years
Short-term	Sumitomo Mitsui Trust Bank, Limited	Base rate +0.20%	1,295	Bullet payment	February 13, 2019	March 31, 2020	1 year

Note 1: Borrowing period at the time of borrowing upon IPO.

Note 2: Excluding short-term loans payable.

<Additionally Acquired Properties>

Category	Lender	Interest rate	Lender (million yen)	Repayment method	Drawdown date (planned)	Repayment date	Borrowing period
Long-term	Shinsei Bank, Limited ^(*)	Base rate +0.45%	605	Installment	January 17, 2020	May 31, 2038	18 years
Long-term	Shinsei Bank, Limited ^(*)	0.93% after fixation	605	Installment	January 17, 2020	May 31, 2038	18 years

Note 1: EII will conclude a loan agreement with Sumitomo Mitsui Trust Bank, Limited on January 10, 2020. However, assignment of an obligation will be conducted from Sumitomo Mitsui Trust Bank, Limited to Shinsei Bank, Limited for the borrowed amount.

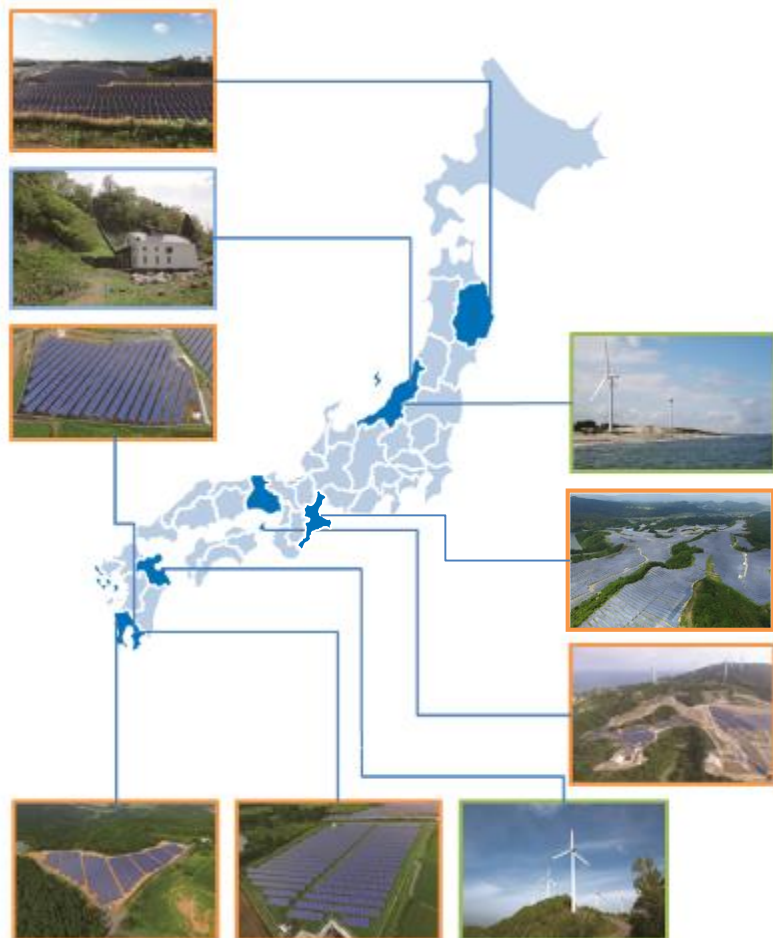
Status of Sponsor Pipeline (1)

- **High external growth potential backed by the Enex Group's diverse pipeline properties, including wind power and hydroelectric power facilities**

The number of pipeline properties is 14 properties (234.4 MW), securing large future external growth potential.

EII will continue to aim for expansion of the asset size through external growth with continued sponsor support.

■ Pipeline Properties in Operation



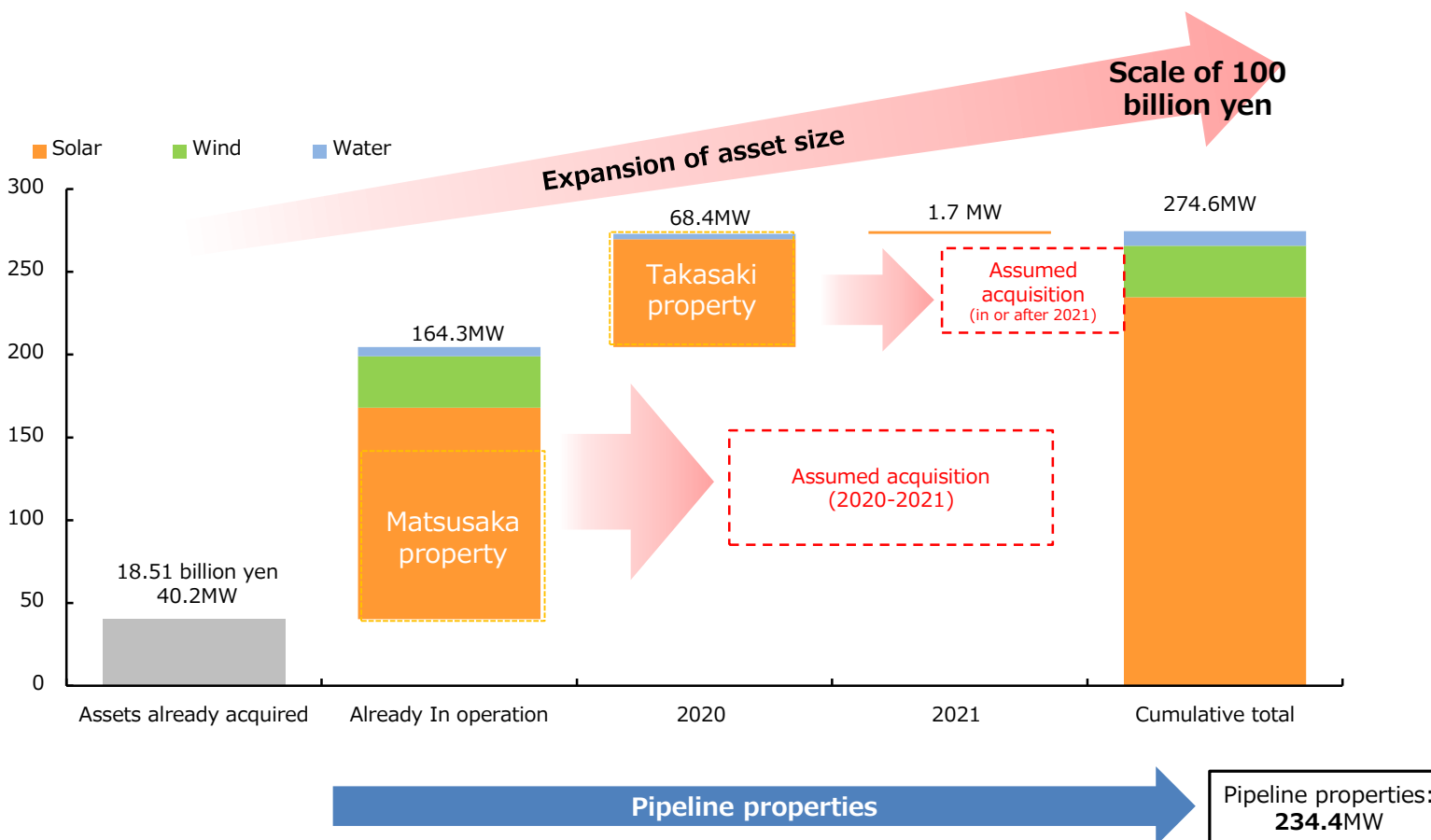
Pipeline Properties:

Energy source	Location	Status	Installed capacity	Tariff (yen per kWh)	FIT term end
Solar	Ichinoseki-shi, Iwate	In operation	14.9 MW	36 yen	September 2038
	Minamiawaji-shi, Hyogo	In operation	10.7 MW	40 yen	January 2039
	Matsusaka-shi, Mie	In operation	98.0 MW	32 yen	March 2039
	Satsumasendai-shi, Kagoshima	In operation	2.2 MW	32 yen	April 2039
	Minamikyushu-shi, Kagoshima	In operation	1.2MW	32 yen	March 2039
	Minamikyushu-shi, Kagoshima	In operation	0.7MW	32 yen	April 2039
	Kirishima-shi, Kagoshima	Under construction	1.7 MW	36 yen	-
	Takasaki-shi, Gunma	Under construction	53.6MW	40 yen	-
	Takasaki-shi, Gunma	Under construction	11.6MW	32 yen	-
Solar subtotal : 9 properties		-	194.6MW	-	-
Wind	Tainai-shi, Niigata	In operation	20.0 MW	22 yen	September 2034
	Kusu-machi, Kusu-gun, Oita	In operation	11.0MW	20.72 yen	March 2025
Wind subtotal: 2 properties		-	31.0MW	-	-
Hydroelectric	Myoko-shi, Niigata (No. 1 Power Plant)	In operation	1.5MW	27 yen	December 2039
	Joetsu-shi, Niigata (No. 2 Power Plant)	Operation suspended	3.2 MW	27 yen	-
	Myoko-shi, Niigata (No. 3 Power Plant)	In operation	4.1MW	-	-
Hydroelectric subtotal: 3 properties		-	8.8MW	-	-
Total: 13 properties		-	234.4MW	-	-

Status of Sponsor Pipeline (2)

■ Schedule for launch and assumed acquisition of pipeline properties

EII will aim to build a more balanced portfolio with wind and hydroelectric power generation facilities while expanding the asset size by incorporating large-scale properties at an early stage and diversifying the regions where its properties are located.



Measures for Growth

• Considering a multifaceted approach for future growth

Expansion of asset size

- ✓ Investment in equity interest backed by infrastructure assets, etc. (silent partner equity, beneficiary securities, etc.).
- ✓ Proactive exploration of secondary properties.
- ✓ Sufficient preparation leading up to the execution of investment in wind power/hydroelectric power generation facilities and their incorporation at an early stage.

Maximization of unitholder interest

- ✓ Expansion of opportunities to provide information to investors by participating in events, etc.
- ✓ Implementation of global IR activities through launch of English-language website, individual meeting sessions, etc.
- ✓ Biannual payment of distribution.

Enhancement of financial strategy

- ✓ Diversification of financing methods including green bonds and commitment line.
- ✓ Fund procurement and approach to new investment deals through collaboration with local financial institutions.
- ✓ Reduction of management cost through consolidation of SPCs, etc.
- ✓ Reduction of insurance expenses through batch enrollment.

Environmental/social contribution activities of the sponsors

- ✓ Initiatives for environmental evaluation along with the sponsors.
- ✓ Proactive participation in social contribution activities such as environmental protection, development of the next generation, and community contribution.

5.

Appendix

Initiatives for Diversifying Sources of Electricity

- Aim to become a comprehensive infrastructure fund owning a variety of sources of renewable energy

Solar Power Generation



- ▲ Facility management is relatively easy
- ▲ Fluctuation in power generation is relatively low
- ▼ Night-time power generation is not possible

Wind Power Generation



- ▲ Night-time power generation is possible
- ▲ Power generation increases in winter
- ▼ Fluctuation in power generation is relatively high
- ▼ Development period is long
- ▼ Sophisticated management know-how is required

Hydroelectric Power Generation

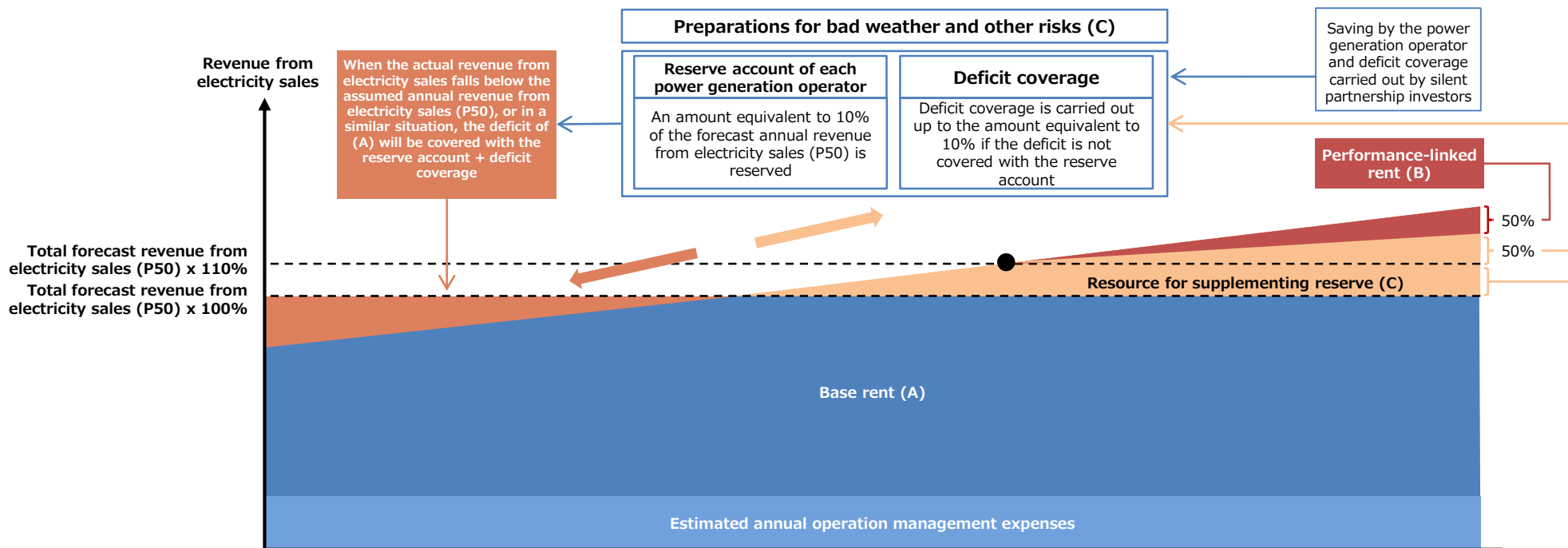


- ▲ Night-time power generation is possible
- ▲ Power generation increases when the snow melts
- ▼ Selection of suitable locations is limited
- ▼ Clearing land titles and other issues is a complicated process

Rent Scheme That Enables Creation of Long-Term Stable Cash Flow (5 IPO Properties)

■ Reduce the risk of non-payment of rent under a rent scheme focusing on stability

- Acquired assets' rent structure (Base rent (A) + performance-linked rent (B)) and preparations for bad weather, etc.
- An amount equivalent to 10% of the assumed annual revenue from electricity sales (P50) is saved in the reserve account

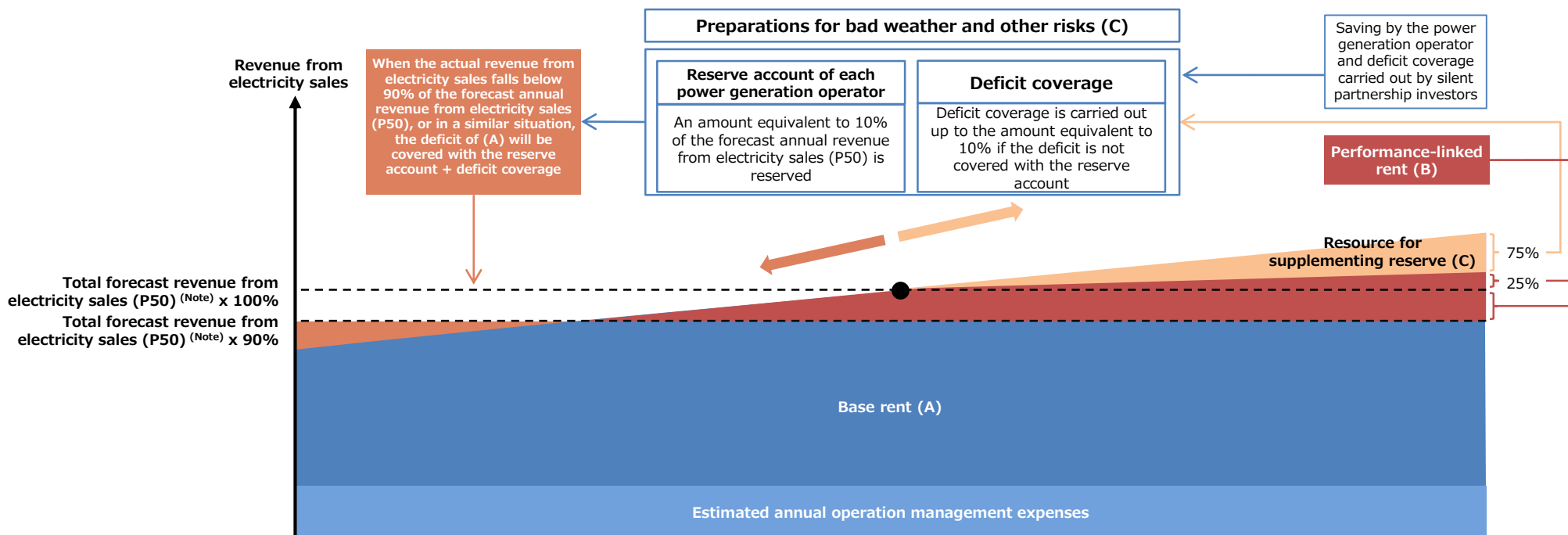


- (A) Base rent: An amount obtained by deducting estimated annual operational management expenses from **100% of the total forecast annual revenue from electricity sales (P50)** based on the forecast power generation.
- (B) Performance-linked rent: When the actual revenue from electricity sales **exceeds 110%** of the forecast revenue from electricity sales (P50), **the amount obtained by subtracting necessary expenses from 50% of the difference.**
- (C) Resource for supplementing reserve: An amount obtained by deducting the total of the assumed revenue from electricity sales (P50) and the actual performance-linked rent (B) from the actual revenue from electricity sales.

Rent Scheme That Enables Creation of Long-Term Stable Cash Flow (Nagasaki Kinkai Property)

■ Changed the scheme for Nagasaki Kinkai Solar Power Plant, a newly acquired asset

- Acquired assets' rent structure (Base rent (A) + performance-linked rent (B)) and preparations for bad weather, etc.
- Stable scheme in which the deficit will be covered when the actual revenue from electricity sales falls below 90% of the assumed annual revenue from electricity sales (P50)



- (A) Base rent: An amount obtained by deducting estimated annual operational management expenses from **90% of the total forecast annual revenue from electricity sales (P50)** based on the forecast power generation.
- (B) Performance-linked rent: When the actual revenue from electricity sales **exceeds 90%** of the forecast revenue from electricity sales (P50), **if the amount obtained by subtracting necessary expenses from the total amount up to 100% of P50 exceeds 100% of P50, the amount obtained by subtracting necessary expenses from 25% of the exceeded portion.**
- (C) Resource for supplementing reserve: An amount obtained by deducting the total of 90% of the assumed revenue from electricity sales (P50) and the actual performance-linked rent (B) from the actual revenue from electricity sales.

Note: The total forecast revenue from electricity sales (P50) is provided as a figure calculated reflecting power curtailment in the Kyushu Electric Power's service area in the forecast power generation, using the figures stated in the "Power Plant Diagnosis Report" prepared by Mitsui Chemicals, Inc. as assumption. The figure differs from "assumed annual power generation" stated in the "Power Plant Diagnosis Report" prepared by the company as the figure of exceedance probability P (percentile) 50 calculated based of statistical analysis of fluctuations in solar radiation over 20 years observed at a nearby local meteorological station.

Balance Sheet

Balance Sheet

	(Unit: thousand yen)
	3rd FP interim period (May 31, 2020)
Assets	
Current assets	
Cash and deposits	526,548
Operating accounts receivable	179,862
Prepaid expenses	38,293
Consumption taxes receivable	48,321
Other	240
Total current assets	793,266
Non-current assets	
Property, plant and equipment	
Machinery and equipment	17,853,220
Accumulated depreciation	(1,076,778)
Machinery and equipment, net	16,776,441
Total property, plant and equipment	16,776,441
Intangible assets	
Leasehold rights	1,440,541
Trademark right	693
Software	5,686
Total intangible assets	1,446,921
Investments and other assets	
Guarantee deposits	70,000
Long-term prepaid expenses	293,170
Deferred tax assets	10
Total investments and other assets	363,180
Total non-current assets	18,586,544
Total assets	19,379,810

	(Unit: thousand yen)
	3rd FP interim period (May 31, 2020)
Liabilities	
Current liabilities	
Current portion of long-term borrowings	670,660
Operating accounts payable	97,544
Accounts payable - other	62,399
Income taxes payable	818
Accrued expenses	672
Other	947
Total current liabilities	833,042
Non-current liabilities	
Long-term borrowings	10,071,950
Asset retirement obligations	495,744
Total non-current liabilities	10,567,694
Total liabilities	11,400,736
Net assets	
Unitholders' equity	
Unitholders' capital	8,121,664
Deduction from unitholders' capital	
Reserve for temporary difference adjustments	(18,365)
Other deduction from unitholders' capital	(232,317)
Total deduction from unitholders' capital	(250,682)
Unitholders' capital, net	7,870,981
Surplus	
Unappropriated retained earnings (undisposed loss)	108,092
Total surplus	108,092
Total unitholders' equity	7,979,074
Total net assets	7,979,074
Total liabilities and net assets	19,379,810

Statements of Income

Statements of Income

(Unit: thousand yen)

3rd FP interim period
From December 1, 2019
to May 31, 2020

Operating revenue	
Rent revenue – renewable energy power generation facilities	787,499
Total operating revenue	787,499
Operating expenses	
Rent expenses - renewable energy power generation facilities	547,609
Asset management fee	30,895
Asset custody fees and administrative service fees	14,594
Directors' compensation	4,200
Other operating expenses	33,787
Total operating expenses	631,087
Operating income	156,411
Non-operating revenues	
Interest income	5
Interest on tax refund	1,443
Total non-operating revenues	1,448
Non-operating expenses	
Interest expenses	42,543
Borrowing related expenses	6,506
Other non-operating expenses	-
Total non-operating expenses	49,050
Ordinary income	108,809
Net income (loss) before income taxes	108,809
Income taxes – Current	719
Income taxes – Deferred	22
Total income taxes	741
Net income	108,068
Retained earnings (deficit) brought forward	24
Unappropriated retained earnings (undisposed loss)	108,092

Breakdown of Revenue and Expenses from the Rental Business of Renewable Energy Power Generation Facilities

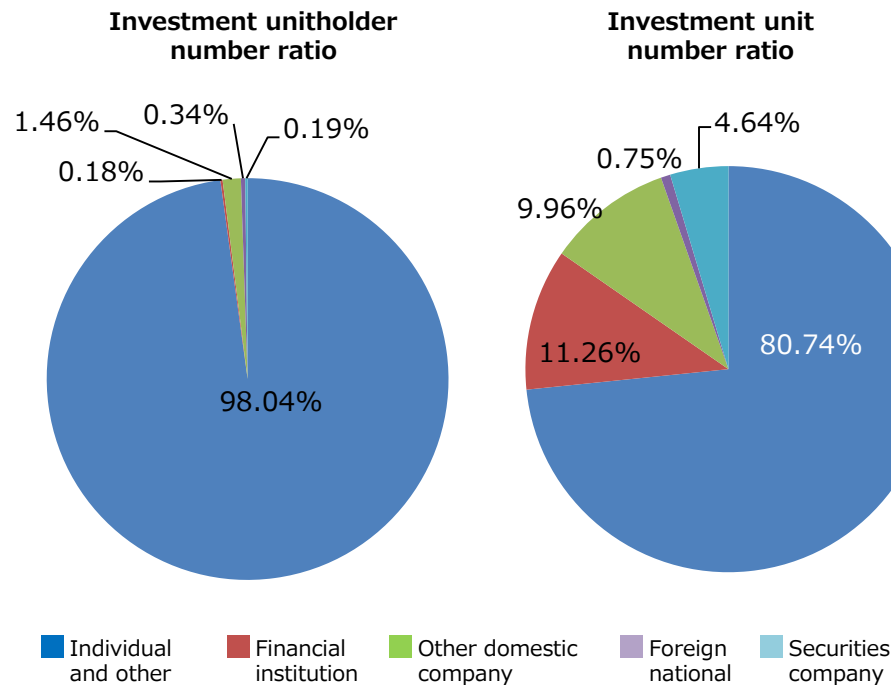
(Unit: thousand yen)

3rd FP interim period
From December 1, 2019
to May 31, 2020

A. Operating revenue from the rental business of renewable energy power generation facilities	
Rent revenue – renewable energy power generation facilities	
(Base rent)	781,720
(Performance-linked rent)	-
(Incidental income)	5,778
Total revenue from the rental business of renewable energy power generation facilities	787,499
B. Operating expenses from the rental business of renewable energy power generation facilities	
Rent expenses - renewable energy power generation facilities	
(Property tax)	80,908
(Insurance expenses)	4,714
(Repair expenses)	603
(Depreciation)	415,634
(Rent expenses on land and buildings)	43,532
(Other expenses)	2,217
Total expenses from the rental business of renewable energy power generation facilities	547,609
C. Revenue and expenses from the rental business of renewable energy power generation facilities (A-B)	239,890

Unitholders' Status at the End of Interim Period for Fiscal Period Ending November 2020 (3rd Fiscal Period)

<Unitholder Category>



<Major Unitholders>

Name or company name	Number of investment units held (units)	As a percentage of total number of investment units issued and outstanding (%)
1. The Fukuho Bank. Ltd.	2,920	3.18
2. Itochu Enex Co., Ltd.	2,370	2.58
3. Yamato Shinkin Bank	1,900	2.07
4. Individual investor	1,800	1.96
5. Kitajima Koumuten Co., Ltd.	1,629	1.77
6. Rakuten Securities, Inc.	1,587	1.73
7. The Bank of Fukuoka, Ltd.	1,320	1.44
8. Individual investor	1,210	1.32
9. Mercuria Investment Co., Ltd.	1,065	1.16
10. Sumitomo Mitsui Trust Bank, Limited	1,065	1.16

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