

Summary of Financial Results for the Fiscal Period Ended November 2023 (Infrastructure Fund)

January 15, 2024

Infrastructure Fund Issuer:	Enex Infrastructure Investment Corporation	Listing Exchange:	Tokyo Stock Exchange
Securities Code:	9286	URL:	https://enexinfra.com/en
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Supplementary materials for financial results: Yes

Financial results briefing: Yes (For institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Status of Management and Assets for the Fiscal Period Ended November 2023 (from June 1, 2023, to November 30, 2023)

(1) Management Status

(Percentage figures are the rate of period-on-period change)

	Operating revenue		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal period ended November 2023	4,202	48.7	1,366	80.8	864	70.5	863	70.7
Fiscal period ended May 2023	2,825	5.4	755	(13.5)	507	(22.0)	505	(22.1)

	Net income per unit	Ratio of net income to equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenue
	Yen	%	%	%
Fiscal period ended November 2023	1,619	2.2	0.9	20.6
Fiscal period ended May 2023	1,301	1.6	0.7	17.9

(2) Status of Cash Distributions

	Distribution per unit (excluding distribution in excess of earnings)	Total distribution (excluding distribution in excess of earnings)	Distribution in excess of earnings per unit	Total distribution in excess of earnings	Distribution per unit (including distribution in excess of earnings)	Total distribution (including distribution in excess of earnings)	Payout ratio	Ratio of distribution to net assets
	Yen	Million yen	Yen	Million yen	Yen	Million yen	%	%
Fiscal period ended November 2023	1,551	863	1,449	807	3,000	1,670	100.0	2.2
Fiscal period ended May 2023	954	396	2,046	849	3,000	1,245	78.3	1.3

(Note 1) The 2,046 yen in distribution in excess of earnings per unit for the fiscal period ended May 2023 comprises 368 yen of reserve for temporary difference adjustments and 1,678 yen of other distribution in excess of earnings. The total distribution in excess of earnings for the fiscal period ended May 2023 comprises 152 million yen of reserve for temporary difference adjustments and 696 million yen of refund of investment, which falls under the category of a reduction in unitholders' paid-in capital under tax laws.

(Note 2) The 1,449 yen in distribution in excess of earnings per unit for the fiscal period ended November 2023 comprises 118 yen of reserve for temporary difference adjustments and 1,331 yen for other distribution in excess of earnings. The total distribution in excess of earnings for the fiscal period ended November 2023 comprises 65 million yen of reserve for temporary difference adjustments and 741 million yen of refund of investment, which falls under the category of a reduction in unitholders' paid-in capital under tax laws.

(Note 3) The payout ratio is calculated using the following formula.

Payout ratio = total distribution (excluding distribution in excess of earnings) / net income x 100

(Note 4) The ratio of distribution to net assets is calculated using the following formula.

Ratio of distribution to net assets = total distribution (excluding distribution in excess of earnings) / {(net assets at beginning of period + net assets at end of period) / 2} x 100

(Note 5) The payout ratio and ratio of distribution to net assets for the fiscal period ended May 2023 are 108.5% and 1.8%, respectively, if calculated by using the sum of the distribution excluding distribution in excess of earnings and the distribution in excess of earnings from reserve for temporary difference adjustments. The payout ratio and ratio of distribution to net assets for the fiscal period ended November 2023 are 107.7% and 2.4%, respectively, if calculated by using the sum of the distribution excluding distribution in excess of earnings and the distribution in excess of earnings from reserve for temporary difference adjustments. The payout ratio and ratio of distribution to net assets are calculated using the following formulas.

Payout ratio = (distribution excluding distribution in excess of earnings + distribution in excess of earnings from reserve for temporary difference adjustments) / net income x 100

Ratio of distribution to net assets = (distribution excluding distributions in excess of earnings + distribution in excess of earnings from reserve for temporary difference adjustments) / ((net assets at beginning of period + net assets at end of period) / 2) x 100

(Note 6) The ratio of reduced surplus, etc. due to distribution in excess of earnings (refund of investment) for the fiscal period ended May 2023 is 0.016. For the fiscal period ended November 2023, it is 0.017.

(3) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per unit
	Million yen	Million yen	%	Yen
Fiscal period ended November 2023	109,707	45,088	41.1	80,952
Fiscal period ended May 2023	79,226	33,323	42.1	80,253

(4) Status of Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal period ended November 2023	1,378	(26,518)	29,108	9,215
Fiscal period ended May 2023	(329)	(10,353)	10,634	5,246

2. Forecast of Management Status for the Fiscal Period Ending May 2024 (from December 1, 2023, to May 31, 2024) and Forecast of Management Status for the Fiscal Period Ending November 2024 (from June 1, 2024, to November 30, 2024)

(Percentage figures are the rate of period-on-period change)

	Operating revenue		Operating income		Ordinary income		Net income		Distribution per unit (excluding distribution in excess of earnings)	Distribution in excess of earnings per unit	Distribution per unit (including distribution in excess of earnings)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen	Yen
Fiscal period ending May 2024	4,302	2.4	1,309	(4.2)	911	5.4	910	5.5	1,635	1,365	3,000
Fiscal period ending Nov. 2024	4,245	(1.3)	1,276	(2.5)	790	(13.3)	789	(13.3)	1,417	1,583	3,000

(Reference) Forecast net income per unit (forecast net income / forecast number of investment units at end of period)

(Fiscal period ending May 2024) 1,635 yen, (Fiscal period ending November 2024) 1,417 yen

(Note) Distribution per unit for the fiscal period ending May 2024 and fiscal period ending November 2024 are calculated by taking into account the earnings as designated in Article 136-1 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, and subsequent amendments; hereinafter the "Investment Trusts Act") based on the assumption that the fair value of hedge losses in valuation of interest rate swaps recognized in the fiscal period ended November 2023 has not changed from that at the end of the fiscal period ended November 2023.

*Other

(1) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement

- 1) Changes in accounting policies associated with amendments to accounting standards, etc. : No
- 2) Changes in accounting policies other than 1) : No
- 3) Changes in accounting estimates : No
- 4) Restatement : No

(2) Total Number of Investment Units Issued and Outstanding

1) Total number of investment units issued and outstanding (including treasury units) at end of period	Fiscal period ended November 2023	556,975 units	Fiscal period ended May 2023	415,225 units
2) Number of treasury units at end of period	Fiscal period ended November 2023	0 units	Fiscal period ended May 2023	0 units

(Note) For the number of investment units based on which net income per unit is calculated, please refer to “Notes to Per Unit Information” on page 30.

* This summary of financial results is not subject to audit procedures by public accountants or audit corporations.

* Explanation of Appropriate Use of Forecast of Management Status and Other Matters of Special Note

Forecasts of management status and other forward-looking statements contained in this document are based on information that is currently available and certain assumptions that are deemed reasonable by EII. Accordingly, the actual management status, etc. may differ materially due to various factors. In addition, the forecast is not a guarantee of the amount of distribution and distribution in excess of earnings. For the assumptions underlying the forecast of management status, please refer to “Assumptions of Forecast of Management Status for the Fiscal Period Ending May 2024 (from December 1, 2023, to May 31, 2024) and Fiscal Period Ending November 2024 (from June 1, 2024, to November 30, 2024)” on page 8.

○ Table of Contents

1. Management Status	5
(1) Management Status.....	5
(2) Significant Subsequent Events.....	7
(3) Forecast of Management Status	7
2. Financial Statements	10
(1) Balance Sheet.....	10
(2) Statements of Income.....	12
(3) Statements of Changes in Unitholders' Equity.....	13
(4) Statements of Cash Distributions.....	15
(5) Statements of Cash Flows.....	17
(6) Notes to Going Concern Assumption.....	18
(7) Notes to Significant Accounting Policies.....	18
(8) Notes to Financial Statements.....	20
(9) Change in Total Number of Investment Units Issued and Outstanding.....	31
3. Reference Information	33
(1) Information on Prices of Assets Under Management, Etc.....	33
(2) Status of Capital Expenditures.....	41

1. Management Status

(1) Management Status

1) Overview of the Fiscal Period under Review

(a) Brief History of Enex Infrastructure Investment Corporation

EII was founded on August 3, 2018, under the Investment Trusts Act, with Enex Asset Management Co., Ltd. (hereinafter the “Asset Management Company”) as the originator and Itochu Enex Corporation (hereinafter “Itochu Enex”), Sumitomo Mitsui Trust Bank, Limited, Mercuria Investment Co., Ltd., and Maiora Asset Management Pte. Ltd. (hereinafter “Maiora”) as the sponsors (equity investment amount: 100 million yen, number of units issued: 1,000 units). Registration with the Kanto Local Finance Bureau was completed on September 5, 2018 (Registration no.: Director-General of the Kanto Local Finance Bureau No. 139).

EII issued additional investment units (135,000 units) through public offering (primary offering) on June 30, 2023, and issued new investment units (6,750 units) through third-party allotment on August 2, 2023. As a result, the total number of investment units issued and outstanding is 556,975 units as of November 30, 2023.

(b) Investment Environment and Management Results

During the fiscal period under review, due to surging prices of resources impacted by geopolitical risks such as the situation in Ukraine, the FRB’s interest rate hikes due to inflation in the U.S., revisions to the allowable range of long-term interest rate fluctuations by the Bank of Japan, and a weaker yen against the backdrop of interest rate differences between Japan and the U.S., the outlook for the Japanese economy remained uncertain.

In the context of this investment environment, the number of already acquired assets stood at 12 properties at the end of the period under review (total facility capacity (Note 1) of 243.4 MW and total price (Note 2) of 99,471 million yen).

(Note 1) “Facility capacity” is based on solar module output (Note 3) for solar power generation facilities and generator rated output for wind power generation facilities. For solar power generation facilities, the module output (total solar module rated output) based on technical reports is indicated. For wind power generation facilities, the total wind turbine rated output based on technical reports is indicated. The total facility capacity is rounded to the first decimal place. The same shall apply hereinafter.

(Note 2) “Price” refers to the median value calculated by EII, pursuant to Article 41-1-1 of its Articles of Incorporation, from the valuation of each power plant in the range shown in the valuation report (Note 4), with November 30, 2023, as the valuation date, obtained from PricewaterhouseCoopers Sustainability LLC. The same shall apply hereinafter.

(Note 3) “Module output” means the rated output per solar module used in each solar power generation facility (i.e., the maximum output when using the solar module; the same shall apply hereinafter) multiplied by the total number of modules.

(Note 4) A “valuation report” is a document prepared in accordance with the Investment Trusts Act and other laws and ordinances, the rules and regulations stipulated by The Investment Trusts Association, Japan (JITA), and the asset valuation methods and standards stipulated in EII’s Articles of Incorporation, which assesses the price, etc. of renewable energy power generation facilities (i.e., facilities stipulated in Article 2-2 of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities [Act No. 108 of 2011 and subsequent amendments; hereinafter referred to as the “Renewable Energy Special Measures Act”]), excluding facilities that correspond to real estate (the same shall apply hereinafter), and reports on the results. The same shall apply hereinafter.

(c) Overview of Financing

During the period under review, on June 30, 2023, EII borrowed 19,000 million yen (Term Loan I: 9,500 million yen borrowed, final repayment due on November 30, 2032; Term Loan J: 9,500 million yen, final repayment due on November 30, 2032) from a syndicate of lenders arranged by Sumitomo Mitsui Trust Bank, Limited, SBI Shinsei Bank, Limited, Sumitomo Mitsui Banking Corporation, and Mizuho Bank, Ltd. and 2,200 million yen from Sumitomo Mitsui Trust Bank, Limited, SBI Shinsei Bank, Limited, and Sumitomo Mitsui Banking Corporation (Consumption Tax Loan D: 2,200 million yen, final repayment due on March 29, 2024). as part of the purchase funds for Takasaki Solar Power Plant B. In addition, on November 30, 2023, EII borrowed 2,300 million yen from Sumitomo Mitsui Trust Bank, Limited (final repayment date: November 30, 2024) to refinance 2,300 million yen in short-term borrowings through a commitment line with a due date of November 30, 2023. As a result of also conducting scheduled repayment of 5,062 million yen during the fiscal period under review, the balance of borrowings as of November 30, 2023, was 63,086 million yen, with the ratio of interest-bearing debt to total assets (hereinafter “LTV”) standing at 57.5%.

Moreover, EII was assigned the following credit rating as of November 30, 2023.

<Credit rating>

Credit rating agency	Rating type	Rating outlook
Japan Credit Rating Agency, Ltd.	A	Stable

(d) Overview of Business Performance and Cash Distributions

As a result of the above operations, EII posted operating revenue of 4,202 million yen, operating income of 1,366 million yen, ordinary income of 864 million yen, and net income of 863 million yen for the fiscal period under review.

For cash distributions, the distribution amount shall be in excess of an amount equivalent to 90% of the “distributable income amount” as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957 and subsequent amendments), in accordance with the cash distribution policy set forth by EII (Article 47 of the Articles of Incorporation). In addition, EII makes it a policy to continuously deliver cash in excess of earnings (refund of investment) for each calculation period as a rule, to the extent not affecting EII’s financial conditions, after reserving cash and deposits EII regards as appropriate. Based on this policy, EII shall conduct unitholder returns.

Based on such policy, for distribution of earnings (excluding distribution in excess of earnings) for the fiscal period under review, EII decided to pay out 863 million yen, which is almost the full amount of the amount of earnings as designated in Article 136-1 of the Investment Trusts Act, applying the Act on Special Measures Concerning Taxation for investment corporations. Accordingly, distribution of earnings per unit (excluding distribution in excess of earnings) was determined to be 1,551 yen. In addition, taking into account the impact on cash distributions of the inconsistency between excess of earnings for accounting purposes and excess of earnings for tax purposes (as defined in Article 2-2-30-a of the Regulations on Calculations of Investment Corporations) relating to operating accounts receivable, asset retirement obligations, etc., EII decided to conduct distribution in excess of earnings per unit of 118 yen related to the reserve for temporary difference adjustments (as defined in Article 2-2-30 of the Regulations on Calculations of Investment Corporations [Cabinet Office Order No. 47 of 2006 and subsequent amendments]; the same shall supply hereinafter) as well as other distribution in excess of earnings per unit of 1,331 yen.

Accordingly, distribution per unit for the fiscal period under review came to 3,000 yen (of which, distribution in excess of earnings per unit was 1,449 yen).

2) Outlook for the Next Fiscal Period (Note 1)

(a) New Property Acquisitions (External Growth)

EII owns future pipelines backed by the stable property development capability of the Enex Group (Note 2) and Maiora through the sponsor support agreement. Utilizing the pipelines, EII will proactively work to achieve external growth. EII also believes that its external growth will be bolstered by the sponsors’ wide-ranging expertise as specialists in the renewable energy power generation business and financial transactions for this business, including their experience in developing renewable energy power generation facilities as well as collecting and analyzing information and conducting financing as prerequisites for development.

Moreover, based on the sponsor support agreement, EII will utilize the sponsors’ ample sourcing routes (Note 3) to proactively consider acquiring properties that meet its investment standards from external third parties.

(Note 1) On September 30, 2023, the Asset Management Company was notified by the Governor of Tokyo that it been denied renewal of its license as a real estate transaction business operator, due to the provisions of Article 5-1-12 of the Real Estate Brokerage Act (Act No. 176 of 1952 and subsequent amendments) being applied to the company’s directors (hereinafter referred to as the “Event”). Subsequently, the Asset Management Company reapplied for a license as a real estate transaction business operator on October 12, 2023, and reacquired said license on December 1, 2023. On the 15th of the same month, the Asset Management Company reapplied for permission to operate as an entrustment-based agency for transactions as stipulated in the Real Estate Brokerage Act, which is expected to be granted in the near future.

With the reacquisition of the real estate broker license and permission to operate as an entrustment-based agency for transactions, the Asset Management Company will complete the reacquisition of all licenses and approvals lost as a result of the Event and be able to make new investment decisions as EII’s asset manager.

(Note 2) The Enex Group collectively refers to Itochu Enex and its 45 subsidiaries plus its 22 affiliated companies accounted for by the equity method (as of March 31, 2023).

(Note 3) “Sourcing” refers to various activities for obtaining information for property acquisitions of renewable energy power generation facilities that are the targets of investment (Note 4). “Sourcing routes” refers to channels for obtaining information on renewable energy power generation facilities that are the targets of sourcing.

(Note 4) “Renewable energy power generation facilities” refers to renewable energy power generation facilities, real estate incidental or related to renewable energy power generation facilities, the leasehold rights and the superficies rights of said real estate, and these assets and assets incidental or related thereto under the laws and regulations of foreign countries and may include renewable energy power generation facilities, etc. underlying EII’s assets under management. “Renewable energy” refers to solar, wind, hydro, geothermal, and biomass energy. Of these renewable energy power generation facilities, those that use sunlight as the energy source shall be referred to as “solar power generation facilities,” while those that use wind as the energy source shall be referred to as “wind power generation facilities.” The same shall apply hereinafter.

(b) Management and Operations (Internal Growth)

For the already acquired assets, EII has selected Enex Electric Power Co., Ltd. (a 100%-owned subsidiary of Itochu Enex; hereinafter “Enex Electric Power”) as the operator based on the Asset Management Company’s operator selection criteria. Enex Electric Power has been stably operating various energy power generation facilities and providing stable supply of energy since its establishment in 2002. As an engineering group that provides quality services to customers and has strong awareness of cost control, Enex Electric Power possesses human resources who maintain and manage power generation facilities. Through the deployment of a remote monitoring system for renewable energy plants, Enex Electric Power monitors the operational status of power generation facilities daily in collaboration with O&M providers (“O&M” stands for Operation & Maintenance; O&M activities refers to activities of maintenance and management of renewable energy power generation facilities, etc., and O&M providers refers to those who undertake O&M activities; the same shall apply hereinafter). Enex Electric Power also endeavors to conduct detailed analysis of the operating status including data analysis, maintain facility performance through regular inspections, and quickly replace equipment in the event of an accident.

Taking advantage of the strengths of Enex Electric Power, EII seeks to maximize the power generation performance of its renewable energy power generation facilities in an effort to maintain and improve the revenue and asset value of power generation facilities.

(c) Financial Strategy

EII makes it a basic policy to build a stable and sound financial base with an aim to maintain and enhance earnings and secure steady growth over the medium to long term. Based on this policy, EII will procure funds by conducting public offerings and borrowings and through other means.

When conducting public offerings, EII will do so by taking into account the economic environment, market trends, LTV, and the acquisition dates of investment assets, among other factors, while giving consideration to dilution of the investment units.

As for borrowings, EII will efficiently procure funds by building a bank formation centered on major financial institutions, keeping a balance of borrowing periods among long- and short-term loans and interest types among fixed- and variable-interest loans, while working to diversify repayment dates. In terms of LTV, EII will conduct financial operations to keep it within an appropriate level, paying attention to securing additional borrowing capacity.

(2) Significant Subsequent Events

Not applicable.

(3) Forecast of Management Status

EII forecasts its management status for the fiscal period ending May 2024 (from December 1, 2023, to May 31, 2024) and fiscal period ending November 2024 (from June 1, 2024, to November 30, 2024) as follows. For the assumptions of the management status, please refer to “Assumptions of Forecast of Management Status for the Fiscal Period Ending May 2024 (from December 1, 2023, to May 31, 2024) and Fiscal Period Ending November 2024 (from June 1, 2024, to November 30, 2024)” below.

Forecast of Management Status for the Fiscal Period Ending May 2024 (from December 1, 2023, to May 31, 2024)

Operating revenue	4,302 million yen
Operating income	1,309 million yen
Ordinary income	911 million yen
Net income	910 million yen
Distribution per unit (excluding distribution in excess of earnings)	1,635 yen
Distribution in excess of earnings per unit	1,365 yen
Distribution per unit (including distribution in excess of earnings)	3,000 yen

Forecast of Management Status for the Fiscal Period Ending November 2024 (from June 1, 2024, to November 30, 2024)

Operating revenue	4,245 million yen
Operating income	1,276 million yen
Ordinary income	790 million yen
Net income	789 million yen
Distribution per unit (excluding distribution in excess of earnings)	1,417 yen
Distribution in excess of earnings per unit	1,583 yen
Distribution per unit (including distribution in excess of earnings)	3,000 yen

(Note) The forecast figures indicated above are calculated under certain assumptions as of the present. The actual operating revenue, operating income, ordinary income, net income, distribution per unit (excluding distribution in excess of earnings), distribution in excess of earnings per unit, and distribution per unit (including distributions in excess of earnings) are subject to change due to future acquisition or sale of renewable energy power generation facilities, trends in the infrastructure market, fluctuations of interest rates, issuance of additional investment units, or change in other factors surrounding EII going forward. In addition, the forecast is not a guarantee of the amount of distribution and distribution in excess of earnings.

Assumptions of Forecast of Management Status for the Fiscal Period Ending May 2024 (from December 1, 2023, to May 31, 2024)
and Fiscal Period Ending November 2024 (from June 1, 2024, to November 30, 2024)

Item	Assumptions
Calculation period	Fiscal period ending May 2024: December 1, 2023 - May 31, 2024 (183 days) Fiscal period ending November 2024: June 1, 2024 - November 30, 2024 (183 days)
Total number of investment units issued and outstanding	<ul style="list-style-type: none"> The total number of investment units issued and outstanding is assumed to be 556,975 units, which is the number as of today, and it is assumed that there will be no change in the number of investment units by November 30, 2024, due to the issuance of new investment units, etc. Distribution per unit (excluding distribution in excess of earnings), distribution in excess of earnings per unit and distribution per unit (including distribution in excess of earnings) have been calculated based on the forecast total number of investment units issued and outstanding at the end of the fiscal period ending May 2024 and fiscal period ending November 2024 (556,975 units).
Assets under management	<ul style="list-style-type: none"> It is assumed that there are 12 properties, comprised of the solar power plants and wind power plants that EII owns as of today. It is assumed that there will be no change (acquisition of new assets or sale of already acquired assets, etc.) in the assets under management by November 30, 2024. In practice, this assumption may vary due to such events as acquisition of new assets other than already acquired ones or sale of already acquired assets.
Operating revenue	<ul style="list-style-type: none"> The rental business revenue from the already acquired assets is calculated on the basis of the base rent indicated in the lease agreements for renewable energy power generation facilities effective as of today (the “lease agreements”), which is the amount calculated by dividing by 12 the amount obtained by deducting the estimated annual operation management expenses (including but not limited to taxes and dues, compensation for O&M providers, and compensation for operators; the same shall apply hereinafter) from the annual total amount of expected monthly total revenue from electricity sales, calculated in consideration of the assumed revenue from electricity sales based on forecast power generation (P50) (Note 1) calculated by the producer of technical reports and other experts. While the rent under the lease agreements consists of base rent and performance-linked rent, the rental business revenue of Takahagi Solar Power Plant, Chiyoda Kogen Solar Power Plant, JEN Hofu Solar Power Plant, JEN Kusu Solar Power Plant, and Hokota Solar Power Plant is calculated based on base rent only, assuming that no performance-linked rent accrues. On the other hand, for Nagasaki Kinkai Solar Power Plant, Matsusaka Solar Power Plant, Shinshiro Solar Power Plant, Takasaki Solar Power Plant A, and Takasaki Solar Power Plant B, the rental business revenue is calculated using the base rent, which is the amount calculated by dividing by 12 the amount obtained by deducting the estimated annual operation management expenses from the annual total amount of expected monthly total revenue from electricity sales, calculated in consideration of the assumed revenue from electricity sales based on forecast power generation (P50) (Note 2) x 90%, and adding the performance-linked rent, which is the amount obtained by subtracting taxes and dues from the assumed revenue from electricity sales equivalent to the forecast power generation (P50) x 90% to 100%; and for Monbetsu Solar Power Plant and Tainai Wind Power Plant, the rental business revenue is calculated using the base rent, which is the amount calculated by dividing by 12 the amount obtained by deducting the estimated annual operation management expenses from the annual total amount of expected monthly total revenue from electricity sales, calculated in consideration of the assumed revenue from electricity sales based on forecast power generation (P50) (Note 3) x 70%, and adding the performance-linked rent, which is the amount obtained by subtracting taxes and dues from the assumed revenue from electricity sales equivalent to the forecast power generation (P50) x 70% to 100%. (Note 1) “Forecast power generation (P50)” refers to the power generation output calculated by the producer of technical reports or other experts, as a figure of an exceedance probability P (percentile) 50 (a numerical value deemed achievable with a 50% probability). The same shall apply hereinafter. “Assumed revenue from electricity sales based on forecast power generation (P50)” refers to the assumed revenue from electricity sales calculated by multiplying the relevant power generation output by the tariff. (Note 2) For Nagasaki Kinkai Solar Power Plant, the forecast power generation assumes the figure indicated in the “Power Plant Diagnosis Report” prepared by Mitsui Chemicals, Inc. as the figure calculated by reflecting power curtailment in Kyushu Electric Power’s jurisdiction to the relevant forecast power generation (P50), and is different from each of the figures indicated in the “estimated annual power generation.” The same shall apply hereinafter. (Note 3) For Monbetsu Solar Power Plant, the forecast power generation assumes the figure indicated in the “Analysis Report on Power Curtailment in Solar Power Generation Business in Hokkaido Area” prepared by Mizuho Research & Technologies, Ltd. as the figure calculated by reflecting power curtailment in Hokkaido Electric Power’s operation area to the relevant forecast power generation (P50), and is different from each of the figures indicated in the “estimated annual power generation.” For Tainai Wind Power Plant, the figure is assumed to be the forecast power generation (P50) multiplied by the operating rate described in the annual operation plan. The same shall apply hereinafter. EII assumes that operating revenue comes from rental business revenue from the already acquired assets and does not assume it will sell such assets. For rental business revenue, EII assumes that there are no delinquencies or non-payments of rent.

Item	Assumptions
Operating expenses	<ul style="list-style-type: none"> Among the rental business expenses of the already acquired assets, which are the principal operating expenses, expenses other than depreciation are calculated based on historical data or figures obtained from quotes to subcontractors or other data, and by reflecting variable factors of expenses. Property taxes are expected to be 246 million yen for the fiscal period ending May 2024 and 254 million yen for the fiscal period ending November 2024. Depreciation is calculated by the straight-line method including certain ancillary expenses, and is expected to be 2,098 million yen for the fiscal period ending May 2024 and 2,106 million yen for the fiscal period ending November 2024.
Non-operating expenses	<ul style="list-style-type: none"> Interest expenses and other borrowing related expenses are expected to be 485 million yen for the fiscal period ending May 2024 and 486 million yen for the fiscal period ending November 2024.
Borrowings	<ul style="list-style-type: none"> Total interest-bearing debt is assumed to be 59,426 million yen at the end of the fiscal period ending May 2024 and 57,179 million yen at the end of the fiscal period ending November 2024. LTV is expected to be around 56.4% at the end of the fiscal period ending May 2024 and around 55.9% at the end of the fiscal period ending November 2024. The ratio of interest-bearing debt to total assets (LTV) is calculated by using the following formula: Ratio of interest-bearing debt to total assets (LTV) = Total interest-bearing debt / total assets × 100
Distribution per unit (excluding distribution in excess of earnings)	<ul style="list-style-type: none"> Distribution per unit (excluding distribution in excess of earnings) is calculated on the assumption that the full amount of profit will be distributed based on the cash distribution policy set forth in EII's Articles of Incorporation. There is the possibility that the distribution per unit (excluding distribution in excess of earnings) may fluctuate due to various factors including fluctuations of rent revenue due to change in assets under management, change in lessees, and change in the lease agreements or unforeseen repairs and maintenance.
Distribution in excess of earnings per unit	<ul style="list-style-type: none"> Distribution in excess of earnings per unit is calculated based on the cash distribution policy set forth in EII's Articles of Incorporation, to the extent of the amount stipulated by laws and regulations (including the rules defined by JITA). EII has the policy of distributing cash in excess of earnings (refund of investment) in every calculation period as a rule, as far as it does not negatively affect the financial state of EII after reserving cash and deposits EII regards as appropriate and taking the arranged loan facilities into account, in order to avoid any impact on the long-term repair plan and meet demand for funds (for new acquisition of investment assets, capital expenditure required for maintenance and improvement of assets held, working capital of EII, payment of loans, distributions of cash, etc.), given the amount of capital expenditure for each calculation period assumed based on the long-term repair plan. Distribution per unit (including distribution in excess of earnings) for the fiscal period ending May 2024 and fiscal period ending November 2024 is projected to be at the level of around 3,000 yen, given the rental business revenue generated from the portfolio, the rental business expenses pertaining to the portfolio, the interest expenses for borrowings and other borrowing-related expenses, etc. Of the amount, distribution in excess of earnings per unit is assumed to be 1,365 yen for the fiscal period ending May 2024 and 1,583 yen for the fiscal period ending November 2024. However, EII may not make cash distributions in excess of earnings (refund of investment), or it may restrict them under the amounts mentioned earlier, upon consideration of other options, such as repair and capital expenditures in the case of the total depreciation, repayment of borrowings, appropriation to funds for the acquisition of new assets, and the acquisition of treasury investment units, by comprehensively considering the economic environment, the market environment relating to the renewable energy power generation businesses, EII's financial position, and other circumstances. Cash distributions in excess of earnings (refund of investment) involve a decrease in cash on hand, and thus if capital expenditures beyond the expectations of EII are required due to any sudden events or other causes, there is a possibility of a shortage of cash on hand or a restriction on the flexible acquisition of properties in terms of funds. In addition, in the case of cash distributions in excess of earnings (refund of investment), the amount of such distribution will be deducted from the unitholders' capital or the capital surplus. As described in "Operating expenses" above, depreciation is calculated by the straight-line method including certain ancillary expenses and expected to be 2,098 million yen for the fiscal period ending May 2024 and 2,106 million yen for the fiscal period ending November 2024. For the fiscal period ending May 2024 and fiscal period ending November 2024, EII anticipates no distribution in excess of earnings (reserve for temporary difference adjustments), as calculation is made on the assumption that there will be no inconsistency between excess of earnings for accounting purposes and excess of earnings for tax purposes related to the asset retirement obligations, etc. and the items of deduction from net assets related to the changes in deferred hedge gains (losses).
Other	<ul style="list-style-type: none"> It is assumed that there will be no revision that will impact the aforementioned forecast figures to legislation, taxation, accounting standards, listing regulations of the Tokyo Stock Exchange, JITA's rules and requirements, etc. It is assumed that no unforeseeable significant changes will occur in general economic trends, renewable energy power generation facility market conditions, and real estate market conditions.

2. Financial Statements

(1) Balance Sheet

(Unit: thousand yen)

	Previous fiscal period (as of May 31, 2023)	Current fiscal period (as of November 30, 2023)
Assets		
Current assets		
Cash and deposits	*1 4,287,144	*1 8,027,667
Cash and deposits in trust	*1 959,656	*1 1,187,434
Operating accounts receivable	*1 1,326,819	*1 1,392,396
Prepaid expenses	264,905	332,851
Consumption taxes receivable	886,527	2,043,868
Other	73,826	87,449
Total current assets	7,798,881	13,071,667
Non-current assets		
Property, plant and equipment		
Machinery and equipment	18,360,306	19,208,874
Accumulated depreciation	(3,654,554)	(4,105,267)
Machinery and equipment, net	*1 14,705,752	*1 15,103,606
Buildings in trust	79,590	79,590
Accumulated depreciation	(1,963)	(3,968)
Buildings in trust, net	*1 77,627	*1 75,621
Machinery and equipment in trust	51,125,617	74,356,738
Accumulated depreciation	(4,325,303)	(5,954,656)
Machinery and equipment in trust, net	*1 46,800,314	*1 68,402,081
Tools, furniture and fixtures in trust	-	113
Accumulated depreciation	-	(2)
Tools, furniture and fixtures in trust, net	-	*1 111
Land in trust	*1 5,847,279	*1 5,847,282
Construction in progress in trust	-	*1 973
Total property, plant and equipment	67,430,973	89,429,676
Intangible assets		
Leasehold interests in land	*1 1,477,452	*1 1,598,650
Land leasehold interests in trust	*1 898,713	*1 3,405,777
Trademark right	449	409
Software	2,885	1,745
Total intangible assets	2,379,500	5,006,582
Investments and other assets		
Leasehold and guarantee deposits	75,000	75,000
Leasehold and guarantee deposits in trust	74,000	134,000
Long-term prepaid expenses	1,463,957	1,877,402
Derivatives	4,136	112,257
Deferred tax assets	23	16
Other	-	1,200
Total investments and other assets	1,617,117	2,199,876
Total non-current assets	71,427,592	96,636,135
Total assets	79,226,473	109,707,803

(Unit: thousand yen)

	Previous fiscal period (as of May 31, 2023)	Current fiscal period (as of November 30, 2023)
Liabilities		
Current liabilities		
Short-term loans payable	*1,*2 3,200,000	*1, *2 4,500,000
Current portion of long-term loans payable	*1 2,539,994	*1 3,608,082
Operating accounts payable	138,294	186,085
Accounts payable - other	196,012	233,698
Income taxes payable	1,099	942
Accrued expenses	10,499	2,074
Other	9,536	8,338
Total current liabilities	6,095,436	8,539,221
Non-current liabilities		
Long-term loans payable	*1 38,908,529	*1 54,978,135
Asset retirement obligations	785,036	1,101,749
Derivative liabilities	114,316	-
Total non-current liabilities	39,807,882	56,079,885
Total liabilities	45,903,319	64,619,106
Net assets		
Unitholders' equity		
Unitholders' capital	35,309,174	47,234,460
Deduction from unitholders' capital		
Reserve for temporary difference adjustments	*4 (123,280)	*4 (276,083)
Other deduction from unitholders' capital	(2,259,143)	(2,955,891)
Total deduction from unitholders' capital	(2,382,423)	(3,231,974)
Unitholders' capital, net	32,926,750	44,002,485
Surplus		
Unappropriated retained earnings (undisposed loss)	506,584	973,953
Total surplus	506,584	973,953
Total unitholders' equity	33,433,334	44,976,439
Valuation and translation adjustments		
Deferred hedge gains (losses)	(110,180)	112,257
Total valuation and translation adjustments	(110,180)	112,257
Total net assets	*3 33,323,154	*3 45,088,696
Total liabilities and net assets	79,226,473	109,707,803

(2) Statements of Income

(Unit: thousand yen)

	Previous fiscal period From: December 1, 2022 To: May 31, 2023	Current fiscal period From: June 1, 2023 To: November 30, 2023
Operating revenue		
Rent income from renewable energy power generation facilities	*1 2,825,179	*1 4,202,265
Total operating revenue	2,825,179	4,202,265
Operating expenses		
Rent expenses from renewable energy power generation facilities	*1 1,844,580	*1 2,566,426
Asset management fees	154,304	180,612
Asset custody and administration fees	35,395	43,203
Remuneration for directors	4,200	4,200
Other operating expenses	31,124	41,459
Total operating expenses	2,069,605	2,835,901
Operating income (loss)	755,574	1,366,363
Non-operating income		
Interest income	29	33
Reversal of distributions payable	1,372	-
Insurance claim income	11,082	52,443
Compensation income	38,058	17,000
Interest on tax refund	-	573
Other	420	-
Total non-operating income	50,962	70,050
Non-operating expenses		
Interest expenses	228,148	375,326
Borrowing-related expenses	66,164	97,814
Investment unit issuance expenses	5,200	11,238
Theft loss	-	87,579
Other	6	5
Total non-operating expenses	299,519	571,965
Ordinary income	507,016	864,448
Income (loss) before income taxes	507,016	864,448
Income taxes - current	1,103	947
Income taxes - deferred	(14)	7
Total income taxes	1,088	954
Net income (loss)	505,928	863,493
Retained earnings (deficit) brought forward	655	110,459
Unappropriated retained earnings (undisposed loss)	506,584	973,953

(3) Statements of Changes in Unitholders' Equity

Previous fiscal period (from December 1, 2022, to May 31, 2023)

(Unit: thousand yen)

	Unitholders' equity				
	Unitholders' capital				
	Unitholders' capital	Deduction from unitholders' capital			Unitholders' capital (Net amount)
		Reserve for temporary difference adjustments	Other deduction from unitholders' capital	Total deduction from unitholders' capital	
Balance at beginning of period	29,799,607	(312,828)	(1,905,530)	(2,218,358)	27,581,248
Changes during period					
Issuance of new investment units	5,509,567				5,509,567
Distributions of surplus					
Reversal of reserve for temporary difference adjustments		233,531		233,531	233,531
Distribution in excess of earnings from reserve for temporary difference adjustments		(43,983)		(43,983)	(43,983)
Other distribution in excess of earnings			(353,612)	(353,612)	(353,612)
Net income					
Net changes in items other than unitholders' equity					
Total changes during period	5,509,567	189,547	(353,612)	(164,065)	5,345,502
Balance at end of period	*1 35,309,174	(123,280)	(2,259,143)	(2,382,423)	32,926,750

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred hedge gains (losses)	Total valuation and translation adjustments	
	Unappropriated retained earnings (undisposed loss)	Total surplus				
Balance at beginning of period	883,815	883,815	28,465,064	(509)	(509)	28,464,554
Changes during period						
Issuance of new investment units			5,509,567			5,509,567
Distributions of surplus	(649,628)	(649,628)	(649,628)			(649,628)
Reversal of reserve for temporary difference adjustments	(233,531)	(233,531)	-			-
Distribution in excess of earnings from reserve for temporary difference adjustments			(43,983)			(43,983)
Other distribution in excess of earnings			(353,612)			(353,612)
Net income	505,928	505,928	505,928			505,928
Net changes in items other than unitholders' equity				(109,671)	(109,671)	(109,671)
Total changes during period	(377,231)	(377,231)	4,968,270	(109,671)	(109,671)	4,858,599
Balance at end of period	506,584	506,584	33,433,334	(110,180)	(110,180)	33,323,154

Current fiscal period (from June 1, 2023, to November 30, 2023)

(Unit: thousand yen)

	Unitholders' equity				
	Unitholders' capital				
	Unitholders' capital	Deduction from unitholders' capital			Unitholders' capital (Net amount)
		Reserve for temporary difference adjustments	Other deduction from unitholders' capital	Total deduction from unitholders' capital	
Balance at beginning of period	35,309,174	(123,280)	(2,259,143)	(2,382,423)	32,926,750
Changes during period					
Issuance of new investment units	11,925,285				11,925,285
Distributions of surplus					
Distribution in excess of earnings from reserve for temporary difference adjustments		(152,802)		(152,802)	(152,802)
Other distribution in excess of earnings			(696,747)	(696,747)	(696,747)
Net income					
Net changes in items other than unitholders' equity					
Total changes during period	11,925,285	(152,802)	(696,747)	(849,550)	11,075,735
Balance at end of period	*1 47,234,460	(276,083)	(2,955,891)	(3,231,974)	44,002,485

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred hedge gains (losses)	Total valuation and translation adjustments	
	Unappropriated retained earnings (undisposed loss)	Total surplus				
Balance at beginning of period	506,584	506,584	33,433,334	(110,180)	(110,180)	33,323,154
Changes during period						
Issuance of new investment units			11,925,285			11,925,285
Distributions of surplus	(396,124)	(396,124)	(396,124)			(396,124)
Distribution in excess of earnings from reserve for temporary difference adjustments			(152,802)			(152,802)
Other distribution in excess of earnings			(696,747)			(696,747)
Net income	863,493	863,493	863,493			863,493
Net changes in items other than unitholders' equity				222,437	222,437	222,437
Total changes during period	467,369	467,369	11,543,104	222,437	222,437	11,765,542
Balance at end of period	973,953	973,953	44,976,439	112,257	112,257	45,088,696

(4) Statements of Cash Distributions

	Previous fiscal period From: December 1, 2022 To: May 31, 2023	Current fiscal period From: June 1, 2023 To: November 30, 2023
I. Unappropriated retained earnings	506,584,031 yen	973,953,145 yen
II. Addition of distribution in excess of earnings	849,550,350 yen	807,056,775 yen
Of which, reserve for temporary difference adjustments	152,802,800 yen	65,723,050 yen
Of which, other deduction from unitholders' capital	696,747,550 yen	741,333,725 yen
III. Inclusion in unitholders' capital	- yen	109,724,075 yen
Of which, reversal of reserve for temporary difference adjustments	- yen	109,724,075 yen
IV. Distribution amount	1,245,675,000 yen	1,670,925,000 yen
(Distribution amount per unit)	(3,000 yen)	(3,000 yen)
Of which, distribution of earnings	396,124,650 yen	863,868,225 yen
(Of which, distribution of earnings per unit)	(954 yen)	(1,551 yen)
Of which, reserve for temporary difference adjustments	152,802,800 yen	65,723,050 yen
(Of which, distribution in excess of earnings per unit (Related to reserve for temporary difference adjustments))	(368 yen)	(118 yen)
Of which, other distribution in excess of earnings	696,747,550 yen	741,333,725 yen
(Of which, distribution in excess of earnings per unit (Related to other distribution in excess of earnings))	(1,678 yen)	(1,331 yen)
V. Retained earnings brought forward	110,459,381 yen	360,845 yen

	Previous fiscal period From: December 1, 2022 To: May 31, 2023	Current fiscal period From: June 1, 2023 To: November 30, 2023
Method for calculating distribution amount	<p>Pursuant to Article 47-1 of the Articles of Incorporation of EII, the distribution amount shall be in excess of an amount equivalent to 90% of the “distributable income amount” as stipulated in Article 67-15-1 of the Act on Special Measures Concerning Taxation. Based on such policy, for distribution of earnings (excluding distribution in excess of earnings), EII decided to pay out 396,124,650 yen, which is almost the full amount of the amount of earnings as designated in Article 136-1 of the Investment Trusts Act, excluding the fraction amount that makes the distribution per unit of less than 1 yen, as distribution of earnings.</p> <p>In addition, taking into account the impact on cash distributions of the inconsistency between excess of earnings for accounting purposes and excess of earnings for tax purposes (as defined in Article 2-2-30-a of the Regulations on Calculations of Investment Corporations) and the items of deduction from net assets (as defined in Article 2-2-30-b of the Regulations on Calculations of Investment Corporations), EII decided to conduct distribution in excess of earnings at the amount determined by EII as the amount equivalent to the inconsistency between excess of earnings for tax purposes and excess of earnings for accounting purposes and the items of deduction from net assets, based on Article 47-2 of its Articles of Incorporation. For the current fiscal period, EII decided to distribute 152,802,800 yen, which is equivalent to the inconsistency between excess of earnings for tax purposes and excess of earnings for accounting purposes related to operating accounts receivable and asset retirement obligations, etc. and the items of deduction from net assets related to the changes during the period in deferred hedge losses (153,120,240 yen) and calculated by excluding the fraction amount that makes the distribution in excess of earnings per unit of less than 1 yen, as distribution related to the reserve for temporary difference adjustments (as defined in Article 2-2-30 of the Regulations on Calculations of Investment Corporations). In addition to that, EII decided to distribute 696,747,550 yen as distribution in excess of earnings that corresponds to refund of investment, which falls under the category of a reduction in unitholders’ paid-in capital under tax laws.</p> <p>As a result of these, the distribution amount for the current fiscal period was 1,245,675,000 yen, and distribution per unit came to 3,000 yen (954 yen as distribution of earnings per unit and 2,046 yen as distribution in excess of earnings per unit).</p>	<p>Pursuant to Article 47-1 of the Articles of Incorporation of EII, the distribution amount shall be in excess of an amount equivalent to 90% of the “distributable income amount” as stipulated in Article 67-15-1 of the Act on Special Measures Concerning Taxation. Based on such policy, for distribution of earnings (excluding distribution in excess of earnings), EII decided to pay out 863,868,225 yen, which is almost the full amount of the amount of earnings as designated in Article 136-1 of the Investment Trusts Act after deducting the reversal of the reserve for temporary difference adjustments, excluding the fraction amount that makes the distribution per unit of less than 1 yen, as distribution of earnings.</p> <p>In addition, taking into account the impact on cash distributions of the inconsistency between excess of earnings for accounting purposes and excess of earnings for tax purposes (as defined in Article 2-2-30-a of the Regulations on Calculations of Investment Corporations) and the items of deduction from net assets (as defined in Article 2-2-30-b of the Regulations on Calculations of Investment Corporations), EII decided to conduct distribution in excess of earnings at the amount determined by EII as the amount equivalent to the inconsistency between excess of earnings for tax purposes and excess of earnings for accounting purposes and the items of deduction from net assets, based on Article 47-2 of its Articles of Incorporation. For the current fiscal period, EII decided to distribute 65,723,050 yen, which is equivalent to the inconsistency between excess of earnings for tax purposes and excess of earnings for accounting purposes related to operating accounts receivable and asset retirement obligations, etc. (66,257,069 yen) and calculated by excluding the fraction amount that makes the distribution in excess of earnings per unit of less than 1 yen, as distribution related to the reserve for temporary difference adjustments (as defined in Article 2-2-30 of the Regulations on Calculations of Investment Corporations). In addition to that, EII decided to distribute 741,333,725 yen as distribution in excess of earnings that corresponds to refund of investment, which falls under the category of a reduction in unitholders’ paid-in capital under tax laws.</p> <p>As a result of these, the distribution amount for the fiscal period was 1,670,925,000 yen, and distribution per unit came to 3,000 yen (1,551 yen as distribution of earnings per unit and 1,449 yen as distribution in excess of earnings per unit).</p>

(5) Statements of Cash Flows

(Unit: thousand yen)

	Previous fiscal period From: December 1, 2022 To: May 31, 2023	Current fiscal period From: June 1, 2023 To: November 30, 2023
Cash flows from operating activities		
Income (loss) before income taxes	507,016	864,448
Depreciation	1,488,966	2,085,365
Investment unit issuance expenses	5,200	11,238
Interest income	(29)	(33)
Interest expenses	228,148	375,326
Decrease (Increase) in operating accounts receivable	(448,893)	(65,576)
Decrease (Increase) in consumption taxes receivable	(886,527)	(1,157,340)
Decrease (Increase) in prepaid expenses	(99,798)	(67,945)
Decrease (Increase) in long-term prepaid expenses	(548,002)	(413,444)
Increase (Decrease) in operating accounts payable	(91,028)	110,808
Increase (Decrease) in accounts payable – other	48,387	35,378
Increase (Decrease) in consumption taxes payable	(249,614)	-
Other	(64,375)	(14,841)
Subtotal	(110,550)	1,763,384
Interest received	29	33
Interest expenses paid	(218,618)	(383,751)
Income taxes paid	(794)	(1,104)
Cash flows from operating activities	(329,934)	1,378,562
Cash flows from investing activities		
Purchase of property, plant and equipment	(18,889)	(830,458)
Purchase of property, plant and equipment in trust	(9,361,772)	(22,999,914)
Purchase of intangible assets	-	(121,198)
Purchase of intangible assets in trust	(898,713)	(2,507,063)
Payments of leasehold and guarantee deposits in trust	(74,000)	(60,000)
Cash flows from investing activities	(10,353,374)	(26,518,634)
Cash flows from financing activities		
Proceeds from short-term loans payable	500,000	4,500,000
Repayments of short-term loans payable	(4,300,000)	(3,200,000)
Proceeds from long-term loans payable	10,800,000	19,000,000
Repayments of long-term loans payable	(823,390)	(1,862,306)
Proceeds from issuance of investment units	5,504,366	11,914,046
Dividends paid	(1,046,159)	(1,243,367)
Cash flows from financing activities	10,634,817	29,108,373
Net increase (decrease) in cash and cash equivalents	(48,490)	3,968,300
Balance of cash and cash equivalents at beginning of period	5,295,291	5,246,800
Balance of cash and cash equivalents at end of period	*1 5,246,800	*1 9,215,101

(6) Notes to Going Concern Assumption
Not applicable.

(7) Notes to Significant Accounting Policies

1. Method of depreciation and amortization of non-current assets	<p>(1) Property, plant and equipment The straight-line method is adopted. The useful lives of major categories of property, plant and equipment are as follows:</p> <table> <tr> <td>Machinery and equipment</td><td>160 to 291 months</td></tr> <tr> <td>Buildings in trust</td><td>199 to 432 months</td></tr> <tr> <td>Machinery and equipment in trust</td><td>199 to 285 months</td></tr> </table> <p>(2) Intangible assets The straight-line method is adopted. The useful lives of intangible assets are as follows:</p> <table> <tr> <td>Trademark right</td><td>10 years</td></tr> <tr> <td>Software</td><td>5 years</td></tr> </table> <p>(3) Long-term prepaid expenses The straight-line method is adopted.</p>	Machinery and equipment	160 to 291 months	Buildings in trust	199 to 432 months	Machinery and equipment in trust	199 to 285 months	Trademark right	10 years	Software	5 years
Machinery and equipment	160 to 291 months										
Buildings in trust	199 to 432 months										
Machinery and equipment in trust	199 to 285 months										
Trademark right	10 years										
Software	5 years										
2. Accounting for deferred assets	<p>Investment unit issuance expenses Investment unit issuance expenses are fully recognized as expenses when they are paid.</p>										
3. Standards for recognition of revenue and expenses	<p>Accounting for property taxes, etc. With respect to property taxes, city planning taxes and depreciable asset taxes, etc. on the owned renewable energy power generation facilities, EII uses the method of charging the corresponding amounts of assessed taxes to the relevant calculation period as rental expenses. The amount equivalent to property taxes, etc. for the initial fiscal year to be borne by EII in accordance with the acquisition of renewable energy power generation facilities is not expensed but capitalized in the acquisition costs of the relevant renewable energy power generation facilities. The amount equivalent to property taxes, etc. capitalized in the acquisition costs of renewable energy power generation facilities in the fiscal period under review is 60,195 thousand yen.</p>										
4. Range of funds (cash and cash equivalents) on the statements of cash flows	<p>The funds (cash and cash equivalents) on the statements of cash flows consist of cash on hand and deposits in trust, deposits and deposits in trust that can be withdrawn at any time, and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of value fluctuation.</p>										
5. Method of hedge accounting	<p>(1) Method of hedge accounting Deferred hedge accounting is applied. Special accounting is applied for interest rate swap transactions that satisfy the requirements for special accounting.</p> <p>(2) Hedging instruments and hedged items</p> <table> <tr> <td>Hedging instruments</td><td>Interest rate swap transactions</td></tr> <tr> <td>Hedged items</td><td>Interest rates on borrowings</td></tr> </table> <p>(3) Hedging policy EII conducts derivative transactions to hedge the risks set forth in its Articles of Incorporation based on the risk management regulations.</p> <p>(4) Method for assessing the effectiveness of hedging The effectiveness of hedging is assessed by comparing the cumulative changes in the cash flows of the hedged items and the cumulative changes in the cash flows of the hedging instruments and verifying the ratio of the amount of changes in the two. However, assessment of the effectiveness is omitted for interest rate swap transactions that satisfy the requirements for special accounting.</p>	Hedging instruments	Interest rate swap transactions	Hedged items	Interest rates on borrowings						
Hedging instruments	Interest rate swap transactions										
Hedged items	Interest rates on borrowings										
6. Other matters serving as the basis for preparation of financial statements	<p>Accounting concerning trust beneficiary interests whose trust property is real estate, etc. As for the trust beneficiary interests whose trust property is renewable energy power generation facilities owned by EII, all assets and liabilities accounts in the trust property and all revenue and expense accounts that occurred for the trust property are recorded in the corresponding account titles of the balance sheet and statements of income. Of the trust property recorded in the said account titles, the following important account titles are listed separately on the balance sheet.</p> <ol style="list-style-type: none"> 1) Cash and deposits in trust 2) Buildings in trust; Machinery and equipment in trust; Tools, furniture and fixtures in trust; Land in trust; Construction in progress in trust; Land leasehold interests in trust; Leasehold and guarantee deposits in trust 										

(Significant Accounting Estimates)

There are no items for which amounts were recorded in the financial statements for the current period based on accounting estimates and which may have a significant impact on the financial statements for the next period.

(Additional Information)

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

Previous fiscal period (from December 1, 2022, to May 31, 2023)

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

(Unit: thousand yen)		
Subject asset	Reason for reserve	Reserve for temporary difference adjustments
Operating accounts receivable	Occurrence of inconsistency between accounting purposes and tax purposes regarding unrecorded operating accounts receivable	24,913
Machinery and equipment	Occurrence of inconsistency between accounting purposes and tax purposes regarding recording of expenses related to asset retirement obligations	18,269
Deferred hedge gains (losses)	Occurrence of loss on valuation of interest rate swaps	109,619
Total		152,802

2. Specific method of reversal

(1) Operating accounts receivable

EII plans to reverse the amount to be reversed upon collection of debts or recognition of tax loss.

(2) Machinery and equipment

EII plans to reverse the amount to be reversed upon inclusion of the expenses in deductible expenses due to removal of solar and wind power generation facilities and other factors.

(3) Deferred hedge gains (losses)

EII plans to reverse according to fluctuations in fair value of the derivative transactions that are the hedging instruments.

Current fiscal period (from June 1, 2023, to November 30, 2023)

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

(Unit: thousand yen)		
Subject asset	Reason for reserve	Reserve for temporary difference adjustments
Operating accounts receivable	Occurrence of inconsistency between accounting purposes and tax purposes regarding unrecorded operating accounts receivable	36,203
Machinery and equipment	Occurrence of inconsistency between accounting purposes and tax purposes regarding recording of expenses related to asset retirement obligations	29,519
Total		65,723

2. Reasons for occurrence, assets, and amount of reversal

(Unit: thousand yen)		
Subject asset	Reason for reversal	Reversal of reserve for temporary difference adjustments
Deferred hedge gains (losses)	Fluctuation in fair value of derivative transactions	222,233

3. Specific method of reversal

(1) Operating accounts receivable

EII plans to reverse the amount to be reversed upon collection of debts or recognition of tax loss.

(2) Machinery and equipment

EII plans to reverse the amount to be reversed upon inclusion of the expenses in deductible expenses due to removal of solar and wind power generation facilities and other factors.

(3) Deferred hedge gains (losses)

EII plans to reverse according to fluctuations in fair value of the derivative transactions that are the hedging instruments.

(8) Notes to Financial Statements

(Notes to Balance Sheet)

*1. Assets pledged as collateral and secured liabilities

Assets pledged as collateral are as follows:

(Unit: thousand yen)

	Previous fiscal period (as of May 31, 2023)	Current fiscal period (as of November 30, 2023)
Cash and deposits	4,283,312	8,022,773
Cash and deposits in trust	959,656	1,187,434
Operating accounts receivable	1,326,819	1,392,396
Machinery and equipment	14,705,752	15,103,606
Buildings in trust	77,627	75,621
Machinery and equipment in trust	46,800,314	68,402,081
Tools, furniture and fixtures in trust	-	111
Land in trust	5,847,279	5,847,282
Construction in progress in trust	-	973
Leasehold interests in land	1,477,452	1,598,650
Land leasehold interests in trust	898,713	3,405,777
Total	76,376,928	105,036,707

Secured liabilities are as follows:

(Unit: thousand yen)

	Previous fiscal period (as of May 31, 2023)	Current fiscal period (as of November 30, 2023)
Short-term loans payable	3,200,000	4,500,000
Current portion of long-term loans payable	2,539,994	3,608,082
Long-term loans payable	38,908,529	54,978,135
Total	44,648,524	63,086,217

*2. Commitment line agreement

EII has concluded a commitment line agreement with Sumitomo Mitsui Trust Bank, Limited, with which it has business relationship.

(Unit: thousand yen)

	Previous fiscal period (as of May 31, 2023)	Current fiscal period (as of November 30, 2023)
Total amount of commitment line agreement	7,000,000	7,000,000
Balance of borrowings	2,700,000	2,300,000
Net	4,300,000	4,700,000

*3. Minimum net assets designated in Article 67-4 in the Act on Investment Trusts and Investment Corporations

Previous fiscal period (as of May 31, 2023)	Current fiscal period (as of November 30, 2023)
50,000 thousand yen	50,000 thousand yen

*4. Reserve for temporary difference adjustments

Previous fiscal period (from December 1, 2022, to May 31, 2023)

1. Reasons for reserve and reversal, assets, and amount of reserve

(Unit: thousand yen)

Subject asset	Reason for reserve	Initially incurred amount	Balance at beginning of period	Reserved amount for period	Reversed amount for period	Balance at end of period	Reason for reversal
Operating accounts receivable	Occurrence of inconsistency between accounting purposes and tax purposes regarding unrecorded operating accounts receivable	31,416	-	31,416	-	31,416	-
Machinery and equipment	Occurrence of inconsistency between accounting purposes and tax purposes regarding recording of expenses related to asset retirement obligations	91,165	78,598	12,566	-	91,165	-
Deferred hedge gains (losses)	Occurrence of loss on valuation of interest rate swaps	234,229	234,229	-	(233,531)	698	Fluctuation in fair value of derivative transactions
Total		356,811	312,828	43,983	(233,531)	123,280	-

2. Specific method of reversal

(1) Operating accounts receivable

EII plans to reverse the amount to be reversed upon collection of debts or recognition of tax loss.

(2) Machinery and equipment

EII plans to reverse the amount to be reversed upon inclusion of the expenses in deductible expenses due to removal of solar and wind power generation facilities and other factors.

(3) Deferred hedge gains (losses)

EII plans to reverse according to fluctuations in fair value of the derivative transactions that are the hedging instruments.

Current fiscal period (from June 1, 2023, to November 30, 2023)

1. Reasons for reserve and reversal, assets, and amount of reserve

(Unit: thousand yen)

Subject asset	Reason for reserve	Initially incurred amount	Balance at beginning of period	Reserved amount for period	Reversed amount for period	Balance at end of period	Reason for reversal
Operating accounts receivable	Occurrence of inconsistency between accounting purposes and tax purposes regarding unrecorded operating accounts receivable	56,330	31,416	24,913	-	56,330	-
Machinery and equipment	Occurrence of inconsistency between accounting purposes and tax purposes regarding recording of expenses related to asset retirement obligations	109,435	91,165	18,269	-	109,435	-
Deferred hedge gains (losses)	Occurrence of loss on valuation of interest rate swaps	234,229	698	109,619	-	110,317	-
Total		399,994	123,280	152,802	-	276,083	-

2. Specific method of reversal

(1) Operating accounts receivable

EII plans to reverse the amount to be reversed upon collection of debts or recognition of tax loss.

(2) Machinery and equipment

EII plans to reverse the amount to be reversed upon inclusion of the expenses in deductible expenses due to removal of solar and wind power generation facilities and other factors.

(3) Deferred hedge gains (losses)

EII plans to reverse according to fluctuations in fair value of the derivative transactions that are the hedging instruments.

(Notes to Statements of Income)

*1. Breakdown of revenue and expenses from the rental business of renewable energy power generation facilities

(Unit: thousand yen)

	Previous fiscal period From December 1, 2022 to May 31, 2023	Current fiscal period From June 1, 2023 to November 30, 2023
A. Operating revenue from the rental business of renewable energy power generation facilities		
Rent income from renewable energy power generation facilities		
(Base rent)	2,564,865	3,695,429
(Performance-linked rent)	230,670	490,673
(Incidental income)	29,643	16,161
Total revenue from the rental business of renewable energy power generation facilities	2,825,179	4,202,265
B. Operating expenses from the rental business of renewable energy power generation facilities		
Rent expenses from renewable energy power generation facilities		
(Taxes and dues)	201,443	201,613
(Insurance expenses)	55,001	72,348
(Repair expenses)	21,794	63,854
(Depreciation)	1,488,966	2,085,365
(Rent expenses on land and buildings)	64,639	114,579
(Trust fees)	6,772	9,105
(Other expenses)	5,962	19,559
Total expenses from the rental business of renewable energy power generation facilities	1,844,580	2,566,426
C. Revenue and expenses from the rental business of renewable energy power generation facilities (A-B)	980,598	1,635,838

(Notes to Statements of Changes in Unitholders' Equity)

	Previous fiscal period From December 1, 2022 to May 31, 2023	Current fiscal period From June 1, 2023 to November 30, 2023
*1. Total number of authorized investment units and total number of investment units issued and outstanding		
Total number of authorized investment units	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	415,225 units	556,975 units

(Notes to Statements of Cash Flows)

*1. Relationship between the balance of cash and cash equivalents as of the end of the period and the amounts on the balance sheet

(Unit: thousand yen)

	Previous fiscal period From December 1, 2022 to May 31, 2023	Current fiscal period From June 1, 2023 to November 30, 2023
Cash and deposits	4,287,144	8,027,667
Cash and deposits in trust	959,656	1,187,434
Cash and cash equivalents	5,246,800	9,215,101

2. Important non-financial transactions

Amount of newly recorded significant asset retirement obligations

(Unit: thousand yen)

	Previous fiscal period From December 1, 2022 to May 31, 2023	Current fiscal period From June 1, 2023 to November 30, 2023
Amount of significant asset retirement obligations	263,792	316,713

(Notes to Financial Instruments)

1. Matters concerning the status of financial products

(1) Policy on handling financial instruments

EII procures funds to acquire new assets for management and repay borrowings through borrowings from financial institutions, issuance of investment units, or other means. EII makes it a basic policy to build stable and sound financial management in order to maintain and enhance earnings over the medium to long term and achieve growth in the size and value of the assets under management. Furthermore, EII makes derivative transactions in order to hedge future interest rate fluctuation risks and does not intend to make any speculative transactions.

(2) Description of financial instruments, associated risks, and risk management structure

Long-term loans payable are funds procured for acquiring assets for management and are exposed to interest rate fluctuation risks and liquidity risks, etc. EII reduces such risks through relatively long borrowing terms as well as appropriate control of various indicators, such as setting the upper limit of the interest-bearing debt ratio at 60% as a rule.

(3) Supplementary explanation on matters concerning fair value of financial instruments

The fair value of financial instruments, aside from values based on market price, includes values based on reasonable calculations when there is no market price. Certain assumptions are used in calculating those values, and there may be cases where the values will vary when different assumptions are used.

2. Matters concerning fair value of financial instruments

The table below shows the book values of financial instruments as recorded on the balance sheet, the corresponding fair values, and the difference between these amounts for the previous fiscal period (as of May 31, 2023). Notes are omitted for “Cash and deposits,” “Cash and deposits in trust,” “Operating accounts receivable,” and “Short-term loans payable,” as these are settled in cash and within a short period of time, and the fair value is thus close to the book value. Those with insignificant amounts are also omitted.

(Unit: thousand yen)

	Book value	Fair value (Note 1)	Difference
(1) Current portion of long-term loans payable	2,539,994	2,541,542	1,548
(2) Long-term loans payable	38,908,529	38,934,224	25,694
Total liabilities	41,448,524	41,475,766	27,242
(3) Derivative transactions	(110,180)	(110,180)	-

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

(1) Current portion of long-term loans payable and (2) Long-term loans payable

With respect to long-term loans payable at variable interest rates, as they are borrowed on the condition that the interest rates are renewed at a certain interval, the fair value is deemed to be close to the book value and is thus stated at that book value. The fair value of long-term loans payable with variable interest rates that are subject to special accounting for interest rate swaps (refer to “Notes to Derivative Transactions” below) is calculated by discounting the total amount of principal and interest treated together with the said interest rate swaps by a reasonably estimated rate applicable in the event of a new drawdown of similar loans.

(3) Derivative transactions

Please refer to “Notes to Derivative Transactions” below.

The table below shows the book values of financial instruments as recorded on the balance sheet, the corresponding fair values, and the difference between these amounts for the current fiscal period (as of November 30, 2023). Notes are omitted for “Cash and deposits,” “Cash and deposits in trust,” “Operating accounts receivable,” and “Short-term loans payable,” as these are settled in cash and within a short period of time, and the fair value is thus close to the book value. Those with insignificant amounts are also omitted.

(Unit: thousand yen)

	Book value	Fair value (Note 1)	Difference
(1) Current portion of long-term loans payable	3,608,082	3,586,161	(21,920)
(2) Long-term loans payable	54,978,135	54,663,084	(315,051)
Total liabilities	58,586,217	58,249,245	(336,971)
(3) Derivative transactions	112,257	112,257	-

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

(1) Current portion of long-term loans payable and (2) Long-term loans payable

With respect to long-term loans payable at variable interest rates, as they are borrowed on the condition that the interest rates are renewed at a certain interval, the fair value is deemed to be close to the book value and is thus stated at that book value. The fair value of long-term loans payable with variable interest rates that are subject to special accounting for interest rate swaps (refer to “Notes to Derivative Transactions” below) is calculated by discounting the total amount of principal and interest treated together with the said interest rate swaps by a reasonably estimated rate applicable in the event of a new drawdown of similar loans.

(3) Derivative transactions

Please refer to “Notes to Derivative Transactions” below.

(Note 2) Scheduled repayment amount of long-term loans payable after the closing date (May 31, 2023)

(Unit: thousand yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
(1) Current portion of long-term loans payable	2,539,994	-	-	-	-	-
(2) Long-term loans payable	-	2,573,862	2,588,770	2,608,909	2,654,601	28,482,385
Total	2,539,994	2,573,862	2,588,770	2,608,909	2,654,601	28,482,385

Scheduled repayment amount of long-term loans payable after the closing date (November 30, 2023)

(Unit: thousand yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
(1) Current portion of long-term loans payable	3,608,082	-	-	-	-	-
(2) Long-term loans payable	-	3,654,115	3,697,564	3,761,305	3,806,056	40,059,093
Total	3,608,082	3,654,115	3,697,564	3,761,305	3,806,056	40,059,093

(Notes to Derivative Transactions)

1. Derivatives to which hedge accounting is not applied

Previous fiscal period (as of May 31, 2023) and current fiscal period (as of November 30, 2023)

Not applicable.

2. Derivatives to which hedge accounting is applied

Previous fiscal period (as of May 31, 2023)

(Unit: thousand yen)

Method of hedge accounting	Type of derivative transactions, etc.	Major hedged item	Contract amount, etc.		Fair value	Calculation method for the fair value
				Of which, exceeding 1 year		
Principle accounting method	Interest rate swap transactions Receivable variable; payable fixed	Long-term loans payable	16,290,635	15,295,633	(110,180)	Depends on the value quoted by financial institutions of account, etc.
Special accounting for interest rate swaps	Interest rate swap transactions Receivable variable; payable fixed	Long-term loans payable	20,835,462	19,516,994	(Note)	-
Total			37,126,097	34,812,627	(110,180)	-

(Note) Those that are subject to special accounting for interest rate swaps are treated together with the current portion of long-term loans payable and the long-term loans payable to be hedged, and their fair value is thus presented together with the fair value of “(1) Current portion of long-term loans payable and (2) Long-term loans payable” in “Notes to Financial Instruments - Matters concerning fair value of financial instruments” (Note 1).

Current fiscal period (as of November 30, 2023)

(Unit: thousand yen)

Method of hedge accounting	Type of derivative transactions, etc.	Major hedged item	Contract amount, etc.		Fair value	Calculation method for the fair value
				Of which, exceeding 1 year		
Principle accounting method	Interest rate swap transactions Receivable variable; payable fixed	Long-term loans payable	15,718,521	14,711,784	112,257	Depends on the value quoted by financial institutions of account, etc.
Special accounting for interest rate swaps	Interest rate swap transactions Receivable variable; payable fixed	Long-term loans payable	37,742,272	35,422,019	(Note)	-
Total			53,460,793	50,133,803	112,257	-

(Note) Those that are subject to special accounting for interest rate swaps are treated together with the current portion of long-term loans payable and the long-term loans payable to be hedged, and their fair value is thus presented together with the fair value of “(1) Current portion of long-term loans payable and (2) Long-term loans payable” in “Notes to Financial Instruments - Matters concerning fair value of financial instruments” (Note 1).

(Notes to Retirement Benefits)

Previous fiscal period (as of May 31, 2023) and current fiscal period (as of November 30, 2023)

Not applicable.

(Notes to Tax Effect Accounting)

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

(Unit: thousand yen)

	Previous fiscal period May 31, 2023	Current fiscal period November 30, 2023
Deferred tax assets		
Exclusion of business tax from deductible expenses	23	16
Asset retirement obligations	246,972	346,610
Deferred hedge gains (losses)	34,662	-
Operating accounts receivable	17,864	29,344
Subtotal of deferred tax assets	299,523	375,971
Valuation allowance	(86,943)	(37,808)
Total deferred tax assets	212,579	338,162
Deferred tax liabilities		
Deferred hedge gains (losses)	-	(35,316)
Property, plant and equipment corresponding to asset retirement obligations	(212,555)	(302,830)
Total deferred tax liabilities	(212,555)	(338,146)
Deferred tax assets, net	23	16

2. Breakdown of main items that caused differences between the statutory tax rate and the effective income tax rate after applying tax effect accounting

	Previous fiscal period May 31, 2023	Current fiscal period November 30, 2023
Statutory tax rate	31.46%	31.46%
(Adjustment)		
Deductible cash distributions	(34.06%)	(33.83%)
Amortization of asset retirement obligations	1.14%	1.08%
Unrecorded operating accounts receivable	1.55%	1.33%
Other	0.12%	0.07%
Effective income tax rate after applying tax effect accounting	0.21%	0.11%

(Notes to Profit or Loss of Entities Accounted for by the Equity Method)

Previous fiscal period (as of May 31, 2023) and current fiscal period (as of November 30, 2023)

Not applicable.

(Notes to Transactions with Related Parties)

1. Parent company and major corporate unitholders

Previous fiscal period (from December 1, 2022, to May 31, 2023) and current fiscal period (from June 1, 2023, to November 30, 2023)

Not applicable.

2. Affiliates, etc.

Previous fiscal period (from December 1, 2022, to May 31, 2023) and current fiscal period (from June 1, 2023, to November 30, 2023)

Not applicable.

3. Sister companies, etc.

Previous fiscal period (from December 1, 2022, to May 31, 2023) and current fiscal period (from June 1, 2023, to November 30, 2023)

Not applicable.

4. Officers and major individual unitholders

Previous fiscal period (from December 1, 2022, to May 31, 2023)

Attribute	Name	Address	Share capital or investments in capital (thousand yen)	Business or occupation	Percentage of investment units owned	Description of relationship		Description of transaction	Transaction amount (thousand yen) (Note 2) (Note 3)	Account title	Balance at end of period (thousand yen) (Note 2)
						Concurrent holding of positions, etc. by directors	Business relationship				
Director or close relative thereof	Keiichi Matsuzuka	-	-	Executive Officer of EII and Representative Director, President, and CEO of Enex Asset Management Co., Ltd.	-	Executive Officer of EII and Representative Director, President, and CEO of Enex Asset Management Co., Ltd.	Asset management company for EII	Payment of asset management fee to Enex Asset Management Co., Ltd. (Note 1)	205,299	Accounts payable - other	169,734

(Note 1) The transaction was conducted by Keiichi Matsuzuka as the representative director of a third party (Enex Asset Management Co., Ltd.), and the above fee amount is in accordance with the terms and conditions set forth in EII's Articles of Incorporation.

(Note 2) Of the above amounts, the transaction amount does not include consumption taxes, while the balance at end of period includes consumption taxes.

(Note 3) The asset management fee includes the fee portion related to property acquisition (50,995 thousand yen) that is included in the book value of the specified asset.

Current fiscal period (from June 1, 2023, to November 30, 2023)

Attribute	Name	Address	Share capital or investments in capital (thousand yen)	Business or occupation	Percentage of investment units owned	Description of relationship		Description of transaction	Transaction amount (thousand yen) (Note 2) (Note 3)	Account title	Balance at end of period (thousand yen) (Note 2)
						Concurrent holding of positions, etc. by directors	Business relationship				
Director or close relative thereof	Keiichi Matsuzuka	-	-	Executive Officer of EII and Representative Director, President, and CEO of Enex Asset Management Co., Ltd.	-	Executive Officer of EII and Representative Director, President, and CEO of Enex Asset Management Co., Ltd.	Asset management company for EII	Payment of asset management fee to Enex Asset Management Co., Ltd. (Note 1)	311,317	Accounts payable - other	198,673

(Note 1) The transaction was conducted by Keiichi Matsuzuka as the representative director of a third party (Enex Asset Management Co., Ltd.), and the above fee amount is in accordance with the terms and conditions set forth in EII's Articles of Incorporation.

(Note 2) Of the above amounts, the transaction amount does not include consumption taxes, while the balance at end of period includes consumption taxes.

(Note 3) The asset management fee includes the fee portion related to property acquisition (130,705 thousand yen) that is included in the book value of the specified asset.

(Notes to Asset Retirement Obligations)

Asset retirement obligations recorded on the balance sheet

1. Overview of the asset retirement obligations

Asset retirement obligations have been recorded with regard to the obligations to restore the sites to their original conditions based on the land lease agreements which EII has concluded with the land owners for some of its renewable energy power generation facilities.

2. Calculation method of the amount of the asset retirement obligations

The amount of the asset retirement obligations is calculated by estimating the use period of the relevant assets to be their useful lives (186 months to 291 months) and using a discount rate of 0.0% to 1.4%.

3. Increase/decrease in the total amount of the asset retirement obligations

(Unit: thousand yen)

	Previous fiscal period From December 1, 2022 to May 31, 2023	Current fiscal period From June 1, 2023 to November 30, 2023
Balance at beginning of period	521,244	785,036
Increase due to purchase of property, plant and equipment	262,746	313,423
Adjustment amount over time	1,045	3,290
Decrease due to performance of asset retirement obligations	-	-
Balance at end of period	785,036	1,101,749

(Notes to Rental Properties)

EII owns renewable energy power generation facilities. The book value recorded on the balance sheet, change during the period, and fair value are as follows:

(Unit: thousand yen)

	Previous fiscal period From December 1, 2022 to May 31, 2023	Current fiscal period From June 1, 2023 to November 30, 2023
Book value (Note 2)		
Balance at beginning of period	60,685,709	69,807,139
Change during the period (Note 3)	9,121,429	24,625,991
Balance at end of period	69,807,139	94,433,131
Valuation at end of period (Note 4)	74,243,500	99,471,000

(Note 1) As the real estate owned by EII is real estate provided for the use of renewable energy power generation facilities, the book value and valuation at end of period indicate the amounts of the renewable energy power generation facilities and real estate combined as one.

(Note 2) The book value is the amount at acquisition cost less the accumulated depreciation. The book value does not include construction in progress in trust.

(Note 3) Of the amount of increase (decrease) during the period in rental properties, the amount of increase for the previous period was primarily attributable to the acquisition of Takasaki Solar Power Plant A (5,312,866 thousand yen) and Tainai Wind Power Plant (4,408,672 thousand yen), and the amount of decrease was primarily attributable to depreciation. The amount of increase for the current fiscal period is primarily attributable to acquisition of Takasaki Solar Power Plant B (25,442,870 thousand yen) and Hokota Solar Power Plant (module expansion; 951,044 thousand yen), and the amount of decrease is primarily attributable to depreciation.

(Note 4) The valuation at end of period indicates the total median value calculated by EII, pursuant to Article 41-1-1 of its Articles of Incorporation, from the appraisal value in the range (from 70,478,000 thousand yen to 78,009,000 thousand yen for the previous fiscal period; from 94,180,000 thousand yen to 104,762,000 thousand yen for the current fiscal period) shown in the valuation report obtained from PricewaterhouseCoopers Sustainability LLC.

The revenue and expenses of the renewable energy power generation facilities are stated in “Notes to Statements of Income.”

(Notes to Revenue Recognition)

Previous fiscal period (as of May 31, 2023) and current fiscal period (as of November 30, 2023)

Not applicable.

(Notes to Segment Information)

(Segment information)

The segment information is omitted as EII has a single segment of the rental business of renewable energy power generation facilities.

(Related information)

Previous fiscal period (from December 1, 2022, to May 31, 2023)

1. Information by product and service

Information is omitted because operating revenue from a single product/service segment to outside customers exceeds 90% of the operating revenue on the statements of income.

2. Information by geographic area

(1) Operating revenue

Information is omitted because operating revenue from outside customers in Japan exceeds 90% of the operating revenue on the statements of income.

(2) Property, plant and equipment

Information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the balance sheet.

3. Information on major customers

(Unit: thousand yen)

Name of customer	Operating revenue	Name of related segment
Sunrise Megasolar Godo Kaisha	256,946	Rental business of renewable energy power generation facilities
Daini Chiyoda Kogen Taiyoko Godo Kaisha	26,744	Rental business of renewable energy power generation facilities
Hofu Solar Power Generation Godo Kaisha	33,774	Rental business of renewable energy power generation facilities
Kusu Solar Power Generation Godo Kaisha	17,146	Rental business of renewable energy power generation facilities
SOLAR ENERGY Hokota Godo Kaisha	354,545	Rental business of renewable energy power generation facilities
Kitakyushu Solar Power Generation Godo Kaisha	37,240	Rental business of renewable energy power generation facilities
Godo Kaisha TSMH1	1,463,364	Rental business of renewable energy power generation facilities
Shinshiro Solar Power Generation Godo Kaisha	31,906	Rental business of renewable energy power generation facilities
Monbetsu Solar Power Generation Godo Kaisha	224,977	Rental business of renewable energy power generation facilities
TAKASAKI Megasolar Godo Kaisha	207,439	Rental business of renewable energy power generation facilities
Tainai Wind Farm Godo Kaisha	141,452	Rental business of renewable energy power generation facilities

Current fiscal period (from June 1, 2023, to November 30, 2023)

1. Information by product and service

Information is omitted because operating revenue from a single product/service segment to outside customers exceeds 90% of the operating revenue on the statements of income.

2. Information by geographic area

(1) Operating revenue

Information is omitted because operating revenue from outside customers in Japan exceeds 90% of the operating revenue on the statements of income.

(2) Property, plant and equipment

Information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the balance sheet.

3. Information on major customers

(Unit: thousand yen)

Name of customer	Operating revenue	Name of related segment
Sunrise Megasolar Godo Kaisha	229,884	Rental business of renewable energy power generation facilities
Daini Chiyoda Kogen Taiyoko Godo Kaisha	31,386	Rental business of renewable energy power generation facilities
Hofu Solar Power Generation Godo Kaisha	37,890	Rental business of renewable energy power generation facilities
Kusu Solar Power Generation Godo Kaisha	17,910	Rental business of renewable energy power generation facilities
SOLAR ENERGY Hokota Godo Kaisha	392,727	Rental business of renewable energy power generation facilities
Kitakyushu Solar Power Generation Godo Kaisha	49,759	Rental business of renewable energy power generation facilities
Godo Kaisha TSMH1	1,625,102	Rental business of renewable energy power generation facilities
Shinshiro Solar Power Generation Godo Kaisha	31,290	Rental business of renewable energy power generation facilities
Monbetsu Solar Power Generation Godo Kaisha	274,468	Rental business of renewable energy power generation facilities
TAKASAKI Megasolar Godo Kaisha	250,461	Rental business of renewable energy power generation facilities
SHINKO Godo Kaisha	971,971	Rental business of renewable energy power generation facilities
Tainai Wind Farm Godo Kaisha	273,248	Rental business of renewable energy power generation facilities

(Notes to Per Unit Information)

	Previous fiscal period From December 1, 2022 to May 31, 2023	Current fiscal period From June 1, 2023 to November 30, 2023
Net assets per unit	80,253 yen	80,952 yen
Net income per unit	1,301 yen	1,619 yen

(Note 1) Net income per unit is calculated by dividing net income by the day-weighted average number of investment units. Diluted net income per unit is not stated because there are no dilutive investment units.

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

	Previous fiscal period From December 1, 2022 to May 31, 2023	Current fiscal period From June 1, 2023 to November 30, 2023
Net income (thousand yen)	505,928	863,493
Amount not attributable to common unitholders (thousand yen)	-	-
Net income attributable to common investment units (thousand yen)	505,928	863,493
Average number of investment units during the period (units)	388,848	533,294

(Notes to Significant Subsequent Events)

Not applicable.

(Omission of Disclosure)

EII omits the disclosure of notes to lease transactions and securities as it does not find substantial need for disclosure in the Summary of Financial Results.

(9) Change in Total Number of Investment Units Issued and Outstanding

Changes in EII's unitholders' capital (net) and total number of investment units issued and outstanding during the five-year period until November 30, 2023, are as follows:

Date	Event	Unitholders' capital, net (million yen) (Note 1)		Total number of investment units issued and outstanding (units)		Remarks
		Change	Balance	Change	Balance	
February 12, 2019	Capital increase through public offering	7,948	8,048	90,000	91,000	(Note 2)
March 13, 2019	Capital increase through third-party allotment	72	8,121	825	91,825	(Note 3)
February 21, 2020	Cash distributions in excess of earnings (Refund of investment)	(232)	7,889	-	91,825	(Note 4)
December 1, 2020	Capital increase through public offering	20,645	28,535	245,000	336,825	(Note 5)
December 23, 2020	Capital increase through third-party allotment	1,032	29,567	12,250	349,075	(Note 6)
February 19, 2021	Cash distributions in excess of earnings (Refund of investment)	(307)	29,259	-	349,075	(Note 7)
February 21, 2022	Cash distributions in excess of earnings (Refund of investment)	(1,170)	28,088	-	349,075	(Note 8)
August 19, 2022	Cash distributions in excess of earnings (Refund of investment)	(194)	27,894	-	349,075	(Note 9)
February 10, 2023	Capital increase through public offering	5,247	33,141	63,000	412,075	(Note 10)
February 20, 2023	Cash distributions in excess of earnings (Refund of investment)	(353)	32,787	-	412,075	(Note 11)
March 15, 2023	Capital increase through third-party allotment	262	33,050	3,150	415,225	(Note 12)
June 30, 2023	Capital increase through public offering	11,357	44,407	135,000	550,225	(Note 13)
August 2, 2023	Capital increase through third-party allotment	567	44,975	6,750	556,975	(Note 14)
August 21, 2023	Cash distributions in excess of earnings (Refund of investment)	(696)	44,278	-	556,975	(Note 15)

(Note 1) The amount indicates the figure obtained by subtracting deduction from unitholders' capital from unitholders' capital. Furthermore, deduction from unitholders' capital associated with the implementation of distribution in excess of earnings from reserve for temporary difference adjustments is not taken into account.

(Note 2) New investment units were issued through public offering at an issue price of 92,000 yen per unit (paid-in amount of 88,320 yen per unit) to fund acquisition of solar power generation facilities and for other purposes.

(Note 3) New investment units were issued through third-party allotment with a paid-in amount of 88,320 yen per unit to repay borrowings and partially fund acquisition of specified assets (as defined in Article 2-1 of the Investment Trusts Act; the same applies hereinafter).

(Note 4) At the board of directors' meeting held on January 10, 2020, EII resolved to conduct distribution in excess of earnings of 2,530 yen per unit (refund of investment which falls under the category of a reduction in unitholders' paid-in capital under tax laws) as cash distribution for the 2nd fiscal period ended November 2019, and started payment of the distribution on February 21, 2020.

(Note 5) New investment units were issued through public offering at an issue price of 88,452 yen per unit (paid-in amount of 84,268 yen per unit) to fund acquisition of solar power generation facilities and for other purposes.

- (Note 6) New investment units were issued through third-party allotment with a paid-in amount of 84,268 yen per unit for appropriation as cash on hand to partially repay borrowings and fully or partially fund future acquisition of specified assets or working capital.
- (Note 7) At the board of directors' meeting held on January 14, 2021, EII resolved to conduct distribution in excess of earnings of 3,354 yen per unit (refund of investment which falls under the category of a reduction in unitholders' paid-in capital under tax laws) as cash distribution for the 3rd fiscal period ended November 2020, and started payment of the distribution on February 19, 2021.
- (Note 8) At the board of directors' meeting held on January 14, 2022, EII resolved to conduct distribution in excess of earnings of 3,354 yen per unit (refund of investment which falls under the category of a reduction in unitholders' paid-in capital under tax laws) as cash distribution for the 4th fiscal period ended November 2021, and started payment of the distribution on February 21, 2022.
- (Note 9) At the board of directors' meeting held on July 15, 2022, EII resolved to conduct distribution in excess of earnings of 557 yen per unit (refund of investment which falls under the category of a reduction in unitholders' paid-in capital under tax laws) as cash distribution for the 5th fiscal period ended May 2022, and started payment of the distribution on August 19, 2022.
- (Note 10) New investment units were issued through public offering at an issue price of 87,555 yen per unit (paid-in amount of 83,289 yen per unit) to fund acquisition of solar and wind power generation facilities and for other purposes.
- (Note 11) At the board of directors' meeting held on January 13, 2023, EII resolved to conduct distribution in excess of earnings of 1,013 yen per unit (refund of investment which falls under the category of a reduction in unitholders' paid-in capital under tax laws) as cash distribution for the 6th fiscal period ended November 2022, and started payment of the distribution on February 20, 2023.
- (Note 12) New investment units were issued through third-party allotment with a paid-in amount of 83,289 yen per unit for appropriation as cash on hand to partially repay borrowings and fully or partially fund future acquisition of specified assets or working capital.
- (Note 13) New investment units were issued through public offering at an issue price of 87,945 yen per unit (paid-in amount of 84,129 yen per unit) to fund acquisition of solar power generation facilities and for other purposes.
- (Note 14) New investment units were issued through third-party allotment with a paid-in amount of 84,129 yen per unit for appropriation as cash on hand to partially repay borrowings and fully or partially fund future acquisition of specified assets or working capital.
- (Note 15) At the board of directors' meeting held on July 14, 2023, EII resolved to conduct distribution in excess of earnings of 1,678 yen per unit (refund of investment which falls under the category of a reduction in unitholders' paid-in capital under tax laws) as cash distribution for the 7th fiscal period ended May 2023, and started payment of the distribution on August 21, 2023.

3. Reference Information

(1) Information on Prices of Assets Under Management, Etc.

I. Conditions of Investment

Asset type	Category of investment area (Note 1)	7th fiscal period (as of May 31, 2023)		8th fiscal period (as of November 30, 2023)	
		Total owned assets (million yen) (Note 2)	Ratio to total assets (%)	Total owned assets (million yen) (Note 2)	Ratio to total assets (%)
Renewable energy power generation facilities	Kanto region	12,068	15.2	12,543	11.4
	Chubu region	420	0.5	406	0.4
	Chugoku region	1,020	1.3	990	0.9
	Kyushu/Okinawa region	1,196	1.5	1,163	1.1
Subtotal		14,705	18.6	15,103	13.8
Leasehold interests in land	Kanto region	1,284	1.6	1,405	1.3
	Chubu region	36	0.0	36	0.0
	Chugoku region	84	0.1	84	0.1
	Kyushu/Okinawa region	72	0.1	72	0.1
Subtotal		1,477	1.9	1,598	1.5
Renewable energy power generation facilities in trust	Hokkaido/Tohoku region	5,075	6.4	4,958	4.5
	Kanto region	5,215	6.6	27,838	25.4
	Chubu region	36,509	46.1	35,606	32.5
Subtotal		46,800	59.1	68,403	62.4
Real estate in trust	Hokkaido/Tohoku region	1,434	1.8	1,434	1.3
	Kanto region	10	0.0	10	0.0
	Chubu region	4,479	5.7	4,478	4.1
Subtotal		5,924	7.5	5,922	5.4
Land leasehold interests in trust	Kanto region	646	0.8	3,153	2.9
	Chubu region	252	0.3	252	0.2
Subtotal		898	1.1	3,405	3.1
Renewable energy power generation facilities, etc.	Hokkaido/Tohoku region	6,510	8.2	6,392	5.8
	Kanto region	19,224	24.3	44,951	41.0
	Chubu region	41,699	52.6	40,780	37.2
	Chugoku region	1,104	1.4	1,074	1.0
	Kyushu/Okinawa region	1,269	1.6	1,235	1.1
Subtotal		69,807	88.1	94,434	86.1
Deposits and other assets		9,419	11.9	15,273	13.9
Total assets (Note 3)		79,226	100.0	109,707	100.0

	Amount (million yen)	Ratio to total assets (%)	Amount (million yen)	Ratio to total assets (%)
Total liabilities (Note 3)	45,903	57.9	64,619	58.9
Total net assets (Note 3)	33,323	42.1	45,088	41.1
Total assets (Note 3)	79,226	100.0	109,707	100.0

(Note 1) “Regions” is defined as follows:

“Hokkaido/Tohoku region” refers to Hokkaido, Aomori, Iwate, Akita, Miyagi, Yamagata, and Fukushima prefectures.

“Kanto region” refers to Chiba, Gunma, Ibaraki, Kanagawa, Saitama, Tochigi, and Tokyo prefectures.

“Chubu region” refers to Aichi, Gifu, Mie, Nagano, Niigata, Shizuoka, and Yamanashi prefectures.

“Chugoku region” refers to Hiroshima, Okayama, Shimane, Tottori, and Yamaguchi prefectures.

“Kyushu/Okinawa region” refers to Fukuoka, Kagoshima, Kumamoto, Miyazaki, Nagasaki, Oita, Okinawa, and Saga prefectures.

(Note 2) “Total owned assets” is based on the book value recorded on the balance sheet (book value after depreciation) as of the end of the period.

(Note 3) “Total assets,” “total liabilities,” and “total net assets” indicate the amounts stated in the balance sheet as of the end of the period.

II. Investment Assets

1) Major Investment Securities

Not applicable.

2) Investment Properties

Not applicable.

3) Other Major Investment Assets

(a) Summary of renewable energy power generation facilities, etc.

The following table provides a summary of the renewable energy power generation facilities, etc. owned by EII as of November 30, 2023.

Property number (Note 1)	Category (Note 2)	Property name	Location (Note 3)	Acquisition date (Note 4)	Area (m ²) (Note 5) (Note 6)	Tariff (yen/kWh) (Note 7)	FIT term end (Note 8)
S-01	Solar power generation facilities	Takahagi Solar Power Plant	Hitachi-shi, Ibaraki	February 13, 2019	334,810	40	November 20, 2036
S-02	Solar power generation facilities	Chiyoda Kogen Solar Power Plant	Kitahiroshima-cho, Yamagata-gun, Hiroshima	February 13, 2019	41,215	40	November 12, 2034
S-03	Solar power generation facilities	JEN Hofu Solar Power Plant	Hofu-shi, Yamaguchi	February 13, 2019	25,476	36	January 26, 2036
S-04	Solar power generation facilities	JEN Kusu Solar Power Plant	Kusu-machi, Kusu-gun, Oita	February 13, 2019	22,044	40	September 30, 2033
S-05	Solar power generation facilities	Hokota Solar Power Plant	Hokota-shi, Ibaraki	February 13, 2019 August 4, 2023 (Expansion)	313,187	36	July 17, 2037
S-06	Solar power generation facilities	Nagasaki Kinkai Solar Power Plant	Nagasaki-shi, Nagasaki	January 17, 2020	25,501	36	March 21, 2039
S-07	Solar power generation facilities	Matsusaka Solar Power Plant	Matsusaka-shi, Mie	December 2, 2020	1,017,493	32	March 17, 2039
S-08	Solar power generation facilities	Shinshiro Solar Power Plant	Shinshiro-shi, Aichi	April 26, 2021	27,408	40	August 1, 2033
S-09	Solar power generation facilities	Monbetsu Solar Power Plant	Monbetsu-shi, Hokkaido	March 10, 2022	359,453	40	February 2, 2040
S-10	Solar power generation facilities	Takasaki Solar Power Plant A	Takasaki-shi, Gunma	February 13, 2023	285,214	40	March 30, 2040
S-11	Solar power generation facilities	Takasaki Solar Power Plant B	Takasaki-shi, Gunma	June 30, 2023	550,373	32	March 30, 2040
W-01	Wind power generation facilities	Tainai Wind Power Plant	Tainai-shi, Niigata	February 13, 2023	65,508	22	August 31, 2034

(Note 1) For “Property number,” solar power generation facilities are classified as S while wind power generation facilities are classified as W and numbered as such. The same shall apply hereinafter.

(Note 2) “Category” indicates the category of renewable energy power generation facilities based on their renewable energy sources.

- (Note 3) “Location” is based on the description in the register of the land (one of the lands if there are multiple lands) where the renewable energy power generation facility of the respective owned assets is installed. However, it is denoted only to the extent of the municipality level. The same shall apply hereinafter.
- (Note 4) Takasaki Solar Power Plant B was acquired on June 30, 2023, but the trust beneficiary interest purchase agreement between the seller and EII dated June 15, 2023, stipulates that the income and expenses of the property belong to EII beginning on the first day of the month of acquisition (i.e., June 1, 2023).
- (Note 5) “Area” is rounded down to the nearest whole number based on the description in the register and may be different from the actual area. For the Takahagi Solar Power Plant, the area excludes part of the land where an overbridge is located and the land for which EII has obtained the right of use as an approach path. For the Chiyoda Kogen Solar Power Plant, the leasehold right and the servitude have been established to part of the adjacent land for such purposes as passing. The area includes the site area to which this leasehold right has been established, but excludes the area of the site to which the servitude has been established. For the Nagasaki Kinkai Solar Power Plant, the area excludes part of the land where power transmission equipment exists, the site for which EII has obtained the right of use as an approach path, and the land for which the servitude has been established for such purposes as installing and using buried cables. For the Matsusaka Solar Power Plant, the servitude has been established to part of the adjacent land and such for such purposes as passing as well as installing and using electric line and power transmission line facilities, and the ownership of part of the adjacent land and such has been acquired for the same purposes, but such land is not included in the area. For the Takasaki Solar Power Plant A, Tainai Wind Power Plant, and Takasaki Solar Power Plant B, the superficies rights, servitude, and road occupancy permits have been established or acquired to part of the adjacent land and such for such purposes as laying private lines, and for the Takasaki Solar Power Plant A, the ownership of part of the adjacent land and such has been acquired for the same purposes, but such land is not included in the area.
- (Note 6) For Takasaki Solar Power Plant A and Takasaki Solar Power Plant B, part of the superficies rights are quasi-co-owned, but the respective land areas are indicated in their entirety.
- (Note 7) “Tariff” indicates the officially certified price of electricity sale for the renewable energy power generation facilities of respective owned assets (excluding the amount equivalent to the consumption tax and the local consumption tax).
- (Note 8) “FIT term end” indicates the expiration date of the electricity purchase period for the renewable energy power generation facilities of the respective owned assets.

Property number	Property name	Power generation operator (Note 1)	Electricity utilities (Note 2)	Acquisition price (million yen) (Note 3)	Valuation at end of period (million yen) (Note 4)	Appraisal value of infrastructure assets, etc. (million yen) (Note 5) (upper: facilities) (lower: real estate)	Book value at end of the period (million yen) (Note 6)
S-01	Takahagi Solar Power Plant	Sunrise Megasolar Godo Kaisha	TEPCO Power Grid, Inc.	5,305	4,702	4,586	4,065
						116	224
S-02	Chiyoda Kogen Solar Power Plant	Daini Chiyoda Kogen Taiyoko Godo Kaisha	Chugoku Electric Power Transmission & Distribution Co., Inc.	590	446	336	472
						110	22
S-03	JEN Hofu Solar Power Plant	Hofu Solar Power Generation Godo Kaisha	Chugoku Electric Power Transmission & Distribution Co., Inc.	680	568	514	518
						54	61
S-04	JEN Kusu Solar Power Plant	Kusu Solar Power Generation Godo Kaisha	Kyushu Electric Power Transmission and Distribution Co., Inc.	324	223	217	239
						6	10
S-05	Hokota Solar Power Plant	SOLAR ENERGY Hokota Godo Kaisha	TEPCO Power Grid, Inc.	11,444	9,610	8,440	8,477
						1,170	1,180
S-06	Nagasaki Kinkai Solar Power Plant	Kitakyushu Solar Power Generation Godo Kaisha	Kyushu Electric Power Transmission and Distribution Co., Inc.	1,097	907	849	923
						58	61
S-07	Matsusaka Solar Power Plant	Godo Kaisha TSMH1	Chubu Electric Power Grid Co., Inc.	40,241	39,239	34,879	31,511
						4,360	4,425
S-08	Shinshiro Solar Power Plant	Shinshiro Solar Power Generation Godo Kaisha	Chubu Electric Power Grid Co., Inc.	465	422	397	406
						25	36
S-09	Monbetsu Solar Power Plant	Monbetsu Solar Power Generation Godo Kaisha	Hokkaido Electric Power Co., Inc.	6,654	6,303	4,828	4,958
						1,475	1,434
S-10	Takasaki Solar Power Plant A	TAKASAKI Megasolar Godo Kaisha	TEPCO Energy Partner, Inc.	5,810	5,923	5,307	5,103
						616	656
S-11	Takasaki Solar Power Plant B	SHINKO Godo Kaisha	TEPCO Energy Partner, Inc.	25,211	26,064	23,614	22,735
						2,450	2,507
W-01	Tainai Wind Power Plant	Tainai Wind Farm Godo Kaisha	Tohoku Electric Power Network Co., Inc.	4,379	5,062	5,033	4,095
						30	305
Total				102,200	99,471	88,999	83,506
						10,470	10,927

- (Note 1) “Power generation operator” refers to a party who operates the business of generating electricity by using renewable energy power generation facilities, etc., not limited to the power generation operators as set forth in Article 2-1-15 of the Electricity Business Act (Act No. 170 of 1964 and subsequent amendments).
- (Note 2) “Electricity utilities” refers to the electricity utilities as set forth in Article 2-4 of the Renewable Energy Special Measures Act.
- (Note 3) “Acquisition price” refers to the transaction price in the sale and purchase agreement for power generation facilities (excluding various acquisition expenses, the settlement amount of the amount equivalent to property taxes and city planning taxes, and the amount equivalent to consumption taxes, etc.).
- (Note 4) “Valuation at end of the period” indicates the median value (rounded down to the nearest million yen) calculated by EII, pursuant to Article 41-1-1 of its Articles of Incorporation, from the appraisal value (valuation including renewable energy power generation facilities, real estate, and the leasehold rights or the superficies rights of the real estate altogether as one) in the range shown in the valuation report obtained from PricewaterhouseCoopers Sustainability LLC.
- (Note 5) For “Appraisal value of infrastructure assets, etc.,” the upper field indicates the assumed valuation (rounded down to the nearest million yen) of the renewable energy power generation facilities, calculated by deducting the real estate appraisal value calculated by Land Coordinating Research Inc. (the real estate appraiser for S-01 and S-02; the same shall apply hereinafter), Daiwa Real Estate Appraisal Co., Ltd. (the real estate appraiser for S-03 and S-04; the same shall apply hereinafter), The Tanizawa Sōgō Appraisal Co., Ltd. (the real estate appraiser for S-05; the same shall apply hereinafter), Japan Real Estate Institute (the real estate appraiser for S-06, S-07, S-09, S-10, S-11, and W-10; the same shall apply hereinafter), or CBRE K.K. (the real estate appraiser for S-08; the same shall apply hereinafter) from the valuation at the end of the period indicated in (Note 4) above. The lower field indicates the amounts (rounded down to the nearest million yen) shown in the real estate appraisal reports prepared by Land Coordinating Research Inc., Daiwa Real Estate Appraisal Co., Ltd., The Tanizawa Sōgō Appraisal Co., Ltd., Japan Real Estate Institute, or CBRE K.K. Real estate includes the superficies rights or leasehold rights of the relevant real estate.
- (Note 6) For “Book value at end of the period,” the upper field indicates the book value of the renewable energy power generation facilities as of the end of the period, and the lower field indicates the book value of real estate as of the end of the period, all rounded down to the nearest million yen. Real estate includes the superficies rights or leasehold rights of the relevant real estate.

(b) Revenue and expenses of individual renewable energy power generation facilities

The following table provides revenue and expenses of EII's individual renewable energy power generation facilities in the fiscal period under review (from June 1, 2023, to November 30, 2023).

(Unit: thousand yen)

Property number		S-01	S-02	S-03	S-04
Property name	Entire portfolio	Takahagi Solar Power Plant	Chiyoda Kogen Solar Power Plant	JEN Hofu Solar Power Plant	JEN Kusu Solar Power Plant
Rent revenue - renewable energy power generation facilities					
Base rent	3,695,429	228,498	31,193	37,411	17,817
Performance-linked rent	490,673	1,385	193	479	93
Incidental income	16,161	-	-	-	-
Rent revenue - renewable energy power generation facilities (A)	4,202,265	229,884	31,386	37,890	17,910
Rent expenses - renewable energy power generation facilities					
Taxes and dues	201,613	16,044	2,578	2,789	1,369
(Of which, property taxes, etc.)	201,613	16,044	2,578	2,789	1,369
Sundry expenses	279,446	31,591	2,468	4,333	2,026
(Of which, insurance expenses)	72,348	2,208	697	384	849
(Of which, repair expenses)	63,854	9,208	-	-	355
(Of which, rent expenses on land and buildings)	114,579	19,974	1,770	3,948	822
(Of which, trust fee)	9,105	-	-	-	-
(Of which, other rent expenses)	19,559	200	-	-	-
Depreciation	2,085,365	127,062	14,750	15,095	11,235
(Of which, machinery and equipment)	450,783	127,062	14,750	15,095	11,235
(Of which, buildings in trust)	2,005	-	-	-	-
(Of which, machinery and equipment in trust)	1,632,574	-	-	-	-
(Of which, tools, furniture and fixtures in trust)	2	-	-	-	-
Rent expenses - renewable energy power generation facilities (B)	2,566,426	174,698	19,796	22,218	14,631
Rent income (loss) from renewable energy power generation facilities (A-B)	1,635,838	55,186	11,590	15,672	3,279

Property number	S-05	S-06	S-07	S-08	S-09
Property name	Hokota Solar Power Plant	Nagasaki Kinkai Solar Power Plant	Matsusaka Solar Power Plant	Shinshiro Solar Power Plant	Monbetsu Solar Power Plant
Rent revenue - renewable energy power generation facilities					
Base rent	390,330	43,562	1,422,543	25,847	188,660
Performance-linked rent	2,396	6,196	202,559	5,443	85,808
Incidental income	-	-	-	-	-
Rent revenue - renewable energy power generation facilities (A)	392,727	49,759	1,625,102	31,290	274,468
Rent expenses - renewable energy power generation facilities					
Taxes and dues	41,800	5,349	102,775	2,602	26,304
(Of which, property taxes, etc.)	41,800	5,349	102,775	2,602	26,304
Sundry expenses	42,234	3,325	31,312	4,077	6,245
(Of which, insurance expenses)	6,172	636	23,086	489	4,228
(Of which, repair expenses)	9,970	-	3,072	1,088	493
(Of which, rent expenses on land and buildings)	16,479	2,688	2,332	2,500	-
(Of which, trust fee)	-	-	2,499	-	1,500
(Of which, other rent expenses)	9,611	-	322	-	23
Depreciation	246,072	22,710	774,836	13,855	117,460
(Of which, machinery and equipment)	246,072	22,710	-	13,855	-
(Of which, buildings in trust)	-	-	-	-	341
(Of which, machinery and equipment in trust)	-	-	774,836	-	117,119
(Of which, tools, furniture and fixtures in trust)	-	-	-	-	-
Rent expenses - renewable energy power generation facilities (B)	330,107	31,385	908,924	20,535	150,010
Rent income (loss) from renewable energy power generation facilities (A-B)	62,619	18,373	716,178	10,754	124,457

Property number	S-10	S-11	W-01
Property name	Takasaki Solar Power Plant A	Takasaki Solar Power Plant B	Tainai Wind Power Plant
Rent revenue - renewable energy power generation facilities			
Base rent	219,770	870,329	219,465
Performance-linked rent	30,690	101,642	53,783
Incidental income	320	15,823	18
Rent revenue - renewable energy power generation facilities (A)	250,781	987,795	273,266
Rent expenses - renewable energy power generation facilities			
Taxes and dues	-	-	-
(Of which, property taxes, etc.)	-	-	-
Sundry expenses	23,799	54,715	73,316
(Of which, insurance expenses)	1,699	7,646	24,248
(Of which, repair expenses)	-	1,537	38,129
(Of which, rent expenses on land and buildings)	21,517	40,722	1,823
(Of which, trust fee)	499	2,105	2,499
(Of which, other rent expenses)	81	2,703	6,616
Depreciation	111,777	497,683	132,824
(Of which, machinery and equipment)	-	-	-
(Of which, buildings in trust)	-	-	1,664
(Of which, machinery and equipment in trust)	111,777	497,683	131,157
(Of which, tools, furniture and fixtures in trust)	-	-	2
Rent expenses - renewable energy power generation facilities (B)	135,576	552,399	206,141
Rent income (loss) from renewable energy power generation facilities (A-B)	115,204	435,396	67,125

(2) Status of Capital Expenditures

1) Planned Capital Expenditures

The following table summarizes the major scheduled capital expenditures that EII is currently planning for repairs or other work at the renewable energy power generation facilities it owns. The estimated amounts below may include items that will be classified as accounting expenses based on the nature of the work, etc.

Property number	Property name	Location	Purpose	Scheduled period	Scheduled amount (thousand yen)		
					Total amount	Amount paid in current fiscal period	Total amount already paid
S-07	Matsusaka Solar Power Plant	Matsusaka-shi, Mie	Arc discharge countermeasures in transformer room	From: Oct. 2023 To: Feb. 2024	3,892	973	973

2) Capital Expenditures During the Fiscal Period

The following table provides the capital expenditure amounts EII invested in the renewable energy power generation facilities it owns in the fiscal period under review.

Property number	Property name	Location	Purpose	Period	Construction cost (thousand yen)
S-06	Nagasaki Kinkai Solar Power Plant	Nagasaki-shi, Nagasaki	Mobile communication line construction	From: Oct. 2023 To: Oct. 2023	612