

Presentation Material of the Financial Results for the Fiscal Period Ending November 2020 (3rd Fiscal Period)

Securities code: 9286

Japan Credit Rating Agency, Ltd.
(JCR)

Long-term issuer rating: **A** (Stable)
(As of October 27, 2020)

S-05 Hokota Solar Power Plant

Asset Management Company

 **Enex Asset Management Co., Ltd.**

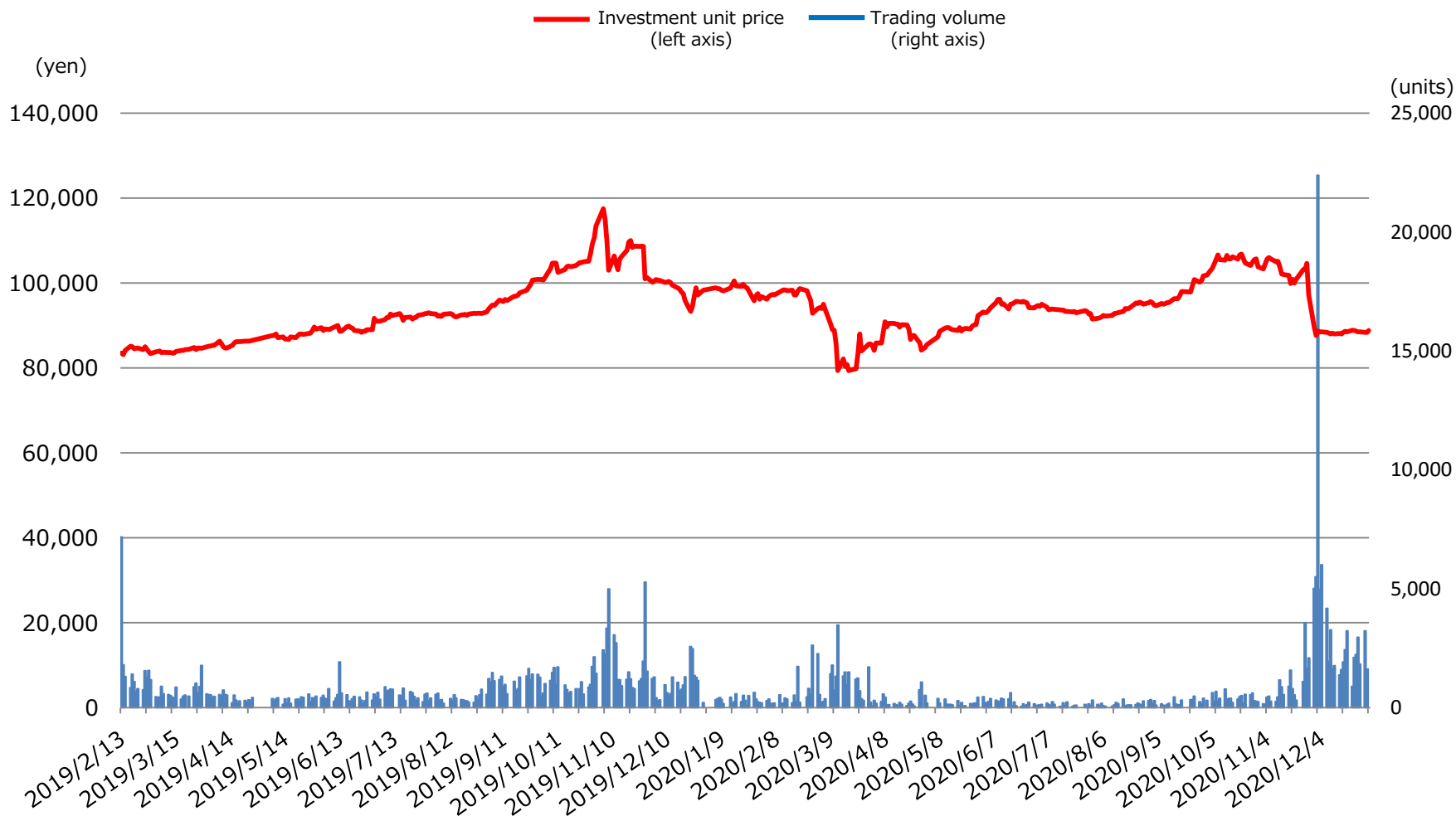
Contents

1. Highlights for the Fiscal Period Ending November 2020 (3rd Fiscal Period) (p. 3)
2. Highlights - Financial Results for the Fiscal Period Ending November 2020 (3rd Fiscal Period) (p. 12)
3. Status of Assets Under Management (p. 14)
4. Management Strategy (p. 19)
5. Appendix (p. 24)

1.

Highlights for the Fiscal Period Ending November 2020
(3rd Fiscal Period)

Change in Investment Unit Price



Improvement in Long-term Issuer Rating

- The enhancement of portfolio and further stability of cash flow have been evaluated by JCR and long-term issuer rating was raised to A (stable) from A- (stable) as of October 27th, 2020

Japan Credit Rating Agency, Ltd. (JCR)

Long-term Issuer Rating (JCR) :

A- (stable) ⇒ **A (stable)**
(Announced on Aug. 30, 2019) (Announced on Oct. 27, 2020)

RATING NOTIFICATION

2020年10月27日

エネクス・インフラ投資法人
執行役員 松塚 啓一 様

株式会社 日本格付研究所
代表取締役社長 高木 祥吉

格付のご通知

拝啓 弊社業務に関しまして格別のご高配を賜り、厚く御礼申し上げます。
さて、このたび格付につきまして、次のとおり決定いたしましたので、ご通知申し上げます。

敬具

記

1. 区 分：信用格付
2. 付与日：2020年10月22日
3. 格 付：

発行体： エネクス・インフラ投資法人

【変更】

対象	格付	見通し
長期発行体格付	A	安定的

以上

JCR
Japan Credit Rating Agency, Ltd.

1/1

【New Asset(1)] Matsusaka Solar Power Plant(4th Fiscal Period)

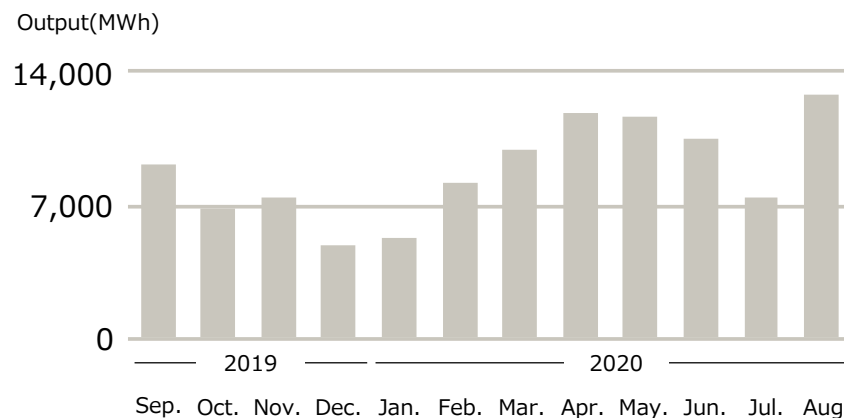
- Matsusaka Solar Power Plant is located in Mie Prefecture, which is an area in Japan that had the 4th longest amount of annual sunshine hours as of FP 2018, and is a particularly large solar power plant in terms of output (MW)

S-07 Matsusaka Solar Power Plant

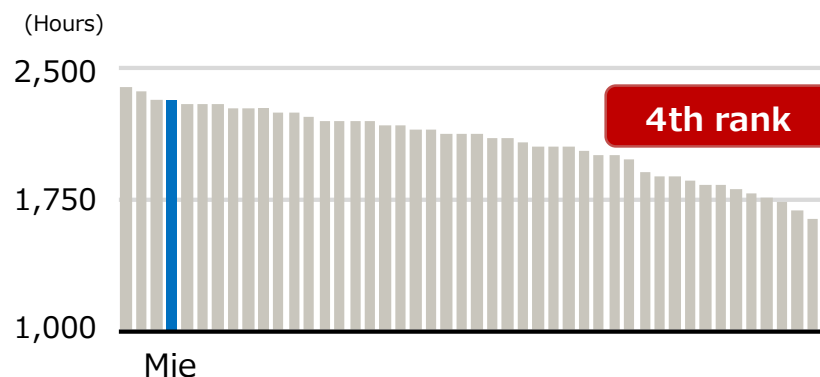


Panel Output	98.0MW	Operator	Enex Electric Power Co., Ltd.
Installed Number of Panels	356,376	EPC Service Provider	MAETEL CONSTRUCTION JAPAN K.K.
Power Output	70.0MW	Panel Manufacturer	Jinko Solar Co., Ltd.
FIT Price	32 yen/kWh	Supplier of Power Conditioner	ABB K.K.
Expected expiration of FIT Term	March 2039	O&M Service Provider	MAETEL CONSTRUCTION JAPAN K.K.
Electric Utility Operator	Chubu Electric Power Miraiz Company, Incorporated	Site Area	1,017,493m ²
Estimated Annual Power Generation for the First Year of Operation	106,689.238MWh	Form of Land Rights	Ownership
Projected Capacity Utilization for the First Year of Operation	12.43%	Type of Panel	Polycrystalline silicon

<Power generation results>



<Annual sunshine hours in FP 2018>

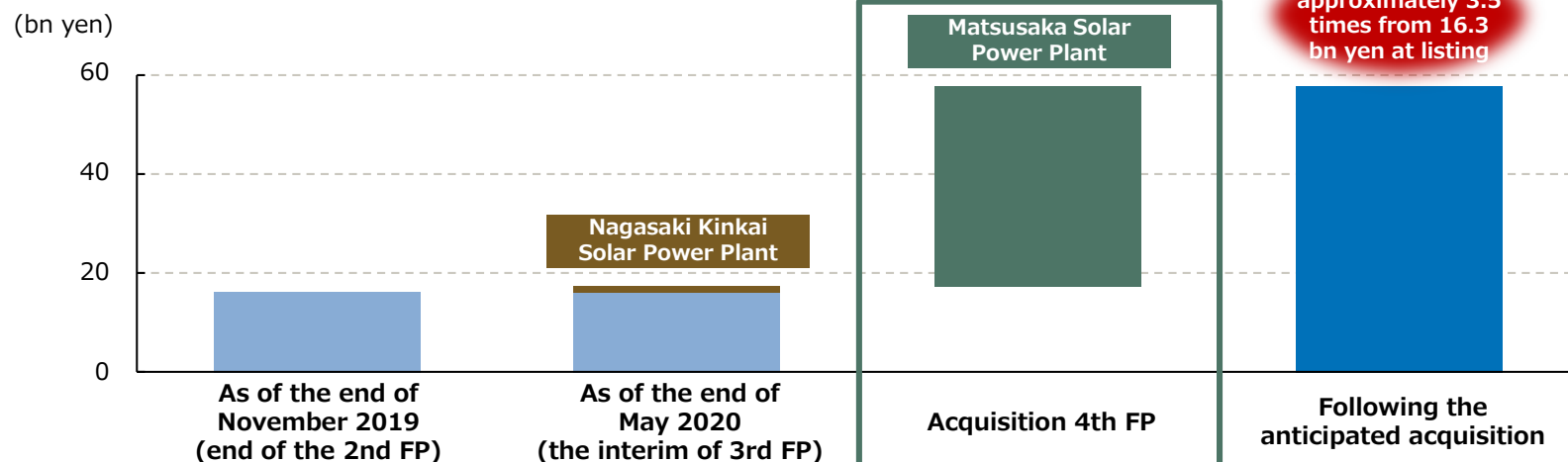


Note : Based on all prefectures in Japan
Source : e-Stat Social / Department System Prefectural Data Social Life Statistics Index

【New Asset(2)] Expansion of asset value through acquisition of large-scale power plant

- Expansion of asset value and increase in liquidity of the investment units are expected through the offering
- EII will continue to aim to acquire projects, mainly through the sponsor pipeline, and expand the asset value in the medium to long term

<Change in asset value (based on asset value) >



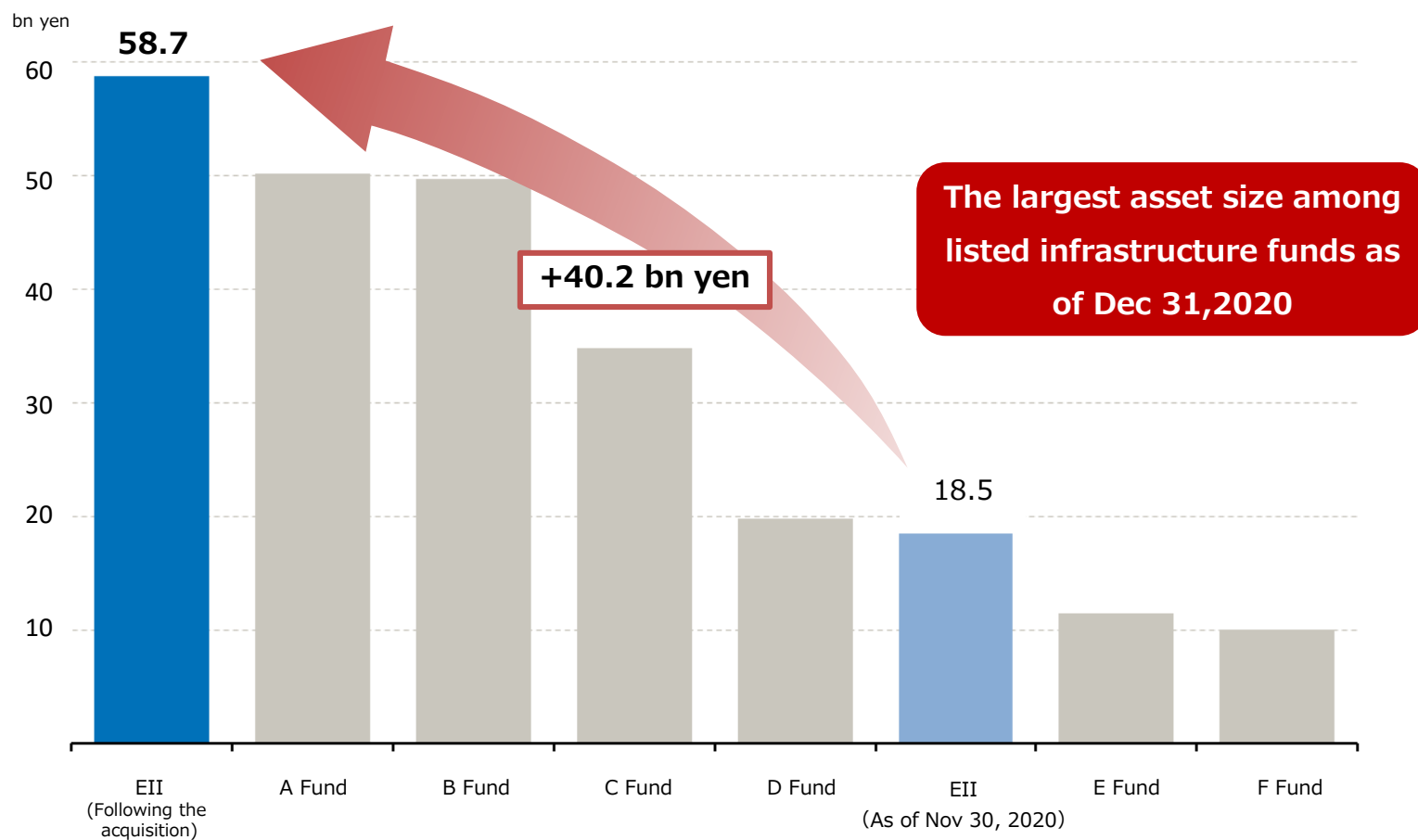
	As of the end of November 2019 (end of the 2nd FP)	As of the end of May 2020 (the interim of 3rd FP)	Acquisition 4th FP	Following the anticipated acquisition
Number of projects	5	6	1	7
Current asset value	16.3 bn yen	17.4 bn yen	40.2 bn yen	57.7 bn yen
Acquisition price	17.4 bn yen	18.5 bn yen	40.2 bn yen	58.7 bn yen
Total solar panel output capacity	37.6MW	40.2MW	98.0MW	138.2MW
Output	44,422MWh	47,603MWh	106,689MWh	154,293MWh
Equivalent number of households served	Approx. 14,938	Approx. 16,008	Approx. 35,878	Approx. 51,887

Note : The output capacity of the asset to be acquired is 98.0MW, which is relatively large compared to other solar power plants in Japan, which we refer to as a "large-scale power plant"

【New Asset(3)】 Matusaka Larger Presence through Asset Size Expansion

■ The largest listed infrastructure fund by new acquisition

<Comparison of Asset Size in Listed Infrastructure Funds (based on acquisition price)>



Note : Comparison is made based on the total acquisition price of assets held by listed infrastructure funds other than EII as of Dec. 31 2020.
Source : Compiled by the Asset Manager based on materials published by each investment corporation as of Dec. 31, 2020

[New Asset(4)] Third-party evaluations of the Green Finance Framework

- EII issued green equity based on Green Finance Framework which was established with reference to Green Bond Principles, etc., and obtained third-party evaluations from JCR and DNV GL

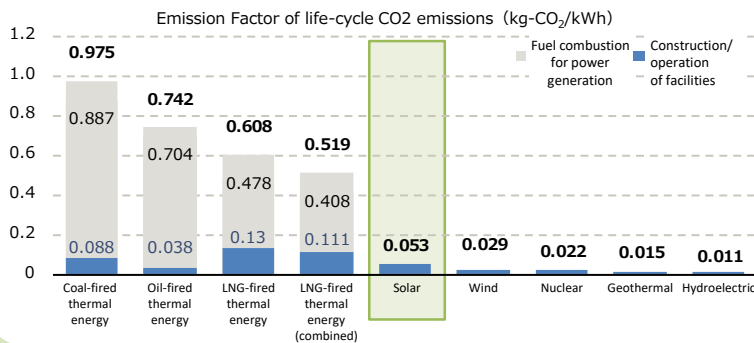
Green eligible portfolio

- Currently held assets and new acquisition are renewable energy facilities
- The investment policy stipulates that EII will mainly invest in specific assets, such as renewable energy facilities



<Evaluation of life-cycle CO₂ emissions in Japan>

The life-cycle CO₂ emissions of renewable energy is far lower than those of fossil fuel-based energy and renewable energy is expected to play an important role in Japan's power supply.



Source : Central Research Institute of Electric Power Industry

Green Finance Framework

- EII established the Green Finance Framework in order to raise funds for sustainable green projects

① Use of proceeds	① Acquisition of solar energy projects ② Refinancing solar energy projects ③ Repair expenses for other projects
② Process for project evaluation and selection	The Infrastructure Fund Investment Department at the Asset Manager will review, evaluate, and select projects to be used for proceeds.
③ Management of proceeds	① Proceeds will be allocated to projects ② Proceeds from issuance of investment units, borrowing and issuance of bonds will be maintained at a particular account and will be promptly applied to qualified project as set forth in the Green Finance Framework
④ Reporting	① List of the qualified projects ② The amount of carbon emissions that were reduced by the qualified projects ③ The amount of electricity generated by the qualified projects

Third-party evaluations

JCR and DNV GL gave third-party evaluations that the Green Finance Framework is in compliance with the four elements of Green Bond Principles

Issuance of Green Equity
based on the Green Finance Framework



2.

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

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

- Results are mostly as forecast

	FY20/11 (3rd FP)		
(million yen)	FY20/11 Forecast	FY20/11 Actual	Achievement
Operating revenue	1,570	1,570	100.0%
Operating income	313	316	101.0%
Ordinary income	216	221	102.3%
Net income	214	219	102.3%

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

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

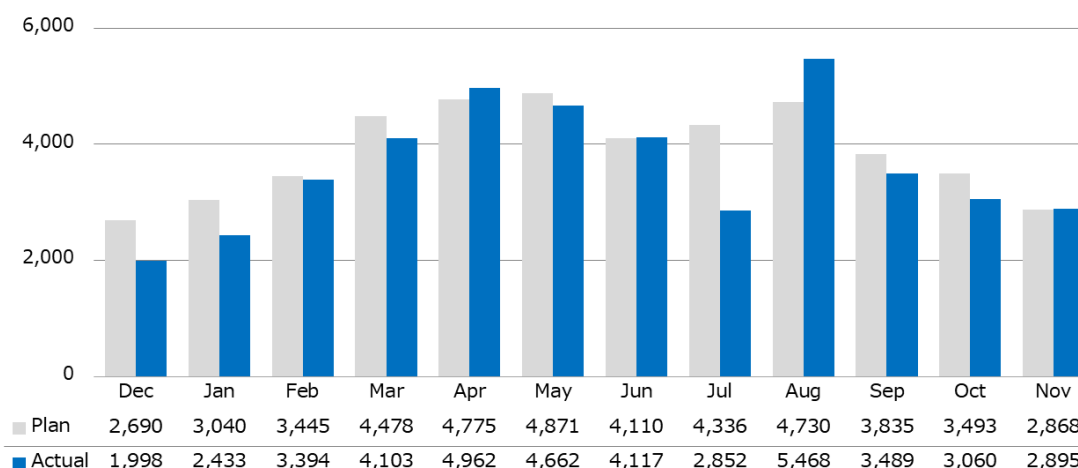
- Although power generation was lower than the plan, distribution was unaffected due to the rent stabilization scheme

Power generation operator (lessee)	Total		
	Plan ^(Note 1)	Actual ^(Note 1)	Achievement
Power generation (MWh)	46,670	43,435	93.1%
Revenue from electricity sales (million yen)	1,747	1,627	93.2%

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

<Monthly Power Generation>

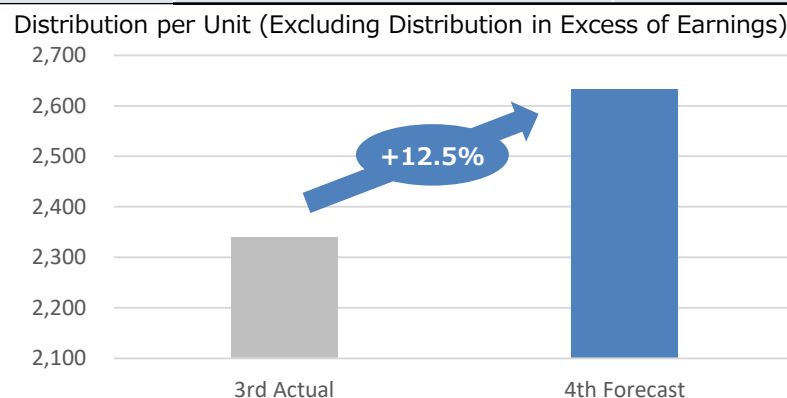
Unit: MWh



Full-Year Earnings Forecast for Fiscal Period Ending November 2020 (4th Fiscal Period)

- With the acquisition of Matsusaka Solar Power Plant, a steady increase of 12.5% in distribution per unit (excluding distribution in excess of earnings) is expected

	Actual 3rd FP (ending November 2020)	Forecast 4th FP (ending November 2021)	Difference
Management status forecast			
Operating revenue	1,570 mil yen	4,693 mil yen	+3,123 mil yen
Operating income	316 mil yen	1,348 mil yen	+1,032 mil yen
Ordinary income	221 mil yen	920 mil yen	+699 mil yen
Net income	219 mil yen	919 mil yen	+700 mil yen
Distribution per unit (including distribution in excess of earnings) forecast	6,000 yen	6,000 yen	0 yen
Distribution per unit (excluding distribution in excess of earnings)	2,341 yen	2,633 yen	+292 yen
Distribution in excess of earnings per unit	3,659 Yen	3,367 yen	-292 yen



3.

Status of Assets Under Management

Portfolio Overview(as of Dec 2020)

- Asset size expanded to 57.7 billion yen with the acquisition of Matsusaka project

Total asset value

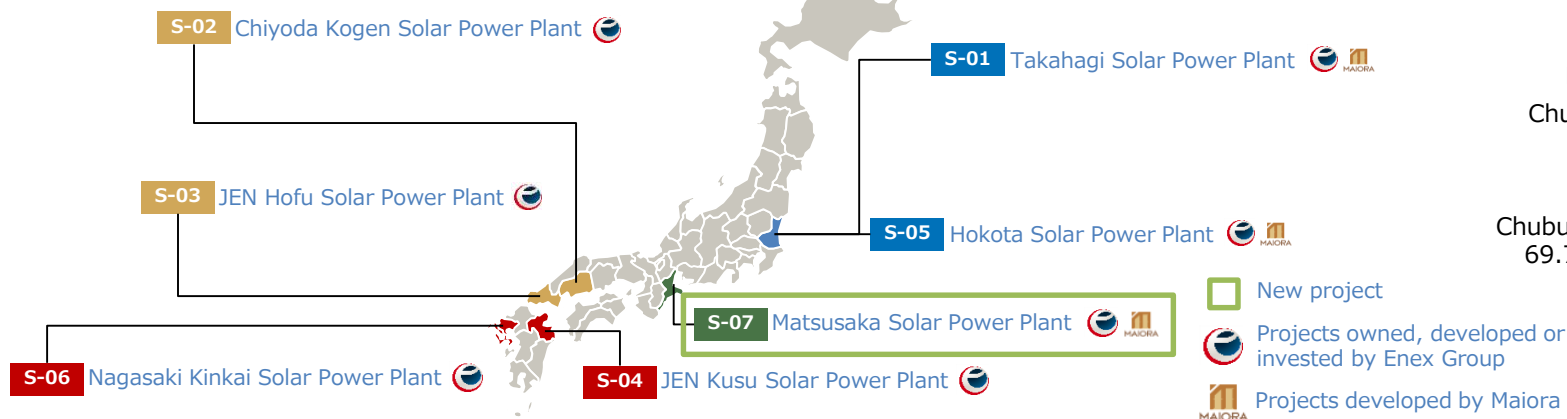
57.7 bn yen

Number of projects owned

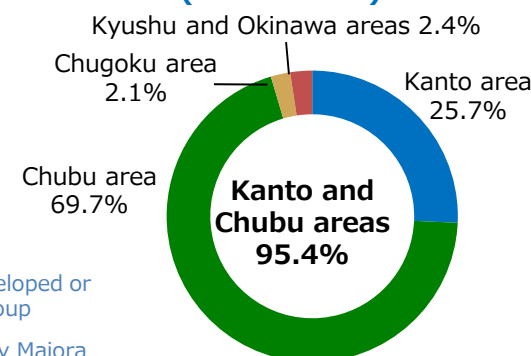
7 projects

Total solar panel output capacity

138.2MW



By Region (asset value)

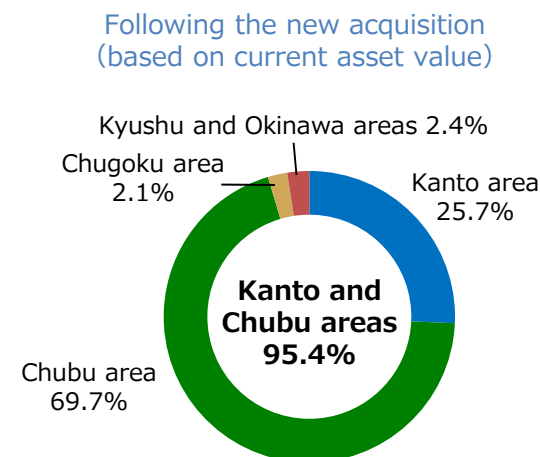
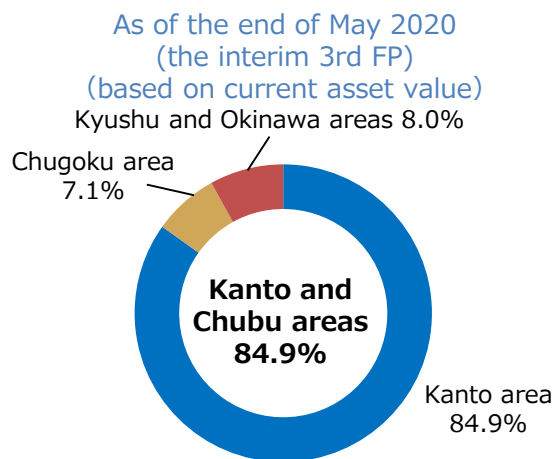


Property No.	Project name	Location	Current asset value (mn yen)	Solar panel output (MW)	FIT price (yen/kWh)	FIT period remaining
S-01	Takahagi Solar Power Plant	Hitachi-shi, Ibaraki	5,509	11.5	40	16 years and 11 months
S-02	Chiyoda Kogen Solar Power Plant	Kitahiroshima-cho, Yamagata-gun, Hiroshima	553	1.5	40	14 years and 11 months
S-03	JEN Hofu Solar Power Plant	Hofu-shi, Yamaguchi	688	1.9	36	16 years and 1 months
S-04	JEN Kusu Solar Power Plant	Kusu-machi, Kusu-gun, Oita	308	1.0	40	13 years and 10 months
S-05	Hokota Solar Power Plant	Hokota-shi, Ibaraki	9,335	21.5	36	17 years and 7 months
S-06	Nagasaki Kinkai Solar Power Plant	Nagasaki-shi, Nagasaki	1,097	2.6	36	19 years and 2 months
S-07	Matsusaka Solar Power Plant	Matsusaka-shi, Mie	40,241	98.0	32	18 years and 3 months

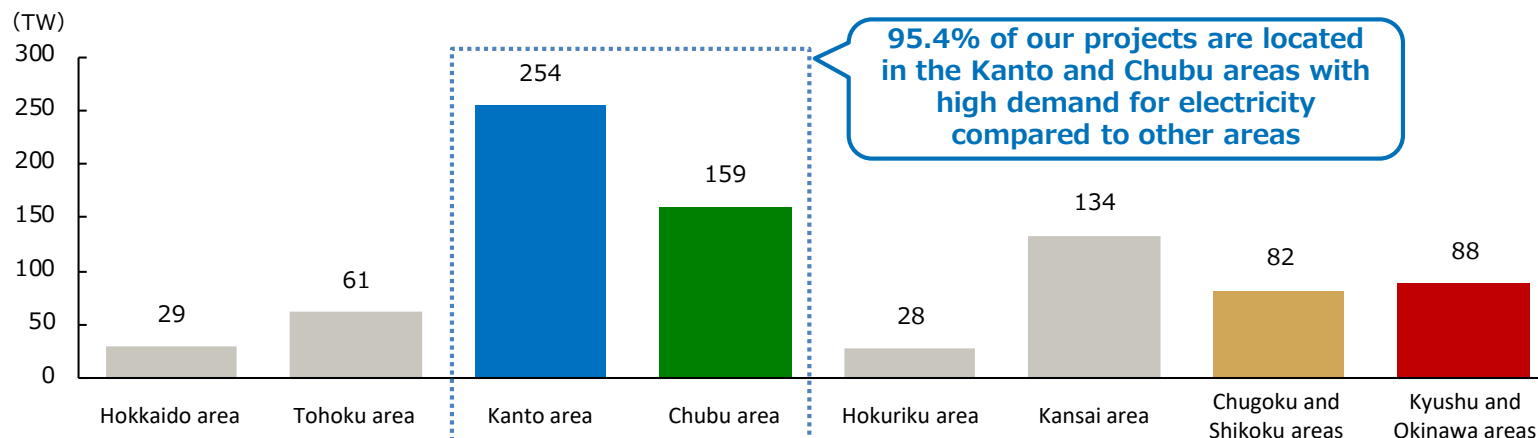
Enhancement of focused investment in areas with high demand for electricity

- The ratio of projects located in the Kanto and Chubu areas is expected to be 95.4% (current asset value basis), and we expect to improve the stability of our earnings by focusing investments in regions with high electricity demand.

- Ratio by geographical area



- Actual electricity demand by geographical area (fiscal year 2019)



Source: Compiled by the Asset Manager based on Agency for Natural Resources and Energy, "Actual electricity demand by prefecture" .

Existing Portfolio Status (1)

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

Power generation operator (lessee)	S-01 Takahagi			S-02 Chiyoda Kogen			S-03 Hofu			S-04 Kusu			S-05 Hokota			S-06 Kinkai			Total		
	Plan	Actual	Achievement	Plan	Actual	Achievement	Plan	Actual	Achievement	Plan	Actual	Achievement	Plan	Actual	Achievement	Plan	Actual	Achievement	Plan	Actual	Achievement
Power generation (Note 2) (MWh)	13,841	13,037	94%	1,759	1,876	107%	2,340	2,490	106%	1,122	1,082	97%	24,711	22,341	90%	2,894	2,605	90%	46,670	43,435	93%
Revenue from electricity sales (million yen)	553	521	94%	70	75	107%	84	89	106%	44	43	97%	889	804	90%	104	91	93%	1,747	1,627	92%

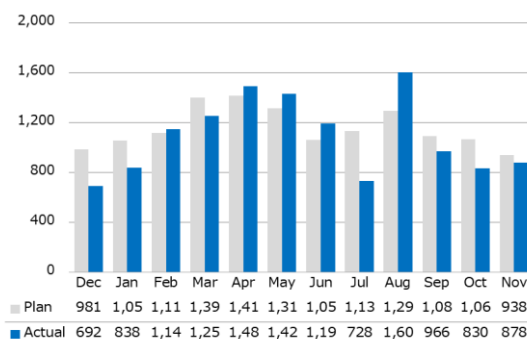
Note 1: Percentages are rounded to the nearest whole number. Others are rounded down to the nearest whole number.

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

S-01 Takahagi Solar Power Plant



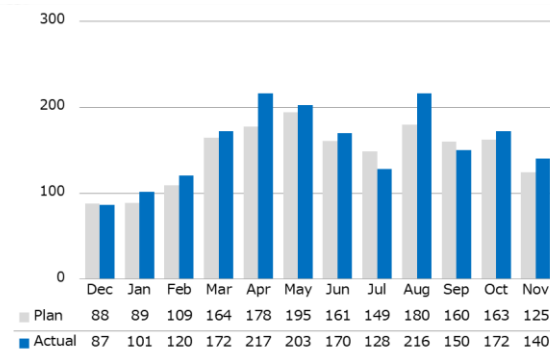
Power generation (MWh)



S-02 Chiyoda Kogen Solar Power Plant



Power generation (MWh)

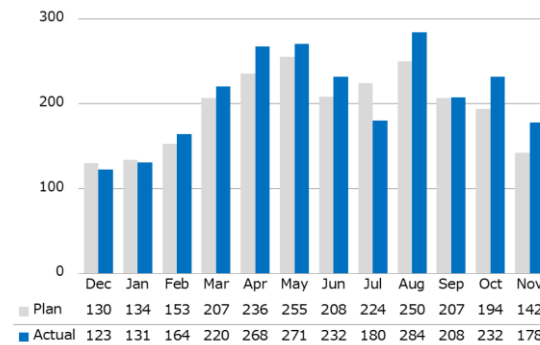


Existing Portfolio Status (2)

S-03 JEN Hofu Solar Power Plant



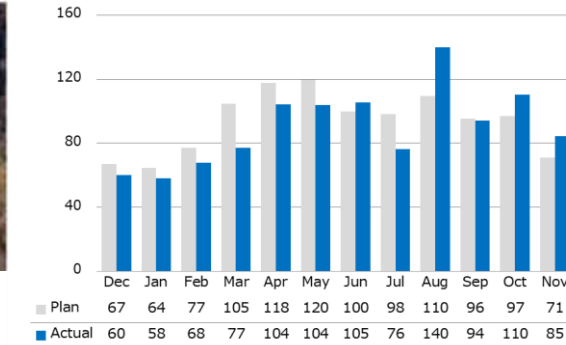
Power generation (MWh)



S-04 JEN Kusu Solar Power Plant



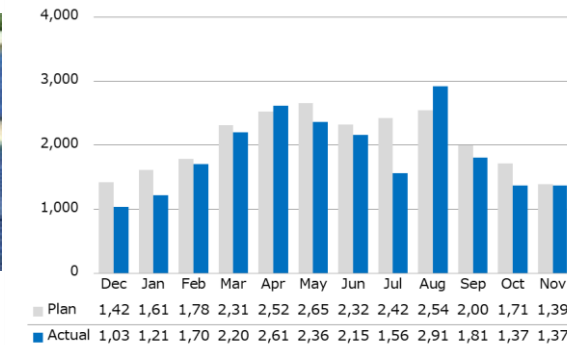
Power generation (MWh)



S-05 Hokota Solar Power Plant



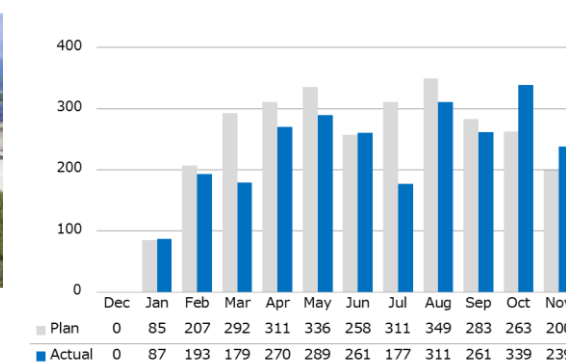
Power generation (MWh)



S-06 Nagasaki Kinkai Solar Power Plant



Power generation (MWh)



4.

Management Strategy

Sound Financial Management

- EII plans to reduce the risk of interest rate volatility through the current low interest rate environment by fixing a part of interest rates and stabilize our financial base by expanding our lender formation

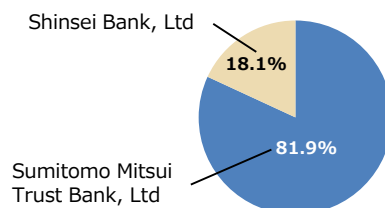
■ Financial Highlights (as of Dec 2)

LTV	54.1 %
Borrowing Period (weighted average)	12.0 years
Fixed interest ratio	50.0 %

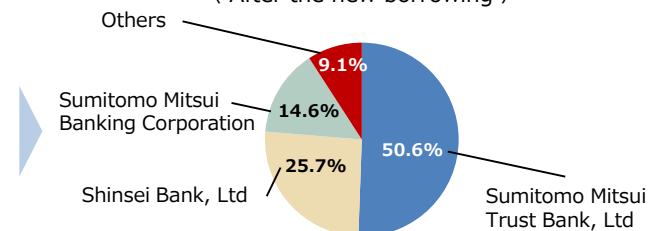
■ Expansion of Lender formation

Lender formation is expanded through new borrowings from new lenders

〈 Before the new borrowing 〉



〈 After the new borrowing 〉



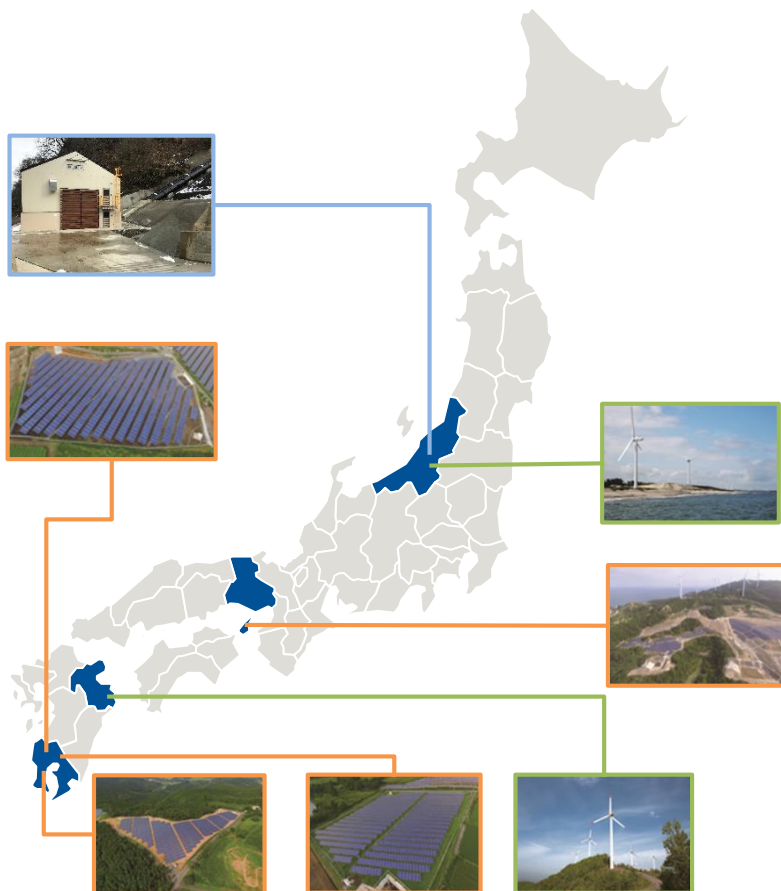
■ Outline of Borrowing

	Cate Gory	Lender	Borrowing amount	Interest rate	Fixed interest rate ratio	Maturity date	Repayment method	Use of proceeds
Existing	Long-term	Sumitomo Mitsui Trust Bank, Ltd and Shinsei Bank, Ltd	5,237 mil yen	Base rate +0.45%	50.0%	May 30, 2036	Partial installments	To fund a part of the acquisition at the time of IPO and other ancillary costs
	Long-term	Sumitomo Mitsui Trust Bank, Ltd	5,237 mil yen	Fixed to 0.95%		May 30, 2036	Partial installments	
	Long-term	Shinsei Bank, Ltd	605 mil yen	Base rate +0.45%	50.0%	May 31, 2038	Partial installments	To fund a part of the acquisition in the 3rd period and other ancillary costs
	Long-term		605 mil yen	Fixed to 0.93%		May 31, 2038	Partial installments	
New	Long-term	A syndicate of lenders arranged by Sumitomo Mitsui Trust Bank, Shinsei Bank and Sumitomo Mitsui Banking Corporation, etc. as arrangers	3,400 mil yen	Base rate +0.20%	-	March 31, 2022	Lump-sum repayment	To fund the payment of consumption taxes of the new acquisition
			12,250 mil yen	Base rate +0.55%	50.0%	November 29, 2030	Partial installments	To fund a part of the new acquisition and other ancillary costs
			12,250 mil yen	Fixed to 0.888%		November 29, 2030	Partial installments	

Status of Sponsor Pipeline (1)

- Relatively strong external growth potential due to Enex Group's diverse energy pipeline of projects, including wind and hydroelectric power generation facilities.

<Projects in Pipeline that are in Operation>



<List of Projects in Pipeline>

Energy source	Location	Status	Output capacity	FIT unit price (yen/kWh)	Expected expiration of FIT term
Solar	Minamiawaji-shi, Hyogo	In operation	10.7 MW	40	Jan. 2039
	Satsumasendai-shi, Kagoshima	In operation	2.2 MW	32	Apr. 2039
	Minamikyushu-shi, Kagoshima	In operation	1.2 MW	32	Mar. 2039
	Minamikyushu-shi, Kagoshima	In operation	0.7 MW	32	Apr. 2039
	Kirishima-shi, Kagoshima	Under construction	1.7 MW	36	-
	Takasaki-shi, Gunma	Under construction	53.6 MW	32	-
	Takasaki-shi, Gunma	Under construction	11.6 MW	40	-
Solar subtotal 7 projects		-	81.9 MW	-	-
Wind	Tainai-shi, Niigata	In operation	20.0 MW	22	Sep. 2034
	Kusu-machi, Kusu-gun, Oita	In operation	11.0 MW	20.72	Mar. 2025
Wind subtotal 2 projects		-	31.0MW	-	-
Hydroelectric	Myoko-shi, Niigata (Power Generation Facility 1)	In operation	1.5 MW	27	Dec. 2039
	Joetsu-shi, Niigata (Power Generation Facility 2)	In operation	3.2 MW	27	Dec- 2040
	Myoko-shi, Niigata (Power Generation Facility 3)	In operation	3.9 MW	-	-
Hydroelectric subtotal 3 projects		-	8.8MW	-	-
Total 12 projects		-	121.8MW	-	-

Status of Sponsor Pipeline (2)


- Aim to build a more balanced portfolio that consists of wind and hydroelectric facilities in the future

Solar




- ▲ Management is relatively easy
- ▲ Output increases in summer
- ▼ Inability to generate power in the night-time

Wind



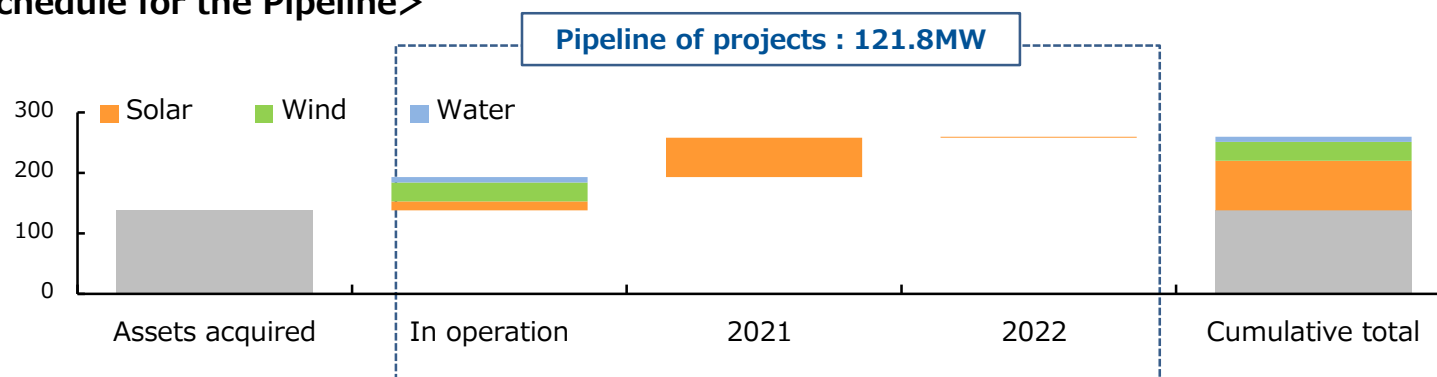
- ▲ Ability to generate power in the night-time
- ▲ Output increases in winter
- ▼ Development period is long
- ▼ Sophisticated management know-how is required
 - Subsidiary with expertise in the Enex Group

Hydroelectric



- ▲ Ability to generate power in the night-time
- ▲ Output increases during periods when snow melts
- ▼ Suitable locations are limited
- ▼ Complexity of land rights issues

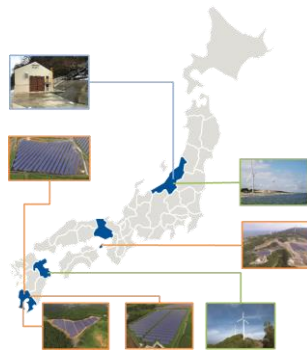
<Operation Schedule for the Pipeline> (MW)



Measures for Growth

■ Multifaceted approach for future growth

Acquisition of Sponsor's pipeline



Energy source	Location	Status	Output capacity	F2T unit price (yen/kWh)	Expected expiration of F2T term
Solar	Niigamawagi-shi, Niigata	In operation	10.7 MW	40	Apr. 2038
	Senamondai-shi, Kagoshima	In operation	2.2 MW	32	Apr. 2038
	Hiwamatsu-shi, Kagoshima	In operation	1.2 MW	32	Mar. 2038
	Hiwamatsu-shi, Kagoshima	In operation	0.7 MW	32	Apr. 2038
	Kushima-shi, Kagoshima	Under construction	1.7 MW	36	-
	Takasaki-shi, Gunma	Under construction	53.6 MW	32	-
	Takasaki-shi, Gunma	Under construction	11.6 MW	40	-
Solar subtotal 7 projects			81.9 MW	-	-
Wind	Tama-shi, Niigata	In operation	20.0 MW	22	Sep. 2034
	Kume-machi, Niigata-shi, Niigata	In operation	11.0 MW	20.72	Mar. 2023
Wind subtotal 2 projects			31.0MW	-	-
Hydroelectric	Musko-shi, Niigata (Power Generation Facility 1)	In operation	1.5 MW	27	Dec. 2038
	Sonohashi-shi, Niigata (Power Generation Facility 2)	In operation	3.2 MW	27	Dec. 2040
	Musko-shi, Niigata (Power Generation Facility 3)	In operation	3.9 MW	-	-
Hydroelectric subtotal 3 projects			8.6MW	-	-
Total 12 projects			123.4MW	-	-

Broad pipeline with warehousing fund

About the Fund

GP /Asset Manager	Mercuria Investment Co.,Ltd
Vehicle	G.K. Higateru
Fund size	¥10 billion (plan)
Establishment	Dec, 2020

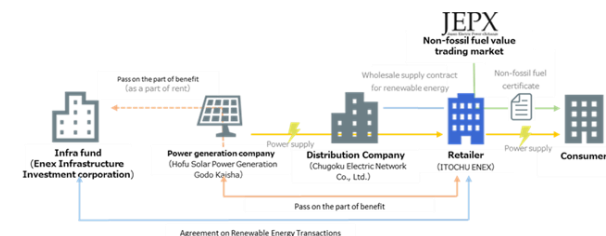
Active sourcing



Financial management

- ✓ Green Loans
- ✓ Green Equities
- ✓ Bonds, Green bonds etc.

Promotion of renewable energy with sponsor



5.

Appendix

Overview of EII

■ Corporate Profile

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

■ History

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



Comprehensive support by sponsors with diverse characteristics and strengths



Equity stake in the Asset Management Company: 50.1%

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



SUMITOMO MITSUI TRUST BANK

Equity stake in the Asset Management Company: 22.5%

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



マーキュリアインベストメント

Equity stake in the Asset Management Company: 22.5%

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



Maiora Asset Management Pte. Ltd.

Equity stake in the Asset Management Company: 4.9%

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

Wide-Ranging Support from the Sponsors (1)

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



SUMITOMO MITSUI TRUST BANK



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

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



Enex Electric Power Co., Ltd.

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

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



ITOCHU ENEX CO.,LTD.



SUMITOMO MITSUI TRUST BANK



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

ESG Initiatives (EII and Enex Group)

- **Our basic principle:**
We aim to contribute to the global environment and realize a sustainable society by promoting renewable energy, which is a low-carbon energy source.

Environment

- Promotion and expansion of renewable energy
- Contributing to the global environment and helping to bring about a sustainable society
- Realizing a low-carbon society, resource conservation and a recycling-based society
- Preserving local environments
- Pursuing energy efficiency

- ▶ Contribution to the global environment through investment in renewable energy



Social

- Providing a stable supply of energy
- Implementing working style reforms and utilizing diverse human resources
- Making a social contribution to local communities (Reconstruction assistance, volunteer activities)
- Promoting lifestyle sustainability in local communities (responding to aging population)
- Advancing value-added services

- ▶ Response to the Act on Promotion of Women's Activity and Next Generation Nurturing Support Measures
- ▶ Embracing Diversity
Cultivating the Next Generation of Leader



Governance

- Compliance
- Information disclosure toward global market and transparency
- Appropriate business management
- Fulfilling corporate social responsibilities and ensuring compliance
- Upholding industrial safety and health standards
- Same boat investments

- ▶ Sponsor group's investment
- ▶ Proactive disclosure system, including in English

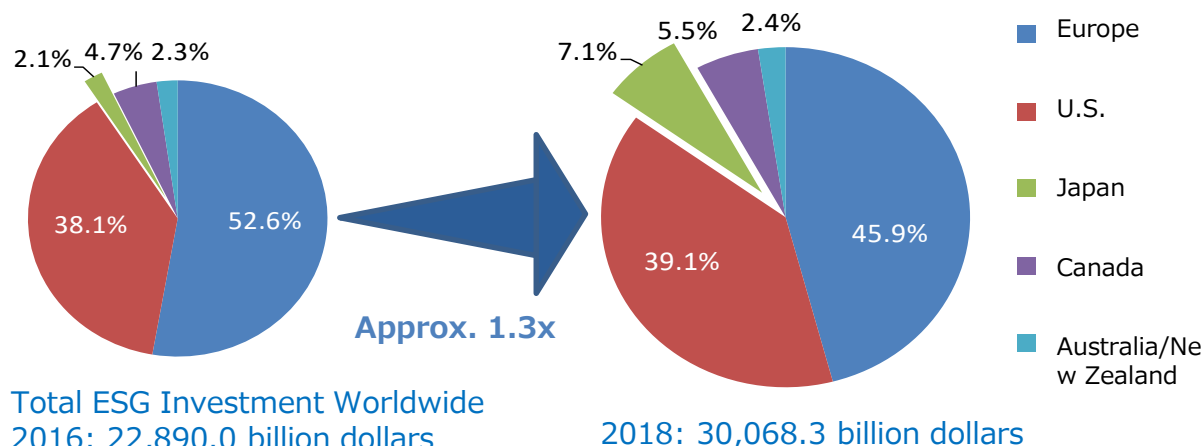


Source: The chart above is a summary of the ESG initiatives of the Investment Corporation, the Asset Manager and the Enex Group, and includes items that are not directly related to the Investment Corporation or the Asset Manager.

Renewable Energy as an Investment Target

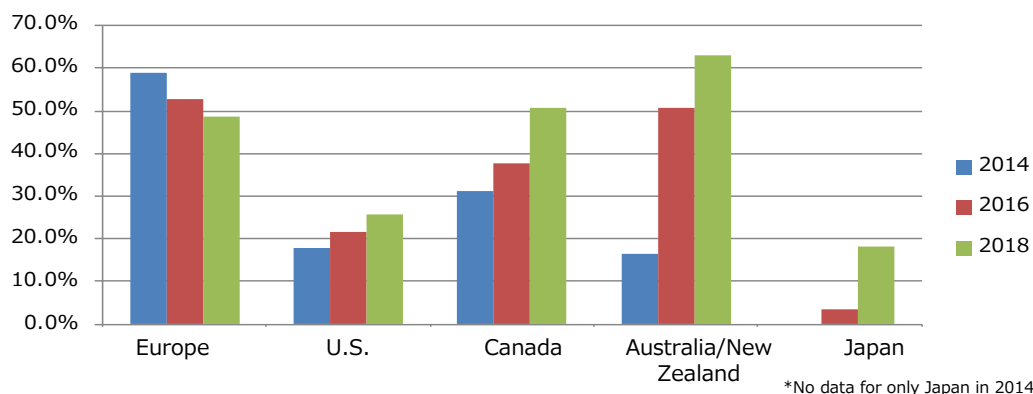
- The ESG investment market in Japan will continue to follow the path of expansion going forward

<Global Share of ESG Investment>



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

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



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

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

Rent Scheme of EII

■ Setting up flexible rent schemes based on the facilities to maximize unitholder value

	5 Assets acquired at IPO	Acquired in the 3rd period (Nagasaki Kinkai Solar Power Plant)	New acquisition (Matsusaka Solar Power Plant)
	Securing high rent revenue	Stable basic rent revenue with revenue upsides from performance- linked rent	Stable basic rent revenue with more revenue upsides from performance- linked rent
(A) Basic rent	Basic rent regardless of actual performance 100% of the projected electricity revenue of the projected energy output (P50)	Basic rent regardless of actual performance 90% of the projected electricity revenue of the projected energy output (P50)	Basic rent regardless of actual performance 90% of the projected electricity revenue of the projected energy output (P50)
(B) Performance-linked rent	When the actual revenue from electricity sales exceeds 110% of the projected electricity revenue of the projected energy output (P50) 50% of such surplus	Amount exceeding the basic rent amount and less than the projected electricity revenue (P50) +25% of surplus when the actual revenue from electricity sales exceeds 100% of the projected electricity revenue of the projected energy output (P50)	Amount exceeding the basic rent amount and less than the projected electricity revenue (P50) +50% of surplus when the actual revenue from electricity sales exceeds 100% of the projected electricity revenue of the projected energy output (P50)
(C) Resource for supplementing reserve	Actual electricity revenues less the projected electricity revenues of the projected energy output (P50) and performance-linked rent (B)	75% of surplus when the actual revenue from electricity sales exceeds 100% of the projected electricity revenue of the projected energy output (P50)	50% of surplus when the actual revenue from electricity sales exceeds 100% of the projected electricity revenue of the projected energy output (P50)
Total rent	An amount obtained by deducting estimated operating management cost and required expenses from the sum of (A) and (B)	An amount obtained by deducting estimated operating management cost and required expenses from the sum of (A) and (B)	An amount obtained by deducting estimated operating management cost and required expenses from the sum of (A) and (B)

Impact of Power Curtailment

- Kusu and Kinkai were the only power plants subject to power curtailment
- No impact on EII's profit plan thanks to the rent stabilization scheme

Impact of Output Curtailment

- In the first interim of the 3rd FP, output curtailment was implemented on mainland Kyushu for 25 days at JEN Kusu Solar Power Plant and for 24 days Nagasaki Kinkai Solar Power Plant
- The impact on the lessee's estimated profits for EII's entire portfolio was limited (approx. 0.68% on annual base and approx. 1.36% on interim period base)
- Impact on rent income is limited by adopting a rent scheme that focuses on stability

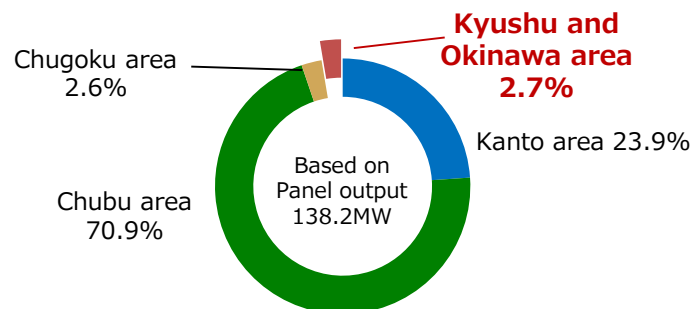
Efforts to reduce output curtailment

- Discussion for the reduction of power curtailment is underway at the working group of Agency for Natural Resources and Energy
 1. Utilization of Power Transmission System to Other Areas
 2. Utilization of Real-time Recognition System of Demand-Supply
 3. Lowered Minimum Output of Thermal Power Generation
 4. Consideration of Power Curtailment from Economic Point of View

Source: Agency for Natural Resources and Energy
Advisory Committee for Natural Resources and Energy, Committee on Energy Efficiency and Renewable Energy, New and Renewable Energy Subcommittee
#18 meeting (November 12, 2018)

Percentage of Kyushu Area in the portfolio

- The percentage of the projects located within the service area of Kyushu Electric Power was limited (2.7% panel output capacity basis) following the new acquisition



Memo: Mechanism of Curtailment

In order to maintain the supply-demand balance of electricity and avoid widespread power shortages, it is necessary to adjust output when supply exceeds demand. In such a case, the "prioritized power supply rule" dictates the order and reasoning by which output should be aligned with demand.

Response Based on the Prioritized Power Supply Rule

- (1) Output curtailment of thermal (oil, gas, coal), utilization of pumped water
- (2) Power transmission to other regions (power transmission system)
- (3) Output curtailment of biomass power plants
- (4) Output curtailment of solar and wind power
- (5) Output curtailment of long-term fixed energy source* (hydroelectric, nuclear, thermal)

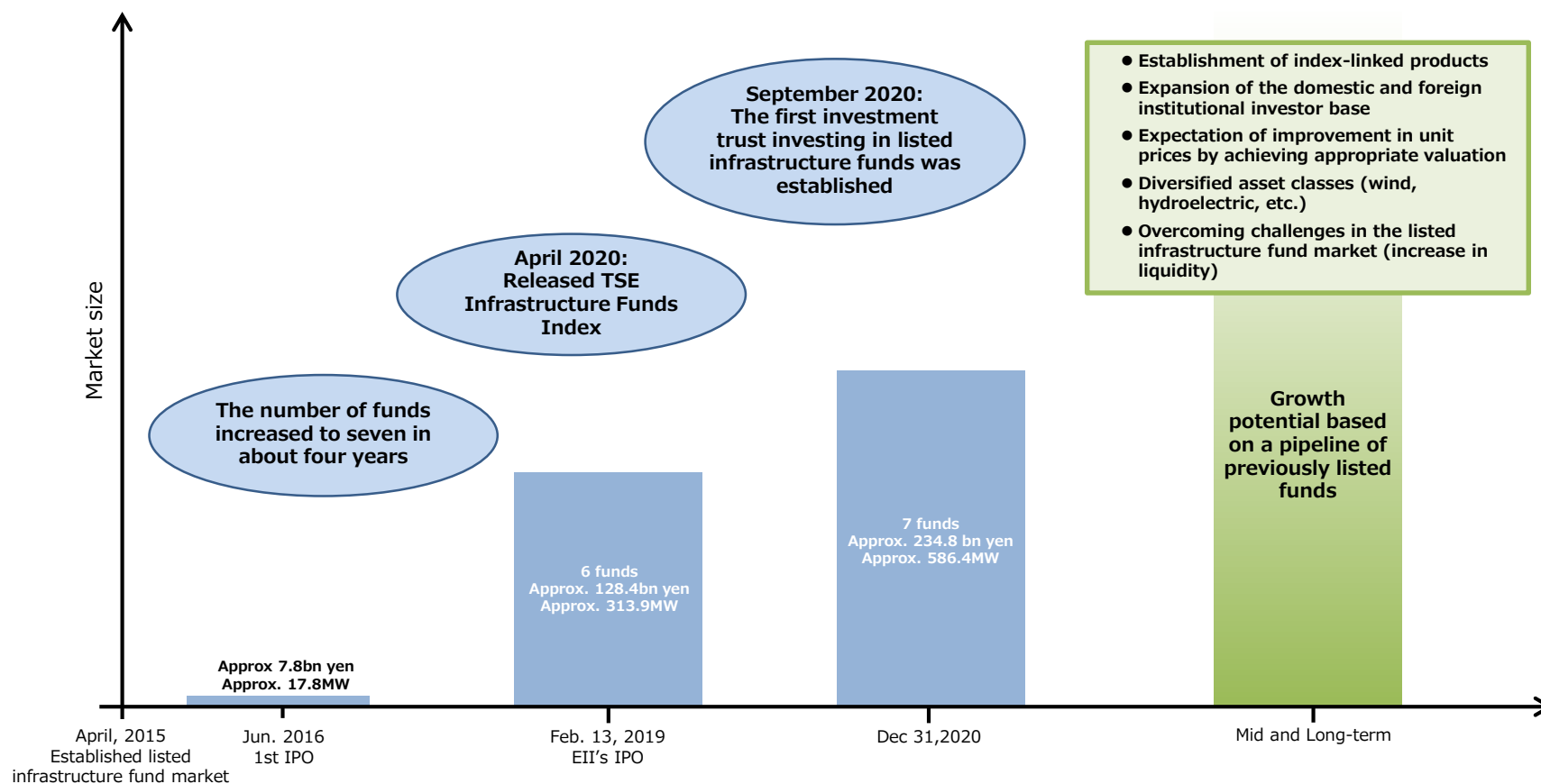
*Output curtailment is technically difficult

Source: Agency for Natural Resources and Energy

Growth Potential of the Listed Infrastructure Fund Market

- The steady increase in the asset value of listed infrastructure funds and the rollout of the TSE Infrastructure Fund Index are expected to expand the listed infrastructure market and facilitate improvement of liquidity and expansion for the base of institutional investors of the TSE infrastructure fund market

<Changes in Market Size of the Listed Infrastructure Fund Market >



Note : The contents of the chart above as mid and long-term outlook state elements that we consider to be relevant not only to EII but to listed infrastructure funds in general, and there is no guarantee that such events will actually occur in the future, nor that they will be sustainable. There is no assurance that renewable energy generation facilities, other than solar power generation facilities, will be incorporated into the listed infrastructure fund's assets in the future. In addition, there is no guarantee that there is a relationship between individual elements.

Source : Compiled by the Asset Manager based on the materials published by each investment corporation as of Dec. 31, 2020

Balance Sheet

Balance Sheet

(Unit: thousand yen)

	3rd FP period (Nov 30, 2020)
Assets	
Current assets	
Cash and deposits	823,502
Operating accounts receivable	118,731
Prepaid expenses	38,690
Consumption taxes receivable	-
Other	1,672
Total current assets	982,595
Non-current assets	
Property, plant and equipment	
Machinery and equipment	17,855,100
Accumulated depreciation	(1,496,246)
Machinery and equipment, net	16,358,853
Total property, plant and equipment	16,358,853
Intangible assets	
Leasehold rights	1,440,541
Trademark right	693
Software	7,356
Total intangible assets	1,448,550
Investments and other assets	
Guarantee deposits	70,000
Long-term prepaid expenses	280,964
Deferred tax assets	8
Total investments and other assets	350,972
Total non-current assets	18,158,377
Total assets	19,140,973

(Unit: thousand yen)

	3rd FP period (Nov 30, 2020)
Liabilities	
Current liabilities	
Current portion of long-term borrowings	670,660
Operating accounts payable	77,685
Accounts payable - other	43,548
Income & Consumption taxes payable	25,163
Accrued expenses	218
Other	553
Total current liabilities	817,830
Non-current liabilities	
Long-term borrowings	9,736,620
Asset retirement obligations	495,744
Total non-current liabilities	10,232,364
Total liabilities	11,050,194
Net assets	
Unitholders' equity	
Unitholders' capital	8,121,664
Deduction from unitholders' capital	
Reserve for temporary difference adjustments	(18,365)
Other deduction from unitholders' capital	(232,317)
Total deduction from unitholders' capital	(250,682)
Unitholders' capital, net	7,870,981
Surplus	
Unappropriated retained earnings (undisposed loss)	219,797
Total surplus	219,797
Total unitholders' equity	8,090,778
Total net assets	8,090,778
Total liabilities and net assets	19,140,973

Statements of Income

Statements of Income

(Unit: thousand yen)

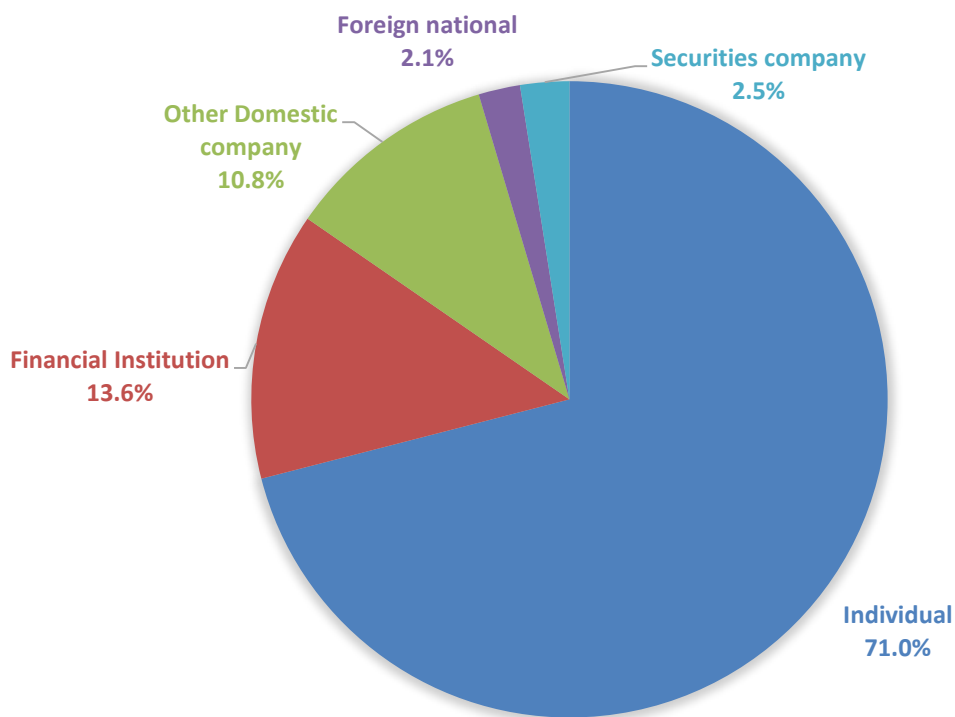
3rd FP period
From December 1, 2019
to Nov 30, 2020

Operating revenue	
Rent revenue – renewable energy power generation facilities	1,570,973
Total operating revenue	1,570,973
Operating expenses	
Rent expenses - renewable energy power generation facilities	1,116,947
Asset management fee	61,585
Asset custody fees and administrative service fees	23,444
Directors' compensation	8,400
Other operating expenses	43,760
Total operating expenses	1,254,138
Operating income	316,835
Non-operating revenues	
Interest income	9
Interest on tax refund	1,443
Total non-operating revenues	1,452
Non-operating expenses	
Interest expenses	83,586
Borrowing related expenses	13,266
Other non-operating expenses	-
Total non-operating expenses	96,853
Ordinary income	221,434
Net income (loss) before income taxes	221,434
Income taxes – Current	1,638
Income taxes – Deferred	23
Total income taxes	1,661
Net income	219,772
Retained earnings (deficit) brought forward	24
Unappropriated retained earnings (undisposed loss)	219,797

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

<Unitholder Category>

INVESTMENT UNIT NUMBER RATIO



<Major Unitholders>

Name or company name	Number of investment units held (units)	As a percentage of total number of investment units issued and outstanding (%)
1. The Fukuho Bank. Ltd.	2,920	3.18
2. Itochu Enex Co., Ltd.	2,370	2.58
3. The Master Trust Bank of Japan, Ltd. (Trust Account)	1,950	2.12
4. Yamato Shinkin Bank	1,900	2.07
5. Individual	1,800	1.96
6. The Bank of Fukuoka, Ltd.	1,631	1.78
7. Kitajima Koumuten Co., Ltd.	1,629	1.77
8. Individual	1,210	1.32
9. Mercuria Investment Co., Ltd.	1,065	1.16
10. Sumitomo Mitsui Trust Bank, Limited	1,065	1.16

Disclaimer

- This material is intended for the purpose of providing information and is not intended for the purpose of offering or soliciting investment in or recommending the trading of specific products. When making any investment decision, we ask investors to do so at their own judgment and responsibility.
- This material is not a disclosure document or investment report in accordance with the Financial Instruments and Exchange Act, the Act on Investment Trusts and Investment Corporations or the Tokyo Stock Exchange listing regulations.
- This material contains descriptions about Enex Infrastructure Investment Corporation (“EII”), as well as charts, tables, data, and the like prepared by Enex Asset Management Co., Ltd. (the “Asset Management Company”) based on data, indexes, and the like published by third parties. It also contains descriptions on the Asset Management Company’s analysis, judgment and other views.
- The content of this material is unaudited, and its accuracy and reliability are not guaranteed. In addition, the Asset Management Company’s analysis, judgment or other views that are not facts simply represent its views at the time of preparation of this material, and it is possible that there are views different from those or that the Asset Management Company will change its view in the future.
- Due to difference in rounding of figures, and the like, figures may be different from those of the same items in other disclosed materials.
- While due attention has been paid in preparing this material, it may contain errors and the like, and may be revised or corrected without prior notice.
- EII and the Asset Management Company shall not bear any responsibility for accuracy of data, indexes, and the like published by third parties.
- While this material contains statements on EII’s future policies and the like, such statements will not guarantee the future policies and the like.
- For the purpose of preparing charts, indicated dates may be different from business days.

Contact for Inquiries

Finance & General Accounting Department, Enex Asset Management Co., Ltd.
Tel: 03-4233-8330 Fax: 03-4533-0138